

kenanga



SUSTAINABILITY REPORT  
**2022**

# Our Reports

The Annual Report 2022, Corporate Governance Report 2022 and Sustainability Report 2022 are our primary reports.

Supplementary information are 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.

## Cover Rationale

At Kenanga, we uphold four core values: agility, collaboration, trustworthiness, and future facing. These values underpin our dedication to building a strong and resilient organisation that can navigate the challenges of the ever-evolving financial landscape.

Our commitment to these values empowers us to remain agile in our approach, collaborate effectively with colleagues and partners, maintain the highest standards of trustworthiness, and remain future facing by actively seeking out new opportunities in digital innovation for financial inclusion.

The paragliding image on our Sustainability Report's cover symbolises our commitment to taking calculated risks in the pursuit of success, and our willingness to explore uncharted territory. Despite the inevitable ups and downs of the financial world, we remain dedicated to doing what is best for our organisation and our stakeholders. We continuously push boundaries, innovate, and pursue new opportunities for growth and value creation.

# 49<sup>th</sup> ANNUAL GENERAL MEETING

**Date** : Thursday, 25 May 2023

**Time** : 11.00 a.m.

**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/AGM2023> or by scanning the QR code above.

# INSIDE THIS REPORT

## SECTION 1

### ABOUT THIS REPORT

Reporting Scope and Boundaries	3
Guidelines and Standards	3

## SECTION 2

### WHO WE ARE

Our Locations	4
Our Network at a Glance	4
Our Corporate Structure	5
Our Core Business Segments	6
Our Brand Values	7
Leadership Statements	8

## SECTION 3

### PROGRESSING TOWARDS A SUSTAINABLE FUTURE

Our Key Milestones	14
Our Contribution to UN SDGs and UN Global Compact's Ten Principles	16
Our ESG Framework	19
An Insight into Our Stakeholder's Perspectives	20
What is Material to Us	21
Our Sustainability Goals and Roadmap	23

## SECTION 4

### MANAGING OUR SUSTAINABILITY RISKS

Response to ESG and Climate Risks	25
Our Approach	25
Key Emerging Risks	25

## SECTION 5

### GOOD GOVERNANCE

Good Business Conduct	34
Regulatory Compliance	37

## SECTION 6

### SUSTAINABLE ECONOMIC GROWTH

Responsible Investing	44
Digitalisation	49
Cyber Security	55
Client Experience	58

## SECTION 7

### ENVIRONMENTAL STEWARDSHIP

Managing Our Climate Impact	61
-----------------------------	----

## SECTION 8

### EMPOWERING PEOPLE AND COMMUNITIES

Diversity and Inclusion	68
Employee Health, Safety and Wellbeing	73
Talent Attraction, Development & Management	75
Community Investment	84

## SECTION 9

### AWARDS AND RECOGNITIONS

Our Notable Recognitions in 2022	89
----------------------------------	----

## SECTION 10

### ESG PERFORMANCE DATA

ESG Performance Data	91
----------------------	----

## SECTION 11

### GRI CONTENT INDEX

GRI Content Index	94
-------------------	----

## ABOUT THIS REPORT

Kenanga Investment Bank Berhad (“**Kenanga**”, “**the Group**” or “**Kenanga Group**”) presents our second standalone Sustainability Report 2022 (“**the Report**”), complementing our brief Sustainability Statement within our Annual Report 2022. This report provides a detailed overview of our approach towards managing our stakeholder-relevant environment, social and governance (“**ESG**”) topics, goals and performance.

We have outlined 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 the investment banking landscape.

Following the release of our inaugural Sustainability Report in 2021, further enhancements have been made in this year’s disclosures which include Scope 1 and 2 Greenhouse Gas (“**GHG**”) emissions data inclusive of branch offices nationwide, Scope 3 disclosure on business travel and the inclusion of a new material topic which is Employee Health, Safety and Wellbeing into our materiality assessment.



## ABOUT THIS REPORT

### Reporting Scope and Boundaries

The contents of this Report encompass full year data for the fiscal year ending in December 2022, from 1 January 2022 to 31 December 2022 (“**2022**” or “**FY2022**”), which cover our operations in Malaysia, including our Kuala Lumpur-based headquarters, Kenanga Tower and branch offices nationwide. All monetary values are reported in Malaysian Ringgit (“**RM**”) and this Report should be read in conjunction with our Annual Report 2022.

### Guidelines and Standards

This Report complies with 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 **94-96**.

We have further aligned our ESG disclosures with the following:

- Bursa Malaysia Securities Berhad (“**Bursa Securities**”) 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

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

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

The GHG emissions were calculated using an international assurance standard, the GHG Protocol Corporate 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 internally reviewed, assured and approved the Sustainability Report 2022 and Sustainability Statement 2022. We are continuously refining our data collection process to enhance our disclosures in future reports. Moving forward, we aim to seek assurance for our sustainability reporting and statement.

### 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

We welcome all feedback and comments, kindly direct them to:

**Group Chief Sustainability Officer,  
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)

Our Sustainability Report 2022 is also available on our corporate website (<https://www.kenanga.com.my/who-we-are/sustainability>).



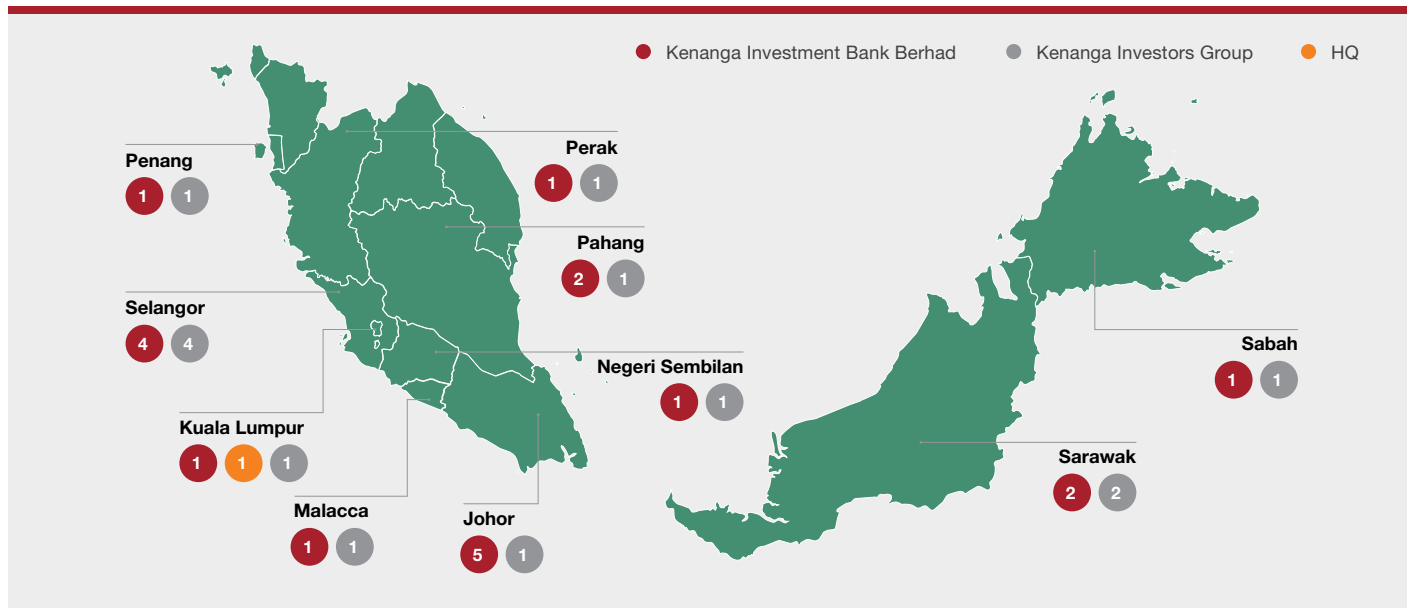
Scan here to our sustainability microsite for more information and downloads.

# WHO WE ARE

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 almost five (5) decades, through our wealth of experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending and trade financing.

As part of our continued pursuit of innovation and transformation in the digital environment, we continue to strive for greater heights as the nation's leading stockbroker with the largest remisier network. As a leading investment institution, we have positioned our unwavering commitment to drive market collaboration, innovation, and digitalisation.

In this new era of finance centered on digitalisation and new technologies, it is vital that we continue to reimagine and reshape our products and offering, to meet the demands and expectations of our clients and the market. As we move forward, we will continue to tap into data-driven insights around clients, as well as business behaviours and needs to guide decision-making and our processes. Our efforts to integrate inclusivity to our investment and wealth management products and services, have led to the development of creative solutions that enable democratisation of access such as, Malaysia's first fully online stock trading 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 ("A.I.")-driven Robo-advisory platform launched in 2022. We are currently developing Malaysia's first Wealth SuperApp and look forward to its rollout in 2023.



## OUR NETWORK AT A GLANCE



Clients  
**Over 500,000**



Employees  
**Over 1,300**



Branches  
**34 Branches**



Licensed Representatives  
**over 6,500**

## FINANCIAL PERFORMANCE

### Revenue (RM million)



### Profit Before Tax (RM million)



### Net Profit (RM million)



# 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.

<b>Equity Broking</b>	We provide product and services to meet 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, and securities borrowing and lending.
<b>Corporate Investment Banking</b>	We provide capital raising solutions and services such as corporate banking, corporate finance, debt capital markets, equity capital markets and private equity.
<b>Treasury</b>	We offer a comprehensive array of treasury investment and hedging solutions. In addition, we have a team responsible for delivering inputs on indicative prices or levels and market updates for the money, fixed income, and foreign exchange market.
<b>Islamic Banking</b>	We provide Shariah-compliant investment banking services and products. All of Kenanga’s Skim Perbankan Islam and Islamic Stockbroking Window products are sanctioned by its Shariah Committee in accordance with regulatory mandates.
<b>Listed Derivatives</b>	We provide our clients access to trade on both Bursa Malaysia Derivatives Berhad (BMD) and Chicago Mercantile Exchange (CME) Group, the largest derivatives exchange in the world.
<b>Investment Management</b>	We offer conventional and Shariah-compliant investment solutions, comprising collective investment schemes, private retirement schemes, portfolio management services, and alternative investments, to retail, corporate, and high-net-worth individual clients.
<b>Structured Lending and Trade Financing</b>	We provide financial instruments such as equity, structured finance, Islamic factoring, and Islamic margin financing.





## OUR BRAND VALUES



### AGILITY

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



### 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.

## CHAIRMAN'S MESSAGE



### **DEAR SHAREHOLDERS,**

I am pleased to present to you the Sustainability Report 2022, reflecting our continued commitment to environmental, social, and governance (“**ESG**”) initiatives and the progress we have made towards creating a sustainable future.

We acknowledge that addressing ESG matters is not only crucial to our organisation’s success as a leading investment bank, but also significant for the overall wellbeing of the planet and its people. Our sustainability approach is reflected in our values and understanding of the complex economic, environmental, social, and governance challenges faced by our industry, communities, and the world at large. The implementation of an enterprise plan with integrated ESG aspects remains a priority for us, reflecting our commitment to responsible business practices.

## CHAIRMAN'S MESSAGE

### A YEAR OF ACTION

Towards the end of 2021, Kenanga became Malaysia's first investment bank to join the United Nations Global Compact ("UNGC") Network, the largest voluntary corporate sustainability initiative in the world. Since then, we have made a commitment to enhance our value system and approach to doing business through the integration of the UNGC's Ten Principles, which will provide an ethical foundation for all aspects of our business and operations.

While 2021 was a year of laying our foundation, setting directions, computing baselines, prioritising gaps and marshalling resources, 2022 saw Kenanga accelerating in full speed to deliver with the aim of increasing our positive impact and creating long-term value for our stakeholders.

I am proud to report that Kenanga made tremendous strides in carrying out our strategy, including the launch of three (3) ESG funds under the Kenanga Sustainability Series, reduction in carbon footprint, support of local communities through fund-raising and volunteerism, as well as raising awareness on mental health at the workplace. We have come to appreciate the crucial role that mental health plays in both personal and professional lives of individuals, and we aim to create an environment that is safe and supportive for our employees.

One of the main priorities of the year was to accelerate employee awareness and understanding of sustainability issues relevant to our industry. UNGC sustainability learning modules were rolled out for all employees on the Kenanga Learning Management System, employee onboarding content was updated to include a sustainability component and bespoke workshops were run for Board members. The capacity building approach that was tailored and comprehensive, sparked engagement with over 95% of employees and was successful in fuelling effectiveness and momentum required to progress our ambition and agenda.

Promoting ethics and good governance has been a cornerstone of our identity as a financial institution and this year, Kenanga rolled out the much-anticipated annual Fraud Awareness Week campaign to its largest audience yet. With zealous endorsement and participation from over 2,000 industry peers, regulatory representatives and our own valued employees, it is heartening to witness the profound impact of our advocacy efforts. The level of support and engagement from our stakeholders is a testament to the importance of ethics and good governance in the financial sector and reinforces our commitment to these principles.

These are but some of the highlights of the year. Our sustainability initiatives are integrated into our business operations, and are carefully aligned with the United Nations Sustainable Development Goals ("UN SDGs"). The following pages within this Report provide a more comprehensive overview of our sustainability performance, and I invite you to go through it to learn more about our efforts.

### A SUSTAINABILITY ROADMAP

As an extension of the Kenanga Sustainability Framework released the year before, the Group Sustainability Management Committee, chaired by Group Managing Director, Datuk Chay Wai Leong ("**Datuk Chay**"), initiated the development of Goals and Targets that were cascaded throughout the organisation. Elevating accountability and harmonising line of sight, the Board-approved goals and granular targets have now been integrated into relevant senior management team's KPIs and Scorecards, facilitating and reinforcing a culture of sustainability.

Underpinning this exercise is a three (3)-year Sustainability Roadmap, designed to reflect our strategic ESG priorities and focus areas. With this Roadmap, we now have a structured and cohesive approach for us to allocate resource, track and monitor performance, as well as communicate with our stakeholders.

### INDUSTRY ACCOLADES AND INCLUSION ONTO FTSE4GOOD INDEX

Throughout the year, we were honoured to have been awarded multiple accolades from various institutions for our sustainability initiatives and achievements. UNGC Network Malaysia & Brunei ("**UNGCMYB**") recognised us for our efforts in Sustainable Product; Partnership for Goals and Sustainability Awareness and Employee Engagement, and we also received Bank of the Year Award for ESG Excellence and Long-Standing Excellence in Sustainability from CSR Malaysia.

## CHAIRMAN'S MESSAGE

Further to this, in December, Kenanga gained inclusion onto the prestigious FTSE4Good Bursa Malaysia (“**F4GBM**”) Index, a globally recognised benchmark for companies that have demonstrated their commitment to ESG practices. We now join 10% of Malaysian public listed companies who are constituents on the Index.

These recognitions are a testament to the hard work and dedication of our teams, who have been unwavering in their efforts to advance our ESG agenda, and it serves as a catalyst for us to continue pushing boundaries and setting new standards in this critical area.

Our inclusion on the F4GBM Index and receiving these awards are noteworthy highlights, but we also recognise there is still more to be done and this is only the beginning.

### **FORWARD MOMENTUM**

Looking ahead, we remain committed to continuing our progress and to working closely with our stakeholders to advance sustainability. Our sustainability strategy is a long-term journey, and we will continue to evolve and adapt as we learn and grow.

I would like to extend my appreciation to the Group Sustainability Management Committee for their dedication and commitment under the leadership of Datuk Chay. I would also like to thank all our Board members, employees, clients, regulators, and all stakeholders for their ongoing support and engagement in our sustainability initiatives. Together, we can create a more sustainable future for all.

### **TAN SRI DATO' SERI SYED ZAINOL ANWAR IBNI SYED PUTRA JAMALULLAIL**

Chairman

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



**DATUK CHAY WAI LEONG**

Group Managing Director  
Chairman, Group Sustainability Management Committee

1

### How would you describe Kenanga's sustainability commitment?

No doubt we have been accelerating our focus on sustainability in recent years, but ESG is not a new concept for us. As a homegrown brand that has evolved from strength to strength over the last 50 years, Kenanga's pursuit of prosperity has always been balanced with a broader view of our impact.

For example, we have always taken pride in having a diverse workforce and being fair and equitable to our employees; being a strong proponent of good governance; being a responsible environmental steward, as well as supporting marginalised communities where possible.

Sustainability today is rapidly-evolving as the challenges facing local and global communities are increasingly complex and interconnected, but we remain committed to understanding the changing expectations, and to take necessary steps to drive a resilient and equitable future for all.

2

### What are your thoughts about climate change and how is Kenanga responding to it?

From devastating floods, to unprecedented forest fires around the world, climate change is a reality that has impacted millions of lives and an urgent threat that requires all parties – policy-makers, businesses, individuals – to take cohesive action.

As one of Southeast Asia's largest economies, regulators in Malaysia are accelerating the financial sectors' response to climate risk and pace of transition, in order to support the country's Net Zero target. In line with regulatory requirements, we are integrating climate risk assessments into our investment processes through the implementation of our Climate Change Risk Management Framework that is aligned to the Climate Change and Principle-Based Taxonomy issued by Bank Negara. In addition to that, our asset management division has been introducing several ESG funds from its Kenanga Sustainability Series. These funds are a suite of multi-asset products that integrate sustainability considerations with our oversight of the ESG integration strategy to advance long-term financial growth for investors.

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

**3**

### How do you see innovation and technology playing a role in sustainability?

From automating energy-efficient systems in our premises that is reducing one third of our energy use, to introducing the first fully online stock trading platform in Malaysia that has unlocked financial inclusion amongst hundreds of thousands of first-time traders, we are strong advocates of embracing technology to drive innovation, efficiency and sustainable growth that benefit businesses, communities and environment.

In 2022, we partnered with Ant Group, a globally recognised and experienced infrastructure and platform provider, to develop Malaysia's first Wealth SuperApp. We look forward to not only unifying a broad spectrum of financial offerings under one (1) roof, but more importantly, to make wealth creation more accessible by democratising financial services for the millions of Malaysians around the country who want better, swifter and cheaper access to financial products and solutions.

As we progress towards a future driven by digital innovation, cyber resilience has become increasingly critical to manage risks, data protection and stability of our operations. Unsurprisingly, cyber security emerged as the most material issue with all our stakeholder groups in our recent materiality assessment. Continuous review and reinforcement of our cyber security infrastructure, keeping a close eye on developments and threats in the digital sphere and enhancing the overall cyber security procedures of our operations, are at the core of our digital and technology strategy.

**4**

### How does Kenanga measure success of its sustainability initiatives and how does it plan to continuously improve in this area?

As of last year, we have implemented a data dashboard that facilitates a continuous monitoring of our progress across the organisation. In addition, we also have a set of Board-approved ESG goals and targets that are aligned to our Sustainability Framework and have been cascaded via relevant KPI owners and scorecard system. Ensuring continuous engagement with regulators, industry players and stakeholders is also critical to keep us abreast of best practices and industry standards that are rapidly evolving.

It's all about taking practical incremental steps, and a continuous review of our approach, progress and outcome to ensure our sustainability initiatives are effective and delivering value.

**5**

### What can be anticipated from Kenanga with regards to sustainability in the coming year and what is the organisation's direction in this area?

Our main focus includes reinforcing our three (3)-year Sustainability Roadmap, which lays out specific goals and targets that will drive our sustainable business practices forward. We also aim to advance financial inclusion and capital allocation through our products and value chain.

While we recognise the urgency of upping our ante in ESG performance, we are also aware of the nuances of greenwashing and its consequences that have damaging impact. We need to tread carefully and to take on a comprehensive view of our actions and decisions.

## CONGRATULATORY NOTE FROM EXECUTIVE DIRECTOR, UN GLOBAL COMPACT MALAYSIA BRUNEI



“We welcomed Kenanga Investment Bank Berhad into the UNGC’s Network towards the end of 2021. As the first investment bank in Malaysia to be part of the Network, it signalled a momentous commitment from the organisation to join the global movement towards realising the UN SDGs.”

### **FAROZE NADAR**

**Executive Director,  
UN GLOBAL COMPACT MALAYSIA BRUNEI (“UNGCMYB”)**

It has been encouraging to witness the significant strides taken by Kenanga to adopt sustainable and responsible business practises. At the UNGCMYB’s Sustainability Performance Awards in December 2022, we were pleased to recognise the impact they have delivered under three (3) categories.

‘Partnership for the Goals’ was a nod towards Kenanga’s collaborations with various organisations to drive different aspects of sustainability, especially by focusing on expanding financial inclusion through digitalisation. One of the highlights is their partnership with innovative technology provider, Ant Group to develop the country’s first Wealth SuperApp, which will further democratise access to the world of investing.

Under ‘Sustainable Products’, Kenanga was awarded for its Kenanga Sustainability Series, a suite of multi-asset class products rooted in sustainability considerations that aims to advance long-term financial growth for investors while generating social and financial value for surrounding communities. One of the products under the Series is the World Quality ESG Fund, a feeder fund that invests in companies within the MSCI World Index that meets stipulated ESG criteria.

Kenanga also received recognition for their efforts in promoting ‘Sustainability Awareness and Employee Engagement’. Our team at UNGC worked closely with Kenanga to integrate multiple online sustainability-related learning modules onto Kenanga’s Learning Management System, accelerating capacity building throughout the organisation and garnering up to 2,230 enrolments from employees across the company for two (2) UNGC’s e-learning modules on ‘How to Understand and Take Action on the Global Goals,’ and ‘Translating Human Rights into Business Practice.’

We are proud to have Kenanga as a key participant within the UNGC family in Malaysia and I have every confidence they will keep up the momentum to continue moving the needle within their organisation and the industry.

Congratulations and well done, Kenanga!

# PROGRESSING TOWARDS A SUSTAINABLE FUTURE

As a financial institution, we recognise the impact we can create in contributing towards building a sustainable future. Our commitment lies in embracing sustainability in what we do and in doing so, we create shared value for our stakeholders. Sustainability, as a driver of risks and opportunities, is continuously being incorporated into our business practices and decision-making processes.

