

kenanga | 50  
YEARS

S U S T A I N A B I L I T Y   R E P O R T   2 0 2 3

## COVER RATIONALE

At Kenanga, we embark on our journey guided by four (4) fundamental values: agility, collaboration, trustworthiness, and future-facing. These values serve as the bedrock of our identity, propelling us forward in our commitment to resilience and innovation in the dynamic landscape of the financial world.

The cover of our Sustainability Report symbolises our steady trajectory having achieved market leadership position across all core businesses, and embracing the road ahead with determination and resilience. The blue skies overhead represent the boundless possibilities that await, as we continue to push the boundaries of innovation, driving growth and creating value for our shareholders.

## OUR REPORTS

The Annual Report 2023, Corporate Governance Report 2023 and Sustainability Report 2023 are our primary reports.

 *Supplementary information is available on our website: <https://www.kenanga.com.my>*



### Annual Report

Provides an overview of Kenanga Group's financial performance, as well as business highlights of the year.



### Corporate Governance Report

Provides an overview of Kenanga Group's corporate governance and how it facilitates effective management to deliver long-term value for the Company.



### Sustainability Report

Provides an understanding of Kenanga Group's sustainability ambitions, initiatives and progress, as well as how it is integrated across the business.

## 50<sup>TH</sup> ANNUAL GENERAL MEETING

**Date** Thursday, 30 May 2024

**Time** 11:00 a.m.

**Broadcast Venue** Level 19, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia



Kenanga is committed to making a difference in the environment. Play your part by opting to download a softcopy of our reports at <https://www.kenanga.com.my/investor-relations/AGM2024> or by scanning the QR code on the left.

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# ABOUT THIS REPORT



Kenanga Investment Bank Berhad (“KIBB”) and Its Group of Subsidiaries (“Kenanga Group” or “the Group” or “Kenanga”) presents our third standalone Sustainability Report 2023 (“the Report”), which complements our Sustainability Statement within our Annual Report 2023.

This Report provides an overview of our approach towards managing our stakeholder-relevant environmental, social and governance (“ESG”) topics, goals and performances. Also outlined in this Report, is our progress in integrating sustainability into our strategies, business practises, products, and services to provide long-term value to our stakeholders as we continue to innovate in the marketplace.

Following the release of our Sustainability Report in 2022, further enhancements have been made in this year’s disclosures to include Scope 3 disclosure on employee commute.

## Reporting Scope and Boundaries

The contents of this Report encompass full year data for the fiscal year ending December 2023, from 1 January 2023 to 31 December 2023 (“2023” or “FY2023”), which cover our operations in Malaysia, including our Kuala Lumpur-based headquarters - Kenanga Tower, branch offices and other business premises under the Group nationwide, unless stated otherwise. All monetary values are reported in Malaysian Ringgit (“RM”) and this Report should be read in conjunction with our Annual Report 2023.

## Guidelines and Standards

This Report complies with Bursa Malaysia Securities Berhad (“Bursa Malaysia”)’s Main Market Listing Requirements and has been prepared in reference with the Global Reporting Initiative (“GRI”) Standards. The GRI Content Index can be found on pages 88 to 91 of this Report.

The Report also serves as a Communication on Progress (“CoP”) report as part of our commitment to UNGC.

We have further aligned our ESG disclosures with the following:

- Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- United Nations Sustainable Development Goals (“UN SDGs”)
- Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)
- Joint Committee on Climate Change (“JC3”)’s TCFD Application Guide for Malaysian Financial Institutions
- Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (“BNM CCPT”)
- United Nations Global Compact (“UNGC”)’s Ten Principles
- Malaysian Code of Corporate Governance (“MCCG”) by the Securities Commissions Malaysia (“SC”)

In preparation of this Report, the ESG performance and disclosures were also benchmarked against internationally recognised ESG ratings and frameworks, primarily focusing on Financial Times Stock Exchange (“FTSE”) Russell’s ESG Ratings and industry-relevant Sustainability Accounting Standards Board (“SASB”) indicators, which provide guidance on improving our reporting transparency and disclosures whilst reinforcing our sustainability strategies and direction.

The greenhouse gas (“GHG”) emissions were calculated using the GHG Protocol Corporate Standard, an international assurance standard developed by the World Business Council for Sustainable Development and the World Resources Institute (“WBCSD/ WRI”).

## Report Assurance

The Group Sustainability Management Committee, Group Governance, Nomination & Compensation Committee, Audit Committee, and the Board of Directors have reviewed and approved the Sustainability Report 2023 and Sustainability Statement 2023, and we are continuously refining our data collection process to enhance our disclosures in future reports.

To ensure data credibility and in compliance with Bursa Malaysia's requirements for obtaining reporting assurance, we have engaged SIRIM QAS International Sdn Bhd ("SIRIM") a prominent Malaysian certification, inspection, and testing body, to provide limited assurance for these selected key indicators for FY2023's Sustainability Report, including energy management, GHG emissions (Scope 1 and Scope 2), water consumption, employee workforce profile, as well as training and development data. This marks our first year of acquiring independent verification for ESG reporting data and we plan to broaden the assurance scope for future reports.

For full SIRIM Independent Assurance Statement, please refer to pages 99 to 101 of this report.

### Extraction from SIRIM Independent Assurance Statement

Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Kenanga Investment has not complied, in all material respects, with the referred assurance standard and guide.

The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Kenanga Investment Sustainability Report 2023 is fairly stated;
- The level of disclosure of the selected sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

## Forward-Looking Statements Disclaimer

This Report contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change due to various reasons, such as shift of stakeholders' ESG priorities. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements. As such, the forward-looking statement will be reviewed for its relevancy in our upcoming reports as needed.

## Feedback and Accessibility

Our Sustainability Report 2023 is also available on our corporate website:  
<https://www.kenanga.com.my/who-we-are/sustainability>

We welcome all feedback and comments, which can be directed to:

**Group Marketing, Communications and Sustainability**

**Kenanga Investment Bank Berhad**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur,  
 Wilayah Persekutuan, Malaysia.

Tel : +603-2172 2888

Email : [groupmarcomm@kenanga.com.my](mailto:groupmarcomm@kenanga.com.my)



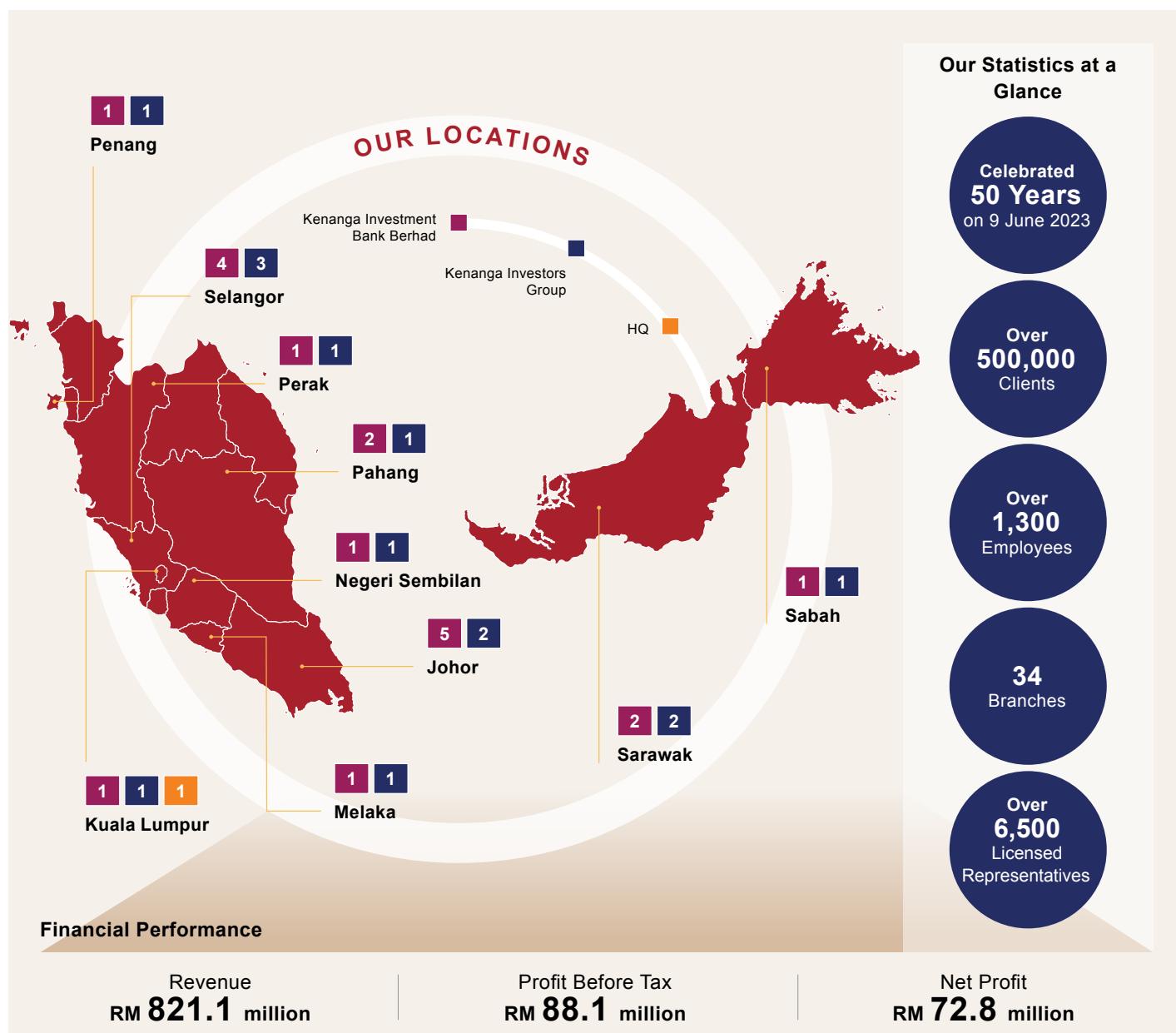
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for more information and downloads.

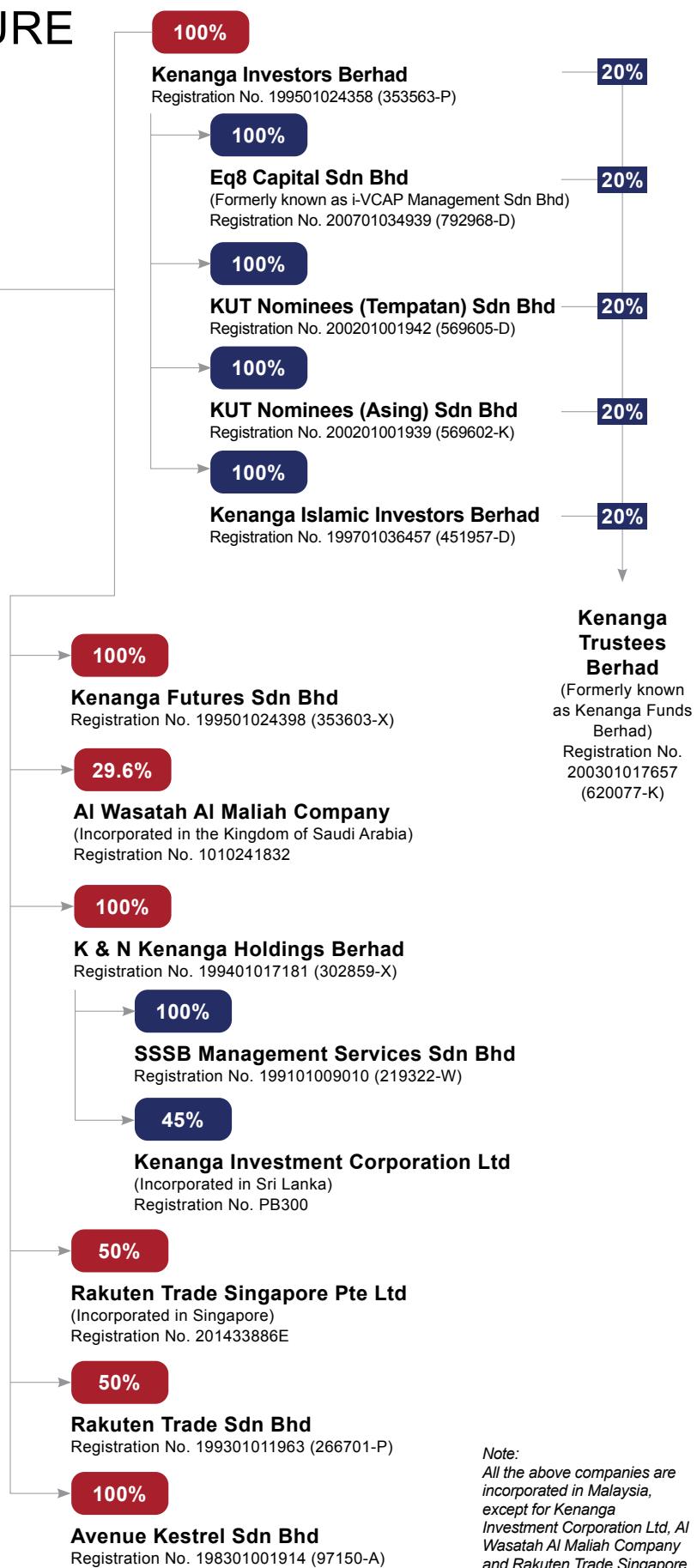
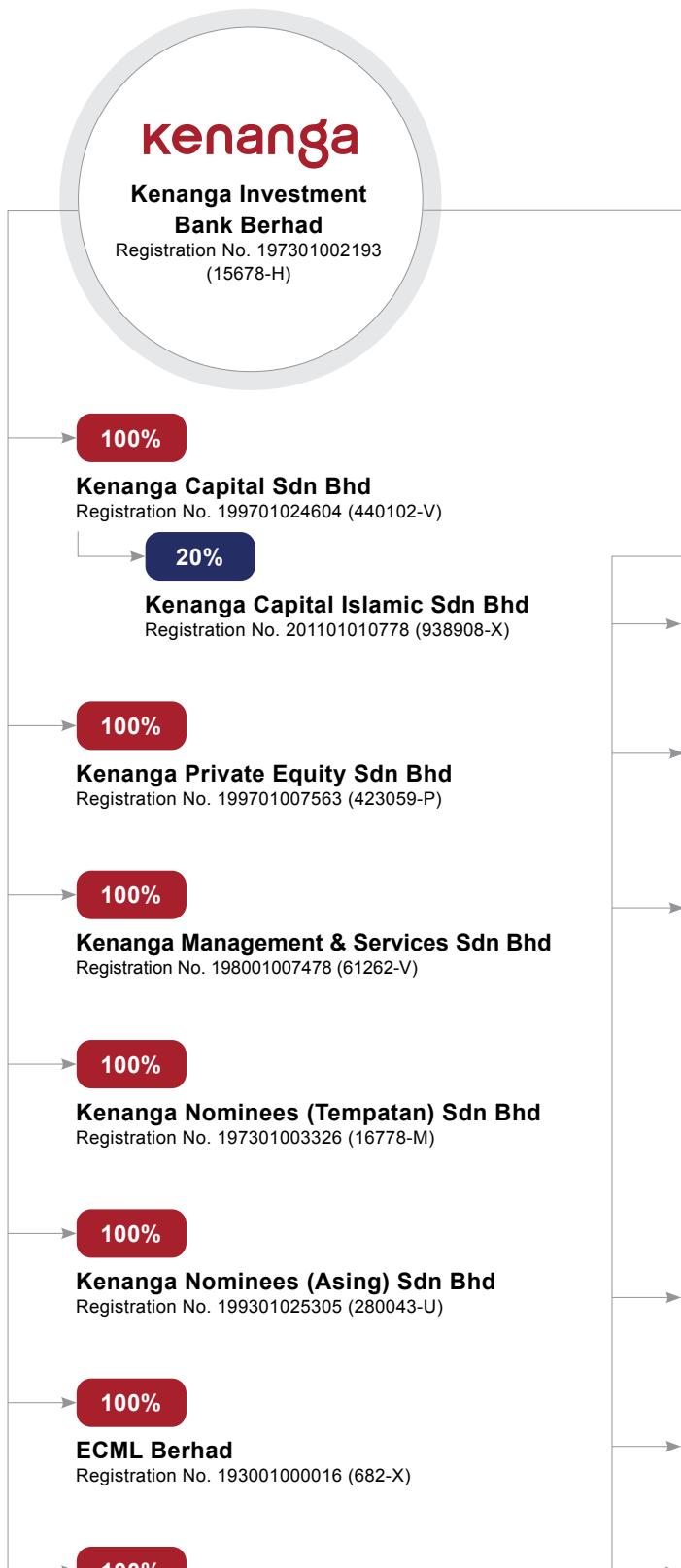
# WE ARE KENANGA

Kenanga Investment Bank Berhad is a leading, independent, Malaysian-based investment bank established in 1973. We have provided award-winning products and services to clients and businesses for more than five decades, through our wealth of experience in equity broking, corporate investment banking, treasury, Islamic banking, listed derivatives broking, asset and wealth management, and money lending.

In this new era of finance that is centered on digitalisation and new technologies, it is vital that we continue to reimagine and reshape our products and offerings to meet the demands and expectations of our clients and the market. Our pursuit of democratising investing through digitalisation has seen us unlock innovative solutions such as, Malaysia's first fully online stockbroking platform, Rakuten Trade which is a joint venture with Japan-based Rakuten Securities Inc., as well as Kenanga Digital Investing ("KDI"), a fully Artificial Intelligence ("AI")-driven robo-advisory platform that was launched in 2022. We are currently developing Malaysia's first Wealth SuperApp and we look forward to its rollout in 2024.



# CORPORATE STRUCTURE



*Note:*  
 All the above companies are incorporated in Malaysia, except for Kenanga Investment Corporation Ltd, AI Wasatah Al Maliah Company and Rakuten Trade Singapore Pte Ltd

# OUR CORE BUSINESS SEGMENTS

Kenanga provides a host of products and services to serve corporations, institutions, and individuals.



## OUR CORE BUSINESS SEGMENTS

We service the investing and trading needs of retail and institutional investors, both domestic and international. These services consist of equity brokerage, global equity trading, structured warrants, equity structured solutions, securities borrowing and margin lending.

We offer services including corporate banking, corporate finance, debt capital markets, and private equity.

We offer a comprehensive array of investment and hedging solutions. In addition, we have a team responsible for delivering input on indicative prices or levels and market updates for the money, fixed income, and foreign exchange market.

We provide Shariah-compliant investment banking services and products. All Kenanga's Skim Perbankan Islam and Islamic Stockbroking Window products are sanctioned by its Shariah Committee in accordance with regulatory mandates.

We offer clearing and settlement services and access to trade on Bursa Malaysia Derivatives Berhad and the world's leading derivatives exchange, the Chicago Mercantile Exchange Group.

We offer conventional and Shariah-compliant investment solution, comprising collective investment schemes, private retirement schemes, portfolio management services, and alternative investments, to retail, corporate and high-net worth individual clients.

We provide financing solutions through a wide variety of individually tailored corporate and leverage finance products.

 For more information about our business activities, please refer to pages 2 to 4 of our Annual Report 2023.

## OUR BRAND VALUES

**AGILITY**

We are nimble and quick to respond with creative, customised solutions to meet our stakeholders' needs, both externally and internally.

**TRUSTWORTHINESS**

Professionalism, integrity and transparency are values we hold dear. We are fully committed to ethical practices and strive to always maintain credibility in all that we do.

**COLLABORATION**

We are supported by an integrated network of colleagues and partners. We believe in consolidating our knowledge and working together for the best solutions.

**FUTURE FACING**

We are constantly pushing boundaries. Our pursuit of digital innovations will drive financial inclusion and create opportunities and possibilities for our stakeholders.

# OUR NOTABLE RECOGNITION IN FY2023

## KENANGA INVESTMENT BANK BERHAD



### The Edge Malaysia Centurion Club Corporate Awards 2023

#### Financial Services Category

- Highest Returns to Shareholders Over Three Years
- Highest Growth in Profit After Tax Over Three Years

### National Energy Awards 2023

- Winner of Energy-Efficient Building in Retrofitted Building

### Malaysia National Business Award 2023

- Investment Banking

### Malaysia Technology Excellence Award 2023

- Fintech – Investment Banking

### United Nations Global Compact Malaysia-Brunei Forward Faster Sustainability Awards 2023

#### Recognition for:

- Partnership for the Goals
- Sustainability Awareness and Employee Engagement

### ESG Positive Impact Awards 2022

- Silver Award in the Innovative Partnership Category

### Bursa Excellence Awards 2023

- Best Overall Equities Participating Organisation (Champion)
- Best Retail Equities Participating Organisation (Investment Bank) (Champion)
- Best Online Retail Participating Organisation (Champion)

### Bursa Retail Investor Campaign 2023

#### Top Remisier Category

- Highest Number of New Accounts Opened (Shariah): Ahmad Faizal bin Mohamed Yusup
- Highest Traded Value – New Accounts: Ooi Yim Ee
- Highest Reactivation – Untraded Accounts: Yasmin Mae Abdul Karim

### SRP Asia Pacific Awards 2023

- Best Educational Initiative

### The Edge Best Call Awards 2023

- Samuel Tan Kai Bin's timely downgrade of D&O Green Technologies Bhd and SKP Resources Bhd
- Nigel Ng Ken Hou's call on United U-Li Corp Bhd

### Focus Economics Analyst Forecast Awards 2023

- Kenanga Research, Third Place in Malaysia – Interest Rate Category

### Sustainability & CSR Awards 2023

- Bank of the Year – Outstanding Sustainability Champion

## KENANGA INVESTORS BERHAD



## FSMOne Recommended Unit Trust Awards 2023/2024

<b>Sector Equity – Malaysia Focused</b>	Kenanga Growth Fund Series 2
<b>Sector Equity – Malaysia Small to Medium Companies (Islamic)</b>	Kenanga Shariah Growth Opportunities Fund
<b>Private Retirement Scheme – Growth (Islamic)</b>	Kenanga Shariah OnePRS Growth Fund

## Asia Asset Management's 2024 Best of the Best Awards

<b>Malaysia Best Impact Investing Manager</b>	Kenanga Investors Berhad
<b>Best Impact Investing Manager in ASEAN</b>	Kenanga Investors Berhad
<b>Malaysia Best Equity Manager</b>	Kenanga Investors Berhad
<b>Malaysia CEO of the Year</b>	Datuk Wira Ismitz Matthew De Alwis, Executive Director and Chief Executive Officer, Kenanga Investors Berhad
<b>Malaysia CIO of the Year</b>	Lee Sook Yee, Chief Investment Officer, Kenanga Investors Berhad
<b>Malaysia Best House for Alternatives</b>	Kenanga Investors Berhad
<b>Malaysia Most Improved Fund House</b>	Kenanga Investors Berhad
<b>Malaysia Best Investor Education</b>	Kenanga Investors Berhad

## LSEG Lipper Fund Awards Malaysia 2024

<b>Best Equity Malaysia Diversified – Malaysia Pension Funds over 10 Years</b>	Kenanga Malaysian Inc Fund
<b>Best Mixed Asset MYR Flexible – Malaysia Pension Funds over 10 Years</b>	Kenanga Diversified Fund

## KENANGA FUTURES SDN BHD



## Bursa Excellence Awards 2023

- Best Overall Derivatives Trading Participant (Champion)
- Best Trading Participant Commodity Derivatives (Champion)
- Best Institutional Derivatives Trading Participant (Champion)

# CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

I am pleased to share with you the Sustainability Report for 2023, which illustrates our ongoing dedication to environmental, social and governance (“**ESG**”) initiatives and our progress toward fostering a sustainable future.

Celebrating the 50<sup>th</sup> anniversary of Kenanga Investment Bank Berhad this year and half a century of excellence as a homegrown brand, we are pleased to witness the transformative journey of our sustainability efforts in recent years, evolving in tandem with global and local sustainability imperatives. The paradigm shift towards climate-resilient business operations, enhanced ESG reporting, and increased transparency resonates profoundly, compelling the Group to continue aligning its ESG undertakings with both international and domestic benchmarks.

## STRENGTHENING ESG FOUNDATION

In 2023, we rolled out the first year of our three (3)-year Sustainability Roadmap, designed to guide our ESG planning and execution, predicated on our Sustainability Framework that was formulated two (2) years ago.

With a focus on ‘Strengthening ESG Foundation’, the year saw further integration of Sustainability Key Performance Indicators (“**KPIs**”)



throughout the organisation, and preparing for climate-related financial disclosures to align with regulatory mandates.

We also prioritised enhancing the skills of roles crucial to sustainability, recognising the pivotal role of human capital in our sustainability endeavours. Additionally, in meeting regulatory requirements and to promote further transparency and build trust with our stakeholders, we have initiated for the first time, independent assurance of key disclosures within this Sustainability Report.

Further to this, as part of our commitment to further embed and solidify sustainability leadership at the Board level, we updated and expanded the Board Charter and Terms of Reference of Board Committees to formalise Board oversight on matters relating to climate-related risks, underscoring our dedication to not only addressing current challenges but also fostering a climate-resilient business ecosystem.

Central to the Group’s operations is a persistent focus on maintaining the highest standards of good governance. In 2023, our Whistleblowing Policy was refined to include a comprehensive Speak Up Framework and a Speak Up Policy that lays the foundation for the Framework and provides, amongst others, assurance to all relevant stakeholders, both internal and external, of the safeguards accorded when making a report in good faith and that all reports will be handled objectively and impartially.

As part of this stride forward in promoting an ethical culture, an independent whistleblowing solutions provider was appointed to implement Conduct Watch, a secure digital reporting channel.

In tandem with that, our annual flagship campaign, the Fraud Awareness Week (“FAW”), celebrated its seventh year in uniting hundreds of participants from regulatory bodies to professional entities and public listed companies, in a collaborative endeavour against fraud. The consistent increase in participation not only attests to the relevance of the event, but also accentuates its profound impact. This year, for the first time, we also broadened our reach and collaborated with the esteemed Faculty of Law, University of Malaya (“UM”) on a Fraud Awareness Talk session aimed at enhancing awareness of fraud prevention and detection within the local community, particularly amongst the students of UM’s Law Faculty.

At Kenanga, we have always taken great pride in upholding a gender-balanced workforce within the organisation. With 51% female employees and 38% in senior leadership positions, we have not only cultivated a harmonious blend of diverse perspectives and experiences but have also harnessed the advantages of a rich talent pool. This year, as we deepened our commitment, Kenanga proudly joined the ranks of signatories to the UN Women’s Empowerment Principles. This move signifies our efforts to empower women not only within our workplace, but also in the broader marketplace and community.

### A FOCUS ON CLIMATE ACTION

Embarking on a journey towards net-zero aspirations, we have in recent years invested considerable efforts in mitigating our carbon footprint and environmental impact. As such, we were incredibly heartened to receive the coveted accolade at the prestigious National Energy Awards 2023 for the ‘Energy-Efficient Building in the Retrofitted Building’ category, a validation of the substantial strides we have made in reducing our energy consumption at our headquarters, Kenanga Tower.

Through partnership with a Malaysian-based climate-tech solutions provider, we have undergone a transformative process, revamping both the lighting and air handling unit and air conditioning systems of our building to achieve energy efficiencies. This initiative is a crucial step in aligning our operations with sustainable practices and contributing to a greener future.

Additionally, we remain vigilant in complying with emerging regulations and standards, particularly in climate risk management, ensuring its seamless integration into our business operations.

### FOSTERING A CULTURE OF SUSTAINABILITY

Throughout the year, we embraced the principle of ‘leaving no one behind’ as we worked towards building a stronger ecosystem to advance our sustainability agenda.

Acknowledging the pivotal role of employees in advancing sustainability, the Group initiated its inaugural Sustainability Roadshow, rolled-out to communicate Kenanga’s sustainability journey, and raise awareness of the Group’s ESG progress and aspirations. This roadshow not only advocated the positive impact of our collective efforts, but more importantly, served to nurture a culture of responsibility and sense of purpose amongst all employees.

Complementing that was the annual #GreenAtWork environmental campaign, and a new #ThinkESG learning series designed to inspire deeper ESG understanding and the adoption of green practices in the daily lives of our employees. Through workshops, quizzes and a plant-adoption drive, employees were invited to become ambassadors of positive change, carrying the values of environmental stewardship and ESG thinking beyond the confines of our organisation. Together, we do not just cultivate a greener workplace; we are sowing the seeds for a more sustainable future.

For our clients, we hosted ESG webinars and organised experiential site visits throughout the year, including trips to rooftop solar installations and Electric Vehicle (EV) charging hubs. These efforts aimed to offer first-hand insights into sustainable practices, empowering our corporate and institutional clients with opportunities to evaluate the ESG performances of companies, and in turn, enables them to actively champion their sustainability ambitions through informed decision-making.

As part of our steadfast commitment to societal impact, our long-standing partnerships with social enterprises such as Silent Teddies Bakery and Dialogue Includes All (“DIA”) Academy of over 12 years, exemplify our dedication to championing sustainable values and reflect a shared ethos of empowerment and resilience.

Beyond being regular patrons of Silent Teddies Bakery, an establishment run by hearing-impaired youths, we have also been actively supporting their ongoing expansion and renovation efforts — where we will see the humble bakery transformed into a well-equipped learning centre for the hearing impaired, and a café catering to a broader audience. It has been remarkable to witness the progress they have made in growing their business, highlighting the distance they have covered since our initial collaboration.

## CHAIRMAN'S MESSAGE

Simultaneously, through the DIA Academy, our asset and wealth management arm, Kenanga Investors Berhad, organised immersive empathy workshops for their teams and network of financial advisers. Led by visually impaired trainers from the Academy, these structured workshops aimed to promote inclusivity, sense of community and mutual support through exercises, discussions and activities. Participants engaged in these events in complete darkness, where they learnt, practiced, and internalised empathy as a valuable skill for fostering meaningful connections and resolving conflicts, which will set the tone for a more compassionate and understanding environment in both personal and professional settings.

These represent just a few noteworthy moments from the year. Our sustainability endeavours are seamlessly woven into our business operations, and are intricately aligned with the United Nations Sustainable Development Goals (“**UN SDGs**”) and United Nations Global Compact Ten Principles. For a deeper understanding of our sustainability performance, I invite you to explore the following pages of this report, where you will find a more comprehensive overview of our efforts.

