

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

As a leading financial services provider, as well as, business partner, employer, value creator and corporate citizen, we are committed to sustainable practices and have embraced the elements of sustainability since the early days of our operations. We recognise that our commitment towards sustainability underpins our overall enterprise growth strategy and shapes how our businesses are run.

We are cognisant of the impact we make and the responsibility we have towards our stakeholders, communities and the environment. As part of our sustainability journey, we endeavour to incorporate stakeholder expectations and industry benchmarks in our decision making and business practices, which will enable us to create shared value for all.

## STATEMENT SCOPE AND REPORTING BOUNDARIES

This Sustainability Statement sets out our Economic, Environmental and Social (“EES”) approach and performance for our Malaysian operations from 1 January 2020 to 31 December 2020. It has been prepared in adherence to the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements on Sustainability Reporting (“Bursa Securities Sustainability Reporting Guide”) and is guided by the Global Reporting Initiative (“GRI”) Standards. We have aligned our sustainability efforts in support of the United Nations (“UN”) Sustainable Development Goals (“SDGs”) and have begun to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) as recommended by the Bursa Sustainability Reporting Guide in 2018.

## OUR SUSTAINABILITY FOCUS

We continue to evaluate our sustainability practices and aim to solidify our sustainability roadmap through clear action plans. We are currently reviewing our sustainability governance framework which consists of a multidisciplinary membership supported by the Board of Directors (“Board”), which will provide oversight of our ESS commitments and activities as we progress.

## STAKEHOLDER-DRIVEN SUSTAINABILITY

We recognise that stakeholder engagement, assessment and feedback are an integral part of our sustainability strategy and initiatives. To this end, we are continuously improving our stakeholder engagement approach via various communication channels.

### Our Stakeholder Groups

#### Those Whom We Are Accountable To











#### Those Who We Collaborate With



#### Those Whose Lives We Enrich



Our Commitment	How We Engage	Topics of Interest
<ul style="list-style-type: none"> <li>• Ensure investors and shareholders are up to date on our business and operations</li> <li>• Incorporate feedback to enhance the value we create</li> <li>• Enhance client experience through innovation and technology</li> </ul>	 <p><b>Investors and Shareholders</b></p> <ul style="list-style-type: none"> <li>• Provide updates and gather feedback through meetings, reports and disclosure</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, events, emails, websites and social channels</li> <li>• Respond to queries, as well as, gather input and feedback via social channels, helpline 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>• Technology and Innovation</li> <li>• Responsible investing</li> <li>• New products and services</li> <li>• Market outlook</li> </ul>
<ul style="list-style-type: none"> <li>• Create a safe and high-performing work environment</li> <li>• Embed our values of ethics and compliance throughout the organisation, to lead and participate in industry fight against fraud</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> <li>• Product training</li> <li>• Certifications, examination tutorials</li> <li>• Environmental awareness</li> </ul>
<ul style="list-style-type: none"> <li>• Create shared value for communities in need</li> <li>• Provide skills and knowledge that empower individuals 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 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 STATEMENT

### MATERIALITY

We undertook a materiality assessment in 2020 to refine and verify the material topics that are important to both the Group and our stakeholders. We analysed our value chain and measured ourselves against industry benchmarks and market practices to produce an updated set of ten (10) materiality topics which were distributed to our stakeholders. The outcome of this assessment will guide how we prioritise our action plans, as well as, engagement and response to our stakeholders.

#### How We Did It

##### 1. Identifying Material Topics:

We created a list of topics relevant to our business. These topics were compiled from a series of inputs:

- Global trends, including the SDGs
- Regulatory focus and industry trends
- Analysis of sustainability indices deemed material to our industry
- Our strategic corporate objectives
- Value chain assessment
- Group risk mapping
- Employee engagement
- Client and customer feedback
- Topics identified in our 2018 materiality review

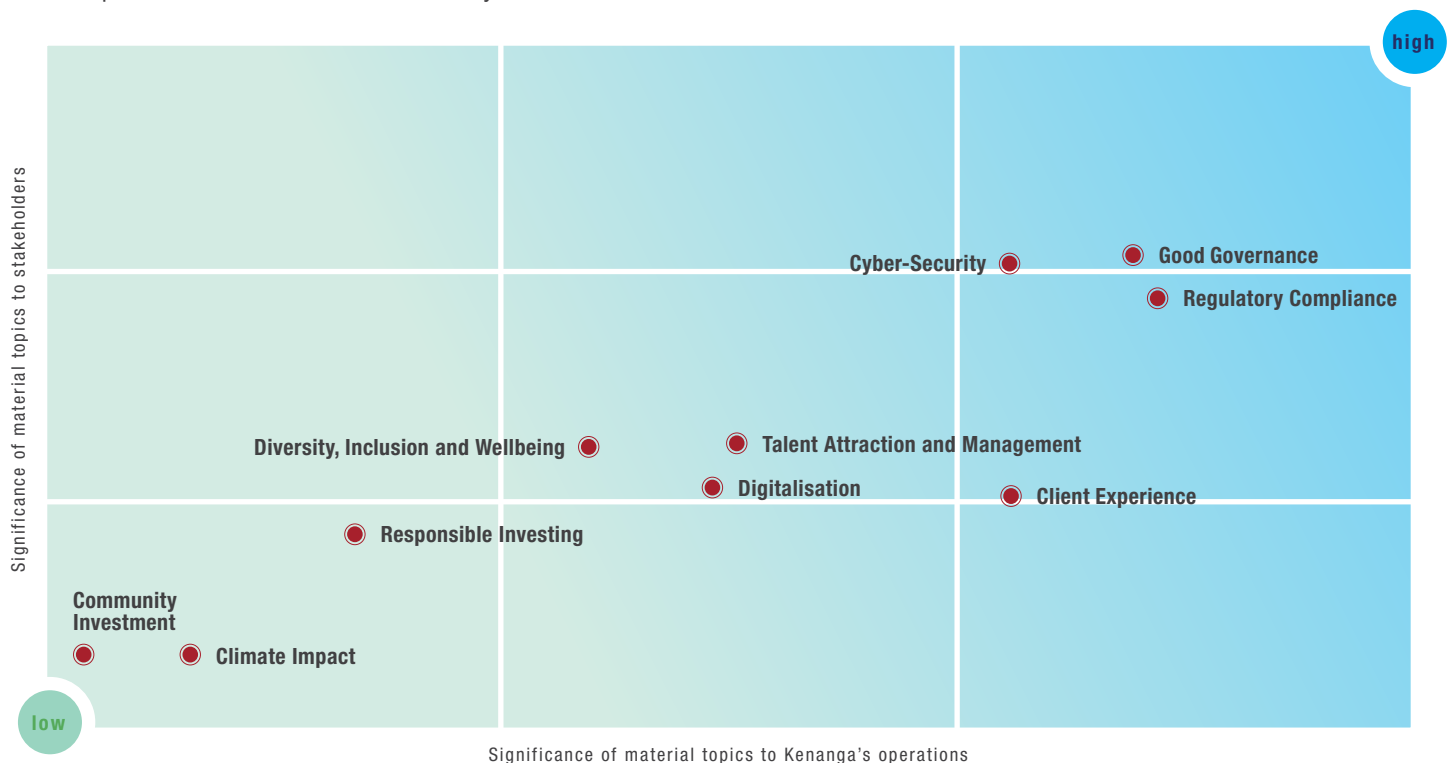
##### 2. Understanding the priorities of our business and our stakeholders:



















We identified our key stakeholder groups — employees, investors, customers, remisers, vendors, media, regulators, as well as, community partners — and distributed an online survey inviting these stakeholders to indicate the level of importance they ascribe to our material topics. From this survey, we received 1,361 usable responses which were analysed to produce a matrix, mapping out overall importance. The matrix and our material topics for 2020 were then reviewed and endorsed by the sustainability working team.

##### 3. Identifying key areas of focus:

The results from our stakeholder materiality survey confirm all topics were deemed important, with responses receiving an average score of 4.1 (82%) - 4.7 (94%) out of a maximum score of 5. Good Governance, Regulatory Compliance and Cyber Security are the three (3) topics deemed most material in 2020.

Our 10 topics have been distributed across the pillars of economy, environment, society and governance. These will serve as our strategic areas of focus as we continue to incorporate sustainable thinking into our business and value chain. Our next materiality assessment will take place in 2022.

