

SUSTAINABILITY STATEMENT

BASIS OF THIS STATEMENT

Kenanga Investment Bank Berhad (“**Kenanga**” or “**KIBB**”) and its Group of Companies (“**Kenanga Group**” or “**the Group**”) presents its Sustainability Statement (“**Statement**”) for the Financial Year 2025. It is intended to complement the Sustainability Report 2025, providing a focused view of how sustainability considerations are embedded within the Group’s direction, while offering more context when read alongside the broader report.

This Statement outlines how we manage key sustainability matters, including our performance and targets that are most relevant to our business and stakeholders. It reflects the progress we have made in embedding sustainability considerations into our strategies, governance structures, risk management practices and core business activities to deliver long-term value.

Recognising the importance of early readiness, as a Group 2 Issuer under the National Sustainability Reporting Framework (“**NSRF**”) Implementation Group, Kenanga Group has taken the position of an early adopter of International Financial Reporting Standards (“**IFRS**”) S2, advancing our climate-related reporting ahead of mandatory timelines to strengthen alignment with the NSRF. This Statement is structured into two (2) sections: (i) Section A: Climate and Environmental-related Disclosures, which presents disclosures guided by IFRS S2 and other environmental impacts; and (ii) Section B: Social and Governance-related Disclosures, which outlines our broader sustainability impacts across Good Governance, Sustainable Economic Growth and Empowering People and Communities, aligned with the material topics prioritised in our 2024 double materiality assessment.

Environmental Stewardship
Pages 45 to 55

Good Governance
Pages 56 to 58

Sustainable Economic Growth
Pages 59 to 62

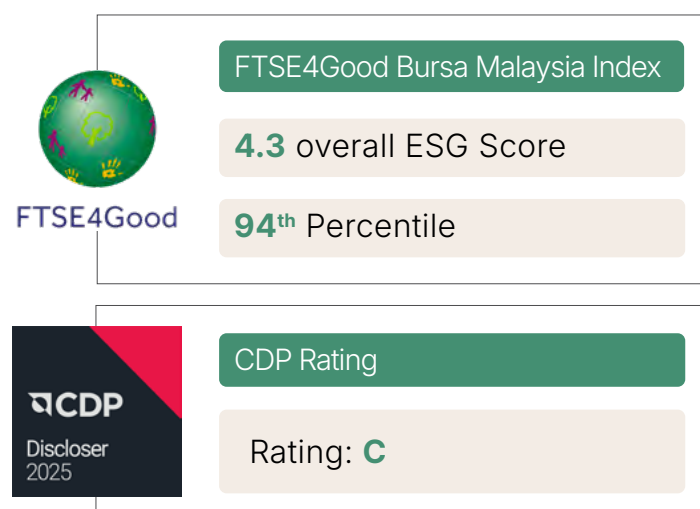
Empowering People and Communities
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2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) RATING AND RANKING PERFORMANCE

Our inclusion in recognised sustainability indices reflects our alignment with global standards and independent assessments, reinforcing the importance of transparent and decision useful disclosures.

We continue to enhance performance and transparency to support stakeholder confidence in our practices as a responsible financial institution.



1.0 Basis of Preparation and Presentation

1.1 Guidelines and Standards

This Statement complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), guided by the NSRF and has been prepared with reference to the IFRS Sustainability Disclosure Standard S2 and Global Reporting Initiative (“**GRI**”) Standards 2021.

Approach to IFRS Sustainability Disclosure Standard S2 (Climate related Disclosures)

In FY2025, we advanced our climate reporting by adopting a phased transition from the Task Force on Climate-related Financial Disclosures (“**TCFD**”) to the IFRS Sustainability Disclosure Standard S2 (Climate-related Disclosures) issued by the International Sustainability Standards Board (“**ISSB**”). This approach supports our preparedness to meet the requirements of Malaysia’s NSRF within the regulated timeline. Our climate-related disclosures are presented on pages 45 to 55 of this Statement.


Recognising that ISSB-aligned reporting requires robust data availability and system readiness, we will continue to strengthen our processes to further mature our disclosures in the next reporting cycle. We remain committed to enhancing our reporting practices by aligning with evolving regulatory requirements and benchmarking against industry best practices and global sustainability disclosure frameworks.

As a Group 2 Issuer under Bursa Malaysia’s sustainability reporting framework, the Group currently provides primarily qualitative assessments, and where data is available, quantitative insights are incorporated into the analysis of climate-related financial effects. These disclosures will be progressively enhanced as data quality improves, methodologies become more refined and internal systems gain greater maturity under the transition provisions. In future reporting cycles, the Group expects to introduce more detailed approaches to estimating climate-related financial effects, supported by improved data systems and financial modelling capabilities where applicable.

To enhance the completeness and quality of our sustainability disclosures, we aligned our reporting with key national and international sustainability frameworks, standards and guidelines:

- Sustainability Accounting Standards Board (“**SASB**”)
- Bank Negara Malaysia (“**BNM**”)’s Climate Change and Principle-based Taxonomy (“**CCPT**”)
- Malaysian Code of Corporate Governance (“**MCCG**”) by the Securities Commissions Malaysia (“**SC**”)

This Statement also serves as our Communication on Progress in fulfilment of our commitments as a participant of the United Nations Global Compact (“**UNGC**”), incorporating disclosures aligned with the Ten Principles of the UNGC and the United Nations Sustainable Development Goals (“**UN SDGs**”).

 The full IFRS S2 and GRI Content Index can be found on pages 139 to 150 of our Sustainability Report 2025.