## CONTINUED INCLUSION ONTO THE FTSE4GOOD INDEX

Witnessing Kenanga's sustainability journey marked by a consistent stream of notable commendations, serves as a testament to our ongoing efforts and encourages us to strive for continuous improvement. In December 2023, Kenanga maintained its inclusion in the esteemed FTSE4Good Bursa Malaysia (“**F4GBM**”) Index, a globally recognised benchmark for companies demonstrating a commitment to ESG practices. This recognition continues to place us amongst the 10% of Malaysian publicly listed companies represented in the Index, further underscoring our steadfast dedication to sustainability and responsible business practices.

Throughout 2023, Kenanga was also decorated with prestigious awards acknowledging our dedication to sustainability and ESG practices. In addition to the above-mentioned National Energy Awards, we also garnered accolades, such as 'Bank of the Year - Outstanding Sustainability Champion' from the Sustainability & CSR Malaysia Awards and recognition as 'Best Impact Investing Manager' by Asia Asset Management. Meanwhile, the United Nations Global Compact Network Malaysia and Brunei awarded us with 'Partnership for the Goals' and 'Sustainability Awareness and Employee Engagement' recognitions.

These acknowledgments stand as a tribute to the tireless commitment and dedication of everyone within the organisation. While maintaining our inclusion in the F4GBM Index and the receipt of these awards are significant milestones, we acknowledge that there is still much ground to cover, and we are merely at the onset of our journey.

## LOOKING FORWARD

## EXPANDING THE VISION

2023 has been an enlightening year, marked by significant advancements in ESG reporting standards and regulations. The establishment of the Advisory Committee on Sustainability Reporting and the launch of the National Energy Transition Roadmap, New Industrial Master Plan and i-ESG Framework underscore the Malaysian government's commitment to sustainability. These national developments have been instrumental in further guiding our efforts to strengthen our sustainability foundations as we move forward.

As we reflect on our journey, I extend my deepest appreciation to our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, and convey my heartfelt thanks to our devoted employees and loyal clients. Their unwavering trust and support have been crucial to our success and will continue to inspire our sustainability path forward.

Additionally, my deepest thanks go to the dedicated Group Sustainability Management Committee led by Datuk Chay Wai Leong and employees of Kenanga Group. Their exceptional service and tireless commitment in these challenging times have further solidified and enriched the values that define the essence of Kenanga Group.

Finally, I extend my appreciation to our esteemed clients, business partners, suppliers, and shareholders for entrusting the Group. A special acknowledgment goes to Bank Negara Malaysia, Bursa Malaysia Securities Berhad, and the Securities Commission Malaysia for their invaluable advice and steadfast support.

## TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Chairman

# Q&A WITH OUR GROUP MANAGING DIRECTOR AND CHAIRMAN, GROUP SUSTAINABILITY MANAGEMENT COMMITTEE

## **Q1 How would you describe the sustainability progress that the Group has made this year?**

With the development of a Sustainability Framework, Three (3)-Year Roadmap and Sustainability Goals in previous years, we were laser-focused on execution this year, bringing to life the plans and targets we have set in place. Within the organisation, we cascaded ESG-specific KPIs throughout the organisation, rolled out Sustainability Roadshows for employees, refined our whistleblowing policy, augmented our procurement policy and worked on a sustainability policy to ensure we have a strong foundation that paves way for our journey ahead.

It was also a year of ensuring we internalised the heightened regulatory requirements from Bank Negara Malaysia, Bursa Malaysia, as well as the Securities Commission in relations to integrating sustainability practices in our business.

On the commercial front, we stepped up engagement with clients and investee companies to further push the sustainability agenda. Our asset and wealth management arm, Kenanga Investors Berhad, has successfully secured two (2) exclusive landmark ESG mandates from notable institutional investors in the country, which is a testament to the strength of our expertise and bolsters our position as a trusted asset manager in the sustainability space.

Another tangible mark of progress is our continued inclusion onto the FTSE4Good Bursa Malaysia Index. In the latest December 2023 review, our FTSE4Good ESG score has increased from 3.7 to 4.0, a direct result of our enhanced ESG practices and disclosures.

## **Q2 Has climate change impacted Kenanga's management of ESG risks?**

Climate change has emerged as a significant factor influencing the management of ESG risks at Kenanga. The implications of climate change are far-reaching, affecting not only the environment but also posing potential risks and opportunities for businesses.

Our regulators, especially Bank Negara Malaysia is at the forefront of setting regulatory standards, including mandating the assessment and disclosures of climate-related risks by financial institutions such as ourselves. In response to this heightened regulatory scrutiny and increased investor awareness of climate risks, we have intensified our risk management approach which includes strengthening our climate risk governance and enhancing due diligence to include climate risk considerations in decisions related to the investments and corporate lending. Since 2023, our portfolios undergo ESG risk screening and climate-related exposure assessment as guided by the updated Climate Change Risk Management ("CCRM") Framework.



**DATUK CHAY WAI LEONG**

Group Managing Director

Chairman, Group Sustainability Management Committee

## Q&amp;A WITH OUR GROUP MANAGING DIRECTOR AND CHAIRMAN, GROUP SUSTAINABILITY MANAGEMENT COMMITTEE

**Q3 In light of current environmental concerns, would you be able to provide an overview of climate actions that the company is pursuing?**

In 2023, global temperatures reached unprecedented levels, marking it as the hottest year on record, and highlighting evidence of global warming and changing weather patterns.

Mounting scientific consensus of climate change, compounded with the escalating frequency of climate emergencies has reinforced the imperative for businesses such as ours to address the associated risks, as well as taking the opportunity to contribute meaningfully to a sustainable future.

At Kenanga, while we have aligned our long-term environmental commitment with our national goal of achieving net zero by 2050, our immediate focus has been to prioritise the reduction of our enterprise GHG emission. Over the last two (2) years, we have been collaborating with a Malaysian-based climate tech company to mitigate our environmental footprint, starting with the most energy intensive area – our heating, ventilation and air conditioning system.

We have overhauled our systems with an AI-powered predictive cooling control solutions, as well as switched out conventional lightings to energy-saving lighting options. Our gradual and practical steps led to reduction in overall energy consumption in 2022 at Kenanga Tower. This achievement, attributable to the system upgrades initiated in 2021, which earned us the prestigious title of 'Energy-Efficient Retrofitted Building' at the National Energy Awards 2023, presented by the Ministry of Natural Resources, Environment, and Climate Change.

**Q4 What would you say are the highlights of Kenanga's progress on the "Social" and "Governance" dimensions?**

By virtue of the fact we operate in a highly regulated environment, governed by all three (3) regulatory bodies – Bank Negara Malaysia, Bursa Malaysia and the Securities Commission – we naturally uphold a high corporate governance standard. We take great pride in going above and beyond regulatory compliance, especially through our industry leadership role in rallying fraud awareness.

We cover the many facets of 'Social' in our Sustainability Report, but it is worth noting that our priorities include maintaining a gender-balanced workforce. This year, we became a signatory to the United Nations Women Empowerment Principles, further committing to gender empowerment agenda not just at the workplace, but also the marketplace and community.

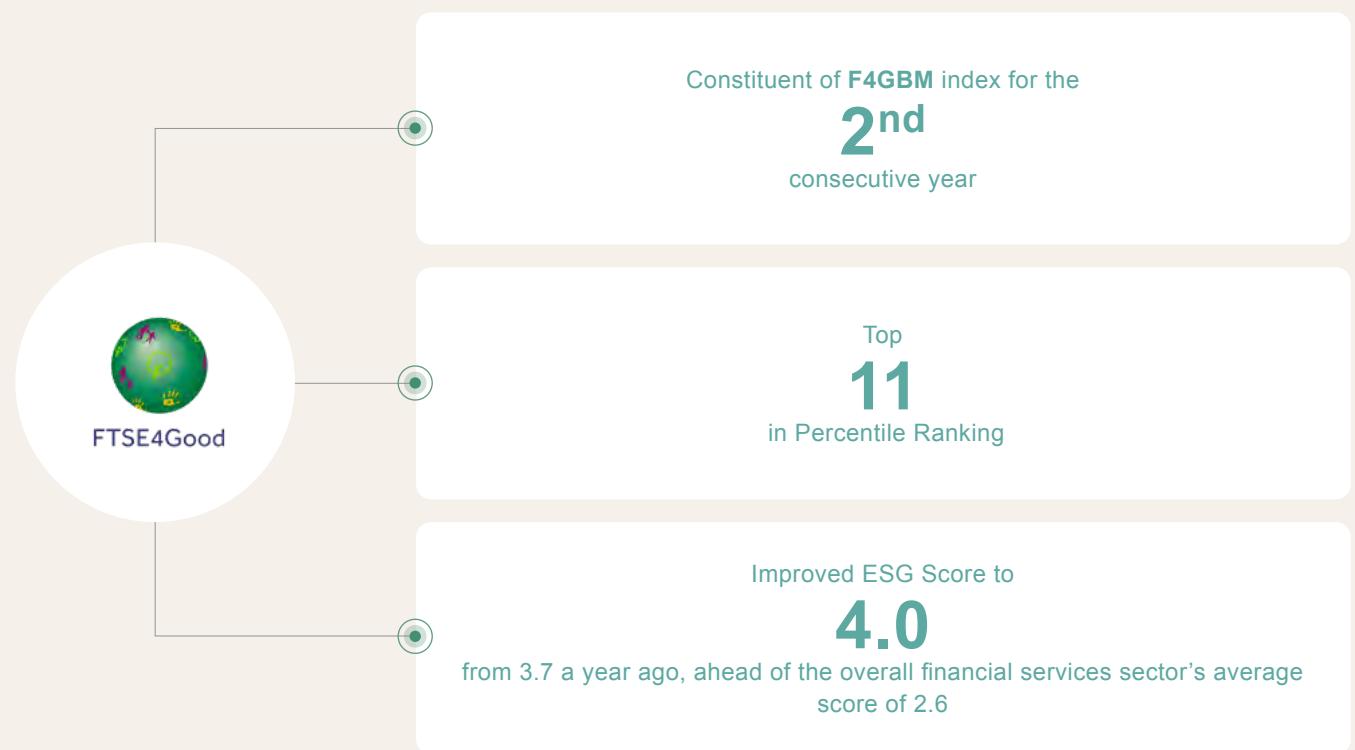
Our long-standing support towards social enterprises, Silent Teddies Bakery and Dialogue Includes All Academy, continues to be front and centre for us. It has been a privilege to be part of their growth story, and to know we have played a part in empowering the differently abled and marginalised in a meaningful manner that promotes a sense of pride and unlocks self-reliance and enterprising spirit.

**Q5 Having charted good progress in the last few years, what are some of the focus areas in the coming year?**

In this coming year, amongst the various priorities include strengthening and harmonising of our responsible investing approach across the Group by aligning it to regulatory expectations, and industry best practices. In the same breath, we will also delve into the technical aspects of computing our Scope 3 emissions, particularly focusing on emissions resulting from our investment activities – the area where, as a financial institution, we have the most impact.

One thing to be mindful of as we progress forward, is the rise of greenwashing allegations, which is why ensuring transparency, clarity and integrity of our commitments, disclosures and communications remains paramount.

## Q&amp;A WITH OUR GROUP MANAGING DIRECTOR AND CHAIRMAN, GROUP SUSTAINABILITY MANAGEMENT COMMITTEE

**FTSE4Good Bursa Malaysia (“F4GBM”) Index December 2023 Review Results**

In the latest December 2023's review of the FTSE4Good Index series, Kenanga Group has maintained its position and demonstrated improvement in its overall ESG ratings. In the review, the Group achieved an overall ESG score of 4.0 out of 5.0, showing an increase from our previous rating of 3.7.

The progress is primarily attributed to the enhanced performance in climate change-related topics within the Environmental pillar, while maintaining our perfect scores for the Governance pillar and high score for our Social pillar. Furthermore, Kenanga has surpassed the sector average scores, reflecting our ongoing commitment to align our business operations with sustainable and responsible practices.



“2024 will be the year where we focus on building and bolstering a sustainable ecosystem with a more pronounced emphasis on efforts relating to climate change and social supply chain. By aligning our sustainability efforts with these critical themes, we not only fortify our resilience against emerging risks but also positioning ourselves in accordance with prevailing regulatory mandates.”

**CHUAH SZE PHING**

Group Chief Sustainability Officer and Head of Group Marketing and  
Communications, Kenanga Investment Bank Berhad

# SUSTAINABILITY AT KENANGA

As a financial institution, we acknowledge the significant role we play in contributing to the development of a sustainable future. Our commitment is rooted in integrating sustainability into our operations, generating shared value for all stakeholders. We consistently incorporate sustainability into our business practices and decision-making processes, recognising it as both a driver of risks and a source of opportunities.

## CONTRIBUTING TOWARDS UN SDGS AND UN GLOBAL COMPACT'S TEN PRINCIPLES

Below are the 11 SDGs Kenanga contributes towards. Additionally, as a signatory member of the United Nations Global Compact ("UNGC") Network, we have also aligned our sustainability efforts with the UNGC's Ten Principles. Key highlights are illustrated below:

UN SDGs	SDGs Targets We Contribute Towards	Relevant UNGC Principles	Our Contribution to UN SDGs and UNGC Ten Principles	Our Progress in FY2023
	1.4 Equal rights to economic resources, as well as access to basic and financial services	<b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>Extending support to our local communities through philanthropic contributions and social investments</li> <li>Supporting social enterprises through our community investment efforts</li> </ul>	<ul style="list-style-type: none"> <li>Donated over RM600,000 to community investments, positively impacting over 2,700 lives</li> <li>Provided consistent support to social enterprise partners, Silent Teddies and Dialogue Includes All Academy for 12 consecutive years</li> </ul>
	4.4 Increase the number of people with relevant skills for employment, decent jobs and entrepreneurship	<b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> <li>Promoting financial literacy across the industry through our community programmes and industry financial literacy initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Participated in and organised 119 sessions (webinars, exhibitions, seminars and live series) for approximately 8,000 participants</li> </ul>
	5.5 Women's full and effective participation and equal opportunities for leadership	<b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>Supporting the empowerment and representation of women in our workforce</li> </ul>	<ul style="list-style-type: none"> <li>51% of our workforce and 38% of key/ senior management are women</li> <li>Gender pay ratio averages 1:0.92 (men to women)</li> </ul>
	7.2 Increase global percentage of renewable energy 7.3 Double the global rate of improvement in energy efficiency	<b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> <li>Investing in green energy companies and converting to energy-efficient equipments in efforts to reduce our energy consumption in our building and business operations</li> </ul>	<ul style="list-style-type: none"> <li>Kenanga Tower wins 'Energy-Efficient Retrofitted Building' at National Energy Awards 2023</li> </ul>
	8.5 Full and productive employment and decent work for all 8.10 Expand access to banking, insurance and financial services for all	<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses <b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining <b>Principle 4:</b> The elimination of all forms of forced and compulsory labour <b>Principle 5:</b> The effective abolition of child labour <b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>Ensuring a safe, conducive and thriving workplace for all our employees</li> <li>Expanding our client base, particularly the unserved/underserved retail segment via online platforms for trading and investing</li> </ul>	<ul style="list-style-type: none"> <li>Achieved zero workplace injuries</li> <li>Conducted three (3) mental health talks for employees in collaboration with Naluri, MiCare and Etiqa</li> <li>Reached over 23,000 users through our AI-based investing and savings platform, Kenanga Digital Investing ("KDI")</li> </ul>
	10.2 Social, economic and political inclusion of all	<b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>Uplifting our communities through philanthropic contributions and employee volunteerism, while promoting diversity and non-discriminatory practices across our employment practices and product</li> </ul>	<ul style="list-style-type: none"> <li>Became a signatory of Women's Empowerment Principles ("WEPs")</li> <li>Became an Official Partner of LeadWomen, a leading advisory and training organisation focused on nurturing an inclusive workplace culture</li> <li>Conducted a training for people managers on sexual harassment and anti-bullying by an external legal counsel</li> <li>Recorded a total of 2,423 employee volunteering hours, with participation from 319 volunteers</li> </ul>
	11.6 Reduce the environmental impact of cities	<b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>Improving our waste management initiatives through monitoring on waste generated and collected</li> </ul>	<ul style="list-style-type: none"> <li>Continued to improve monitoring on waste management in line with Bursa Malaysia's reporting requirements</li> </ul>

UN SDGs	SDGs Targets We Contribute Towards	Relevant UNGC Principles	Our Contribution to UN SDGs and UNGC Ten Principles	Our Progress in FY2023
	12.5 Significantly reduce waste generation 12.6 Encourage companies to adopt sustainable practices and sustainable reporting	<b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> <li>Embracing digitalisation throughout our operations and moving towards minimising paper usage</li> <li>Nurturing a zero-waste culture amongst our employees by organising workshops and purchasing eco-friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Digitalised four (4) workflows under the iLeap project, reducing paper wastage and enhancing workflow efficiency with a total of 69 workflows being digitalised since its inception</li> <li>Collaborated with environmental non-governmental organisations to encourage employees to participate in activities such as repurposing plastics, city clean up and plant adoption drive</li> <li>Recycled a total of 32,876kg, inclusive of general waste and e-waste</li> </ul>
	13.2 Integrate climate change measures into policies and planning 13.3 Improve human and institutional capacity on climate change	<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> <li>Embarking on a climate action pathway to address our climate-related risks and opportunities, while reducing our direct operational carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>Completed climate risk assessments for all of our existing corporate loans and private equity investments</li> <li>Achieved 393 employee enrolments in ESG-related training topics, such as ESG-related risks, climate change, with a total of 2,239.7 training hours recorded</li> </ul>
	16.4 Combat organised crime, illicit financial and arms flows 16.5 Reducing all forms of corruption and bribery 16.7 Responsive, inclusive, participatory and representative decision-making at all levels	<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> <li>Strengthening our framework and compliance culture to prevent financial crimes</li> </ul>	<ul style="list-style-type: none"> <li>Conducted our 7<sup>th</sup> annual Fraud Awareness Week ("FAW") campaign, engaging over 2,300 participants</li> <li>Collaborated with the Law Faculty of the University of Malaya on a Fraud Awareness Talk session aimed at enhancing awareness of fraud prevention and detection</li> <li>Hosted the 8<sup>th</sup> Annual Regulatory Seminar Assessment, with over 1,100 enrolments and a total of 8,932 training hours registered</li> <li>Established a Scam Hotline to channel and manage all scam-related concerns</li> <li>Enhanced Group Whistleblowing Policy by replacing it with the Group Speak Up Policy, allowing employees to report concerns in good faith regarding behaviour, conduct, practices, actions or omissions that may be unlawful or not in line with the Group's policies</li> </ul>
	17.16 Enhance partnership to mobilise technology and financial resources 17.17 Encourage and promote effective public, public-private and civil society partnership	<b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights <b>Principle 2:</b> Make sure that they are not complicit in human rights abuses <b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation <b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges <b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility <b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies <b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> <li>Building partnerships with community-based organisations to create positive social impacts</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened key partnerships with the following entities:           <ul style="list-style-type: none"> <li>Silent Teddies and Dialogue Includes All Academy for community outreach programmes</li> <li>UNGC to advance SDGs</li> <li>Association of Certified Fraud Examiners to organise the 7<sup>th</sup> FAW</li> <li>LeadWomen to promote workplace equality</li> <li>Ant Group for financial inclusion initiatives</li> </ul> </li> </ul>

## SUSTAINABILITY AT KENANGA

## OUR ESG FRAMEWORK

Our ESG Framework serves as a focal point for how we articulate our sustainability aspirations for the long-term. Anchored upon four (4) key pillars – **Sustainable Economic Growth, Environmental Stewardship, Empowering People and Communities, and Good Governance**, the Framework guides us in our efforts to address ESG issues that are material to our business.

## OUR SUSTAINABILITY VISION

As a leading independent investment bank, Kenanga is committed to promoting and adopting business-relevant sustainable practices by embedding ESG in our core business strategies and operations, while considering the ESG risks and opportunities in shaping up sustainable investment products and services towards contributing to the best interests of our stakeholders.



### Sustainable Economic Growth

Integrate ESG factors into our business decisions and value chain and manage our ESG risks and opportunities as we innovate to build a sustainable future

#### ► Responsible Investment

Incorporate ESG factors into our investment processes, offer and promote sustainable products and solutions and take an active stewardship role in the companies in which we invest

#### ► Digitalisation

Leverage technological advancements to develop secure, meaningful and innovative products and solutions that will help shape the future investing



### Empowering People and Communities

Create a positive impact on our employees, clients, and business associates, as well as communities in need

#### ► Diversity, Inclusion and Wellbeing

Inculcate an equitable workplace culture that recognises the unique needs and contributions of employees and where employee rights, health, safety and wellness are promoted

#### ► Community Investment

Enhance financial literacy for investors and the community through education. Reaching out to communities in need through targeted social investments and employee volunteerism

### Environmental Stewardship

Promote climate positive culture within the organisation and relevant external stakeholders to attain a low carbon economy

#### ► Climate Impact

Take ownership of climate risks and opportunities of our operations through monitoring environmental performance, identifying and practising behaviours to promote climate positive action and outcomes



### Good Governance

Lead a responsible business underpinned by a robust compliance culture and high levels of ethical standards

#### ► Good Business Conduct

Promote and embed good business conduct and high standards of integrity throughout the organisation, operate ethically and transparently and in compliance with applicable laws and regulations

## OUR SUSTAINABILITY GOALS AND ROADMAP

In line with our ESG Framework, we formulated Sustainability Goals and Targets, as well as a three (3)-year Sustainability Roadmap (“**the Roadmap**”) in FY2023 to operationalise and drive our sustainability vision and ambitions.

To facilitate the implementation of the Roadmap, ESG Key Performance Indicators (“**KPIs**”) were integrated into the Balanced Scorecards (“**BSC**”) of relevant roles including the Group Managing Director, as well as for the Head of Divisions and Departments, and which were cascaded across the Group, reinforcing the integration of ESG considerations throughout business operations.

### KENANGA SUSTAINABILITY GOALS

#### Sustainable Economic Growth

Integrate ESG factors into our business decisions and value chain and manage our ESG risks and opportunities as we innovate to build a sustainable future.

##### Goal 1

Increase support of sustainable economic activities

##### Goal 2

Champion cloud-first strategy to increase scalability and flexibility

##### Goal 3

Increase automation for productivity

##### Goal 4

Increase digital distribution of products and services

#### Environmental Stewardship

Promote climate positive culture within the organisation and relevant external stakeholders to attain a low carbon economy.

##### Goal 1

Accelerate enterprise decarbonisation

##### Goal 2

Build awareness, knowledge and skills needed to enable employees and stakeholders, to contribute positively to climate actions

#### Empowering People and Communities

Create a positive impact on our employees, clients, and business associates, as well as communities in need.

##### Goal 1

Maintain and promote workforce diversity, and maintain anti-discrimination culture

##### Goal 3

Increase social impact towards marginalised and deserving communities through consistent programmes and initiatives

##### Goal 2

Integrate mental health as a topic of overall wellbeing of employees

##### Goal 4

Expand investing literacy reach through online and offline channels

#### Good Governance

Lead a responsible business underpinned by a robust compliance culture and high levels of ethical standards.

##### Goal 1

All material matters to be supported by adequate policies and procedures in line with best practices and regulatory requirements

##### Goal 2

Lead industry fraud awareness through an interactive flagship programme

## SUSTAINABILITY AT KENANGA

## KENANGA'S THREE (3)-YEAR SUSTAINABILITY ROADMAP

**Objective**

This Roadmap complements our Board-approved sustainability goals and targets, and supports the implementation of regulators' and rating agencies' requirements on sustainability disclosures which is translated to relevant KPIs.

2023

**Strengthening ESG Foundation**

- Develop KPIs and targets for the identified 'Key Focus Areas' in Kenanga's Sustainability Framework
- Assess and ensure group-wide readiness to embark on climate-related financial disclosures according to key regulators' requirements that are in line with the Bank Negara Malaysia Climate Change and Principle-based Taxonomy, and the Policy Document on Climate Risk Management and Scenario Analysis, as well as the Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- Upskill sustainability-relevant roles within the organisation and ensure alignment are in line with Bursa Malaysia Corporate Sustainability Practitioner Competency Framework
- Obtain assurance of our sustainability reporting process for data and enhance reporting credibility

**Building Sustainable Ecosystem**

- Enhance sustainability governance structure with sub-committees/ working group with clear roles and responsibilities
- Promote sustainability culture and increase ESG literacy amongst Kenanga's stakeholders through targeted sustainability literacy programmes
- Identify and integrate ESG risks in group-wide risk management including climate risk throughout the Group's business operations as per updated materiality matrix

2025

**Amplifying ESG Impact**

- Expand sustainable products and services while focusing on thematic and impact investing in sectors related to Water & Waste, Food Security, and Energy Transition, and others as relevant
- Fully integrate and increase our ESG due diligence practices across our business operations including sustainable value chain practices such as procurement and investment
- Adopt suitable sustainability ratings and standards for continuous improvement on sustainability performance

2024

## AN INSIGHT INTO OUR STAKEHOLDERS' PERSPECTIVES

Stakeholder engagement, assessment and feedback are integral to our organisation. We continuously work to improve our engagement approaches through various communication channels to ensure we meaningfully connect with our stakeholders to gather input that are relevant to current trends and changing expectations.

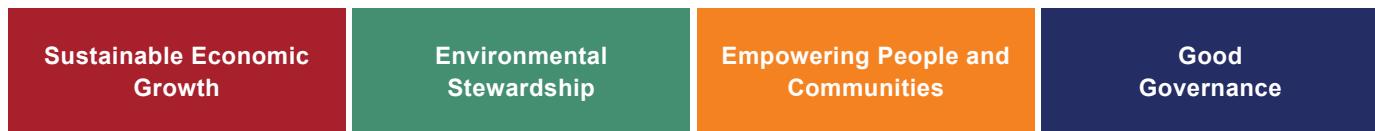
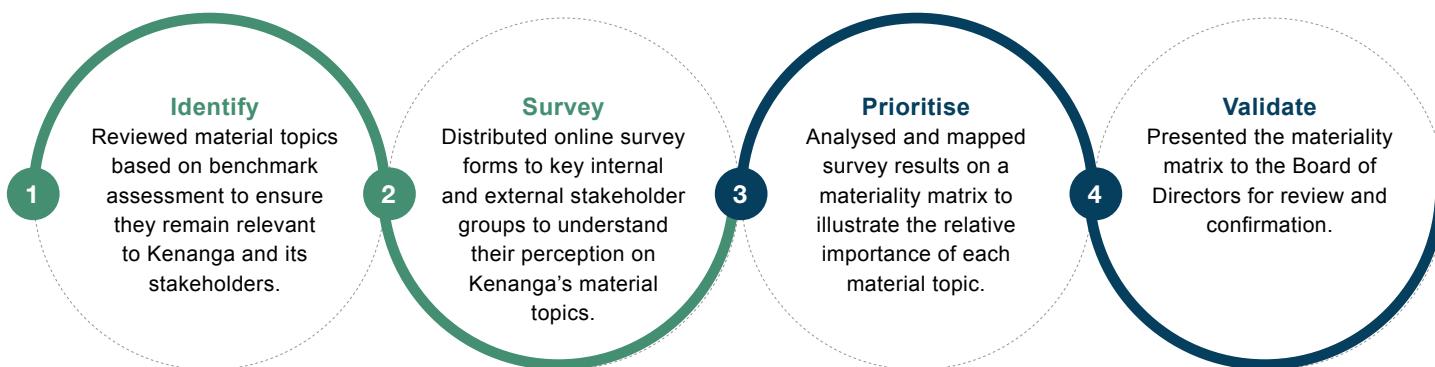
Our Stakeholder Groups	Our Commitment	How We Engage	Areas of Interest
<b>Those Whom We Are Accountable</b>	<ul style="list-style-type: none"> <li>Ensure our investors and shareholders are kept abreast on how we embed ESG in our business strategy and operations</li> <li>Incorporate feedback to create long-term, sustainable value for our stakeholders</li> <li>Leverage innovation and technology to enhance the client experience</li> </ul>	<p><b>Shareholders</b></p> <ul style="list-style-type: none"> <li>Provide updates and gather feedback through meetings, reports and disclosures</li> </ul> <p><b>Clients</b></p> <ul style="list-style-type: none"> <li>Provide products, tools, education and insights through our trading platforms, mass media channels, events, emails, websites and social media channels</li> <li>Respond to queries, as well as gather input and feedback via social media channels, helplines and email</li> </ul>	<ul style="list-style-type: none"> <li>Cyber security and data protection</li> <li>Portfolio performance</li> <li>Financial inclusion</li> <li>Financial literacy</li> <li>Digitalisation</li> <li>Responsible investing</li> <li>New products and services</li> <li>Market outlook</li> <li>Enhanced client experience</li> </ul>
<b>Those Who We Collaborate With</b>	<ul style="list-style-type: none"> <li>Create a safe, inclusive and high-performing work environment</li> <li>Embed our values of ethics, integrity and compliance throughout the organisation to lead a responsible business operation</li> </ul>	<p><b>Regulators</b></p> <ul style="list-style-type: none"> <li>Participate in industry discourse and enforce adherence to regulations and policies</li> </ul> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Engage through internal policies, meetings, emails, dialogues, training programmes, special events and performance appraisals</li> </ul> <p><b>Remisiers and Agents</b></p> <ul style="list-style-type: none"> <li>Engage through policies and procedures, training programmes and special events</li> </ul> <p><b>Vendors</b></p> <ul style="list-style-type: none"> <li>Collaborate through meetings, policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Compliance culture</li> <li>Cyber security and operational resilience</li> <li>Training and development</li> </ul>
<b>Those Whose Lives We Enrich</b>	<ul style="list-style-type: none"> <li>Create positive impact for communities in need through targeted social investments and employee volunteerism</li> <li>Enhance the financial literacy of our communities to empower them to make decisions on their investments and financial resources</li> </ul>	<p><b>Community Partners</b></p> <ul style="list-style-type: none"> <li>Contribute to various social causes, in particular towards social enterprises</li> <li>Activate employee volunteerism and philanthropy</li> </ul> <p><b>Public</b></p> <ul style="list-style-type: none"> <li>Disseminate investing knowledge via roadshows, social media channels and webinars</li> </ul>	<ul style="list-style-type: none"> <li>Community empowerment</li> <li>Financial literacy</li> </ul>

## SUSTAINABILITY AT KENANGA

## WHAT IS MATERIAL TO US

Our biennial materiality assessment, which is driven by a four (4)-step process to identify and prioritise ESG topics that are relevant to Kenanga and its stakeholders was last conducted in 2022.