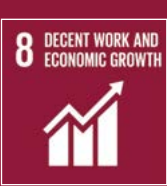




Aspect	Material Topic	Description	Our Disclosure
<b>Governance</b> 	<b>Good Governance</b> 	Operating transparently, with integrity and accountability in compliance with applicable laws and regulations. Adopting the highest standards of professionalism, honesty and ethics.	<b>Enhancing Good Governance</b>   Pg 87 to 89
	<b>Cyber Security</b> 	Implementing robust cyber security solutions to protect corporate and client information and enhance our cyber security posture. Equipping employees with the knowledge and skills to recognise and prevent malicious activity from cyber threat actors.	
<b>Economic</b> 	<b>Regulatory Compliance</b> 	Identifying, implementing and responding to compliance risk across the Group. Cultivating a transparent ethical culture and educating employees to reflect the compliance behaviours of the organisation.	<b>Safeguarding Our Operations</b>  Pg 90 to 92
	<b>Client Experience</b> 	Delivering positive client experience through customer service excellence and delivering innovative products and services.	<b>Delivering Value</b>   Pg 92 to 96
	<b>Digitalisation</b> 	Leveraging technological advancements to develop innovative products and services; enhance and reinforce advisory operations and offer seamless service solutions that meet clients' needs.	
	<b>Responsible Investing</b> 	Collaborating with asset owners, regulators, and a wide range of market participants on EES matters and ensuring that this takes place at the heart of the investment process to promote the sustainability agenda.	
<b>Social</b> 	<b>Diversity, Inclusion and Wellbeing</b> 	Inculcating a diverse and inclusive workplace culture where employee rights, safety, health and wellness are promoted.	
<b>Talent Attraction and Management</b> 	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> 	Enhancing financial literacy and inclusion for clients and the community through education. Reaching out to communities in need through targeted social investments and employee volunteerism.		
<b>Environmental</b> 	<b>Climate Impact</b> 	Taking ownership of the climate impacts of our operations through monitoring environmental performance, identifying and practising behaviours promoting climate positive outcomes, and raising awareness of climate change and sustainability with internal stakeholders.	<b>Environmental Stewardship</b>  Pg 105 to 106

## SUSTAINABILITY STATEMENT

### SUPPORTING THE UN SDGs

Through our ongoing participation in the capital market, we contribute to Malaysia’s economic growth and the wider SDGs. For the purpose of this statement, we have also mapped our material topics to the relevant UN SDGs.

Goal	Rationale	Kenanga’s Focus	Related Material Topics
 <p><b>Goal 8: Decent Work and Economic Growth</b></p>	<p>We contribute to national economic growth through our role as an investment bank and employer.</p>	<p>Responsible Business Operations &amp; Inclusive Employer</p>	<ul style="list-style-type: none"> <li>&gt; <b>Responsible Investing</b></li> <li>&gt; <b>Client Experience</b></li> <li>&gt; <b>Diversity, Inclusion and Wellbeing</b></li> <li>&gt; <b>Talent Attraction and Management</b></li> </ul>
 <p><b>Goal 12: Responsible Consumption and Production</b></p>	<p>We work to integrate environmental, social and governance factors in the investment process, to guide investment decisions and ensure long-term sustainable value to stakeholders.</p>	<p>EES Investment Integration</p>	<ul style="list-style-type: none"> <li>&gt; <b>Responsible Investing</b></li> </ul>
 <p><b>Goal 13: Climate Action</b></p>	<p>Recognising the challenges posed by climate change, we support a low carbon economy by identifying and managing climate-related risk within our operations.</p>	<p>Climate Change Emissions Reduction</p>	<ul style="list-style-type: none"> <li>&gt; <b>Climate Impact</b></li> </ul>



# GOVERNANCE

Enhancing Good Governance >



## Material Topics:

1.  **GOOD GOVERNANCE**

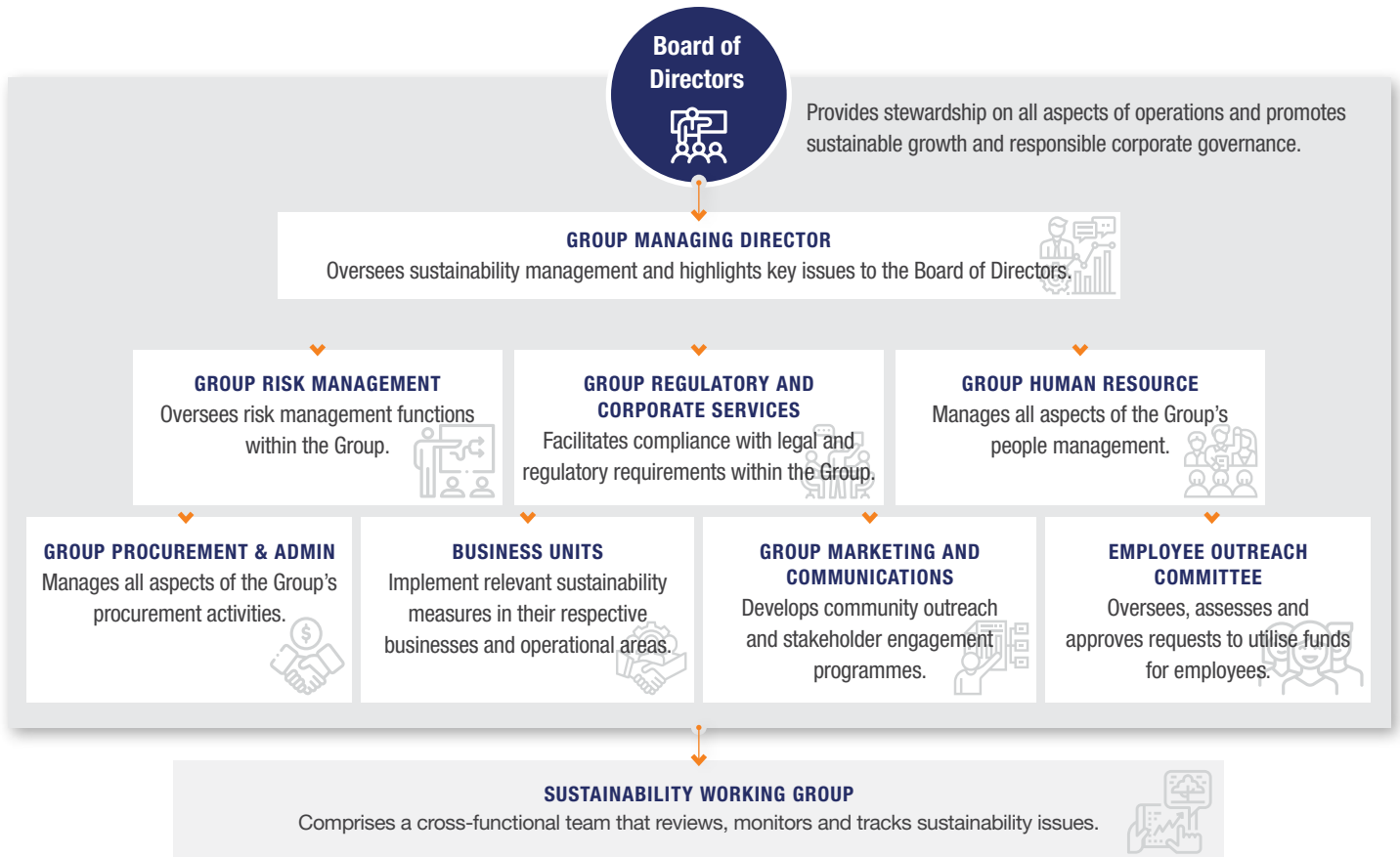
2.  **CYBER SECURITY**

Good governance is the cornerstone of our operations. We forge relationships on the basis of integrity and transparency. Enhanced cyber security efforts are pivotal towards managing risks of the business and maintaining reputation of our brand.

## GOOD GOVERNANCE



The Board, which provides stewardship and oversight on our sustainability journey, is committed to the management of resources and processes relating to sustainability matters and to ensuring that sustainability is instilled across the organisation. As part of our efforts to continuously improve our practices, we are currently reviewing the sustainability governance framework, which will consist of a multidisciplinary membership supported by the Board, to further reinforce oversight of our EES commitments and activities as we progress.



## SUSTAINABILITY STATEMENT

### Managing and Responding to Risks

Our Group Board Risk Committee (“**GBRC**”), supported by our Group Risk Committee (“**GRC**”), reviews and addresses risks to our operations. We recognise our responsibility to understand and manage EES risks related to our business and to translate these insights into meaningful mitigating actions across our operations.

We have set in motion processes to strengthen the integration of EES matters into our risk management practices and will review existing risk management policies against the criteria and methodology for assessing economic, environmental and social risks. This process will follow our internal guidelines on risk analysis and review.

