



CORPORATE GOVERNANCE COMMITMENT STATEMENT

INTRODUCTION AND OVERVIEW

InNature Berhad (“InNature or “the Group”) is committed to upholding good corporate governance as provided for in the Malaysia Code of Corporate Governance (“MCCG”), Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Berhad and other applicable laws, codes and governance bodies of Malaysia.

The Group’s application of the various Practices of the MCCG 2021 is provided in its Corporate Governance Report (“CG Report”) which is available at: <https://innature.com.my/investor-relations/annual-reports/>.

BOARD CHARTER AND COMPOSITION

InNature’s Board of Directors is guided by a well-defined Board Charter and Company Constitution. The Board Charter defines the Board’s roles and responsibilities, as well as those of the Board Committees, the Board Chairman, Managing Director, Chief Executive Officer, Senior Independent Director, and individual directors, as well as matters reserved for the Board. The Board Committees’ scope of work is also guided by their respective Terms of Reference.

The Board Charter is revised from time to time in tandem with changes in regulations and the emergence of new corporate best practices. The Board Charter is available at: <https://innature.com.my/corporate-governance/>.

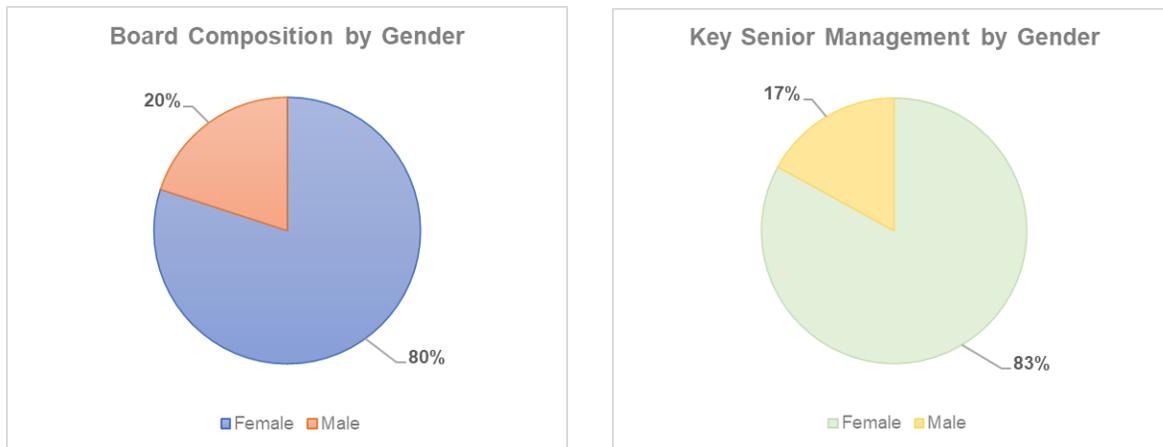
SEPARATION OF THE ROLE OF CHAIRMAN AND THE EXECUTIVE

At InNature Berhad, the positions of Board Chairman, Managing Director and Chief Executive Officer are held by different individuals. While the Board Chairman and Managing Director are spouses, the Chief Executive Officer is not related to either the Board Chairman or the Managing Director.

ROLE OF CHAIRMAN OF THE BOARD	ROLE OF THE MANAGING DIRECTOR	ROLE OF THE CHIEF EXECUTIVE OFFICER
<p>The Chairman's responsibilities are as follows:</p> <ul style="list-style-type: none"> • Continuing to drive sustainability and good corporate governance practices in the Group; • Set the agenda for Board meetings and drive active discussion on all matters brought to the Board, including Board papers. This includes ensuring that all members are given opportunities to voice their views including dissenting or different views; • Ensuring that the views of stakeholders, including minority shareholders, are represented or given due consideration within the Board's deliberation and decision making processes; • Representing the Board to shareholders and ensuring effective communication with stakeholders and that their views are communicated to the Board as a whole; and • Ensuring that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance. 	<p>The Managing Director is responsible to the Board for the overall management and performance of the Company and Group.</p> <p>The Managing Director's responsibilities are as follows:</p> <ul style="list-style-type: none"> • Providing executive leadership to the Group and act as the Group's interface with its operating environment and the general business and investment community; • Overseeing implementation of corporate strategies and the Group business plan; • Overseeing development and implementation of risk management and internal control frameworks; • Overseeing the development and implementation of the Group's sustainability strategies and initiatives; • Providing sufficient and relevant information to the Board in a timely manner, to enable the Board to effectively discharge its responsibilities; and • Serving as chief spokesperson for the Group. 	<p>The CEO's responsibilities are as follows:</p> <ul style="list-style-type: none"> • Driving formulation of corporate strategies and business plan for approval by the Board; • Leading the Executive Committee and other management teams in implementing corporate strategies and business plan; • Engaging in the overall management of the Group's operations and business; and • Driving development and implementation of the Group's sustainability strategies and initiatives.

GENDER DIVERSITY

In its Boardroom Diversity Policy, InNature has set a target for 50 percent female representation on the Board. For 2022, 80 percent of its Board of Directors and 83 percent of its Key Senior Management are women.



AUDIT AND RISK MANAGEMENT COMMITTEE

The Company's Audit and Risk Management Committee ("ARMC") is made up of three non-executive directors, the majority of whom are independent. The ARMC is chaired by Dato' Maznah, the Company's Senior Independent Director. According to the ARMC Terms of Reference, none of the ARMC members were former audit partners, who are required to serve a two-year cooling-off period before being appointed.

