

SUSTAINABILITY STATEMENT

As one of the leading investment banks in the country, we recognise our role in contributing to sustainable growth through the incorporation of sustainable practices into our business operations and activities to ensure long-term growth and value creation.

ABOUT OUR SUSTAINABILITY

We are committed to our sustainability journey as a financial service provider, business partner, employer, community member, environmental steward and value creator for our shareholders.

Our sustainability journey officially began in the Financial Year Ended 2018. We engaged our different stakeholder groups through various communication channels and activities, gathering input and feedback for our overall improvement, innovation and prioritisation.

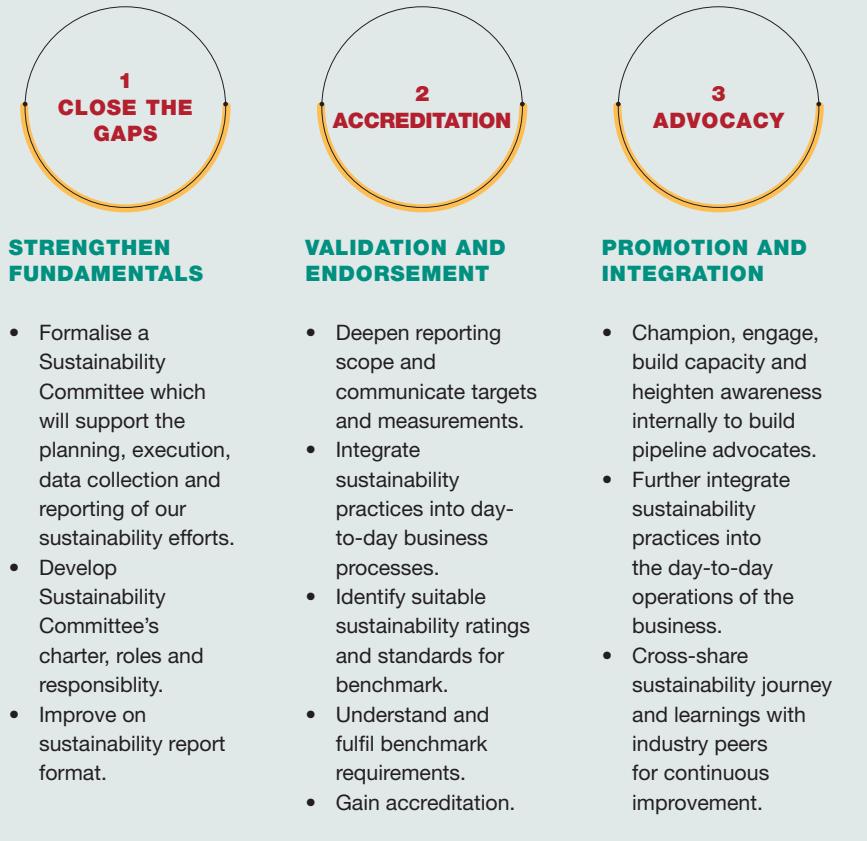
In 2019, we reviewed and made a concerted effort to refine our sustainability practices to align them with the Group's priorities and direction. To this end, we are working towards formalising our sustainability governance structure, which incorporates a sustainability committee comprising members from multidisciplinary project teams from various departments. The Sustainability Committee will be endorsed by the Board of Directors.

ABOUT THIS SUSTAINABILITY STATEMENT

In 2019, we drew up a three (3)-year roadmap that will focus on three (3) key areas—to establish the base of our sustainability efforts, to strengthen processes and eventually, to achieve the integration of the sustainability initiatives into our daily operations.

The following illustration explains our roadmap:

Our three (3)-year roadmap



Our sustainability statement is reported in accordance with the Bursa Malaysia Sustainability Reporting Guide, which covers economic, environmental and social risks and opportunities. The scope of reporting for this sustainability statement is limited to our Malaysian operations only as our associate businesses outside Malaysia are relatively small in scale and size.

In the spirit of continuity and comparability, this sustainability statement is reported based on the prioritised issues from a materiality survey we conducted in 2018. As indicated in our previous report, we aim to conduct a materiality assessment every two (2) years.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

In 2019, we laid out the foundations to establish a formal Sustainability Governance committee, which will serve to further strengthen our approach in managing the economic, environmental and social issues identified.

Our sustainability will be governed at the highest level, by the Board of Directors (“**Board**”), to ensure accountability in embedding sustainability effectively. The Board is committed to the management of resources and processes relating to sustainability issues and to ensuring that sustainability is instilled across the organisation.

WHO WE ENGAGE WITH AND HOW

In order to continue creating value and to ensure sustainability efficiency, we regularly engage with our key stakeholder groups through formal and informal channels. Regular stakeholder engagements enable us to meet their expectations and address the material issues that will impact our business growth in the long term.

We have categorised our key stakeholder groups and engagement approach as follows:

| Stakeholder Groups | Engagement Channels | Our Commitment |
|-----------------------------------|--|---|
| Employees | <ul style="list-style-type: none">• Team meetings• Surveys• Training and development programmes• Bulletins and updates• Employee volunteerism programmes• Employee events and campaigns• Policies and procedures• Performance assessments• Onboarding sessions | <ul style="list-style-type: none">• To create a high-performing environment.• To ensure employee development and an actively engaged workforce that values ethics and compliance. |
| Customers | <ul style="list-style-type: none">• Corporate website• Customer service helpline and email• Social media platforms• Mass media• Roadshows• Workshops• Meetings, briefings, seminars and conferences• Surveys | <ul style="list-style-type: none">• To add value for customers by sharing insights derived from our extensive industry experience and expertise.• To empower and enable customers through technology and digitalisation. |
| Shareholders and Investors | <ul style="list-style-type: none">• Corporate website• Annual report• Annual General Meeting• Extraordinary General Meeting | <ul style="list-style-type: none">• To keep shareholders updated with the latest developments.• To gather and respond to their feedback. |
| Regulators | <ul style="list-style-type: none">• Corporate website• Policies and procedures• Meetings, briefings, seminars and round-table discussions | <ul style="list-style-type: none">• To hold regular engagement sessions and dialogues to uphold a regulatory-compliant culture, ensuring all rules of the day are adhered to. |

