

ANTI-BRIBERY AND CORRUPTION POLICY

INNATURE BERHAD

Document

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1. Introduction

1.1 InNature Berhad and its subsidiaries (“InNature” or “Group”) are committed to uphold the highest standard of integrity, openness and accountability at all times in the conduct of its businesses and operations. This Anti-Bribery and Corruption Policy (“Policy”) elaborates the principles and guidelines in combating any bribery and corruption activities which may arise in the course of business.

1.2 It is important to understand that engaging in bribery or corrupt practices will lead to severe consequences for offender and for the Group. Any offender found guilty may face dismissal, fines and imprisonment, and the Group may face damage to reputation, financial loss and disbarment from business and other negative consequences.

1.3 This Policy shall be read in conjunction with the Group’s Code of Conduct and Business Ethics (“Code”).

1.4 For the purpose of this Policy:

“**You**” refers to any person to whom this Policy applies. Where more specific references are used (such as “employee”), the more specific reference is intended.

“**Business Associates**” refers to any external party with whom the organisation has, or plans to establish, some form of business relationship. This includes but not limited to suppliers, independent beauty consultants, service providers, contractors, consultants, agents, representatives and others that performing work or services for or on behalf of InNature.

“**Employee**” means any person who is in the employment of InNature including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire.

“**Family/household**” includes your spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.

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2. **Objective**

2.1 The Group's businesses involve engagement between various parties, be it internally or externally, from conducting daily sales activity to making various business decisions with the ultimate objective to drive the businesses towards success. This Policy provides guidance on how to respond when subjected to potential acts of bribery and matters of corruption.

2.2 This Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. Rather, it is intended to provide all relevant parties with a basic introduction to how the Group combats bribery and corruption in furtherance of the Group's commitment to lawful and ethical behaviour at all times. Some of the guidelines are designed to prevent situations in which bribery and corrupt practices may take root.

3. **Applicability**

3.1 This Policy is intended to apply to every employee and director (executive and non-executive) of the Group. In addition, InNature expects that all Business Associates will comply with the relevant parts of the Policy when performing such work or services.

3.2 Should you have any doubt concerning the scope of applicable laws or the application of the Group's policies concerning the fight against bribery and corruption, you should contact the Corporate Governance team immediately, rather than disregard the Policy without consultation.

3.3 In cases of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

4. **Anti-Bribery and Corruption Practices**

4.1 **The Group upholds a zero-tolerance approach to all forms of bribery and corruption.**

4.2 The Group shall only engage with Business Associates purely based on merits and for legitimate commercial need. The Group should avoid dealing with any Business Associate known or reasonably suspected of corrupt practices or known or reasonably suspected to pay bribes.

4.3 The employees shall endeavour to ensure the terms specified in all agreements entered into between the Group and Business Associates are legitimate and reasonable. In addition, the Group encourages to incorporate the provision on acceptance of this Policy and the Code in all written agreements entered between both parties.

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- 4.4 Any payment, commission, compensation or reimbursement shall be reasonable and proportional in relation to the services provided and shall be clearly reflected in the relevant documents, such as invoices, credit notes, accounting books and financial statements.
- 4.5 Payments in cash should be discouraged and any deposit into bank accounts not held by the relevant Business Associates may not be made. Any “off-the-books” payments and deliberate falsification or misrepresentation of its books and records to conceal any unauthorized or illegitimate payment are strictly prohibited.
- 4.6 All employees and Business Associates are made aware of and understand this Policy and that they will comply accordingly. This Policy is made available on the Company’s website at www.innature.com.my.
- 4.7 No employee will suffer demotion, penalty or other adverse consequences for refusing to pay or accept bribes or other illicit behaviour, even if such refusal may result in the company losing business or experiencing a delay in business operations.

5. Bribery and Corruption

Bribery

5.1 Bribery is any action which would be considered as an offence of giving or receiving “gratification” with the purpose of influencing behaviour.

“Gratification” is defined in the Malaysian Anti-Corruption Act 2009 to mean the following:

- a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) any forbearance to demand any money or money’s worth or valuable thing;

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- f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding Paragraphs (a) to (f).

5.2 Bribery may be 'outbound', where someone acting on behalf of the Group attempts to influence the actions of another external party, such as a Government official or client. On the other hand, it may also be 'inbound', where an external party is attempting to influence someone within the Group such as a decision-maker or someone with access to confidential information for improper advantage.

Corruption

5.3 Corruption is the unlawful or improper act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description. Major offences as stipulated in the Malaysian Anti-Corruption Act 2009 include:

- a) Soliciting / receiving gratification (Bribe)
- b) Offering / giving gratification (Bribe)
- c) Intending to deceive (False Claim)
- d) Using office or position for gratification (Abuse of Power/Position)

5.4 An act of corruption by you has the effect of compromising the due and proper performance of your duties and the exercise of your authority, thereby undermining the integrity of the decision-making process and the decisions of InNature concerning its business and affairs.