1.2 Reporting Boundaries Excluding Greenhouse Gas (“GHG”) Emissions

Reporting Entity

The entities, assets and operations (collectively referred to as the “**reporting entity**”) covered in Kenanga Group’s ISSB-referenced Sustainability Statement are consistent with those presented in the Group’s financial statements for the year ended 31 December 2025. This Statement presents data for the full reporting period from 1 January 2025 to 31 December 2025 (“**2025**” or “**FY2025**”), encompassing all

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operations in Malaysia, including our headquarters at Kenanga Tower in Kuala Lumpur and our nationwide branch network, unless stated otherwise. All monetary values are reported in Malaysian Ringgit (“RM”).

Value Chain

The Group’s value chain—comprising the key activities, resources and relationships that support our business model—has been considered in determining the scope of disclosures presented in this Statement. For FY2025, all reported metrics, other than GHG emissions, reflect Kenanga Group’s own operations. A depiction of our value chain is available in the Value Creation Model on pages 34 to 35 of this Integrated Annual Report 2025.

Reporting Boundaries for GHG

Our GHG emissions are calculated using the GHG Protocol Corporate Standards for Scope 1, 2 and 3 and Partnership for Carbon Accounting Financials (“PCAF”) for the calculation of Scope 3, Category 15 (Investments). Developed by the World Business Council for Sustainable Development and World Resources Institute, the GHG Protocol provides guidance and standards for organisations to prepare a GHG emissions inventory. The report encompasses all operations in Malaysia, including our headquarters at Kenanga Tower in Kuala Lumpur and our nationwide branch network, unless stated otherwise. The Group’s reporting boundary for GHG emissions includes its organisational boundary and operational boundary, and these boundaries provide the basis for determining which facilities, activities and emissions sources are included within the Group’s climate reporting.

Organisational Boundary

Kenanga Group applies the operational control approach in accordance with GHG Protocol to establish its organisational boundary for the reporting of GHG emissions. The facilities covered within our reporting entity’s boundaries are Kenanga Tower, KIBB and Kenanga Investors Berhad (“KIB”) branches, and Data Recovery Centres.

Operational Boundary

Direct GHG emissions from sources that the Group owns or controls within its organisational boundary are classified and reported as Scope 1 emissions. Emissions arising from the generation of purchased electricity consumed across our operations are reported as Scope 2 emissions. Indirect emissions occurring outside our operational control but within our value chain—consistent with the GHG Protocol and IFRS S2 requirements—are reported as Scope 3 emissions.

This distinction allows the Group to present a more complete view of emissions linked to its activities, while reflecting the different levels of control and influence across operations and the wider value chain.

1.3 Significant Judgements and Measurement Uncertainties

In preparing this Sustainability Statement, the management applied judgement in several areas, including determining sustainability risks and opportunities (“SROs”), climate risks and opportunities (“CROs”) and identifying material information for disclosure. These judgements shape how information is selected, assessed and presented, particularly where sustainability-related matters may influence Kenanga’s prospects and the decisions of primary users of this Statement. Certain sustainability information cannot be measured directly and therefore requires the use of estimates. This is particularly relevant where information relates to value chain activities, involves forward-looking assessments or is affected by data limitations. In such cases, estimates are applied using the best information available at the reporting date, while recognising that assumptions, methodologies and data inputs may evolve over time. Details of the key judgements applied and areas involving significant measurement uncertainty are outlined below.

Significant Judgements

Materiality Process

Significant judgement was applied in identifying the SROs that could reasonably be expected to affect Kenanga Group’s prospects, as well as in determining the material information relevant to these risks and opportunities. The approach used to assess which information could reasonably influence its financial prospects and the decisions of primary users is outlined in Our Double Materiality of this Report.

Judgement was also exercised in determining which metrics within the industry-based SASB Standards are applicable to the Group. This includes metrics relevant to the Investment Banking & Brokerage and Asset Management & Custody Activities sectors, as referenced in Section 8 on Metrics and Targets. In making these determinations, the Group considered the relevance of each metric to its business model, activities and reporting objectives, with application limited to those measures that provide meaningful insight into performance and exposure.

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Climate Scenarios

Kenanga Group applied significant judgement in selecting and assessing three (3) climate pathways—Net Zero 2050 (“**NZ2050**”), Divergent Net Zero 2050 (“**DNZ2050**”) and Nationally Determined Contributors (“**NDCs**”)—to evaluate potential transition and physical risks. The analysis draws on key climate-related driving forces informed through external research, regulatory guidance and internal risk categories, forming a structured basis for assessing how different climate futures may influence the Group.

Business Units (“**BUs**”) assessed scenario-specific risks using the Group’s risk assessment methodology, taking into account inherent data limitations and forward-looking uncertainties, and identified the relevant controls and mitigation strategies for each scenario.

Overall, the assessment indicates that although risk levels increase progressively across the scenarios, they remain low, with no material impacts or vulnerabilities identified that would affect the Group’s operations or financial position. The findings are broadly consistent with the Climate Risk Stress Test (“**CRST**”) conducted in 2025.

Calculation Methodology for GHG emissions

Kenanga Group applies a range of calculation methodologies to estimate its Scope 3 GHG emissions. Management exercised significant judgement in selecting the most appropriate approach for each Scope 3 category, taking into account the availability and quality of underlying data and the extent to which estimation techniques can be reliably applied.