SUSTAINABILITY STATEMENT

| Stakeholder Groups | Engagement Channels | Our Commitment |
|--------------------|--|--|
| Vendors | <ul style="list-style-type: none"> • Meetings and briefings • Corporate website • Policies and procedures • e-Procurement system | <ul style="list-style-type: none"> • To engage regularly, to ensure efficient, quality and smooth daily operations. |
| Communities | <ul style="list-style-type: none"> • Community outreach programmes • Employee volunteerism programmes • Social media platforms • Donations and appeals | <ul style="list-style-type: none"> • To work with communities in need through employee volunteerism and outreach. |

OUR APPROACH TO MATERIALITY

In 2019, we further aligned our initiatives and reporting to the results of an online materiality survey that we conducted in 2018. The survey was part of our materiality process, which validated our key focus areas. It gave us a comprehensive understanding of our material issues as we prioritised them according to their level of importance to our key stakeholders. We conduct our materiality assessment every two (2) years and the next materiality assessment will be in 2020.

Based on the survey in 2018, we rated the importance of 19 economic, environmental and social issues as shown below:



STAKEHOLDERS CONTACTED DURING THE MATERIALITY SURVEY

| | | | | |
|----------------------|---------|-------|-----------|--|
| | | | | |
| Remisiers/ Agents | Vendors | Media | Employees | Board of Directors and Group Executive Committee |

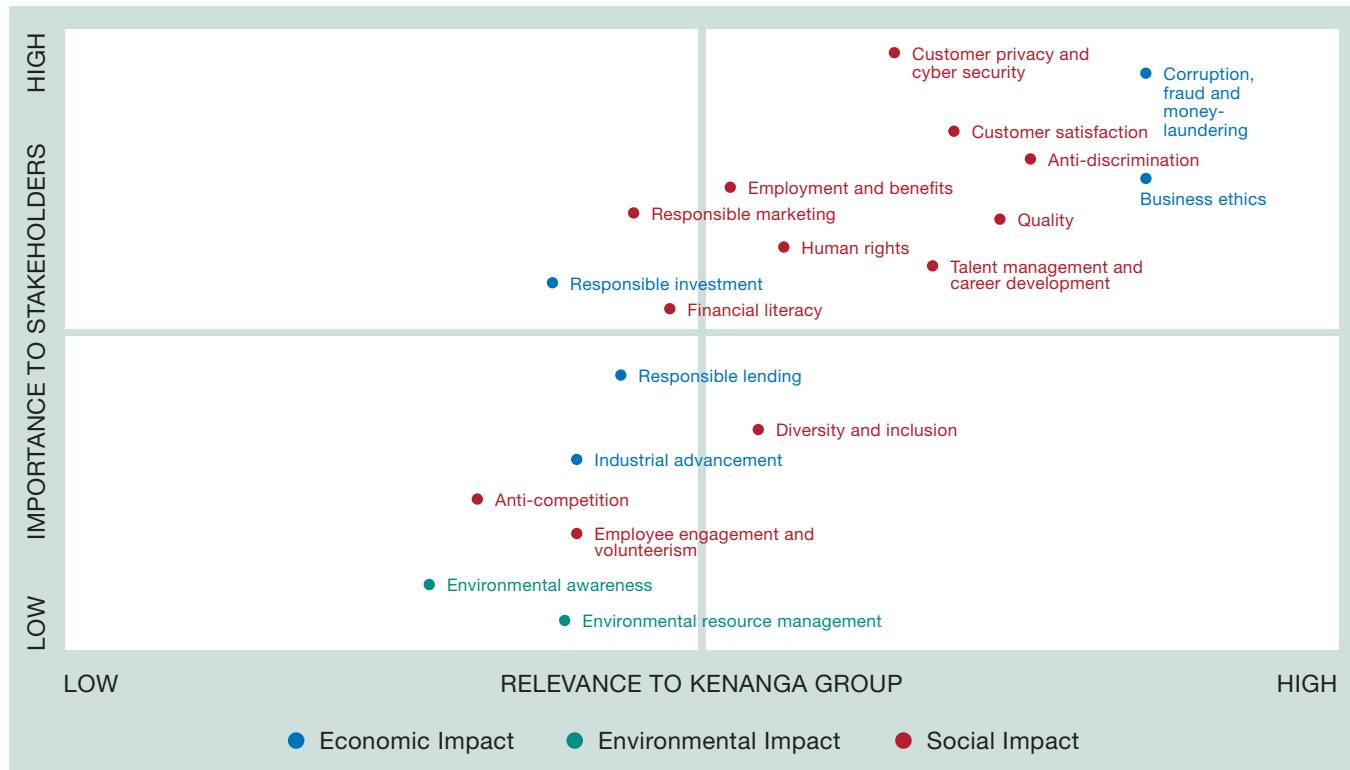
A total of 515 responses were obtained, of which 370 were valid and used for computation. Each stakeholder group was well represented in the survey. The views of each stakeholder were given equal weightage in the calculations.

SUSTAINABILITY STATEMENT

OUTCOME OF THE MATERIALITY SURVEY

Each issue was measured on a 1 - 5 Likert scale. Scores of over three (3) is considered material to some degree. The average score of each issue was between 4.0 - 4.5, which meant all issues were deemed material to a greater or lesser degree. In line with this, the reporting and update against each issue is reflected in the following pages.