The assessment ensures that we consider and integrate these ESG topics in identifying opportunities and risks in our business operations, as well as to further guide the Group's ESG strategy and reporting.



In 2023, we conducted a benchmarking exercise against the newly updated standards and guidelines, Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition) and found that the results continue to align with our current materiality assessment results. Our next comprehensive materiality assessment is scheduled for the upcoming year, 2024.

## OUR MATERIAL TOPICS

Furthermore, we have mapped all 10 material topics to our ESG Framework's four (4) pillars as follows:

Material Topic	GRI Indicators	Description	SDGs
<b>GOOD GOVERNANCE</b>			
<b>Good Business Conduct</b>	205: Anti-corruption 2016	Operating transparently, with integrity and accountability in compliance with applicable laws and regulations, and adopting the highest standards of professionalism, honesty, and ethics.	  
<b>Regulatory Compliance</b>	205: Anti-corruption 2016	Identifying, managing and responding to compliance risk across the Group, as well as cultivating a transparent ethical culture and educating employees to reflect the compliance behaviours of the organisation.	
<b>SUSTAINABLE ECONOMIC GROWTH</b>			
<b>Responsible Investing</b>	3-3: Management of material topics	Collaborating with asset owners, regulators and a wide range of market participants on ESG matters and ensuring that it takes place within the investment process.	   
<b>Digitalisation</b>	3-3: Management of material topics	Leveraging technological advancements to develop innovative products and services, enhance and reinforce advisory operations and offer seamless service solutions that meet clients' needs.	
<b>Cyber Security</b>	418: Customer Privacy 2016	Implementing cyber security solutions through strategic partnerships to protect corporate and client information and enhance cyber security posture while equipping employees with the knowledge and skills to recognise and prevent malicious activity from cyber threat actors.	
<b>Client Experience</b>	417: Marketing and Labelling 2016	Delivering positive client experience through customer service excellence, as well as delivering innovative products and services.	
<b>ENVIRONMENTAL STEWARDSHIP</b>			
<b>Climate Impact</b>	302: Energy 2016 303: Water and Effluents 2018 305: Emissions 2016 306: Waste 2020	Taking ownership of the climate impacts of our operations by monitoring environmental performance, identifying and practising behaviours that promote climate positive outcomes, and raising awareness on climate change and sustainability with stakeholders.	   
<b>EMPOWERING PEOPLE AND COMMUNITIES</b>			
<b>Diversity and Inclusion</b>	405: Diversity and Equal Opportunity 406: Non-Discrimination 2016	Inculcating a diverse and inclusive workplace culture by adopting non-discriminative practices in human resource processes.	   
<b>Employee Safety, Health and Wellbeing</b>	403: Occupational Health and Safety 2016	Safeguarding employees' safety, health, and wellbeing by promoting a safe and decent working environment.	 
<b>Talent Attraction, Development and Management</b>	401: Employment 2016 404: Training and Education 2016	Designing the Group's training and development initiatives to respond to business needs, regulatory requirements, industry standards and people development principles.	
<b>Community Investment</b>	GRI 413: Local Communities 2016	Enhancing financial literacy and inclusion for clients and the community through education, and reaching out to communities in need through targeted community investments and employee volunteerism.	

# MANAGING OUR KEY ESG RISKS

Effective risk management practices play a crucial role in ensuring the long-term viability of a business and maintaining stakeholder confidence. It is our objective to ensure that the business is being managed in a sustainable manner while taking into consideration of the ESG expectations from our stakeholders to further manage our risk exposures.

The Group is governed by the Enterprise Risk Management Framework (“**ERM Framework**”) and the philosophy adopted is based on the ‘Three Lines of Defense’ approach. The ERM Framework defines the roles and responsibilities throughout the organisation to ensure accountability and ownership, as well as sets out the principles of sound corporate governance to assess and manage risks to ensure risk-taking activities are aligned with the Group’s long-term viability and its capacity to absorb losses. The Group Board Risk Committee (“**GBRC**”) is responsible to ensure the Group’s activities are consistent with its approved risk appetite, strategies and policies.

We are gradually integrating ESG considerations into our risk management practices, and this approach supports our long-term viability by aligning our corporate policies and procedures with relevant sustainability standards.

 For more information on our Risk Management Framework and Governance, please refer to the Statement on Risk Management and Internal Control on pages 111 to 115 of our Annual Report 2023.

## MANAGING OUR CLIMATE RISK

### WHY IT MATTERS

Climate risk management helps mitigate environmental and economic risks caused by climate change, ensuring business resilience and continuity. Effective management also leads to innovative and sustainable practices, thus enhancing competitiveness and market position.

### OUR APPROACH

We have aligned our climate-related disclosures with the Taskforce for Climate-related Financial Disclosures (“**TCFD**”) recommendations, a leading standard in reporting climate issues, as outlined in Bank Negara Malaysia Climate Risk Management and Scenario Analysis Policy Document (“**BNM CRMSA**”) for financial institutions.

BNM CRMSA policy guides us in providing reliable, meaningful, and comparable climate-related disclosures, by assisting stakeholders in making well-informed decisions and managing climate risks and opportunities effectively. To comply with BNM requirements, we conducted a gap analysis, developed implementation plans, and aligned essential internal policies and procedures with climate risk management guidelines. This implementation will occur in phases, following regulatory timelines, and is targeted for completion by the end of 2024. Additionally, we are progressively aligning with TCFD recommendations and further enhancing our capabilities to manage and disclose climate risks and opportunities over time. The following sections will provide more information on Kenanga’s TCFD-aligned climate-related disclosures focusing on the four (4) TCFD pillars:



**Governance**



**Strategy**



**Risk Management**



**Metrics and Targets**

## Our TCFD-aligned Climate-Related Disclosures

 <b>Governance</b>	
	<p>The climate risk managed by the Group is governed by the existing risk governance structure, which involves the Board of Directors ("the Board"), relevant Board and Management Committees, Business Units and Group Risk Management. The roles and responsibilities of the Board, Board Committees, Management Committees and relevant departments are summarised as follows:</p>
	<b>The Board</b>
	<p>Oversees climate risk management initiatives and is responsible for ensuring that climate risks are well incorporated across our governance process, strategy and business operations.</p>
	<b>Group Board Risk Committee ("GBRC")</b>
	<p>Supports the Board in its supervisory role, overseeing all aspects of risk management throughout the Group, including climate risk management.</p>
	<b>Audit Committee ("AC")</b>
	<p>A Committee that supports the Board in overseeing sustainability and climate risk management processes, including the Group's internal control system to ensure compliance with statutory and regulatory requirements.</p>
	<b>Group Governance, Nomination and Compensation ("GNC")</b>
	<p>An independent Board Committee that supports the Board in providing oversight on material sustainability risks including climate-related risks, particularly in ensuring the governance of sustainability within Kenanga, as well as the necessary alignment and compliance with applicable statutory and regulatory requirements.</p>
	<b>Group Sustainability Management Committee ("GSMC")</b>
	<p>Supports the Board in the governance of sustainability matters, providing oversight and input to ensure that the Group's strategies, policies, goals, programmes and initiatives related to sustainability matters are aligned with the Group's commitment towards sustainability.</p>
	<b>Group Risk Committee ("GRC")</b>
	<p>Supports the Board in managing the risks of the Group with key responsibilities including reviewing and recommending frameworks, policies, processes and procedures, as well as climate risk related propositions from Group Risk Management, business or support units of the Group.</p>
	<b>Group Credit Committee ("GCC")</b>
	<p>Oversees the climate risk profiles and asset quality in ensuring that climate risks undertaken are within prescribed levels. Separately, the GCC reviews the policies and procedures related to climate risk activities before submitting to GRC for endorsement.</p>
	<b>Group Risk Management ("GRM")</b>
	<p>Oversees all aspects of credit, market, and operational risk within the Group. GRM develops frameworks to integrate climate-related risks into governance processes, business strategies and operations. Additionally, GRM performs independent assessments of appraisals done by Business Units from a climate risk perspective, conducts climate risk scenario analysis and stress testing exercises, analyses and provides relevant reports to GRC, GBRC, and the Board, as well as offers advisory support to Business Units on climate related matters.</p>

## MANAGING OUR KEY ESG RISKS

**Driving Industry Progress on Sustainability**

Our Senior Management participation in industry committees related to mitigating climate change and driving sustainability progress further solidifies our sustainability leadership and enables us to participate in climate-related policy decision-making, and shape conversations around climate change.

**DATUK CHAY WAI LEONG**

Group Managing Director of Kenanga Investment Bank Berhad  
Chairman of the Group Sustainability Management Committee

- A member of Sustainable and Development Committee, a Board Committee of Bursa Malaysia. The Committee oversees the development and implementation of sustainability strategies, as well as to ensure key initiatives are in line with the Malaysian Code on Corporate Governance
- Board of Director of Securities Industry Development Corporations (“**SIDC**”), a company sponsored by the Securities Commission and Bursa Malaysia as a capital market learning and development solutions provider for industry participants in Malaysia

**DATUK WIRA ISMITZ MATTHEW DE ALWIS**

Chief Executive Officer/ Executive Director of Kenanga Investors Berhad

- A member of Joint Committee on Climate Change (“**JC3**”), which is a collaborative effort initiated by BNM and the SC to unite industry representatives in building climate resilience of the financial sector in Malaysia
- Vice Chairman of the Institutional Investors Council (“**IIC**”) Malaysia
- A member of Bursa Malaysia Securities Market Consultative Panel
- A member of the Sustainable Investment Platform Steering Committee – Malaysia Sustainable Investment Initiative
- Chairperson of the Malaysian Association of Asset Managers

**Strengthening the Board’s and Senior Management’s Oversight on Climate-related Matters**

The Board Charter and the Terms of Reference (“**TOR**”) of our Board Committees (including GNC, AC, GBRC) and Management Committees (including GRC) were updated to further reflect existing oversight practices of roles and responsibilities in managing climate risks. In addition to that, we have also updated the climate risk policy to formalise the frequency of the presentation of climate risk to the Board for deliberation and evaluation. In 2023, the Board convened twice to discuss climate-related issues, which included:

- Review of the Climate Change Risk Management Framework (“**CCRM Framework**”)
- Progress updates on implementation plan for Climate Risk Management and Scenario Analysis
- Updates on the Group’s climate-related targets and initiatives
- Key regulatory updates on climate-related risk management

## Enhancing the Board and Senior Management's Competency in Climate Risk Management

In 2023, our Board of Directors continued to enhance their understanding of ESG issues and its implications for the Group and across various ESG training courses, briefings and workshops. Key training topics include climate risk management and scenario analysis, adoption of science-based targets, TCFD climate disclosure, organisational impacts of sustainability, directors' obligations, and various other ESG-related subjects.

Listed below are some of the training sessions related to sustainability and climate risk attended by our the Board of Directors and Senior Management team:

### The Board's ESG Training Topics

Demystifying ESG - Understanding Bursa Malaysia's Requirements and International Sustainability Standards Board (ISSB) Global Baseline on Sustainability Reporting

Transformational Governance: Driving Responsible Business Conduct by the UNGC Academy

The Net-Zero Standard by the UNGC Academy

Navigating the ESG Risk in the Supply Chain by the Institute of Corporate Directors Malaysia

Suite Talk: Inside Stories of Sustainability Champions by SIDC

ESG: Principles of Responsible Investment and Carbon Market

Learning From Middle Eastern Stock Exchange Business: Saudi Tadawul Group's 2022 ESG Report and Strategy

Consumer Products ESG Learning Session from Nestle

Board Oversight of Climate Risks and Opportunities by Prof. Mak Yuen Teen and Dr. Khoo Guan Seng

JC3 Journey to Zero Conference 2023

### Senior Management's ESG Training Topics

Leaders Discourse: Reinventing a Sustainable Workforce of the Future

ESG Risk Management

Malaysian Banking Conference 2023: Banking and the ESG Revolution - Going Beyond Aspirations

Principles and Practice of Climate Risk

Navigating Sustainability Reporting in the Banking Industry - An Exclusive Webinar by PricewaterhouseCoopers ("PwC") Malaysia

Integrating Climate Change and Principles-Based Taxonomy in Financial Institutions' Business

PCC Special Interest Forum 2023 - Collaboration with KPMG: Knowledge Sharing on e-Invoicing & ESG

Sustainability Statement of Assurance: Best Practices for ESG Internal Audit and Assurance Review

SPARK Digital Leaders Summit 2023 - Theme: Leading the Global Race Toward a Sustainable, A.I.-Driven Future

BNM's Climate Change Principle-based Taxonomy Workshop

## MANAGING OUR KEY ESG RISKS

**Strengthening Proficiency in Climate Risk Management of Business Units**

In 2023, Head of Departments from relevant Business Units participated in the Risk Assessment Checklist (“**RAC**”) workshop, conducted with PwC consultants, aimed at enriching the understanding of the BNM Climate Change and Principle-based Taxonomy (“**CCPT**”). The three (3)-hour workshop encompassed a comprehensive overview of CCPT and augmented with practical case studies designed to illustrate effective climate risk assessment and classification, as part of the implementation of BNM CRMSA.

**Moving Forward**

To further strengthen our climate risk governance structure and management, we will continue to conduct ESG capacity-building sessions with an emphasis on climate risk-related topics to ensure group-wide understanding on this critical subject matter and its impact on businesses.

**Strategy**

The Group’s Sustainability Framework and Sustainability Roadmap 2023-2025 includes climate risk management as a strategic focus area which is embedded within the Environmental Stewardship pillar.

Highlights of our climate-related initiatives in 2023 include:



Incorporated climate risk management into ERM Framework



Updated existing Risk Appetite Statement with the integration of climate risk



Improved the structure of our climate change risk and opportunity reporting for the Board, encompassing sector-specific BNM CCPT ratings, high climate risk exposure by counterparty, and updates on key climate-related developments in Malaysia and globally

**Moving Forward**

Aligned with our Sustainability Roadmap 2023-2025 and regulatory requirements for the implementation of BNM CCPT and CRMSA, we will further implement our climate risk management strategies, including conducting a scenario analysis exercise to better understand the climate risk impact on businesses, starting with our private equity investment and corporate lending portfolios.



## Risk Management

We acknowledge that the impacts of climate change are a non-diversifiable risk to Kenanga's business activities and financial operations.

In 2023, the CCRM Framework was revised to include BNM Climate Risk Management and Scenario Analysis requirements, enhancing climate risk assessment and classification within the Framework. We are gradually working towards better understanding of climate impact on our business operations and have further expanded our risk exposure analysis.

Climate Change Risks		
<b>Physical Risk</b>	Arises from acute (event-driven) and chronic (long term shift) climate-related events that:	<ul style="list-style-type: none"><li>Damage property</li><li>Reduce productivity</li><li>Disrupt trade</li><li>Increase financial risk to the Group</li><li>Impacts collateral values</li></ul>
<b>Transition Risk</b>	Occurs as a result of adjustment to a low-carbon economy. The adjustment may translate into:	<ul style="list-style-type: none"><li>Financial risk</li><li>Reputational risk</li><li>Changes in public policy and strategy</li><li>Increase in operational cost</li><li>Refinancing risk</li></ul>
<b>Liability Risk</b>	Stems from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks:	<ul style="list-style-type: none"><li>Legal</li><li>Claims</li></ul>

## MANAGING OUR KEY ESG RISKS

To further strengthen our climate risk management approach, the following was completed in 2023:

- Updated the ERM Framework by incorporating climate change risk requirements, ensuring that the roles and responsibilities of the 'Three Lines of Defense' includes the management of climate related risk, describing the climate risk transmission pathway via economic activities to financial risks, and developing the mapping and integration of the climate-related risks into existing types of risks.
- Incorporated enhanced due diligence and climate risk assessment into the existing process on high climate risk exposure by sector.
- Incorporated the climate-related risk assessment into liquidity risk management and reflected it in relevant policies and procedures (i.e. assessed the impact of climate risk on depositors' profile).
- Updated and enhanced the Group Outsourcing Risk Management Framework (GORMF) to incorporate climate risk as one of the risk categories.
- Accomplished the Central Credit Reference Information System (CCRIS) Enhancement 2023, aligning with the CCPT Framework and enabling the system to cover several key products.



### Our Climate Change Risk Management Framework

The CCRM Framework plays an integral role in supporting the Group as it embarks upon a phased approach towards recognising and addressing climate risks and opportunities. The Framework aims to:

Provide an overview of how climate change impacts our business, clients and the broader economy	Facilitate the integration of climate change considerations into our existing risk management practices and business activities
Identify and formulate appropriate climate-related strategies, feasible risk appetites and targets to improve our readiness towards climate risk management	Introduce a structured classification methodology to assess and classify our lending and investment activities to ensure they are aligned with the transition to a low-carbon economy
Establish the necessary guiding principles to support our lending and investment activities, ensuring they consider climate risks	Develop appropriate reporting standards for our climate risk management disclosure for internal and external stakeholders
Inculcate awareness amongst our stakeholders on the pertinence of understanding climate risks, as well as ensuring they stay abreast of Kenanga's climate ambitions	

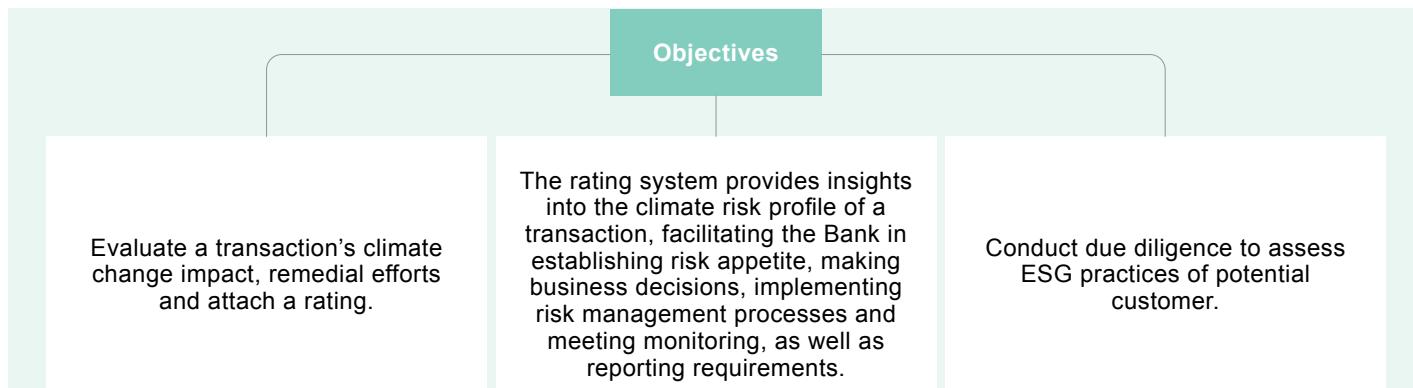
## Climate Change Risk Management Strategy and Risk Appetite

The Group's climate risk management strategy aims to support both the Group and its clients in transitioning towards managing climate risks and embracing a low-carbon economy.

Strategy and Risk Appetite	Our Future Plans
<b>Product Offering/ Incentive</b>	To continuously develop new products, as well as incentives that promote or support green and transitioning economic activities.
<b>Portfolio Target/ Reduction Plan Target</b>	To ensure that the Group takes initiatives to establish appropriate targets for reducing and managing climate risk with its lending and investment.
<b>Watchlist - High Climate Change Risk Sectors</b>	<p>To deploy a negative screening approach based on environmental risk profiling and classification to identify 'negative' industries/ sectors/ companies exposed to high climate risk. These high-risk sectors will be included in a watchlist as a guidance to facilitate credit approving process and decision-making on investment or lending activities.</p> <p>Watchlist sectors that were identified includes power producers, oil and gas, metals, logging, chemical, palm oil, and cement.</p>

## Climate Change Risk Assessment Checklist ("Climate Change RAC")

The Climate Change RAC, which was incorporated as part of the CCRM Framework has been enhanced and updated with reference to the guiding principles stated in BNM CCPT, as well as industry best practices to support the classification assessment during the inception of new investments and upon performing annual review. It aims to facilitate Business Units to determine the materiality of "significant harm to the environment" and effectiveness of "remedial measures" by providing guidance or relevant references, wherever appropriate/ available, for their assessment.



As of 31 December 2023, our private equity investments, corporate loans and bonds in the climate supporting category (Category 1) totalled RM71.3 million, while those in the climate transitioning Categories 2 and 3, totalled RM44.1 million and RM704.7 million, respectively. There were no financing/ investments in the watchlist Categories 4 and 5.



### Moving Forward

We aim to further identify specific climate-related risks and opportunities relevant to our business operations for each time horizon (short, medium and long-term) through scenario analysis, which will include a climate risk exposure analysis. The outcome of the analysis will be incorporated into relevant business practices.

## MANAGING OUR KEY ESG RISKS



## Metrics &amp; Targets

As part of our baselining exercise, the Group has detailed relevant Scope 1 and 2 GHG emissions in tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>e") resulting from business operations at our headquarters, Kenanga Tower and all branches throughout Malaysia. We are guided by the GHG Protocol Corporate Standards in the calculations of emissions factor.

Additionally, we have started to disclose Scope 3 GHG emissions of our business operations. In this 2023 report, we have expanded our Scope 3 tracking and monitoring dashboard to include employee commuting, in addition to business travel.

Furthermore, we have developed a climate-risk data catalogue to track various climate-related risk metrics, including GHG footprint, transition and physical metrics, and climate change targets in our private equity investments and corporate lending activities.

For more information on our environmental performance on Scope 1, 2 and 3, please refer to pages from 61 to 63 of this Report.



## Moving Forward

We aim to develop a Net Zero Roadmap with a focus on enterprise-wide and portfolio decarbonisation strategy in line with our 2050 Net Zero aspirations. In addition, we will further review and extend our Scope 3 disclosures to include financed emissions, which will form the basis for the development of climate-related interim targets and metrics.

## MANAGING OUR SUPPLY CHAIN RISK

## WHY IT MATTERS

ESG risks are important considerations in procurement practices to mitigate supply chain disruptions. Managing these risks ensures sustainable and responsible sourcing, reduces operational disruptions, and enhances stakeholder trust and reputation. Further aligning sourcing with environmental and social standards helps mitigate negative impacts on communities and ecosystems, while addressing climate change and human rights issues in the supply chain.

## OUR APPROACH

Our Group Procurement Policy provides employees with a guiding framework based on professionalism, transparency, and accountability in our procurement decisions.

The Group Code of Conduct for Vendors outlines the obligations, as well as standards our vendors are required to adhere to. Our vendors are required to comply with the Code of Conduct for Vendors, which outlines the adherence to all requirements of applicable anti-corruption laws including the MACC Act 2009.

Our 'Know Your Vendor Assessment' allows us to ensure we maintain good standards of ethics and integrity in our business partnerships with contractors, and intermediaries such as consultants, suppliers, agents and individuals, who undertake work for the Group. The assessment requires vendors to go through a due diligence process that reviews risk indicators, culminating in a score that serves as a

guide for Kenanga to manage its front-end risk. As part of our corruption risk assessment exercise, it covers our intermediaries including vendors, suppliers and service providers, which undergo an Anti-Money Laundering ("AML") screening for any recorded cases on bribery and corruption. As part of our efforts to optimise efficiency and transparency, we have also fully digitalised our procurement process.

In 2023, we have reviewed the Group Procurement Policy to ensure its compliance to BNM CRMSA requirements in integrating climate risk assessment for vendors. The policy will be updated to include ESG screening criteria that incorporates climate risk indicators.

Any changes to any aspect within the Code of Conduct for Vendors or Group Procurement Policy will be communicated to our vendors accordingly.

## Supporting Our Local Suppliers

We strive to purchasing locally while supporting local communities and social enterprises, where feasible.

<b>FY2023</b>	82%	<b>Total procurement spent on local businesses (RM)</b>	<b>FY2023</b>	81.5 million
FY2022	76%		FY2022	65.9 million
FY2021	80%		FY2021	67.4 million



## Moving Forward

The updated Group Procurement Policy is expected to be implemented in 2024 through supplier engagement sessions to promote adoption of sustainable procurement practices.

# GOOD GOVERNANCE



We remain cognisant of our responsibilities to our stakeholders, as we strive to raise the bar on good governance by incorporating ethical business practices throughout the organisation.

## MATERIAL TOPICS:

 Good Business Conduct

 Regulatory Compliance

### Goal 1

All material matters to be supported by adequate policies and procedures in line with best practices and regulatory requirements.

### Goal 2

Lead industry fraud awareness through an interactive flagship programme.



## GOOD GOVERNANCE



## GOOD BUSINESS CONDUCT

GRI 205

## WHY IT MATTERS

The implementation of a strong governance foundation is critical for Kenanga's long-term value creation. It is imperative for us to instil a strong ethical and compliance culture that reflects the Group's zero-tolerance approach towards financial crimes.

## OUR APPROACH

## Our Corporate Governance

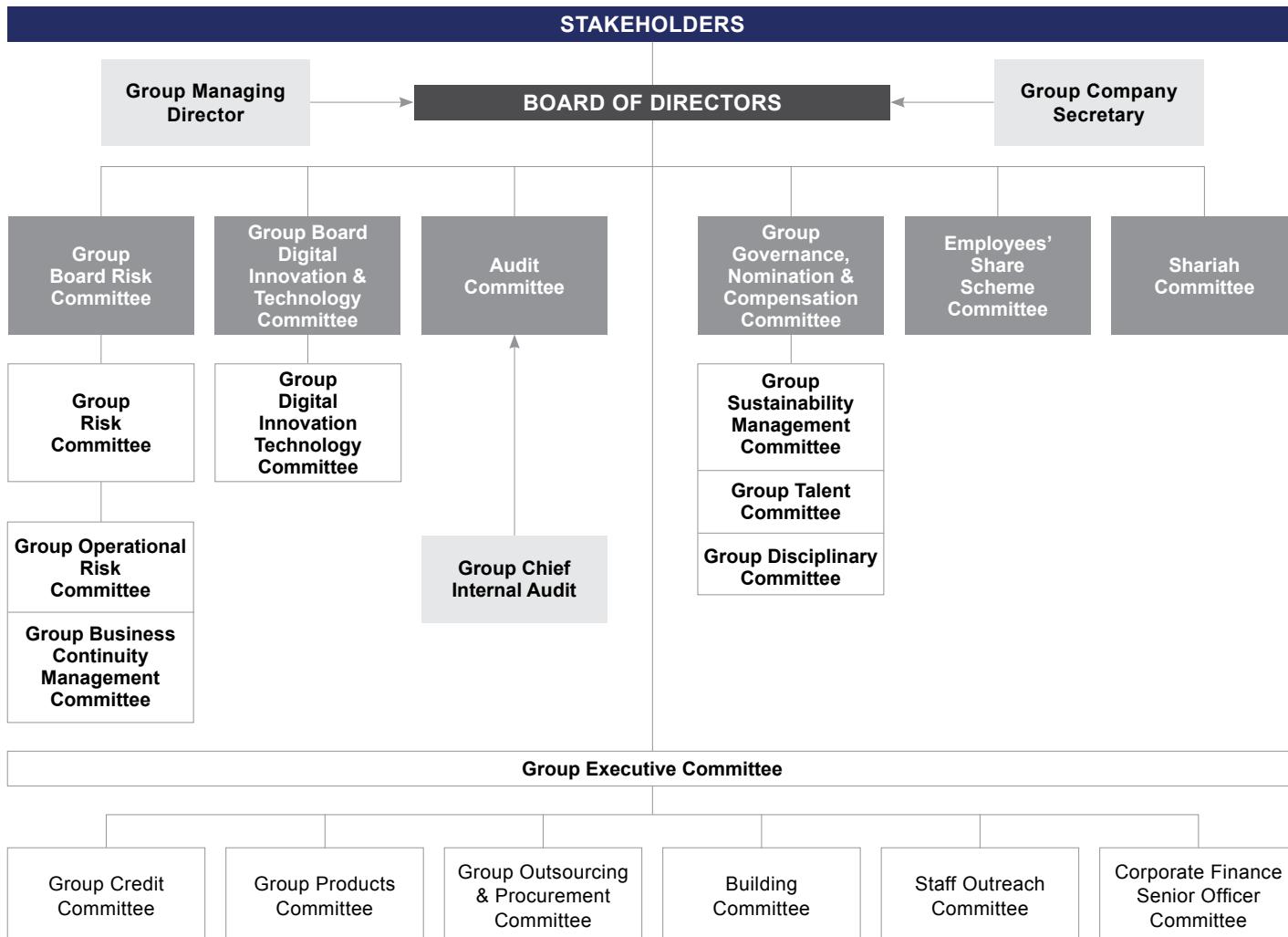
The Board strives to adopt principles and best practices of good corporate governance and ensures Kenanga and its subsidiaries comply with regulatory guidelines issued by Bank Negara Malaysia, Bursa Malaysia Securities Berhad and the Securities Commission Malaysia.

The Group aims to ensure balance of power and authority between the Chairman and the Group Managing Director (“**GMD**”) with a clear division of responsibilities between running of the Board and the Group’s business respectively. In line with the Malaysian Code on Corporate Governance and the Board Charter of KIBB, the positions of Chairman of the Group and GMD are held by different individuals, and the GMD is not a member of the Board.

## Corporate Governance Framework

## ■ Board Committees

Management Committees



We prioritise independent auditing to build trust and confidence of our financial statements. In line with BNM Guidelines on External Auditors, our Audit Committee carries out a tender process for a new audit firm on a regular basis. The appointment of audit firms complies with the stringent tender and appointment process outlined in the Group Procurement Policy. To further safeguard objectivity and independence, our practice includes rotating the audit partner working on our assurance to ensure the appointed audit engagement partner does not serve a continuous period of over five (5) years.