For Category 6 (Business Travel) and Category 7 (Employee Commuting), calculations are performed in accordance with the GHG Protocol Corporate Standards, using recognised emission factors and reasonable estimates where direct data is limited. For Category 15 (Investments), the methodology is aligned with the PCAF Standard, with further details available on the Sustainability microsite: <https://www.kenanga.com.my/who-we-are/sustainability>. Where direct data is limited, reasonable estimation methods are used in line with recognised standards, maintaining consistency across disclosures.

1.4 Measurement Uncertainty

Quantification of Anticipated Financial Effects for Climate-related Disclosures

The measurement of anticipated financial effects arising from identified climate-related risks and opportunities is subject to a high degree of uncertainty over the short and medium-term, with greater level of uncertainty over the long term. This reflects inherent limitations in forward-looking data, including assumptions on the timing, likelihood and potential implementation of future regulations or climate-related events.

In line with the ISSB transition provisions, and to avoid undue cost or effort, current disclosures focus on qualitative descriptions of anticipated financial effects. These are supported, where relevant, with quantitative insights derived primarily from expected credit loss (“**ECL**”) analysis, providing an initial basis for linking climate considerations with financial outcomes.

Financial Impact Arising from Climate Risks

Kenanga Group evaluates climate-related financial implications through the analysis of several plausible climate futures, each reflecting different transition and physical risk conditions. These pathways rely on forward-looking assumptions and model-based projections to illustrate how varying climate developments may influence the Group over time.


While the analysis is supported through structured methodologies and ongoing refinement of assumptions, uncertainty remains inherent. Predictive tools are not able to capture the full range of possible climate-related outcomes, and the insights derived are therefore presented with an understanding of these limitations, forming part of a broader assessment rather than definitive projections.

1.5 Reporting Assurance

Independent limited assurance has been performed by SGS (Malaysia) Sdn Bhd (“**SGS**”), in accordance with International Standards of Assurance Engagement (ISAE) 3000 (Revised), over the Group’s Scope 1 and Scope 2 GHG emissions disclosures for the reporting period 1 January 2025 to 31 December 2025. This provides an additional layer of credibility to the reported information, supporting confidence in the accuracy and consistency of emissions data.

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In 2025, the assurance scope was expanded to include on-site visits conducted at randomly selected branches. This enhancement strengthens the verification process, linking reported data with operational practices across different locations and improving the overall robustness of assurance procedures.

 For the full SGS's Assurance Statement, refer to pages 151 to 153 of our Sustainability Report 2025.

2.0 Sustainability Governance

Kenanga Sustainability Governance Structure

Board of Directors

Oversight of sustainability-related matters sits at the Board of Kenanga Investment Bank Berhad, where direction is set on how the Group manages sustainability-related risks and opportunities across ESG areas. Decisions on the allocation of resources for sustainability initiatives are approved at this level, supporting implementation across the organisation.

As part of its considerations for corporate strategy, the Board evaluates how climate-related and broader sustainability factors may influence business performance. This includes reviewing the adequacy of existing policies, risk management processes and performance objectives in addressing emerging risks and opportunities, while considering alignment with the Group's business model, long-term direction and stakeholder expectations.

The Board is supported in its oversight role by its Committees and Working Groups which includes:

Group Governance, Nomination and Compensation Committee ("GNC")

The GNC supports the Board through oversight of sustainability progress, with emphasis on governance arrangements and alignment with statutory and regulatory requirements.

Audit Committee ("AC")

The AC supports the Board through oversight of the sustainability management process, including internal controls and compliance with applicable statutory and regulatory requirements.

Group Sustainability Management Committee ("GSMC")

At management level, governance is supported through the GSMC, which serves as the highest management body for sustainability matters. GSMC sets direction, strategies and targets, while addressing sustainability-related risks and opportunities in an integrated manner. It also oversees implementation of approved strategies and the incorporation of sustainability considerations into business activities to support longer-term objectives.

Division-level Delivery – Group Marketing, Communications and Sustainability ("GMCS")


The GMCS Division provides management-level leadership for planning and implementation. Its responsibilities include monitoring performance of sustainability initiatives, coordinating activities across the Group and engaging with stakeholders, business divisions and subsidiaries to identify and assess sustainability-related risks and opportunities.

Sustainability Working Group ("SWG")

The SWG executes initiatives within their respective areas, providing operational input to support sustainability management. Members act as key data owners for sustainability-related information, supporting integration of sustainability considerations into day-to-day business activities and decision-making

NSRF Implementation Working Group

This working group focuses on preparing the Group for IFRS S1 and IFRS S2 disclosure requirements under the NSRF, supporting a structured transition towards enhanced reporting.

 For more detailed information on Kenanga's Sustainability Governance, refer to pages 17 to 19 of our Sustainability Report 2025.

Impact of Sustainability on Remuneration Policies

The Group views the linkage between sustainability-related key performance indicators ("KPI") and executive performance assessment as a mechanism to reinforce accountability for sustainability-related responsibilities across senior leadership. The inclusion of ESG KPIs within the key individuals' Balanced Scorecard allows sustainability considerations to be assessed alongside financial and operational objectives.

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OUR ESG FRAMEWORK

Kenanga Group's ESG Framework sets the direction for how we manage sustainability matters that are material to our business and stakeholders, underpinning our long-term objectives. Anchored in our sustainability vision, the framework is structured around four (4) core pillars: Good Governance, Sustainable Economic Growth, Environmental Stewardship, and Empowering People and Communities. Following the outcomes of the double materiality assessment, we refreshed the ESG Framework to incorporate all identified material topics, ensuring continued alignment with evolving sustainability priorities.