The outcome of the materiality survey is presented in the matrix below.



ECONOMIC



Kenanga Fraud Awareness Week.

BUSINESS ETHICS

Kenanga Investment Bank Berhad (“**KIBB**”) and Its Group of Companies continue to demonstrate the highest ethical priority in their everyday business conduct and operations. As part of the Group’s commitment to ethical business practices and as part of the three (3)-year plan adopted by the Board in December 2018 to establish an Ethics Governance Structure within the Group, the Board approved the establishment of a Group Business Ethics and Integrity Department (“**GBEI**”) effective March 2019.

SUSTAINABILITY STATEMENT

The GBEI introduced several measures to lay the foundation for charting the Group's strategy on ethics and integrity. These include, among others, establishing the GBEI Charter, identifying the roles of the parties in the Group for ethics risk management and preparing a checklist for the purpose of assessing compliance with the Guidelines on Adequate Procedures issued pursuant to section 17A of the Malaysian Anti-Corruption Commission Act 2009. The measures also provide the support required to meet regulatory requirements.

More information on this can be found in the Ethics and Compliance Statement on pages 60 to 68 of this Annual Report.

ANTI-FRAUD, BRIBERY AND CORRUPTION & ANTI-MONEY LAUNDERING AND COUNTER-FINANCING OF TERRORISM

Fraud, bribery, corruption, money laundering and the financing of terrorism go against the Group's core values and undermine the viability of its business and operations. Reflecting this, the Group takes a zero-tolerance approach to these acts, as well as to any other manifestations of corrupt and unethical business practices.

The Group adopts a robust and all-encompassing strategy to prevent, detect and investigate incidences of fraud, bribery, corruption, money-laundering and the financing of terrorism while holding perpetrators strictly to account. Control environments are reviewed periodically and if required, revised to align them with industry practices and the applicable laws and regulations.

A crucial element in its fight against corrupt practices is the Group's provision of an adequate and safe platform for the reporting of any offence or potential wrongdoing. In this regard, the Group has in place a Group Whistleblowing Policy & Guidance Notes. These spell out the framework for the policy and offer various channels for reporting any illegal or unethical practice.

The Group recognises that the first line of defence in its fight against corruption and illegal acts is the inculcation of principles of ethics and integrity in its everyday business and operations. It thus requires its employees to reflect these values in their undertakings at all times. Additionally, the Group constantly reminds its employees of the importance of this through continual education and awareness campaigns.

One of our key education and awareness programmes is our annual Fraud Awareness Week ("FAW"). This was held for the third time from 18 to 22 November 2019. The participation of various capital-market stakeholders in the FAW was meant to underscore the importance the Group placed on fighting fraud. The Group is proud to continue setting a leading example in this area.

More information on this can be found in the Ethics and Compliance Statement on pages 60 to 68 of this Annual Report.

SUPPLY CHAIN

Kenanga Group subscribes to a resilient supply chain to ensure smooth daily business operations and to embed sustainable practices in the organisation.

We recognise that engaging with vendors exposes the organisation to business disruption, financial, legal and even reputational risks.

To ensure quality and efficient delivery, robust guidelines and policies have been put in place for suppliers and employees, underpinned by good governance, to ensure sustainable procurement. The Group Procurement Policy serves as guidance for all employees of the Group in handling procurement-related activities.

Our Group Code of Conduct for Vendors underlines honesty, fairness and transparency, reflecting the Group's values, ethics and integrity. In acknowledging that the quality of products and services provided by vendors impacts our delivery, we uphold the highest standards of ethics and integrity in business practices and relationships with vendors and suppliers.

More information on this can be found in the Ethics and Compliance Statement on pages 60 to 68 of this Annual Report.

To further reduce procurement and supply chain risks, we conduct regular performance evaluation on vendors and suppliers.

Our Supplier Evaluation Model



SUSTAINABILITY STATEMENT

RESPONSIBLE INVESTMENT

We believe that the continuous delivery of consistent top performance stems from the premise of an effective stewardship and active ownership approach throughout the investment value chain. In search of long term value accretive investments, we aim to influence investee companies as shareholders through the promotion of responsible and sustainable practices.

As a sign of our intent and commitment, through Kenanga Investors Berhad, our asset management subsidiary, we had in 2017 became a signatory to the Malaysian Code for Institutional Investors. In adhering to our obligation as a signatory, we have developed practices to support the Code and internalise the principles throughout the entire investment value chain.

Identification

In our bottom up stock picking efforts, our fund managers meet with the management as part of identifying investment targets. Aside from analyzing companies based on fundamentals and value creation matrices, we also incorporate business sustainability and its corporate governance practices as part of the selection criteria.

Active Ownership

Post investment, an active ownership approach is adopted to closely monitor business and financial performance, corporate governance, strategy, capital structure and risk management. Close contact is maintained through private engagements with the investee companies.

Voting

We view voting at shareholder meetings as an integral part of the investment process. We consider the long term sustainable impact in exercising our voting rights on substantially held investee companies and material resolutions.

INDUSTRIAL ADVANCEMENT

Established in Malaysia for more than 45 years, we are a financial group with extensive experience in equity broking, investment banking, listed derivatives, treasury, corporate advisory, Islamic banking, wealth management and investment management.

Today, we are the largest independent investment bank* in Malaysia and also one of the top three (3) brokerage houses with the largest network of remisiers in the country.

In keeping with changing customer behaviour and increasing expectations, underscored by the advancement in Fintech over recent years, we have been homing in on innovation and digitalisation to deliver augmented products and redefine customer experience through faster speed-to-market and greater convenience.