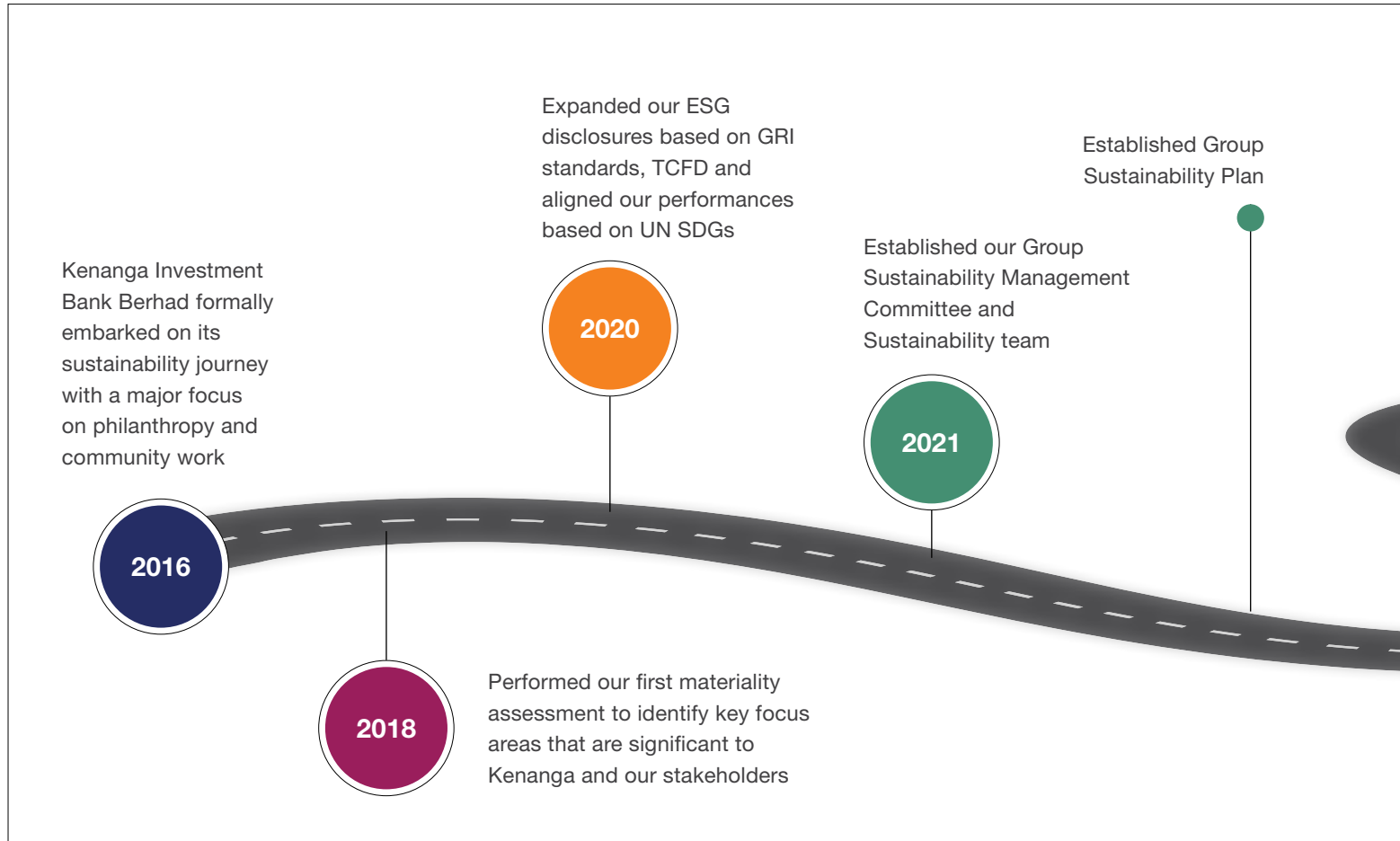


“With sustainability issues rapidly evolving, navigating our progress on a clear Sustainability Roadmap will enable us to accelerate cohesive integration of ESG within the various aspects of our operations. Having put in place the necessary framework and strategies, our priority now lies in execution and delivery to achieve our goals and ambition that is predicated on creating meaningful long-term value for our stakeholders.”

### CHUAH SZE PHING

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

## Our Key Milestones





## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### Enhancing Our Sustainability Disclosure and Communications



Established Sustainability Goals, Targets & 3-year Sustainability Roadmap

Released our first standalone Sustainability Report and a microsite

Enhanced our sustainability communications – media, website

Initiated data requirement analysis for improved disclosures

Developed ESG data collection dashboard

Conducted a comprehensive group-wide materiality assessment

Group-wide capacity building

### External Recognition



Bank of the Year Award for ESG Excellence by CSR Malaysia

Long-Standing Excellence in Sustainability from CSR Malaysia

Malaysia Best Impact Investing Manager, Best Application of ESG by Asia Asset Management

Three (3) awards from UNGCMYB for Sustainable Product Recognition, Sustainability Awareness and Employee Engagement, and Partnership for Goals



FTSE4Good

- Gained entry to FTSE4Good Bursa Malaysia Index
- Top 25% by ESG Ratings amongst public-listed companies in FTSE Bursa Malaysia EMAS Index that was assessed by FTSE Russell

2022

Developed a Climate Change Risk Management Framework

Formulated ESG Integration Framework and Sustainability Blueprint

First independent investment bank in Malaysia to be part of the UNGC Network

Introduced Kenanga ESG Framework

Launched our first Kenanga Sustainability Series





## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### OUR CONTRIBUTION TO UN SDGs AND UNGC'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.

UN SDGs	SDGs Targets We Contribute Towards	Relevant UNGC Principles	Our Contribution to UN SDGs and UNGC Ten Principles	Our Progress in FY2022
	1.4 Equal rights to economic resources as well as access to basic and financial services	Principle 1: 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> </ul> <p>Please refer to page <b>84</b></p>	<ul style="list-style-type: none"> <li>Contributed over RM180,000 to community investments and impacting over 4,000 lives</li> <li>Continuous support of social enterprise partners, Dialogues Includes All and Silent Teddies for 11 consecutive years</li> </ul>
	4.4 Increase the number of people with relevant skills for employment, decent jobs and entrepreneurship	Principle 1: 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> <p>Please refer to page <b>87</b></p>	<ul style="list-style-type: none"> <li>Conducted over 90 sessions including webinars, exhibitions, seminars, and live series with over 20,000 participants</li> </ul>
	5.5 Women’s full and effective participation and equal opportunities for leadership	Principle 6: 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> <p>Please refer to page <b>68</b></p>	<ul style="list-style-type: none"> <li>51% of our total workforce are women</li> <li>36% of our key and senior management are women</li> <li>Overall average gender pay ratio of men to women is 1:0.92</li> </ul>
	7.2 Increase global percentage of renewable energy 7.3 Double the global rate of improvement in energy efficiency	Principle 9: 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> <p>Please refer to page <b>47</b> and page <b>60</b></p>	<ul style="list-style-type: none"> <li>Working with reNIKOLA, Malaysia’s leading solar producer, through the Corporate Green Power Program to secure renewable energy</li> <li>Replaced all conventional lighting at Kenanga Tower with LED lights</li> </ul>
	8.3 Encourage the growth of micro-, small- and medium-sized enterprises 8.5 Full and productive employment and decent work for all 8.10 Expand access to banking, insurance and financial services for all	Principle 2: Make sure that they are not complicit in human rights abuses Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: The elimination of all forms of forced and compulsory labour Principle 5: The effective abolition of child labour Principle 6: The elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> <li>Supporting social enterprises through our community investment efforts</li> <li>Ensuring a safe, conducive and thriving workplace for all our employees</li> <li>Expanding client base, particularly the unserved/underserved retail segment via online platforms for investing and trading</li> </ul> <p>Please refer to page <b>87</b></p>	<ul style="list-style-type: none"> <li>Raised over 2,700 meals pledge for Meals That Gives Campaign, as part of the HumanKIND Project. Amount pledged by donors were matched by Kenanga. Over RM50,000 were contributed to the cause</li> <li>Collaborated with Naluri and conducted mental health talks for employees</li> <li>Reported zero workplace injuries</li> <li>Updated our employees maternity and paternity leave in line with the Employment Act 2022</li> <li>Launched three (3) products under Kenanga Sustainability Series</li> <li>Rolled out Kenanga Digital Investing platform to provide easy access to saving and investing</li> </ul>

## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

UN SDGs	SDGs Targets We Contribute Towards	Relevant UNGC Principles	Our Contribution to UN SDGs and UNGC Ten Principles	Our Progress in FY2022
	10.2 Social, economic and political inclusion of all	Principle 6: 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> <p>Please refer to page <b>68</b> and page <b>86</b></p>	<ul style="list-style-type: none"> <li>Spread awareness on gender equality at work through collaborations with organisations such as Tulip Movements on women’s leadership</li> <li>Supported Bursa Securities’ #EqualityforEquity campaign to encourage and attract more women investors</li> <li>Build awareness on sexual harassment policy to all employees and trained managers on managing sexual harassment topic</li> <li>Introduced a volunteering mechanism and recorded over 2,300 volunteering hours, with a total of 295 volunteers participated</li> </ul>
	11.6 Reduce the environmental impact of cities	Principle 8: 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> <p>Please refer to page <b>64</b></p>	<ul style="list-style-type: none"> <li>Included waste monitoring metric into dashboard to record our generated, collected and managed waste by type</li> </ul>
	12.5 Significantly reduce waste generation 12.6 Encourage companies to adopt sustainable practices and sustainable reporting	Principle 8: 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 of eco-friendly products</li> </ul> <p>Please refer to page <b>49</b> Please refer to page <b>66</b></p>	<ul style="list-style-type: none"> <li>Digitalised 61 workflows under the iLeap project in efforts to reduce paper usage and improve workflow efficiency</li> <li>Encouraged employees to start recycling habit by introducing Trashcycle Malaysia</li> <li>Partnered with Zero Waste Malaysia to roll out a workshop for employees on ways to start living a zero-waste lifestyle</li> <li>Recycled 19,974 kg inclusive of 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	Principle 7: 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> <p>Please refer to page <b>26</b></p>	<ul style="list-style-type: none"> <li>Retrofitted Heating, Ventilation and Air-Conditioning (“<b>HVAC</b>”) system at Kenanga Tower with a new A.I. smart chiller system to conserve energy</li> <li>Integrated climate risk assessment in our lending and investment portfolios</li> <li>2,388 enrolments by employees on ESG-related training topics, including climate change</li> </ul>

## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

UN SDGs	SDGs Targets We Contribute Towards	Relevant UNGC Principles	Our Contribution to UN SDGs and UNGC Ten Principles	Our Progress in FY2022
	16.4 Combat organised crime, illicit financial and arms flow	Principle 10: 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> Please refer to page <a href="#">37</a>	<ul style="list-style-type: none"> <li>Held the annual flagship program, 6<sup>th</sup> Fraud Awareness Week (“FAW”) campaign, which saw the participation of over 2,000 from external and internal network</li> <li>Hosted the 7<sup>th</sup> Annual Regulatory Seminar Assessment with over 1,000 enrolments and 10,000 total training hours logged</li> <li>Updated relevant policies to minimise risk of financial crimes (such as Group Donation Policy)</li> </ul>
	16.5 Reducing all forms of corruption and bribery			
	16.7 Responsive, inclusive, participatory and representative decision-making at all levels			
	17.16 Enhance partnership to mobilise technology and financial resources	Principle 1: Business should support and respect the protection of internationally proclaimed human rights Principle 2: Make sure that they are not complicit in human rights abuses Principle 6: The elimination of discrimination in respect of employment and occupation Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies Principle 10: 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> Please refer to page <a href="#">84</a>	<ul style="list-style-type: none"> <li>Initiated partnerships with entities such as:                             <ul style="list-style-type: none"> <li>Ant Group on developing first Wealth SuperApp</li> <li>Silent Teddies and Dialogue Includes All on community outreach programmes</li> <li>UNGC on advancing SDGs</li> <li>Association of Certified Fraud Examiners to organise 6<sup>th</sup> FAW</li> <li>Trashcycle Malaysia on door-to-door service to collect recycle wastes from employees</li> <li>Zero Waste Malaysia to host an interactive session on how to lead a zero-waste lifestyle</li> </ul> </li> </ul>
	17.17 Encourage and promote effective public, public-private and civil society partnership			

## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### 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 while aligning with our targets and strategies.

### 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 strategy 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 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 of investing.



#### 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.



#### Empowering People and Communities

Create a positive impact on our employees, clients, 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.



#### 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.



## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### AN INSIGHT INTO OUR STAKEHOLDER'S PERSPECTIVES

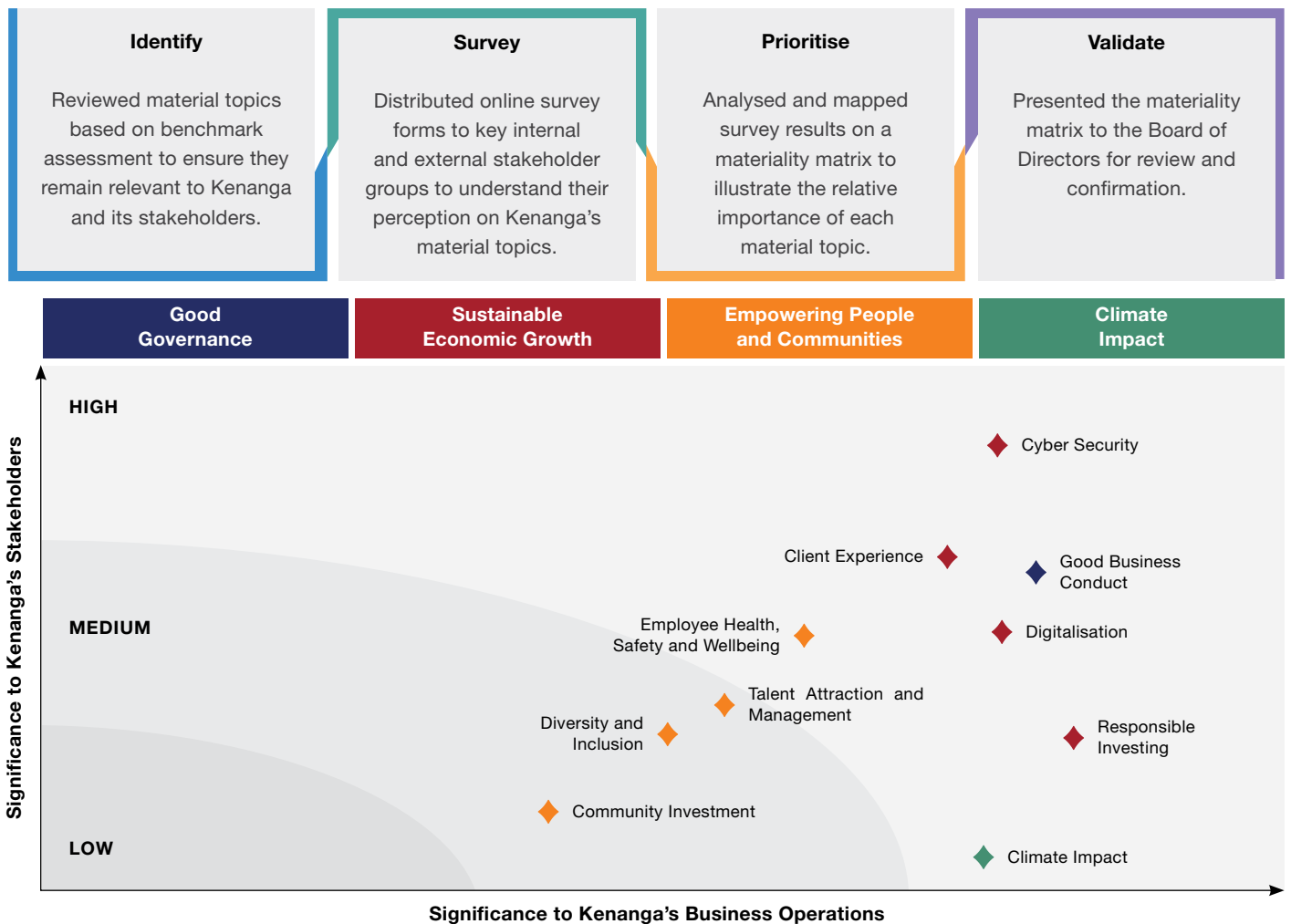
Stakeholder engagement, assessment and feedback are integral to our organisation. We continuously work to improve our engagement approaches through various communication channels to ensure we meaningfully connect with our stakeholders to gather input relevant to current trends and changing expectations.

Our Stakeholder Groups	Our Commitment	How We Engage	Areas of Interest
<p><b>Those to Whom We Are Accountable</b></p> 	<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 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 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>
<p><b>Those Who We Collaborate With</b></p> 	<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>
<p><b>Those Whose Lives We Enrich</b></p> 	<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 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>

## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### WHAT IS MATERIAL TO US

In 2022, we conducted materiality assessment, driven by four (4)-step process, to identify and prioritise ESG topics that are relevant to Kenanga and its stakeholders. The biennial 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.



As part of our FY2022 materiality assessment, we received 1,326 responses from 10 different stakeholder groups, including Board of Directors, employees, remisers and agents, shareholders and investors, clients, regulatory bodies, community organisations, suppliers, media, and the public.

This year a new material topic was added, ‘Employee Health, Safety and Wellbeing’, in line with the Bursa Securities’ enhanced guideline on sustainability reporting. Based on the updated results of the survey in FY2022, the materiality matrix largely remained consistent from the previous assessment. The results indicated that there was an overall higher perceived importance across all the identified 10 material topics.

Through this exercise, we have identified the relative importance of specific ESG concerns and issues to Kenanga, and will serve to guide the formulation and prioritisation of our initiatives in the coming year.

## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

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

Material Topic	GRI Indicators	Description
<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. 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. 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 at the heart of the investment process and promote the sustainability agenda.
<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 robust cyber security solutions through strategic partnerships to protect corporate and client information and enhance cyber security posture. 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 and 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 through monitoring environmental performance, identifying and practising behaviours promoting climate positive outcomes, and raising awareness of climate change and sustainability with internal 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 equality and non-discriminative practices in human resource processes.
<b>Employee Health, Safety and Wellbeing</b>	403: Occupational Health and Safety 2016	Safeguarding employees’ health, safety and wellbeing by promoting a safe and decent working environment while creating an accident-free work environment.
<b>Talent Attraction 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. Reaching out to communities in need through targeted social investments and employee volunteerism.

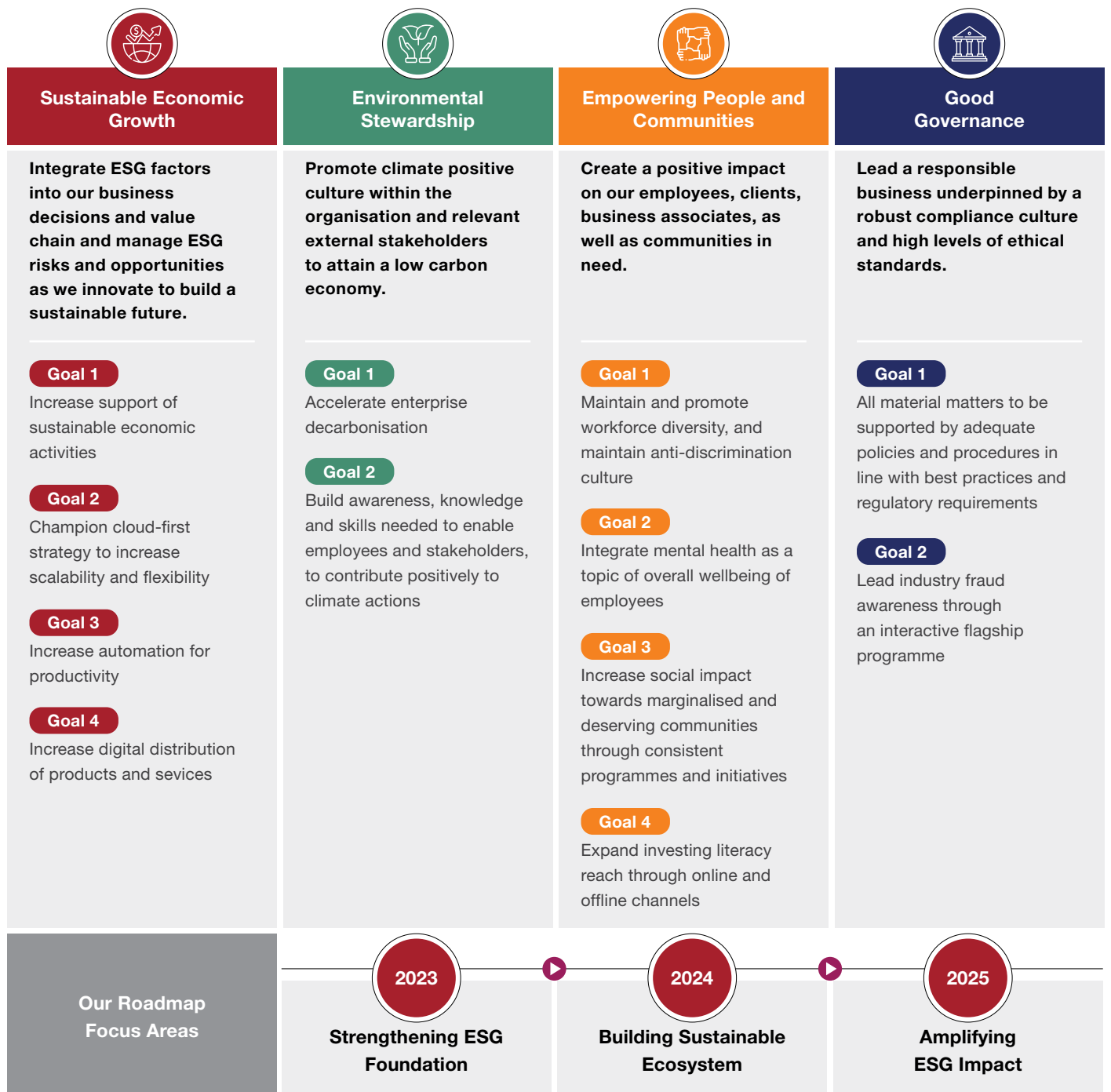


## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### OUR SUSTAINABILITY GOALS AND ROADMAP

Guided by our ESG Framework, we have developed a set of Sustainability Goals and Targets and a 3-year Sustainability Roadmap (“**the Roadmap**”) in FY2022 to operationalise and deliver on our sustainability vision and aspirations.

To support the rollout of the Roadmap, ESG Key Performance Indicators (“**KPIs**”) were cascaded via the 2023 Scorecards of Head of Departments throughout the organisation, further strengthening the integration ESG considerations throughout Kenanga’s business operations.



## PROGRESSING TOWARDS A SUSTAINABLE FUTURE

### Our 3-Year Sustainability Roadmap 2023-2025

**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 will be 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' requirement in line with BNM CCPT and Climate Risk Management and Scenario Analysis by Bank Negara Malaysia, as well as Bursa Securities' Sustainability Reporting Guide 3<sup>rd</sup> Edition
- Upskill relevant sustainability-relevant roles within the organisation and ensure alignment in line with Bursa Securities' Corporate Sustainability Practitioner Competency Framework
- Obtain assurance of our sustainability reporting process for data and 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 risk in group-wide risk management including climate risk throughout the Group's business operations as per updated materiality matrix

2024

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

# MANAGING OUR SUSTAINABILITY RISKS

## RESPONSE TO ESG AND CLIMATE RISKS

Effective and prudent risk management practices are critical to business long-term viability and maintaining stakeholder confidence. As a responsible and committed financial institution, it is our objective to ensure that the business is being managed in a sustainable manner, taking into consideration of the ESG expectations from our stakeholders.



“Climate risk management is increasingly becoming one of the most crucial elements in ensuring the Group’s long-term viability. Our CCRM Framework serves as a fundamental guiding principle and roadmap for the bank’s approach to climate risk management. This forward-thinking approach enables the alignment of our portfolio with practical climate goals and strategies.”

**TAI YAN FEE**

**Group Chief Risk Officer,  
Kenanga Investment Bank Berhad**

## OUR APPROACH

For effective management of risks, the Group is governed by the Enterprise Risk Management (“**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 is responsible to ensure the Group’s activities are consistent with its approved risk appetite, strategies and policies.

ESG factors have rapidly become a critical business driver for organisations in recent years. Kenanga remains committed to integrating ESG considerations into our risk management processes through proactive management, a reinforced ESG risk culture, and robust corporate policies and procedures. For this reporting period, Kenanga has identified ESG-related risks, including climate change, as one of the key emerging risk.