### Our Board Diversity

The Board's composition reflects a diverse range of perspectives, experiences, and expertise, which has a positive influence on the Group's strategic decision-making.



### Our Sustainability Governance

Establishing a sustainability governance structure with clearly defined roles and responsibilities is paramount to ensure accountability and effectiveness in the execution of sustainability initiatives within the Group. As the Group's highest governing body, the Board drives the overarching leadership, strategy and oversight of the Group's ESG approach to risks and opportunities, supported by the relevant committees as defined below:

Sustainability Governance at Kenanga	
Board & Management Committees	
Governing Body	Roles & Responsibilities
<b>Board of Directors</b> ("the Board")	Highest approval authority and oversees the implementation of sustainability initiatives, including providing stewardship, guidance and direction for the sustainability agenda for the Group while promoting sustainability through appropriate ESG considerations in the Group's business strategies, governance and decision-making.
<b>Group Governance, Nomination and Compensation Committee ("GNC")</b>	An independent Board Committee that supports the Board in providing oversight on the progress of sustainability, particularly in ensuring the governance of sustainability within Kenanga, as well as the necessary alignment and compliance with applicable statutory and regulatory requirements.

## GOOD GOVERNANCE

Sustainability Governance at Kenanga	
Board & Management Committees	
Governing Body	Roles & Responsibilities
<b>Audit Committee (“AC”)</b>	A Committee that supports the Board in providing oversight on the process of sustainability management, as well as the Group’s system of internal controls and compliance with applicable statutory and regulatory requirements.
<b>Group Sustainability Management Committee (“GSMC”)</b>	<p>Highest senior management committee that supports the Board in the governance of sustainability including establishing sustainability direction, strategies and targets for the Group.</p> <p>Ensures the Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategies by integrating sustainability considerations into the day-to-day operations of the Group.</p> <p>Ensures the effective implementation of the Group’s sustainability strategies and plans.</p>
Delivery	
Division	Roles & Responsibilities
<b>Group Marketing, Communications and Sustainability</b>	Provides management-level leadership in sustainability planning and implementation, as well as monitoring and evaluation of sustainability initiatives and their performances while actively engages with external stakeholders, as well as internal business divisions and subsidiaries, to identify sustainability risks and opportunities.
<b>Business Divisions and Operations</b>	Champions the implementation of sustainability initiatives and provides grassroots-level input for holistic sustainability management and acts as key sustainability data owners in driving the sustainability integration in respective divisions.

**Group Sustainability Management Committee**  
*Chaired by the Group Managing Director*

Members				
Group Chief Financial and Operations Officer	Group Chief Regulatory and Compliance Officer	Chief Executive Director/ Executive Director Kenanga Investors Berhad	Chief Credit Officer	Group Chief Risk Officer
Permanent Invitee				
Group Chief Sustainability Officer				

## Sustainability-linked Remuneration

Incorporating sustainability or ESG metrics into executive remuneration has become increasingly important as mechanism to demonstrate organisational accountability.

At Kenanga, we integrated ESG Key Performance Indicators (“KPIs”) with assigned weightage in the Group's Balanced Scorecard for FY2023, aligning with the Group's Sustainability Roadmap 2023-2025.

These ESG KPIs were integrated into the Balance Scorecards of the Group Managing Director, relevant Senior Management Team members, and were cascaded across the Group, with the annual performance incentive linked to their respective Balance Scorecards.

We will continue to explore different approaches in linking Sustainability KPIs to executive remuneration while enhancing our ESG KPIs monitoring mechanism to ensure meaningful integration of ESG considerations into relevant roles, as we further strengthen our sustainability governance.



## REGULATORY COMPLIANCE

### WHY IT MATTERS

One of our key priorities in adopting good governance practices includes fostering a compliance culture that empowers our employees to uphold high standards of integrity and vigilance in carrying out their responsibilities at work.

### BUILDING AN ETHICAL CULTURE

We are committed to ensuring that our employees are well equipped to meet the challenges of their respective roles and demonstrate behaviours that align with the Group's values.

Our Group Regulatory and Corporate Services division has established a strong governance foundation, including corporate policies, procedures and control measures, to help the Group manage risks and respond to any incidents of non-compliance or unethical behaviour.

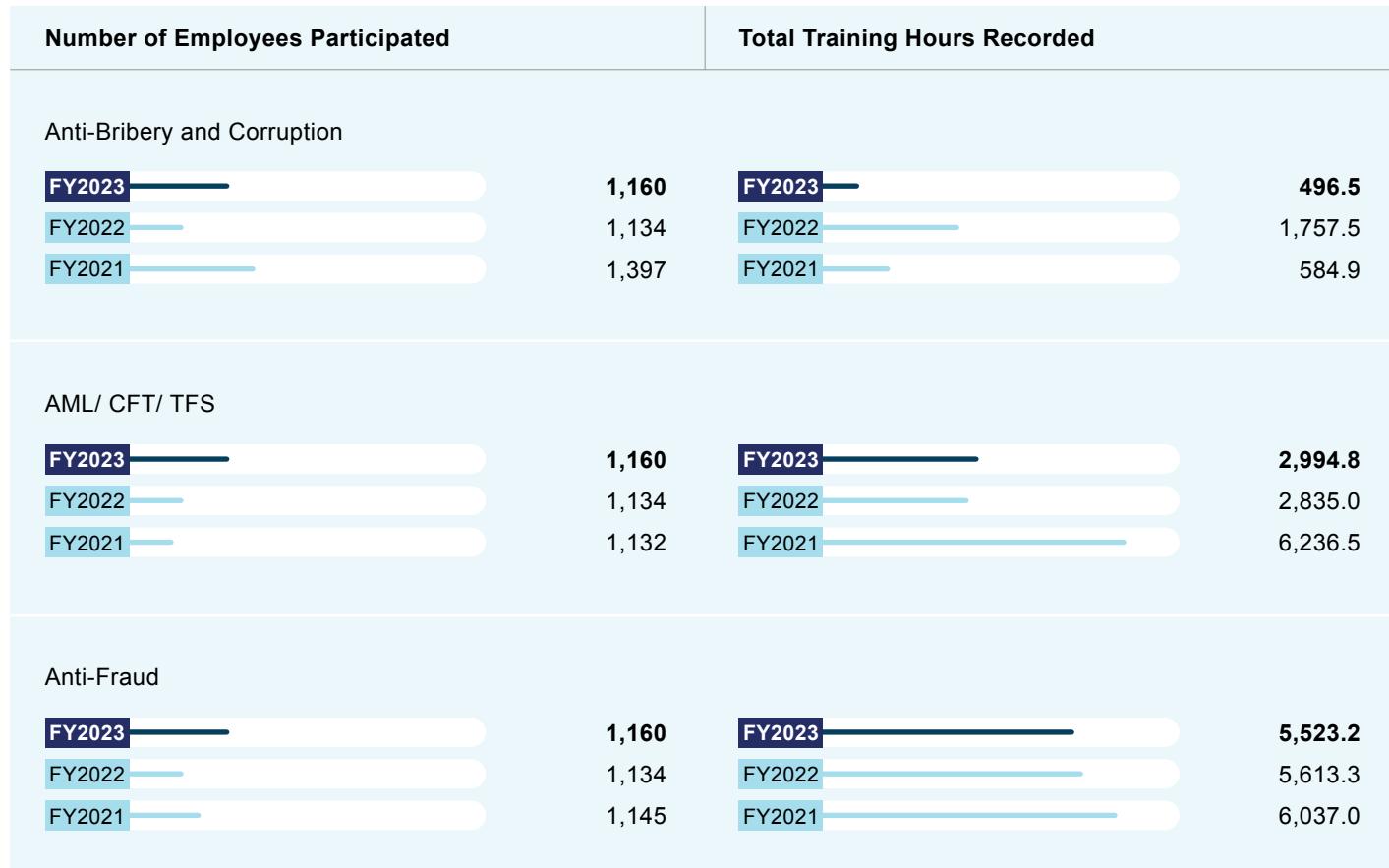
A key component of our strategy to build an ethical culture includes designing training programmes and awareness initiatives which embed our principles of ethics and integrity so that employees are reinforced, understood and practised throughout every level of our workforce.

Some of the key measures we have implemented include:

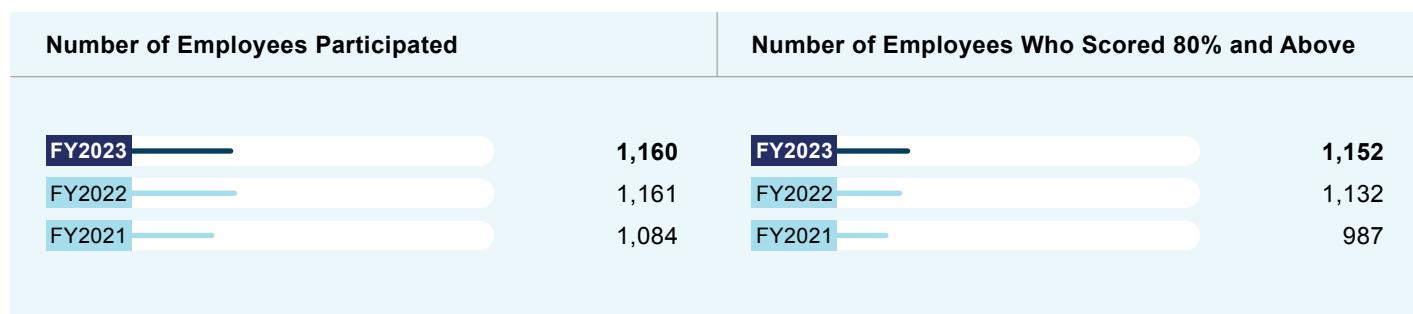
- Regulatory issuances and updates are communicated to employees as and when they are updated by the regulators i.e. Regulatory Brew, introduced in 2023, is a weekly newsletter aimed at educating all employees about the latest governance trends locally and regionally through selected news articles. The newsletter also serves as a resource for employees to stay updated on regulatory changes by providing a compilation of recent rules and guidelines.
- An Annual Regulatory Seminar (“ARS”) was organised through which we reinforced our standards of conduct on matters such as conflicts of interest, governance, fraud, bribery and corruption, Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/ CFT/ TFS”), whistleblowing, as well as updates on the latest regulatory requirements.
- Key ethics and regulatory compliance policies have been made available online to all employees via the Policy & Procedure Governance System, an internal repository platform containing our policies and procedures.
- An ARS assessment was conducted to gauge awareness and understanding of our employees, reinforcing their grasp and knowledge on good governance and business practices.
- The Enterprise Wide Risk Assessment was conducted to identify and categorise AML/ CFT/ TFS risks across various dimensions to ensure a more thorough approach to risk management. The result of this assessment enables Kenanga to prioritise risks and allocate resources effectively in the development and implementation of strategies to mitigate or manage the identified risk effectively, reducing the likelihood of financial losses and reputational damage associated with financial crime controversies.
- New hires are required to attend an onboarding training session to familiarise themselves with the relevant frameworks, procedures and policies, while annual training is provided as a refresher for existing employees. The sessions are delivered through a blended format, which includes reading materials and explainer videos on topics such as Anti-Bribery and Corruption, AML/ CFT/ TFS, Chinese Wall Policy, Compliance and Anti-Fraud practices.

## GOOD GOVERNANCE

## Compliance Training Summary



## E-Test Outcomes





## Boosting Fraud Awareness at Kenanga

### The 7<sup>th</sup> Fraud Awareness Week (“FAW”)

As part of Kenanga Group’s ongoing commitment to combat fraud, the Group organised its 7<sup>th</sup> annual Fraud Awareness Week (“FAW”) in collaboration with the Association of Certified Fraud Examiners (“ACFE”)’s International Fraud Awareness Week. This flagship campaign aligns with the UNGC’s 10<sup>th</sup> Principle to emphasise the need for businesses to work against corruption in all its forms. The month-long initiative, themed ‘Embracing Disruption, Pioneering Change, Unwavering Integrity,’ strived to raise awareness about the importance of fraud detection and prevention, as well as shaping corporate cultures to thrive in a constantly evolving regulatory landscape.

The 7<sup>th</sup> FAW recorded over 2,300 participations in FY2023, with attendees from notable regulatory, enforcement and professional bodies, as well as other financial institutions, public listed companies and Kenanga Group’s third party vendors and suppliers.

All programmes and games sessions were conducted virtually, focusing on delivering the message regarding the importance of combating all forms of fraud, corruption, and preventing misdemeanours or scams for businesses. Notably, this year saw the inclusion of seven (7) international teams from organisations based in Indonesia, Singapore, United Arab Emirates, and South Africa.

For the first time, this year, we also collaborated with the esteemed Law Faculty of the University of Malaya (“UM”) on a Fraud Awareness Talk Session aimed at enhancing awareness of fraud prevention and detection within the local community, particularly amongst the student of UM’s Law Faculty. The collaborative effort signifies our dedication to broadening the scope of the FAW, fostering a culture of vigilance and ethical conduct in the fight against fraud.

### 8<sup>th</sup> Annual Regulatory Seminar

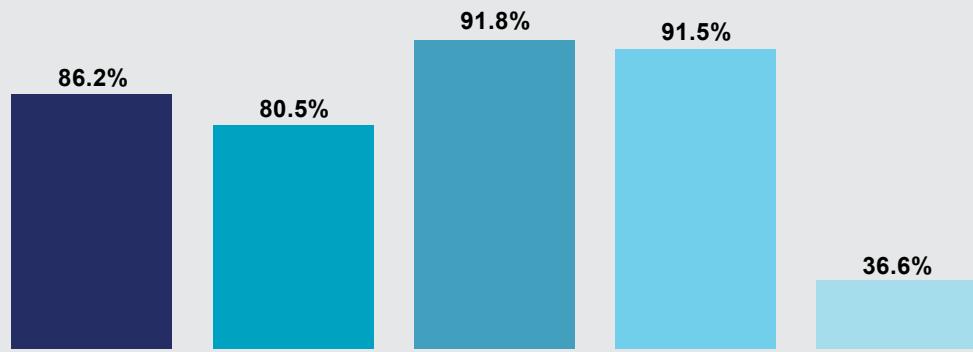
The Group hosted the Annual Regulatory Seminar in 2023, where our standards of conduct and procedures were reinforced on a wide range of regulatory and ethical issues including conflicts of interest and corruption, as well as AML/ CFT/ TFS.

In 2023, approximately 85% of our employees completed e-tests on ethics and compliance, as well as the landscape and regulatory expectations on AML/ CFT/ TFS which was made mandatory to all our employees during the ARS, with 99.3% of our employees achieving a score of 80% or higher.

- Sustainable Compliance for Business Resilience – Agile, Adaptability & Technology Driven
- AML Risk Management for Sustainable Banking
- Leveraging on Regulatory Landscape to Innovate Integrity
- Kenanga’s Speak Up Framework – Your Voice Matters!
- A Glance at the Most Recent Phishing Attempt
- Data Governance and Management
- Building a Zero Trust Strategy Entails Erecting Digital Bastion to Safeguard Against Dynamic Cyber Threats
- “Act or Resign” – Corrupt-Free Corporate Malaysia
- Conversation with a Convicted Fraudster: Billy McFarland

**Percentage of employees  
who have received training  
on anti-corruption by  
employee category in  
FY2023**

- Key Management
- Senior Management
- Middle Management
- Junior Management
- Non-executive



## GOOD GOVERNANCE

**Combating Financial Crimes**

Kenanga takes a zero-tolerance approach to all forms of financial crime including bribery, fraud, corruption, the direct or indirect financing of terrorism, money laundering, proliferation financing and any other forms of illicit activity connected to unethical business practices. To safeguard our operations, as well as the wider financial system, we have designed and implemented relevant internal policies, frameworks and standards.

<b>Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/ CFT/ TFS”)</b>	<ul style="list-style-type: none"> <li>The AML/ CFT/ TFS internal policies, frameworks, and standards implemented by Kenanga are one of the essential risk management tools that support the principles of sustainable banking by ensuring compliance with AML/ CFT/ TFS laws &amp; regulations, mitigating money laundering/ terrorism financing and financial crime risk, promoting financial stability, and upholding ethical and social responsibility standards.</li> <li>Multiple AML/ CFT/ TFS initiatives have been implemented to closely monitor adherence levels for compliance with regulatory standards.</li> <li>Regular reviews of AML/ CFT/ TFS protocols via regular audits, assessments, reviews on a group-wide basis and feedback mechanisms, are carried out across all Business Units and branches to uphold regulatory compliance, particularly in prompt detection, monitoring, and reporting of suspicious transactions on a risk-based approach.</li> <li>By continuously reinforcing our AML/ CFT/ TFS initiatives, Kenanga remains vigilant in safeguarding our operations and protecting stakeholders' interests, thereby fostering trust and confidence in Kenanga's operations.</li> </ul>
<b>Anti-Fraud, Bribery and Corruption (“AFBC”)</b>	<ul style="list-style-type: none"> <li>The Group's AFBC Policy establishes Kenanga's guiding principles for identifying and preventing fraudulent activities in all of its internal and external dealings. The AFBC Policy is to be complied with by the Board of Directors, Senior Management and all employees of Kenanga Group.</li> <li>The AFBC Policy ensures that it meets the relevant standards and principles which underpins the introduction of the corporate liability provision (i.e. Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“<b>MACC Act 2009</b>”).</li> <li>As per our AFBC Policy, we do not make any political contributions, including lobbying, campaigns, or other activities. In July 2021, we implemented the Fraud and Corruption Risk Assessment Guidance, which stipulates that the review of anti-bribery and anti-corruption (“<b>ABC</b>”) assessment results should be conducted every three (3) years. As a result, 100% of our operations are assessed for corruption-related risks through the ABC risk assessments. In June 2023, our Group Business Ethics and Integrity launched the new Guidance on Handling Incidents of External Fraud, which specifies the actions to be taken by the employees should they identify incidents of 'external fraud'.</li> </ul>
<b>Code of Ethics and Conduct for Employees</b>	<ul style="list-style-type: none"> <li>Our Codes of Ethics and Conduct for Employees reflect the professionalism and integrity standards that all employees are expected to uphold when dealing with customers, business partners, regulators or other key stakeholder groups. We require all new hires to sign an acknowledgment that they have read and understand the Code as part of the onboarding process. The Code will undergo periodic review to ensure its effectiveness and compliance with any regulatory requirements.</li> </ul>

### Group Speak Up Policy and Framework

- The Group provides a safe and secure environment for employees, customers and third parties to report their concerns about any misconduct or suspected breach of laws, regulations or internal policies and procedures.
- In 2023, the Group enhanced its Group Whistleblowing Policy and replaced it with the Group Speak Up Policy for the reporting of any concerns made in good faith about behaviour, conduct, practice, deeds and/ or omissions that might be either unlawful or inconsistent with the policies of the Group. Kenanga ensures confidentiality and assures its stakeholders and the general public that they can make a report in good faith.
- The new Group Speak Up Policy introduces a new Speak Up channel where whistleblower may submit a report to the external independent third party appointed by Kenanga Group. Submission may be done by an email, a dedicated internet platform (e-form) or to a postal mail as stated below:

#### External Report Recipient

**Website** : <https://secure.deloittehalo.com/kenangaspeakup>

**Email** : [kenangaspeakup@tipoffs.com.my](mailto:kenangaspeakup@tipoffs.com.my)

**Postal Box:** Kenanga Speak Up (External Report Recipient)

PO. Box. No. 8097

Kelana Jaya Post Office

46781 Petaling Jaya

Selangor, Malaysia



Scan here to  
learn more  
about our  
Group Speak  
Up Policy and  
Framework

 For more information on how we manage our Group's Ethics and Compliance matters, refer to pages 98 to 110 of our Annual Report 2023.

### Key Policies, Frameworks and Commitment Statements

At Kenanga, we monitor and implement all corporate policies and frameworks to incorporate good governance values throughout the organisation.

#### GOOD GOVERNANCE



- Group Code of Ethics and Conduct for Employees
- Code of Ethics for Dealer Representatives\*\*
- Group Code of Conduct for Vendors\*
- Group Procurement Policy\*\*
- Group Sustainability Policy\*\*
- E-Procurement Procedure
- Business Continuity Management Framework Policy\*
- Group Conflict Management Policy

#### CYBER SECURITY



- Cyber Security Policy
- Data Loss Prevention Framework\*
- Group Confidential Information Policy\*
- Retention, Archiving and Destruction Policy\*
- PDPA Data Access and Retention Procedure
- Cyber Security Procedure
- Technology Risk Management Framework

## GOOD GOVERNANCE

## REGULATORY COMPLIANCE



- Group Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy & Procedure\*
- Group anti-Fraud, Bribery and Corruption Policy & Reporting Procedure\*
- Group Chinese Wall Policy\*
- Group Speak Up Policy\*
- Group Competition Act Compliance Policy
- KIB Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (AML/ CFT/ TFS) Procedure\*
- Group Gifts, Entertainment and Hospitality Policy

## DIVERSITY, INCLUSION AND WELLBEING



- Preventing and Eradicating Sexual Harassment in the Workplace Procedure
- Committed to promoting gender diversity in the workplace and aligning our Board's representation in accordance with the updated MCCG's requirement
- Zero tolerance of any violation of human rights, including forced and compulsory labour, child labour, as well as discrimination with respect to employment in our operations in compliance with the applicable employment law and regulations

## CLIENT EXPERIENCE



- Group Advertisement Policy
- Group Social Media Policy
- Group Media Relations Policy
- Group Complaint Handling Policy and Procedure

## COMMUNITY INVESTMENT



- Group Donation Policy
- Committed to empower and uplift local communities by supporting social enterprises, through targeted community investments, outreach activities and employee volunteerism

## DIGITALISATION



- iLeap Application Governance Policy

## RESPONSIBLE INVESTING



- ESG Integration Framework
- Statement on Application of the Principles of the Malaysian Code for Institutional Investors

## CLIMATE IMPACT



- Climate Change Risk Management Framework\*
- Committed to reduce our operational footprint of our business activities by optimising our energy and resource consumption efficiently, adopting responsible waste management practices and empowering our employees, as well as our vendors to be environmental stewards

\* These policies and procedures were updated in 2023

\*\* These policies and procedures currently under approval and will be implemented upon approval in 2024



## Future Outlook

Looking ahead, we will continue to strengthen our governance practices through periodic reviews and updates of policies as when required.

🌐 Our suite of policies and position statements have been approved by the Board and is publicly available on our corporate website: <https://www.kenanga.com.my/ethics-governance>

# SUSTAINABLE ECONOMIC GROWTH



Our approach to integrating ESG considerations into our core operations, investing, and decision-making processes is a crucial component of our strategy to deliver innovative sustainable finance and investing products for our clients. We employ a multi-faceted approach to responsible investment, engaging in both product development and active management of the businesses in which we invest in.

## MATERIAL TOPICS:

Responsible Investing

Digitalisation

Cyber Security

Client Experience

### Goal 1

Increase support of sustainable economic activities.

### Goal 2

Champion cloud-first strategy to increase scalability and flexibility.

### Goal 3

Increase automation for productivity.

### Goal 4

Increase digital distribution of products and services.





## WHY IT MATTERS

By investing in companies that are committed to sustainable practices, we can help create positive impact on the environment and society, while building long-term value and attracting investors who consider overall business sustainability in their investment decision-making process.

### OUR APPROACH

#### Our Investment Strategy

Kenanga Investors Group (“Kenanga Investors” or “KIG”), which comprises Kenanga Investors Berhad (“KIB”), Kenanga Islamic Investors Berhad (“KIIB”), and Eq8 Capital Sdn Bhd (Formerly known as i-VCAP Management Sdn Bhd), is the asset and wealth management arm of the Group. As part of our commitment to responsible investing, Kenanga Investors works closely with investee companies, regulators and a broad range of market players in the integration of ESG considerations into our investment process.

Kenanga Investors has been a signatory to the Malaysian Code for Institutional Investors (“Code”) since 2017, and we have established procedures to support the Code’s principles throughout our investment value chain. Additionally, our membership in the Institutional Investors Council (“IIC”) and active participation in JC3 reflect our dedication to advancing the ESG agenda while accelerating a swift response to the climate risks in our sector.

Kenanga Investors and KIIB have been affirmed investment manager ratings (“IMR”) of IMR-2 by the Malaysian Rating Corporation Berhad for the 7<sup>th</sup> consecutive year since first rated in 2017 in its recent November

2023 rating announcement. The rating considers KIG’s well-established investment processes and sound risk management practices.

KIG enhanced its Sustainability Blueprint in 2022 to incorporate fixed-income asset class by developing an in-house ESG assessment to perform positive screening for bonds and sukuk-based on independent and accredited external data sources. Following the enhancement, in 2023, KIG completed comprehensive screenings for its fixed-income securities and sector-specific assessments for equities, with a heightened focus on sectors bearing elevated ESG risks. As of December 2023, KIB’s total asset under management (“AUM”) with ESG coverage amounted to approximately RM10 billion, accounting for approximately 48% of our reported AUM.

To effectively manage and monitor risks, various factors and indicators specific to respective industries such as palm oil, oil and gas, banking and finance, power, as well as mining were integrated into this process for a more holistic perspective. Following this, KIG has developed strategies tailored to include ESG screening procedures, participation in active stewardship via engagement with stakeholders, and the exercise of voting rights in investee companies.

## ESG Integration Strategy

### Positive Screening

- Incorporate ESG factor assessment into investment analysis and decision-making
- Invest in companies that meet our ESG standards

### Negative Screening

- Avoid investing in companies with unsatisfactory ESG performances
- Exclude industries that do not align with our ESG core values from investment consideration, such as controversial weapons and adult entertainment

### Voting Rights

- Exercise our voting rights in investee companies with substantial holdings, as per our voting policy
- Serve as a formal channel to communicate and relate our views to investee companies, especially on ESG-related issues
- Encompass significant resolutions such as the appointment of auditors and board of directors, proxy contests, anti-takeover provisions, corporate governance matters, capital structure decisions, including mergers and acquisitions, and executive compensation

### Active Engagement

- Actively engage with stakeholders across industry and investee companies to monitor and promote good ESG practises

### ESG Integration Throughout Investment Life Cycle

**Pre-Investment**

- Stock selection based on ESG assessment conducted via positive and negative screening

**Post-Investment**

- Continuous ESG monitoring and review
- Exercise active ownership through voting and engagement to ensure continued ESG alignment

**Divestment**

- Divest stocks that are not aligned with our ESG values

## Our Sustainable Investment Products

Kenanga Investors currently has three (3) Sustainable and Responsible Investment (“**SRI**”)-qualified ESG funds under its Kenanga Sustainability Series (“**KSS**”). These funds were also disclosed in the research reports which are shared on our website via the ‘Market Insights’ webpage, providing a comprehensive look at the ESG criteria for investment.

## SUSTAINABLE ECONOMIC GROWTH

	Kenanga Sustainability Series: High Yield Bond Fund	Kenanga Sustainability Series: World Quality ESG Fund
<b>About the Fund</b>	The Fund is Malaysia's first SRI-qualified high yield bond fund, which seeks to provide income and capital growth by investing in the Northern Trust ("NT") Global High Yield ESG Bond Index Fund managed by NT Asset Management.	The Fund seeks to provide capital growth by investing in the NT World Quality ESG Fund managed by NT Asset Management.
<b>Launched Date</b>	30 March 2022	6 September 2022
<b>Sustainable and Responsible Investment Strategy</b>	<p>The Fund will exclude securities that do not meet certain ESG criteria, such as weapons producers, tobacco producers, thermal coal producers and companies that are in breach of the UNGC's Ten Principles.</p> <p>The Fund will employ an optimisation methodology proprietary to the Fund Investment Manager to overweight securities issued by companies that are leaders in implementing ESG principles, thereby maximising exposure to securities with higher ESG ratings while aligning key risks relative to the ICE BofAML Global High Yield Index, including duration, yield, option adjusted spread, and credit quality.</p>	The Fund Investment Manager will apply its proprietary scoring to the securities eligible for investment after excluding those securities that do not meet certain ESG criteria to assess their quality based on profitability, management efficiency and cash generation, thereby maximising exposure to securities which exhibit quality and have favourable ESG characteristics.
<b>Fund Size</b>	RM1.2 million	RM64.8 million

	Kenanga Sustainability Series: Emergency Waqf Musa'adah Fund
<b>About the Fund</b>	<p>The Fund sets out to generate sustainable returns that will directly benefit climate change-related disaster victims in the country by helping them return to normalcy.</p> <p>The Fund aims to primarily provide income distribution and achieve capital growth by investing in local and global diversified portfolios of Shariah-compliant equities, Shariah-compliant equity-related securities, sukuk, Islamic money market instruments, or Islamic deposits that integrates both Shariah principles and principles of sustainable investing.</p>
<b>Launched Date</b>	6 October 2022
<b>Sustainable and Responsible Investment Strategy</b>	<p>The External Fund Manager adopts the following ESG methodology throughout its investment and decision-making process:</p> <ul style="list-style-type: none"> <li><b>ESG Integration:</b> ESG integration involves evaluation of ESG criteria on companies in which the Fund invests. The External Fund Manager incorporates relevant ESG factors as part of the securities analysis, stock selection and post-investment portfolio monitoring.</li> <li><b>Positive Screening:</b> Positive screening involves assessment and scoring of companies based on the relevant ESG factors to ensure that the Fund invests only in companies with good ESG quality and ESG scores.</li> <li><b>Negative Screening:</b> Negative screening aims to exclude investing in sectors or companies with principal activities that are deemed to be not aligned with international norms or the External Fund Manager's ESG core values.</li> </ul> <p>If the companies in which the Fund invests show persistent decline in their ESG factors and/ or ESG scores, the External Fund Manager will seek to dispose of the Fund's investments in such companies within an appropriate timeframe.</p>
<b>Fund Size</b>	RM1.7 million

Additionally, in 2023, KIG successfully secured two (2) exclusive landmark ESG mandates from notable Malaysian public asset owners, which is a testament to the strength of our expertise, and bolsters our position as trusted fund managers in the sustainability space.