We were one of the first movers in the domestic Fintech landscape with the setting up of Rakuten Trade Sdn Bhd (**Rakuten Trade**) three (3) years ago – a joint-venture with Japan-based Rakuten Securities, Inc. A novel platform which enables a fully online trading experience, Rakuten Trade has registered 47,500 accounts as at the end of 2019 and has handled transactions amounting to almost RM8 billion in trading value on Bursa Malaysia.

The COVID-19 outbreak has spurred new momentum in the online stock trading landscape. Having invested in our digital platforms over the last few years, including the rollout of Rakuten Trade, we are in a prime position to meet the shift towards online trading and continue growing the business through this challenging time.

In 2019, we streamlined and formalised our digital programmes under a comprehensive framework that outlines our approach to (i) digital business

ventures, (ii) transformation of traditional business operations, and (iii) strategic collaboration with technology enablers. The scope of this roadmap also covers workflow automation, data analytics and importantly, enhanced cyber security.

In terms of product innovation, we launched our Securities Borrowing & Lending (“**SBL**”) product in 2019, which completes our equity broking products suite of offerings. This category of product is tailored to more sophisticated investors who are interested in short-selling, hedging or arbitraging.

At the start of the year, through our asset management subsidiary, Kenanga Investors Berhad, we launched Malaysia’s first leveraged and inverse exchange-traded funds (“**ETFs**”). ETFs are diversified investment instruments that provide hedging against market downturns, at a relatively cost-effective entry point.

Through continuous digital enhancements, as well as the roll-out of new investment tools, we hope to further accelerate the development of innovative products to broaden the diversification of investment options for our investors, contributing to a more vibrant investment landscape.

RESPONSIBLE LENDING

We support the corporate and retail community by providing them with access to appropriate credit facilities such as corporate loans, factoring and share margin financing, after taking into consideration their business and credit profiles via detailed assessment and approval processes. The existing lending principles and guidelines adopted by KIBB require that the lending is to businesses with good fundamentals that comply with general regulatory requirements and government initiatives, particularly with regard to compliance with environmental laws and regulations.

* Based on Bursa Malaysia’s Trading Volume and Value.

SUSTAINABILITY STATEMENT



Farm-to-Plate: This hands-on event taught participants about the benefits of organic farming. Over 30 participants learnt about organic farming and composting with their family and friends.

ENVIRONMENTAL

We are committed to conserving natural resources by managing and minimising our environmental footprint while educating our employees about environmental conservation. We believe in conserving natural resources for present and future generations.

Since 2017, we have been rolling out environmental initiatives under our #GreenAtWork programme in a bid to reduce our environmental footprint and encourage employees to practise environmentally friendly habits.

ENVIRONMENTAL AWARENESS #GreenAtWork

- Themed “Zero-Waste Your Lifestyle with GreenAtWork”, this event was held from Earth Hour on 29 March 2019 to the week of World Earth Day on 22 April 2019. It was also extended to all our branches nationwide.

SUSTAINABILITY STATEMENT

- The activities held were:



Earth Hour Pop Quiz 169 PARTICIPANTS

Kenanga Group joined the world for the 11th consecutive year to switch off lighted signs and non-essential lights at its premises nationwide. Employees learnt about Earth Hour by taking part in a pop quiz.



Recyclable Plastics Trade-in 110 PARTICIPANTS

Employees traded in their recyclable plastic items to redeem items such as reusable straws and shopping bags. The amount of recyclable plastics collected increased from 140.8kg in 2018 to over 300kg in 2019.



Bring Your Own Container Mondays 160 PARTICIPANTS

Employees were encouraged to bring their own mugs and tumblers to redeem a free drink each at San Francisco cafe in Kenanga Tower. This saved on the use of over 140 disposable cups and 80 takeaway plastic containers.



Eco-Workshop Wednesdays 184 PARTICIPANTS

Three (3) different workshops were conducted on turning waste into useful items. Employees made natural sugar scrub, moulded Kokedama and created desktop aquaponics.



Pop Quiz Fridays 715 PARTICIPANTS

A pop quiz on Zero-Waste lifestyle was held to focus on the themes Facts about Plastics, Zero-Waste Lifestyle and Organic Farming. Over 900 submissions received for the pop quiz, which had more than 65 winners.

SUSTAINABILITY STATEMENT

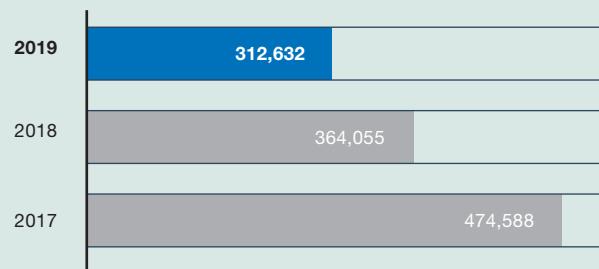
- This annual #GreenAtWork campaign aims to create greater environmental awareness and appreciation, as well as demonstrate support for environmental protection.
- Over 50% of the Group's employees nationwide took part, while over 80% of the 823 employees from headquarters participated.

Environmental Resource Management Energy



We continued to monitor and control air-conditioning consumption during the year.

Average Monthly Electricity Usage in the Last Three (3) Years* (in kWh)



We are embarking on an energy-saving plan for Kenanga Tower and we expect to see a reduction in energy consumption in 2020.