OUR SUSTAINABILITY VISION

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

GOOD GOVERNANCE



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

Key Material Topics

- Good Business Conduct
- Risk Management
- Regulatory Compliance



SUSTAINABLE ECONOMIC GROWTH



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

Key Material Topics

- Responsible Investing
- Digitalisation
- Cyber Security
- Client Experience



ENVIRONMENTAL STEWARDSHIP



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

Key Material Topics

- Climate Impact



EMPOWERING PEOPLE AND COMMUNITIES



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

Key Material Topics

- Diversity and Inclusion
- Employee Safety, Health and Wellbeing
- Talent Attraction, Development and Management
- Community Investment
- Financial Inclusion



Section A

Climate and Environmental-related Disclosures

This section presents the Group's climate-related disclosures in line with IFRS S2, together with other key environmental impacts under the Environmental Stewardship Pillar. It outlines how we identify and manage climate risks and opportunities, report our GHG emissions and implement environmental initiatives such as renewable energy adoption, optimising energy efficiency and building awareness and capabilities in climate risk management.

ENVIRONMENTAL STEWARDSHIP



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CLIMATE IMPACT



WHY IT MATTERS

We recognise that our environmental footprint—driven by energy, water, waste and value chain emissions—presents climate-related risks relevant under IFRS S2. Strengthening resource efficiency and managing Scope 1, 2 and material Scope 3 GHG emissions enhance operational resilience, support climate transition preparedness and reflect our commitment to responsible business practices.

Key Risks:

- Sustainability and climate risks arising from transition and physical impacts
- Credit, market, and operational risks arising from climate-related disruptions to portfolios and operations

Key Opportunities:

- Strong regulatory compliance builds trust, attracts investors and supports alignment with industry standards, while robust climate risk assessments protect long-term value and strengthen portfolios. In addition, investing in energy-efficient technologies reduces costs and enhances operational sustainability.

Other Key Environmental Activities

- Added three (3) electrical vehicles (“EV”) (Denza D9) to the Group’s corporate fleet, marking its first adoption of EVs to reduce carbon emissions and enhance energy management initiatives.
- Increased subscription to Tenaga Nasional Berhad’s Green Electricity Tariff scheme, whereby current renewable energy mix usage at Kenanga Tower is at 90%.
- In 2025, the Group further advanced its decarbonisation efforts by installing solar photovoltaic panels on the rooftop of Kenanga Tower.
- Energy consumption was reduced to 19,809.2 GJ, representing a slight decrease from 20,055.8 GJ in 2024.
- Water consumption increased by 12% at Kenanga Tower and decreased by 11% across the Group’s branch offices.
- A total of 165,430 clients adopted e-statements in 2025, representing an adoption rate of 63.23%.
- Continued organising the annual #GreenAtWork campaign to strengthen employee engagement and embed environmental responsibility into everyday workplace behaviours.

 For more information on our environmental initiatives, refer to Environmental Stewardship chapter, from pages 65 to 101 of our Sustainability Report 2025.

ISSB-referenced Sustainability Statement

This year, the Group reports under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025. For this initial year of application, the Group has applied IFRS S2 Climate-related Disclosures for the reporting period commencing 1 January 2025. As of 31 December 2025, no other IFRS Sustainability Disclosure Standards have been issued by the International Sustainability Standards Board.

The IFRS Sustainability Disclosure Standards include transition reliefs for entities in their first year of application. In addition, the Main Market Listing Requirements provide further reliefs for issuers listed on Bursa Malaysia’s Main Market. The Group has applied these reliefs, including the exemption from presenting comparative information for the first reporting period.

The Group has also elected to apply the transition relief that permits disclosures to focus solely on climate-related risks and opportunities and to limit the scope of reporting to its principal businesses.

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Climate Governance

The Group's climate-related risks are governed through a structured, multi-layered framework with oversight from the KIBB Board, the Group Board Risk Committee ("**GBRC**"), and supporting Management Committees, BUs and Group Risk Management ("**GRM**"). This governance structure ensures that climate risks are identified, assessed, monitored and managed in alignment with the Group's strategic objectives and regulatory expectations.

Board Committees	
Board of Directors	Provides overall oversight of climate risk management and ensures climate considerations are integrated into strategy, governance and major business decisions.
Group Board Risk Committee	Supports the Board by overseeing all aspects of risk management, including climate-related risks.
Audit Committee	Oversees internal controls and compliance relating to sustainability and climate risk processes.
Group Governance, Nomination and Compensation Committee	Ensures sustainability governance and compliance with statutory and regulatory requirements, including climate-related risks.
Management Committees	
Group Sustainability Management Committee	The highest management committee for sustainability; oversees the Group's climate and sustainability strategies, targets and programmes.
Group Risk Committee ("GRC")	Reviews and recommends risk frameworks, policies and procedures, including those related to climate risk.
Group Credit Committee ("GCC")	Oversees climate risk implications for credit portfolios and reviews climate-related credit policies.
Delivery Functions and Business Units	
Group Risk Management	Oversees all risk categories including climate risk, develops climate risk frameworks, conducts climate scenario analysis and stress testing, and provides reports to the GRC, GBRC and Board. GRM also reviews BU assessments and advises on climate-related matters.
Business Units	Integrate climate risk considerations into business strategies, conduct climate risk assessments on financing and investment proposals, and apply climate insights in decision-making and due diligence.