Our incorporation of EES risk will focus on the following areas:

- Enhancing our risk identification capacity through collaborative industry research, as well as, local and global EES concerns;
- Empowering decision making through the development of guidelines and criteria for the assessment, mitigation and management of EES risks; and
- Reinforcing and institutionalising the Group’s EES risk culture and appetite through training and development of our human capital.

### Identifying Climate Risks




In accordance with the updated requirements of the Bursa Securities’ Sustainability Reporting Guide, we are moving to address the recommendations of the TCFD. As part of our initial climate related disclosure, we will undertake preliminary assessments to identify the climate-related risks connected to our operations.

### Managing Our Supply Chain

Our vendor partnerships can give rise to potential organisational, financial, legal and reputational risk. We have established responsible procurement policies and processes to clearly set out our expectations.

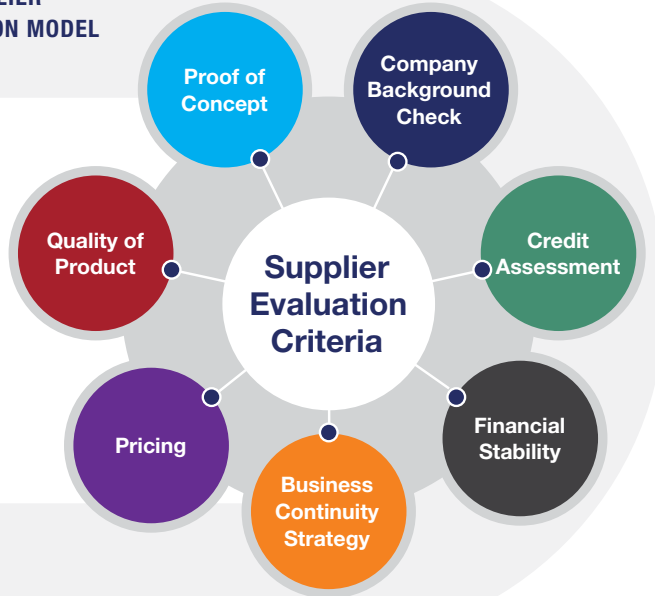
Our Group Procurement Policy establishes a framework for employees to achieve and maintain high standards of professionalism, transparency, and accountability within the procurement process. Our robust Know Your Vendor Assessment requires vendors to undergo due diligence verification and prompts for the review of risk indicators that culminates into a score that serves as a guide to manage front-end risk.

The Group Code of Conduct for Vendors outlines a set of obligations on business practices and professional conduct expected of all vendors engaging or working with Kenanga Investment Bank Berhad (“**KIBB**”) and Its Group of Companies (“**Kenanga Group**” or “**the Group**”). Regular performance evaluations are conducted and through these checks and balances, we strive to uphold high standards of ethics and integrity in business practices with all contractors, consultants, suppliers, agents and any persons who undertake work for the Group.

TCFD ELEMENTS	DISCLOSURES
<b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>• Our Group Managing Director oversees sustainability management and highlights key issues to the Board.</li> <li>• Our Sustainability Working Group manages and oversees sustainability reporting for the Group.</li> </ul> <p> Please refer to pg 41 of this Annual Report for an overview of our Governance structure, and pg 87 of this statement for an overview of our sustainability governance structure.</p>
<b>RISK MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• The GBRC provides oversight on our risk strategies and policies, as well as the incorporation of EES considerations into our risk management practices.</li> </ul> <p> Please refer to pg 56 and 57 of this Annual Report for more details regarding GBRC.</p>
<b>METRICS &amp; TARGETS</b>	<ul style="list-style-type: none"> <li>• We have begun reporting our Scope 2 Greenhouse Gas (“<b>GHG</b>”) emissions from purchased electricity consumption. We will continue to report these metrics to assess the impact of our operations on climate change.</li> </ul> <p> Please refer to pg 105 of this statement for more details regarding our GHG emissions.</p>



## OUR SUPPLIER EVALUATION MODEL



## Our Commitment: SAFEGUARDING CLIENT DATA

Our IT Security Policy is aligned to the Personal Data Protection Act 2010 (“PDPA”), as outlined by Bursa Malaysia, Bank Negara Malaysia and the Security Commission Malaysia Guidelines on IT and Cyber Security. For transparency and ease of reference, a Privacy Notice is published on our corporate website which details the parameters in which we use customer data.

The Group’s cyber security defence systems operate 24/7. Through the deployment of rigorous testing and protective assessment, our IT team work to detect and resolve potential vulnerabilities – applying measures to secure and protect confidential customer information.

## CYBER SECURITY



As we move into a future shaped by digitalisation and innovation, there is an increasing urgency to step up cyber security measures. As cloud-based hosting and software-as-a-service solutions progressively form the core of our cyber infrastructure, we forge strategic partnerships with leading technology providers to deliver, secure and trusted service for customers.

Within our Group Digital, Technology and Transformation Division, our team of skilled cyber security experts lead the Information Technology Governance & Security (“ITGS”) workstream. Mandated to defend against cyber threats and attacks, the team delivers on the Group’s cyber security to ensure business continuity and operations.

In 2020, the ITGS team implemented progressive cyber security solutions to further protect corporate information and customer privacy. Key highlights include enhancements to the Group’s ability to monitor data movement across the organisation, as well as, deploying tools to detect anomalous data-handling behaviours.

Additionally, we enhanced our cyber resilience through the following actions:

- Invested in new technology to protect customer data against leaks or breaches;
- Introduced a mobile device management tool to manage access to confidential information on our employees’ personal mobile phones;
- Implemented additional security measures for our servers to shield from vulnerabilities on a real-time basis; and
- Integrated security solutions for 24/7 monitoring of our endpoints for advanced persistent threats.

### Cyber-Aware Employees

We work to train our employees to stand guard as the first line of defence against potential attacks from cyber threats. Cyber security training is mandatory for all.

### CYBER SECURITY CAPACITY BUILDING IN 2020

Invested in an email phishing simulator that trains employees to identify phishing attacks.

Conducted simulation via emails on employees, with employees achieving a **93% success rate** in identifying phishing emails.

Delivered **4 cyber security training sessions** mandatory for all employees.

Disseminated **33 awareness** notifications, reminding employees to be on alert against SPAM/phishing emails.



## SUSTAINABILITY STATEMENT

# ECONOMIC

Safeguarding Our Operations >



### Material Topics:

#### 1. REGULATORY COMPLIANCE

We recognise that regulatory compliance is the foundation of overall operational integrity. It complements and strengthens internal risk control mechanisms and is a hallmark of the reliability and trust that we strive to foster with our stakeholders. Through consistent training and ongoing communications, we inculcate a strong compliance culture in the organisation that impels employees to uphold high regulatory compliance standards across the Group.

## REGULATORY COMPLIANCE



### **Financial Crime Prevention**

The Group takes a zero-tolerance approach to all forms of financial crime including bribery, fraud, corruption, financing of terrorism, money laundering, proliferation financing and any other illicit activity connected to unethical business practices. Financial crime and associated activities go against our core values and undermine our business and operations.

Reflecting this stance, the Group has a comprehensive strategy in place to prevent, detect, mitigate and scrutinise any illicit financial activities, with measures that hold perpetrators accountable.

We regularly conduct reviews of our control environments and ensure compliance to the Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“**AML/CFT/TFS**”) requirements. All business units and subsidiaries are required to perform Semi-Annual Declaratory Self-Assessments to ensure the adherence to the AML/CFT/TFS procedures and employees’ awareness of the AML/CFT/TFS measures.

Below are some of our key policies that work alongside regulatory requirements.

- Customer Due Diligence for Remisiers
- Group Financial Crime Intelligence Operations Manual
- Guidance of Suspicious Transaction Reporting
- Guidance on Suspicious Activity Reporting (in Group AML/CFT/TFS Procedure)
- Kenanga Group’s Risk Scoring Methodology for AML/CFT

### **Managing Good Business Conduct**

Our Group Business Ethics and Integrity Department (“**GBEI**”), established in 2019, is under the purview of Group Regulatory and Corporate Services (“**GRCS**”) which operates as our structured unit, managing ethical business practices and driving initiatives designed to ensure our business practices and operations comply with regulatory requirements. In 2020, GBEI:

- implemented measures to comply with Section 17A Malaysian Anti-Corruption Commission Act 2009 and the T.R.U.S.T principles as per the Guidelines on Adequate Procedures. Actions included aligning our Group Anti-Fraud, Bribery and Corruption Policy to the updated section; and
- introduced key ethical conduct policies including the Group Code of Conduct for Vendors, the Group Gifts, Entertainment and Hospitality Policy and the Group Incoming Non-Commercial Sponsorship Policy.

Moving into 2021, GBEI is in the process of reviewing and enhancing the Group Code of Professional Ethics and Conduct for Employees, the Group Fraud Reporting Policy, the Group Conflict Management Policy and the Group Competition Act Policy.