The ARMC is governed by Bursa Malaysia Main Market Listing Requirements, Terms of Reference of ARMC and subject to annual evaluation on the overall and individual members' performance. For more information about the Committee, please refer to the ARMC Report in the 2022 Annual Report (<https://innature.com.my/investor-relations/annual-reports/>) and the abovementioned Terms of Reference (<https://innature.com.my/corporate-governance/>).

ENTERPRISE RISK MANAGEMENT FRAMEWORK

In 2022, the Board adopted the Enterprise Risk Management ("ERM") Framework which outlines the Group's risks and the process of identifying, assessing, managing, monitoring, and communicating the risk. This ERM Framework is developed based on ISO 31000:2018 Risk Management Guidelines.

Following the adoption of ERM Framework, the Group conducted a structured risk identification exercise involving all the risk owners, formally documenting risks faced by the Group in the business. The identified risks were then deliberated among the internal stakeholders on priorities and mitigation plans, and a summary of risk registers were presented to the ARMC and the Board in February 2023.

Further information on the ERM Framework can be found at the Statement of Risk Management and Internal Control section of the 2022 Annual Report (<https://innature.com.my/investor-relations/annual-reports/>).

THE CODE OF CONDUCT AND BUSINESS ETHICS

Since 2019, the Board has implemented the Code of Conduct and Business Ethics ("Code"), which sets the standard of conduct required of the Group's directors and employees. Subjects relating to Speak Out (whistle blowing), conflict of interest, bribery and corruption, accepting and/or providing gifts, confidential and proprietary information, equal opportunity and non-discrimination at work, sustainable development, and more are all covered by the Code.

The Code consists of the following provisions:

- Whistle-blowing (known as "Speak Out" for the Group);
- Conflict of interest;
- Bribery and corruption;
- Accepting / providing gifts, benefits and courtesies;
- Confidential and proprietary information;
- Money laundering;
- Antitrust / competition law;
- Equal opportunity and non-discrimination at workplace; and
- Sustainable development.

The Group implemented its annual declaration of conflict of interest, requiring each employee to declare any conflict of interest within a set timeframe. The Human Resource Department retains the declaration for record-keeping purposes.

Further information on the Code can be found here: <https://innature.com.my/corporate-governance/>.

SPEAK OUT CHANNELS (WHISTLE-BLOWING)

The Speak Out Channels allow employees or other stakeholders to report genuine wrongdoings while ensuring informant's rights are protected. Whistleblowing reporting made via InNature's corporate website or speakout@innature.com.my is accessible only by the Audit and Risk Management Committee, and will be discussed at Board level for next course of action. The Group did not receive any whistleblowing reporting in 2022 and as of the date of this Annual Report.

Further information on the Speak Out channel including its mechanisms, provision of confidentiality to informant and protection from reprisals is available in the Code here: <https://innature.com.my/corporate-governance/>.

ZERO TOLERANCE ON CORRUPTION

The Group has developed its Anti-Bribery and Corruption ("ABC") policy in accordance with the provisions of the Malaysian Anti-Corruption Commission ("MACC") Act to elaborate its principles and guidelines against any bribery and corruption activities which may arise in the course of business.

This ABC policy elaborates the scope of what constitutes as corrupt acts or activities and the necessary disciplinary action that may be taken depending on the nature and the severity of the case.

This ABC policy is applicable to the Board of Directors, Senior Management, employees as well as external stakeholders, including customers and the Group's supply chain. The full ABC policy is available at <https://innature.com.my/corporate-governance/>.

The Board, Senior Management and employees are required to not participate in any forms of corruption; to not give or accept any forms of bribery or to solicit favours or gratification in exchange for any form of contracts or benefits. In addition, all parties are also required to report any incidences of corruption to the Group, notably via the Speak Out channels provided.

The Group's stance on corruption is communicated to suppliers through the inclusion of anti-corruption clauses in the Ethical Trade Policy and Supplier Code of Conduct ("Supplier Code of Conduct") and purchase orders. Suppliers accepting the purchase order are deemed to have affirmed their acknowledgement and willingness to abide by the ABC policy.

The Group has not been fined nor involved in any litigation in relation to corruption and bribery. None of the employees have been reported, disciplined or dismissed due to non-compliance with InNature's ABC policy.

BOARD OVERSIGHT ON ANTI-CORRUPTION AND WHISTLEBLOWING

Anti-corruption comes under the purview of the Board. The ABC Policy is reviewed periodically by the Board to ensure it remains relevant with the latest development.

ANTI-CORRUPTION COMMUNICATION AND TRAINING

The Group's policies on anti-corruption and whistleblowing are communicated to employees during inhouse trainings. In 2022, all management employees completed a specific course on anti-bribery training conducted by an external consultant.

APOLITICAL POSITION

InNature remains an apolitical organisation and does not support or lobby any particular political party, neither does it make political donations or contributions to politicians.

However, the Group actively organises various campaigns for environmental and social justice, calling on action from the government of the day. Such campaigns or events may see the attendance of government representatives who are also politicians.

The Group also believes in encouraging youth participation in public life, and active citizenship as part of its commitment to nation-building.

PROTECTING CUSTOMER DATA

Being in the retail business, InNature is cognisant that it manages a wide range of personal data, including customer's data. This includes financial and other personal information that has been collected with the full consent of the data owner.

In managing data and information, InNature adheres to relevant data privacy laws, including the Malaysia's Personal Data Protection Act 2010 ("PDPA"). The confidentiality of data is assured through robust protection mechanisms such as ICT security systems, limiting access to only pertinent employees, seeking data owners' consent and informing them of changes, where necessary and more. In 2022, there were zero cases of data breach.

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