## Engagement with KIG Clients

Through KIG, we maintain regular engagement with investee companies. Additionally, in 2023, we conducted in-depth engagement with a group of over 20 companies on ESG matters, including climate change.

We are currently enhancing our Engagement Policy as part of our ongoing efforts to strengthen our ESG Framework in response to the ever-evolving demands of the sustainability landscape.



### Pledge to Preserve ("P2P") Campaign

The P2P Campaign is an ongoing initiative in collaboration with Animals Projects & Environment Education Sdn Bhd ("APE Malaysia"). APE Malaysia is a social enterprise focusing on improving animal welfare through the development of volunteering projects and educational programmes.

The Restore Our Amazing Rainforest ("ROAR") initiative, a reforestation initiative championed by APE Malaysia, aims to rejuvenate degraded habitats for endangered animals at its reforestation sites at Lower Kinabatangan River in Sabah.

For each fresh investment contributed to KSS products, the investor would have one (1) tree sapling planted on their behalf by APE Malaysia. Kenanga Investors also matched the total number of trees planted from the campaign at the end of campaign period, as well as sponsored saplings on behalf of each Kenanga Investors employee.



Since its inception in 2022, a total of 2,089 trees have been planted.

## Focus on Green Economy

We continue to explore avenues to support a green economy through the mobilisation of capital and financial flows. Kenanga Private Equity Sdn Bhd ("KPE"), our private equity arm, actively strives to explore climate-friendly ventures, as well as companies with a strong ESG agenda. KPE has also incorporated the Climate Change RAC as part of its investment risk assessment strategy.



As of 31 December 2023, approximately RM73.9 million (28%) of KPE's portfolio are focused on the renewable energy sector.

Our Corporate Banking unit at Kenanga has started incorporating ESG factors into its lending and financing activities. In June 2023, we have completed screening for all our existing corporate loans, as guided by the CCRM Framework.



As of 31 December 2023, 7.4% of loan and financing portfolio amounting to RM44.6 million under Kenanga's Corporate Banking division in green lending and financing are related to renewable energy, green technology, and climate change mitigation activities.

Kenanga Futures Sdn Bhd ("Kenanga Futures") actively promoted 10 Bursa Malaysia products, including the ESG-driven FTSE4Good Bursa Malaysia Index Futures, through its "Grow Your Futures" campaign in 2023. In conjunction with the campaign, Kenanga Futures offered an electric scooter as the grand prize, promoting awareness of environmentally friendly transportation options.

## SUSTAINABLE ECONOMIC GROWTH

**Our Internal Stock Scoring Methodology**

Kenanga's Equity Broking Research Department has developed an internal scoring system to rate public listed stocks, premised on Bursa Malaysia Sustainability Reporting Guide, the Sustainability Accounting Standards Board ("SASB") and GRI's primary ESG topics. Since the establishment of the scoring system in 2022, we have consistently engaged with businesses to obtain updates on their ESG strategy, goals, and accomplishments to gain a deeper understanding of their sustainability aspirations and commitments.

Favourable scores are accorded toward companies that possess a high degree of disclosure, with particular reference to quantifiable information	Short-term targets are preferred compared to long-term targets, as immediate solutions are favoured	Year-on-year comparisons of improving ESG data would be given the highest score on a percentage basis
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**Our Progress in 2023**

The main ESG themes considered in our internal scoring methodology include:



A number of ESG-themed reports were published on key sectors such as banking, palm oil, and technology, delving into specific ESG aspects and company activities

Continued publishing ESG-centric bulletin to deliver news updates and commentary on selected topics

During the year, we published 10 ESG-thematic reports on the following topics:

Digitalisation and the Future of Retailers	Malaysia Tapping into VCM Potential	A Boost to EV Charging Network	Drilling Down to Details	Boost to Carbon Credit Trading
The Future of Low Carbon Mobility	Sustainability the Infineon Way	Banking on Cyber Security	National Energy Transition Roadmap	Waste: Generate Less, Separate More

**FUTURE PROSPECTS**

In 2024, Kenanga Research will be focusing on more engagements with corporates, as well as industrial authorities to delve deeper into the requirements in ESG reporting and disclosure, and understanding the impact of climate change on businesses.



### ESG Engagement with Our Corporate and Institutional Clients

As part of our ESG integration strategy to facilitate active engagements across industries between investors and investee companies, we conducted a total of 12 ESG-related webinars and experiential visits for corporate and institutional clients in 2023. These initiatives aimed to offer first-hand knowledge and understanding of sector-specific and company-specific ESG information.

The webinars and visits conducted were:

Samaiden Group Bhd: Visit to rooftop solar installation in Sunway Nexis, Petaling Jaya

Kenanga ESG Webinar on Accelerating Decarbonisation (Infineon Technologies AG)

Gentari Sdn Bhd: Visit to EV Charging Hub & Test Drive of EVs in Bangi Golf Resort, Selangor

Top Glove Corporation Bhd: Visit to workers' accommodation in Meru, Klang, Selangor

Oil & Gas Industry Insight Session with Malaysia Petroleum Resources Corporation and Velesto

Kenanga ESG Webinar on The Future of Low Carbon Mobility (Zero Emission Vehicle Association, Tenaga Nasional, Swift Haulage)

Kenanga ESG Webinar on Cyber Security in Financial Institutions (Deloitte)

Kenanga ESG Webinar on The Potential and Opportunities in Malaysia's Carbon Market (Bursa Carbon Exchange, Majuperak Holdings, ERM Japan)

Opportunities in Malaysia's National Healthcare Insurance Scheme Reforms

Tenaga Nasional Bhd: Webinar on Vantage RE Ltd on RE development in the UK

Kenanga ESG Webinar: Choosing the Right Cooking Oil

ESG Webinar on Sustainable Waste Management in the Consumer Sector

These engagements garnered participation from over 300 clients.



### Future Outlook

We intend to broaden our array of sustainable investment products with a focus on thematic investing. To deepen our understanding of ESG risks and opportunities within our portfolio, we will intensify engagements with our investee companies to gain insights into their ESG aspirations and strategies.

**WHY IT MATTERS**

We recognise that strengthening our digital competitiveness is vital to our continued sustainability and growth, especially given the rapidly evolving financial landscape. Our goal is to optimise internal operational efficiency through digitisation, as well as to create an integrated and seamless digital experience that offers a suite of products.

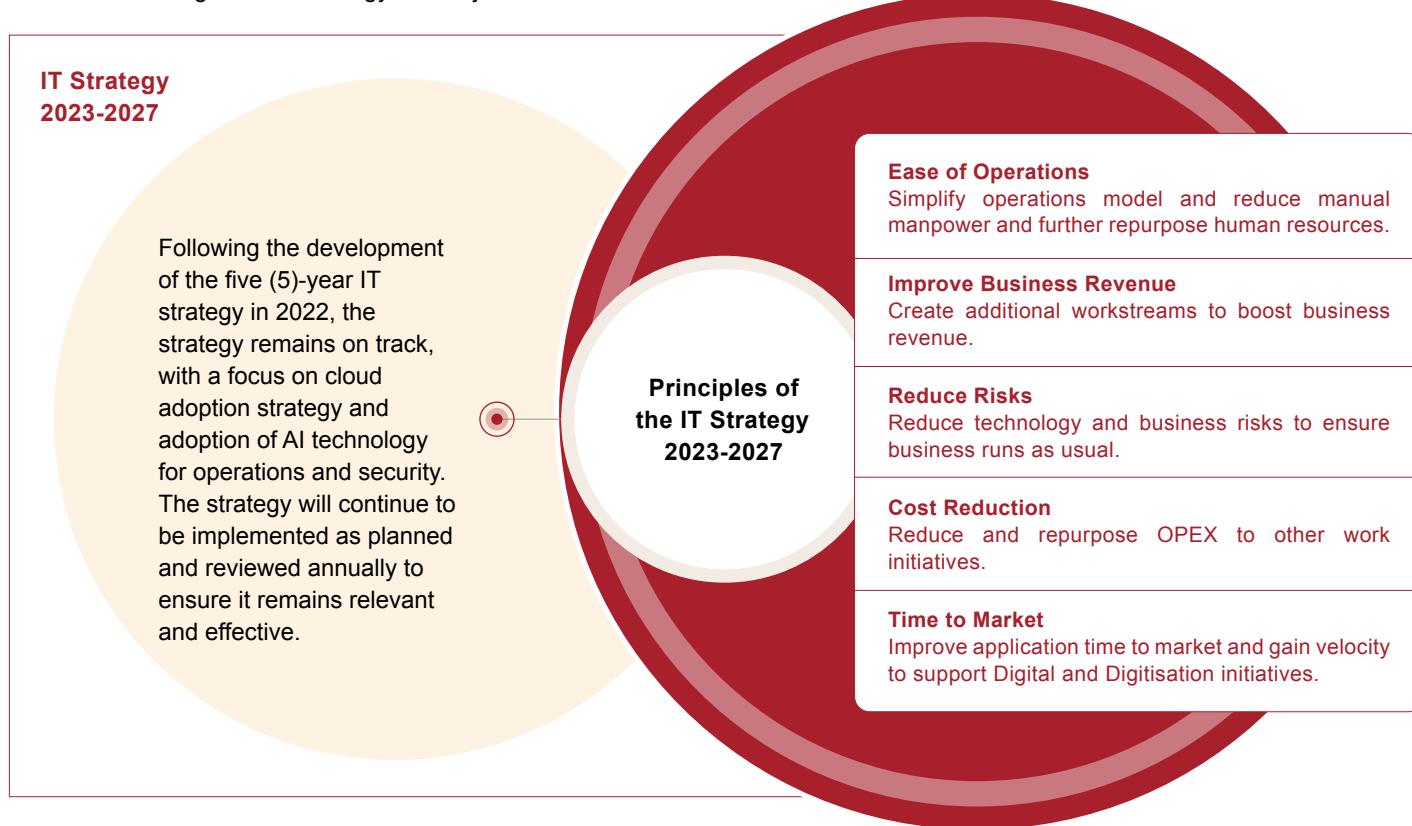
**OUR APPROACH**

At Kenanga, our digitalisation strategy is premised on expanding our digital offerings to create a comprehensive approach to wealth creation. We also aim to streamline workflows through automation to boost efficiency, and continue to enhance our IT governance for effective oversight of digital initiatives. Our objectives include optimising resources, speeding up digital implementation, and refining cost structures. Furthermore, we aim to forge strategic partnerships with technology leaders to drive innovation and deliver value to our customers. These efforts underscore our commitment to leveraging digitalisation to fuel growth and innovation in our business.

**Information Technology (“IT”) Governance**

The Group Board Digital Innovation & Technology Committee (“**GBDITC**”) supports the Board in providing direction and oversight on technology-related matters, including risks, in line with business requirements, and relevant regulatory expectations.

The GBDITC reviews, evaluates and recommends technological innovations for the formulation of the Group’s medium and long-term business strategy, and assists the Board in ensuring that the Group’s technology resources and initiatives are aligned with its overall digitisation strategy and objectives.



## Digitalisation in Product and Services

### ● Greater Product Accessibility for Financial Inclusion

We believe in advancing financial inclusion through digitalisation by embracing technological advancements and innovation. This approach aims to increase clients' access to financial products and reach the underserved market segments.

Planned Initiative	Key Highlights
<b>SuperApp</b>	<p>We entered into a Memorandum of Understanding with Ant Group to create Malaysia's first Wealth SuperApp in 2022. The SuperApp will serve as a central platform for our financial, and wealth solutions, which will be complemented by lifestyle offerings.</p> <p>Utilising AntChain's state-of-the-art mobile Platform as a Service, the SuperApp is nearing completion and is ready to support our financial products including Single Customer Portfolios, Single Onboarding and integrated e-KYC which is expected to launch in 2024.</p>
<b>Wealth-as-a-Service (“WaaS”)</b>	Along with the SuperApp, the upcoming introduction of WaaS to our ecosystem partners will allow our suite of wealth services to be embedded onto their platforms for their audiences at a swift go-to-market pace. It is anticipated that this will debut alongside the SuperApp in 2024.
<b>Treasury FX Platform</b>	This platform is aimed at empowering clients to conduct online foreign currency trades and transfer funds internationally. Our target for the official launch of the platform is set for 2024, following enhancements to user experiences.

### ● Innovative Product Platforms

Our financial solutions platform continues to transform how clients manage their transactions. Prioritising user-friendly interfaces and security, we strive to provide tailored services for convenience and efficiency.

Product	Key Highlights in 2023
<b>Kenanga Digital Investing (“KDI”)</b> Fully automated AI-driven robo-advisor aimed at simplifying the saving and investment process was introduced in 2022. Licensed by the Securities Commission Malaysia, the KDI platform offers two (2) convenient products – KDI Save and KDI Invest. KDI Save offers daily returns on savings with no lock-in or management fees, while KDI Invest enables wealth growth through access to global investment opportunities via US-listed Exchange Traded Funds (ETFs) at competitive fees.	Total Assets Under Management of over RM235 million, serving 23,396 clients.
<b>Rakuten Trade</b> Rakuten Trade Sdn Bhd (“ <b>Rakuten Trade</b> ”) is a joint venture between Kenanga and Japan-based Rakuten Securities Inc. has introduced the ease and access of online stock trading to hundred thousand of new traders and investors. In addition to introduction of trading access into the US market, foreign trading capabilities also include Hong Kong Exchange and US Fractional Share Trading, allowing Malaysian users a seamless and cost-effective option to further diversify their portfolio.	<p>A total of 19,410 new users signed up on Rakuten Trade in 2023, bringing the total customer base to more than 276,163.</p> <p>Over RM125 billion worth of stocks have been transacted since its inception in 2017.</p>
<b>Kenanga Money</b> Through partnership with Merchantrade Asia Sdn Bhd (“ <b>Merchantrade</b> ”), Kenanga entered the cashless payment sector through its first e-wallet platform, allowing its clients to move money from their stock trading account into an e-wallet with a prepaid card for retail payments, remittances, and withdrawals globally. Users also benefits from Merchantrade's innovative multi-currency capability, which allows users to buy, sell, and keep up to 20 foreign currencies at any time at competitive exchange rates.	Over 750 sign-ups since its release in 2020. In 2023, a total of over RM44,000 retail transactions were made via this platform.

## SUSTAINABLE ECONOMIC GROWTH

 **Enhancing Client Services**

We continue to enhance client services by implementing digital onboarding processes and improving back-end client management systems. Through digital onboarding, clients can conveniently open accounts and access our services online, thus reducing paperwork and processing time. Additionally, our improved back-end systems works to streamline client management processes, ensuring smoother interactions and more personalised services.

Services	Key Highlights in 2023
<b>Digital Client On-boarding (“DCO”) Service</b> Launched in 2022, this platform enables clients to open accounts online, eliminating the need to visit a Kenanga branch. Clients can easily access equity trading, futures and options trading, and treasury products. The account opening process takes just 15 minutes and can be completed on a PC, laptop, or with a mobile device.	A total of 3,282 accounts have been opened via DCO, since its inception. This includes Kenanga Futures, Kenanga Treasury, and Equity Broking – cash, collateralised, and margin.
<b>Futures Account Opening Services</b> An initiative to digitalise Kenanga Futures account opening process, aiming to increase processing speed, enhance security, and reduce the cost of client onboarding.	Achieved a 98% digital onboarding rate, with only 2% of new accounts being opened through physical means.  As of 2023, 50% of its back-office administrative forms and existing physical documents have been converted to digitalised forms.
<b>Remisier’s Service Portal</b> A user-friendly platform offering greater flexibility to remisiers and enhancing client experience. Key functions include enabling remisiers to access stock information quickly and support clients in submitting requests via the e-request functions.	100% of our remisiers have been onboarded on our Remisiers Portal.  Number of transactions: <ul style="list-style-type: none"> <li>• eDeposits – 133,621;</li> <li>• eSettlements – 372,260;</li> <li>• eTrust Withdrawals – 88,352</li> </ul>
<b>Treasury Relationship Manager Platform</b> An online platform enabling Relationship Managers to execute order fulfilment digitally and seamlessly for the popular structured investment solution, Dual Currency Investment (“DCI”).	DCI transaction volume has more than doubled from 2022, achieving over 200% increase.
<b>Project OMNI</b> A software platform designed to support advisers and staff in onboarding and servicing clients through a digital journey. It comprises two main components: an iOS-based tablet app called REACH for advisers and a web-browser-based Back Office Web portal for Kenanga Investors employees.  It further aims to minimise the printing of forms and reduce adviser trips to the branch, as REACH submissions are fully digital except for those mandated by regulators.	During the year, enhancements were made to the app and we aim to release the updated version in 2024.  Moving forward, we plan to gradually roll out more advanced Switching and Redemption features throughout 2024. Additionally, we plan to expand the app's availability to more advisers.

## Centralising Client Information

In 2023, we initiated a project to develop data lake, aimed at centralising customer information, improving client screening, and enhancing overall IT operations. This initiative supports our goals of enhancing analytics and operational efficiency. The data lake will provide a comprehensive view of customers, aiding in better segmentation and personalised marketing. It will also improve client screening accuracy for better risk management and regulatory compliance. Additionally, the data lake will streamline data management, reduce silos, and enable more efficient data access and analysis, leading to cost efficiencies and improved governance.

### ● **Digitalising Operational Efficiency in Kenanga**

As we gradually accelerate our digital transformation efforts across the organisation, we are focused on the digitalisation of key functions and processes to enhance operational efficiency.

#### Product

##### **The Group's Digital Workflows ("iLeap")**

This project streamlines sign-off, storage, and audit processes, reducing printing in digital workflows. Additionally, it adopts the iLeap Application Governance Policy to ensure secure and effective platform use. By automating business and IT processes, Project iLeap optimises resources and results in cost savings.

#### Key Highlights in 2023

A total of 69 workflows were digitised since 2020 with four (4) workflows digitised in 2023. These include processes within Group Operations, Group Finance, Group Equity Business, Group Treasury, Equity Derivatives, and Group Digital, Technology, and Transformation.

#### Product

##### **Robotic Process Automation ("RPA")**

A software technology that automates digital tasks using predefined instructions.

#### Key Highlights in 2023

A total of 10 RPAs were launched to date with three (3) new RPAs processes rolled out in 2023, to automate routine tasks and processes within the Equity Derivatives, Treasury Operations Payment Settlement ("TOPS") Conventional Blotter, and TOPS SPI Blotter areas. The implementation of RPA was also extended to support the Group's IT operations and digital investment management. This expansion of RPA usage enhances operational efficiency and enables more effective management of digital investments, contributing to the overall digital transformation journey of the Group.

## SUSTAINABLE ECONOMIC GROWTH


**Cloud Adoption Strategy**

Our five (5)-year Cloud Adoption Strategy aligns with our group-wide digital transformation ambitions, aiming to fuel innovation and growth. Cloud infrastructure services will enhance scalability, performance, security, and resiliency across the Group. Non-production workloads have been successfully migrated to the Cloud this year. We are currently in collaboration with regulatory bodies to finalise the migration of production applications, a crucial step in enhancing efficiency and scalability through cloud-based solutions.

Kenanga adopts a two (2)-prong cloud adoption strategy approach as follows:

**Approach #1 – Public Cloud**

To expedite time-to-market, scalability, and resiliency for new cloud-native applications, we will utilise publicly available cloud infrastructure services such as Azure & Amazon Web Services (AWS).

**Approach #2 – Private Cloud**

Kenanga currently hosts many applications in its data center. We plan to implement a private cloud technology stack to modernise our on-premise data center infrastructure, incorporating cloud automation and security software. This initiative aims to enhance agility and flexibility in managing our infrastructure. Priority will be given to hosting time-sensitive applications and those with high latency requirements in the private cloud.

**Key Initiatives:**
**Remisier Application Modernisation**

Our goal is to enhance the efficiency of the Remisier's application in serving our clients. Cloud infrastructure, with its adaptability to varying usage demands, will enhance the scalability, resiliency, and flexibility of the application to better align with evolving business needs.

**Azure Enterprise Skilling Initiative (“ESI”)**

We are progressively upskilling our IT workforce through Azure ESI offered by Microsoft to further build technical skills which also includes trainings and certifications.

This is a programme offered by Microsoft to help employees to sharpen their technical skills and knowledge needed to be applied for Azure-related projects and initiatives. In FY2023, our IT personnel attended over 12 Azure training courses with a total of 430.3 training hours logged.

**Greening Data Centers**

Furthermore, as part of our ongoing commitment to fostering energy-efficient practices, we have launched a new initiative focused on greening data centers at the Group during the review period. This initiative involves upgrading to energy-efficient hardware, including servers, storage devices, and networking equipment, as well as virtualising servers to enhance resource utilisation. In 2023, the Group initiated this effort, completing approximately 10% of the upgrades for storage and servers. The primary goal of this initiative is to reduce energy consumption and improve overall energy efficiency.


**Future Outlook**

We will continuously assess and make improvements to our systems and processes to ensure we remain at the forefront of digital transformation in the financial industry. Amongst some of the new solutions that we are looking forward to launch in 2024 include the launch of the first Wealth SuperApp in Malaysia, a new FX platform that will support our Treasury products, Project OMNI to fully digitalise our end-to-end processes, and enhanced features on our DCO Service.



## CYBER SECURITY

GRI 418

### WHY IT MATTERS

As we transition towards a future defined by digital innovation, cyber security issues have increasingly become more relevant and urgent to organisations. We aim to address cyber risks by actively monitoring developments in the cyber world and strengthening our cyber security measures across our operations.

### OUR APPROACH

Our suite of IT policies forms a fundamental aspect of IT governance which guides our management approach towards cyber risks and responses to security incidents.

#### Key Policy and Framework

- Cyber security is a formal risk component of Kenanga's Enterprise Risk Management Framework.
- Cyber Security Policy has been developed based on regulatory guidelines such as Bank Negara Malaysia Risk Management in Technology (RMiT).
- The Group Confidential Information Policy has been established and incorporates various privacy legislation that includes Financial Service Act 2013, Securities Industry (Central Depositories) Act 1991, BNM Management of Customer Information and Permitted Disclosure and Personal Data Protection Act ("PDPA") 2010.
- The policy provides governance for all data usage by Kenanga Group i.e., including Paynet related application/ system (such as RENTAS and FAST), whereby data asset is currently categorised in three (3) different classifications: Regulated Confidential, Unregulated Confidential and Public.
- Sensitive data discovery is included in Information Asset Inventory, which is covered by the embedded rules in the Data Loss Prevention ("DLP") tool. The DLP rules are also consistent with the Group Confidentiality Information Policy.



### Data Loss Prevention Framework

Our DLP Framework has been structured to outline data protection measures for sensitive data across different mediums to address cyber threats. Supporting our DLP Framework is Kenanga Group's Cyber Security Policy as outlined by Bursa Malaysia, Bank Negara Malaysia and the Securities Commission Malaysia Guidelines on IT and Cyber Security.

The Group's DLP project was launched in 2019 to provide us with greater visibility over data processes within Kenanga. Through this project, we can monitor the location of confidential data, determine how it is being used and undertake measures to prevent data loss. The Framework also outlines data protection measures for sensitive data

across all endpoint devices and data egress channels, aligned with our DLP Framework & Group Confidential Information Policy.

All activities have been monitored and alerts will be prompted when the DLP system detects customers' data or confidential information is being shared to external parties or copied to external mediums. In order to proceed with the activity, the users will need to provide reasons and justification, which will be documented by the Data Officers and Data Governance team.

To further promote transparency and improve customer awareness, we also published a Privacy Notice on our corporate website which specifies the scope in which we utilise customers' data.

## SUSTAINABLE ECONOMIC GROWTH

**Accelerating Data Security Measures**

In the year under review, we bolstered the cyber resilience of our operations through the implementation of the following measures:

**SECURING CUSTOMERS' DATA**

- Ensured DLP solutions in place to prevent data leaks from internal sources
- Ensured virtual patch solution in place to shield servers from risks before applying physical security patches
- Implemented Cloudflare to shield web applications from cyber-attacks

**STRENGTHENING MEASURES FOR SECURING EMPLOYEE DATA**

- Enhanced usage of mobile management tool to effectively monitor company information on employee's mobile phones
- Enhanced security posture by upgrading Microsoft 365 subscription to include the full E5 security suite which includes advanced endpoint and identity protection

**FOSTERING CYBER AWARENESS AMONGST EMPLOYEES**

- Collaborated with a team of experienced cyber security experts to provide valuable cyber knowledge to our Group Digital, Technology and Transformation Division
- Conducted mandatory monthly cyber security awareness training for all employees, in partnership with Sophos and our in-house Kenanga Group Learning Management System
- Implemented regular email phishing simulations to educate employees on identifying and responding to potential phishing threats
- Conducted online quizzes and training sessions
- Introduced the 'IT-Cyber Security – Staying Safe in the Cyberspace' module as part of our New Hire Orientation Course

Completed

**2,979.6 hours**

of mandatory in-house cyber security training for employees

Achieved a success rate of

**89%**

in identifying phishing emails through our employee phishing simulator

Conducted

**4**

mock-phishing exercises during the year



In 2023, zero cyber security incidents involving breach of customer data were recorded.

**Future Outlook**

The ongoing escalation of cyber threats has underscored the importance of cyber security measures. Aligned with our IT Strategy 2023-2027 and DLP Framework, we are committed to continuously strengthen our cyber security protocols. This involves necessary upgrades to our systems and raising awareness amongst both our employees and clients to preemptively address cyber security risks. Our overarching goal is to cultivate trust amongst our clients as they engage in financial pursuits in this digital age, reassuring them that their personal and financial information are safeguarded.



## CLIENT EXPERIENCE

GRI 417

### WHY IT MATTERS

As a homegrown brand that has evolved and grown over the last 50 years, we recognise that our success is the result of our relationships with our clients. Having served over 500,000 clients, we remain committed to continue delivering excellence through our products and services by putting our clients at the centre of all that we do.

### OUR APPROACH

We prioritise understanding our clients' needs, preferences, and expectations, ensuring that our interactions are personalised and meaningful. Our approach to client experience is centred on delivering value and building enduring relationships founded on trust and satisfaction.

Transparency and communication are integral to our approach, as we strive to keep clients informed and engaged throughout their journey with us. In addition to maintaining a myriad of customer touch points to facilitate open dialogues, we are guided by policies that are aligned to applicable laws and regulations, and we aim to ensure our marketing materials and claims embody a commitment to ethical principles which prioritise accuracy and honesty. Through our client-centric approach, we aim to build lasting client relationships that will serve to fortify the foundation that sustains our business for the long term.

### Responsible Marketing & Communication

All information contained in prospectuses and memoranda are made available to the public in accordance with key applicable laws and regulations established by:

Administered/ Regulated by	Law and Regulation
Bank Negara Malaysia	Financial Services Act (2013)
Ministry of Domestic Trade, Co-operatives, and Consumerism of Malaysia	Consumer Protection Act (1999)
Advertising Standards Advisory Malaysia	Malaysian Code of Advertising Practice
Companies Commission of Malaysia	Company's Act 2016 Section 30 (2)
Bursa Malaysia	Bursa Securities Rules & Bursa Derivatives Rules
The Securities Commission Malaysia	Guidelines On Advertising For Capital Market Products And Related Services

## SUSTAINABLE ECONOMIC GROWTH

In relation to the creation and distribution of promotional and marketing materials, we have a set of internal procedures to further uphold our standards. All employees have access to the following guidelines via the Group's Intranet:

 **Group Advertisement Policy**

Outlines guiding principles, regulatory requirements, and guiding frameworks for Kenanga Group's communications through the use of traditional and digital advertisements.

 **Group Social Media Policy**

Contains guiding principles and an employee participation framework that sets expectations for appropriate behaviour which outlines procedures and guidelines for the Group's communications on its social media platforms.

 **Group Media Relations Policy**

Establishes guiding principles and a framework within the Group in its engagements with print, electronic and broadcast media.

 **Group Complaint Handling Procedure**

Establishes guiding principles and a framework within the Group for its complaint handling processes and procedures for all stakeholders.

Our intermediaries such as, agents and remisiers are provided with relevant information and training that emphasises the importance of upholding and demonstrating high standards of ethics and honesty in client interactions. All our remisiers are required to comply to the Group Code of Conduct to ensure our services are delivered with integrity. Any complaint received must be directed to the appropriate Complaint Officer for further action, in accordance with our Group Complaints Handling Procedure.

### Establishing a Client-Centric Strategy

Our focus is centred on listening and catering to the diverse needs of our clients. To facilitate two (2)-way communication with all our existing and prospective clients, we utilise several channels such as the ones listed below to actively seek and gather feedback from our clients to help improve their experience with us.

#### DIGITAL COMMUNICATIONS PLATFORMS

- Promotional updates, product information and corporate news are constantly updated on all our digital communication touchpoints, which include product and corporate websites, as well as social media platforms including Facebook, Instagram, LinkedIn, Telegram and TikTok
- Digital touchpoints enable direct client interaction, where we monitor and respond to queries, feedback and complaints that come through

#### TELEPHONY SUPPORT

- Our customer helplines provide access to information, advice and assistance in handling customer queries and complaints through toll-free numbers. Further details can be found at: <https://www.kenanga.com.my/contact-us>

#### PHYSICAL BRANCHES

- Complementing our digital channels, we extend our services through 34 physical branches nationwide. More information is available at: <https://www.kenanga.com.my/branches>

### Combating Financial Scams

Fighting financial scams is crucial to safeguard our clients' wellbeing and preserve the integrity of the financial system. Scams and fraudulent activities undermine trust in financial institutions and markets, eroding confidence amongst investors and consumers alike.

In 2023, Kenanga Group has expanded its scam awareness efforts through its corporate websites and social media platforms such as Facebook, TikTok, Instagram, and Telegram to educate the public about financial scams and provide practical tips on prevention. To further assist our clients and public, a dedicated email and hotline channels were established to facilitate the reporting of scam-related issues.



#### SCAN HERE

for more or visit  
the link below

[https://www.kenanga.com.my/news/  
articles/stay-smart-stay-alert](https://www.kenanga.com.my/news/articles/stay-smart-stay-alert)

# ENVIRONMENTAL STEWARDSHIP



We are fully committed to promoting a climate-positive culture and reducing our carbon footprint. We recognise the urgency of the climate crisis and believe that we have a responsibility to take action. We integrate climate-related risk considerations into all aspects of our business operations and continuously seek ways to minimise our environmental impact.