## KEY EMERGING RISKS

Risks	The Impact	Our Response
<b>Cyber Security</b>	With the rapid adoption of digital innovation and remote work arrangements, cyber threats are becoming more prevalent.	Our Technology Risk Management Framework and Cyber Resilience Framework incorporate industry best practices in managing various technology-related risks, including cyber security risks.
<b>Climate Change</b>	Climate change may lead to significant financial consequences to our investment and lending practices.	Integrated our Climate Change Risk Management Framework (“ <b>CCRM Framework</b> ”) into our multi-disciplinary Enterprise Risk Management Framework in FY2022 to guide our investment and lending/financing activities, ESG and climate risk assessment screenings.

For more information on our Risk Management Framework and Governance, please refer to the Statement on Risk Management and Internal Control on pages **110 to 114** of our Annual Report 2022.

## MANAGING OUR SUSTAINABILITY RISKS

We recognise the impacts of climate change as a non-diversifiable risk to Kenanga’s business activities and financial operations. In 2021, we established the Group’s CCRM Framework, which is aligned with the BNM’s CCPT. The CCRM Framework is designed to support the Group in implementing a structured approach for assessing and classifying climate change risk associated with our lending, financing and investment activities.

In 2022, we integrated the CCRM Framework to strengthen our climate risk management strategy and business planning. To build on this, we have further aligned our policy and practice by incorporating the new guidelines introduced by BNM in November 2022, including the Climate Risk Management and Scenario Analysis (“**CRMSA**”) and JC3’s TCFD Application Guide for Malaysian Financial Institutions issued in June 2022 into the Group’s business strategies and enterprise risk management framework. The implementation of these guidelines will be completed in phases and it is in line with regulatory timelines by the end of 2024.

### Overview of Climate Change Risk Management Framework

In line with Kenanga’s commitment to adopting a more sustainable business strategy, the CCRM Framework plays an integral role in supporting the Group as it embarks upon a phased approach towards recognising and addressing climate change risks and opportunities.

#### THE FRAMEWORK AIMS TO

Provide an overview of how climate change impacts our business, clients and the broader economy

Introduce a structured classification methodology to assess and classify our financing and investment activities to ensure they are aligned with the transition to a low-carbon economy

Facilitate the integration of climate change considerations into our existing risk management practices and business activities

Establish the necessary guiding principles to support our financing and investment activities, ensuring they consider climate risks

Identify and formulate appropriate climate-related strategies, feasible risk appetites and targets to improve our readiness towards climate risk management

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



“In our efforts to be a sustainable and responsible financier, the implementation of the CCRM Framework will integrate climate risk analysis into our decision-making process, where we aim to have a financing portfolio that considers the climate change impact to the environment. We intend to raise awareness and work with our clients to incorporate sustainability measures in their business undertakings.”

**WOO KING HUAT**

**Chief Credit Officer,  
Kenanga Investment Bank Berhad**

## MANAGING OUR SUSTAINABILITY RISKS




### Climate Change Risk Management Strategy and Risk Appetite

The Group’s climate change risk management strategy is meant to assist the Group in mitigating climate risks and to steer businesses towards managing climate change risks while supporting the global transition towards a low-carbon economy.

STRATEGY AND RISK APPETITE			
 <b>Fund Allocations for Sustainable Green Economic Activities</b>	 <b>Product Offering and Incentives</b>	 <b>Reduction Targets</b>	 <b>Watchlist - High Climate Change Risk Sectors</b>
OUR FUTURE PLANS			
To allocate appropriate funds to support green economic activities	To continuously develop new products as well as incentives that promote or support green and transitioning economic activities	To ensure that the Group takes initiative to set appropriate targets to reduce and manage climate change risk from its financing and investment activities	To identify and develop a watchlist for sectors that are exposed to high climate change risk as a guide to facilitate Business Units in its conduct of classification and risk assessments

### Climate Change Risk Assessment Criteria (“Climate Change RAC”)

The Climate Change RAC was developed as part of the CCRM Framework in 2021 with reference to the guiding principles stated in BNM’s CCPT, and by referencing industry best practices to support the classification assessment. The Climate Change RAC shall assist Business Units to determine the materiality of ‘significant harm to the environment’ and effectiveness of ‘remedial measure’ by incorporating definitive value or benchmark wherever appropriate for their assessment.

OBJECTIVES		
 Evaluate a potential investment’s climate change impact and attaches a rating	 The rating system classifies whether the investment contributes to climate change mitigation efforts or is harmful to the environment	 Due diligence to assess general ESG practices of the potential investee company

In addition to the CCRM Framework which primarily focuses on the environmental components under ESG considerations, the businesses are also encouraged to put equitable emphasis on the other two (2) components of ESG including Social and Governance in lending or financing and investment activities. Lending, financing and investment that are implicated with serious social and governance issues such as exploitation of labour, corruption and criminal activities involvement shall be avoided.

## MANAGING OUR SUSTAINABILITY RISKS



“As the impacts of climate change continue to manifest around the world, it is becoming increasingly clear that financial and climate risks are fundamentally intertwined. Failing to account for climate risks in financial decision-making not only undermines the stability of our financial system but also puts our planet and future generations at risk. By integrating climate risk considerations into our financial decision-making, we can drive sustainable and resilient growth while mitigating risk and ensuring a more sustainable future for all.”

**DATUK ROSLAN HJ TIK**

**Executive Director, Head of Group Investment and Islamic Banking, Kenanga Investment Bank Berhad**

### Our Task Force on Climate-Related Financial Disclosures (“TCFD”)

We have been gradually enhancing our disclosures in line with the recommendations of the TCFD, as well as regulatory requirements. Our disclosures are mapped against the prescribed four (4) pillars – Governance, Strategy, Risk Management, as well as Metrics and Targets. The highlights as below:



**GOVERNANCE**

### Climate Change Risk Governance



The Board oversees our climate risk management initiatives and is responsible for ensuring that climate risks are well incorporated across our governance, strategy, and business operations.

The Board is assisted by the GBRC and GRC, which monitor and assess Kenanga’s climate change concerns.

The GSMC works with the Group’s risk management committees and the Board to ensure that sustainability plans, including climate strategies, are consistent with the Group’s overall commitment. Through advice and support, GRM plays a critical role in controlling and reducing identified physical and transitional risks, as well as assisting the adoption of climate risk management policies across business divisions. GRM is also responsible for incorporating climate change risk scenario analysis into stress analysis and stress testing exercises, as well as delivering quarterly reports to the GBRC, GRC, and Board on implementation updates and results achieved.

Through the creation and execution of suitable measures to manage and reduce risks in our finance and investment activities, our BUs are in charge of managing climate risks on a day-to-day basis.

## MANAGING OUR SUSTAINABILITY RISKS

Our participation in industry committees, that are driving sustainability in various industries solidifies our sustainability leadership, and enables us to participate in climate-related policy decision-making and shape conversations around climate change.

Bursa  
Malaysia's  
Sustainability  
Development  
Committee  
("SDC")

The Group Managing Director of Kenanga Investment Bank Berhad, who is also the Chairman of the Group Sustainability Management Committee, is a member of SDC, 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.

Joint Committee  
on Climate Change  
("JC3")

The Chief Executive Officer ("CEO") of Kenanga Investors, a subsidiary of Kenanga Group, is a member of Joint Committee on Climate Change ("JC3"), which is a collaborative effort initiated by BNM and the Securities Commission ("SC") to unite industry representatives in building climate resilience of the financial sector in Malaysia.

In addition to the above memberships, Kenanga Investors' CEO holds several active memberships in notable industry-relevant councils and committees, such as Institutional Investors Council Malaysia, FTSE Bursa Malaysia Index Advisory Committee, Sustainable Investment Platform Steering Committee and chairs the Malaysian Association of Asset Managers.

In 2022, our Board dedicated over 50 hours across 18 ESG training courses, briefings and workshops. Some of the training topics covered included climate risk management and scenario analysis; setting science-based targets, TCFD climate disclosure, sustainability's implications for organisations and Directors' duties as well as other ESG related topics. Following were climate related topics discussed at board and management levels in 2022:



Climate-related targets  
on net-zero and carbon  
neutrality



Key regulatory updates  
on climate-related risk  
managements



CCRM Framework  
implementation including  
updates on climate  
scenario analysis plans



Business unit  
engagement on  
Climate Change RAC  
implementation in  
assessing investment/  
financing portfolio's  
climate risk exposure



### Moving Forward




To further strengthen our climate risk governance structure and management, we will continue to conduct ESG capacity-building sessions including climate risk-related topics, across our business operations. These sessions aim to enhance knowledge and awareness on climate-related risks while we progressively embed climate risk management in our risk governance structure through enhanced internal risk management controls, with the Board overseeing the progress of our climate risk management.

## MANAGING OUR SUSTAINABILITY RISKS



### STRATEGY

We have maintained the Group's CCRM Framework, which was established in FY2021 to introduce a climate change and principles-based taxonomy for the classification of climate-related risks and opportunities. Our highlight as follows:

- 
 Developed Sustainability Targets and Goals, as well as Sustainability Roadmap 2023-2025 in 2022 which focuses on climate risk management including management of our environmental footprint on GHG emissions, to account Scope 1, 2 and 3, where applicable
- 
 Integrated Climate Change RAC as part of our investment risk assessment process
- 
 Trained relevant senior management and executives, on CCRM Framework and Climate Change RAC application in 2022



### Moving Forward

Guided by our Sustainability Roadmap 2023-2025 and regulatory expectation on BNM CCPT implementation, we aim to incorporate climate risk management and scenario analysis into our enterprise risk management framework, in efforts to classify our climate-related risks on our investment and lending activities as guided by BNM's CRMSA.



### RISK MANAGEMENT

We are working towards to better understand the climate impact on our business operations and have further expanded our risk exposure analysis.

#### CLIMATE CHANGE RISKS



#### Physical Risk

Arises from acute (event-driven) and chronic (long term shift) climate-related events that:-

- Damage property
- Reduce productivity
- Disrupt trade
- Increase financial risk to the Group
- Impacts collateral values



#### Transition Risk

Occurs as a result of adjustment to a low-carbon economy. The adjustment may translate into:-

- Financial risk
- Reputational risk
- Changes in public policy and strategy
- Increase in operational cost
- Refinancing risk



#### Liability Risk

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:-

- Legal
- Claims



### Moving Forward

We will identify specific climate-related risks and opportunities relevant to our business for each time horizon (short, medium and long-term), and further integrate them across our investment and financing activities.



## MANAGING OUR SUSTAINABILITY RISKS



### METRICS & TARGETS

In our previous report, the Group detailed all Scope 1 and 2 GHG emissions in tCO<sub>2</sub>e resulting from business operations at our headquarters, Kenanga Tower. We adhere to the GHG Protocol Corporate Standards in the calculations of emissions factor.

We have since expanded our data collection scope for this reporting period to include our 34 branches throughout Malaysia. Additionally, we have also started to include Scope 3 GHG emissions disclosure. As a start, our Scope 3 emission calculations are based on business travel in non-company owned vehicles.

Furthermore, we have established the following mid- and long-term climate-related targets:

Achieve **carbon neutrality** by 2025  
by transitioning operational energy needs from  
renewable sources

Achieve **Net Zero** by 2050



### Moving Forward

We aim to develop a Climate Strategy with a focus on enterprise-wide including portfolio decarbonisation strategy. To support this initiative, we aim to engage our Business Units to further understand their portfolio exposure on climate risk as well as overall ESG factors.



“Climate risk has increasingly become an important element in the process of investment decision-making. The key motivation behind the practice of making climate risk as part of the process for investors is to gain an in-depth understanding of the companies in which they invest.”

**TEH SEAH JADE**  
Risk Analyst,  
Kenanga Investment Bank Berhad

## MANAGING OUR SUSTAINABILITY RISKS

### Managing Our Supply Chain Risk

Our Group Procurement Policy provides employees with a guiding framework to achieve and maintain high standards of professionalism, transparency, and accountability in our procurement decisions.

Outlined in our Group Procurement Policy, our 'Know Your Vendor Assessment' requires vendors to undergo an extensive 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, all our intermediary including vendors, suppliers and service providers undergo an Anti-Money Laundering ("AML") screening for any recorded cases on bribery and corruption. Further to that, we will request for the vendors' own anti-fraud, bribery and corruption policies and declaration on any prior improper practices.

Our 'Know Your Vendor Assessment' allows us to ensure we maintain high 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 Group Code of Conduct for Vendors outlines the obligations as well as standards our vendors are required to adhere to. For example, the policy requires each vendor to have secured whistleblowing channels in place for individuals to lodge reports on malpractice, potential breaches of the Code to encourage an anti-corruption culture and other forms of ethical behaviour.

To prevent corporate crimes, our vendors are required to comply to the Code of Conduct for Vendors, which outlines the adherence to all requirements of any applicable anti-corruption laws including the MACC Act 2009. Vendors are also expected to formally adopt and implement relevant policies, procedures and programmes to prevent money-laundering and terrorism financing through its business and operations, and to ensure compliance with such Anti-Money Laundering/Counter-Terrorism Financing/Targeted Financial Sanctions ("AML/CFT/TFS") policies. Vendors are required to adopt and implement adequate procedures internally to prevent bribery and corruption.

### SUPPORTING OUR LOCAL SUPPLIERS

We are committed to purchasing locally while supporting local communities and social enterprises where feasible.



Local suppliers

**89%**



Total procurement spent on local businesses

**RM65.9 million**

As part of our efforts to optimise efficiency and transparency, we have fully digitalised our procurement process. A declaration on AML is required from our vendor as part of onboarding process. In 2022, 83 vendors were onboarded via our e-procurement system. Any changes to any aspect within the Code of Conduct for Vendors or Group Procurement Policy will be communicated to our vendors accordingly.

### Moving Forward

We will be enhancing our vendor assessment framework to integrate environmental and social risk assessments in line with our targets to integrate ESG screening in our supplier onboarding process as well as to increase supplier engagement, and communication and awareness on promoting sustainable procurement.



For more information on our Group Code of Conduct for Vendors, please click the link below:  
<https://www.kenanga.com.my/wp-content/uploads/2020/05/Kenanga-Code-of-Conduct-for-Vendors-Website-Statement.pdf>



# GOOD GOVERNANCE

## 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 practises throughout the organisation.

### MATERIAL TOPICS:

-  Good Business Conduct
-  Regulatory Compliance

### MATERIAL TOPICS:

- 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.

### UN SDGs



## 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. As a responsible and sustainable financial institution, it is imperative to instil a strong ethical and compliance culture that reflects the Group’s zero-tolerance approach towards any form financial crimes.

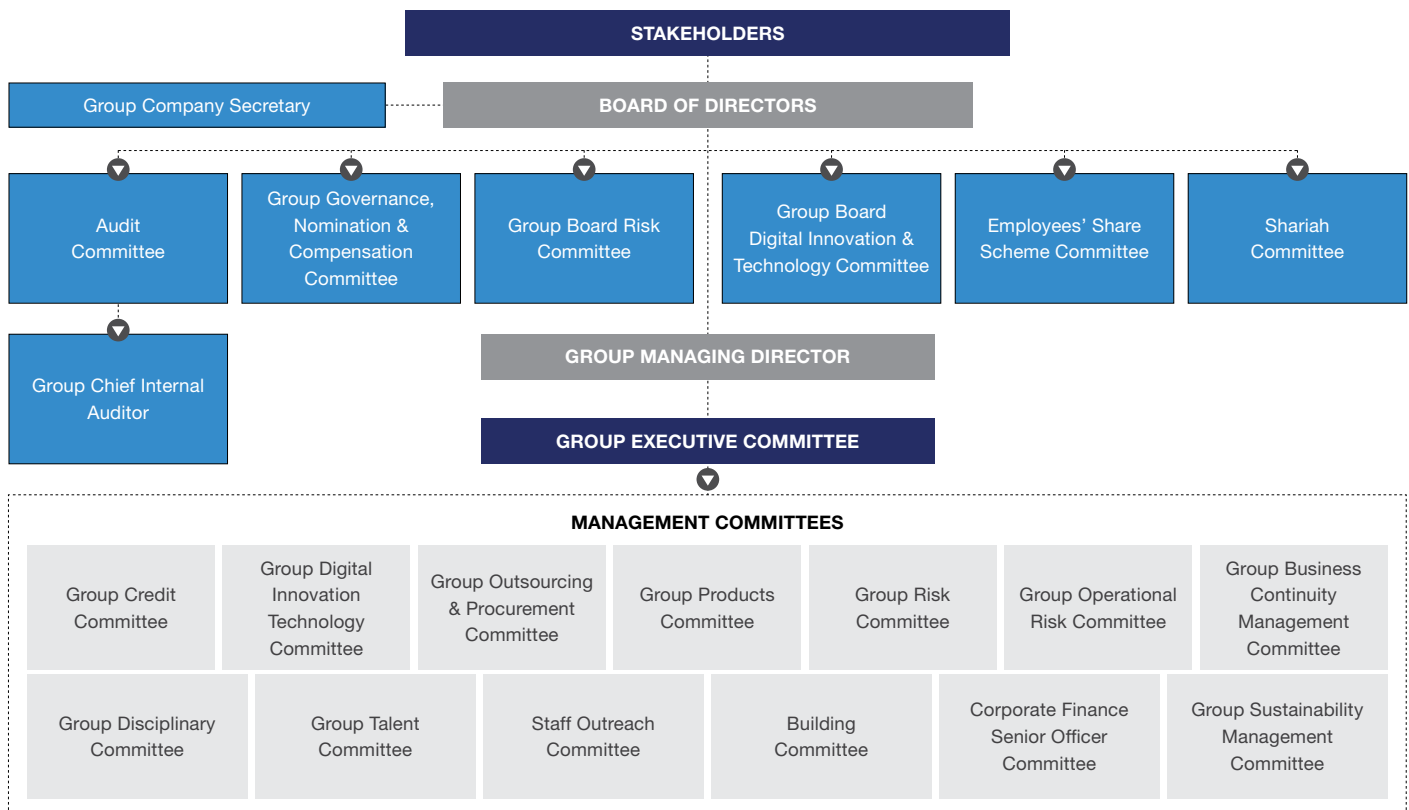
#### OUR APPROACH

##### Our Corporate Governance

To ensure a balance of power and authority between individuals, the Chairperson of Kenanga’s Board of Directors, is separate from the Group Managing Director. Further to that, the Group Managing Director is also not a member of the Board. Understanding the responsibility for good corporate governance rests with them, the Board strives to adopt the principles and best practices of corporate governance and ensures that Kenanga and its Subsidiaries (“**Kenanga**”, “**the Group**” or “**Kenanga Group**”) complies with the various guidelines issued by Bank Negara Malaysia (“**BNM**”), Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the Securities Commission Malaysia (“**SC**”).

The Board is also committed to continuously undertake the appropriate actions to embed the principles and recommendations of the revised Malaysian Code on Corporate Governance (“**MCCG**”) issued by the SC on 28 April 2021, into the Company’s existing policies and procedures.

#### CORPORATE GOVERNANCE FRAMEWORK



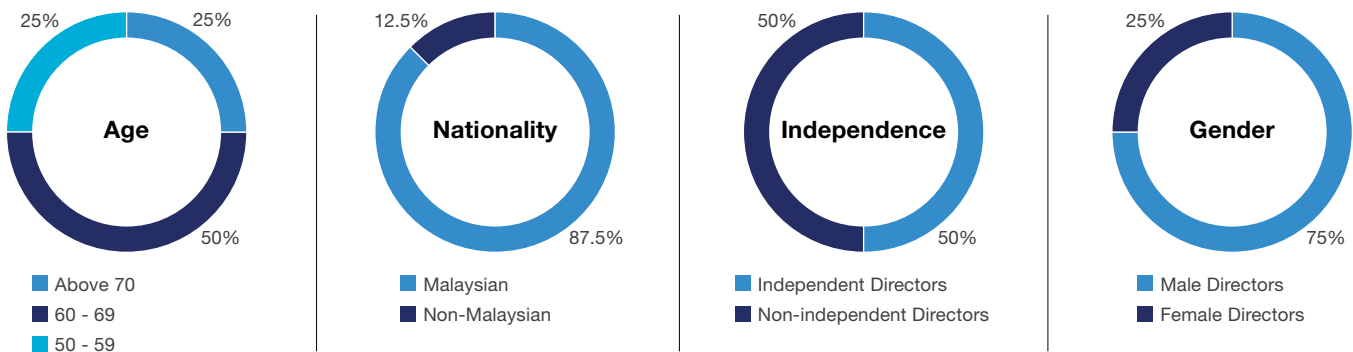
## GOOD GOVERNANCE

Fostering high quality independent auditing to promote confidence in the quality and reliability of our audited financial statements is a priority. In line with BNM’s Guidelines on External Auditors, we ensure the appointed audit engagement partner does not serve a continuous period of over five (5) years. He/she is rotated to safeguard objectivity and independence. Appointment of the audit firm follows the same stringent tender and appointment process outlined in the Group Procurement Policy.

### 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.

#### Board Composition in FY2022



For more information on our Corporate Governance, please refer to the Corporate Governance Overview Statement on pages **66-96** of our Annual Report 2022.

### 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>	Highest approval authority and oversees the implementation of sustainability initiatives, including providing stewardship, guidance, and direction for the sustainability agenda for the Group.  Promotes sustainability through appropriate ESG considerations in the Group’s business strategies.
<b>Group Governance, Nomination &amp; 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.
<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.

## GOOD GOVERNANCE

Sustainability Governance at Kenanga	
Board & Management Committees	
Governing Body	Roles & Responsibilities
<b>Group Board Risk Committee (“GBRC”)</b>	An independent Board Committee that assists the Board in its supervisory role on the risk management of the Group while overseeing all aspects of risk management in the Group, including climate change risk management.
<b>Group Risk Committee (“GRC”)</b>	Highest senior management committee that assists the Board through its supervisory role on risk management for the Group while overseeing all aspects of risk management in the Group, including climate change risk management.
<b>Group Sustainability Management Committee (“GSMC”)</b>	<p>Highest senior management committee that assists 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 and success 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>	<p>Provides management-level leadership in sustainability planning and implementation, as well as monitoring and evaluation of sustainability initiatives and their performance.</p> <p>Actively engage with external stakeholders, as well as internal business divisions and subsidiaries, to identify sustainability risks and opportunities.</p>
<b>Business Divisions &amp; Operations</b>	<p>Champions the implementation of sustainability initiatives and provides grassroots-level input for holistic sustainability management.</p> <p>Acts as key sustainability data owners and drives the sustainability integration in respective divisions.</p>



## GOOD GOVERNANCE



## REGULATORY COMPLIANCE

## WHY IT MATTERS

A strong compliance culture is pivotal for the Group's stable growth. One of the key priorities in our approach to building sound governance is fostering a compliance culture that empowers our employees to be professional, while upholding high standards of integrity and vigilance in detecting financial crimes.






## 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 ("**GRCS**") division has established a robust governance foundation, including corporate policies, procedures, and control measures, to help the Group navigate 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 they are reinforced, understood and practised throughout every level of our workforce.

Some of the key measures we implemented include:

-  All regulatory issuances and updates are communicated to employees as and when they are updated by the regulators.
-  All new employees are required to complete training on ethics and regulatory compliance related matters, including code of ethics, Anti-Bribery and Corruption, Anti-Fraud, AML/CFT/TFS and conflicts of interest upon joining the Group while all existing employees are required to complete refresher training on an annual basis.
-  Annual Regulatory Seminar ("**ARS**") was organised through which we reinforced our standards of conduct on matters such as conflicts of interest, fraud, bribery and corruption, AML/CFT/TFS and whistleblowing.
-  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.
-  ARS assessment was conducted to gauge awareness and understanding, and reinforce the grasp and knowledge of our employees on good governance and business practices.

