

SUSTAINABILITY POLICY

INNATURE BERHAD

Document

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INNATURE BERHAD SUSTAINABILITY POLICY

InNature Berhad (the “**Company**” or “**InNature**”, and together with its subsidiaries, the “**Group**”) has developed this sustainability policy to help bring focus and direction to matters relating to sustainability. Being a leading regional retailer in cosmetics and personal care products, InNature recognises the responsibility it has in the Environmental, Economic and Social (“**EES**”) aspects and the impact of its operations in the general ecosystem it operates in.

Our Group believes in business as a force for good and this is embodied in every aspect of our business processes and operations. We believe that as corporate citizens, we possess the power to make a difference. From the customers we engage with, to the colleagues we work with, to the communities which we trade with; each one represents an opportunity to change, to inform, and to inspire through education. And through education, we aspire to progress greater equality of rights and opportunities. Creating shared value through sustainable practices and using our position to campaign for social and environmental change, has always been our guiding principle.

Over the years, we have initiated and organised many campaigns for the conservation and protection of the environment and animals, as well as for human rights and women’s rights in particular. We regularly collaborate with non-governmental organisations to campaign for these environmental and social causes.

We believe that our Group has an active role to play in our society, because through our network of stores and our social media, we are able to reach out to consumers to create awareness on social and environmental issues and to speak out and effect change.

Policy Objectives

Our mission is to use our business and influence to create a positive impact for our employees, customers, communities and environment. Our vision is for a future in which humanity and our Planet can flourish.

Our sustainability policies are intended to achieve the following objectives:

- Pursue a strong integration of sustainability best practices, protocols, principles, and responsibilities into InNature’s overall agenda and corporate governance.
- To integrate sustainable work habits and behaviors into the work environment throughout the Group.
- Ensure the Group’s Board of Directors (“**Board**”), Board Committees and senior management are fully involved and possess full oversight when it comes to policy execution, sustainability-related performance evaluations and overall performance targets.
- Maintaining the goal of assessing the expectations of our relevant stakeholders by analysing the Group’s EES matters according to our business model whilst also looking into related risks and opportunities involved.
- To share our values on sustainability with the community, leveraging on our collective power through our campaigns to unlock social equality, human rights and economic empowerment as well as to protect and regenerate our environment.
- To maintain our leadership in driving systemic change in the beauty industry – by continuing to campaign against animal testing, championing self-esteem of women as well as shaping a new norm in diversity and inclusion.
- To promote activism in the community to drive positive change in the environment and society, in particular, on the issue of women and youth empowerment.

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- Ensuring that supply chain requirements on EES as determined by our franchisor are embodied in our own EES policies as appropriate.
- To grow our business in Malaysia, Vietnam and Cambodia by offering sustainable, holistic solutions which will fulfil our customers' desire to make positive choices.
- To maintain our leadership in the retail industry in waste reduction and embracing circularity.

Policy Scope

This policy's scope considers InNature's initiatives, business operations and its activities. Our Policy covers our employees, customers, investors, regulators, vendors/suppliers, the media and relevant NGO's.

Sustainability-related performance targets and protocols that are in accordance with industry-recognised regulatory standards will continue to be adhered to by InNature. The following includes:

- Company Act / Corporate Law
- Employment Act / Labour Law
- Anti-Bribery / Anti-Corruption Law in operating countries
- Children and Young Persons (Employment) Act 1966
- United Nations Sustainable Development Goals ("UNSDGs")
- UN Global Compact 10 Principles
- Fair Trade Principles
- Cosmetics Good Manufacturing Practice (ISO22716)
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- Personal Data Protection Regulations
- Policies made by the Ethical Trading Initiative

We also have certain internal policies established that work alongside the above such as:

- Procurement Policy
- Ethical Trade Policy and Supplier Code of Conduct
- Corporate Disclosure Policy
- Anti-Bribery and Corruption Policy
- Director Remuneration Policy
- Limit of Authority Policy
- Code of Conduct and Business Ethics

InNature has adopted 8 out of the 17 UNSDGs as part of its sustainability agenda, as per the following:



Policy Roles and Responsibilities

At InNature, we carry the expectation that every single one of our employees have a degree of responsibility in following our sustainability driven approach. This applies to all levels of seniority from our Board of Directors and management to all team members in the office and stores. Sustainability policies need to be implemented and followed throughout the Group.