More information on GBEI’s activities in 2020 can be found in the Ethics and Compliance Statement on pages 62 to 69 of this Annual Report.

### Raising Awareness

Our Group Prudential Supervision & Regulatory Affairs Department (“GPSRA”) is responsible for ensuring employees are aware of all regulations, guidelines, and laws upheld by the Group. Regulatory issuances are monitored daily and communicated to relevant stakeholders for prompt compliance response. All issuances are compiled and disseminated weekly for the attention of all employees.

Ongoing training and awareness campaigns across the workforce are designed to embed our principles of ethics and integrity so they are reinforced, understood and replicated at all levels. For 2020, we enhanced online training materials containing summaries of pertinent aspects of key ethics and regulatory compliance policies, which were made available to all employees through the Group Human Resources (“GHR”)’s Learning Management System in lieu of face-to-face training.

In 2020, over 80% of our employees participated in our annual e-tests which are aimed at reinforcing the principles of good governance.

### COMPLIANCE TRAINING SUMMARY



Focus Area	Employee Participation (no.)	Employee Training Hours
Anti-Money Laundering/Counter Financing of Terrorism	1,040	1,736.3
Anti-Bribery and Corruption	958	960.0
Anti-Fraud	972	1,034.5

### E-TEST SUMMARY

Focus Area	Employee Participation (no.)	Score of 80% and Above (no.)
Anti-Money Laundering/Counter Financing of Terrorism	1,057	873

Fraud Awareness Week 2020:

**ETHICS & INTEGRITY:  
CULTURE FOR  
COMBATING FRAUD  
IN THE NEW NORMAL**



Our Fourth Annual Fraud Awareness Week (“4<sup>th</sup> FAW”) in 2020 was a demonstration of our dedication to deliver employee awareness training on matters relating to fraud, bribery, corruption and governance. Despite the majority of employees working from home, we successfully delivered a virtual event that achieved all objectives.

The interactive activities that took place during 4<sup>th</sup> FAW were delivered digitally in November 2020. As in previous years, Fraud Games were also held for three weeks, with participants tested on their knowledge of fraud, ethics, integrity and governance. A total of 65 teams comprising 35 internal and 30 external teams participated in the events – a reflection of our commitment towards knowledge sharing and the promotion of anti-fraud awareness across the industry.

Recorded video sessions for the 5<sup>th</sup> Annual Regulatory Seminar (“ARS”) were also made available to all employees during the 4<sup>th</sup> FAW period. The theme for the 5<sup>th</sup> ARS was ‘Digitalisation and Disruption: Where Do We Go from Here’.



More information on ethics and integrity training can be found in the Ethics and Compliance Statement on pages 62 to 69 of this Annual Report.

## SUSTAINABILITY STATEMENT

### Fraud Awareness Week 2020 Goes Digital: **Q&A WITH THE COORDINATOR OF FAW2020**



**Q:** This is the fourth year that FAW has been organised – how did it compare to previous years, given that it was conducted digitally?

**A:** FAW, since inception in 2017, is designed to raise fraud awareness and highlight the importance of fraud detection and prevention. By taking the 4<sup>th</sup> FAW digital, physical gathering was avoided to safeguard participants from COVID-19, while still delivering its objectives.

**Q:** If there was one piece of information on fraud and cybercrime that is important for Malaysians to understand, what would it be?

**A:** Malaysians have limited understanding of fraud and cybercrimes, as evidenced through disconcertingly high rates of fraudulent cybercrime activity in the media. Individuals would do well to trust their money with reputable and licensed parties and investigate further if something sounds too good to be true.

**Q:** What can Kenanga learn from this digital FAW?

**A:** The strong participation seen in 2020 for the digital FAW illustrates clear recognition of what FAW is about. Organisations within the industry show continued interest, as do regulators, enforcement and professional bodies and other listed companies. This bodes well for fraud awareness across the Malaysian capital market.



### **Whistleblowing**

Our Group Whistleblowing Policy & Guidance Notes form one element of a wider set of arrangements we have in place to uphold high standards and prevent wrongdoing. The Group has put in place a Whistleblowing Framework for the reporting of any concerns made in good faith about behaviour, conduct, practice, deeds and/or omissions that might be either unlawful or irregular within the Group. Processes and channels such as dedicated email and secured P.O. Box are in place to ensure reporting can be made without fear of reprisal.

## Delivering Value >



### Material Topics:



1. **CLIENT EXPERIENCE**



2. **DIGITALISATION**



3. **RESPONSIBLE INVESTING**

Through quality client experience, focused digitalisation of our operations, forward-facing digital product offerings, and the provision of secure and efficient investing pathways, we aim to deliver value across the spectrum of the investment activities that benefit customers.

## CLIENT EXPERIENCE



### **Responsible Marketing**

High-quality, trusted service is intrinsically linked to positive customer experience and, by extension, our long-term business growth.

All information disclosed to potential and existing clients, such as prospectus and information memoranda, comply with requirements set out by Bursa Malaysia, Bank Negara Malaysia, the Financial Services Act (2013), the Consumer Protection Act (1999), the Malaysian Code of Advertising Practice and the Securities Commission Malaysia (“**SC**”). Our Advertisement Policy, which is underpinned by regulatory requirements, ensures our promotional and marketing materials uphold our high standards.

### Client Engagement

We encourage conversation and discourse with all our existing and potential clients, whilst welcoming feedback and input to improve our solutions and service levels. We make available a variety of channels to facilitate two-way communications, including our social media channels, websites and customer helpline, as well as, via branches nationwide.

## ENSURING ACCESS TO OUR SERVICES AMIDST COVID-19



### Digital Engagement

With movement restrictions as a result of the COVID-19 pandemic, we swiftly shifted our engagement to the virtual environment:

- Remisiers and dealers serviced clients remotely via an online platform
- All online trading platforms across the Group operated effectively
- On-site education workshops were converted into webinars
- Launched one-on-one e-coaching sessions
- Participated in e-roadshows
- Leveraged social channels such as Facebook, Instagram, LinkedIn and Telegram to stay in close contact with followers and to communicate trading ideas

### Award-Winning Work

Year on year, we receive numerous accolades, reflecting our commitment towards excellence across the various aspects of our businesses. In 2020 we were accorded the following:

## Awards and Accolades



### Sustainability & CSR Malaysia Award 2020

Company of the Year Award for Environmental Awareness and Sustainability - KIBB

### ACES Awards 2020

Industry Champions of the Year 2020 - KIBB

### MARC Lead Managers League Table Awards 2019

Issued Value Category – Conventional & Islamic (Winner) - KIBB

### Bursa Excellence Awards 2020

- Best Overall Equities Participating Organisation – Champion
- Best Structured Warrant Issuer – Champion
- Best Trading Participant Equity & Financial Derivatives – Champion
- Best Institutional Derivatives Trading Participant – Champion
- Best Retail Equities Participating Organisation – 1<sup>st</sup> Runner Up
- Best Institutional Equities Participating Organisation, Investment Bank – 2<sup>nd</sup> Runner Up
- Best Overall Derivatives Trading Participant – 2<sup>nd</sup> Runner-Up

### The Loyalty & Engagement Awards 2020

Best Use of Gamification (Silver) Campaign: Rescue Raya by Kenanga - KIBB

### Marketing Events Awards 2020

Best Use of Games/Contests (Silver) Campaign: Rescue Raya by Kenanga - KIBB

## SUSTAINABILITY STATEMENT

### Awards and Accolades



<p><b>FSMOne Recommended Unit Trusts Awards 2020-2021</b></p> <ul style="list-style-type: none"> <li>• Core Equity - Malaysia - Kenanga Growth Fund</li> <li>• Core Equity - Malaysia (Islamic) - Kenanga Syariah Growth Fund</li> <li>• Balanced - Malaysia - Kenanga Balanced Fund</li> </ul>	<p><b>2020 Best of the Best Awards by Asia Asset Management</b></p> <p>Kenanga Investors Group -</p> <ul style="list-style-type: none"> <li>• Malaysia Best Equity Manager</li> <li>• Malaysia Best House for Alternatives</li> <li>• Malaysia Fund Launch of the Year</li> <li>• Malaysia CIO of the Year - Lee Sook Yee</li> </ul>	<p><b>Refinitiv Lipper Fund Awards 2020 – Global Islamic Markets</b></p> <ul style="list-style-type: none"> <li>• Malaysia Best Equity Fund over 10 Years - Kenanga Syariah Growth Fund</li> </ul>
<p><b>iFast Malaysia Awards 2020</b></p> <p>Best Selling PRS 2019 - Kenanga OnePRS Conservative Fund</p>	<p><b>PPA – Growing PRS Together 2019</b></p> <p>1<sup>st</sup> Runner-up PRS AUM Growth - Kenanga Investors Berhad</p>	<p><b>Refinitiv Lipper Fund Awards 2020</b></p> <ul style="list-style-type: none"> <li>• Mixed Asset MYR Flexible (Malaysia Pension) for 3 Years - Kenanga Diversified Fund</li> <li>• Mixed Asset MYR Flexible (Malaysia Pension) for 5 Years - Kenanga Diversified Fund</li> <li>• Equity Malaysia (Malaysia Islamic) for 10 Years - Kenanga Syariah Growth Fund</li> <li>• Best Equity Award (Malaysia Islamic) - Kenanga Investors Berhad</li> <li>• Best Mixed Assets (Malaysia Pension) - Kenanga Investors Berhad</li> </ul>

## DIGITALISATION



Digitalisation and innovation remain at the forefront of our priorities. As the industry evolves at record pace, we have responded with speed to refine our products and services by focusing on client needs and expectations, market trends and industry insights.