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Risk Management

Policies and Frameworks	Risk Assessment Tools	Capacity Building
<ul style="list-style-type: none"> • Climate-related risks and opportunities are embedded within Kenanga Group’s Enterprise Risk Management Framework, ensuring these matters are prioritised, monitored and managed through established risk governance structures. • The Climate Change Risk Management Framework integrates climate considerations into lending and investment decisions, supported by defined climate risk appetite thresholds and evaluation criteria for counterparties and transactions. • Additionally, climate-related expectations were strengthened within the Outsourcing Risk Management and Procurement frameworks to ensure third party risks are appropriately evaluated. Kenanga Group’s Risk Appetite Statement has also been updated to include climate-related boundaries. • In 2025, the Group introduced the Sustainability Risk Management Framework to harmonise sustainability risk management processes across all business divisions. 	<ul style="list-style-type: none"> • Kenanga Group uses a comprehensive suite of tools—including the Climate Change Risk Assessment Checklist, enhanced due diligence processes and climate risk assessment templates—to consistently assess client and sector-level climate exposures. • Climate stress testing and scenario analysis are conducted in line with BNM’s expectations to evaluate potential impacts under different climate pathways. Physical climate risks affecting the Group’s operations are incorporated into the Operational Risk Self Assessment and Business Continuity Management processes. • In 2025, a Climate Risk and Opportunities Identification Exercise was carried out across key BUs to develop detailed climate risk profiles, complemented by ongoing monitoring of financed and facilitated emissions to support future climate risk indicators. 	<ul style="list-style-type: none"> • Kenanga Group continues to strengthen internal climate risk capabilities through targeted training, awareness programmes and technical upskilling to equip employees to assess climate exposures and engage clients on transition expectations. • Climate-related information—such as client climate profiles and sector exposures—is monitored and reported monthly to relevant Risk Committees to support informed decision-making. The Group actively tracks domestic and global climate-related regulatory developments to prepare for emerging supervisory expectations. Internal capacity has been further enhanced through additional headcount and specialised professional training, including certifications in climate risk management.



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Strategy

Climate Risk and Opportunity Identification Exercise

Based on our climate risk and opportunities identification assessment, KIBB’s most relevant exposures are predominantly transition-related (policy changes, technological shifts, and market sentiment), with overall risk levels assessed as low across short, medium and long-term horizons.

Climate Risk Impact over Time Horizons

Risks		Changes in Relevance across Time Horizons		
Physical Risk – Chronic: Rising temperature	Climate events such as heatwaves may disrupt client operations and supply chains. Direct impact on KIBB is low based on CRST results, but credit impacts may arise if clients face operational strain.	Short-term	● ○ ○	
		Medium-term	● ○ ○	
		Long-term	● ● ○	
Transition Risk – Changes in Policy	Regulatory changes and new climate requirements may increase compliance, reporting and operational costs. Clients in exposed sectors may face higher compliance burdens, weaker financial resilience or asset impairment.	Short-term	● ● ● (◆)	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ● (◆)	
Transition Risk – Shift in Market Demand and Sentiment	Shifts in investor preferences and consumer demand may reduce valuations and credit quality of clients in carbon-intensive sectors. Misalignment with stakeholder expectations may impact business opportunities and reputation.	Short-term	● ○ ○	
		Medium-term	● ● ○	
		Long-term	● ● ● (◆)	
Transition Risk – Carbon Tax and Carbon Pricing	Clients in high-emission sectors may experience higher operating costs due to carbon pricing, affecting profitability and debt servicing capacity, with indirect credit and reputational implications to the KIBB.	Short-term	● ● ● (◆)	
		Medium-term	● ○ ○	
		Long-term	● ○ ○	
Transition Risk – Technological Advancement	Low-carbon technologies may render legacy assets less valuable. Clients may face high capital expenditure needs, weaker competitiveness and potential default risk if they fail to transition.	Short-term	● ● ○	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ● (◆)	
Liability Risk	Increased scrutiny on climate disclosures and ESG commitments may heighten legal, regulatory and reputational risks if statements are inaccurate, incomplete or perceived as greenwashing.	Short-term	● ● ● (◆)	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ○	

Low Relevance Moderate Relevance High Relevance Key Risk
 ● ○ ○ ● ● ○ ● ● ● (◆)

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Top three (3) Key Risks Identified Across Different Time Horizon		
Short-term	Medium-term	Long-term
Transition Risk - Change in Policies	Transition Risk - Change in Policies	Transition Risk - Shift in Market Demand and Sentiment
Liability Risk	Transition Risk - Technological Advancement	Transition Risk - Technological Advancement
Transition Risk - Carbon Tax	Liability Risk	Transition Risk - Change in Policies

Overall Analysis

All climate-related risks were assessed as low across short, medium and long-term horizons, reflecting the presence of established controls and a resilient operating model. This provides a stable baseline from which exposures can be monitored as external conditions evolve.

Transition risks, particularly those linked to change in policies, technological developments and shifts in market sentiment, are the most relevant for the Group. Their influence becomes more pronounced over the medium to long-term, as regulatory direction and market expectations continue to shape the financial sector.

Liability risks are more evident in the short to medium term, though their magnitude remains low. Physical risks are not considered material, supported by the Group’s operational resilience and the findings from the CRST.

Kenanga Group will continue to enhance internal assessments and maintain oversight across all climate risk categories, allowing for timely identification of changes in exposure.