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That said, our Board and the committees involved along with senior management are responsible for overseeing our sustainability developments as well as all policies, strategies and initiatives that are related to sustainability matters. We are in the process of establishing a Board Sustainability Committee to govern matters pertaining to ESG that affect the Group.

Materiality sustainability matters

InNature has looked closely into our stakeholder engagement methods and integrated this when considering our material sustainability matters which are economic, environmental and social aspects that have an impact on both stakeholders and our business.

From this, we have split material sustainability matters into 4 categories to better align internal strategy and resources towards these matters:

Our People	<ul style="list-style-type: none">• Fair Compensation• Employee Well Being• Diversity & Inclusion• Occupational Health & Safety• Training & Development• Governance, Ethics & Integrity
Our Customers	<ul style="list-style-type: none">• Product Safety & Quality• Ethical Products & Values• Customer Service & Experience
Our Environment	<ul style="list-style-type: none">• Preservation• Conservation
Our Community	<ul style="list-style-type: none">• Community Development

Our Brands

We at InNature are a leading regional retailer of cosmetics and personal care products from Natura and The Body Shop brands. Not only do we retail and distribute their products but we also embody the same values that these brands possess when it comes to sustainability matters.

Initiatives taken by both these brands that help encourage sustainable actions, are a direct reflection on the stance InNature possesses. It is important to recognise that the brands we have chosen to be associated with maintain a strong stance on sustainability matters. This is why we believe it is important to include their initiatives in this policy as well.

Our People

At InNature, we value our people and strive to provide a fair and equitable place where all individuals are treated equally. In addition, we make a conscious effort to help our employees grow as people. We care for the well-being of our employees and have always strived to make the workplace a home to all employees. We celebrate the diversity of people and reject a stereotype of beauty or gender.

We value the health of our employees and place great emphasis on safety in our HQ and stores. This means taking practical steps to ensure that the products, services and operations do not harm or pose an unacceptable risk to the health and safety of any person affected by our activities, including our employees.

- Maintain a strong stance against any form of discrimination amongst employees, including age, gender, ethnicity, nationality, educational background, disability, sexual orientation and nationality.

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- Prevent harmful prejudices, sexual harassment and any other behaviour of hostility against women in the workplace.
- Ensure that equal opportunity is given whilst diversity and inclusivity across the Group's work environments is implemented.
- Ensure that our stance on women empowerment is reflected in our workforce, where at least 80% of our Board, senior management and staff comprise women.
- We provide all employees with fair and market competitive employee benefits and remuneration packages. Salary increments and monetary benefits are also given without any discrimination involved.
- Observe a merit-based approach in recruitment and promotion of any particular job position in order to employ the best potential for the respective job role.
- Periodically conduct fair and transparent performance appraisals for all applicable employees.
- All confirmed employees are covered by the Group Hospitalisation and Surgical Insurance, Group Personal Accidents and Group Term Life Insurance.
- Employees enjoy a variety of incentives and allowances including product allowances and staff discount rate for our Group's products.
- All employees are given 24 hours of paid volunteering time – the Group encourages its' employees to contribute to positive change through volunteering personally.
- All employees are encouraged to participate in the Group's Activism campaigns.
- Training programme provided to new employees along with on-the-job training.
- Closely monitor our employees well-being and safety status and promote a culture of occupational health and safety in the work environment.
- Encourage our employees to take special care of their physical, emotional and mental well-being and this would mean not subjecting themselves to constant overtime and instead have a more well balanced work-life balance.
- During the Covid-19 pandemic, the Group has established comprehensive SOPs in the stores for maintaining the safety of our staff and customers, including constantly monitoring their vaccination and risk status, ensuring social distancing measures which restricts the number of people instore, regular sanitization of work surfaces and high-touch areas, provision of PPE (personal protective equipment), implementation of contactless payment alternatives and processes including e-receipts, and more.

Our Customers

At InNature, we prioritise our customers and strive to ensure that we bring them quality products with joyful service and experience. Meeting the expectations and needs for our customers has always been a crucial objective for the Group since they have played an important role in our development. We are dedicated to keeping our customers satisfied and continuously working to improve their overall experience with our products.