Furthermore, the Group Financial Crime Compliance ("**GFCC**") Department has conducted an Enterprise-Wide Risk Assessment ("**EWRA**"), an anti-corruption procedure that assesses potential corruption covering AML/CFT/TFS risks. The EWRA considers customers, country, product and services, and transactions or delivery channel risk. Currently, no significant risks have been identified. GFCC has communicated the EWRA results to the Group in order for them to develop mitigation measures accordingly.

## GOOD GOVERNANCE



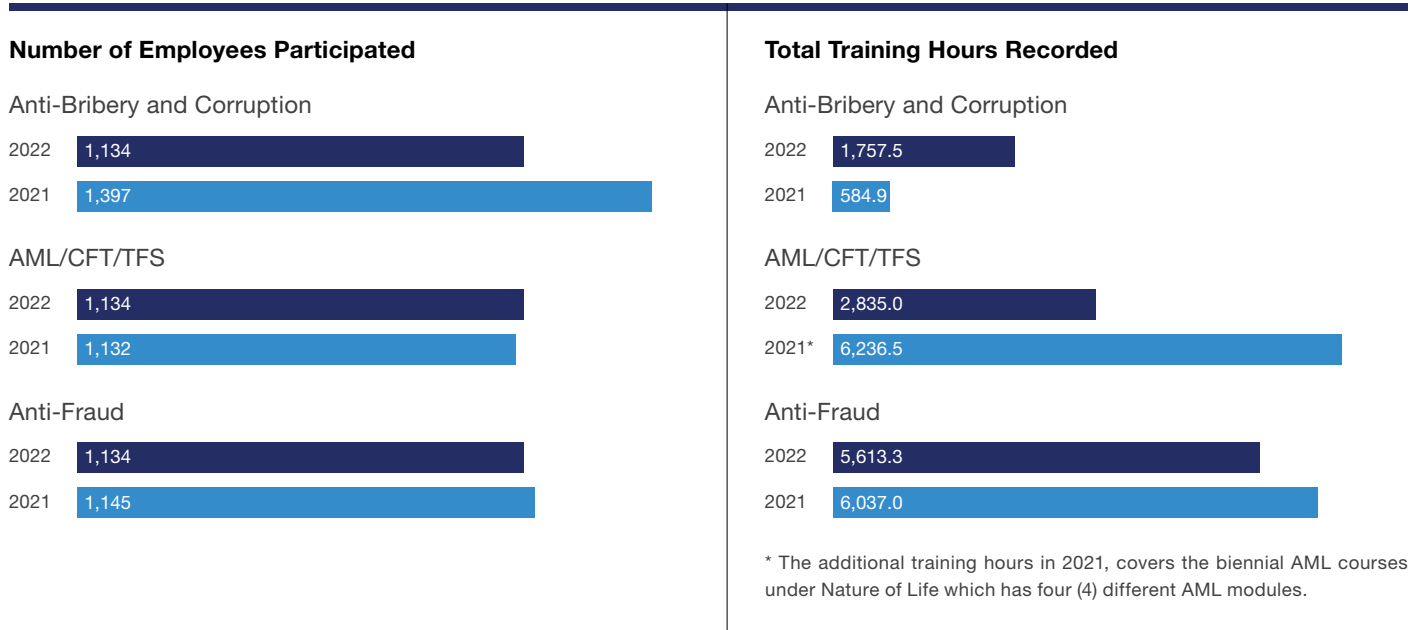
“We remain committed to combatting fraud and corruption through our ongoing efforts to strengthen our internal controls and working with stakeholders to promote transparency and ethical practices. As we work to further incorporate ESG criteria throughout our value chain, we continue to amplify the importance of accountability, integrity, and good governance and rally more people to join the fight against fraud.”

**MAHESWARI KANNIAH**

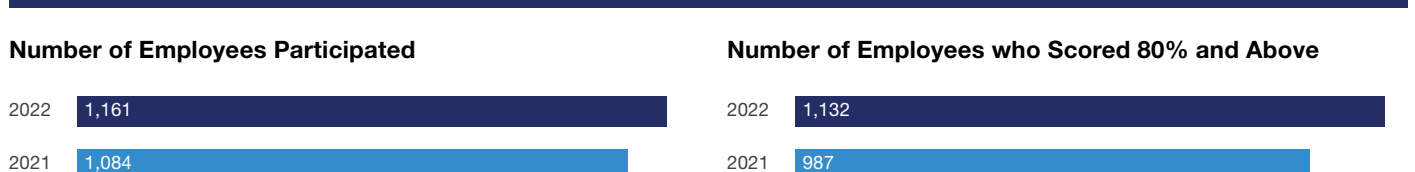
**Group Chief Regulatory and Compliance Officer,  
Kenanga Investment Bank Berhad**

All new hires are required to complete an onboarding training session to familiarise themselves with the relevant framework, procedures, and policies whereas annual training are provided as refresher for existing employees. The sessions are delivered through blended format that includes reading materials and explainer videos on topics such as Anti-Bribery and Corruption, AML/CFT/TFS, and Anti-Fraud practices.

### Compliance Training Summary



### E-Test Outcomes



Note: For Year-On-Year data of the compliance training, please refer to page 91 of this report.



**GOOD GOVERNANCE**



**BOOSTING FRAUD AWARENESS AT KENANGA**

**6th Fraud Awareness Week (“FAW”)**

As part of Kenanga’s ongoing commitment to combat fraud in the financial industry, the Group organised its sixth (6<sup>th</sup>) annual Fraud Awareness Week (“6<sup>th</sup> FAW”) in collaboration with the Association of Certified Fraud Examiners’ (“ACFE”) 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 campaign, themed ‘Reaffirming Ethical and Moral Resilience for Good Governance,’ strived to raise awareness about the importance of fraud detection and prevention, as well as help shape corporate cultures to thrive in a constantly evolving regulatory landscape.

The 6<sup>th</sup> FAW games recorded over 2,000 participations in FY2022, with attendees from notable regulatory, enforcement and professional bodies as well as other financial institutions, public listed companies and Kenanga’s third party vendors and suppliers. The delegates included participants from Securities Commission Malaysia, Bursa Malaysia, Employees Provident Fund, Petronas, Airasia, Nestle, and Deloitte Consulting Malaysia as well as our own employees.

All programmes and game sessions were conducted virtually, and focused on delivering the message regarding the importance of combating all forms of fraud and corruption and preventing misdemeanours or scams for businesses.

**7th Annual Regulatory Seminar 2022**

The Group hosted the Annual Regulatory Seminar in 2022, where we reinforced our standards of conduct and procedures on a wide range of regulatory and ethical issues including conflicts of interest and corruption, as well as Anti-Money Laundering, Counter-Terrorism Financing, and Targeted Financial Sanctions (“AML/CFT/TFS”). In 2022, 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 Annual Regulatory Seminar, with 97.5% achieving a score of 80% or higher. We also published quarterly issues of our ‘Capital Market Insight Newsletter’ to keep our employees abreast of recent regulatory developments and capital market updates.

**7th Annual Regulatory Seminar Topics**

- Ethics & Compliance Ethos - The Cornerstone of a Good Corporate Culture

---

- AML/CFT/TFS Landscape & Expectations

---

- Strengthening Compliance Culture Towards Good Governance

---

- Cyber Security: Top Trends in Malaysia

---

- Compliance with Adequate Procedures Under Section 17A of the MACC Act 2009

---

- Conversation with a Whistleblower – The Fraud Of Theranos

---


- Exposing Wirecard: Investigation of a Billion-Dollar Fraud

---

## 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 and Countering Financing of Terrorism and Targeted Financial Sanctions</b>	<ul style="list-style-type: none"> <li>Designed to identify and mitigate financial crimes risks, the AML/CFT/TFS framework incorporates policies and procedures that outline the required practices, control measures, guidance and direction, in adherence to AML/CFT/TFS laws, regulations, and industry best practices</li> <li>Regular AML/CFT reviews are conducted to ensure compliance in all business units and branches. For instance, we require our branches to perform Semi-Annual Declaratory Self-Assessments and monthly Self-Assessments</li> <li>Numerous AML/CFT/TFS programmes have been rolled out to closely monitor the level of AML/CFT adherence to meet the regulatory expectations</li> <li>To stay abreast with the digital transition, we are leveraging our digital capabilities to enhance our information management system for timely detection, monitoring and reporting of suspicious activities by a Risk-Based Approach</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, as well as all employees of Kenanga Group</li> <li>The AFBC Policy has also been drafted and reviewed to ensure 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</li> </ul> <p><b>0 In FY2022, we recorded zero incident of fraud, bribery, or corruption within the Group.</b></p>
<b>Code of Ethics and Conduct for Employees</b>	<ul style="list-style-type: none"> <li>Our Codes of Conduct for Employees reflect the professionalism and integrity standards that all Kenanga 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 Board review to ensure its effectiveness and compliance with any regulatory requirements</li> </ul>
<b>Group Whistleblowing Policy</b>	<ul style="list-style-type: none"> <li>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 inconsistent with the policies of the Group</li> <li>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</li> <li>Through the Group Whistleblowing Policy &amp; Guidance Notes, Kenanga ensures confidentiality and assures its stakeholders and the general public that they can make a report in good faith</li> <li>Concerns can be raised using our whistleblowing channels:</li> </ul> <div style="display: flex; align-items: center;">  <div> <p>Letter: P.O. Box 11275, 50740 Kuala Lumpur  Email: <a href="mailto:do.whistleblowing@kenanga.com.my">do.whistleblowing@kenanga.com.my</a></p> <p>◀ Scan to be directed to our website.</p> </div> </div>

**GOOD GOVERNANCE****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
- Group Code of Conduct for Vendors
- 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\*

**REGULATORY COMPLIANCE**

- Group Anti-Money Laundering and Countering Financing of Terrorism and Targeted Financial Sanctions Policy & Procedure
- Group Anti-Fraud, Bribery and Corruption Policy
- Group Chinese Wall Policy
- Group Whistleblowing Policy and Guidance Note
- Group Competition Act Compliance Policy
- KIB Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Procedure\*
- Group Gifts, Entertainment and Hospitality Policy
- Group Corporate Crime Prevention – Financial Crime Supervision & Fraud Management Procedure

**CLIENT EXPERIENCE**

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

**DIGITALISATION**

- iLeap Application Governance Policy
- Technology Risk Management Framework

**RESPONSIBLE INVESTING**

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

## GOOD GOVERNANCE



### DIVERSITY, INCLUSION AND WELLBEING

- Preventing and Eradicating Sexual Harassment in the Workplace Procedure
- Committed to supporting 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



### 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



### 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 2022

## FUTURE OUTLOOK

In line with regulatory requirements, we remain committed to maintaining the highest standards of good governance. Moving forward, we will continue to enhance our governance practices by regularly reviewing and updating our policies as required, such as establishing Group Human Rights Policy and Group Sustainability Policy, as well as updating relevant procedures and systems.



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



# SUSTAINABLE ECONOMIC GROWTH

## Sustainable Economic Growth



Our approach in 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.

### MATERIAL TOPICS:

-  Responsible Investing
-  Digitalisation
-  Cyber Security
-  Client Experience

### MATERIAL TOPICS:

- 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.

### UN SDGs



## SUSTAINABLE ECONOMIC GROWTH

### RESPONSIBLE INVESTING

[GRI 3-3]

#### 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 considers overall business sustainability in their investment decision-making process.

#### OUR APPROACH

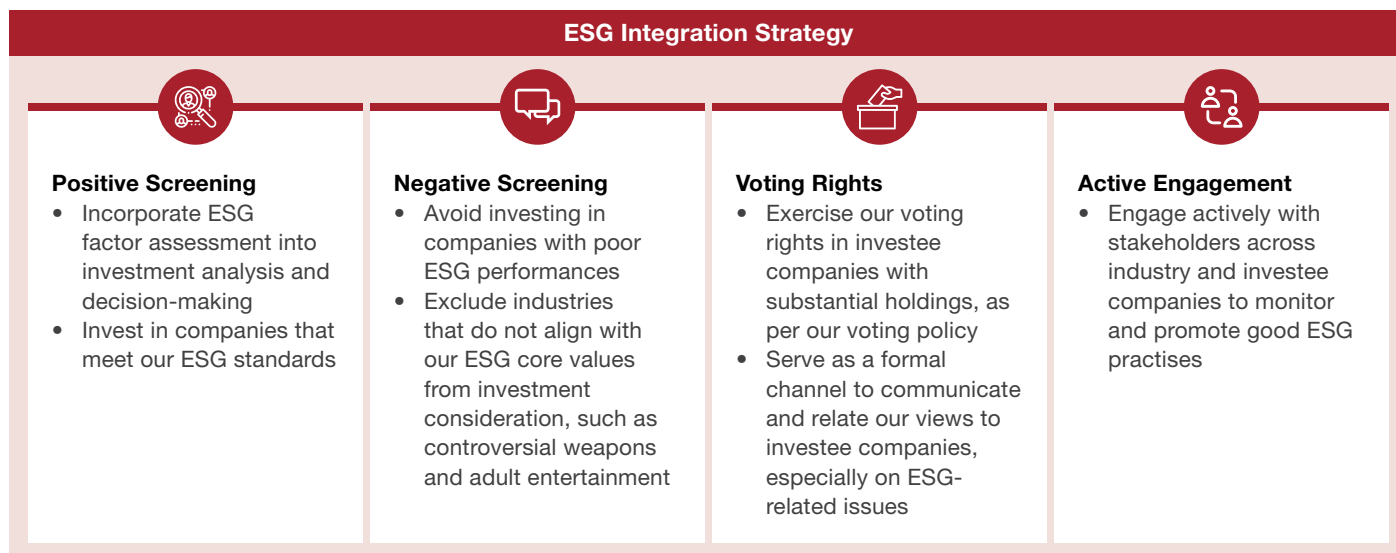
##### Our Investment Strategy

Kenanga Investors Group (“**Kenanga Investors**”) or (“**KIG**”) is the asset and wealth management arm of the Group. As part of our commitment to responsible investing, Kenanga Investors works closely with asset owners, regulators and a broad range of market players to integrate 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 Kenanga Islamic Investors Berhad (“**KIIB**”) have been affirmed investment manager ratings (“**IMR**”) of IMR-2 by the Malaysian Rating Corporation Berhad for the 6<sup>th</sup> consecutive year since first rated in 2017. This award is in recognition of KIG’s effort in promoting sustainability and transparency in their management processes and operations.

In 2022, KIG expanded its Sustainability Blueprint to include the fixed-income asset class by establishing an in-house ESG assessment to perform positive screening for bonds and *sukuk*-based on independent and accredited external data sources.

On the equity front, a more comprehensive sector/industry-focused assessment was established for sectors with high ESG risk. To effectively manage and monitor risks, various factors and indicators specific to respective industries such as palm oil, oil & gas, banking & finance, power, and 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.



## SUSTAINABLE ECONOMIC GROWTH

### ESG Integration Throughout Investment Life Cycle



“The Kenanga Sustainability Series: World Quality ESG Fund is one of the highlights of our 2022 roll-outs, and is something we have been working closely on with Northern Trust Asset Management for a substantial part of the year. We are excited to expand our range of solutions to investors so that we can assist them in diversifying their investment risks and returns, thus allowing them to navigate various market conditions, while investing responsibly.”

**DATUK WIRA ISMITZ MATTHEW DE ALWIS**

**Executive Director and Chief Executive Officer,  
Kenanga Investors Berhad**

### Our Sustainable Investment Products

We are dedicated to expanding our investment product offerings as we continue to progress along the path of responsible investing by providing our clients with a wider range of ESG-linked investment options.

In 2022, Kenanga Investors launched three SRI-qualified ESG funds under its Kenanga Sustainability Series. These products received multiple accolades for its ESG focus, which includes ‘Sustainable Product Recognition’ by UNGCMYB, as well as ‘Best Application of ESG (ASEAN)’ and ‘Malaysia Best Impact Investing Manager’ by Asia Asset Management. In addition, these funds were disclosed in the research reports which we have published on our website under the ‘Market Insights’ webpage. These reports also provide a comprehensive look at the ESG criteria for investment.

Furthermore, in 2022, KIG was appointed by several public asset owners in Malaysia to manage their first-ever sustainability funds. We are proud to play our part in supporting the national sustainability journey through responsible investments.

#### Kenanga Sustainability Series: High Yield Bond Fund

<b>About the Fund</b>	The Fund is Malaysia’s first Sustainable and Responsible Investment (“SRI”)-qualified high yield bond fund, which seeks to provide income and capital growth by investing in the NT Global High Yield ESG Bond Index Fund managed by Northern Trust Asset Management.
<b>Launched Date</b>	30 March 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>

## SUSTAINABLE ECONOMIC GROWTH

### Kenanga Sustainability Series: World Quality ESG Fund

<b>About the Fund</b>	The Fund seeks to provide capital growth by investing in the NT World Quality ESG Fund managed by Northern Trust Asset Management.
<b>Launched Date</b>	6 September 2022
<b>Sustainable and Responsible Investment Strategy</b>	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.

### Kenanga Sustainability Series: Emergency Waqf Musa'adah Fund

<b>About the Fund</b>	<p>As a qualified SRI fund product, the Kenanga Sustainability Series: Emergency Waqf Musa'adah 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>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>



For more funds under the Kenanga Sustainability Series, please refer to: <https://www.kenangainvestors.com.my/>.



“When it comes to ESG investing, an investor should look for companies with responsible behaviour, sustainable policies, and good governance that are able to consistently generate positive impact on the environment and society.”

**ONG SOON CHONG**  
**Head of ESG & ETF Investment,**  
**Kenanga Investors Berhad**



## SUSTAINABLE ECONOMIC GROWTH

### Pledge to Preserve (“P2P”) Campaign

The P2P Campaign was an initiative and collaboration with the 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 programs.

The ROAR initiative, a reforestation initiative championed by APE Malaysia, aims to recreate degraded habitats for endangered animals at its reforestation sites at Lower Kinabatangan River in Sabah.

The campaign ran from 30 March 2022 to 30 December 2022. For each fresh investment contributed to the KSS products in 2022, 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 staff.



Total Tree Saplings Planted

**785**



### 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 assessment strategy.



As at 31 December 2022, approximately **28%** of KPE’s portfolio are focused on the renewable energy sector.

Corporate Banking at Kenanga has started to incorporate ESG factors into its lending and financing activities. In 2023, new corporate loans will be subjected to ESG screening as guided by the CCRM Framework.



As of 31 December 2022, **5.3%** of loan and financing portfolio under Kenanga’s Corporate Banking division in green lending and financing are related to renewable energy, green technology, and climate change mitigation activities.

To learn more about our Climate Change RAC, please refer to page **27 to 31** of this Sustainability Report.

## SUSTAINABLE ECONOMIC GROWTH

### Our Internal Stock Scoring Methodology

In 2022, Kenanga’s Equity Broking Research Department developed an updated internal scoring system to rate public listed stocks, premised on Bursa Securities’ Sustainability Reporting Guide, the Sustainability Accounting Standards Board (“**SASB**”) and GRI’s primary ESG topics. Guided by the methodology, we reach out to businesses on a regular basis to acquire updates on their ESG strategy, goals, and accomplishments to better understand their sustainability ambition and intent.

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

### OUR PROGRESS IN 2022


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

Earnings Sustainability and Quality	Emissions Management	Workers’ Safety and Wellbeing
Community Investment	Corporate Governance	Anti-Corruption Policy

- 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
- An ESG-centric bulletin was launched to deliver news updates and commentary on selected topics

### FUTURE PROSPECT

Engagements with industry leaders and experts to provide greater insight into ESG assessment, reporting and investing.

 For more information on our ESG Thematic ESG reports, please visit: <https://www.kenanga.com.my/market-insights/#filter=.esg-thematic-reports>.

### FUTURE OUTLOOK

We intend to offer more sustainable investment products with a focus on thematic investing in sectors related to energy transition, water and waste management, food security and others as relevant, while being cognisant of the interdependencies of a just transition economy. As part of our efforts to further understand our portfolios’ exposure on ESG risk and opportunities, we will deepen engagements with our investee companies to better understand their ESG aspirations and plans.

## SUSTAINABLE ECONOMIC GROWTH



### DIGITALISATION

[GRI 3-3]

#### WHY IT MATTERS

We recognise that strengthening our digital competitiveness is vital to our continued sustainability and growth, especially given the lasting impact of the pandemic as well as the rapidly evolving financial landscape. Our overarching ambition is to build a digital ecosystem that offers a spectrum of products and services that addresses client needs and expectations, while enhancing our operational efficiency.

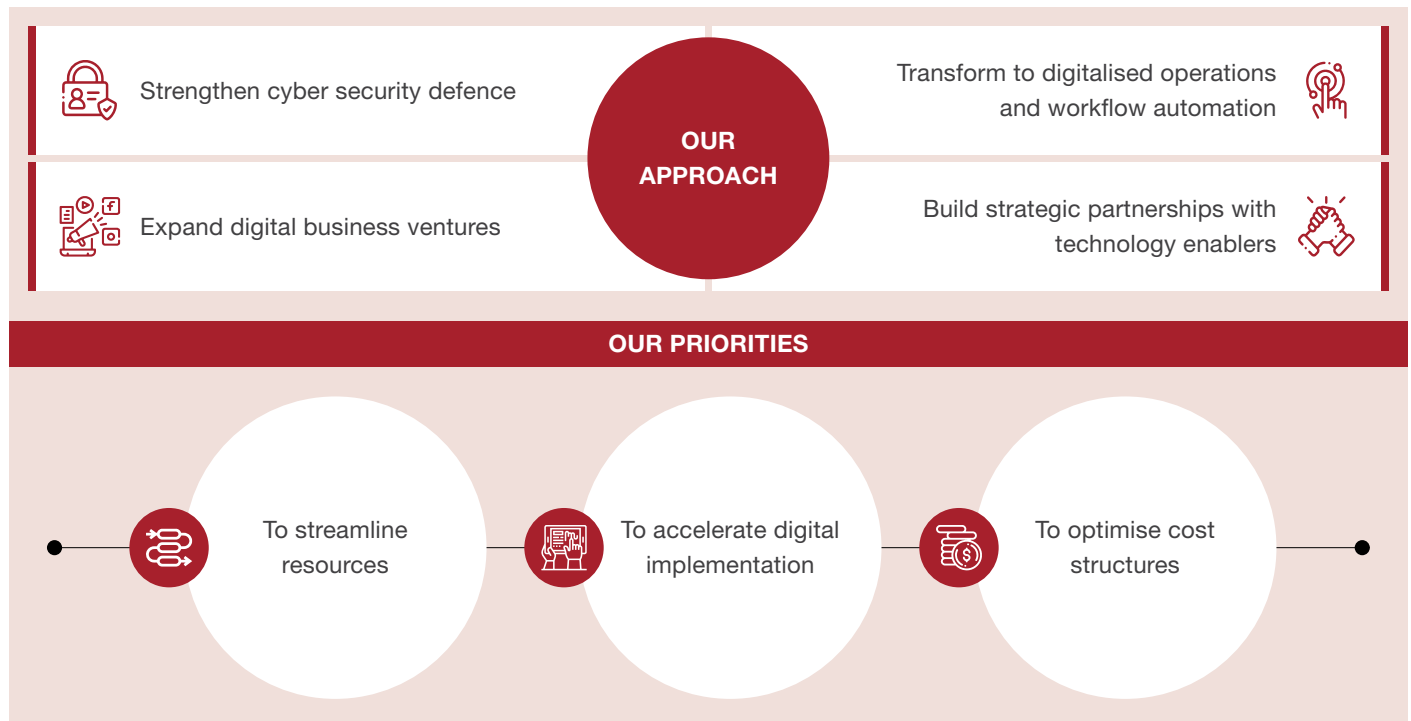
#### OUR APPROACH

##### IT Governance and Strategy

Our goal is to optimise internal operational efficiency through digitalisation, as well as to create an integrated and seamless digital experience that offers a suite of products and services that meets the needs and expectations of our clients.