## MATERIAL TOPICS:

### Climate Impact

#### Goal 1

Accelerate enterprise decarbonisation.

#### Goal 2

Build awareness, knowledge and skills needed to enable employees and stakeholders, to contribute positively to climate actions.



## ENVIRONMENTAL STEWARDSHIP



## MANAGING OUR CLIMATE IMPACT

GRI 302, 303, 305, 306

## WHY IT MATTERS

Enhancing environmental stewardship is pivotal in conserving resources and mitigating environmental impact. Practices such as energy efficiency not only reduce operational costs but also lower carbon emissions, thereby helping in the fight against climate change. Moreover, ensuring water resource efficiency plays a vital role in conserving water, particularly in regions facing water scarcity challenges. Finally, advocacy for sustainability contributes to fostering broader societal change through educational initiatives and policy influence. We acknowledge its impact and role in facilitating the transition to a low-carbon economy. Aligned to our national ambition, the Group is committed to achieving net-zero emissions by 2050.

## OUR APPROACH

We adopt a pragmatic approach to addressing climate impact that incorporates the management of climate-related risk factors across our business activities, products and services, as well as the reduction of environmental impact from our operations.

We continuously strive to reduce the carbon footprint of our operations where possible and minimise wastage throughout our value chain to reduce the adverse impacts on the ecosystem and biodiversity. Our vendors are also expected to adopt sustainable business practices as guided by our Group Code of Conduct for Vendors.

We encourage our employees to use resources responsibly, including electricity, water and paper. Our month-long interactive campaign, #GreenAtWork, is designed to raise awareness amongst our employees on the need to adopt an environmentally friendly mindset.



## Kenanga Tower Wins 'Energy-Efficient Retrofitted Building' at National Energy Awards 2023

We are delighted to announce our win of the 'Energy Efficient Building in the Retrofitted Building' category at the esteemed National Energy Awards ("NEA") 2023. This prestigious recognition, conferred by the Ministry of Natural Resources, Environment, and Climate Change in collaboration with the Malaysian Green Technology and Climate Change Corporation, marks the culmination of dedicated efforts throughout the last two (2) years.

Through a collaborative partnership with a Malaysian-based climate tech company, we implemented an advanced AI solution in the central air conditioning ("AC") system, which significantly contributes to Kenanga Tower's energy consumption. This overhaul, along with upgrades to the Air Handling Unit ("AHU") and installation of energy-efficient lighting throughout the premises, resulted in an overall energy reduction in 2022.

As we reflect on the progress we have made in such a short period of time, we reaffirm our commitment to continue driving sustainable practices and positive change within our enterprise and industry. We also remain steadfast in our pursuit of excellence and are committed to fostering a greener, more sustainable future for all.



*The Kenanga Group Procurement and Administration Team who continue to spearhead transformative initiatives to improve Kenanga Tower's energy efficiency.*

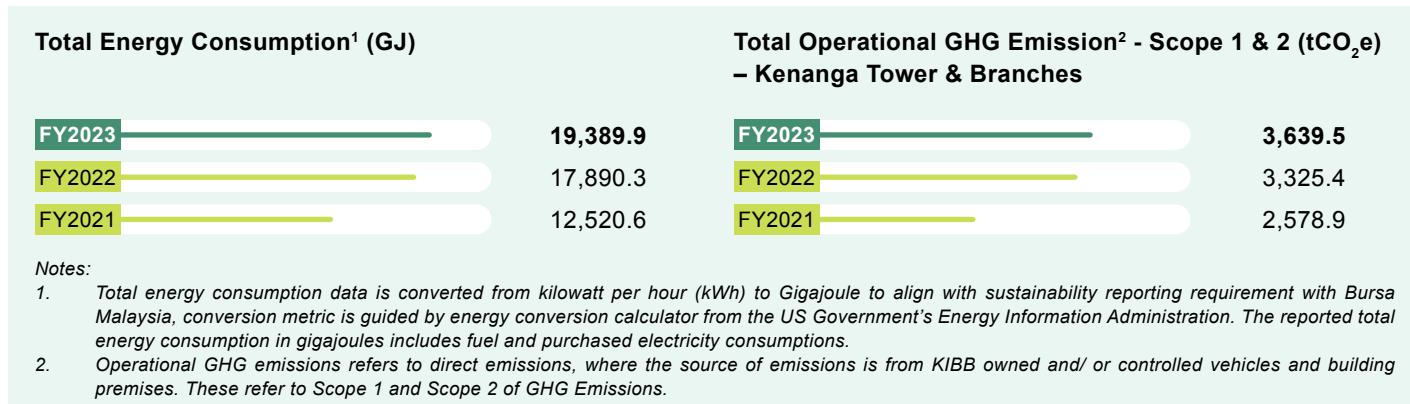
## Energy Management & Greenhouse Gas Emissions (“GHG Emissions”)

We continuously monitor our energy management which includes electricity and fuel consumption to identify opportunities to improve our energy efficiency. Following the completion of the enhancements made to the AC and AHU systems, we transitioned into the monitoring phase in 2023.

As we continue to track and monitor the Group’s GHG emissions, we derived our Scope 1 GHG emissions from fuel consumption data of company-owned vehicles, while our Scope 2 emissions calculations for 2023 are based on purchased electricity consumption throughout Kenanga Tower (“KT”) and our branch offices. For Scope 3, we continue to monitor our GHG emissions to track emissions generated from business travel, employing the spend-based method. Aligned with our Sustainability Roadmap 2023-2025, we have expanded our Scope 3 GHG emissions data to also include emissions generated from employee commuting, measured using a distance-based method.

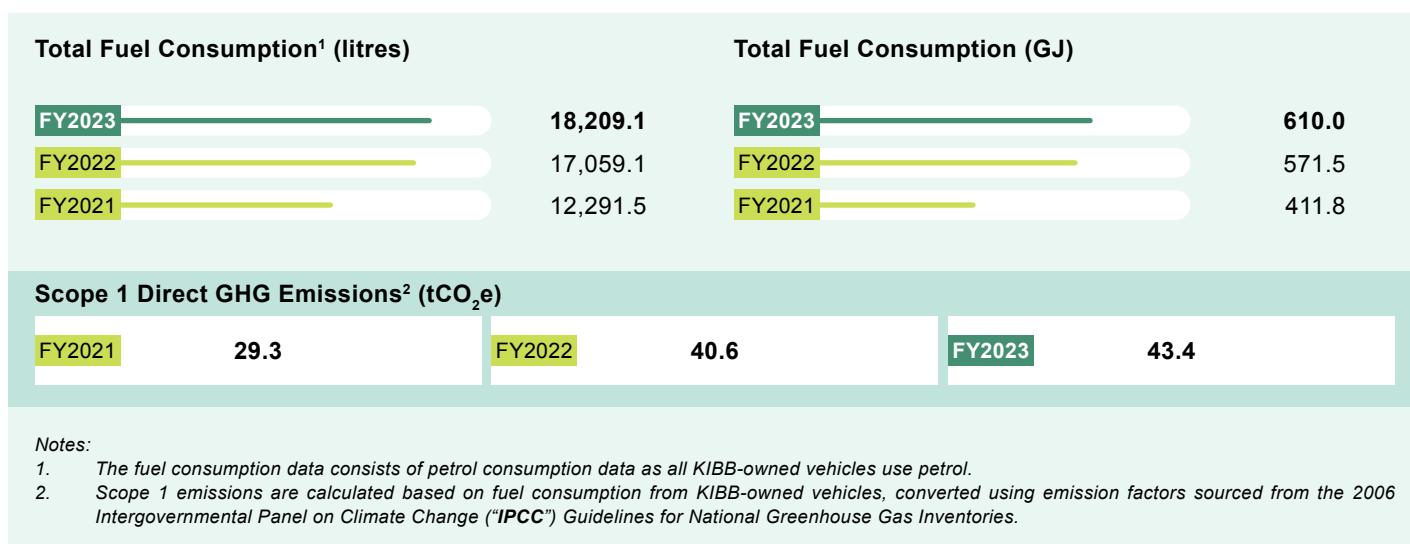
Following sections showcases our energy consumption and GHG emissions data:

### Summary of Total Energy Consumption & Operational GHG Emission Scope 1 & Scope 2



### Total Fuel Consumption & Scope 1 - Direct GHG Emissions

In 2023, we observed a 6.7% rise in fuel consumption compared to FY2022 resulting an increase in our Scope 1 direct GHG emission. This increase can be attributed to increased corporate travels in recent years, as business activities resumed to pre-pandemic normalcy.

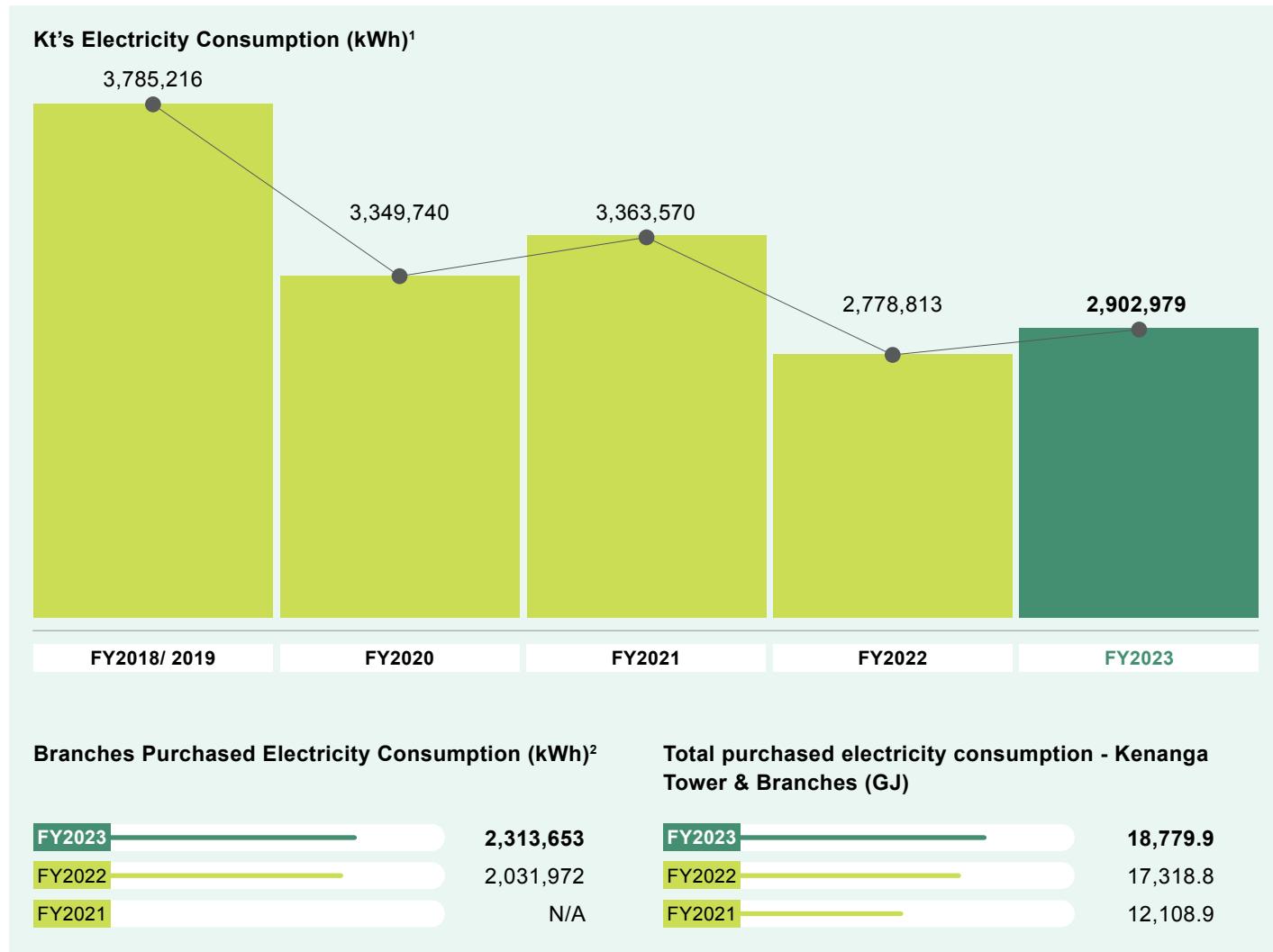


## ENVIRONMENTAL STEWARDSHIP

**Total Purchased Electricity Consumption & Scope 2 – Indirect GHG Emissions**

In 2023, our overall total electricity consumption for both Kenanga Tower and branches were 5,216,632 kWh compared to 4,810,785 kWh the year before. This slight augmentation was largely driven by the resumption of work in office, increased in business activities and multiple renovation works.

Through our energy-efficient enhancement efforts since 2021, we were able to achieve a 23% reduction of overall Kenanga Tower's electricity consumption in 2023 compared to the baseline year – the average of 2018 and 2019 electricity consumption. This anomaly in comparison is attributed to the impact of the COVID-19 pandemic, which significantly affected energy usage patterns and consumption in office buildings during those years.

**Total Purchased Electricity Consumption (kWh)**

**Scope 2 - Indirect GHG Emissions<sup>3</sup>****Scope 2 Indirect GHG Emissions<sup>4</sup> (tCO<sub>2</sub>e) –  
Kenanga Tower only****Scope 2 Indirect GHG Emissions<sup>4</sup> (tCO<sub>2</sub>e) –  
Branches only****Total Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Kenanga Tower & Branches****Notes:**

1. Data restatement for FY2021, from 3,181,757 kWh to 3,363,570 kWh as there were data correction made upon improvement of our data collection process.
2. Data collection for purchased electricity for branches only commenced in FY2022, hence no data available for FY2021.
3. Scope 2 emissions figures are derived from purchased electricity consumption throughout Kenanga Tower and our branch offices, converted using emissions factors for the Malaysian Peninsular, Sabah and Sarawak. Scope 2 emission factors were sourced from the Malaysia Energy Commission – Grid Emission Factor in Malaysia, 2017-2021.
4. Scope 2 data for both Kenanga Tower and Branch Offices were restated for FY2021 and FY2022 due to revision of the emission factors and purchased electricity data changes due improvement of our data collection process.

**Scope 3 – Other Indirect GHG Emissions****Scope 3 GHG Emission – Business Travel for Kenanga Group (tCO<sub>2</sub>e)****Scope 3 GHG Emission – Employee Commuting from Employees Nationwide (tCO<sub>2</sub>e)**

New Data Point

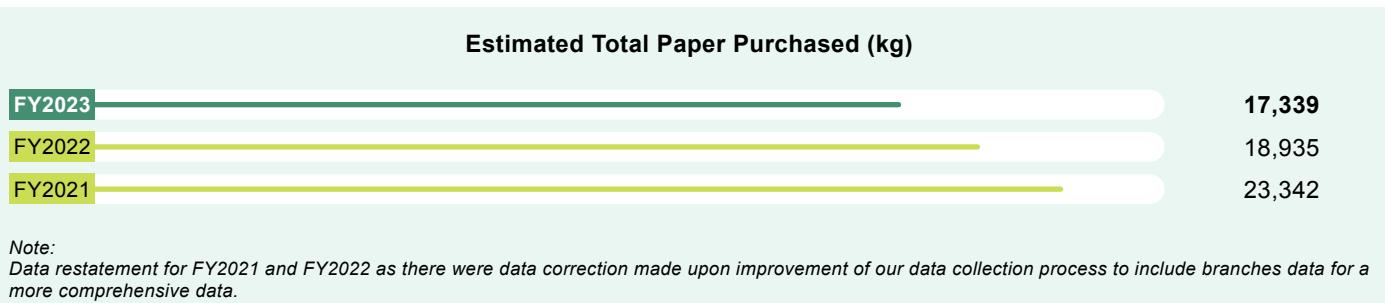
**Notes:**

1. Activity data for Scope 3 Business Travel is obtained from the total fuel consumption from employee-owned vehicles and e-hailing cars only, using the price of Ron-95 fuel. These data are then converted using emission factors sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
2. Data for Scope 3 Employee Commuting is gathered from surveys that capture employees' commuting patterns and the distance travelled between to and from their office. The distance-travelled is then converted using EPA's 2023 Emission Factors Hub – Table 10 Scope 3 Category 7: Employee Commuting. This data collection started in FY2023, hence no data available for FY2021 and FY2022.

## ENVIRONMENTAL STEWARDSHIP

**Paper Consumption and Waste Management**

The waste we predominately generate include paper and electronic waste (“**e-waste**”). The proper disposal of office waste is a vital component of minimising our environmental impact as we aim to reduce our paper consumption through our digitalisation efforts and building awareness of a zero-waste culture amongst our employees. In addition to reporting on our paper consumption data, we have further enhanced our waste monitoring by including other types of office waste, which include paper, carton boxes, aluminium tins, e-waste and plastic.

**Paper Consumption**

We continue to migrate clients from physical monthly statements of accounts to e-statements. In 2023, a total of 149,721 clients have migrated to e-statements, with an e-statement adoption rate of 57.7%. As part of our ongoing efforts to reduce paper-based postal statements, we have adopted the practice of not sending monthly statements for clients using postal delivery who have had no transactions in their accounts. For inactive clients, statements will only be posted on a semi-annual basis.

**Responsible Waste Management**

As we aim to adopt responsible waste management practices within our operations which include managing our general waste, IT assets and confidential documents, we have partnered with a local recycling centre and a licensed IT asset destruction agency. In 2023, we have responsibly disposed 32,876kg of our wastes which include IT assets, confidential documents and other general office wastes.

2022				2023			
<b>Total Waste Generated (kg)</b>				<b>Total Waste Generated (kg)</b>			
19,974				32,876			
<b>Total Waste Directed to Disposal (kg)</b>				<b>Total Waste Directed to Disposal (kg)</b>			
19,974				32,876			
<b>General Waste Collected and Recycled by Type (kg)</b>				<b>General Waste Collected and Recycled by Type (kg)</b>			
Paper	Plastic	Aluminium Tins	Others	Paper	Plastic	Aluminium Tins	Others
8,945	77	31	6	9,675	13	64	6
<b>IT Asset and Paper Collected and Our Disposed by Type (kg)</b>				<b>IT Asset and Paper Collected and Our Disposed by Type (kg)</b>			
10,865				23,118			
Paper	e-Waste		Paper	e-Waste			
8,980	1,935		19,334	3,784			

This approach aligns with the guidelines outlined in the Group's Retention, Archiving and Destruction Policy and the PDPA Data Access and Retention Procedures, ensuring the responsible disposal of paper and e-waste. Upon destruction of our IT assets, we were issued with a Certificate of Destruction by a licensed local agency, providing assurance of secure and ethical disposal.

Looking ahead, our focus is on continuous improvement in waste management systems through enhanced monitoring and proactive stakeholder engagement to raise awareness about circularity.

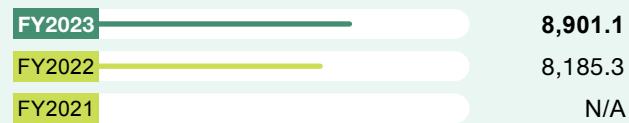
## Water Management

We aim to manage our water consumption and consistently explore opportunities to improve our water usage efficiency. In 2023, our overall total water consumption was 42,208.1 m<sup>3</sup> compared to 29,489.3 m<sup>3</sup> the year before. We recorded an increase of 56.3% in our water consumption at Kenanga Tower, which directly correlated to the resumption of our employees working in the office, as well as renovation works at the lobby of Kenanga Tower, and rectification works on multiple leakage incidents.

### Water Consumption – Kenanga Tower (m<sup>3</sup>)



### Water Consumption – Branch Offices (m<sup>3</sup>)<sup>1</sup>



### Total Water Consumption – Kenanga Tower & Branches (m<sup>3</sup>)



Notes:

1. Data restatement for FY2022 as there were data correction made upon improvement of our data collection process. Data collection for water consumption for branches only commenced in FY2022, hence no data available for FY2021.
2. Water consumption data for our branch offices exclude KIBB – Damansara, Johor Bahru – Menara Pelangi, Penang-Menara PSCI, Subang Jaya, Kota Kinabalu; and KIB – Penang-Menara Boustead, Kuching, Miri, and Bukit Jalil Agency Office. This exclusion is due to the unavailability of bills and the charging of a fixed monthly amount within the rental agreements.



### Promoting Environmental Awareness - #GreenAtWork

Since 2017, we conducted **#GreenAtWork** annually - a month-long interactive campaign, in conjunction with World Earth Day to increase environmental awareness amongst our employees. The campaign aims to promote sustainable practices and encourage our employees to adopt a more environmentally friendly lifestyle.

In 2023, the event garnered participation from over 800 employees. To engage our employees effectively, we deployed virtual interactive learning events featuring educational pop quizzes, games and immersive learning initiatives such as environmental workshops.

The workshops were conducted in collaboration with non-governmental environmental organisations, EcoKnights, Free Tree Society and Repurpose Plastics. During these sessions, we encouraged our employees to learn about ways to repurpose plastics and participate in our plant adoption drive. These initiatives aimed to inspire our employees to embrace green practices in their daily lives.

We have also been participating in Earth Hour for the past 14 years by switching off lighted signages and non-essential lights in our premises nationwide.



### Future Outlook

In the coming period, we will continue to monitor the Group's environmental footprint and explore opportunities to manage our resources efficiently. Concurrently, we strive to enhance advocacy efforts through employee awareness programmes, promoting the sustainable use of resources. Furthermore, we aim to develop a Net Zero Roadmap that also covers the Group's decarbonisation efforts focusing on both enterprise and portfolio level.

# EMPOWERING PEOPLE AND COMMUNITIES

We believe that our people are at their best when they feel a sense of belonging and are adequately supported by the organisation. We are committed to empowering our people to build their knowledge and expertise in an inclusive and healthy environment while extending our support in contributing to the growth and resilience of our communities.



## MATERIAL TOPICS:



Diversity and Inclusion



Talent Attraction, Development and Management



Employee Safety, Health and Wellbeing



Community Investment

### Goal 1

Maintain and promote workforce diversity and maintain anti-discrimination culture.

### Goal 2

Integrate mental health as a topic of overall wellbeing of employees.

### Goal 3

Increase social impact towards marginalised and deserving communities through consistent programmes and initiatives.

### Goal 4

Expand investing literacy reach through online and offline channels.





## DIVERSITY AND INCLUSION

GRI 405, 406

## WHY IT MATTERS

Embracing diversity and inclusion enables us to attract a wider pool of talent, as well as to encourage new ideas and perspectives that help enhance our business. We aim to give our employees equal opportunities to succeed professionally, regardless of their age, gender, ethnicity and background. We strive to improve and maintain a healthy gender-balanced workforce through our focus on inclusivity that allows each individual to thrive in their careers.

## Our Workforce Profile

[GRI 401, 404, 405]



Key Management	2022	2023
Male	20	18
Female	70.0%	<b>66.7%</b>
Senior Management	40	42
Male	60.0%	<b>59.5%</b>
Female	40.0%	<b>40.5%</b>
Middle Management	497	500
Male	47.5%	<b>46.6%</b>
Female	52.5%	<b>53.4%</b>
Junior Management	683	691
Male	46.7%	<b>47.0%</b>
Female	53.3%	<b>53.0%</b>
Non-Executive	115	107
Male	66.1%	<b>70.1%</b>
Female	33.9%	<b>29.9%</b>

Breakdown By Age Group	2022	2023
< 30	305	288
	22.5%	<b>21.2%</b>
30-39	379	375
	28.0%	<b>27.6%</b>
40-50	389	402
	28.7%	<b>29.6%</b>
> 50	282	293
	20.8%	<b>21.6%</b>

Breakdown By Ethnic Composition	2022	2023
Malay & Other Bumiputra	549	550
	40.5%	<b>40.5%</b>
Chinese	733	734
	54.1%	<b>54.0%</b>
Indian	60	62
	4.4%	<b>4.6%</b>
Others	13	12
	1.0%	<b>0.9%</b>

Number of Temporary Staff	2023
Number of Temporary Staff <sup>1</sup>	3
Number of Fixed Term Contract Staff <sup>2</sup>	193
Total Temporary/ Fixed Term Contract Staff by %	<b>14.4%</b>

<sup>1</sup> Staff that are hired for a specific purposes i.e. temporary replacement or special project.

<sup>2</sup> Staff which includes Senior Management Team under fixed term contract on a renewal basis.

## OUR APPROACH

### Our Policy on Ethical Human Resource Practices

We ensure our human resource operations are following the applicable employment and labour laws and regulations of Malaysia, including adhering to the set minimum wage and ensuring its continued compliance, with local laws on working hours. Our commitment to these standards is reflected in our Group's Code of Ethics and Conduct for Employees.

Group Code of Ethics and Conduct for Employees	Learning and Development Policy
Group Disciplinary Policy	Group Policy on Recruitment and Staffing Management
Flexible Work Arrangement Policy	
Compensation and Benefits Policy	Group Performance Management Policy

### Zero Tolerance of Human Rights Violation

As signatory to the UNGC, we adopt the human rights and labour principles as outlined in the UN Global Compact's Ten Principles and placed importance to continue improving workplace diversity, providing equal opportunities and reducing discrimination, including those based on race, religion, gender, age, disability or nationality. At Kenanga, we have zero tolerance for any violation of human rights, including forced and compulsory labour, child labour, discrimination and harassment at our workplace. Additionally, our hiring procedures abide by the local laws in establishing the minimum age for employment.

### Communication on Human Rights for Employees

In our efforts to ensure our employees are aware of their rights, all newly onboarded employees are required to undertake a 10-minute self-directed learning module on employee rights, which is facilitated through our Learning Management System ("LMS"), an internal learning platform. In 2023, a total of 158 enrolments were recorded for this module.

Furthermore, the Group Disciplinary Policy includes guidelines to address employee misconduct. This policy outlines the procedures for handling employee grievances related to their employment. Through this platform, employees are provided with the means to express their concerns regarding employment-related matters, with the assurance that these concerns will be addressed by the relevant parties within a specified timeframe.

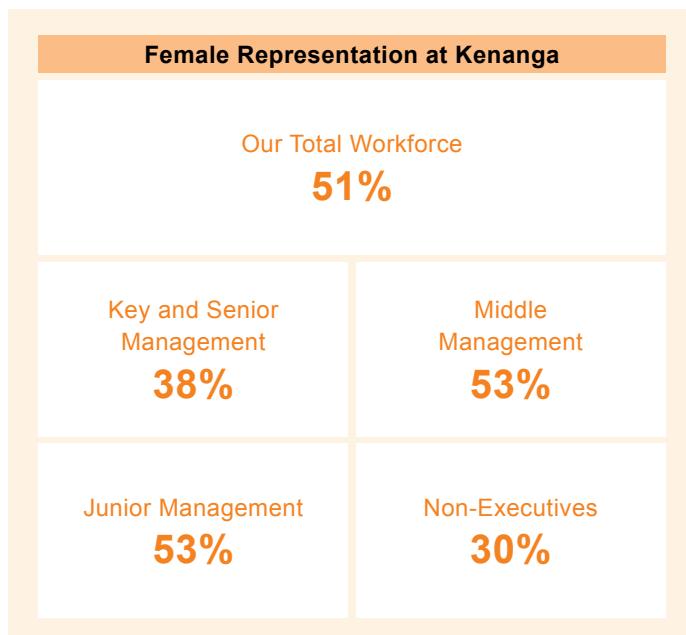
To heighten awareness on issues such as office bullying, harassment and discrimination in the workplace, we executed the following initiatives during the year:

- Revision of the "Preventing and Eradicating Sexual Harassment in the Workplace Policy and Procedure – Issue 2 191016". This has resulted in the creation of two (2) distinct documents – "Preventing and Eradicating Sexual Harassment Policy" and "Preventing and Eradicating Sexual Harassment Procedure"
- Employees are given constant reminders on sexual harassment and its risks through our internal electronic platform
- Training on sexual harassment and anti-bullying was conducted by an external legal counsel on November 2023, which we intend to continuously conduct in the coming years
- Incorporation of discrimination as per Section 69F of the Employment Act 1955 (Amendment 2020) which has been underscored further in initiatives such as the revision of our Whistleblowing Policy to a more comprehensive Speak Up Policy, aimed at preventing discrimination and unethical practices in the workplace.

 In 2023, there were zero grievances or incidents reported related to harassment, bullying or discrimination.

## Promoting a Gender-Balanced Workplace Culture

In promoting a gender-balanced workplace, we offer benefits in line with local labour laws, which applies to all eligible employees. This includes, nursing rooms, and updated maternity and paternity leave days, as well as hybrid working arrangement. Our human resource practices, including recruitment, performance management and talent development are managed equitably.



## Gender Pay Gap

We believe in providing equal economic opportunity for all, regardless of gender, especially within similar roles. Our approach to pay and compensation is based on employees' experiences, skills and competencies required, as well as industry benchmark in determining basic salary. All employee-related decisions are made based on business needs and employee merit.

### Ratio of Basic Salary of Men to Women (2023)

Key Management	1:0.85
Senior Management	1:1.01
Middle Management	1:0.83
Junior Management	1:0.98
Non-Executive	1:0.93



### Kenanga Becomes Signatory of the Women's Empowerment Principles ("WEPs")

In 2023, we strengthened our commitment to gender equality by becoming a signatory of the WEPs. These seven (7) principles are:

- Equal Opportunity, Inclusion, and Non-discrimination
- Health, Safety and Freedom from Violence
- Education and Training
- Enterprise Development, Supply Chain and Marketing Practices
- Community Leadership and Engagement
- Transparency, Measuring and Reporting
- Leadership Promotes Gender Equality

These principles were established by the UNGC and UN Women, aligning with the 2030 Agenda on Sustainable Development and the 17 SDGs. The WEPs Framework offers guidance to businesses on how to advance gender equality and women's empowerment in the workplace, marketplace, and community. Currently, there are over 7,000 global signatories, including 103 from Malaysia.

"A gender-equal workplace not only benefits women, but all individuals. We are dedicated to creating an environment where everyone can thrive and contribute to the growth and success of our organisation."