- In order to accurately address our customers expectations and needs, clear customer satisfaction key performance indicators are established.
- Data collection and surveys are constantly carried out to gain a better understanding of customer satisfaction and expectations, that will be compared to established market standards
- We will continue to integrate more digital aspects into our customer experience in order to provide a more efficient and safe shopping experience due to COVID-19.
- Development and further improvement of our websites, e-newsletters, mobile applications, social media and online messaging service have been ongoing.

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- Quality control procedures such as physical inspections, quarterly audits, induction programmes for new employees and product display guidelines are implemented to ensure quality of our products and service.
- .We are dedicated to providing our customers efficacious naturally-based products which are ethically-sourced, cruelty-free and 100% vegetarian
- Our products undergo extensive cruelty-free testing method, in line with the brand's Forever Against Animal Testing campaign, to ensure they are safe and effective.
- Our products are produced ethically and sustainably. The Body Shop International has always committed to trading ethically, with sustainable sourcing of ingredients through its Community Fair Trade programmes. They are also committed to our consumers to ensure transparency of the working conditions of the people making the products.

Our Environment

We acknowledge that as a retailer, our activities no matter how small, have an impact. Our mission is therefore to mitigate and to surpass our own environmental footprint and be a net positive contributor in the fight against global warming and climate change. To InNature, conservation is a marathon, not a sprint. This is evidenced by the long term nature of all such projects undertaken by us.

- Expand our knowledge on environmental awareness amongst the Group, its employees and its stakeholders.
- Abide by government environmental regulations and legal standards.
- Work towards the goal of having net-zero carbon emission by examining the Group's impact on climate change and implementing more initiatives to become a zero waste business.
- Set goals and targets that work towards improving energy efficiency, waste reduction and circularity.
- Reduce energy consumption and carbon emissions by transitioning from physical meetings to online meetings. A solar photovoltaic system in the office has been installed to reduce our electricity consumption.
- A water harvesting system will be built in the office to harvest rainwater for usage in our washrooms.
- Other waste management initiatives that reduce paper and waste in the office environment are also implemented such as the abolishment of personal waste bins, installation of recycling bins on every floor, recycling paper for printing and etc.
- Collaborate with NGOs on an annual basis to implement projects for the improvement and conservation of our environment such as tree-planting and beach clean-ups.
- Eliminate the use of plastic bags, and continue to reduce the usage of paper bags given to customers by encouraging them to bring their own shopping bags through our "Kick The Bag Habit" campaign instore all year round. Proceeds from the recycled paper bag paid for by customers will be donated to support various environmental and community projects.
- Continue to improve our circularity efforts by encouraging our customers to return our empty plastic bottles through our "Bring Back Our Bottles" campaign. These bottles will be recycled into re-usable items such as fragrancers and combs.
- Monitor all levels of our supply chain to ensure they uphold a similar approach in environmental management practices and limiting environmental impact within their operations.
- Monitor our brand suppliers' reporting of their sustainability efforts and performance through their brand and corporate websites.

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- Our brand suppliers always strive to reduce our impact on the planet by redesigning our product packaging to use fewer materials, and more recycled and recyclable materials; to reduce the energy required to manufacture and review our product ingredients and formulas to help reduce their ecological footprint.

Our Community

We believe in shared prosperity. This is why enriching and empowering the community by improving livelihoods, bringing change and positive impact and enhancing lives is an intrinsic aspect of our DNA. We actively focus on causes relating to women and youth empowerment.

- Actively engaging with women's groups and youth groups to continuously drive positive change through our campaigns and supporting them through their activities to empower women and youths.
- Continuously support women groups through collaborating with them on campaigns and activities.
- Educating young women through our programs with school students on self-love and self-confidence.

Policy Disclosure

InNature will communicate this sustainability policy through the following channels:

- Meetings, presentations and employee orientations
- InNature's official website
- InNature's Annual Report and Sustainability Statement
- Internal seminars and workshops
- Group-wide e-mails and memos sent to all Group employees, management personnel and third-party business partners.

Policy Feedback and Inquiries

Any feedback, inquiries and concerns can be directed towards this contact:

Contact Person	:	John Tee
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