5.5 You are prohibited from promising, offering or authorising gratification to anyone to gain undue advantage in relation to any conduct of business for or with the Group.

5.6 If you receive a request for a bribe or if you are offered a bribe, you must report it through our reporting channels as stipulated in the Paragraph 11 of this Policy at your earliest opportunity.

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5.7 You have the duty to communicate clearly with the parties you engage with for the purpose of the Group's businesses, the Group's policies on bribery and corruption, and make reasonable efforts to confirm their understanding and acceptance of the policies.

5.8 You must disassociate yourself from any act or situation which may create an appearance as being a party to any actual or attempted corrupt practice including soliciting or receiving gratification.

5.9 If you receive or are offered any commission, payment, service, consideration of value or other benefits by virtue of your role or authority in the Group or in the performance of your duties, you have the obligation to account for and disclose such receipts/benefits through our reporting channels as stipulated in the Paragraph 11 of this Policy for clearance at your earliest opportunity.

6. Gifts, Benefits and Courtesies

6.1 InNature recognises that an appropriate level of gifts, benefits or courtesies exchange forms part of business etiquette in many countries and is a legitimate way of building or fostering business relationship.

6.2 Nevertheless, the acceptability of this norm may vary from one country to another. Hence, proper care and judgement are required before offering or agreeing to accept gifts, benefits or courtesies, so as to safeguard the Group from any allegation of impropriety or undue influence.

6.3 Gifts, Benefits and Courtesies are defined as follows:

- a) Gifts are tangible and valued items which are often offered or given for free. This includes cash, vouchers, prepaid gift cards, other cash equivalents (stocks, bonds, options, bitcoin), artworks, jewellery, flowers, consumables, apparel, electrical products and electronic gadgets.
- b) Benefits include preferential treatment, privileges access, favours or other advantages such as invitations to sporting, cultural or social events, access to huge discounts or exclusive club membership for which the recipient would otherwise not be eligible, and promises of a new job and loans either in cash, irrespective of any interest charged, or in kind.
- c) Courtesies involve the provision of hospitality or entertainment ranging from light refreshments at a meeting venue to sponsored traveling and accommodation.

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The abovementioned examples of Gifts, Benefits and Courtesies are by no means an exhaustive list. In case of any doubt, you should seek for appropriate consultation immediately through the reporting channels as stipulated in the Paragraph 11 of this Policy at your earliest opportunity.

6.4 Accepting Gifts, Benefits or Courtesies

You are prohibited from, either directly or indirectly, accepting gifts, benefits or courtesies provided or offered by a third party under the circumstances where such receipts are:

- a) Excessive - the value of the gifts, benefits or courtesies is considered lavish by the standard of local business norms;
- b) Inappropriate - the nature, frequency or timing of offering is not in line with the business and local norms, or honesty and sincerity in the motive cannot be established;
- c) Illegal - the nature of the gifts, benefits or courtesies or the act of accepting, itself, is against any applicable law;
- d) Prejudicial to your role in the Group or the exercise of your authority - applicable especially where decisions are expected of you in relation to the Group's affairs or business in which the offeror/provider or their associates is a potential beneficiary; or
- e) Detrimental to the Group - InNature's interest with regard to any on-going or potential business dealing is compromised.

6.5 Any offer of cash must be declined in all circumstances except for charitable purposes as approved by the **Managing Director**.

6.6 You are required to disclose and surrender any offer or receipt of gifts, benefits and courtesies to the **Human Resource representatives** at the earliest opportunity. The disposition of the gifts, benefits and courtesies surrendered shall be approved by the **Managing Director**.

6.7 Despite of the aforementioned exceptions, you are strongly encouraged to decline all gifts, benefits and courtesies to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between InNature and external parties.

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6.8 Providing Gifts, Benefits or Courtesies

- a) You are required to comply with the policies and procedures of your Human Resource Department relating to the giving of gifts, benefits or courtesies.
- b) InNature prohibits the giving of gifts, benefits or courtesies (using InNature resources or otherwise) that are illegal, unduly dangerous, sexually oriented, and/or for the purpose of improperly influencing someone to take action in favour of InNature.

6.9 Soliciting Contributions / Sponsorships

- a) InNature may from time to time, organise activities or programmes for which the objectives are for honouring the contribution or expressing appreciation for the performance of its employees and business partners, or for the furtherance of charitable causes. In implementing this, the Group may wish to attract wider participation of its stakeholders by inviting voluntary contributions / sponsorships from its business partners or any other person.
- b) All requests for contributions / sponsorships from business associates or any other person by the organising party in the Group must obtain prior approval from the **Managing Director**.
- c) Contributions / sponsorships solicited must be for activities / programmes for which the event dates have been firmed up, and target beneficiaries have been identified. The handling of such contributions / sponsorships to the beneficiaries must be done in a transparent manner with evidence of receipt by the beneficiaries (e.g. written acknowledgement or photographs).