**DATUK CHAY WAI LEONG**  
Group Managing Director

## EMPOWERING PEOPLE AND COMMUNITIES

**Kenanga is Officially a Partner of LeadWomen**

As an official partner of LeadWomen, an organisation founded in 2011 to advance the presence of women in senior leadership and corporate boards in Malaysia, Kenanga reinforced our commitment towards promoting gender equality and women empowerment.

Through the partnership, we supported LeadWomen's dialogue session on "Women on Boards," where our Board member participated as one of the panellist speakers, sharing her experience and insights on driving meaningful change towards a more equitable future. The session covered leadership development, representation and inclusion, offering attendees with an opportunity to learn from influential leaders. Additionally, through LeadWomen, we conducted a webinar on the "Introduction to DEI and Allyship at the Workplace". The one (1)-hour session, tailored for Kenanga employees, provided an understanding of the various aspects of Diversity, Equity & Inclusion (DEI). A total of 159 employees benefitted from the session.

**Employee Engagement on Diversity and Inclusion**

Kenanga continuously strives to encourage two (2)-way, open communication with our employees through dialogues and discussions. Our employee engagement programmes seek to promote the sharing of knowledge amongst our employees, celebrate diversity, and foster a sense of belonging.

**Employee Engagement Activities****Celebrating Our Founder's Day**

Every year, we commemorate Founder's Day alongside the birthday of our esteemed Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, a pioneering female stockbroker in the country. This tradition serves as a tribute to our heritage and is an annual celebration of Kenanga's success. In 2023, Founder's Day activities included a nationwide celebration of virtual games via myKenanga Intranet portal. Total participation from employees in all activities conducted were 1,897.





## Kenanga's 50<sup>th</sup> Anniversary

On 9<sup>th</sup> June 2023, a nationwide celebration was held for Kenanga's 50<sup>th</sup> anniversary, marking our achievement as the largest independent investment bank in Malaysia. The event featured virtual engagement with prizes through Kenanga Money and exclusive Kenanga 50<sup>th</sup> merchandise distributed to all employees nationwide. Additionally, on-ground activities and food redemption were arranged for employees at our headquarters office, Kenanga Tower. As part of the celebration, we also introduced and honoured recipients of the 40-year Long Service Award.



EMPOWERING PEOPLE AND COMMUNITIES



### Cultural Festive Celebration

In 2023, we marked the celebration of Chinese New Year, Hari Raya and Deepavali through a hybrid of on ground and online events. Employees received e-festive money through the Kenanga Money mobile application, coupled with early salary payouts aligned with the festive seasons. Additionally, a variety of games and activities were organised as part of the celebrations. The total participation from employees in all our festive celebrations were 2,895.



### Launch of #MyKenanga Intranet Portal

In 2023, we introduced the #MyKenanga Intranet Portal to all employees nationwide. This portal is aimed at improving collaboration, communication, and productivity throughout our organisation. With the #MyKenanga Intranet Portal, employees can stay informed and connected about everything that happens within Kenanga. A total of 1,356 employees took part in the activities organised during the launch of the portal.

**kenanga | 50 YEARS**

**Introducing the #myKenanga Intranet Portal**

**What is the #myKenanga Intranet Portal?**

Kenanga will help us work better, together. Stay connected and up-to-date with all that's going on across the organisation. At the click of a button, you'll be able to access all the latest news, events and information you need!

**How can I access the #myKenanga Intranet Portal?**

Access via your desktop, iOS or Android devices via [myKenanga - Home \(sharepoint.com\)](https://myKenanga.sharepoint.com) using your Internet Browser (desktop only), Microsoft TEAMS and SharePoint App.

*Note: To access via your iOS or Android devices, please ensure you have installed Intune (Office365 suite of apps for smartphone/tablet).*

**Do I have to create a new account to access it?**

No. The #myKenanga Intranet Portal supports single log-in as you log into your desktop at the start of the day.



### International Women Day 2023 ("IWD23")

In celebration of International Women's Day 2023, themed "DigitALL: Innovation and Technology for Gender Equality," we conducted several initiatives to further promote gender equality amongst employees, including pop quizzes, the dissemination of online awareness material and #EmbraceEquity pose challenge. In conjunction with IWD23, we encouraged our employees to join the following panel sessions:

- **Invest Meet Up #3: Babe & Finance** – "Women's Money Talk" session, hosted by Tokenize Malaysia in collaboration with InvestingNote, ShareInvestor Malaysia and Kenanga Group. The event aims to empower women from diverse backgrounds by providing essential knowledge and insights into investing, breaking down barriers in the traditionally male-dominated field. It fosters a supportive environment for enhancing financial literacy.
- **#EmbraceEquity Festival 2023** – Organised by LeadWomen with the aim to empower women in Science, Technology, Engineering, Arts and Mathematics fields, as well as healthcare and sports through insightful panel sessions and networking opportunities. The event focuses on inspiring discussions, promoting wellbeing with a yoga session and fostering inclusivity in the sports industry. Attendees were given the opportunity to engage in meaningful conversations about women's journeys, creating a more inclusive sports environment for women and girls.
- **Bursa Malaysia's #EqualityforEquity Campaign** – Encouraged women to open trading accounts to increase the number of female traders on the local bourse. As part of the campaign, we waived the account opening fee, and those who joined have a chance to receive GrabFood e-vouchers.

A total of 203 employees participated in the activities organised during the IWD23 programme.

Moving forward, we aim to continue advocating financial independence for women through products and financial literacy programmes.



### Future Outlook

We are currently developing a Group Human Rights Policy, which will be communicated to all stakeholders. This policy aims to enhance our existing practices, with a central focus on ensuring the protection of human rights across our operations.



## WHY IT MATTERS

We believe that the health, safety and wellbeing of our employees are essential to our success, as it is not only beneficial to our employees, but also to our business, promoting productivity, engagement, and overall satisfaction. We aim to create a safe working environment culture as we progressively promote overall wellbeing of our employees including physical and emotional wellness.

### OUR APPROACH

At Kenanga, we continue to exercise precaution to ensure we provide a safe and healthy work environment. Kenanga follows the Occupational Health and Safety (“OHS”) Act 1994 as we make our best efforts to protect our workforce health, safety and wellbeing.

#### Our Safety Rules and Procedure

We have established Safety Rules and Regulations to address emergencies, aiming to minimise injuries to personnel and property damage, and we continue to organise OHS-related training programmes for our staff in 2023 to enhance their safety knowledge and practices. In 2023, 86 employees received training on Basic Fire Safety Training in collaboration with the Malaysian Fire and Rescue Department (*Jabatan Bomba Malaysia*).

Assembly points and evacuation protocols are established, with fire evacuation drills conducted yearly. Our renovation processes and procedures are monitored according to Kenanga Tower’s Renovation Guideline to mitigate any accidents due to construction in the workplace.

The Group has also designated fire marshals that form members of our Emergency Response Team (“ERT”) to ensure we are in compliance with the Fire Service Act 1988. As of 31 December 2023, we have a total of 71 employees who are trained as fire and floor marshals. We also conducted “Occupational Safety and Health in the Office” training, which was attended by 91 of our ERT members, including fire marshals and floor wardens.

We are pleased to report that there were zero workplace injuries reported in 2023.

	FY2022	FY2023
Total Employees	1,335	1,358
Total Hours Worked <sup>1</sup>	2,745,487	2,713,213
Number of Work-related Fatalities	0	0
Number of Lost Time Injuries	0	0
Lost Time Incident Rate (“LTIR”)	0	0

Note:

1. Total man hours worked – the combined hours worked by all employees, inclusive of overtime and non-overtime hours during the working days.

## Addressing COVID-19

The Ministry of Health (“MOH”) has guided the country’s transition from the COVID-19 pandemic to an endemic phase, implementing several revisions to the standard operating procedures (“SOPs”). Aligning with MOH’s updates, we have consistently reviewed, updated and communicated our internal COVID-19 measures across the entire organisation during the reporting year. In December 2023, there was an increase in COVID-19 cases nationwide. In response, the Group Business Continuity Management Committee shared updated precautionary measures to maintain a safe work environment for all.

The Group has been operating at full capacity in the office since November 2022. However, in April 2023, a Hybrid Work Arrangement was implemented to provided employees and Heads of Divisions/ CEOs with greater autonomy and flexibility in planning their work schedules according to business needs and the priorities of respective divisions/ subsidiaries to enhance productivity.

## Promoting Emotional Wellness

At Kenanga, we strive to enhance employees’ overall wellbeing by integrating mental health support into our employee wellness programmes. Thus, Group Human Resources (“GHR”) organises health-related programmes and talks annually. In 2023, we engaged mental health professionals from a reputable wellness organisation, Naluri Hidup Sdn Bhd (“Naluri”) to conduct talks aimed at enhancing mental health awareness for our employees.

Additionally, we partnered with Etiqa Insurance Berhad (“Etiqa”), an insurance provider, and MiCare Sdn Bhd (“MiCare”), a third-party medical administrator, to conduct three (3) health talks as follows:

<b>Programme</b>	C.A.R.E Workshop (Mental Health & Wellbeing Advocacy Workshop for People Managers)	Virtual Health Talk - Lower Back Pain and Methods of Prevention	Virtual Health Talk – Diabetes Mellitus
<b>Partnership with</b>	Naluri	MiCare and Etiqa	
<b>Objectives</b>	The session aimed to facilitate open discussions to reduce mental health stigma and cultivate for a healthy and productive workforce. The programme also encouraged employees to seek guidance on emotional wellness.	The session aimed to help participants maintain a healthy lower back, covering topics on body awareness by identifying factors causing back pain and exploring the link between stress and back discomfort. The programme promoted exercise for preventing lower back issues and introduces new approaches for managing pain.	The session aimed to help participants understand the causes, management and prevention of diabetes. The programme covered the origins of diabetes, effective lifestyle management, the role of medications and focused on identifying and reducing associated risk factors.
<b>Number of Participation</b>	79 employees	155 employees	168 employees

## EMPOWERING PEOPLE AND COMMUNITIES

Going forward, we plan to expand our programmes to encompass physical, financial and social aspects, in addition to the existing mental health and wellbeing initiatives.

In conjunction with World Blood Donor Day on 14 June 2023, Kenanga organised a blood donation drive to raise awareness about the critical need for blood donation and encouraged employee participation. A total of 82 employees participated in the #GiveBlood Drive. Simultaneously, two (2) health talks were conducted on the same day:

“Unlock the Secrets of Dry Eye Disease”  
by Dialogue Includes All Academy

“Colorectal Cancer”  
by National Cancer Society Malaysia



### Empathy Workshop by Dialogue Includes All Academy

Over 200 Kenanga Investors Berhad's staff and advisers participated in immersive empathy workshops led by visually impaired trainers from Dialogues Includes All (“DIA”) Academy, a social enterprise that envisions an inclusive society, breaking down barriers between abled and disabled communities.

The empathy workshop, guided by visually impaired trainers, focuses on cultivating cross-cultural communication and understanding, emphasising empathetic listening and understanding. Participants were actively engaged in empathy-driven activities and discussions conducted in darkness, which are crafted to reshape awareness, promote deeper appreciation, and encourage empathetic connections. This immersive experience not only sharpens communication, teamwork, and listening skills but also fosters self-reflection, leading to profound insights rooted in empathetic principles.



“It was a privilege working with social enterprise, DIA Academy, on this impactful programme. I commend DIA Academy for their unwavering commitment to creating an inclusive society, and I extend my heartfelt gratitude to the visually impaired trainers whose guidance and wisdom enriched our experience. Together, we have embarked on a journey of personal growth and enlightenment, laying the foundation for a more empathetic and inclusive workplace culture at Kenanga Investors.”

**DATUK WIRA ISMITZ MATTHEW DE ALWIS**

Chief Executive Officer/ Executive Director of Kenanga Investors Berhad

### Building Awareness on Sexual Harassment

Our 2016 guideline, “Preventing and Eradicating Sexual Harassment in the Workplace Procedure,” is designed to guide, monitor and ensure the prevention of any instances of sexual harassment in the workplace. In 2023, we revised and segregated the guideline into two separate documents, namely “Preventing and Eradicating Sexual Harassment Policy” and “Preventing and Eradicating Sexual Harassment Procedure” to provide clearer information and guidance to all employees on sexual harassment.

Following that, our Notice on Sexual Harassment was communicated and information on the topic was disseminated to all employees to raise awareness. We also conducted a three (3)-hour training session titled “Managing Sexual Harassment and Workplace Bullying Complaints,” aimed at People Managers, covering sexual harassment, office bullying, and investigative skills.



## TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT

GRI 401,404

**WHY IT MATTERS**

We understand that an agile and engaged workforce is critical to our organisation's long-term success. As such, Kenanga is committed to investing in our people while also providing technical, professional, and personal development opportunities. In doing so, we hope to provide our employees with the knowledge and skills they need to succeed in their careers.

**OUR APPROACH****Fair Recruitment**

At Kenanga, we will continue to uphold impartial and unbiased recruitment processes. To accomplish this, we operate based on our Group Policy on Recruitment and Staffing Management. Furthermore, we employ a Malaysian-first approach in our hiring strategy with the aim to support local talent.

As part of industry efforts, Kenanga participated in the Securities Commission Malaysia's InvestED programme, which aimed at enhancing the knowledge and increasing employability rate of young graduates in the capital market. A total of 16 InvestED programme trainees were placed within the Group for a six (6)-month period in 2023.

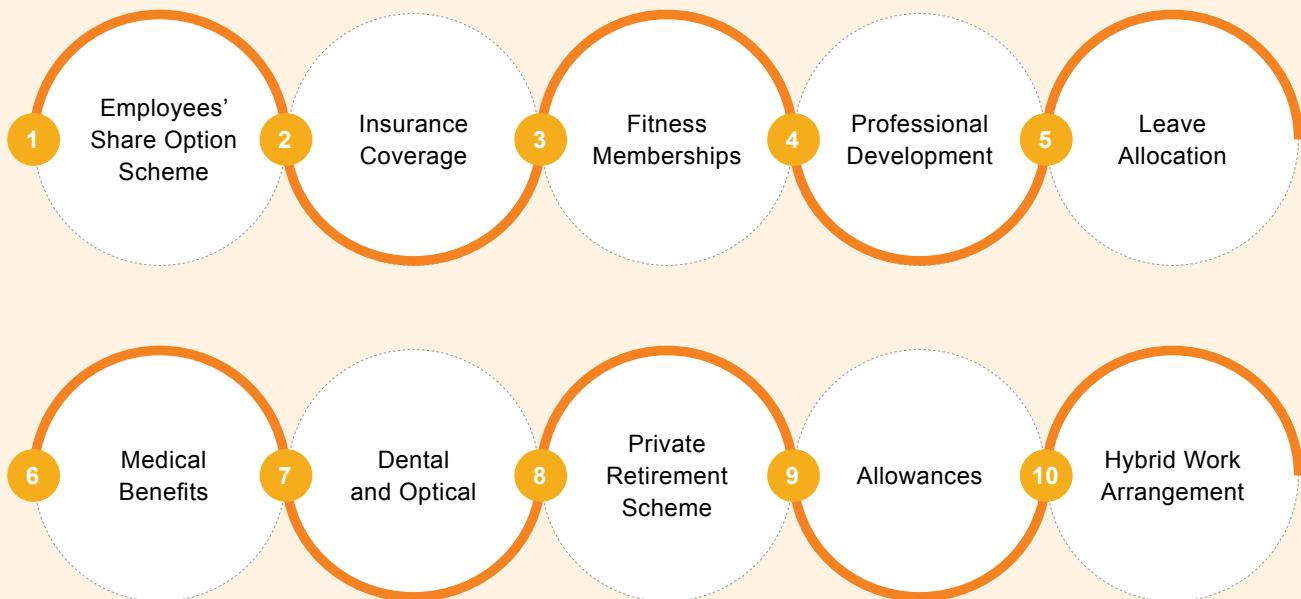
	2022	2023
<b>New Hire</b>		
<b>Total Number of New Hires</b>	209	208
New Hires Rate (%)	15.4	15.3
<b>By Gender</b>		
Male	113	105
Female	96	103
<b>By Age</b>		
< 30	106	113
30-39	67	52
40-50	27	25
> 50	9	18
<b>Employee Turnover</b>		
<b>Total Number of Employee Turnover</b>	249	208
Total Turnover Rate (%)	18.1	15.3
<b>By Gender</b>		
Male	130	104
Female	119	104
<b>By Age</b>		
< 30	97	95
30-39	71	49
40-50	39	24
> 50	42	40
<b>By Employee Category</b>		
Key Management	2	1
Senior Management	5	3
Middle Management	71	61
Junior Management	149	129
Non-executive	22	14
<b>Total Number Voluntary Attritions</b>	189	137
<b>Total Voluntary Attritions Rate (%)</b>	13.7	10.1

## EMPOWERING PEOPLE AND COMMUNITIES

**Employee Benefits**

Our employee benefits are in compliance with local labour standards, and are based on industry practice. Our spectrum of benefits ranges from insurance coverage, leave allocation, and fitness memberships, to employees share option scheme.

Highlights of our Employee Benefits include:



Parental Leave in 2023	Male	Female
<b>Total number of eligible employees</b>	242	545
<b>Total number of employees that took parental leave</b>	24	14
<b>The total number of employees that returned to work after parental leave ended</b>	24	14
<b>Return to work rate</b>	100%	100%

**Supporting Employees in Need**

We support our employees' health and wellbeing in a comprehensive manner, considering their holistic welfare. The Tengku Noor Zakiah Staff Outreach Fund was established specifically to provide financial assistance to employees in need and alleviate the challenges they may face. In 2023, GHR received two (2) applications from employees seeking financial aid for their immediate family members undergoing major surgery.

Additionally, we distributed zakat contributions received from Zakat Perniagaan and Zakat Wakalah amounting to over RM250,000. A total of 274 employees in the lower income category have benefitted from these funds, providing significant financial aid for them and their families.

## Talent Development

Kenanga works towards creating a skilled, competent, and agile workforce by providing its employees access to purposeful growth and developmental opportunities. Numerous training and development programmes have been offered to help our employees upskill and reach their potential to better serve our clients and effectively drive organisational growth.

We identify training and development programmes for our employees by referring to the Kenanga Competency Framework, which is based on the Securities Industry Development Corporation (“**SIDC**”)-s Industry Competency Framework, where it outlines Kenanga’s core values and leadership competencies. In addition to that Framework, we also refer to Bursa Malaysia Sustainability Competency Framework to develop training plan for roles relevant to sustainability.

Our Learning and Development Policy further supports our values for continuous learning and development for employees at all levels of the organisation. We continue to introduce opportunities to learn through training programmes in areas such as digital competency, leadership skills, and sustainability.

### Our Approach to Talent Development

In 2023, we continue to uphold a comprehensive four (4)-pronged approach to our training and development initiatives, by placing a central focus on fostering the personal development of our employees in alignment with the evolving requirements of our business.

#### Regulatory

Mandatory courses that ensure robust corporate governance and regulatory compliance.

#### Functional

Courses that equip employees with technical and practical skills relevant to professional growth and the Group’s business needs including accredited courses with certifications or professional qualifications required by job roles.

#### Leadership

Modules that inculcate leadership skills through building winning mindsets and developing the capacity of employees to implement the Group’s strategy.

#### Personal Effectiveness

Courses that hone employees’ competencies and facilitate self-improvement.

## Training and Development Highlights for FY2023

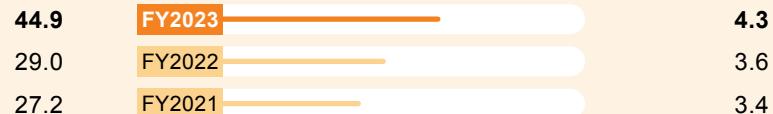
Over **RM1.9 million** invested in employees training and development initiatives

Over **40,000** training hours recorded

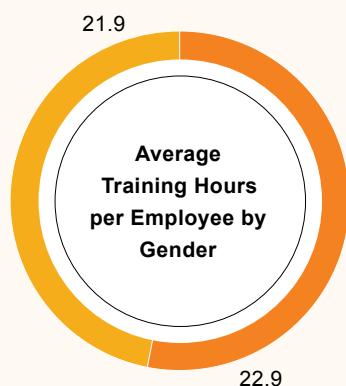
## Average Training Hours Per Employee



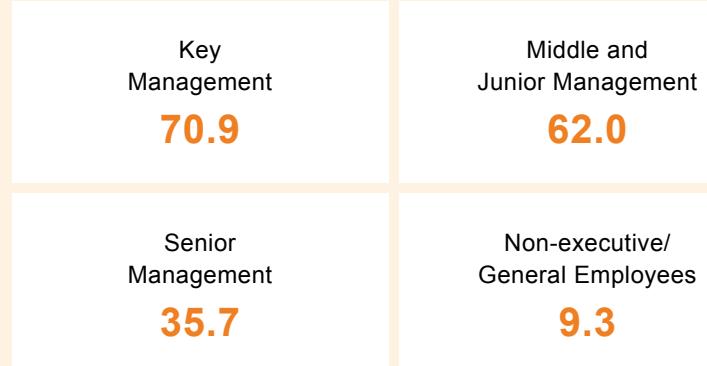
## Average Training Days Per Employee



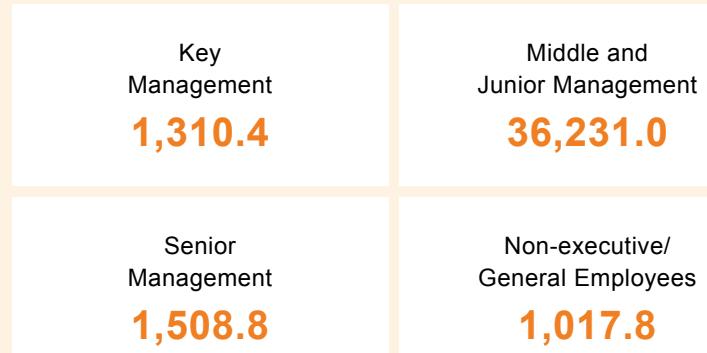
Male      Female



## Average Training Hours Per Employee by Category



## Total Hours of Training by Employee Category



## Role-based Development

At Kenanga, we offer role-based training in order to ensure that employees in crucial positions stay knowledgeable and remain competitive.

We continue to support employees in obtaining professional certifications and credentials by collaborating with external training and certification providers such as Iverson Malaysia (“**Iverson**”), the Asian Institute of Chartered Bankers (“**AICB**”), and the Asian Banking School, which is the largest specialised provider of training programmes for the banking sector in the ASEAN region.

Together with our partners, we strive to develop a workforce that is equipped with high standards of conduct, knowledge, and competence. In 2023, we supported 58 employees in obtaining professional certifications from various certification programmes as follows:

Organisation	Certification Programmes
<b>Asian Institute of Chartered Bankers</b>	<ul style="list-style-type: none"> <li>• Certification for Climate Risk</li> <li>• Certification for Financial Services (CFS)</li> <li>• Advanced Certification in Anti-Money Laundering and Counter Financing of Terrorism</li> </ul>
<b>Association of Certified Anti-Money Laundering Specialists</b>	<ul style="list-style-type: none"> <li>• Certification for Anti-Money Laundering Specialist</li> </ul>
<b>National University of Singapore</b>	<ul style="list-style-type: none"> <li>• Certification for Cyber Security</li> </ul>
<b>Iverson</b>	<ul style="list-style-type: none"> <li>• Certified Information System Auditor by Iverson</li> <li>• Certified EC-Council Incident Handler by Iverson</li> </ul>
<b>Securities Industry Development Corporation</b>	<ul style="list-style-type: none"> <li>• Certification for Capital Market Professional</li> </ul>

In 2023, we initiated a three (3)-year Tech Talents Programme which prioritises in upskilling internal capabilities to support the Group’s digital transformation. During the year, a total of 23 employees underwent training as part of this initiative.

We continue to provide our employees with the necessary ESG and sustainability-related skills and expertise to drive our sustainability agenda forward. In the year under review, a total of 393 employees took part in ESG and sustainability-related trainings with 2,239.7 training hours recorded, covering the topics of climate-related risks, ESG investing, sustainability assurance, and sustainability disclosures.

Additionally, the Kenanga Group Sustainability Team hosted a Sustainability Roadshow which was held from July to August 2023. Attended by over 170 employees across 10 sessions, the roadshow aimed at promoting and understanding of ESG issues and trends, as well as Kenanga’s sustainability journey and ambition. Topics presented included managing ESG-related risks, the importance of ESG data and reporting, as well as Kenanga’s sustainability transformation, amongst others.

To ensure our licensed representatives, who are our intermediary personnel remain updated with new developments and rapidly evolving consumer market needs, they were offered in-house Continuing Professional Education (CPE) courses. These courses cover a variety of topics including Anti-Money Laundering Risks in Capital Markets, Personal Data Protection & Customer Information Management in the Age of Big Data, Fundamentals of ESG Investing and Digital Leadership for Sustainable Business in Industry 4.0, and The Evolution of the Internet: The Metaverse & Decentralised Finance. In 2023 a total of 1,105 of our licensed representatives participated in these courses.

## EMPOWERING PEOPLE AND COMMUNITIES

**Leadership Development**

We recognise the importance of developing leadership skills of our employees and apply employee talent mapping based on the traits listed below:

Ability to drive results	Ability to collaborate and build effective relationships
Ethical and risk-conscious mindset	Sound client focus
Capacity to innovate and respond to change	Communications skills

The Group's Talent and Succession Management Framework outlines our strategy to ensure a strong talent pipeline is available to fill key positions as needed within the Group. Additionally, we have implemented a new approach to measure talent potential based on ability, commitment, and engagement. To assess these components, we have developed new guidelines that provide a more standardised and objective approach to employees' evaluations.

We identify critical positions and high-potential employees that could be possible successors for critical positions and create succession plans to prepare them for leadership roles in the future. We develop their Individual Development Plan to groom and develop these individual to increase their readiness to take up the critical positions.

Additionally, we implemented structured coaching programme in 2023 that connect experienced employees with talents seeking guidance. This promotes knowledge transfer, skill development and professional growth.

In 2023, the Kenanga Leadership Programme was launched following the introduction of the Kenanga Leadership Development Framework in 2022. This programme aims to offer employees with a comprehensive and targeted learning experience to develop their leadership potential, cultivating and

enhancing their leadership capabilities, skills, and qualities. These attributes will enable employees to assume leadership roles, contribute meaningfully to the Group's goals, and drive positive outcomes across various aspects of the business. We also actively encouraged participation in the following leadership programmes:

Leaders Discourse: Reinventing a Sustainable Workforce of the Future by AICB
Suite Talk: Governing Into The Future by SIDC
ICMR-SIDC Conference - Reshaping Markets & Finance: Thought Leadership, Technology & Talent as Levers for Change by SIDC
International Institutional Investor Series 2023 by Malaysian Association of Asset Managers
2023 Asia Pacific/ South Asia Leadership Institute Meeting by Project Management Institute

Moving forward, we will extend the Kenanga Leadership Programme to also include People Managers.

### E-learning on Kenanga Learning Management System

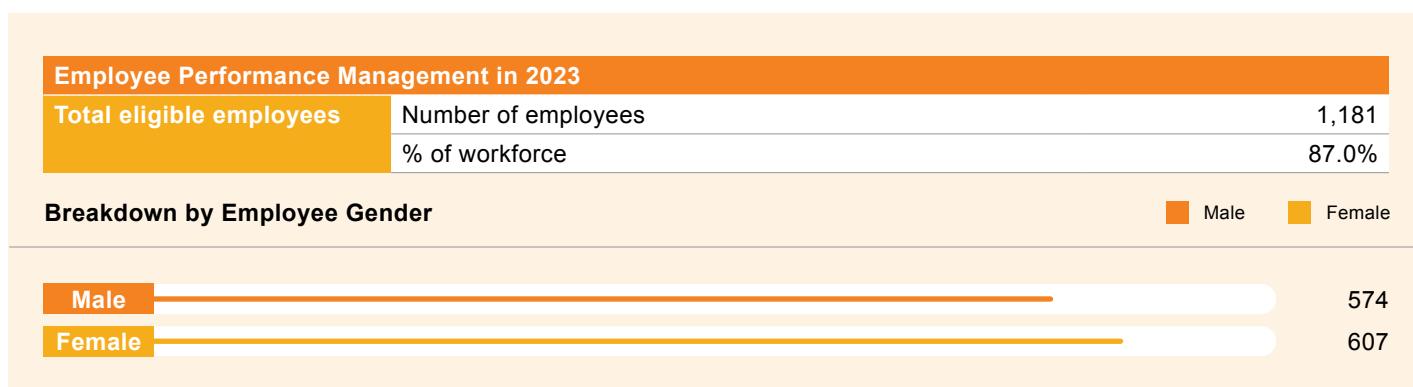
We consistently update our e-learning modules to meet the learning requirements of our employees. These courses are designed for employees at all levels, including new hires.

FY2023			
e-learning at Kenanga	No. of Courses	Hours	Enrolments
Cyber Security Awareness Training	12	2,979.6	11,274
Data Loss Prevention	1	483.3	1,160
Business Continuity Management Awareness Training	1	400.0	959
8 <sup>th</sup> ARS	1	8,932.0	1,160
AML/ CFT	4	3,790.5	1,015
Operational Risk Management ("ORM") Awareness Training	1	542.5	1,085
<b>Total</b>	<b>20</b>	<b>17,127.9</b>	<b>16,653</b>

### Performance Management at Kenanga

Performance management is an annual process, necessitating all employees to develop a Balanced Scorecard/ Scorecard in the first quarter of the year following the Board's approval on the Group's business plan and budget. Throughout the year, progressive performance reviews are conducted by respective Heads of Departments/ Business Units, culminating in a formal annual appraisal involving all eligible employees. To ensure fairness, three (3) key appraisal reviews are implemented: self-appraisal, reviews by immediate superiors and performance moderation or calibration.

The outcomes of these appraisals form the foundation for reward distribution, talent management, as well as learning and development. In cases of underperformance, performance improvement plans are implemented.



**WHY IT MATTERS**

We believe that supporting local communities is crucial for building stronger and more resilient societies where people can thrive. To achieve this, we have been reaching out to communities in need through targeted social investments and active employee volunteerism.