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

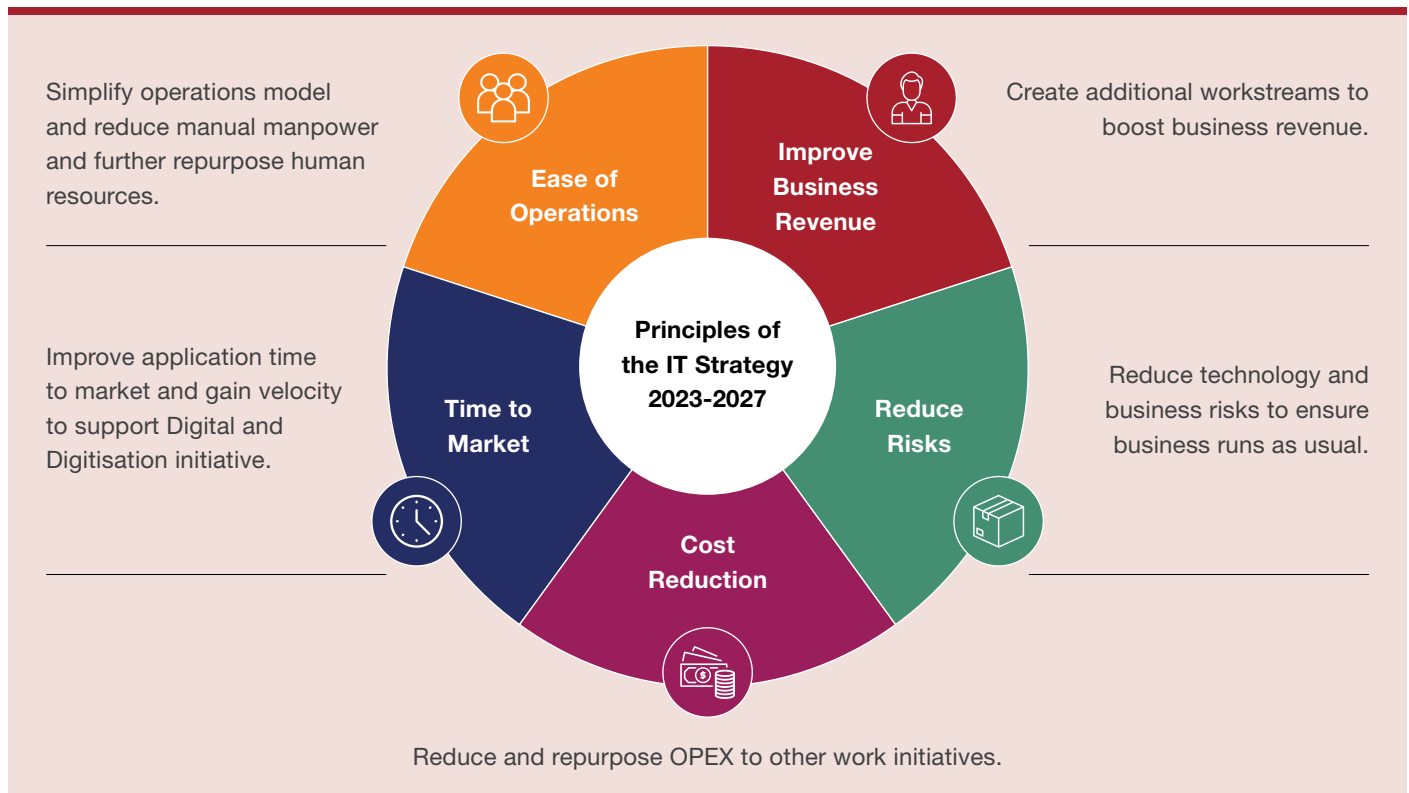
The GBDITC reviews, evaluates and recommends technological innovations for the formulation of the Group’s medium and long-term business strategy, and assists the Board in ensuring that the Group’s technology resources and initiatives are aligned with its overall digitisation strategy and objectives.



## SUSTAINABLE ECONOMIC GROWTH

### IT Strategy 2023-2027

In 2022, a 5-year IT Strategy was developed to provide prudent guidance on how digitalisation will be prioritised to support wider enterprise goals while promoting economic growth. The strategy will be rolled out in phases from 2023, and will be reviewed annually to ensure it remains relevant and effective.



### Going Digital at Kenanga

Kenanga is committed to advancing financial inclusion through digitalisation by embracing technology advancement and innovation as means to increase clients’ seamless access to financial products as well as to reach the underserved segment.



“We have provided a wide spectrum of financial services to all of our valued clients from all walks of life, yet many still see investing as being only for the wealthy. We continue to strive towards making wealth management and investment banking accessible and inclusive, so that everyone can build their wealth, invest in themselves, and plan for their future – whether that is saving for your retirement, planning for your family, or growing your business.”

**IAN W. LLOYD**

**Chief Digital Officer,  
Kenanga Investment Bank Berhad**

## SUSTAINABLE ECONOMIC GROWTH



## INCREASING ACCESS TO FINANCIAL SOLUTION

## Our Progress for FY2022

**SuperApp**

In 2022, we signed a Memorandum of Understanding with Ant Group to develop Malaysia's first Wealth SuperApp. The SuperApp will serve as a central platform for our financial, and wealth solutions, which will be complemented by lifestyle offerings. The SuperApp will be built on AntChain's proprietary cutting-edge solution, Mobile Platform as a Service, allowing for a product that is robust and secure.

**Wealth-as-a-Service ("WaaS")**

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.

**New Digital Client On-boarding ("DCO") Service**

The new Digital Client On-boarding service was launched on 13 October 2022, allowing clients to open an account online from the comfort of their own homes without having to visit a Kenanga branch. The digital platform offers equity trading, futures and options trading, and treasury products. The account opening process takes as little as 15 minutes and can be completed through a web-browser on a PC, laptop or mobile device.

**Kenanga Digital Investing**

In February 2022, Kenanga launched Kenanga Digital Investing ("KDI"), a fully automated A.I.-driven robo-advisor designed to simplify how Malaysians save and invest. Licensed by Securities Commission Malaysia, the KDI platform offers two (2) convenient products – KDI Save and KDI Invest. KDI Save allows users to earn daily returns on their savings with no lock-in period and zero management fees, while KDI Invest allows customers to grow their wealth with access to global investment opportunities through US-listed Exchange Traded Funds ("ETFs") at one of the most competitive fees in the market. At the end of 2022, Asset Under Management stood at almost RM250 million with 17,000 clients.

**Rakuten Trade**

Since its launch, Rakuten Trade Sdn Bhd ("**Rakuten Trade**") a joint venture between Kenanga and Japan-based Rakuten Securities, Inc., has introduced the ease and access of online stock trading to hundred thousands of new traders and investors. In 2022, it further advanced its financial inclusion agenda by introducing trading access into the US market. Trading US stocks is now a feature on the same platform, allowing Malaysian users a seamless and cost-effective option to diversify their portfolio.

Approximately 21,000 new users signed up on Rakuten Trade in 2022, bringing the total customer base to more than 257,000. A total of RM111 billion worth of stocks were transacted since its inception in year 2017.

**Kenanga Money**

Kenanga Money is the product of a partnership between Kenanga Investment Bank Berhad and Merchantrade Asia Sdn Bhd Kenanga has entered the cashless payment sector, allowing its clients to effortlessly move money from their stock trading account into an e-Wallet with a prepaid card for retail payments, remittances, and withdrawals globally.

Users will also benefit from Merchantrade's innovative multi-currency capability, which allows users to buy, sell, and keep up to 20 foreign currencies at any time at cheap exchange rates. In FY2022, there were over 700 sign-ups.

## SUSTAINABLE ECONOMIC GROWTH

### Employee Engagement on Digital Initiatives by Kenanga

#### #ThinkDigital Series

‘ThinkDigital’ is a series of virtual sessions centred around the theme of technology and digital innovation for our employees. As part of our drive towards digital transformation, we are focused on equipping our employees with the necessary knowledge to keep pace with the rapidly evolving business and technological landscape.

In 2022, we hosted two (2) sessions:

- ‘Be Ahead with Kenanga Digital Investing’
- ‘Introducing Kenanga Wealth SuperApp’

With over 800 participations from employees, the sessions were run creatively with games and quizzes to ensure active participation by our employees throughout the session.

### Our Digital Culture

Our internal competencies are being strengthened as we intensify our digital initiatives across the organisation, including the digitalisation of our key functions to maximise operational efficiency. Listed below are some of the most significant indicators on this front for 2022:

Key Initiatives	Description	Outcome
<b>Remisier’s Service Portal</b>	<ul style="list-style-type: none"> <li>• The portal serves as a user-friendly platform that provides greater flexibility to remisiers and enhances the customer experience</li> <li>• Key functions include enabling remisiers to quickly access stock information and support clients in submitting requests via the e-request functions</li> <li>• 100% of our remisiers have been onboarded on our Remisiers Portal</li> <li>• Other key features include fully online account opening to ease customers experience</li> </ul>	<ul style="list-style-type: none"> <li>• A practise of paperless and improved traceability on transactions for audit trails</li> <li>• Number of transactions: eDeposits of 166,011, eSettlements of 390,116 and eTrust Withdrawals of 83,554</li> </ul>
<b>Futures Account Opening</b>	<ul style="list-style-type: none"> <li>• Kenanga Futures (“KF”) digitalised its account opening process to increase onboarding speed and enhance security, whilst reducing the cost of client onboarding</li> </ul>	<ul style="list-style-type: none"> <li>• KF achieved a 95% digital onboarding rate, with only 5% of new accounts being opened through physical means in 2022</li> <li>• Moving forward, KF also aims to completely digitise its back-office administrative forms and existing physical documents by the end of 2023</li> </ul>
<b>Kenanga’s Digital Workflows (“iLeap”)</b>	<ul style="list-style-type: none"> <li>• iLeap provides a seamless sign off process as well as storage for filing and audit purposes that has contributed to reduced printing from the digitalised workflows</li> <li>• Adopted the iLeap Application Governance Policy</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of addressable forms and procedures have been completed, with a total of 61 workflows digitalised since 2020</li> <li>• Cost-savings on paper usage and improved data governance</li> </ul>

**SUSTAINABLE ECONOMIC GROWTH**

Key Initiatives	Description	Outcome
<b>Robotic Process Automation (“RPA”)</b>	<ul style="list-style-type: none"> <li>A software technology to automate digital tasks via a defined set of instructions</li> </ul>	<ul style="list-style-type: none"> <li>In addition to three (3) RPAs in 2021, four (4) new RPAs were launched in 2022 to automate routine tasks and processes</li> <li>RPA was applied to facilitate the Group’s IT operations as well as digital investment management</li> </ul>
<b>FX Platform</b>	<ul style="list-style-type: none"> <li>The platform aims to enable clients to execute foreign currency trades online and remit funds overseas</li> </ul>	<ul style="list-style-type: none"> <li>Our retail-fronting Treasury FX platform is expected to roll out in 2023 which includes remittance capabilities, real time forex rate quote, easy fund transfer through multiple payment modes and Forex-related news</li> </ul>
<b>Treasury Relationship Manager Platform</b>	<ul style="list-style-type: none"> <li>An online platform for Relationship Managers to digitally and seamlessly execute order fulfilment of its popular structured investment solution, Dual Currency Investment (“DCI”)</li> </ul>	<ul style="list-style-type: none"> <li>18% increase in values transacted in DCI product</li> <li>An additional product, Equity Linked Investment will be included on the platform</li> </ul>
<b>Project Omni</b>	<ul style="list-style-type: none"> <li>A software platform designed to enable advisers and staff to onboard and service clients through a digital journey</li> <li>It comprises of two (2) key components: an iOS-based tablet app branded as REACH for the advisers and a Web-browser based Back Office Web portal for KIB staff</li> </ul>	<ul style="list-style-type: none"> <li>REACH is intended for progressive launch in areas of features and audience. The latest module was released to qualified Advisers in December 2022, and more functionalities such as Switching and Redemption will be made progressively available in 2023</li> <li>Key advantages include reduced time for digital submissions and servicing of clients, which leads to cost savings and reduced carbon footprint, as well as reduced human intervention and error alongside quicker turnaround time as a result of the streamlined processes</li> </ul>

**Cloud Migration Programme**

Our Three (3)-year Cloud Migration Strategy is in line with our overall group-wide digital transformation ambitions to drive innovation and growth. Migrating to cloud infrastructure services will provide the Group with enhanced scalability, performance, security and resilience.

## SUSTAINABLE ECONOMIC GROWTH



“Cloud computing, artificial intelligence, data analytics, robotics and the Internet of Things are our key focus in digital transformation. The emergence of these technologies help our customers and employees to achieve agility, scalability, and resiliency while simultaneously meeting business objectives. Through digitalisation, we can further boost technological innovations and support the transition towards a low-carbon future. Digitalisation also creates more opportunities for us to develop better financial products and services to achieve financial inclusion.”

**LOW JIA YEE**

**Chief Technology Officer,  
Kenanga Investment Bank Berhad**

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

Approach #1	Approach #2
<p>New businesses, systems and applications will be deployed directly to cloud where feasible, in terms of building cloud native services with the availability of Software-as-a-Service (SaaS) offerings.</p>	<p>35 existing systems and applications will be migrated to Azure cloud via a comprehensive 24-month plan to ensure minimal disruption to customers and operations. This is subjected to change as modernisation programme continues as we build core competencies in managing cloud along the transformation journey.</p>

Some of the key cloud-based services introduced in 2022 include:

### Hosting Kenanga Website on Azure

<p>Kenanga Website Enhancement with Azure</p>	<p>This approach aims to increase the resilience of the website and make it easier to scale up. It also reduces our dependability on data centres overtime.</p>
---	---

### Azure Enterprise Skilling Initiative

<p>Azure Enterprise Skilling Initiative (“ESI”)</p>	<p>As part of our efforts to facilitate a seamless cloud migration process, we are progressively upskilling our Information Technology (“IT”) workforce through Azure ESI offered by Microsoft to further build technical skills which also includes trainings and certifications.</p> <p>Enterprise Skills Initiative is a programme offered by Microsoft with the aim to help employees to sharpen their technical skills and knowledge needed to be utilised for Azure-related projects and initiatives. In FY2022, our IT personnel attended over 10 Azure training courses with a total of 840 training hours logged.</p>
---	--

## FUTURE OUTLOOK

We 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 2023 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 also enhanced features on our DCO Service.



## SUSTAINABLE ECONOMIC GROWTH



## 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 take a proactive approach to addressing 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.

## Our Cyber Risk and Governance

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 industry best standards such as the US National Institute of Standards and Technology's Cyber Security Framework.
- The Group Confidential Information Policy has been established and incorporated various privacy legislation that includes Financial Service Act 2013, Securities Industry (Central Depositories) Act 1991, BNM's 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 (such as 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.

## SUSTAINABLE ECONOMIC GROWTH



### 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’s Cyber Security Policy as outlined by Bursa Malaysia, Bank Negara Malaysia and the Securities Commission Malaysia Guidelines on IT and Cyber Security.

Kenanga’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.

Since 2022, all activities have been monitored and triggers will be prompted when the DLP system detects customer 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 and these will be recorded in priority report which will be monitored by the Data Officers, Responsible Persons and the Data Governance team.

Guided by our Group’s PDPA Data Access and Retention Procedures, we have engaged a licensed local agency to dispose of our paper and e-wastes which contain confidential information ethically and obtained a Certificate of Destruction. To enhance transparency and improve customer awareness, we also published a Privacy Notice on our corporate website which specifies the scopes in which we utilised customer data.

**Did You Know?**  
Kenanga Group implemented the Data Loss Prevention (DLP) system labelled as "Digital Guardian" which will filter communications to external parties and/or transfer of data to all external mediums.

- File uploads to web browsers or WhatsApp
- Copying files to external drives e.g. USB
- Emailing confidential documents to external domains that are not whitelisted
- Printing of confidential information on unrecognised printers

Where a possible rule breach of the DLP policy is discovered, a dialog screen as shown below will prompt out and request your Response /Justification before you are allowed to click the "Continue" to proceed with the activity.

**Digital Guardian**  
The Content you're attempting to share contains confidential information. If you wish to proceed, please enter the nature of contents and reason for sharing, before clicking CONTINUE. If you wish to abort, click CANCEL.

Justification: \_\_\_\_\_

[Continue] [Cancel]

You are advised to key in the reasons as accurately as possible in the Justification box, as this will be recorded for further review and follow-up by the Data Officer(s) where necessary. In doing so, you should also take note that any unauthorised transfer/sharing of confidential information, is a violation of the DLP Policy, and Confidential Information extends beyond the Personally identifiable information (PII), e.g. IC number, to also include information that is deemed as confidential and defined by your respective department/division Data Officer or Person In Charge.

The system will not block/restrict you from sharing/transferring the information at this juncture. However, the activity and your response will be recorded and reviewed, and where any instances of policy violation is discovered, the matter will be escalated for appropriate disciplinary action. As such you are required to exercise caution and ensure your actions do not violate the Kenanga Group's Confidential Information Policy.

## SUSTAINABLE ECONOMIC GROWTH

### Accelerating Data Security Measures

In 2022, we enhanced our security posture by subscribing to a suite of top-tier security solutions and deployed security measures to include Identity Access Management, Application Programming Interface Security and ransomware protection. Additionally, we also enhanced the cyber resilience of our operations through the following measures:

<p>Protecting Customers' Data</p>	<ul style="list-style-type: none"> <li>• Rolled out DLP solutions to defend data leaks from internal sources</li> <li>• Rolled out Database Activity Monitoring to protect data leaks from unauthorised sources</li> <li>• Rolled out virtual patch solution to shield servers from risks before applying physical security patches</li> </ul>
<p>Managing Employees Confidential Data</p>	<ul style="list-style-type: none"> <li>• Enhanced the usage of the mobile management tool to effectively monitor privacy access on our employees' mobile phones</li> <li>• Enhanced our security posture by enabling and enforcing multi-factor authentication for Office 365</li> </ul>
<p>Instil Cyber Awareness Amongst Employees</p>	<ul style="list-style-type: none"> <li>• Engaged with a team of experienced cyber security experts to equip our Group Digital, Technology and Transformation Division on valuable cyber knowledge</li> <li>• Delivered mandatory monthly cyber security awareness training to all employees virtually through our collaboration with Sophos and also via our in-house Kenanga LMS platform</li> <li>• Rolled out regular email phishing simulations educate employees to swiftly identify and respond to potential phishing threats</li> <li>• Conducted online quiz and training</li> <li>• Launched our explainer video with e-Quiz on data loss prevention</li> <li>• Launched 'Exposure Towards Cyber Security and Ethics' module as part of our New Hire Orientation Course</li> </ul>

**3,815**  
hours logged for mandatory  
in-house cyber security  
training

**92%**  
success rate achieved in identifying  
phishing emails via our employee  
phishing simulator

**4**  
mock-phishing exercises  
were conducted throughout  
the year

**Zero cyber security incidents** were recorded in FY2022, including customer data breach.

### FUTURE OUTLOOK

As we transition towards a future defined by digital innovation, cyber security has become even more crucial as reflected in our recent materiality assessment. In line with our IT Strategy 2023-2027 and DLP Framework, we aim to continue taking proactive and progressive actions such as upgrading our systems as well as to increasing our employees' and clients' awareness in taking precautionary steps to reduce cyber security risks. Our end goal is to ensure that our clients can confidently pursue their financial goals in a digital age while knowing that their personal and financial data is secure.

## SUSTAINABLE ECONOMIC GROWTH



### 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 Malaysians, 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

Guided by policies aligned to applicable laws and regulations, we aim to ensure our marketing materials are accurate, transparent, and accessible. We are committed to addressing client concerns in a timely and effective manner. With this approach, we continue to build lasting client relationships and demonstrate our commitment to providing good services and support.



#### 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
✓ Securities Commission Malaysia	✓ Guidelines On Advertising For Capital Market Products And Related Services

## SUSTAINABLE ECONOMIC GROWTH

With regard 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 Intranet:

	<p><b>Advertising Policy</b> Outlines guiding principles, regulatory requirements, and guiding frameworks for Kenanga Group's communications through the use of traditional and digital advertisements.</p>
	<p><b>Social Media Policy</b> 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.</p>
	<p><b>Media Relations Policy</b> Establishes guiding principles and a framework within Kenanga and its subsidiaries in its engagements with print, electronic and broadcast media.</p>
	<p><b>Group Complaint Handling Policy</b> Establishes guiding principles and a framework within Kenanga and its subsidiaries for its complaint handling processes and procedures for all stakeholders.</p>

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 Complaint Handling Policy.

### 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.

<p>Digital Communications Platforms</p>	<ul style="list-style-type: none"> <li>Promotional updates, product information and corporate news are constantly updated on all our digital communication touchpoints, which include product websites, corporate website, Facebook, Instagram, LinkedIn, Telegram and TikTok</li> <li>Digital touchpoints enable direct client interaction, where we monitor and respond to queries, feedback and complaints that come through</li> </ul>
<p>Telephony Support</p>	<ul style="list-style-type: none"> <li>Our customer helplines offer access to information, advice and handle customer queries and complaints via toll-free numbers. For more information, please visit, <a href="https://www.kenanga.com.my/contact-us">https://www.kenanga.com.my/contact-us</a></li> </ul>
<p>Physical Branches</p>	<ul style="list-style-type: none"> <li>In tandem with digital channels, we also serve our clients via 34 physical branches nationwide. For more information, please visit, <a href="https://www.kenanga.com.my/branches">https://www.kenanga.com.my/branches</a></li> </ul>

In 2022, there were no significant cases or public reprimands of non-compliances related marketing, labelling and communications recorded for the Group.

# ENVIRONMENTAL STEWARDSHIP



## 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 are integrating climate-related risk considerations into all aspects of our business operations and continuously seeking ways to minimise our environmental impact.

### MATERIAL TOPICS:



Climate Impact

### MATERIAL TOPICS:

#### Goal 1

Accelerate enterprise decarbonisation.

#### Goal 2

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

### UN SDGs



Enhanced part-load performance with Kenanga's inverter-driven screw chiller upgrade

## ENVIRONMENTAL STEWARDSHIP



### MANAGING OUR CLIMATE IMPACT

[GRI 302,303,305, 306]

#### WHY IT MATTERS

Kenanga acknowledges the impact we can have and the role we can play in facilitating the transition to a low-carbon economy and a more sustainable environment. We are committed to achieving carbon neutrality by 2025, and Net Zero emissions by 2050 as our long-term goal.