Environmental Resource Management Waste

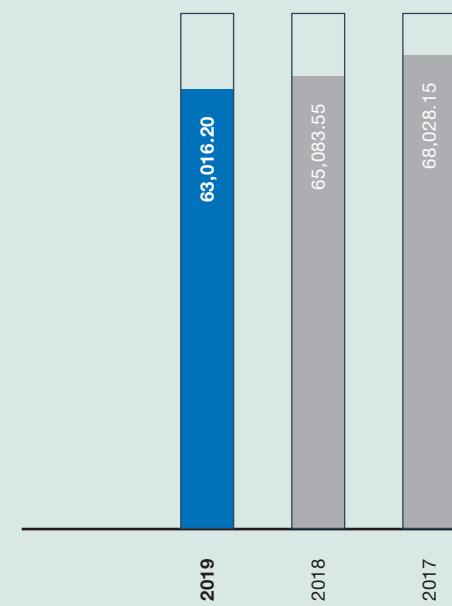
We strive to reduce our office waste by recycling as much as possible. In compliance with the regulatory requirements on proper waste management, we have appointed a licensed waste disposal contractor to manage and dispose of our solid and scheduled wastes.

We are also reducing paper consumption through initiatives such as discontinuing the printing of remisiers' daily reports, which are now disseminated electronically. We have also placed recycling bins at the waste chamber in Kenanga Tower to encourage the practice of waste separation.

Environmental Resource Management Water

We are committed to reducing, reusing and recycling water, which is essential in the Group's daily operations. We strive to minimise our water usage at Kenanga Tower by implementing various initiatives including a rainwater harvesting system on the rooftop of Kenanga Tower. The system collects, stores and channels rainwater for common washing purposes.

Water Consumption in the Last Three (3) Years* (in m³)



* Data collected is only for Kenanga Tower.



Kenanga's Family Day at Bukit Kiara Equestrian Resort.

SOCIAL

EMPLOYMENT AND BENEFITS

We provide benefits that include non-wage compensation in addition to monthly salaries for all full-time employees in Malaysia. These benefits include:



EMPLOYEES' SHARE
OPTION SCHEME



MEDICAL
BENEFITS



EMPLOYEES
GROUP INSURANCE
COVERAGE



DENTAL AND
OPTICAL



FLEXIBLE WORK
ARRANGEMENTS



FITNESS
MEMBERSHIP



PRIVATE
RETIREMENT
SCHEME



PROFESSIONAL
DEVELOPMENT



VARIOUS
ALLOWANCES



VARIOUS LEAVE
INCLUDING
PILGRIMAGE LEAVE

SUSTAINABILITY STATEMENT

ANTI-DISCRIMINATION AND HUMAN RIGHTS

Respect for human rights is of fundamental importance to us. We strive to respect and promote human rights in our relationships with our employees, business partners, vendors and clients in accordance with the guiding principles set by our regulators.

We do not practise discrimination in our recruitment and selection efforts. There were no human rights grievances or incidents reported in the year 2019 and in the last three (3) years.

We do not discriminate against:

- Gender
- Race/ Ethnicity/ Nationality
- Social background
- Religion
- Family responsibilities, including pregnancy
- Disabilities

As an advocate of fair and merit-based practices, we are also against discrimination in employment decisions such as hiring, promotions or redundancy, as well as in working conditions such as working hours, training, remuneration and social security.