**OUR APPROACH**

We have in place a Group Donation Policy that establishes a standardised approach for assessing and directing donation requests and community investments. Additionally, we have implemented an employee volunteering mechanism since 2022, designed to foster a positive work culture, enhance relationships with stakeholders and contribute to social and environmental causes. This initiative provides employees with opportunities for both personal and professional growth.

**Empowering Our Communities**

Kenanga Group has a long history of philanthropic contributions, community outreach initiatives, and fundraising campaigns. We continue to strengthen these initiatives through employee volunteerism and support social enterprises through targeted community investments that is consistent with our focus on empowering and uplifting local communities. In 2023, we invested over RM600,000 in community outreach programmes, benefitting over 2,700 people. For 12 consecutive years, we have also consistently supported our key social enterprise partners, Silent Teddies Bakery and Dialogue Includes All Academy.

**KEY EMPLOYEE VOLUNTEERING ACTIVITIES**

The introduction of the volunteering mechanism enabled us to accumulate a total of 2,423 hours of volunteering service through outreach programmes to local communities in 2023.

** Silent Teddies Bakery**

Based in Kuala Lumpur, the Silent Teddies Bakery ("Silent Teddies") is entirely run by hearing-impaired youths. In 2023, Kenanga contributed RM35,000 to Silent Teddies to support its refurbishment and renovation efforts. Additionally, as part of our 50<sup>th</sup> anniversary celebration, we purchased baked goods from the bakery to be distributed to all staff in Klang Valley.

Additionally, 22 dedicated Kenanga volunteers contributed a collective total of 132 hours in 2023, providing support to the bakery across various tasks including baking and providing delivery services, along with packing and labelling of the products.

** Flood Relief Centre in Johor**

In collaboration with our Batu Pahat Branch staff and remisiers, we contributed food and essential items worth RM30,000 to the flood victims in March 2023. Through this initiative, we achieved a total of 67 volunteering hours, invested by 10 Kenanga volunteers for the distribution of food and essential items, as well as cleaning up the aftermath of a flood incident.

** Feed the Homeless via Pertiwi Soup Kitchen**

In our commitment to support the homeless community, 18 volunteers devoted a total of 72 hours at the food distribution centre, and actively participated in serving, packing and distributing meals to over 790 homeless individuals.

### **Qurban Programme**

As part of the Aidiladha celebration, this programme was carried out to distribute ‘Qurbani’ or ‘sacrificial meat’ to the less fortunate where, approximately 250 Kenanga agents and volunteers spent a cumulative of 2,000 volunteering hours distributing the Qurbani portions to 68 orphanages, old folks’ homes and various community centres in Klang Valley.

### **Dive Against Debris and Beach Clean-up Event**

Eight (8) volunteers inclusive of Kenanga Investors employees actively supported and participated in the Dive Against Debris and Beach Clean-up event, organised by a non-profit organisation, Yayasan Salam Malaysia and Black Eye Scuba Team. The event was aimed at making a positive environmental impact on our oceans and beaches. Through this event, we contributed a total of 112 volunteering hours.



Kenanga Investors employees actively supported and participated in the Dive Against Debris and Beach Clean-up event



Joined forces with our amazing Batu Pahat Branch team and dedicated remisiers to support Johor Flood Relief initiative

## EMPOWERING PEOPLE AND COMMUNITIES

## Other Community Outreach Initiatives

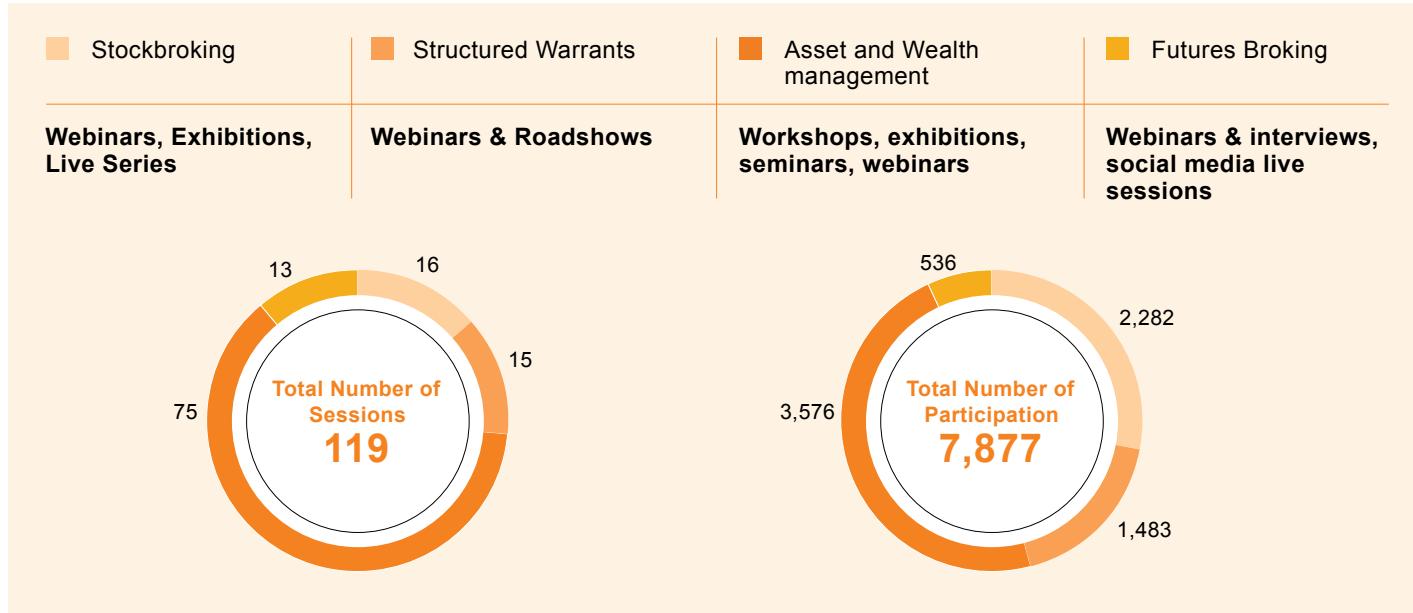
<b>Dialogue Includes All (“DIA”) Academy</b>	Through the commission of Empathy Workshops conducted by the DIA Academy for the employees and agents of KIG, a total of RM70,000 was contributed to the Academy. In addition to that, a total of RM5,000 was contributed to support Café Includes All, a F&B outlet operated by the individuals with disabilities of DIA Academy.
<b>Pertubuhan Rahoma Darul Fakir Malaysia (“Rahoma”)</b>	We also extended our support to the Rahoma orphanage, a non-profit organisation dedicated to support children’s welfare. The organisation provides shelter, education, and wellness support for the underprivileged children from low-income families. In 2023, we organised a movie screening activity with 35 underprivileged children, and the Group contributed a total of RM3,925 to support this initiative.
<b>National Cancer Society Malaysia  (“NCSM”)</b>	We continued to extend our support to NCSM, where during the year, we donated a total of RM15,000 to the organisation for its early detection and cancer awareness activities.
<b>Pertubuhan Tindakan Wanita Islam  (“Pertiwi”)</b>	In our aspiration to support the underprivileged and underserved, we contributed a total of RM10,000 to purchase food that would be distributed to the homeless through Pertiwi’s Soup Kitchen.
<b>Bursa Bull Charge Run</b>	We also took part in the Bursa Bull Charge Run, a corporate charity run organised by Bursa Malaysia. Funds collected from the run were contributed to environment-related NGOs/ institutions, and Kenanga contributed a total of RM15,000.
<b>Special Olympics World Summer Games 2023</b>	In our efforts to promoting inclusion for individuals with intellectual disabilities, we were privileged to sponsor our athletes representing Malaysia at the Special Olympics World Summer Games 2023 in Berlin, where Kenanga contributed a total of RM15,000 to support this cause.

## Advancing Financial Literacy

In our aspiration to empower individuals in making informed decisions about their investments, navigate complex financial systems, and plan for their future effectively, our team of experts at Kenanga actively drive and participate in various financial literacy programmes and events throughout the year:



Additionally, we continued to disseminate investment knowledge through published articles, webinars, virtual roadshows, exhibitions and various social media platforms. Our financial literacy outreach initiative via social media garnered a total reach of 4,883,575 views.



#### Promoting Youth Empowerment

##### Kenanga x Malaysia Youth Trading Championship ("MYTC") 2023

Kenanga has partnered with Tunku Abdul Rahman – University of Management and Technology ("TAR UMT")'s Bursa Youth Investor Club to host its inaugural MYTC, aimed at promoting financial literacy and investing education amongst Malaysian youths. The competition is designed to cultivate real-world trading knowledge and experience amongst the younger generation, preparing them for the future. Over 370 students, representing universities such as TAR UMT, Universiti Tunku Abdul Rahman, University of Malaya, Sunway University, and others, actively participated.

During the event campaign, we also conducted a knowledge-sharing session on structured warrants, attended by nearly 100 participants.

##### Monash University Investment Group ("MUIG") Workshops

The "MUIG Summit: Trade, Invest, Triumph!" is a four (4)-week competition to equip Monash University students with actionable insights and expertise in trading and investing. The competition comprises three (3) key phases: a Workshop Series, an Online Trading Round and an Investing Case Study Final Round.

Kenanga was invited to serve as a judge for the Final Round and conduct talks on trading and investment topics such as technical indicators, guidance on drawing and identifying patterns on stock charts, functions and applications of various tools used in technical analysis, and hands-on experience in real-world trading. A total of 61 students took part in the programme.

# APPENDIX

## GRI CONTENT INDEX

<b>Statement of use</b>	Kenanga has reported the information cited in this GRI content index for the period 1 January 2023 until 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>Material Topics</b>		
<b>GRI Indicator</b>	<b>Content of Disclosure</b>	<b>Page Number</b>
<b>GRI 3: Material Topics 2021</b>		
<b>Disclosures on material topics</b>		
3-1	Process to determine material topics	22
3-2	List of material topics	23
<b>General Disclosures</b>		
<b>GRI Indicator</b>	<b>Content of Disclosure</b>	<b>Page Number</b>
<b>GRI 2: General Disclosures 2021</b>		
<b>The organisation and its reporting practices</b>		
2-1	Organisational details	4
2-2	Entities included in the organisation's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	63-65
2-5	External assurance	3
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	4-6
2-7	Employees	67
<b>Governance</b>		
2-9	Governance structure and composition	34-36
2-10	Nomination and selection of the highest governance body	Annual Report-76
2-11	Chair of the highest governance body	
2-12	Role of the highest governance body in overseeing the management of impacts	34-36
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	Annual Report-104
2-16	Communication of critical concerns	34-36
2-17	Collective knowledge of the highest governance body	Annual Report-78
2-18	Evaluation of the performance of the highest governance body	Annual Report-85
2-19	Remuneration policies	Annual Report-83
2-20	Process to determine remuneration	

General Disclosures		
GRI Indicator	Content of Disclosure	Page Number
<b>GRI 2: General Disclosures 2021</b>		
<b>Strategy, policies and practices</b>		
2-23	Policy commitments	41-42
2-24	Embedding policy commitments	
2-26	Mechanisms for seeking advice and raising concerns	41
2-27	Compliance with laws and regulations	37
2-28	Membership associations	16, 26
<b>GRI 200: Economic</b>		
<b>Economic Performance</b>		
<b>GRI 201: Economic Performance 2016</b>		
3-3	Management of material topic	24
201-2	Financial implications and other risks and opportunities due to climate change	24-32
<b>Market Presence</b>		
<b>GRI 202: Market Presence 2016</b>		
3-3	Management of material topic	67
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	69
202-2	Proportion of senior management hired from the local community	67
<b>Indirect Economic Impacts</b>		
<b>GRI 203: Indirect Economic Impacts 2016</b>		
3-3	Management of material topic	84
203-1	Infrastructure investments and services supported	84-87
203-2	Significant indirect economic impacts	
<b>Procurement Practices</b>		
<b>GRI 204: Procurement Practices 2016</b>		
3-3	Management of material topic	32
204-1	Proportion of spending on local suppliers	
<b>Anti-corruption</b>		
<b>GRI 205: Anti-corruption 2016</b>		
3-3	Management of material topic	37-41
205-1	Operations assessed for risks related to corruption	40
205-2	Communication and training about anti-corruption policies and procedures	37-42
205-3	Confirmed incidents of corruption and actions taken	40

## APPENDIX

GRI 300: Environmental		
GRI Indicator	Content of Disclosure	Page Number
<b>Materials</b>		
<b>GRI 301: Materials 2016</b>		
3-3	Management of material topic	
301-1	Materials used by weight or volume	64
<b>Energy</b>		
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topic	61
302-1	Energy consumption within the organisation	61-63
302-2	Reduction of energy consumption	62
<b>Water and Effluents</b>		
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topic	
303-5	Water consumption	65
<b>Emissions</b>		
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topic	61-63
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<b>Waste</b>		
<b>GRI 306: Waste 2020</b>		
3-3	Management of material topic	
306-3	Waste generated	64
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<b>Employment</b>		
<b>GRI 401: Employment 2016</b>		
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401-1	New employee hires and employee turnover	77
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<b>Training and Education</b>		
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topic	79-83
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404-2	Programs for upgrading employee skills and transition assistance programs	81-83
404-3	Percentage of employees receiving regular performance and career development reviews	83

GRI 400: Social		
GRI Indicator	Content of Disclosure	Page Number
<b>Diversity and Equal Opportunity</b>		
<b>GRI 405: Diversity and Equal Opportunity</b>		
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405-1	Diversity of governance bodies and employees	67-69
405-2	Ratio of basic salary and remuneration of women to men	69
<b>Non-Discrimination</b>		
<b>GRI 406: Non-discrimination 2016</b>		
3-3	Management of material topic	68
406-1	Incidents of discrimination and corrective actions taken	
<b>Local Communities</b>		
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topic	84
413-1	Operations with local community engagement, impact assessments and development programs	84-87
<b>Public Policy</b>		
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	40
<b>Marketing and Labelling</b>		
<b>GRI 417: Marketing and Labelling 2016</b>		
103-3	Management of material topic	57-58
417-1	Requirements for product and service information and labelling	58
417-2	Incidents of non-compliance concerning product and service information and labelling	58
417-3	Incidents of non-compliance concerning marketing communications	
<b>Customer Privacy</b>		
<b>GRI 418: Customer Privacy 2016</b>		
103-3	Evaluation of the management approach	55-56
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	56

## APPENDIX

## YEAR-ON-YEAR PERFORMANCE TABLE

## Good Governance

Compliance Training Summary	Number of Employees who Participated			Total Training Hours Recorded		
	2021	2022	2023	2021	2022	2023
Anti-Bribery and Corruption	1,397	1,134	<b>1,160</b>	584.9	1,757.5	<b>496.5</b>
AML/ CFT/ TFS	1,132	1,134	<b>1,160</b>	6,236.5	2,835.0	<b>2,994.8</b>
Anti-Fraud	1,145	1,134	<b>1,160</b>	6,037.0	5,613.3	<b>5,523.2</b>

ARS Assessment	2021	2022	2023
Number of Employees Participated	1,084	1,161	<b>1,160</b>
Number of Employees who Scored 80% and above	987	1,132	<b>1,152</b>

## Sustainable Economic Group

Supporting Our Local Suppliers	2021	2022	2023
Total procurement spent on local businesses (RM)	67.4 mil	65.9 mil	<b>81.5 mil</b>
Total procurement spent on local businesses (%)	80%	76%	<b>82%</b>

## Environmental Stewardship

Managing Our Climate Impact	2021	2022	2023
<b>Total Fuel Consumption &amp; Scope 1 – Direct GHG Emissions</b>			
Total Fuel Consumption (Litres)	12,291.5	17,059.1	<b>18,209.1</b>
Total Energy Consumption – Fuel Consumption (GJ)	411.8	571.5	<b>610.0</b>
Scope 1 Direct GHG Emissions (tCO <sub>2</sub> e)	29.3	40.6	<b>43.4</b>
<b>Total Purchased Electricity &amp; Scope 2 – Indirect GHG Emissions</b>			
Total Purchased Electricity Consumption – KT (kWh)	3,363,570	2,778,813	<b>2,902,979</b>
Total Purchased Electricity Consumption – Branches (kWh)	-	2,031,972	<b>2,313,653</b>
Total Energy Consumption – Purchased Electricity (GJ)	12,108.9	17,318.8	<b>18,779.9</b>
Scope 2 Indirect GHG Emissions – KT (tCO <sub>2</sub> e)	2,549.6	2,106.3	<b>2,200.5</b>
Scope 2 Indirect GHG Emissions – Branches (tCO <sub>2</sub> e)	-	1,178.5	<b>1,395.6</b>
Total Scope 2 Indirect GHG Emissions – KT and Branches (tCO <sub>2</sub> e)	2,549.6	3,284.8	<b>3,596.1</b>
<b>Scope 3 – Other Indirect GHG Emissions</b>			
Scope 3 Other Indirect GHG Emissions - (tCO <sub>2</sub> e) – Business Travel	187.7	210.9	<b>444.8</b>
Scope 3 Other Indirect GHG Emissions - Employee Commuting (tCO <sub>2</sub> e)*	-	-	<b>4,320.4</b>

\* New Data Points

Consumption and Waste Management	2021	2022	2023
Paper Consumption (kg)	15,138	19,840	<b>17,339</b>
Total Waste Generated (kg)	-	19,974.4	<b>32,876.0</b>
Total Waste Generated (tonnes)	-	19.97	<b>32.88</b>

Water Consumption	2021	2022	2023
Kenanga Tower (m³)	18,503.0	21,304.0	<b>33,307.0</b>
Kenanga Branch Offices (m³)	-	8,185.3	<b>8,901.1</b>
Total Water Consumption (m³)	18,503.0	29,489.3	<b>42,208.1</b>

### Empowering People and Communities

Our Workforce Profile	2021	2022	2023
<b>Total Number of Employee</b>	1,397	1,355	<b>1,358</b>
<b>Breakdown by Gender (No.)</b>			
Male	686 (49%)	669 (49%)	<b>670 (49%)</b>
Female	711 (51%)	686 (51%)	<b>688 (51%)</b>
<b>Breakdown by Employee Category</b>			
<b>Key Management</b>	17	20	<b>18</b>
Male	70.6%	70.0%	<b>66.7%</b>
Female	29.4%	30.0%	<b>33.3%</b>
<b>Senior Management</b>	43	40	<b>42</b>
Male	60.5%	60.0%	<b>59.5%</b>
Female	39.5%	40.0%	<b>40.5%</b>
<b>Middle Management</b>	479	497	<b>500</b>
Male	46.6%	47.5%	<b>46.6%</b>
Female	53.4%	52.5%	<b>53.4%</b>
<b>Junior Management</b>	720	683	<b>691</b>
Male	47.4%	46.7%	<b>47.0%</b>
Female	52.6%	53.3%	<b>53.0%</b>
<b>Non-Executive</b>	138	115	<b>107</b>
Male	60.9%	66.1%	<b>70.1%</b>
Female	39.1%	33.9%	<b>29.9%</b>
<b>Breakdown by Ethnic Composition</b>			
Malay and Other Bumiputera	573	549	<b>550</b>
	41.1%	40.5%	<b>40.5%</b>
Chinese	753	733	<b>734</b>
	53.9%	54.1%	<b>54.0%</b>
Indian	61	60	<b>62</b>
	4.4%	4.4%	<b>4.6%</b>
Others	8	13	<b>12</b>
	0.6%	1.0%	<b>0.9%</b>
<b>Breakdown by Age Groups</b>			
<30	346	305	<b>288</b>
	24.8%	22.5%	<b>21.2%</b>
30-39	365	379	<b>375</b>
	26.1%	28.0%	<b>27.6%</b>
40-50	411	389	<b>402</b>
	29.4%	28.7%	<b>29.6%</b>
>50	275	282	<b>293</b>
	19.7%	20.8%	<b>21.6%</b>

## APPENDIX

Our Workforce Profile		2021	2022	2023
<b>By Employee Category and Age Group</b>				
<b>Key Management</b>				
<30		0 0%	0 0%	0 0%
30-39		1 5.9%	3 15.0%	0 0%
40-50		2 11.8%	3 15.0%	5 27.8%
>50		14 82.3%	14 70.0%	13 72.2%
<b>Senior Management</b>				
<30		0 0%	0 0%	0 0%
30-39		1 2.3%	1 2.5%	2 4.8%
40-50		20 46.5%	21 52.5%	21 50.0%
>50		22 51.2%	18 45.0%	19 45.2%
<b>Middle Management</b>				
<30		2 0.4%	8 1.6%	3 0.6%
30-39		161 33.6%	168 33.8%	156 31.2%
40-50		175 36.5%	178 35.8%	195 39.0%
>50		141 29.5%	143 28.8%	146 29.2%
<b>Junior Management</b>				
<30		334 46.4%	288 42.2%	279 40.4%
30-39		170 23.6%	184 26.9%	197 28.5%
40-50		159 22.1%	144 21.1%	138 20.0%
>50		57 7.9%	67 9.8%	77 11.1%
<b>Non-Executive</b>				
<30		10 7.2%	9 7.8%	6 5.6%
30-39		32 23.2%	23 20.0%	20 18.7%
40-50		55 39.9%	43 37.4%	43 40.2%
>50		41 29.7%	40 34.8%	38 35.5%

	2021	2022	2023
<b>New Hire</b>			
Total Number of New Hires	282	209	<b>208</b>
New Hires Rate (%)	20.2	15.4	<b>15.3</b>
<b>Breakdown by Gender</b>			
Male	156	113	<b>105</b>
Female	126	96	<b>103</b>
<b>Breakdown by Age Groups</b>			
<30	190	106	<b>113</b>
30-39	53	67	<b>52</b>
40-50	27	27	<b>25</b>
>50	12	9	<b>18</b>
<b>Employee Turnover</b>			
Total Number of Employee Turnover	168	249	<b>208</b>
Total Employee Turnover Rate (%)	12.5	18.1	<b>15.3</b>
<b>Breakdown by Gender</b>			
Male	88	130	<b>104</b>
Female	80	119	<b>104</b>
<b>Breakdown by Age Groups</b>			
<30	63	97	<b>95</b>
30-39	46	71	<b>49</b>
40-50	28	39	<b>24</b>
>50	31	42	<b>40</b>
<b>Breakdown by Employee Category</b>			
Key Management	2	2	<b>1</b>
Senior Management	5	5	<b>3</b>
Middle Management	47	71	<b>61</b>
Junior Management	106	149	<b>129</b>
Non-executive	8	22	<b>14</b>
Total Number of Voluntary Attritions	144	189	<b>137</b>
Total Voluntary Attritions Rate (%)	10.8	13.7	<b>10.1</b>
<b>Parental Leave</b>			
Total number of eligible employees	783	1,088	<b>787</b>
<b>Breakdown by Gender</b>			
Male	405	402	<b>242</b>
Female	378	686	<b>545</b>
<b>Total number of employees that took parental leave</b>			
Male	22	20	<b>24</b>
Female	19	19	<b>14</b>
<b>Total number of employees that returned to work after parental leave ended</b>			
Male	22	20	<b>24</b>
Female	19	19	<b>14</b>
Return to work rate	100%	100%	<b>100%</b>

## APPENDIX

<b>Training and Development</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total expenses on training and development (RM)	-	2.7mil	<b>1.9mil</b>
Overall training hours	-	39,325.9	<b>40,067.9</b>
Average training hours per employee	27.2	29.0	<b>44.9</b>
Average training days per employee	3.4	3.6	<b>4.3</b>
<b>Average training hours per employee by gender</b>			
Male	25.3	26.0	<b>22.9</b>
Female	28.2	31.6	<b>21.9</b>
<b>Average training hours per employee by category</b>			
Key Management	60.3	88.1	<b>70.9</b>
Senior Management	36.7	48.1	<b>35.7</b>
Middle/ Junior Management	24.2	29.0	<b>62.0</b>
Non-Executive/ General Employees	3.4	7.8	<b>9.3</b>
<b>Community Investment</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total amount of community investment (RM)	689,000.00	180,344.50	636,809.93
<b>Financial Literacy</b>			
Number of Forums Conducted	94	98	119
Number of Participation	45,752	20,071	7,877

## BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURES

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	80.00	76.00	82.00
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	-	-	86.20
Key Management	Percentage	-	-	80.50
Senior Management	Percentage	-	-	91.80
Middle Management	Percentage	-	-	91.50
Junior Management	Percentage	-	-	36.60
Non-Executive	Percentage	-	-	86.20
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	0.00
Total Energy Consumption	Gigajoules	12,520.60	17,890.30	19,389.90
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	29.30	40.60	43.40
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2,549.60	3,284.80	3,596.10
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	187.70	210.90	4,765.20
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	19.97	32.88
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	19.97	32.88
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	18.500000	29.500000	42.200000
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category			
Key Management Below 30	Percentage	0.00	0.00	0.00
Key Management 30-39	Percentage	5.90	15.00	0.00
Key Management 40-50	Percentage	11.80	15.00	27.80
Key Management Above 50	Percentage	82.30	70.00	72.20
Senior Management Below 30	Percentage	0.00	0.00	0.00
Senior Management 30-39	Percentage	2.30	2.50	4.80
Senior Management 40-50	Percentage	46.50	52.50	50.00
Senior Management Above 50	Percentage	51.20	45.00	45.20
Middle Management Below 30	Percentage	0.40	1.60	0.60
Middle Management 30-39	Percentage	33.60	33.80	31.20
Middle Management 40-50	Percentage	36.50	35.80	39.00
Middle Management Above 50	Percentage	29.50	28.80	29.20
Junior Management Below 30	Percentage	46.40	42.20	40.40
Junior Management 30-39	Percentage	23.60	26.90	28.50
Junior Management 40-50	Percentage	22.10	21.10	20.00
Junior Management Above 50	Percentage	7.90	9.80	11.10
Non-Executive Below 30	Percentage	7.20	7.80	5.60

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Indicator		Measurement Unit	2021	2022	2023
<b>Bursa (Diversity)</b>					
Non-Executive 30-39	Percentage	23.20	20.00	18.70	
Non-Executive 40-50	Percentage	39.90	37.40	40.20	
Non-Executive Above 50	Percentage	29.70	34.80	35.50	
Gender Group by Employee Category					
Key Management Male	Percentage	70.60	70.00	66.70	
Key Management Female	Percentage	29.40	30.00	33.30	
Senior Management Male	Percentage	60.50	60.00	59.50	
Senior Management Female	Percentage	39.50	40.00	40.50	
Middle Management Male	Percentage	46.60	47.50	46.60	
Middle Management Female	Percentage	53.40	52.50	53.40	
Junior Management Male	Percentage	47.40	46.70	47.00	
Junior Management Female	Percentage	52.60	53.30	53.00	
Non-Executive Male	Percentage	60.90	66.10	70.10	
Non-Executive Female	Percentage	39.10	33.90	29.90	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	-	75.00	75.00	
Female	Percentage	-	25.00	25.00	
50-59	Percentage	-	25.00	25.00	
60-69	Percentage	-	50.00	50.00	
Above 70	Percentage	-	25.00	25.00	
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Key Management	Hours	-	-	1,310	
Senior Management	Hours	-	-	1,509	
Middle and Junior Management	Hours	-	-	36,231	
Non-Executive	Hours	-	-	1,018	
Bursa C6(b) Percentage of employees that are contractors or temporary staff					
Bursa C6(c) Total number of employee turnover by employee category					
Key Management	Number	2	2	1	
Senior Management	Number	5	5	3	
Middle Management	Number	47	71	61	
Junior Management	Number	106	149	129	
Non-Executive	Number	8	22	14	
Bursa C6(d) Number of substantiated complaints concerning human rights violations					
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities					
Bursa C5(b) Lost time incident rate ("LTIR")					
Bursa C5(c) Number of employees trained on health and safety standards					
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer					
Bursa C2(b) Total number of beneficiaries of the investment in communities					



## SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

**To Board of Directors, Stakeholders, and Interested Parties,**

SIRIM QAS International Sdn. Bhd. was engaged by Kenanga Investment Bank Berhad (hereafter referred to as Kenanga Investment) to perform an independent verification and provide assurance of the Kenanga Investment Sustainability Report 2023. The main objective of the verification process is to provide assurance to Kenanga Investment and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to selected sustainable performance information (subject matter) within the assurance scope which is included in Kenanga Investment Sustainability Report 2023.

The management of Kenanga Investment was responsible for the preparation of the Sustainability Report. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of Kenanga Investment's Sustainability Report, and the Annual Report 2023.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of selected applicable subject matter as listed below. Details are provided in Appendix 1.

Subject matter	Page no. (as in the Sustainability Report)
Energy Management	61, 62, 92
Greenhouse Gas Emissions Scope 1 & 2	61, 63, 92
Water Management	65, 93, 97
Our Workforce Profile	67, 93, 94
Female Representation	69
Training Development – Training hours by employee level and the amount spent for training	80, 96

The verification was carried out by SIRIM QAS International in March 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Report includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report to substantiate the veracity of the claims.

## APPENDIX

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Kenanga Investment Annual Report 2023.
- The corporate office at Kenanga Tower, Jalan Tun Razak was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Kenanga Investment's buildings and offices. And,
- The verification team did not verify any contractor or third-party data.

### Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Kenanga Investment relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Report was subsequently reviewed and revised by Kenanga Investment. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues related to the selected subject matters. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Kenanga Investment has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Kenanga Investment Sustainability Report 2023 is fairly stated;
- The level of disclosure of the selected sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

#### List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamoorthy	:	Team Member
3)	Ms. Nur Ruzaini Ab. Razak	:	Team Member

Statement Prepared by:



**AERNIDA BINTI ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 21 March 2024

Statement Approved by:



**Ts. MD ADHA BIN RAHMAT**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd

Date: 25 March 2024

Appendix 1 The topics and subject matters covered in this assessment is tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Energy Management				
Greenhouse Gas Emissions Scope 1 & 2				
Water Management				
Our Workforce Profile				
Female Representation				
Training Development – Training hours by employee level and the amount spent for training				

## Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (18 March 2024).

## Note 2:

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

## Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

**HIGH:** The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

**MEDIUM:** Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

**LOW:** Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

**UNSUBSTANTIATED:** The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.



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