Opportunities

The CROs Identification Exercise highlighted six (6) potential opportunities for Kenanga Group to enhance client value and expand sustainable offerings. These include supporting clients’ transition to lower carbon business models; encouraging ESG-aligned investment behaviours; exploring preferential pricing structures and product innovation; assessing adoption-focused financial instruments such as adaptation bonds; providing general transition advisory support; and strengthening ESG screening tools. These opportunities are exploratory at this stage and will be further evaluated with relevant BUs to determine strategic fit and implementation priority.

Climate Risk Scenario Analysis (“CRSA”)

The CRSA was conducted as a qualitative assessment to identify physical, transition and liability risks arising from evolving regulatory, market and technological developments. This enables early identification of emerging risks while supporting resilience across the Group.

The current scope covers the credit portfolio, with plans to expand to additional areas and risk categories in future cycles. This progression supports alignment with the CRST methodology and broader integration of climate considerations into risk management.

Guided by the Network for Greening the Financial System (“NGFS”) Phase III and aligned with BNM’s CRST scenarios, the analysis followed a structured process that links scenario selection, key driving forces, risk assessment and the development of controls and strategies.

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The Process

The climate scenario analysis followed four (4) key steps:

Scenario Selection	Three (3) scenarios, NZ2050, DNZ2050 and NDCs, were selected to align with BNM's CRST methodology.
Identification of Driving Forces	Six (6) climate related drivers were identified, including changes in policies, carbon pricing, energy transition, shift in market demand and sentiment, extreme climate events and climate litigation, informed through TCFD guidance, regulatory expectations and broader environmental analysis.
Risk Assessment	BUs assessed scenario specific risks using the Group's risk assessment methodology, evaluating likelihood, impact and existing controls.
Controls and Mitigation	Appropriate controls and mitigation strategies were developed for risks and opportunities identified under each scenario.

The Outcome

As a result of the analysis, the following top three (3) risks were identified based on the top three (3) driving forces:

Top Three (3) Risks Identified	Top Three (3) Driving Force
 Strategic risk	 Shift in market demand and sentiment
 Market risk	 Extreme and catastrophic climate events
 Operational risk	 Carbon price and carbon tax

Key Control Measures Across Climate Scenarios

The risk assessment incorporated existing controls identified by the respective BUs, providing a practical view of how exposures are managed across different scenarios. The key measures implemented across all three (3) scenarios are summarised below:

- **Established governance:** Sustainability and climate risk governance structures are in place, supported by an updated sustainability and climate-related risk management framework.
- **Strengthening resilience to physical risks:** Group-wide Business Continuity Plans are maintained to enhance resilience against physical climate impacts.
- **Ongoing monitoring of climate exposure:** Climate risks are monitored through periodic client reviews, collateral assessments, supplier ESG evaluations and the collection of clients' GHG emissions, supported by continuous client engagement.
- **Reducing coal exposure:** Measures are implemented to minimise or avoid coal-related investments and lending activities.
- **Enterprise decarbonisation efforts:** Sustainability initiatives—such as solar panel installation, EV adoption and actions guided by the Decarbonisation Roadmap—support emissions reduction within the Group.
- **Capacity building and compliance:** Regular awareness and capability building sessions are conducted, with climate-related regulatory reporting in place since 2022 and annual external audits performed on disclosed data.

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Climate Risk Stress Testing

The CRST exercise evaluates potential financial and operational impacts of climate change through the assessment of transition and physical risks across sectors and regions under multiple stress scenarios. Guided by BNM's methodology and NGFS Phase III scenarios, namely NZ2050, DNZ2050 and NDCs, together with the Representative Concentration Pathway 8.5 one-off 1 in 250-year flood event, the assessment focuses on the credit portfolio to estimate ECL impacts across different climate pathways.

The exercise applies both bottom-up and top-down methodologies to assess resilience under varying climate conditions, providing insight into how exposures may respond under different scenarios.

The Process

The assessment covers both physical and transition risks, supported through a combination of external and internal data. External inputs include energy mix data, flood maps, damage ratios and labour productivity studies, while internal inputs include client financials, collateral details, addresses and ECL information.

A bottom-up approach is used to stress client financials across time horizons based on flood, heatwave and other climate-related events. This is complemented with a top-down approach that incorporates climate-stressed macroeconomic variables to provide a sector-level perspective. These approaches provide a structured basis for assessing potential impacts across different layers of the portfolio.

The Outcome

The overall climate-stressed ECL impact is minimal as the Group's exposures are largely secured with adequate collateral, resulting in no material financial impact or required corrective actions. The physical vulnerability assessment of branches similarly indicates immaterial risk.

While the results indicate minimal impact, the Group continues its efforts to advance initiatives under the Decarbonisation Roadmap and explore relevant transition opportunities, supporting longer term positioning as climate considerations evolve. The exercise also highlighted sector-specific for future strategic consideration:

- **Transition risks:**
 - **Portfolio-level:** Corporate loans—particularly to large corporates, show higher exposure to transition-related factors.
 - **Sector-level:** Real Estate & Construction face increased costs from tightening sustainability standards, while Oil and Gas sectors are affected by the shift towards cleaner energy sources.
- **Physical risks:**
 - **Flooding:** Collateral in low risk flood zones shows minimal impact.
 - **Heatwaves:** Labour-intensive sectors such as Oil & Gas and Construction may experience productivity-related pressures.

These insights support future strategic and risk management planning as climate-related factors become more prominent.