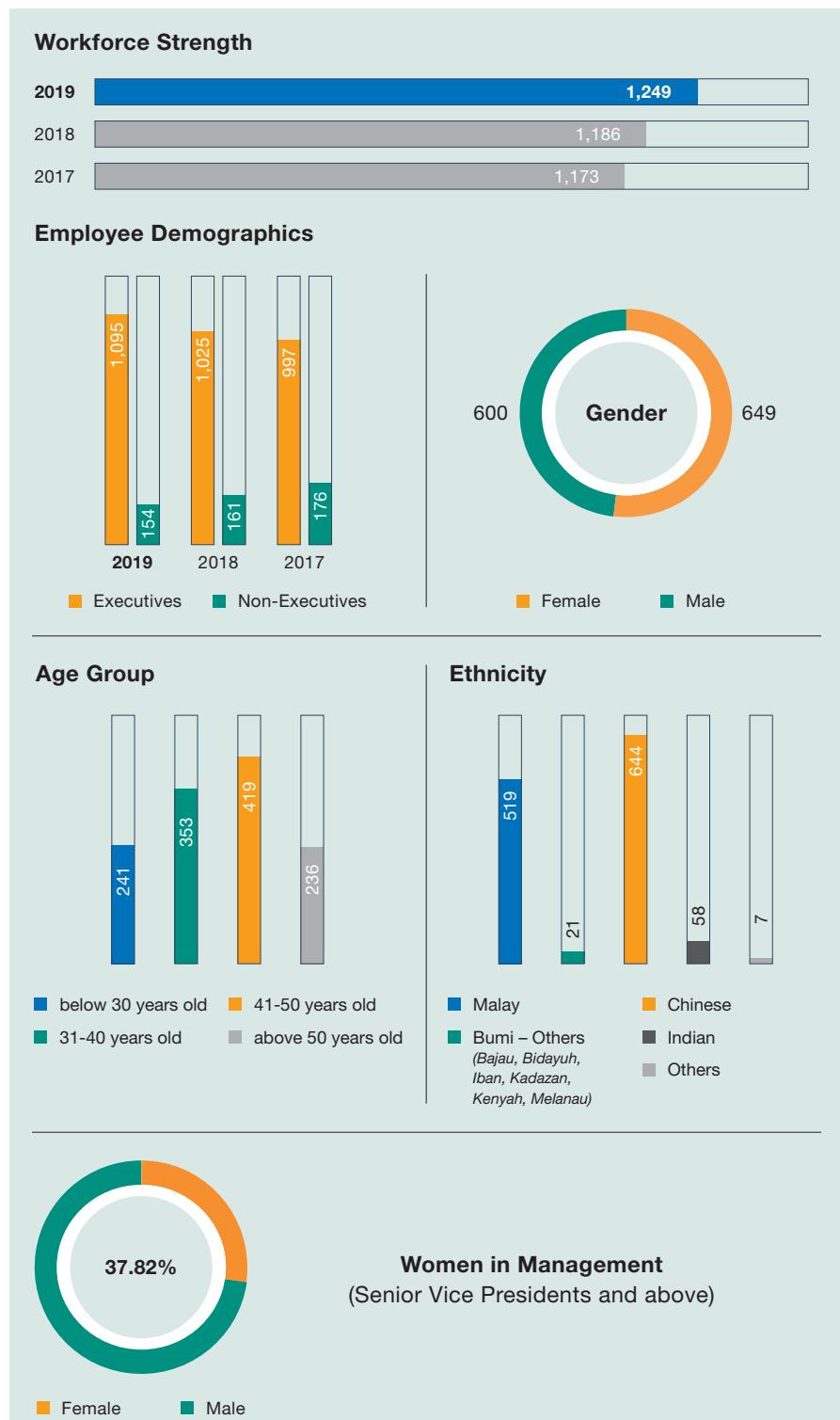
DIVERSITY AND INCLUSION

We embrace diversity and inculcate an inclusive workplace culture as we strive to develop a diverse workforce.

Our workforce strength has expanded by 6.5% since 2017, where 99.9% of our employees are consist of local talents. Foreign talent is hired for selected positions that require niche skills and knowledge.

In 2019, we had 1,115 full-time staff compared to 1,080 in 2018 and 1,057 in 2017.

The following diagram illustrates Kenanga Group's workforce strength according to gender, women's representation in management, ethnicity, age and number of executives and non-executives:



SUSTAINABILITY STATEMENT

TALENT MANAGEMENT AND CAREER DEVELOPMENT

We prioritise our employees' professional growth and ensure they are well-equipped with the knowledge and skills needed in the competitive financial industry.

We continue to strategically design the Group's training and development initiatives in line with our business needs, regulatory requirements and industry competency standards, as well as people development principles. Through focused prioritisation of training programmes, we are able to ensure that employees receive relevant and impactful courses that contribute to the Group's business sustainability and achieve individual and professional aspirations.

Our holistic training and development programmes encompass the following four (4) categories:

01 | REGULATORY

Compulsory courses for individuals to ensure compliance with regulatory requirements and corporate governance.

02 | LEADERSHIP

Courses that equip managers with leadership skills and qualities to facilitate the execution of the Group's strategy through building alignment, winning mindshare and developing the capabilities of staff.

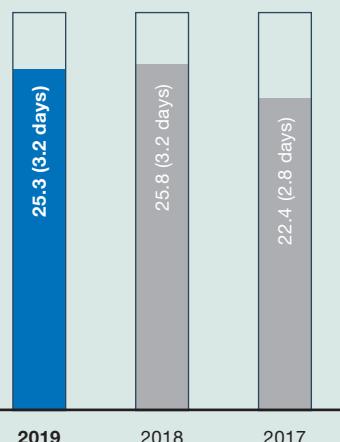
03 | FUNCTIONAL

Technical and/ or practical-based courses that sharpen individual technical skills and competencies, including accredited courses with certifications or professional qualifications warranted by job roles.

04 | PERSONAL EFFECTIVENESS

Courses that provide individuals with tools to enhance personal competencies through self-improvement and making the best of their resources.

The average training hours per year per employee



In addition to learning and development initiatives, we conduct talent mapping to identify talents and potential candidates with leadership skills to strengthen our workforce and enhance our succession plan. The qualities we seek include having the ability to drive results, innovation and change; customer-centric focus; ethics and risk consciousness; and having the ability to collaborate and build relationships, as well as communicate effectively.

As part of building a high performance culture, we have established a robust performance management system based on the Balanced Scorecard with Key Performance Indicators and annual performance objectives for every employee in the organisation. We recognise employees contribution and performance through short-term incentives such as annual performance bonus, sales incentives and commission plans, as well as long-term incentives such as employees' share option scheme.

We conduct a monthly attrition analysis to identify areas of improvement and regularly benchmark our compensation and benefits to market to ensure that we remain competitive in attracting and retaining talents. In 2019, our voluntary attrition rate of 11.75% remained lower than the banking industry of 15%.

SUSTAINABILITY STATEMENT

EMPLOYEE ENGAGEMENT

We aim to create a sense of belonging for our employees through continuous communication and engagement efforts. Some of the platforms and channels to achieve this are:

| Method | Description | Frequency |
|---|--|---------------------------------|
| E-mailer | Branded “K-News”, this internal channel shares Group information regarding business achievements, announcements and product-related news. | At least twice a month |
| On-ground events | On-ground events are held to engage with employees. Some events, such as our annual Family Day, are extended to family members as well. | At least five (5) events a year |
| Employee volunteerism and community outreach | In giving back to the community, employees are encouraged to participate in community initiatives such as charity runs, donation drives, blood donation campaigns and awareness programmes. (please turn to pages 95 to 98 for more details on Employee Volunteerism and Community Outreach). | At least four (4) events a year |
| Posters | To cater to employees without access to a computer, we display posters to communicate latest announcements, product updates and events. | At least once a month |
| Social media platforms | We publish events and news on our corporate website, as well as on Facebook, Instagram and LinkedIn throughout the year. | Ongoing |
| Surveys | We conducted a “Survey on Ethics and Integrity Culture at Work” to gauge the views and perceptions of employees on policies and practices related to certain aspects of ethics and integrity in the Group. More information on this can be found in the Ethics and Compliance Statement on pages 60 to 68 of this Annual Report. | Ongoing |

SUSTAINABILITY STATEMENT

EMPLOYEE VOLUNTEERISM AND COMMUNITY OUTREACH

Throughout the decades that Kenanga Group has been operating in the country, we have always balanced commercial priorities with giving back to the local communities we operate in.