#### OUR APPROACH

Our aim is to foster an organisational culture that has a positive impact on the climate and carbon footprint. We tackle climate change with a pragmatic approach that incorporates the management of climate-related risk factors across our business activities, products and services, as well as to reduce environmental impact of our operations.

The operations and practices of Kenanga are in line with the goal of reducing carbon footprint where possible, and eliminating wastage to minimise the negative impact to the ecosystem and biodiversity. Similarly, our vendors are expected to adopt sustainable business practices as guided by our Group Code of Conduct for Vendors.

We encourage our employees to use resources responsibly, such as electricity, water and paper usage. Our #GreenAtHome initiative, previously known as #GreenAtWork, is a month-long interactive campaign designed to educate our employees on the need to adopt an environmentally-friendly mindset.

#### ENERGY CONSERVATION INITIATIVES IN 2022

##### Upgrading Air Handling Unit (“AHU”) and Air Conditioning (“AC”) Systems

Key enhancements made:

- Upgraded CH1 Centrifugal Chiller with Inverter Driven Screw Chiller with enhanced part-load performance
- Implemented Cooling Tower Fans for Systems 1 & 2
- Implemented Inverter Driven Fan Motor for Cooling Tower 1 & 2
- Introduced enhanced sensors and monitoring devices into the integrated control system
- Introduced Inverter to control motor speed according to prevailing demand

##### Transition to LED

All conventional lighting at Kenanga Tower were replaced with LED lighting during the year. With this initiative, we aim to achieve energy reduction of up to 8%.



Optimised performance and energy efficiency with Kenanga’s cooling tower fan upgrade

## ENVIRONMENTAL STEWARDSHIP



“We recognise that managing our environmental footprint is a critical responsibility that we hold as a company. We understand that our daily operations have an impact on the environment, and we are on our own journey to reduce our environmental impact by implementing sustainable practices and technological advancements.”

**CHEONG BOON KAK**

**Group Chief Financial and Operations Officer,  
Kenanga Investment Bank Berhad**



*Improved indoor environment control with Kenanga’s advanced sensor integration in HVAC upgrade*

### Energy Management

We continuously monitor and analyse our electricity and fuel consumption to identify opportunities to improve our energy efficiency. In addition to this, we have enhanced our data tracking and monitoring from our previous report, expanding our reporting scope to include branch offices, in addition to our headquarters, Kenanga Tower.

Besides our AHU and AC systems enhancements in 2021, we introduced additional upgrades in 2022 to further increase energy efficiency as we strive to achieve up to 30% electricity reduction.

Moving forward, we will explore additional measures to enhance the energy efficiency of our AHUs and Chiller Plant Room, which remain the largest sources of energy consumption in Kenanga Tower.

### GHG Emissions

Kenanga is committed to responsibly manage our direct and indirect GHG emissions from our business activities. We derived our Scope 1 GHG emissions from fuel consumption data of company-owned vehicles, while our Scope 2 emissions calculations for 2022 are based on purchased electricity consumption throughout Kenanga Tower as well as our branch offices.



## ENVIRONMENTAL STEWARDSHIP

**Scope 1 Direct GHG Emissions (tCO<sub>2</sub>e)**

Note: Our Scope 1 emissions are calculated based on fuel consumption from our company-owned vehicles. Scope 1 emission factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

\* 2022 data reflects the resumption of work in office and increased in business activities.

**Scope 1 – Fuel Consumption**

We saw an increase in petrol consumption compared to FY2021 due to the increased business travels using our company-owned vehicles as Malaysia transitioned into its COVID-19 endemic phase.

**Total Petrol Consumption\*(litres)**

\* 2022 data reflects the resumption of work in office and increased in business activities.

**Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Kenanga Tower only**

Note: Scope 2 emissions figures are derived from purchased electricity consumption throughout Kenanga Tower and our branch offices, converted using emissions factors for the Peninsular Malaysian grid. Scope 2 emission factors were sourced from the Malaysian Green Technology Corporation's 2017 CDM Electricity Baseline Final Report.

\* 2022 data reflects the resumption of work in office and increased in business activities.

**New Data Point:**

**Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Branches only**

**2,034.8** (FY2022)

**Scope 2 – Electricity Consumption**

In 2022, we expanded our electricity consumption monitoring to include our branch offices, and we achieved a 12.7% reduction in our purchased electricity consumption for Kenanga Tower, relative to the year before. The Group's efforts to optimise Kenanga Tower's air conditioning system and the conversion to LED bulbs have contributed to the improved energy efficiency.

**Total purchased electricity consumption - Kenanga Tower (kWh)****New Data Point:**

**Total purchased electricity consumption - Branches (kWh)**

**3,478,331** (FY2022)

Note: For Year-On-Year data of Scope 1 and Scope 2, please refer to page 91 of this report.

## ENVIRONMENTAL STEWARDSHIP

### Scope 3 – Other Indirect GHG Emissions

In FY2022, we also expanded our GHG emissions monitoring to include Scope 3 emissions from our business travel by using a spend-based method to measure and monitor our Scope 3 data. In line with our Sustainability Roadmap 2023-2025, we aim to establish a monitoring system to improve our disclosures on business travel and other categories under Scope 3 as relevant.

#### Scope 3 Business Travel (tCO<sub>2</sub>e)



Note: Activity data for Scope 3 emissions is obtained from total fuel consumption for employee-owned vehicles only, based on the price of Ron-97 fuel.

#### New Data Point:

#### Scope 3 Other Indirect GHG Emissions (tCO<sub>2</sub>e) – Business Travel

210.9 (FY2022)

### Consumption and Waste Management

As a financial institution, we generate paper and electronic waste (“**e-waste**”), predominantly. 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 on 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

#### Estimated Total Paper Purchased\* (kg)



Note: For Year-On-Year data of paper consumption, please refer to page [91](#) of this report.

In 2022, we have also rolled out our initiatives to migrate clients from physical monthly statements of accounts to e-statements in line with our sustainability goals and targets. A total of 139,821 clients have migrated to e-statements as of December 2022. Moving forward, we will continue to encourage our clients to migrate to e-statements.

#### Waste Management

As part of our efforts to support circular economy and responsible disposal of the Group’s documents as well as e-wastes which contain confidential data, we engaged a local recycling centre and local licensed local IT asset destruction agency to manage these wastes. We practice responsible disposal of our papers and e-wastes as guided by our Retention, Archiving and Destruction Policy and; PDPA Data Access and Retention Procedures. Upon destruction, we were given a Certificate of Destruction by a licenced local agency. Overall, we have managed to collect and manage our office wastes responsibly of a total of 19,974 kg. Moving forward, we intend to further improve our waste management systems through enhanced monitoring and active stakeholder engagement on build awareness on circularity.

## ENVIRONMENTAL STEWARDSHIP

### New Data Point:

Waste Collected and Recycled by Type (kg)			
Paper	Plastic	Aluminium Tins	Others
<b>8,945</b>	<b>77</b>	<b>31</b>	<b>6</b>
IT Asset and Paper Collected and Disposed by Type (kg)			
Paper	e-Waste		
<b>8,980</b>	<b>1,935</b>		

### Water Management

We are mindful of our water consumption and continue to track water usage on an annual basis to further enhance our water efficiency. Similar to our electricity consumption monitoring, we have expanded our water consumption monitoring to include data from our branch offices.

#### Water consumption - Kenanga Tower (m<sup>3</sup>)



Note: For Year-On-Year data of water consumption, please refer to page **91** of this report.

#### New Data Point:

**Water consumption –  
Branch Offices (m<sup>3</sup>)**

**20,848**  
(FY2022)



“Kenanga is committed to reducing waste and minimising its environmental impact through various initiatives, including minimising paper usage by transitioning to digital files. In addition to these efforts, we are also focused on employee awareness building and promoting collective action to further reduce our environmental footprint. We believe that it is important to involve everyone in our organisation in these efforts and work together to achieve our sustainability goals. By prioritising these initiatives and promoting responsible practices, we are committed to building a more sustainable and responsible organisation.”

#### YAP WAI CHOON

**Head of Group Procurement and Administration,  
Kenanga Investment Bank Berhad**

## ENVIRONMENTAL STEWARDSHIP

### #GreenAtHome

#### #GreenAtHome

Since 2017, we have been conducting a month-long interactive campaign called #GreenAtHome every April, 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 2022, nearly 600 employees participated in the month-long event. To engage our employees, we utilised a variety of channels, ranging from virtual interactive learning events consisting of educational pop quizzes and games to more immersive learning initiatives, such as virtual eco-workshops.

Online workshops were conducted in collaboration with Mossarium Terrarium Malaysia. We also encouraged employees to recycle by providing Trashcycle Malaysia’s door-to-door service to collect recyclable wastes. We collaborated with Zero Waste Malaysia to host an interactive session on how to lead a zero-waste lifestyle.

We also have been participating in the Earth Hour for the past 13 years by switching off lighted signages and non-essential lights in our premises nationwide.



### FUTURE OUTLOOK

As part of our initiative to engage companies in combating climate change and achieving our carbon neutrality goal, we work closely with reNIKOLA, Malaysia’s premier solar producer, to secure renewable energy through the Corporate Green Power Program. Our aim is to meet all our energy needs with renewable energy sources by 2025, and we will continue to explore other renewable energy alternatives.

We also look forward to establish a more streamlined process to continue tracking and monitoring our GHG emission metrics and setting a baseline for Scope 1, Scope 2 and applicable Scope 3 categories to compute our overall GHG emissions count.

# EMPOWERING PEOPLE AND COMMUNITIES



## 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
-  Employee Health, Safety and Wellbeing
-  Talent Attraction, Development and Management
-  Community Investment

### MATERIAL TOPICS:

- 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.

### UN SDGs



# EMPOWERING PEOPLE AND COMMUNITIES



## DIVERSITY AND INCLUSION

[GRI 405, 406]

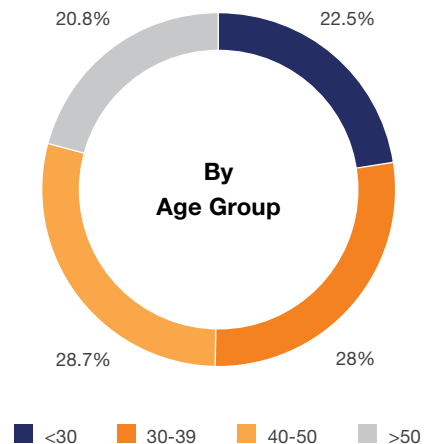
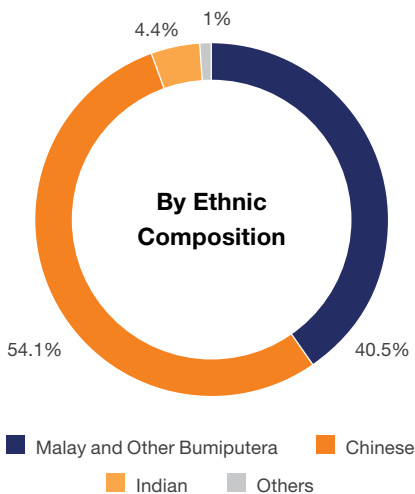
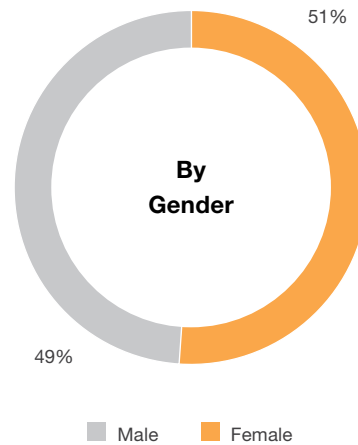
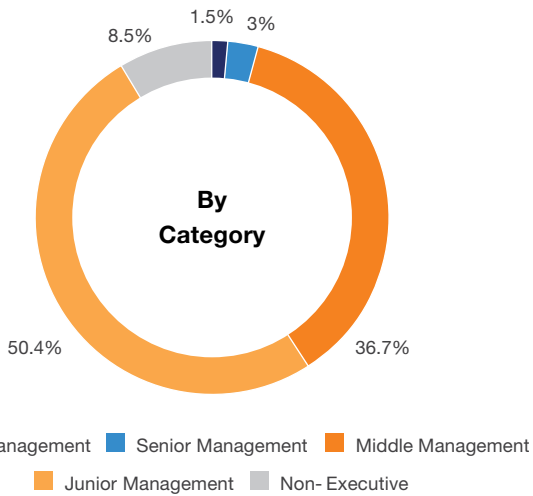
### WHY IT MATTERS

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 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]

Total Number of Employees in 2022  
**1,355**



Note: For Year-On-Year data of our workforce profile, please refer to page 92 of this report.

## EMPOWERING PEOPLE AND COMMUNITIES

### OUR APPROACH

#### Our Policy on Ethical Human Resource Practices

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



**Group Code of Ethics and Conduct for Employees**

- ✔ Group Disciplinary Policy
- ✔ Flexible Work Arrangements Policy
- ✔ Compensation and Benefits Policy
- ✔ Learning and Development Policy
- ✔ Group Procedure on Recruitment and Staffing Management
- ✔ Group Performance Management Policy

#### Zero Tolerance of Human Rights Violation

In accordance with the principles outlined in the UNGC, we recognise our obligation to respect human and labour rights. We are committed to treating all employees with respect and providing equal opportunities for professional success, regardless of their race, religion, gender, age, nationality and physical challenges. At Kenanga, we have zero tolerance for any violation of human rights, including forced and compulsory labour, child labour, and discrimination at our workplace. Our hiring procedures abide by the local laws in establishing the minimum age for employment.

#### Communication on Human Rights for Employees

New employees are required to complete a 10-minute self-directed learning module on employee rights through our Learning Management System (“LMS”), an internal learning platform. In 2022, we recorded a total of 189 enrolments on this topic.

The Group Disciplinary Policy, which includes guidelines in dealing with employee misconduct, which also outlines the procedures for responding to employee grievances in regards to their employment. This platform allows employees to express concerns about employment-related issues and have those concerns addressed by the appropriate parties within a specified time frame.

In 2022, there were zero grievances or incidents reported related to harassment, bullying or discrimination.

#### Moving Forward

We are currently developing a Group Human Rights Policy to cover all our current practices in protecting human rights and strengthening our commitment to uphold the principles of human rights throughout our business operations.

## EMPOWERING PEOPLE AND COMMUNITIES



“The Kenanga Leadership Development Framework is a commendable initiative by Kenanga as it equips staff members with the necessary skills to manage and lead teams effectively at work. I am eager to see our new generation of leaders advancing their careers in Kenanga.”

**NIK HASNIZA NIK IBRAHIM**

**Head of Group Human Resource,  
Kenanga Investment Bank Berhad**

### Promoting a Gender-Balanced Workplace Culture

We remain committed in monitoring our gender diversity numbers and ensuring that our recruitment process continues to take a gender-balanced approach. To promote a gender-balanced workplace, we provide various benefits in line with local labour laws, which applies to all eligible employees, irrespective of gender, such as nursing rooms, updated maternity and paternity leave days, as well as flexible working arrangement. Our human resource practices, including recruitment, performance management and talent development are managed non-discriminatively.

#### Female Representation at Kenanga

Our Workforce	Key and Senior Management	Middle Management	Junior Management	Non-Executives
<b>51%</b>	<b>37%</b>	<b>53%</b>	<b>53%</b>	<b>34%</b>

### Gender Pay Gap

We believe in providing equal economic opportunity for all, regardless of employees’ gender, especially within the similar roles in our organisation. Our approach to pay and compensation is based on employees’ experiences, skills and competencies required as well as industry benchmark in determining basic salary. Therefore, men and women are paid equally, except in cases necessitating adherence to Sections 34 and 35 under the Employment Act 1995. All employee-related decisions are made based on business needs and employee merit.

Ratio of Basic Salary	Men : Women
Key Management	1:0.84
Senior Management	1:1.02
Middle Management	1:0.82
Junior Management	1:1.03
Non-Executive	1:0.91



## EMPOWERING PEOPLE AND COMMUNITIES

### 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.



“As financial-services firms reimagine the future of the workplace, this moment calls for bold action to improve gender and racial diversity across the talent pipeline and create an inclusive culture where all women, and all employees, feel like they belong. If we want more women leaders, we need individuals in influential positions to support their ascension. And for that we need as many role models, mentors, and advocates as possible to support women in navigating the challenges of the industry and achieving their goals. By working together, we can help to create a more equitable and inclusive financial eco-system that benefits everyone.”

**AZILA ABDUL AZIZ**

**CEO/Executive Director & Head of Listed Derivatives,  
Kenanga Futures Sdn Bhd**



### CELEBRATING OUR FOUNDER'S DAY

#### Founder's Day

We celebrate Founder's Day annually alongside the birthday of our esteemed Founder Emeritus and Adviser, YM Tan Sri Tengku Noor Zakiah, who is also a pioneering female stockbroker in the country. This allows us to pay homage to our heritage and celebrate the success of Kenanga every year.



Number of employees engaged

**649**

## EMPOWERING PEOPLE AND COMMUNITIES



### SUPPORTING DIVERSITY AT WORKPLACE

#### Cultural Festive Celebration

We celebrated Chinese New Year, Hari Raya and Deepavali festivities through a hybrid of on-ground and online events nationwide in 2022. Employees were extended with e-festive money via the Kenanga Money mobile application and given early salary payouts that coincided with the festive seasons. A series of fun games and activities were also carried out during the celebrations.



Total participation from employees in all our festive celebration

**2,502**

#### International Women Day (“IWD”) 2022

As we embrace a gender-balanced workplace, we also continue to build awareness of gender equality at work through collaborations with organisations such as Tulip Movements on women’s leadership. In celebration of IWD 2022, themed #BreakTheBias, we carried out a number of initiatives to further promote gender equality amongst our employees. Initiatives include pop quizzes, invitation to women leadership talks, and dissemination of online awareness materials.

We also supported Bursa Securities’ #EqualityforEquity campaign, encouraging women to open trading accounts to bolster the number of women traders on the local bourse.

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



Number of employees engaged through IWD22 programme

**102**



“At Kenanga, we believe that diversity, equity, and inclusion are key drivers of innovation and success. We are committed to creating a culture where all individuals are valued, respected, and have equal opportunities to grow and succeed.”

**FOO SEE WAN**  
**Vice President,**  
**Employee Communication & Corporate Responsibilities,**  
**Kenanga Investment Bank Berhad**

EMPOWERING PEOPLE  
AND COMMUNITIES

## EMPLOYEE HEALTH, SAFETY AND WELLBEING

[GRI 403]

## 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 remain committed to creating a safe working environment culture as we continue to promote physical and emotional wellness for all our employees.

## OUR APPROACH

Kenanga is committed to exercising precaution to ensure we provide a safe and healthy work environment. Kenanga is in compliance with the Occupational Health and Safety Act (“**OSH Act**”) 1994 as we make our best efforts to protect our workforce.

## Our Safety Rules and Procedure

We have our Safety Rules and Regulations in place in the event of any emergencies to minimise injury to personnel and damage to property. We conducted numerous OHS-related trainings and programmes for our staff in 2022, including a 21-hour training course on the latest amendments to Malaysia’s OSH Act 1994. In 2022, we have trained 34 employees on first-aid to standby during any emergencies.

Assembly points and evacuation protocols have been established, with fire evacuation drills conducted yearly. Our renovation processes and procedures are monitored according to the Renovation Manual 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 to ensure we are in compliance with the Fire Service Act 1988 (“**Act 341**”). As at 31 December 2022, we have a total of 126 employees who are trained as fire marshals. We are pleased to report that there were zero workplace injuries reported in 2022.

## Addressing COVID-19

The Ministry of Health (“**MOH**”) has led the country’s COVID-19 pandemic transition to an endemic phase through multiple revisions of the standard operating procedures (“**SOPs**”) throughout 2022. In line with MOH’s revisions, we have kept our internal COVID-19 measures regularly reviewed, updated and communicated group-wide.

At the beginning of the year, Kenanga implemented a 40:60 working in the office to working from home (“**WIO/WFH**”) ratio. The WIO/WFH increased to 60:40 effective 1 October 2022 and subsequently, the Group resumed the work-in-office arrangement at full capacity on 7 November 2022. We have maintained temperature checks and mask wearing protocols, as well as encourage regular hand sanitisation to mitigate the risk of infection.

## Promoting Emotional Wellness

In line with our goal on promoting employees’ wellbeing, we have incorporated mental health support as part of our employee wellness programme in 2022. Mental health professionals from a notable wellness organisation were engaged to provide talks to employees in efforts to raise mental health awareness.



“Following positive feedback from our mental health awareness initiatives, we plan to continue implementing mental health-related activities to promote positive mental health amongst our employees. These activities will include encouraging employees to be more in tune with their emotions and experiences, educating both employees and supervisors on how to proactively address and manage mental health-related issues, and facilitating early treatment of depression or related illnesses. Our hope is that these efforts will lead to a reduction in absenteeism and hospitalisations, ultimately resulting in improved job satisfaction, increased productivity, and better performance outcomes for both individuals and the company.”

**CATHERINE HONG**  
Head, Organisation Development Programmes Management,  
Kenanga Investment Bank Berhad

## EMPOWERING PEOPLE AND COMMUNITIES



### MENTAL WELLNESS PROGRAMMES AND COLLABORATION WITH NALURI

In 2022, we established a partnership with Naluri, an organisation that offers integrated digital care solutions combining support for both physical and mental health. Naluri offers a variety of services that take a multidisciplinary approach to address all interconnected aspects of wellbeing, such as physical wellness, workplace performance, financial wellness and mental wellness.

Seven (7) mental wellness awareness sessions were carried out at Kenanga to employees. We recorded a total of 1,037.5 training hours in 2022 and participation from 688 employees for all the sessions.

The purpose of these sessions was to foster open discussions that are vital for diminishing the stigma associated with mental health and promoting a supportive culture that fosters a healthy and productive workforce. Through the mental health awareness programme, we also encourage our employees to seek guidance on emotional wellness aspects, when required.

### Building Awareness on Sexual Harassment

Our guideline on Preventing and Eradicating Sexual Harassment in the Workplace Procedure in 2016 aims to guide, monitor and ensure that we prevent any instances related to sexual harassment at workplace. We are currently reviewing the guideline in line with the revision of Employment Act 1955. Further to this, the procedure will be communicated to employees in 2023.

As required by law, our Notice on Sexual Harassment has been communicated and information related to the topic was disseminated to all our employees to create awareness in 2022. We also plan to ensure Head of Departments are trained by legal professionals on how to handle sexual harassments reported. This programme is targeted to be rolled out in 2023 as part of our efforts to ensure a safe and harmonious working environment.



### HEAR FROM OUR PARTICIPANT



“In recent years, discussions about the importance of mental health have increased recognition, which has helped to reduce the negative stigma associated with mental illness. This has likely had a positive impact on individuals who may have been hesitant to seek help due to societal pressure or a lack of knowledge. By fostering open discussions and educating people on mental health, more individuals may feel at ease to seek the support they need, leading to enhanced overall health and wellbeing. I appreciate Kenanga’s efforts in organising these kinds of programmes.”

**SOFFIAH IDRUS**  
**Vice President,**  
**Credit Equity Broking,**  
**Kenanga Investment Bank Berhad**

## EMPOWERING PEOPLE AND COMMUNITIES



### TALENT ATTRACTION, DEVELOPMENT & MANAGEMENT

[GRI 401,404]

#### WHY IT MATTERS

We understand that an agile and engaged workforce is critical to our organisation’s long-term success. 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.