Measurement of Scope 3 – Category 15 (Investments)

Kenanga Group measures and manages its financed, facilitated and portfolio emissions in line with the PCAF Standard, covering all on-balance sheet and off-balance sheet activities within its Malaysia operational market, including Kenanga Private Equity Sdn Bhd, Asset & Wealth Management, Corporate Banking and Islamic Markets, Equity Capital Markets, Debt Capital Markets and Group Treasury.

Financed emissions disclosures for FY2023 and FY2024 were developed using the best available data, and a formal methodology note was introduced in 2025 to guide consistent data collection, calculation and reporting. Our emissions are currently calculated on a one (1)-year arrears basis, with FY2024 representing the most recently completed computation. The current methodology incorporates counterparties' Scope 1 and Scope 2 emissions, with future expansion to Scope 3 as data availability improves.


Asset classes in coverage include the listed equity, corporate bonds, business loans, project finance, sovereign debt and facilitated transactions. Data limitations—such as time lags and gaps in counterparty level emissions—are addressed using sector level proxy data.

The Group remains committed to strengthening data quality, engaging counterparties and enhancing methodologies to support future decarbonisation planning.

SUSTAINABILITY STATEMENT

FY2024 Emissions Profile and Breakdown

- Portfolio emissions amount to 243,736.4 tCO₂e, representing 69.7% of total emissions, driven primarily through exposures to the Utilities, Energy, and Industrials sectors.
- Facilitated emissions totaled up to 79,071.8 tCO₂e, accounting for 22.6% of total emissions, with higher contributions from the Transportation and Storage, Industrials and Energy sectors, reflecting the emission intensity of capital market activities.
- Financed emissions stand at 27,045.6 tCO₂e, representing 7.7% of total emissions, with concentrations in the Sovereign, Energy and Industrials sectors, consistent with sovereign energy-linked profiles and industrial activity.
- In FY2024, 100% of financed, facilitated, and portfolio emissions were assessed, compared with 98% coverage in FY2023.

 For a more detailed breakdown by sectors and asset class, refer to Metrics & Targets, from pages 94 to 97 of our Sustainability Report 2025.



Scan here for the Supplementary Methodology Note for Calculating Scope 3 Category 15 Investment Emissions.

Financial Effects

The CROs Identification Exercise establishes the Group's key physical, transition and liability risks while highlighting emerging opportunities. These insights are further strengthened through the CRST, which validates the Group's climate resilience by showing minimal ECL impact and immaterial physical vulnerability across the branch network. With no material financial effects identified, no immediate corrective actions are required.

Complementing this, the CRSA provides forward-looking insights into how different climate pathways may influence our business model, portfolio composition and value chain over time. In parallel, the measurement of financed emissions enhances visibility of portfolio-level climate impacts and informs more targeted sectoral strategies and client engagement.

Nonetheless, the Group remains committed to progressing planned initiatives under the Decarbonisation Roadmap and exploring relevant transition opportunities. Climate-related financial effects—across both transition and physical risks—are assessed to be immaterial over the current short, medium and long-term horizons, with no expected material adjustments to the Group's financial position, performance or cash flows in the short term.

Integrated Climate Assessments

- CROs Identification Exercise establishes key physical, transition and liability risks while highlighting the emerging climate-related opportunities.
- CRST quantifies potential financial impacts, with recent results indicating no material ECL impact and a resilient portfolio.
- CRSA provides a forward-looking view of how different climate pathways may influence strategy, business model, portfolios and value chain.
- Financed emissions measurement strengthens understanding of portfolio-related climate impacts, supporting client engagement and sector-level decarbonisation priorities.

Together, these assessments provide a structured basis of shaping the Group's climate strategy and guide the activation of key strategic levers across the organisation, in line with the Group's Decarbonisation Roadmap.

Strategic Opportunities Arising from the Assessment

- Strengthening the integration of ESG and climate across key policies, processes and reporting.
- Enhancing portfolio resilience by increasing exposure to green and low-carbon sectors.
- Expanding climate-aligned products and transition-focused financial solutions.
- Gradually reducing exposure to carbon-intensive sectors through refined thresholds and targeted engagement.
- Building internal capabilities through training, improved analytical tools and expanded climate-related data.
- Advancing decarbonisation initiatives under the Group's Decarbonisation Roadmap, including exploring sector-specific decarbonisation pathways.

SUSTAINABILITY STATEMENT

Decarbonisation Roadmap

A Decarbonisation Roadmap was established in 2025 to guide Kenanga Group’s direction in managing and reducing GHG emissions. It sets out a clear path for tracking emissions, evaluating performance and aligning operational actions with portfolio level considerations.

As this work advances, the Group intends to introduce quantitative, sector-specific emission reduction targets to complement existing efforts. Emissions across all relevant scopes will continue to be tracked to provide clearer visibility of trends and priority areas.

Insights from integrated climate assessments and investment-related emissions inform the focus on higher-emitting sectors. Efforts are directed towards improving data quality and refining measurement approaches, enabling more precise evaluation. As methodologies and portfolio insights develop, science-aligned decarbonisation targets will be introduced in a phased manner, reflecting both business realities and evolving expectations.

Kenanga Group’s Decarbonisation Roadmap

We are dedicated to managing our portfolio and operational emissions to support the transition to a low-carbon economy. Our decarbonisation approach focuses on mitigating climate-related risks and leveraging decarbonisation opportunities to create shared value for our stakeholders.