While our overarching focus is to lend aid to the underserved segment, one of our long-standing priorities is the support of social enterprises that are set up to further social causes in a financially sustainable manner.

We run campaigns and donation drives and participate in charity events throughout the year. Some highlights are listed below:

Event Highlights

#KenangaGivesBack to Dialogue in the Dark Malaysia (DID)

Beneficiary

The visually impaired at the Dialogue in the Dark Malaysia (“DID”)



- Held from 25 January to 8 February 2019 in Kenanga Tower, this initiative aimed to raise funds for the visually impaired at DID. This donation drive saw over 75 contributors comprising employees, remisiers and clients.
- Kenanga Group also supported the Fine Dining in the Dark programme and purchased 20 tickets to the Concert in the Dark, which were among the many activities at DID's inaugural Art Festival in Kuala Lumpur.
- The festival showcased the unique artwork, creations and distinctive talents of differently-abled artists and entrepreneurs. It aimed to create awareness of the fight against avoidable blindness and raise funds to equip the visually impaired.
- Kenanga has been supporting DID in their various fundraising activities since their inception in 2012. DID was established to engage with and equip differently-abled people with the relevant skills needed to attain self-sufficiency to reduce poverty in Malaysia.

SUSTAINABILITY STATEMENT

● ● ● Event Highlights

#KenangaGivesBack to Silent Teddies Bakery

Beneficiary

The hearing-impaired at Silent Teddies Bakery



- Held in conjunction with Hari Raya Aidilfitri from 28 May to 24 June 2019 at Kenanga Tower, the initiative aimed to raise funds for the Silent Teddies Bakery. Kenanga has been supporting the Silent Teddies Bakery since 2012.
- This year, we continued to support them via the purchase of their baked goods for our Hari Raya celebrations, as well as rallying cash donations internally.

Through employee and corporate purchases, we ordered over 800 boxes of cookies. We also received 64 cash donations, channelled to help improve their training facilities, equipments and materials.

#GiveBlood Blood Donation Drive

Beneficiary

The National Blood Bank

- An annual drive that we have been organising since 2012, our two (2)-day event on 19 and 26 June 2019 at Kenanga Tower saw 138 volunteers including employees, remisiers and tenants. 95 of them successfully donated blood.



Event Highlights

The Bursa Bull Charge 2019

Beneficiary

Yayasan Bursa Malaysia's charitable organisations comprising 26 beneficiaries nationwide



- Seven (7) employees represented Kenanga Group in this annual run that is aimed at raising funds for Yayasan Bursa Malaysia to support beneficiaries that focus on entrepreneurship and financial literacy.
- Held on 14 November 2019 at Exchange Square in Kuala Lumpur, the event was also intended to encourage employees to adopt a healthy lifestyle through running and exercising in addition to creating networking opportunities. Since its inception, more than RM9.7 million has been disbursed to over 142 beneficiaries for charitable and other causes.

The Edge KL Rat Race 2019

Beneficiary

The Edge Education Fund



- Six (6) employees took part in the race that was held to raise funds for The Edge Education Fund and to unite the corporate community in a noble cause. The funds were also to support The Edge Education Foundation's promotion of English and financial literacy programmes. To date, the run has raised about RM23 million for more than 200 registered charitable organisations and NGOs.
- The event was held at Perdana Botanical Garden in Kuala Lumpur on 27 November 2019.

SUSTAINABILITY STATEMENT

● ● ● Event Highlights

#KenangaGivesBack to Pusat Jagaan Anak Yatim An-Najjah via Back-to-School Donation Drive

Beneficiary

The residents of Rumah Anak Yatim An-Najjah



- Kenanga Group raised funds for 50 children from the orphanage in a back-to-school programme.
- Aimed at reducing the financial burden of the orphanage, the programme was also an opportunity for Kenanga employees to contribute collectively to the home.
- 41 employees contributed to this programme, which was held from 24 December 2019 to 3 January 2020.

ANTI-COMPETITION

The Group strongly believes in competing fairly and ethically in the marketplace, in order to benefit all stakeholders. It competes strictly on the merits of its products and services and makes no attempt to restrain or limit trade. It strictly adheres to Malaysia's Competition Act 2010.

In accordance with the Group Competition Act Compliance Policy, employees and directors are prohibited from engaging in any anti-competitive practices in their dealings with all third parties, including the Group's competitors, customers and vendors.

More information on this can be found in the Ethics and Compliance Statement on pages 60 to 68 of this Annual Report.

CUSTOMER PRIVACY AND CYBER SECURITY

Customer privacy and cyber security are vital for the sustainability and business growth of the Group as we commit to digitalisation and innovation.

The Group has, over the years, been consistent in strengthening its cyber security posture. Our Group Digital, Technology and Transformation Department has a dedicated team of cyber security professionals to operate the Information Technology Governance and Security section. The team formulates and implements the Group's cyber security roadmap against the backdrop of evolving cyber threats.

We continue to expand and focus our resources on data security, information assets and advanced cyber threats to protect our endpoints and employee workspaces against cyber security threats. Cultivating a culture of cyber-security awareness among employees is the key defence against both internal and external threat factors.

As the technology landscape continues to shift towards Cloud-based hosting and software-as-a-service solutions, the team will leverage both existing and emerging cloud security defences to continue delivering uncompromised, secure and trusted services to our customers.