7. Facilitation Payment

7.1 Facilitation payment is payment made to secure or expedite the performance by a person performing any duty, which can be in any form of payment and by whatever name called.

7.2 InNature takes a strong stance in prohibiting any offering, promising or soliciting facilitation payment, as well as accepting or obtaining, either directly or indirectly, facilitation payments for the benefit of any party.

7.3 You are expected to notify your immediate superior when encountered with any request for a facilitation payment. In addition, if a payment has been made and you are unsure of the nature, your immediate superior must be immediately notified and consulted. You must also ensure that the payment has been recorded transparently.

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7.4 However, there are certain situations or circumstances where you are faced with having to make facilitation payments as your safety is at stake. In dangerous situations like this, you are allowed to make payments and must immediately report to your Head of Department as well as the Corporate Governance team. Making facilitation payment in such a situation is the only exception which can be used as a defence when faced with allegations of bribery and corruption.

8. Conflict of Interest

8.1 A conflict of interest arises in any situation in which an individual is in a position to take advantage of their role at InNature for their personal benefit, including the benefit of their family and friends.

8.2 A conflict of interest can exist even if it results in no unethical or improper acts. Even the appearance of improper influence in your decision-making may be an issue.

8.3 You must therefore avoid conflicts of interest between your personal dealings and your duties and responsibilities in the conduct of the Group's business. In particular, the use of InNature office position, confidential information, assets and other InNature resources for personal gain, or for the advantage of others with whom you are associated, is prohibited.

8.4 The situations under which conflicts of interest may arise include, but are not limited to:

- a) when you, in the exercise of your authority, give preference to your interests or the interests of your family/household members, associates or friends rather than to the interests of InNature;
- b) when you are in a position to influence decisions that are to be made by InNature with respect to dealings with a business, enterprise or entity owned or partially owned by you, your family/ household members, associates or friends; and
- c) when you compete with or against InNature.

8.5 Any conflict situations should be declared and cleared through our reporting channels as stipulated in the Paragraph 11 of this Policy at your earliest opportunity.

Disclosures Giving Undue Advantage to Third Parties

8.6 You must not involve in any act which gives an undue advantage to an outside party in its dealings with InNature by giving an outside party confidential InNature information without appropriate authorisation.

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Involvement in Business Where You or Your Family/ Household Have a Direct or Indirect Interest

8.7 You will be considered to be in a potential conflict of interest situation where you and/or your family/ household is involved (either directly or indirectly) in a business which derive any income or receive any payment from contractual or other business arrangements with InNature.

8.8 As soon as you become aware of the abovementioned situation, you are obliged to inform us in writing of the circumstances through our reporting channels as stipulated in the Paragraph 11 of this Policy, at your earliest opportunity. You must then consult with InNature concerning the most appropriate way of preventing or overcoming the conflict of interest.

8.9 Any real or potential conflict of interest that has been properly disclosed and formally permitted by the Group is deemed not to have violated this Policy.

9. Indication or Warning Signs

9.1 You shall at all times be mindful of any indication or warning signs which may suggest a potential or higher probability of breaches of this Policy. This includes but not limited to the followings:

- a) unusual payment arrangement, such as payments abroad to third parties, or to commercial addresses or accounts not consistent with the address or account of a Business Associate;
- b) unusual or inappropriate form of payment requested by the other party, such as requesting large amount of payment by cash, inappropriate payment-in-kind or suspicious offsetting transaction.
- c) any hesitation or refusal to include anti-bribery and corruption provisions in a contract or agreement; and
- d) commissions, discounts or margins that are unreasonably high, suspiciously structured, or vary within the same market or among similar markets without legitimate explanation;

9.2 The abovementioned list of examples is not exhaustive. If you encounter any suspicious circumstances, you should immediately raise such concerns through the reporting channels as stipulated in the Paragraph 11 of this Policy.

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10. Non-Compliance with the Policy

10.1 The Group regards bribery and corruption as a serious matter. Employee found guilty may be subjected to disciplinary actions, including termination of employment and the Group reserves the right to terminate any contract with the Business Associate for any breaches of this Policy. Further legal action may also be taken in the event that the Group's interests have been jeopardized as a result of such non-compliance.

10.2 The Group shall notify the relevant regulatory authority if a bribery or corruption incident has been confirmed, and shall provide full co-operation to the said regulatory authority on the investigation of the incident.

11. Reporting Channels

If you encounter any actual or suspected breach of this Policy, you are required to report your concern through the following reporting channels:

- a) Speak to your manager; and/or
- b) Speak to your Human Resource representative; and/or
- c) Contact our Speak Out channel at speakout@innature.com.my or via the Company's website at www.innature.com.my/contact-us/.

For reports which made in good faith and without malicious intention, you will not be penalised or subject to any form of victimisation or retaliatory action notwithstanding that, after investigation, it is shown that you were mistaken.

12. Review of Policy

This Policy is subject to periodic review by the Audit and Risk Management Committee and the Board's approval shall be obtained for any amendment or changes made from time to time.