



SUPPLY CHAIN COMMITMENT STATEMENT

OUR SUPPLY CHAIN

InNature Berhad believes in business as a force for good and this is embodied in every aspect of our business processes and operations. As responsible corporate citizens, we believe that we possess the power to make a difference.

From the clients we engage with to our colleagues, suppliers, and communities with whom we do business, each one represents an opportunity to transform, inform, and inspire through education. We aspire to progress greater equality of rights and opportunities through education. Our guiding objective has always been to create shared value through sustainable practices and to use our position to advocate for social and environmental change.

We believe that our Group plays an active role in our society because, through our interactions with our Suppliers, we are able to reach out to the greater community to raise awareness about social and environmental issues, as well as to speak up and influence change.

OUR ETHICAL TRADE POLICY

InNature Berhad is dedicated to conducting business and trading ethically. We strive to enhance the lives of our supply chain workers and the environment. We owe it to our customers to ensure transparency in the working conditions of those who supply us with goods. We encourage our suppliers to engage in a process of positive engagement and continuous improvement in accordance with environmental performance requirements and targets.

Through our Supplier Code of Conduct, all suppliers within the scope of the programme will be aware of InNature Berhad's expectations. Suppliers must sign and provide a signed copy of the Supplier Code of Conduct to the Company.

All else being equal, InNature Berhad gives preference to suppliers owned by women or individuals from underrepresented demographics and continuously support local and/or minority owned organisations.

OUR SUPPLIERS

At InNature Berhad, we strive to be a sustainably principled company by employing business standards and practices that produce social, environmental and economic benefits for the communities where we do business. We believe that conducting business responsibly benefits society as well as our various stakeholders, which also includes our employees, customers, suppliers, investors, and members of the community.

We regard our suppliers as vital partners who contribute to the sustainability of our company's long-term success. As a critical part of our value chain, the performance of our suppliers directly impacts the sustainability performance and commitments of InNature. We have been monitoring the ESG practices of our primary supplier, The Body Shop International, through its Sustainability Report and Annual Report.

Our environmental and ethical policies are closely aligned with The Body Shop International, who also serve as our franchisor. Other potential suppliers are screened by the required qualifications in the table below:

Suppliers' Classification, Screening and Target Required Per Classification

Group	Relevant Categories	Screening Required	Commitment Required
I	<ul style="list-style-type: none"> ▪ All branded Finished Goods/Retailed Product, Shop Fit, Sampling sourced from The Body Shop. 	<ul style="list-style-type: none"> • B-Corp Certification obtained. • Reduction in GHG emission. • Meet standards related to solid waste production. ▪ Fit good Biodiversity practices 	<ul style="list-style-type: none"> • Collection of data and report on GHG emissions, water footprint and solid waste. ▪ Reduction of minimum 10% in GHG emission, solid waste, impact on biodiversity by 2030.
II	<ul style="list-style-type: none"> • Printing > RM50k annual spend (POS, catalogues, cartons, carrier bags, gift boxes, packing boxes). • Promotional items > RM50k annual spend (including props, launch support, gifts, etc). • Bespoke stationery items > RM20k (for example till rolls). • Store lighting. • Store flooring. ▪ Freight, transport and warehousing services. 	<ul style="list-style-type: none"> • Code of Conduct signed. 	
III	<ul style="list-style-type: none"> • Non-branded items from suppliers with < RM50k annual spend. • Generic stationery items. • Local contractor, event services and installation teams. • Transport and packing consumables (for example corrugated, tape, film, wrap, etc). • All facility and professional services not listed (for example catering, security). • Store services and rental of property. 	<ul style="list-style-type: none"> ▪ Out of Scope 	

ENSURING SUSTAINABILITY AND ETHICS

We foster sustainable procurement by promoting and ensuring that suppliers follow excellent ESG practises. This is reflected in our Ethical Trade Policy and Supplier Code of Conduct. The table shown above represents our high screening nature and strict commitment in requiring the supplier of The Body Shop products to be B-Corp certified. B-Corps are businesses that uphold the highest social and environmental standards for its employees and the world.

All suppliers within the Group 1 category are required to perform self-assessments, obtain a B-Corp certification, and notify InNature Berhad when the certification is up for renewal. They will be screened for good GHG emission reduction practices, solid waste production standards, and biodiversity practices. They must also provide data and accomplishments toward the reduction of GHG emissions, solid waste, and impact on biodiversity by 2030.

The Body Shop International, which is principally our supplier in Group I, has been B-Corp certified since 2019. The Body Shop International has published its Modern Slavery Statement which outlines its governance and management strategy in addressing modern slavery issues, providing an overview on risks identified in its supply chain, and disclosing their due diligence processes in preventing labour exploitation. Moreover, The Body Shop International also engages with various entities such as Ethical Trading Initiative and International Transport Workers Federation to stay informed of emerging risks in supply chain.

If available, all suppliers in Group II are encouraged to share a copy of a completed ethical screening with InNature Berhad.

Before introducing and signing on new suppliers, InNature Berhad expects the staff who engage with them to conduct a preliminary risk assessment based on the requirements contained in the Supplier Code of Conduct. The staff are required to explain:

- The need for total transparency of working conditions;
- The requirement of regular assessment if we discover non-conformity to the Supplier Code of Conduct and the policy requirements;
- The commitment to continuous improvement;

All of which are requirements of conducting business with InNature.

GOVERNANCE AND OVERSIGHT OF SUPPLY CHAIN

InNature Berhad recognizes the difficulties of supplying goods and services in a fast-paced retail environment and does not anticipate pristine circumstances all of the time.

We recognise that there will be improvements to be made, and we pledge to provide suppliers the time and space they need to implement those changes.

We will continue to pursue suppliers who are transparent about the challenges they are addressing and working on for improvement. However, if we are not confident of the transparency, we may decide to end the trading relationship.

To combat arising non-compliance issues, InNature shall develop a Corrective Action Plan (“CAP”) that requires complete mutual agreement with our suppliers. All suppliers are expected to commit to the improvement and follow-up on the corrective action(s). All corrective activities must be verified through the use of desktop evidence.

CHARTING THE WAY FORWARD

At InNature Berhad, we are devoted to high performance standards in human rights, labour practises, environmental impact reduction, health and safety, ethical business, and unrivalled quality in our supply chain. Our supplier partners play an important role in ensuring that we meet these criteria.

Forging on, InNature Berhad will proceed with improving and strengthening our current Ethical Trade Policy and Supplier Code of Conduct, as well as develop ongoing and future initiatives and frameworks on environmental and social impacts in the supply chain.

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