SUSTAINABILITY STATEMENT

In 2019, we enhanced our cyber security by:

- Formalising a Group Confidential Information Policy to consolidate multiple regulatory requirements into a single document for efficiency of compliance and reference.
- Investing in adequate technology to protect customer data against leaks or breaches.
- Strengthening the Group's data governance by formalising appropriate best practices into robust policies to complement business, which meet regulatory requirements.
- Establishing an incident escalation framework to mitigate the risk of data leaks or breaches.
- Continuing to enhance our cyber security by providing adequate and relevant training to all data officers and staff annually.

CUSTOMER SATISFACTION

Enhancing customer experience is at the core of everything we do. As part of managing customer satisfaction, we have augmented our digital channels to enhance service levels and improve process efficiency. In addition to our customer helpline and branches nationwide, customers are also able to provide feedback and raise queries or concerns directly via our official websites, including our subsidiaries' sites.

The Awards include:

| | |
|--|--|
| Bursa Broker and Salesforce Reward Program Awards 2019 | a. Highest Number of New Account Opened (Top 5) b. Highest Traded Value from New Account Opened (Top 5) c. Highest Re-Activation of Inactive Accounts (Top 5) |
| Bursa Excellence Awards 2018 | a. Best Trading Participants Equity & Financial Derivatives (Champion) b. Best Institutional Derivatives Trading Participants c. Best Remisier (Champion) d. Best Overall Derivatives Trading Participants (1 st Runner-up) e. Best Institutional Equities Participating Organisation — Investment Bank (2 nd Runner-up) f. Best Retail Equities Participating Organisation — Investment Bank (2 nd Runner-up) |
| Annual Alpha Southeast Asia Deal & Solution Awards 2019 | a. Best Equity Deal/ IPO in Malaysia, Joint Bookrunners & Joint Underwriters (Leong Hup International) |
| Islamic Finance News Awards 2018 | a. Deal of the Year 2018 (perpetual Sukuk category) |

SUSTAINABILITY STATEMENT

| | |
|---|---|
| Refinitiv Lipper Funds Awards 2020 | a. Kenanga Diversified Fund (Mixed Asset MYR Flexible – Malaysia Pension, 3 years) b. Kenanga Diversified Fund (Mixed Asset MYR Flexible – Malaysia Pension, 5 years) c. Kenanga Syariah Growth Fund (Equity Malaysia – Malaysia Islamic, 10 years) d. Kenanga Investors Berhad (Best Equity Award – Malaysia Islamic) e. Kenanga Investors Berhad (Best Mixed Assets Award – Malaysia Pension) |
| Global Islamic Markets Refinitiv Lipper Fund Awards 2020 | a. Kenanga Syariah Growth Fund (Malaysia Best Equity over 10 years) |
| Asia Asset Management's 2020 Best of the Best Awards | a. Malaysia Best House for Alternatives b. Malaysia Best Equity Manager c. Malaysia CIO of the Year d. Malaysia Fund Launch of the Year |
| FSMOne Recommended Unit Trusts 2019/ 2020 | a. Kenanga Growth Fund — Most Outstanding Unit Trust for 10 Years (Champion) b. Kenanga Growth Fund — Core Equity (Malaysia) c. Kenanga OnePRS Conservative Fund — Private Retirement Scheme (Conservative) |
| iFAST Awards Malaysia 2019 | a. Kenanga Growth Fund — Best-selling Unit Trust 2018 b. Kenanga OnePRS Growth Fund — Best-selling Private Retirement Scheme 2018 c. Kenanga OnePRS Conservative Fund — Best-selling Private Retirement Scheme 2018 |
| KLIFF Islamic Finance Awards 2019 | a. Kenanga Syariah Growth Fund — Most Outstanding Islamic Fund Product |
| Women in Finance Asia Awards 2019 | a. CEO of The Year |
| CSR Malaysia Awards 2019 | a. CSR Award in the Investment Bank category |
| The Marketing Events Awards 2019 | a. Best Business Event, Internal (Gold) — Campaign: Kenanga Founder's Day b. Best Business Event, Internal (Bronze) — Campaign: Zero-Waste Your Lifestyle with #GreenAtWork |

SUSTAINABILITY STATEMENT



Kenanga's Global Market Outlook Seminar 2019

FINANCIAL LITERACY

We continue advancing financial literacy through various avenues ranging from workshops, roadshows and exhibitions to seminars and webinars. Subjects range from market outlook, product launches and workshops for novice traders to sessions on technical analysis for the more seasoned investors.

Throughout the year, these sessions were held at various geographical locations nationwide to cater to our growing client base and the investing public at large. The targeted on-ground engagement sites included universities and corporate offices.

An overview of the Group's activities is presented below:

| Subsidiaries/ Business Unit | Types of Forum | No. of Sessions | Location |
|---|---|-----------------|--|
| Kenanga Investment Bank Berhad — Equity Broking | Seminars, workshops, roadshows | 32 | Kuala Lumpur, Selangor, Penang, Johor, Pahang, Sabah, Sarawak |
| Kenanga Investment Bank Berhad — Structured Warrants | Seminars, workshops, roadshows, trade group meetings | 38 | Kuala Lumpur, Selangor, Penang, Ipoh, Kuantan, Malacca, Kuching, Bintulu, Miri, Seremban, Kuala Terengganu |
| Kenanga Investors Berhad | Workshops, roadshows, exhibitions, seminars, webinars | 167 | Selangor, Kuala Lumpur, Melaka, Negeri Sembilan, Johor, Perak, Kedah, Pahang, Penang, Sabah, Sarawak |
| Kenanga Futures Sdn Bhd | Webinars, workshops, seminars, conferences | 47 | Kuala Lumpur, Selangor, Sarawak, Sabah, Malacca, Negeri Sembilan, Pahang, Perak, Johor and Penang, and Nationwide via Webinars |