Our initiatives and programmes are guided by a Digital Roadmap, which sets out our approach to:

- |                             |  |  |
|-----------------------------|--|--|
| 1 Digital business ventures | 2 Transformation plan of our traditional business operations | 3 Strategic collaboration with technology enablers |
|-----------------------------|--|--|

This Roadmap also covers workflow automation, data analytics and enhanced cyber security.

### Our Digitalisation Priorities

<p>To streamline resources </p>	<p>To accelerate digital implementation </p>	<p>To optimise cost structures </p>
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### Digitalising Systems and Operations

The digitalisation of our core operations strengthens business resilience and augments efficiency. Some of the progress made on this front for the year:

- Completed a group-wide assessment in 2020 to identify processes for Robotic Process Automation
- Digitalised seven key forms of Enterprise Workflow Management under the iLeap project which aims to streamline and digitalise tasks for optimal productivity
- Launched a Remisiers' service portal, which advanced to Phase 2 in September. Through this portal, remisiers can access key information, support and submit requests on behalf of clients through the e-request function which is paperless and traceable via audit trails

### Offering Game-Changing Digital Solutions

#### Malaysia's First Stockbroking E-Wallet



In 2020, we joined forces with Merchantrade Asia Sdn Bhd ("**Merchantrade**"), Malaysia's leading fintech and e-money player and the country's largest money services business operator, to develop Malaysia's first stockbroking e-wallet, Kenanga Money.

Kenanga Money marks KIBB's entry into the cashless payment space, enabling clients the freedom to easily transfer funds from their stock trading account into an e-wallet and prepaid card for retail payments, remittance and withdrawals worldwide. Users will also benefit from the innovative multi-currency function which enables them to buy, sell and store up to 20 foreign currencies at any given time, at Merchantrade's competitive exchange rates.



#### Fully Online Trading Experience



Entering its fourth year as Malaysia's fully online stock trading platform, our joint venture Rakuten Trade Sdn Bhd ("**Rakuten Trade**") was buoyed by the hundreds of thousands of traders who piled into the stock market, mirroring trends seen in the U.S. and other major economies. With all its facilities accessible throughout movement restrictions brought about by the pandemic, Rakuten Trade received record high account opening and trades on its platform.

As at 31 December 2020, Rakuten Trade has 166,000 trading accounts and has transacted over RM50 billion worth of stocks since commencement. Rakumargin, a new margin financing platform was rolled out during the year and customers can look forward to more exciting new value-added products and features on the platform in 2021.

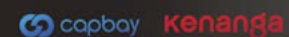


#### Digital Financing Solutions for SMEs



From structured lending to Shariah compliant Islamic factoring solutions, we serve our clients through access to capital. We recognise that SMEs often encounter difficulty in obtaining financing and aim to close this credit gap through our offerings.

November 2020 saw Kenanga Capital Islamic Sdn Bhd ("**KCI**") partnering with award-winning digital supply chain financiers, Bay Group Holdings Sdn Bhd ("**CapBay**"), to provide an all-in-one first-to-Malaysia digital factoring solutions platform for SMEs, uniting private and public receivables to offer seamless end-to-end financing.



**Kenanga Capital Islamic Partners CapBay To Digitise First-In-Malaysia Factoring Solution**

As we continue to digitally transform for the benefit of our stakeholders, we remain steadfast in prioritising our resilience towards cyber threats. For more information on our robust internal mechanisms for cyber security, please refer to the Cyber Security section on pg 89.



## SUSTAINABILITY STATEMENT

# RESPONSIBLE INVESTING



> Kenanga Investors Group (Kenanga Investors Berhad and its subsidiary, Kenanga Islamic Investors Berhad) officially become a signatory of the Malaysian Code for Institutional Investors (“the Code”) in 2017.

> **From (R-L):**

**Ismiz Matthew De Alwis (Right)**, Executive Director/Chief Executive Officer, Kenanga Investors Berhad and **Dato’ Wan Kamaruzaman bin Wan Ahmad**, Former Chairman, Institutional Investors Council Malaysia

Our asset management subsidiary, Kenanga Investors Berhad, has been a signatory to the Malaysian Code for Institutional Investors (“Code”) since 2017 and recently became a member of the Institutional Investors Council (“IIC”). We are committed to working with asset owners, regulators and a wide range of market participants to deliver on this step change to stewardship and ESG, ensuring that it takes its place at the heart of the investment process and to promote the sustainability agenda.

In addition to financial considerations, the integration of ESG factors in the investment process is essential to make better informed and holistic investment decisions to ensure long-term sustainable value to stakeholders. We believe that the continuous delivery of consistent performance stems from the premise of an effective stewardship and active ownership approach throughout the investment value chain.

As a responsible investor we want to manage ESG risks and opportunities when investing on behalf of our clients, and have identified certain sectors in which we will not invest above a specified threshold. Consequently, sectorial exclusions (e.g. investments on controversial weapons and defense, severe breaches of the United Nations Global Compact (“UNGC”) principles or companies with poor ESG performance), are applied across all assets.

Going beyond this, we will apply our ESG standards to our responsible investing and ESG-integrated open ended funds in phases, which will also be available to institutional clients on an opt-in basis.



# SOCIAL

## Social Responsibility and Commitment >



### Material Topics:



1. **DIVERSITY, INCLUSION AND WELLBEING**



2. **TALENT ATTRACTION AND MANAGEMENT**



3. **COMMUNITY INVESTMENT**

Our social engagement is centred on our workforce and the community around us. Through listening and understanding their needs and expectations, we aim to support them and to deliver shared value.

## DIVERSITY, INCLUSION AND WELLBEING



We believe that the strength and talent of our workforce contributes directly to the success of our business. We strive to offer a conducive and safe work environment that provides our employees with the platform and opportunities to uncover their potential and advance their careers.

### Supporting Employees Through Unprecedented Times

The safety and wellbeing of our workforce has always been a priority. With COVID-19 impacting operations throughout 2020, our Group Business Continuity Management Committee took swift and proactive measures to protect the safety of our employees while maintaining operational continuity.

Stringent measures were taken throughout our operations to protect our employees from infection, through strict enforcement of standard operating procedures (“SOPs”) as set out by the Ministry of Health, deployment of split operations and deploying 70% of employees to Work From Home (“WFH”).

### EMPLOYEE RELATED INITIATIVES IN RESPONSE TO THE COVID-19 PANDEMIC

#### FINANCIAL ASSISTANCE

Provided financial aid to at-risk employees.



#### SUPPORT FOR EMPLOYEE WELFARE

Provided information and access to the Government Prihatin packages.



#### EMPLOYEE SURVEY

Launched an employee survey ‘Embracing New Normal Under COVID-19 Pandemic’ to gauge employee confidence on our responses to the COVID-19 outbreak.



#### STANDARD OPERATING PROCEDURES

Kept to a rigorous sanitising schedule for Kenanga Tower and all branches nationwide, as well as, enforcing the following:

- On-premise temperature screening
- On-premise visitor declaration
- Mandatory wearing of face masks
- Distribution of sanitiser and face masks



#### MONITORING, TRACKING AND UPDATES

Maintained a daily dashboard detailing our WFH ratio, split operation arrangements, employee movement/travel, quarantine tracking and contact tracing as necessary.

Disseminated regular updates and reminders to employees on COVID-19 developments and SOPs.



#### COVID-TESTING

On-site COVID-19 tests were organised. Almost 300 employees were tested at two sites: Kenanga Tower and Quattro West, ensuring the safety of employees required to work in the office.