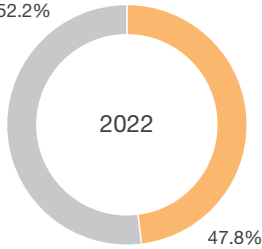
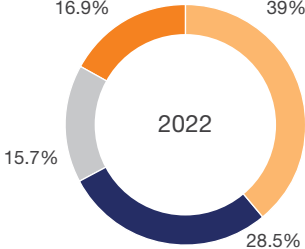
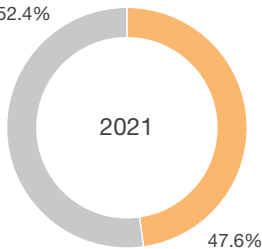
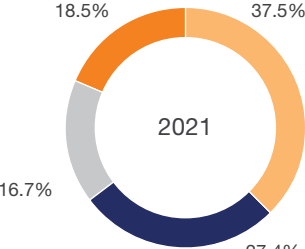
#### OUR APPROACH

##### Fair Recruitment

At Kenanga, we are dedicated to upholding impartial and unbiased recruitment processes. To accomplish this, we follow our Group’s Recruitment and Staffing Management Procedure as a framework. Furthermore, we employ a Malaysian-first approach in our hiring strategy to provide abundant prospects for local talent to join our team.

New Hire	New Hire By Gender	New Hire By Age
<p><b>Total Number of New Hires in 2022</b> 209 (15.4%)</p>	<p>2022</p>	<p>2022</p>
<p><b>Total Number of New Hires in 2021</b> 282 (20.2%)</p>	<p>2021</p>	<p>2021</p>
<p>■ Male ■ Female</p>		<p>■ &lt;30 ■ 30-39 ■ 40-50 ■ &gt;50</p>

## EMPOWERING PEOPLE AND COMMUNITIES

Employee Turnover	Employee Turnover By Gender	Employee Turnover By Age
<p><b>Total Number of Employee Turnover in 2022</b> 249 (18.1%)</p>	 <p>52.2% Male, 47.8% Female</p>	 <p>16.9% &lt;30, 39% 30-39, 28.5% 40-50, 15.7% &gt;50</p>
<p><b>Total Number of Employee Turnover in 2021</b> 168 (12.5%)</p>	 <p>52.4% Male, 47.6% Female</p>	 <p>18.5% &lt;30, 37.5% 30-39, 27.4% 40-50, 16.7% &gt;50</p>
<p>Male Female</p>		<p>&lt;30 30-39 40-50 &gt;50</p>



## EMPOWERING PEOPLE AND COMMUNITIES

### Employee Benefits

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



### PARENTAL LEAVE IN 2022

Male			Female	
402		Total number of eligible employees		686
20		Total number of employees that took parental leave		19
20		The total number of employees that returned to work after parental leave ended		19
100%		Return to work rate		100%

In line with recent updates on our local Employment Act in 2022, we have further updated our paternity and maternity leaves, as well as hospitalisations and sick leaves.

### Supporting Employees in Need

We take a comprehensive approach to employee welfare, supporting their health and wellbeing holistically. 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. There were no application made by employees in 2022. In 2022, we distributed zakat contributions received from Zakat Perniagaan and Zakat Wakalah amounting to over RM290,000 to nearly 400 employees for the purpose of assisting low-income employees, supporting education expenses for those with children and flood relief.

## EMPOWERING PEOPLE AND COMMUNITIES

### Nurturing a Skilled Workforce

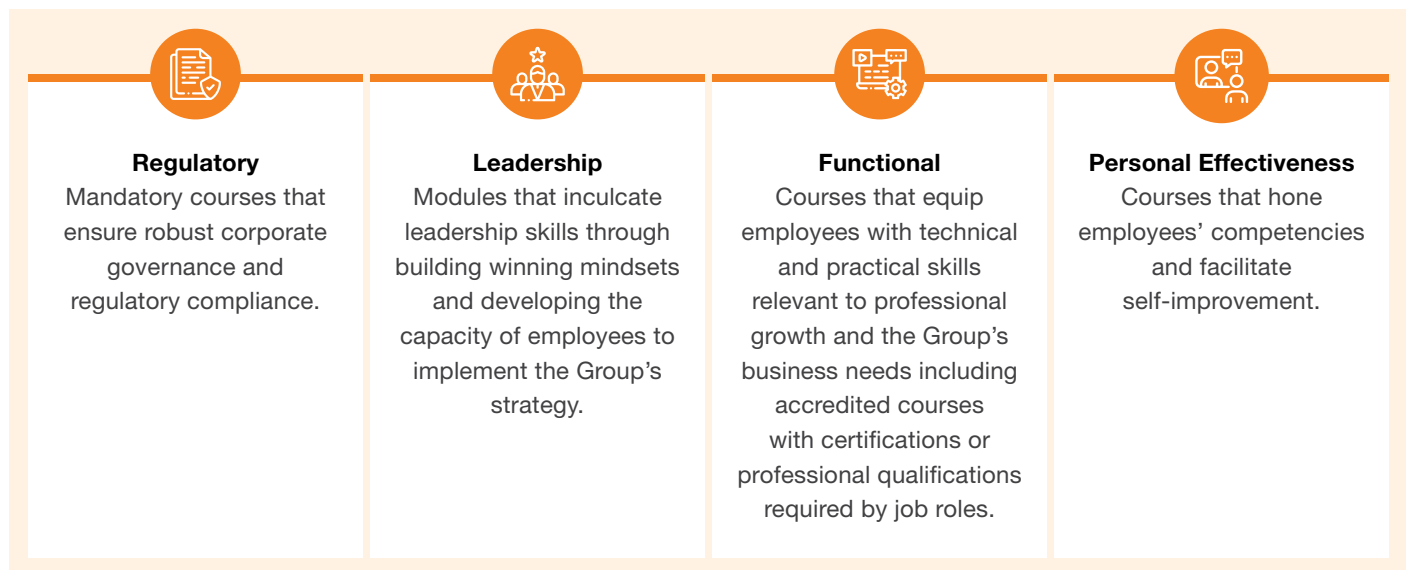
Kenanga places effort into creating a skilled, competent, and agile workforce by providing its employees access to purposeful growth and developmental opportunities. Numerous training and development programmes have been offered to help our employees upskill and reach their full potential, in order to 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. It outlines Kenanga’s Core Values and leadership competencies.

Our Learning and Development Policy further supports our values for continuous learning and development for employees at all levels of the organization. We continue to introduce opportunities to learn through training programmes in areas such as digital competency, leadership skills, and sustainability-related issues. In 2022, we invested approximately RM2.7 million on talent and development programmes for employees.

### Our Approach to Talent Development:

We adopt a four (4)-pronged approach to our training and development efforts which centres on supporting our employees’ personal development while ensuring that they can meet our evolving business needs. We implemented the Kenanga Leadership Development Framework in 2022. A total of 205 employees took part in this training.





## EMPOWERING PEOPLE AND COMMUNITIES

### TRAINING AND DEVELOPMENT HIGHLIGHTS FOR FY2022



Total expenses on training and development  
**Over RM2.7 million**



Total enrollments in training and development  
**22,240**



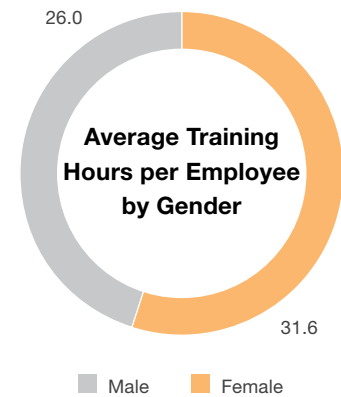
Overall training hours  
**39,326**



Average training hours per employee  
**29.0**



Average training days per employee  
**3.6**



### AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORY



Key Management  
**88.1**



Senior Management  
**48.1**



Middle and Junior Management  
**29.0**



Non-Executive/General Employees  
**7.8**

Note: For Year-On-Year data of training and development, please refer to page **93** of this report.

## EMPOWERING PEOPLE AND COMMUNITIES

### Role-based Development

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

We continue to support employees to earn professional certifications and credentials by collaborating with external training and certification providers such as the Asian Institute of Chartered Bankers (“AICB”), Iverson, 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 2022, we supported nearly 160 employees in obtaining professional certifications from various certification programmes as follows:



## EMPOWERING PEOPLE AND COMMUNITIES

In order to provide our employees with learning and development opportunities that are relevant to the industry and their daily roles, we continue to work with reputable training providers from various industry groups. These collaborations in 2022 include:

Industry Group	Industry Partner	Nature of Collaboration
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Securities Commission Malaysia</li> <li>Bursa Securities</li> <li>Bank Negara Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Exam modules</li> <li>Courses relating to market intermediaries and advocacy</li> <li>Guide on reporting of suspicious transactions</li> </ul>
<b>Professional Body for Bankers</b>	<ul style="list-style-type: none"> <li>Asian Institute of Chartered Bankers</li> </ul>	<ul style="list-style-type: none"> <li>Professional qualifications</li> <li>Executive education courses</li> </ul>
<b>Investment Banking</b>	<ul style="list-style-type: none"> <li>Malaysian Investment Bank Association</li> </ul>	<ul style="list-style-type: none"> <li>Programmes according to Malaysian Investment Bank Association’s Learning and Development Framework</li> </ul>
<b>Learning and Development</b>	<ul style="list-style-type: none"> <li>Securities Industry Development Corporation</li> <li>Asian Banking School</li> <li>Association of Certified Fraud Examiners</li> </ul>	<ul style="list-style-type: none"> <li>Courses related to technology and digital transformation</li> <li>Modules on advisory services</li> <li>Course on fraud and post pandemic social reality</li> </ul>

We continue to provide our employees with the ESG and sustainability-related skills and expertise they need to be able to advance our sustainability agenda. A total of 2,449 employees took part with 3,615.5 training hours logged in 2022, covering the topics of climate-related risks, ESG, and sustainability. In collaboration with UNGC, we implemented two (2) sustainability e-learning courses via Kenanga’s LMS, including ‘How to Understand and Take Action on the Global Goals’ and ‘Translating Human Rights into Business Practice’ which received a 95% completion rate from Kenanga employees on average.

Additionally, our remisers, who are our intermediary personnel, attended 39 sessions of in-house CPE courses which covered topics such as The Future of Money-Blockchain, Cryptocurrencies & IEOs, Digital Leadership for Sustainable Business in Industry 4.0, 12<sup>th</sup> Malaysia Plan - Challenges and Opportunities, Fundamentals of ESG Investing, The Evolution of The Internet: The Metaverse & Decentralised Finance, in order to keep them abreast with new development and rapidly changing consumer market needs.



### HEAR FROM OUR PARTICIPANT



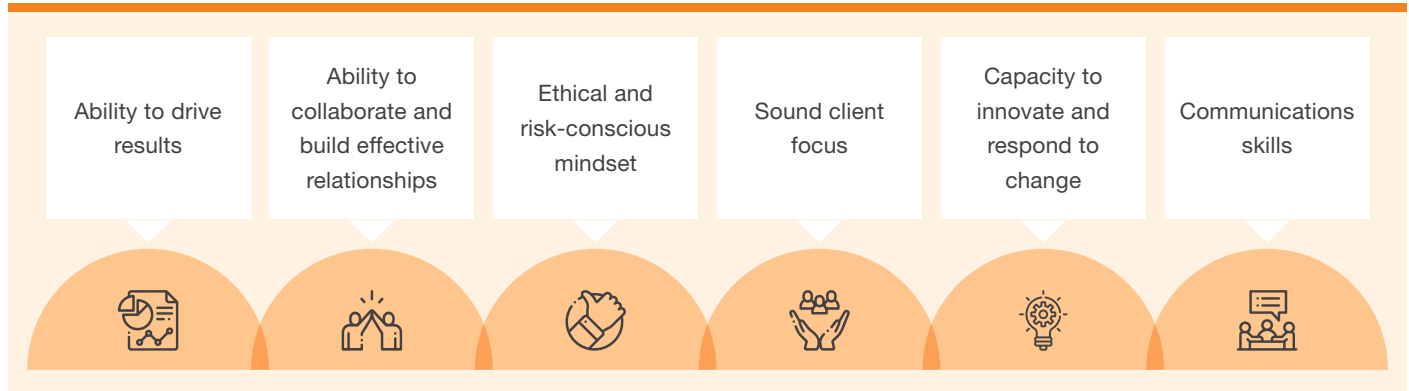
“The Sustainability Training Module is a commendable initiative by Kenanga, since it equips us with the necessary information on the global sustainability agenda and enables us to implement sustainability practises at our workplace. I look forward to learning more from case studies on sustainability financing as it is practised in global capital markets.”

**IQBAL JUSOH**  
Head, Islamic Markets,  
Kenanga Investment Bank Berhad

# EMPOWERING PEOPLE AND COMMUNITIES

## Leadership Development

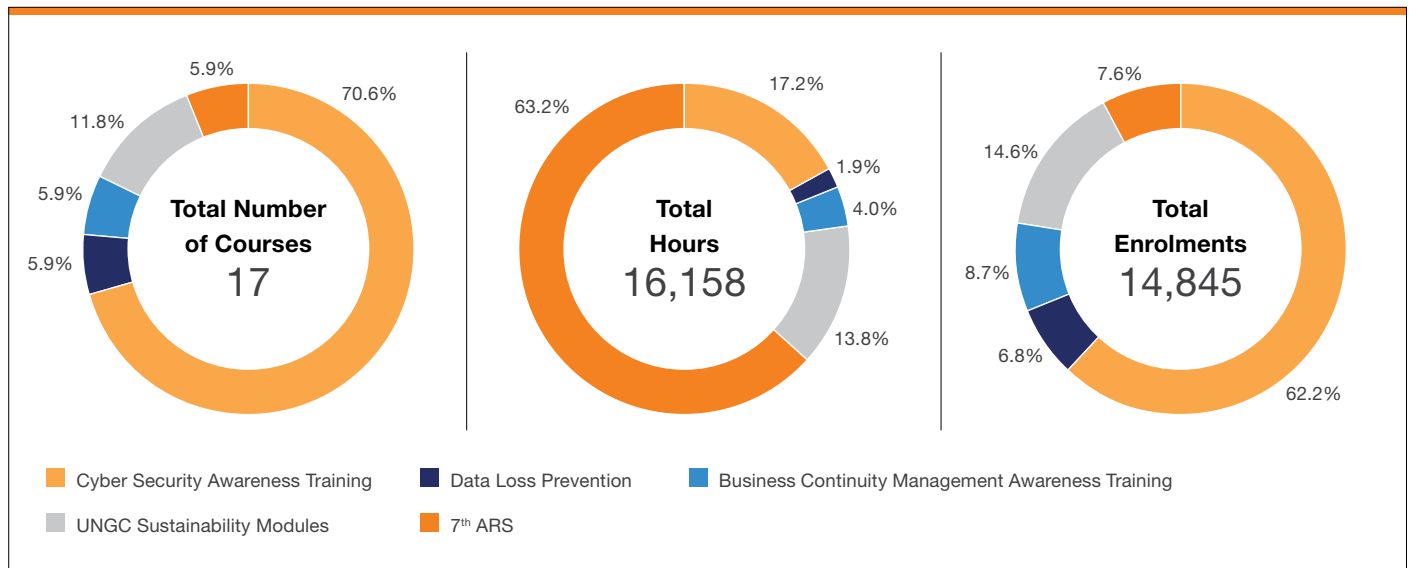
We recognise the importance of developing leadership skills of our employees and apply employee talent mapping based on the traits listed below:



The Kenanga 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.

## E-learning on Kenanga Learning Management System

The contents are updated with relevant e-learning modules to suit the learning needs of our employees. The courses are catered to all level of our employees including new hires.



## EMPOWERING PEOPLE AND COMMUNITIES

### Talent Management






#### Performance Management at Kenanga

We have ongoing Performance Management Cycles starting from the first quarter of the year, which is followed by progressive reviews and performance appraisals for employees at all levels in the fourth quarter of the year. Employees are guided by the Performance Management Matrix and Development Guidelines as approved by the Board. The results of these performance appraisals are the basis for reward distribution, talent management, as well as learning and development. In the event of underperformance, a performance improvement plan will be implemented.

#### EMPLOYEE PERFORMANCE MANAGEMENT IN 2022

<b>Total eligible employees</b>	<b>Number of employees</b> <b>1,201</b>	<b>% of workforce</b> <b>88.7%</b>
---------------------------------	--	---------------------------------------

#### EMPLOYEE CATEGORY

				
Key Management	Senior Management	Middle Management	Junior Management	Non-Executive/ General Employees
<b>18</b>	<b>38</b>	<b>459</b>	<b>573</b>	<b>113</b>

### Moving Forward

We commenced development of Individual Development Plan (“IDP”) in 2022 with the aim for all employees to have their personalised IDP completed by 2023. The IDP is to support personalised learning path for our employees through blended learning activities which includes relationship-based and experiential learning. The implementation of the personalised IDP includes mentoring, coaching, hands-on workshops as well as on-the-job training with a supervisor. We will also continue to offer virtual and online learning with higher quality of digital contents and updated modules.

To address technology talent sourcing, retention and cost challenges, greater focus will be put in place to upskill our internal capabilities to support the Group’s digital transformation. We will rollout Tech Talents Upskilling Program in 2023 target to build internal talent pipelines for Cloud and DevOpsSec roles.

Another key human capital development initiative commencing in 2023 is the Kenanga Leadership Development Programme which supports the employee career progression in leadership roles within the Group, starting from Operational Lead, People Manager, Senior Management to Executive Leaders.

# EMPOWERING PEOPLE AND COMMUNITIES



## COMMUNITY INVESTMENT

[GRI 413]

### WHY IT MATTERS

We believe that supporting local communities is crucial for building stronger, more resilient neighbourhoods 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

In 2022, Kenanga revised updated its Group Sponsorship Policy to Group Donation Policy to create a standardised approach to evaluating and channelling donation requests and community investments. We have also introduced an employee volunteering mechanism in 2022 which aims to create a positive work culture, strengthen relationships with stakeholders, while contributing to social and environmental causes, thus providing employees with opportunities for personal and professional growth.

### Empowering Our Communities

Kenanga has a long history of philanthropic contributions, outreach initiatives, and fundraising campaigns. We continue to strengthen outreach initiatives through employee volunteerism, and support social enterprises through targeted community investment that is consistent with our focus on empowering and uplifting local communities. In 2022, we contributed over RM180,000 in community investments with direct positive impact to over 4,000 people.

Our anchor social enterprise partners, Silent Teddies Bakery and Dialogue Includes All whom we have been consistently supporting for 11 consecutive years.



A Kuala Lumpur bakery, operated entirely by hearing-impaired youths. During the year, over RM80,000 was contributed to the Silent Teddies Bakery in support of renovation and expansion of the bakery in order to increase workspace for the enterprise. Additionally, 500 jars of baked goods from Silent Teddies was purchased as door gifts for our event in 2022.

Visit Silent Teddies Bakery website here:



(<https://silentteddies.com/>)



A cafe and exhibition, spearheaded by Stevens Chan, an activist in support of people with disabilities. Supported Café Includes, an initiatives under Dialogue Includes All, through the HumanKIND project. In 2022, we raised over RM50,000 through Meals That Give project.

Visit Dialogue Includes All (Café Includes) website here:



(<https://www.diadiscover.com/cafe-includes>)



## EMPOWERING PEOPLE AND COMMUNITIES

### The HumanKIND Project: Meals That Give Campaign

Focused on the philosophy of shared humanity, Kenanga began The HumanKIND Project's 'Meals That Give' campaign to continue rallying support for its long-standing social enterprise partner, Café Includes, a cafe operated by a team of persons with disabilities.

From the kitchen of Café Includes, the meals prepared not only helped with sustaining employment opportunities of the differently-abled members of Café Includes, but they also went towards feeding communities in need such as the homeless and children of orphanages at Persatuan Kebajikan An-Najjah Malaysia, Ruman Ozanam PJ, and Pertiwi Soup Kitchen.

Besides giving back to the community, our aim for the campaign is to also create an ecosystem to encourage the public to give back, with Kenanga sponsoring an additional meal with every meal pledge from the public, with pledges as low as RM20.

Kenanga has undertaken various initiatives to promote the 'Meals That Give' campaign where efforts included the dissemination of a press release about the campaign launch, email announcements and regular postings on our social media including milestone updates on the amount that we have raised.

As a result, 'Meals That Give' raised over RM50,000 at the end of the year. To date, we have distributed over 2,700 meals, with Kenanga matching meal-for-meal.



### AWARDS RECEIVED IN 2022:

#### Malaysia PR Awards 2022:

Won the Sustainability Award (Silver) for the launch of the HumanKIND Project: Meals That Give Campaign in December 2022

#### Loyalty and Engagement Award 2022:

Won for Best Use of CSR (Bronze)

#### Sustainability & CSR Malaysia Award 2022:

Won Bank of the Year Award for Environmental, Social & Governance Excellence and Long-Standing Excellence in Sustainability

“The HumanKIND initiative has not only help to sustain the employment of our team of Disabled Cloud Kitchen assistants but also provided the much needed meals to feed the needy in Klang Valley. Thank you Kenanga for supporting our Café Includes.”

#### STEVENS CHAN

Operator, Cafe Includes



## EMPOWERING PEOPLE AND COMMUNITIES

### KEY VOLUNTEERING ACTIVITIES

With the introduction of the volunteering mechanism in 2022, we managed to log a total of 2,382 hours of volunteering service through outreach programmes to local communities. To further recognise our employees' volunteering effort, we reward employees with leave days for their hours invested in these community outreach activities.

#### Qurban Programme

As part of the Aidiladha celebrations this programme was carried out in collaboration with ZnZ Premier Advisory and 1EBC to distribute 'Qurbani' or 'sacrificial meat' to the less fortunate, over 200 Kenanga agents and volunteers spent a cumulative of 2,224 volunteering hours distributing the portions to orphanages, old folks' homes and various community centres in, Melaka, Kelantan, Kuala Lumpur and Selangor.

#### The Humankind Project: Be A Volunteer

51 employees volunteered in assisting to pack and deliver food and products for multiple social enterprises and NGOs, namely Silent Teddies, Café Includes, Rumah Ozanam, An-Najjah, and PERTIWI, registered a total of 158 volunteer hours in 2022.



### HEAR FROM OUR VOLUNTEERS



"I have had the pleasure of participating in Silent Teddies multiple times, and I am grateful to Kenanga for offering these opportunities. Being a part of this community service has brought me immense satisfaction and a sense of fulfillment. My experiences have heightened my compassion and empathy towards students with special needs. Furthermore, I have learned new skills such as biscuit making and packaging. Our involvement has undoubtedly brought joy to those we serve."

**NORIZAN JAAFAR**  
Assistant Vice President, Group Finance,  
Kenanga Investment Bank Berhad



"I would like to express my gratitude to the organising team for giving me the opportunity to participate in this voluntary work and to experience the happiness and fulfillment that comes from volunteering. I had the pleasure of visiting a cookie bakery where most of the staff were hearing-impaired, yet their baking skills were truly remarkable and their manners were impeccable. The staff was incredibly friendly and welcomed us with open arms, eager to share their knowledge and expertise."

This experience taught me about communicating with people with disabilities, working in a team, and the benefits of volunteering. I have already shared my experience with my colleagues, friends, and family and I encourage others to take advantage of such opportunities in the future."