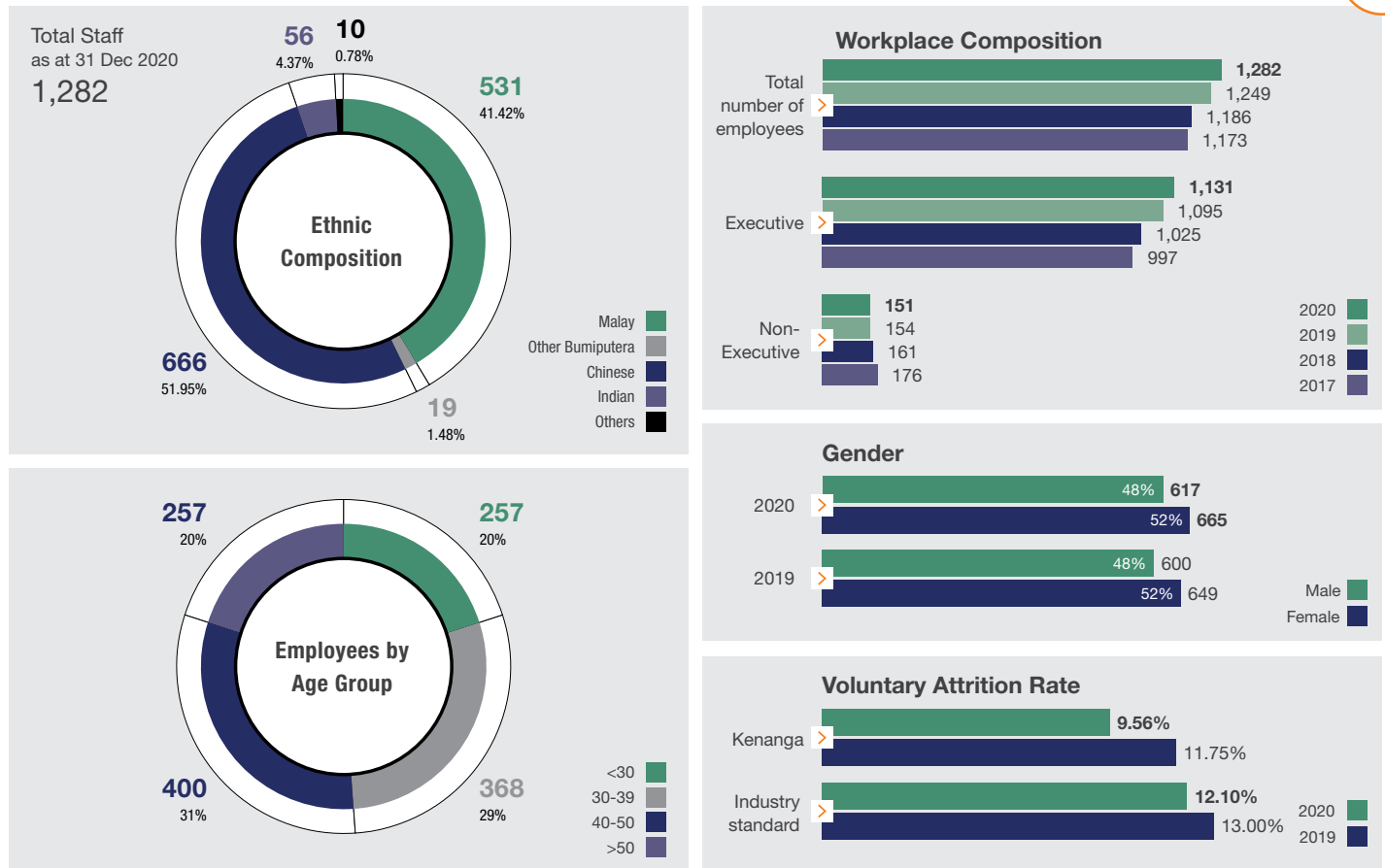


## SUSTAINABILITY STATEMENT

### Focusing on Diversity and Inclusion

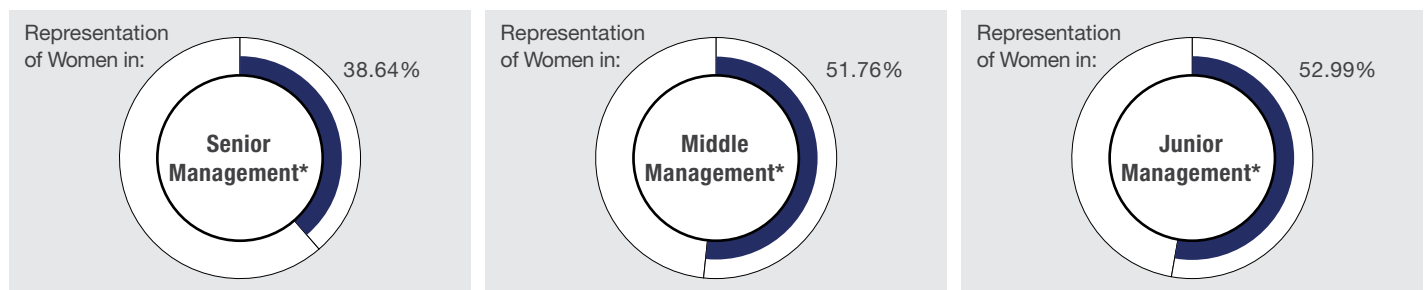
We believe that a diverse and inclusive workforce comprising individuals with different backgrounds, strengths and views, helps uncover new ideas and engenders innovation. We are committed to fostering a positive and thriving work environment where employees, regardless of their circumstances, are valued and treated with respect.

### Our Workplace in Figures



### Empowering Women in the Workforce

Founded in 1973 by YM Tan Sri Tengku Dato' Paduka Noor Zakiah Binti Tengku Ismail, the Group, since inception, has embraced equal opportunities. YM Tan Sri, was the first woman to join Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange) in 1964 and was one of the founders of the Association of Stockbroking Companies in Malaysia.



\* Senior Management are employees at the director level and above, Middle Management indicates employees at the Senior Vice President and Assistant Vice President level, while Junior Employees encompass Senior Executives and below.

To encourage women to rise to leadership roles within the Group, we constantly profile women leaders across our organisation. Through the sharing of their experiences and advice, we hope to inspire the next generation within the workforce.



**INTERNATIONAL WOMEN'S DAY AT KENANGA**

2020 saw us celebrate International Women's Day at Kenanga, based on the international theme #EachForEqual. Employees participated in pop-quizzes, interactive games and received mailouts designed to raise awareness on gender equality in the workplace and wider society.

**Fostering Anti-discrimination**

We strive to create a conducive and empowering work culture that values the human rights of our employees. We have a strictly non-discriminatory approach to our hiring, recruitment and redundancy processes. This position is also reflected in our training allocations and remuneration packages. For 2020, there were no grievances or incidents reported related to discrimination.

**Caring for Employee Wellbeing**

The wellbeing and productivity of our workforce directly impacts our business success and competitive advantage. We encourage employees to balance personal needs with professional responsibilities.

**Full-Time Employee Benefits**

Share Option Scheme	Insurance Coverage	Fitness Memberships	Professional Development	Leave Allocation
Medical Benefits	Dental and Optical	Private Retirement Scheme	Allowances	Flexible Work Arrangements

**TALENT ATTRACTION AND MANAGEMENT**



As we adapt and evolve in pursuit of technological advancement and innovation in a competitive industry, we also work to ensure our workforce is equipped with the right skill sets, knowledge and professional agility required to maintain a trajectory that will allow them to achieve personal growth that is in line with organisational aspirations.

**Nurturing a Future-Ready Workforce**





We are committed to employee growth — providing individuals with training and development to suit their abilities which allows them to succeed in the workplace and prepares them for challenges of the future.

We conduct talent mapping to identify leadership potential in our people, based on distinct qualities such as:

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

## SUSTAINABILITY STATEMENT

Our training and development initiatives are strategically designed based on a four-category approach that focuses on advancing our employees' professional growth whilst also meeting business and regulatory needs.

 <p><b>REGULATORY</b></p>	 <p><b>LEADERSHIP</b></p>	 <p><b>FUNCTIONAL</b></p>	 <p><b>PERSONAL EFFECTIVENESS</b></p>
<p>Compulsory courses to ensure compliance with regulatory requirements and corporate governance.</p>	<p>Courses that equip managers with leadership skills and qualities to facilitate the execution of the Group's strategy through building alignment, winning mindsets and developing the capabilities of employees.</p>	<p>Technical and practical courses that sharpen technical skills and competencies, including accredited courses with certifications or professional qualifications warranted by job roles.</p>	<p>Courses that provide tools to enhance personal competencies through self-improvement and maximising resources.</p>



**EMBRACING E-LEARNING**

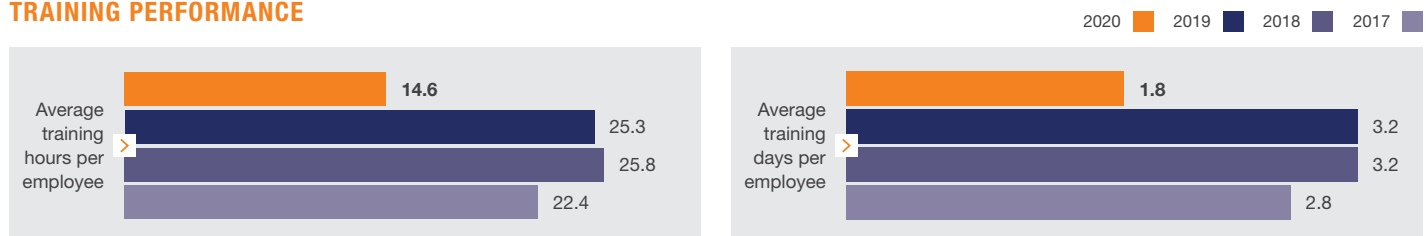
This year saw the expansion of online learning, with over 450 courses offered to our employees via digital platforms. Topics included certification modules, functional learning, leadership, regulatory and personal effectiveness.

Over **7,900** enrolments

**18,250** hours of training achieved

Our performance management system is based on the Balanced Scorecard comprising Key Performance Indicators and annual performance objectives for all employees. To inculcate a high-performance culture, we incentivise our people through annual performance bonuses, sales incentives, as well as, commission plans and an employee share option scheme. We also hold performance improvement sessions to help underperforming employees achieve work expectations. Training opportunities for the year were impacted by the Movement Control Orders imposed due to the COVID-19 pandemic, however, we are proactively working with training providers to establish compact and engaging learning modules that move away from the traditional classroom model to be delivered timely and virtually at the convenience of employees.

### TRAINING PERFORMANCE





**Engaging with Our People**

We constantly promote open two-way conversations with our employees. Employees are encouraged to contribute their views through dialogues, discussions and surveys. With the prevalence of remote working and enforcement of COVID-19 related SOPs during the year, employee conversations, events and meetings moved to the virtual environment via Microsoft TEAMS.



> Board Member, Norazian Ahmad Tajuddin participating at Kenanga's Virtual Family Day 2020 on 19<sup>th</sup> December 2020.

Knowledge sharing, celebrating diversity and culture, as well as, creating a sense of belonging drive our employee engagement initiatives. Operating within the restrictions of the pandemic outbreak, some of the activities carried out in 2020 include:

**Cross over to the green side with #GreenAtWork!**

With many of us spending more time at home as well as practising good personal hygiene due to the current circumstances around the COVID-19, an increase in electricity and water consumption is unavoidable. Take this pop-quiz challenge and audit your consumption habits to save more on your pocket while doing good to the environment!

**Electricity bill discount offered by Tenaga Nasional Berhad**

As part of the economic stimulus package to mitigate the effects of the COVID-19 pandemic, all Malaysians will be able to enjoy **tiered rebates up**

**Pop-Quiz Day 2: 6 Tips To Save Energy At Home**

Click **HERE** to test how well you know about energy savings!

First 30 to ace this quiz will win a one-off RM30 GrabPay/ TNG credit.

Maximise Your Air Conditioner Efficiency | Never Leave The Water Tap Running

**#GreenAtWork**

Educational quizzes and games were rolled out to encourage environmental conservation and awareness

**SUNWAY LAGOON MALAYSIA**

**VIRTUAL TREASURE HUNT**

RECONNECT & HUNT WITHOUT BOUNDARIES

**Celebration of family values and inclusivity**

Klang Valley employees were sent family-friendly packages and participated in an online Family Day from the safety of their homes. Virtual games, quizzes and treasure hunts were organised



**EMBRACING NEW NORMAL UNDER THE COVID-19 PANDEMIC**

In October 2020, we conducted a voluntary survey to gauge employee sentiment on the work arrangements arising from the COVID-19 Movement Control Order and employee confidence on our overall response to the pandemic outbreak.



**632 responses**

(over 50% response rate) were received, with the following results:

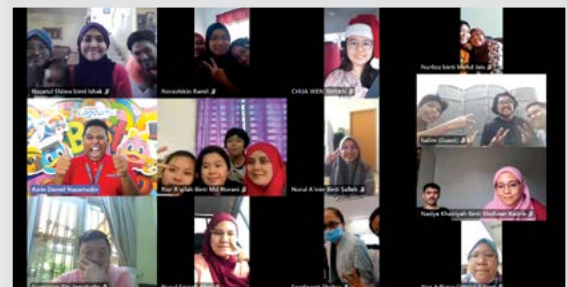
- For those required to work in the office, 92% felt safe.
- Nearly 98% thought responses from Kenanga on the pandemic were timely and effective.
- A total of 98% of respondents believed that the bank has been supportive in terms of health and safety.
- Over 98% believed that communication and management advice relating to the pandemic was regular, clear, and timely.
- Over 80% felt that the quality of communication and interactions with colleagues, superiors, and external parties were maintained, or improved in their work arrangements at the time.

## SUSTAINABILITY STATEMENT



### Celebration of heritage

Founder's Day is held annually to honour the heritage of Kenanga and the achievements of Founder Emeritus & Adviser YM Tan Sri Tengku Noor Zakiah



### Celebration of cultural diversity

Onsite and virtual events were held to celebrate main cultural festivities throughout the year

## Community Investment



### Supporting the Underserved


Kenanga has a long history of social responsibility interventions, ranging from philanthropic donations and outreach programmes to fundraising initiatives. While we continue to participate in these efforts, the core thrust of our community investment activities in recent years has also focused on supporting social enterprises that are working with marginalised communities, particularly people with disabilities.

We offer these organisations continuous support that empowers them to make positive change and maintain a financially sustainable enterprise. Two of our longest standing social enterprise partners are Silent Teddies Bakery and Dialogue Includes All (formerly Dialogue In The Dark). The former is a Kuala Lumpur bakery staffed entirely by hearing-impaired youths, while the latter, spearheaded by disabled activist Stevens Chan, operates a café and an exhibition.

With the COVID-19 pandemic severely disrupting the operations of these social enterprises, we extended direct financial aid to both groups, which was distributed throughout the year, in addition to the regular support we provide via purchases and fundraising activities.

Some of the community support activities in 2020 included:

AREA	INITIATIVES
Support for Social Enterprises 	<ul style="list-style-type: none"> <li>• Provided financial aid to Silent Teddies Bakery and Dialogue Includes All</li> <li>• Purchased crafts handmade by the Hazara refugee community via our partnership with social enterprise, Life2Life, which were distributed to employees for our Digital Family Day</li> <li>• Purchased gift sets from Dialogue Includes All and baked goods from GOLD 3C Bakers as corporate gifts</li> </ul>

AREA	INITIATIVES
Support for Non-Profit Organisations  	<ul style="list-style-type: none"> <li>• Provided financial aid and participated in a book fundraiser to support the Society for the Severely Mentally Handicapped in Selangor</li> <li>• Contributed wheelchairs to the Tabung Programme Bantuan Kerusi Roda in partnership with Yayasan Malindo Worldwide and Jabatan Kebajikan Malaysia, via Kenanga Investors Berhad</li> <li>• Provided financial contributions to Persatuan Kebajikan Kanak-kanak Terencat Akal (IQ70plus) to help the association with the provision of professional care for children with developmental disorders and disabilities</li> </ul>

**Promoting Financial Literacy**

According to a survey, one in three\* Malaysians rated themselves as having a low level of confidence about financial management, putting them at risk of poor financial health. As a key player in the financial services sector, we are committed to advancing the financial literacy agenda within the community around us, with the objective of empowering individuals to take charge of their financial wellbeing.

Our financial literacy programmes continued throughout 2020 despite the disruptions from the pandemic, as our teams embraced digital engagement platforms. From webinars aimed at educating novice traders to panel discussions offering technical analysis for seasoned traders, we conducted a total of 149 education outreach sessions throughout the year.