**ANURADHA D/O KUMARAN**  
Associate, Group Procurement,  
Kenanga Investment Bank Berhad



EMPOWERING PEOPLE  
AND COMMUNITIES

## Other Community Outreach Initiatives

Organisation/Program	Activities
<b>National Cancer Society Malaysia (“NCSM”)</b>	We participated in the NCSM with the Relay for Life Malaysia event, which is a community-building event that honours cancer survivors, pays tribute to those who have passed away, and raises funds for the NCSM’s support and prevention programmes. A total of RM10,000 were funded to help NCSM with its outreach for cancer awareness, education, and support programmes for the public, patients, survivors, and the caregivers.
<b>Society for the Severely Mentally Handicapped, Selangor and Wilayah Persekutuan (“SSMH”)</b>	We made a donation to the SSMH, an organisation which cares for children with severe multiple disabilities and educates the public about them. In FY2022, we donated daily supply needs and cleaning maintenance supply worth of RM4,500.

## PROMOTING YOUTH EMPOWERMENT

SOB x MUIG Summit: Investment Series by Monash University Investment Group	Virtual: 4 <sup>th</sup> Asia Pacific Youth Leadership Summit 2022	UPM Ride2Farm Sponsorship 2022	InvestingNote Trading Cup 2022
The purpose of the event was to educate students about portfolio management, the industry and the typical career path of a portfolio manager. The event is part of our business strategy to educate the community on portfolio management.	An online webinar was conducted to promote discussion amongst youth about the value of ESG and how it affects business from a climate perspective.	Charity cycling event hosted by UPM with an aim to introduce a number of community development initiatives that focus on the transfer of knowledge and technology to the anticipated crowd of alumni, business partners, and local residents.	A simulated trading game tournament by NagaWarrants where 6,202 participants traded equities & structured warrants in collaboration with Tunku Abdul Rahman University College & InvestingNote.

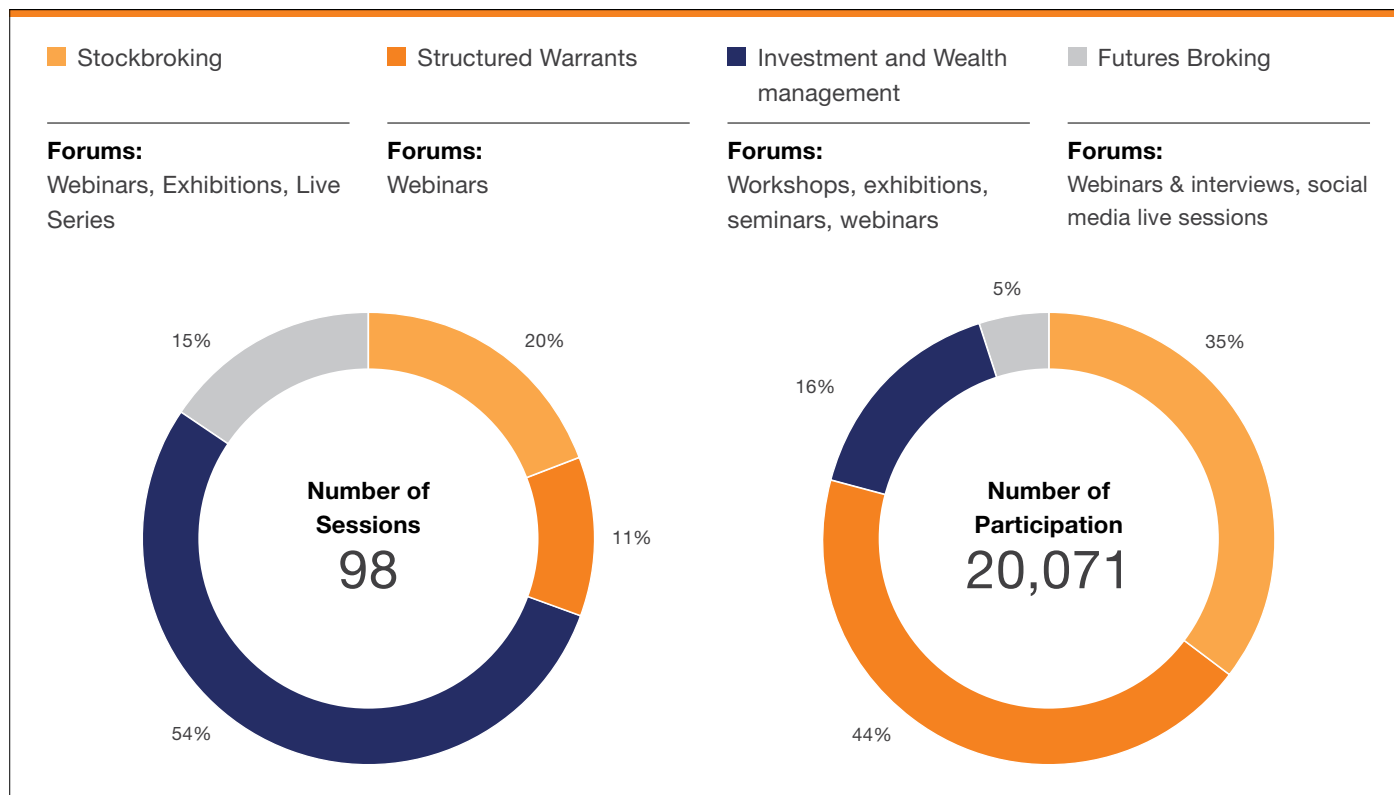
## Advancing Financial Literacy

Our team of experts at Kenanga continued to share their knowledge and insights through various industry financial literacy initiatives and participation in industry-relevant events throughout FY2022. Some of the key events we participated in are as follows:

9 <sup>th</sup> MFPC e-Conference on Shariah Wealth Management & Financial Planning	11 <sup>th</sup> AFA Annual Conference 2022
SIDC’s Sustainable and Responsible Investment Conference 2022	Tulips International Women’s Day: Break the Bias
SOB x MUIG Summit: Investment Series by Monash University Investment Group	Understanding ESG Rating Frameworks to Enable Sustainable Investing in Malaysia
Invest in a Principled & Prosperous Tomorrow by Northern Trust Asset Management & Kenanga Investors	4 <sup>th</sup> Asia Pacific Youth Leadership Summit 2022
10 <sup>th</sup> Annual Malaysia Roundtable by Asia Asset Management	IIC-SIDC Corporate Governance Conference 2022
ICC-SIDC Corporate Governance Conference 2022	InvestSmart Fest 2022
4 <sup>th</sup> Islamic Sustainable Finance & Investment Forum 2022	MFPC Professional & Ethics Forum 2022
ESG Evolve 2022: Driving Catalytic Change for Business Sustainability	FIMM Annual Convention 2022

## EMPOWERING PEOPLE AND COMMUNITIES

We also continued to share investing knowledge through published articles, webinars, virtual roadshows and exhibitions, as well as social media.



Note: For Year-On-Year data of financial literacy initiative, please refer to page 93 of this report.

### Eight Eight Cashback Festival

From 8 August to 31 October 2022, Kenanga Futures organised a nationwide campaign, the ‘Eight Eight Cashback Festival’, aimed to reward new and existing clients with a cashback reward of up to 28% for those who trade CME Group micro products. The Campaign was also part of the agenda to create awareness and educate the general public with knowledge about the opportunities available in the Listed Derivatives market. This is consistent with our ongoing commitment to engage and educate both current and prospective clients to help them understand how futures contracts can be used to leverage and hedge a variety of investment exposures.

## OUR NOTABLE RECOGNITION IN FY2022

We have garnered a host of awards and accolades over the years, reflecting our commitment to excellence across the various aspects of our business.

### KENANGA INVESTMENT BANK BERHAD



#### Tatler Asia's Most Influential Malaysia 2022

Datuk Chay Wai Leong (Finance and Venture Capital)

#### Asiamoney's 2022 Best Securities Houses Awards

Malaysia's Best Securities House

#### The Edge Malaysia Centurion Club (Financial Services Category)

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

#### United Nations Global Compact Network Malaysia & Brunei Sustainability Performance Awards 2022

- Partnership for the Goals Recognition
- Sustainable Product Recognition
- Sustainability Awareness and Employee Engagement Recognition

#### Bursa Excellence Awards 2022

- Best Overall Equities Participating Organisation (Champion)
- Best Retail Equities Participating Organisation (Champion)
- Best Online Retail Participating Organisation (Champion)
- Best Remisier, Margaret Heng (Champion)
- Best Remisier, Chew Yee Seng (2<sup>nd</sup> Runner Up)

#### Bursa Retail Investor Campaign 2022

##### Top Remisier Category

- Highest Number of New Accounts Opened: Yvonne Phang Wei Chien
- Highest Number of New Accounts Opened (Shariah): Ahmad Faizal bin Mohamed Yusuf
- Highest Traded Value in ETF: Peter Shia Kee Chooi

##### Top Futures Brokers Representative Category

- Highest Trade Volume – New Accounts (Derivatives): Ho Chih Wei
- Highest Number of New Accounts Opened (Derivatives): Ho Chih Wei

#### SRP Asia Pacific Awards 2022

- Best House, South and Southeast Asia Award
- Best Educational Initiative Award

#### The Edge Deals of 2022: Best Fundraising (Non-IPO)

- Yinson Holdings Berhad's RM1.2 billion Rights Issue

#### Alpha Southeast Asia 16<sup>th</sup> Annual Best Deal & Solution Awards

- Best Debt Restructuring Deal of the Year 2022 – Capital A's RM974 million Rights Issue

#### Sustainability & CSR Malaysia Award 2022

- Bank of the Year Award for Environmental, Social & Governance Excellence
- Long-Standing Excellence in Sustainability

#### Malaysia PR Awards 2022

- Sustainability Award (Silver) – Launch of The HumanKIND Project: Meals That Give
- Consumer Launch Award (Silver) – Kenanga Digital Investing

#### CSRWorks International 8<sup>th</sup> Asia Sustainability Reporting Awards

- Asia's Best Sustainability Report – First Time (Silver)

## OUR NOTABLE RECOGNITION IN FY2022

### KENANGA INVESTORS BERHAD



#### FSMOne Recommended Unit Trust Awards 2022/2023

**Sector Equity – Malaysia Focused**

Kenanga Growth Fund Series 2

**Sector Equity – Malaysia Small to Medium Companies (Islamic)**

Kenanga Shariah Growth Opportunities Fund

#### Asia Asset Management's 2023 Best of the Best Awards

**Malaysia Best Equity Manager**

Kenanga Investors Group

**Malaysia Best Impact Investing Manager**

Kenanga Investors Group

**Malaysia Best House for Alternatives**

Kenanga Investors Group

**Malaysia Most Improved Fund House**

Kenanga Investors Group

**Malaysia CEO of the Year**

Datuk Wira Ismitz Matthew De Alwis, Chief Executive Officer/ Executive Director, Kenanga Investors Berhad

#### Refinitiv Lipper Fund Awards Malaysia 2023

**Equity Malaysia Diversified – Malaysia Provident Funds over 10 Years**

Kenanga Malaysian Inc Fund

**Mixed MYR Flexible – Malaysia Provident Funds over 5 Years**

Kenanga Managed Growth Fund

**Mixed Asset MYR Flexible – Malaysia Provident Funds over 3 Years**

Kenanga Managed Growth Fund

**Mixed Asset MYR Flexible – Malaysia Provident Funds over 10 Years**

Kenanga Managed Growth Fund

#### 2022 Morningstar Awards Malaysia

**Best Malaysia Large-Cap Equity Fund**

Kenanga Growth Fund Series 2 (USD)

#### The Asset Benchmark Research, Asian Local Currency Bond Awards for Asset Managers

**Ranked Highly Commended – Top Investment Houses**

Kenanga Investors Group

### KENANGA FUTURES SDN BHD



#### Bursa Excellence Awards 2022

- Best Institutional Derivatives Trading Participant (Champion)
- Best Overall Derivatives Trading Participant (1<sup>st</sup> Runner Up)

## ESG PERFORMANCE DATA

### Good Governance

Compliance Training Summary	Number of Employees Who Participated				Total Training Hours Recorded			
	2019	2020	2021	2022	2019	2020	2021	2022
Anti-Bribery and Corruption	-	1,040	1,397	<b>1,134</b>	-	1,736.3	584.9	<b>1,757.5</b>
AML/CFT/TFS	-	958	1,132	<b>1,134</b>	-	960	6,236.5	<b>2,835.0</b>
Anti-Fraud	-	972	1,145	<b>1,134</b>	-	1,034.5	6,037.0	<b>5,613.3</b>

Note: Total training hours data for 2021 is inclusive of our bi-annual AML training.

### Sustainable Economic Growth

Supporting Our Local Suppliers	2019	2020	2021	2022
Total procurement spent on local businesses (RM)	-	-	67.2 mil	<b>65.9 mil</b>
Local Suppliers Engaged	-	-	95%	<b>89%</b>

### Environmental Stewardship

Managing Our Climate Impact	2019	2020	2021	2022
<b>Scope 1 - Direct GHG Emissions</b>				
Company-owned vehicles (tCO <sub>2</sub> e)	59.9	39.6	29.3	<b>40.7</b>
<b>Scope 1 - Total Petrol Consumption (litres)</b>	23,877.8	16,640.9	12,291.5	<b>17,059.1</b>
<b>Scope 2 - Indirect GHG Emissions (tCO<sub>2</sub>e)</b>				
Kenanga Tower	2,194.7	1,959.6	1,861.3	<b>1,625.6</b>
Branch Offices*	-	-	-	<b>2,034.8</b>
<b>Scope 2 - Electricity Consumption (kWh)</b>				
Kenanga Tower	3,751,583	3,349,745	3,181,757	<b>2,778,813</b>
Branch Offices*	-	-	-	<b>3,478,331</b>
<b>Scope 3 - Other Indirect GHG Emissions</b>				
Business Travel (tCO <sub>2</sub> e)*	-	-	187.7	<b>210.9</b>
<b>Consumption and Waste Management</b>				
Paper Consumption (kg)	15,115	24,693	15,138	<b>19,840</b>
Amount of Waste Disposed (kg)	-	-	-	<b>19,974</b>
<b>Water Management</b>				
Water Consumption (m <sup>3</sup> )				
Kenanga Tower	27,049	22,566	18,503	<b>21,304</b>
Kenanga Branch Offices*	-	-	-	<b>20,484</b>

\* New Data Points

## ESG PERFORMANCE DATA

### Empowering People and Communities

Our Workforce Profile	2019	2020	2021	2022
<b>Total Number of Employee</b>	1,249*	1,282*	1,397*	<b>1,355</b>
<b>By Employee Category (No.)</b>				
Male	600	617	686	<b>669</b>
Female	649	665	711	<b>686</b>
<b>By Employee Category (%)</b>				
Male	48*	48*	49	<b>49</b>
Female	52*	52*	51	<b>51</b>
<b>Breakdown by Employee Category</b>				
Key Management	17	18	17	<b>20</b>
Senior Management	38	40	43	<b>40</b>
Middle Management	448	471	479	<b>497</b>
Junior Management	592	602	720	<b>683</b>
Non-Executive	154	151	138	<b>115</b>
<b>Breakdown by Employee Category</b>				
Malay and Other Bumiputera	540	550	575	<b>549</b>
Chinese	644	666	753	<b>733</b>
Indian	58	56	61	<b>60</b>
Others	7	10	8	<b>13</b>
<b>Breakdown by Age Group</b>				
<30	241	257	346	<b>305</b>
30-39	353	368	365	<b>379</b>
40-50	419	400	411	<b>389</b>
>50	236	257	275	<b>282</b>
<b>New Hire</b>				
Total Number of New Hires	-	-	282	<b>209</b>
New Hires Rate (%)	-	-	20.2	<b>15.4</b>
<b>Breakdown by Gender</b>				
Male	-	-	156	<b>113</b>
Female	-	-	126	<b>96</b>
<b>Breakdown by Age Group</b>				
<30	-	-	190	<b>106</b>
30-39	-	-	53	<b>67</b>
40-50	-	-	27	<b>27</b>
>50	-	-	12	<b>9</b>
<b>Employee Turnover</b>				
Total Number of Employee Turnover	-	-	168	<b>249</b>
Total Employee Turnover Rate (%)	-	-	12.5	<b>18.1</b>
<b>Breakdown by Gender</b>				
Male	-	-	88	<b>130</b>
Female	-	-	80	<b>119</b>

## ESG PERFORMANCE DATA

Employee Turnover	2019	2020	2021	2022
<b>Breakdown by Age Group</b>				
<30	-	-	63	97
30-39	-	-	46	71
40-50	-	-	28	39
>50	-	-	31	42
<b>Voluntary Attritions</b>				
Total Number of Voluntary Attritions	-	-	122	149
Total Voluntary Attritions Rate (%)	-	-	9.1	10.8
<b>Parental Leave</b>				
Total number of eligible employees	-	-	783	1,088
<b>Breakdown by Gender</b>				
Male	-	-	405	402
Female	-	-	378	686
<b>Total number of employees that took parental leave</b>				
Male	-	-	22	20
Female	-	-	19	19
<b>Total number of employees that returned to work after parental leave ended</b>				
Male	-	-	22	20
Female	-	-	19	19
Return to work rate	-	-	100%	100%
<b>Training and Development</b>				
Total expenses on training and development (RM)	-	-	-	2,718,953
Total enrolments in training and development	-	-	-	22,240
Overall training hours	-	-	-	39,325.9
Average training hours per employee	25.3	14.6	27.2	29
Average training days per employee	3.2	1.8	3.4	3.6
<b>Average training hours per employee by gender</b>				
Male	-	-	25.3	26
Female	-	-	28.2	31.6
<b>Average training hours per employee by category</b>				
Key Management	-	-	60.3	88.1
Senior Management	-	-	36.7	48.1
Junior and Middle Management	-	-	24.2	29.0
Non-Executive/General Employees	-	-	3.4	7.8
<b>Community Investment</b>				
Community Investment	-	-	689,000	180,344.50
<b>Financial Literacy</b>				
Number of Forums Conducted	-	-	94	98
Number of Participation	-	-	45,752	20,071

# GRI CONTENT INDEX

## Guidelines and Standards

This Report complies with Bursa Securities' Sustainability Reporting Guide (3<sup>rd</sup> Edition) and has reported the information cited in this Global Reporting Initiative ("GRI") Content Index for the period 1 January 2022 until 31 December 2022 with reference to the GRI Standards.

## GRI Content Index

<b>Statement of use</b>	Kenanga Investment Bank Berhad has reported the information cited in this GRI content index for the period 1 January 2022 until 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Indicator	Content of Disclosure	Page Number
<b>General Disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organisational Details	4
2-2	Entities included in the organization's sustainability reporting	3
2-3	Reporting period, frequency and contact point	
2-6	Activities, value chain and other business relationships	4-6,13,32
2-7	Employees	68
2-9	Governance structure and composition	34-36
2-10	Nomination and selection of the highest governance body	Annual Report-46
2-11	Chair of the highest governance body	34-36
2-12	Role of the highest governance body in overseeing the engagement of impacts	
2-13	Delegation of responsibility in managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflict of interest	Annual Report-104
2-16	Communication of critical concerns	34-36, 42
2-17	Collective knowledge of the highest governance body	Annual Report-78
2-18	Evaluation of the performance of the highest governance body	
2-19	Remuneration Policy	
2-20	Process to determine remuneration	
2-23	Policy commitments	40-41
2-24	Embedding policy commitments	
2-26	Mechanisms for seeking advice and raising concerns	42
2-27	Compliance with laws and regulations	37
2-28	Membership associations	13, 29, 44
2-29	Approach to stakeholder engagement	20
<b>GRI 2: General Disclosures 2021</b>		
3-1	Process to determine material topics	21
3-2	List of material topics	22



## GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Page Number
<b>Economic</b>		
<b>GRI 201: Economic Performance 2016</b>		
3-3	Management of material topic	25-27, 30
201-2	Financial implications and other risks and opportunities due to climate change	25-31
<b>GRI 202: Market Presence 2016</b>		
3-3	Management of material topic	69-70
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	69-70
202-2	Proportion of senior management hired from the local community	68
<b>GRI 203: Indirect Economic Impacts 2016</b>		
3-3	Management of material topic	84, 86-88
203-1	Infrastructure investments and services supported	84-88
203-2	Significant indirect economic impacts	
<b>GRI 204: Procurement Practices 2016</b>		
3-3	Management of material topic	32
204-1	Proportion of spending on local suppliers	32
<b>GRI 204: Procurement Practices 2016</b>		
3-3	Management of material topic	32, 37, 39
205-1	Operations assessed for risks related to corruption	32, 37
205-2	Communication and training about anti-corruption policies and procedures	32, 37-42
205-3	Confirmed incidents of corruption and actions taken	42
<b>Environmental</b>		
<b>GRI 301: Materials 2016</b>		
3-3	Management of material topic	64
301-1	Materials used by weight or volume	64-65
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topic	61-63
302-1	Energy consumption within the organisation	63-64
302-4	Reduction of energy consumption	62-63
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topic	65
303-5	Water consumption	65
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topic	61-63
305-1	Direct (Scope 1) GHG emissions	63
305-2	Energy indirect (Scope 2) GHG emissions	63
305-3	Other indirect (Scope 3) GHG emissions	64
305-4	GHG emissions intensity	*See notes
305-5	Reduction of GHG emissions	63
<b>GRI 306: Waste 2020</b>		
3-3	Management of material topic	64
306-3	Waste generated	64-65

## GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Page Number
<b>Social</b>		
<b>GRI 401: Employment 2016</b>		
3-3	Management of material topic	75
401-1	New employee hires and employee turnover	75-76
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	77
401-3	Parental leave	77
<b>GRI 403: Occupational Health and Safety 2018</b>		
3-3	Management of material topic	73
403-4	Worker participation, consultation, and communication on occupational health and safety	73
403-5	Worker training on occupational health and safety	53
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topic	78, 80
404-1	Average hours of training per year per employee	79
404-2	Programs for upgrading employee skills and transition assistance programs	78, 80-82
404-3	Percentage of employees receiving regular performance and career development reviews	83
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
3-3	Management of material topic	69-70
405-1	Diversity of governance bodies and employees	35, 68, 70
405-2	Ratio of basic salary and remuneration of women to men	70
<b>GRI 406: Non-Discrimination 2016</b>		
3-3	Management of material topic	69
406-1	Incidents of discrimination and corrective actions taken	69
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topic	84, 86
413-1	Operations with local community engagement, impact assessments, and development programs	84-88
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	42
<b>GRI 417: Marketing and Labelling 2016</b>		
3-3	Management of material topic	58-59
417-1	Requirements for product and service information and labeling	59
417-2	Incidents of non-compliance concerning product and service information and labeling	59
417-3	Incidents of non-compliance concerning marketing communications	59
<b>GRI 418: Customer Privacy 2016</b>		
3-3	Management of material topic	55-57
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	57

\* GRI 305-4: Information unavailable due to unavailable denominator data for GHG emissions intensity calculation.



[www.kenanga.com.my](http://www.kenanga.com.my)

**KENANGA INVESTMENT BANK BERHAD**

197301002193 (15678-H)

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

Tel: (603) 2172 2888 | Fax: (603) 2172 2999  
E-mail: [kenanga@kenanga.com.my](mailto:kenanga@kenanga.com.my)