\* Financial Education Network. MALAYSIA National Strategy for Financial Literacy 2019-2023. Retrieved from <https://www.sc.com.my/api/documentms/download.ashx?id=6385977c-bd2c-4612-bda8-9ce6a5961720>

Teams and individuals from across the Group contributed to various industry financial literacy activities throughout 2020. Some highlights include:

Kenanga Futures Sdn Bhd presented insights on <b>'Digital Urgency For Capital Market Businesses'</b> during the Business Foresight Forum (BFF 2020), held during the <b>SIDC Virtual Conference</b>	Group wide participation at e-booth to educate visitors on investment and trading, introducing them to our offerings during the <b>SIDC Virtual InvestSmart Fest 2020</b>
Algorithm/Quant Trading Solutions discussed the evolution of the investment landscape and alternative products and services as part of the <b>'What Will 2021 Hold for Malaysia's Wealthtech Industry?'</b> forum, hosted by <b>Fintech Fireside Asia</b>	Kenanga Investors Berhad presented insights, training and campaigns during a series of <b>Market Outlook Webinars</b> in partnership with iFast and PhillipCapital
Kenanga Investors Berhad took part in <b>FPAM Financial Literacy Year 2020</b> by championing the financial planning agenda for the event.	Kenanga Investors Berhad participated in open forum discussions among industry experts during the <b>Association of Financial Advisers' 9th Annual AFA Conference</b>



## SUSTAINABILITY STATEMENT

<p>Islamic Markets team participated in the <b>Arshad Ayub Graduate Business School Universiti Teknologi MARA Industry-Faculty Lecture Series</b> to discuss the Islamic Equity Market</p>	<p>Kenanga Investors Berhad participated as a panelist at a webinar event <b>Malaysia Investment Management 2020: A Dynamic and Competitive World by Refinitiv</b>, discussing the future of asset management and sustainable-driven investments</p>
<p>Equity Broking team participated in <b>Japan Tobacco International (JTI)</b> “brown-bag” session for their employees entitled Bursa Mastery, which focused on stock trading.</p>	<p>Kenanga Investors Berhad participated in the <b>Asset Management Trends in Asia by Asia Asset Management</b> webinar, which focused on trends shaping the sector, impact of the ongoing pandemic and the case for ESG investing</p>

More generally across our business units, we also continued with our ongoing efforts to support financial literacy within the community through articles in publications, webinars, virtual roadshows, exhibitions and other outreach programmes.

Business Unit	Virtual Forums	No. of Sessions
Stockbroking	Webinars, Exhibitions	18
Structured Warrants	Webinars	15
Investment and Wealth Management	Workshops, exhibitions, seminars, webinars	98
Futures Broking	Webinars & interviews	27
<b>GRAND TOTAL</b>		<b>149</b>

# ENVIRONMENTAL

## Environmental Stewardship >



### Material Topics:

#### 1. CLIMATE IMPACT

We support Malaysia’s national emission reduction targets and in a commitment to manage and minimise our climate impact, we are working to conserve natural resources by managing our carbon footprint. Additionally, we promote environmental conservation and awareness amongst employees to enhance understanding of environmental issues and empower them as environmental stewards.

## CLIMATE IMPACT



We are continuously examining our internal operations to identify opportunities to achieve energy efficiencies. Environmental stewardship not only positively impacts the world we live in; it also lowers our operating costs and increases the efficiency of our business.

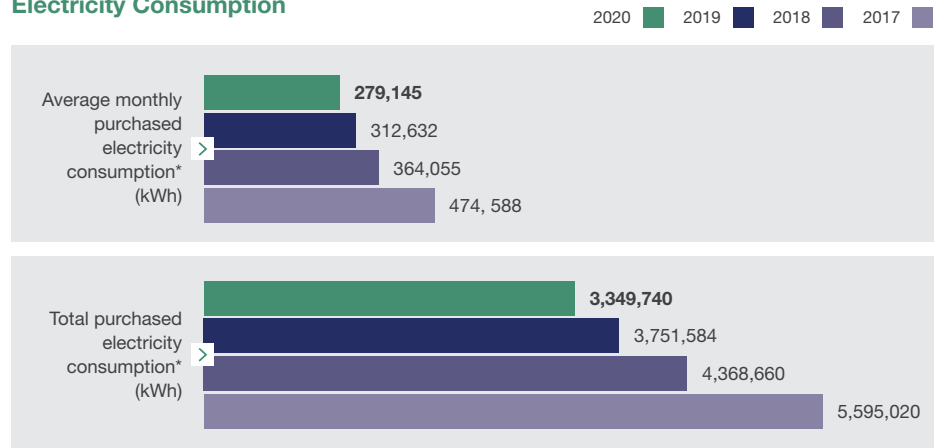
### Using Energy Efficiently

We have embarked on an energy-saving plan to operationalise energy efficiency efforts in Kenanga Tower since we relocated to it in 2017. In 2020 we were able to observe further impacts of this plan, recording a 10.7% or 401,844 kWh reduction in total purchased electricity consumption. We do however acknowledge that the WFH policy in response to COVID-19 is likely to also have contributed to this reduction.

As part of our efforts to improve energy efficiency, we have also invested in an enhanced chiller system in Kenanga Tower, designed to reduce energy usage while maintaining the temperature of the premises. This enhancement is targeted to save up to 53% in electricity costs, while extending the lifespan of our heating, ventilation and air conditioning systems.

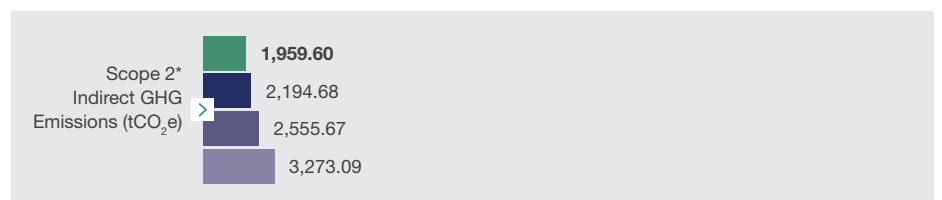
As of 2020, we are in the process of improving our data collection for Scope 3, and in future, we aim to expand this calculation to our GHG emissions.

### Electricity Consumption



\* Data for Kenanga Tower.

### GHG Emissions



\* Our Scope 2 emissions figures are derived from purchased electricity consumption throughout Kenanga Tower, converted using emissions factors for the Peninsular Malaysian grid. Emissions factors were sourced from the Malaysian Green Technology Corporation’s 2017 CDM Electricity Baseline Final Report.

## SUSTAINABILITY STATEMENT

### Water Efficiency

We track our water consumption year-on-year to better understand our water use and to implement initiatives designed to reduce, reuse and recycle. A rainwater harvesting system was installed on the rooftop of Kenanga Tower in 2016 to collect and channel rainwater for sanitary use and for the benefit of all Kenanga Tower tenants. In 2020, our water consumption\* was reduced to 15,946 m<sup>3</sup>, from 18,661 m<sup>3</sup> in 2019. As with the electricity consumption, it is likely correlated with the WFH policy in response to the COVID-19 pandemic.

\* Calculation note: figures for water consumption have been calculated from water bills.

### Managing Waste

We are conscious of the office waste we produce, with paper and e-waste being the two primary areas of focus. We comply with waste management regulatory requirements and have appointed licensed waste disposal contractors to manage and dispose of our solid waste. Paper waste is sorted and channelled for recycling, while computer, media storage, and other e-waste, are routed for proper destruction, repurposing and recycling.

### Promoting Environmental Awareness

The annual #GreenAtWork campaign, introduced in 2017 was aimed at creating awareness and understanding about personal environmental impact amongst our employees. This campaign continued in 2020 despite employees working remotely for the majority of the year, with themes relating to food waste, energy savings at home and zero waste lifestyles.

### Earth Hour 2020



- We supported this international campaign for the 11<sup>th</sup> consecutive year by switching off lighted signs and nonessential lights at our premises nationwide.

### Pop Quiz

- We held 3 pop quizzes (over 200 participants per session) in conjunction with #GreenAtWork, to raise awareness of current environmental issues and to challenge our employees' knowledge on the campaign themes for 2020.

## MOVING INTO 2021

Established in 1973 as one of Malaysia's first stockbroking houses, and with Founder Emeritus & Adviser, YM Tan Sri Tengku Dato' Paduka Noor Zakiah accepted as the first female member to Bursa Malaysia Securities Bhd, Kenanga is familiar with the concept of charting new territory with an eye on the future. As the investment landscape continues to evolve, so too will our sustainability journey.

With regulators increasingly focused on climate-related risk mitigation, and the role of businesses in supporting Malaysia's achievement of the SDGs becoming increasingly urgent, we recognise that creating sustainable shared value for all our stakeholders will become a key component of our strategic outlook.

Practical steps for the coming year include the review of a multi-disciplinary Board-led Sustainability Governance Framework to manage EES matters relevant to our operations; to closer align the Group's priorities to the SDGs to which we will contribute meaningfully; and to adopt an outlook that will set out clear goals to move us further towards integrating sustainability throughout the business.