The Approach	STRATEGIC PILLAR 1: Emissions Management	Manage and reduce GHG emissions footprint through clear strategies and continuous monitoring.
	STRATEGIC PILLAR 2: Strategic Partnerships	Partner with stakeholders to accelerate sector-wide climate action.
	STRATEGIC PILLAR 3: Operational Efficiency	Optimise energy use, adopt renewables, and enhance sustainability across operations.
	STRATEGIC PILLAR 4: Climate Resilience	Integrate climate considerations into investment and lending to drive portfolio decarbonisation.

Levers to Decarbonisation


	Short-Term (1 to 5 years)	Mid-Term (5 to 10 years)	Long-Term (> 10 years)
Scope 1 (Direct Emissions – Fleet)	Transition to low-emission vehicles and optimise fleet operations to reduce fuel consumption.	Explore options to expand the use of EVs across the fleet.	Aim for a fully electric fleet to ensure zero emissions from the Group-owned vehicles.
Scope 2 (Indirect Emissions – Electricity)	Review and enhance current energy-efficient technologies to reduce electricity consumption.	Explore options to increase the renewable energy mix in electricity sourcing.	Shift to 100% renewable energy sourcing for all electricity needs across operations.
Scope 3 (Value Chain Emissions – Categories 6, 7, 15)	Promote sustainable business travel policies and encourage eco-friendly commuting options for employees.	Engage with suppliers and clients to develop transition plans and reduce emissions through low-carbon solutions and collaborations.	Monitor reduction targets in value chain emissions by targeting high-emitting sectors and scaling sustainable practices across the entire supply chain.
Approach to Residual Emissions	Explore utilising carbon offsetting mechanisms to offset residual emissions.		

Key Enablers	Enhance data collection, analysis, and reporting capabilities	Adopt advanced technologies and innovative solutions	Engage and enable suppliers, clients, and partners	Capacity building
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SUSTAINABILITY STATEMENT

Metrics & Target

Scope 1 Direct GHG Emissions (tCO₂e)		
2025		39.6
2024		42.0
2023		43.4
Scope 2 Indirect GHG Emissions (tCO₂e) – Kenanga Tower		
2025		257.1
2024		1,045.6
2023		2,379.7
Scope 2 Indirect GHG Emissions (tCO₂e) – Branch Offices		
2025		1,205.3
2024		1,261.9
2023		1,409.1
Scope 3 – Other Indirect GHG Emissions		
Scope 3 GHG Emission – Category 6: Business Travel (tCO₂e)		
2025		488.3
2024		532.7
2023		444.8
Scope GHG Emissions – Category 7: Employee Commuting (tCO₂e)		
2025		3,924.4
2024		3,841.0
2023		4,320.4
Scope 3 – Category 15: Investments (tCO₂e)		
	2023	2024
Financed Emission	114,068.2	27,045.6
Facilitated Emission	23,555.0	79,071.8
Portfolio Emission	375,127.4	243,736.4

 For more information on detailed climate-related disclosures, GHG emissions data and restatements, refer to Environmental Stewardship chapter, from pages 87 to 97 of our Sustainability Report 2025.

SUSTAINABILITY STATEMENT

Section B

Other Sustainability-related Disclosures

This section outlines Kenanga Group's broader sustainability impacts across Good Governance, Sustainable Economic Growth and Empowering People and Communities, highlighting how we uphold strong governance practices, support long-term economic value creation and foster positive social outcomes for our clients, employees and the wider community.

GOOD GOVERNANCE



SUSTAINABILITY STATEMENT

GOOD BUSINESS CONDUCT**WHY IT MATTERS**

We uphold strong corporate governance and ethical conduct, guided by clear oversight structures that reinforce integrity, transparency and regulatory compliance. Through accountable practices and rigorous controls, we maintain a governance environment that safeguards stakeholder confidence, supports responsible decision-making and ensures the Group continues to operate to the highest standards.

Key Risks:

- Operational risk arising from misconduct and breaches of ethical standards
- Credit risk stemming from unethical or improper credit assessment practices

Key Opportunities:

- Strong regulatory compliance protects reputation, reduces risks and attracts investors.
- Effective governance, supported by clear accountability, builds trust and enables growth.
- Ethical business practices strengthen stakeholder confidence and organisational resilience.

Key Activities:

- The Board oversees compliance with regulatory requirements and governance standards, ensuring adherence to guidelines issued by BNM, Bursa Malaysia and the SC, while embedding the principles of the MCCG into the Group's policies and practices.
- Female representation on the Board increased to 37.5%, up from 33% in 2024.

RISK MANAGEMENT**WHY IT MATTERS**

In an increasingly volatile environment, comprehensive risk management is vital for organisational resilience. By embedding risk management within our governance and strategy, we systematically identify, assess and mitigate interconnected operational, financial, regulatory and sustainability risks. This strengthens our ability to manage market uncertainty, safeguard long-term value and adapt to evolving regulatory and stakeholder expectation.

Key Risks:

- Operational risks arising from weak risk governance and inadequate oversight structures

Key Opportunities:

- Enhances enterprise-wide risk insight and forward-looking decision-making, strengthening resilience to emerging threats and volatility

Key Activities:

- Introduced the Group Sustainability Risk Management Framework, which harmonises the approach to identifying, assessing, and monitoring sustainability-related risks, ensuring these considerations are embedded across the Group to strengthen long-term resilience and support the Group's strategic objectives.
- Communicated climate risk requirements during onboarding and annual risk reviews, besides outlining the remedial or mitigating actions expected to support client transition to guide clients in aligning with the Group's risk appetite and financing criteria.

SUSTAINABILITY STATEMENT

REGULATORY COMPLIANCE



WHY IT MATTERS

Ethics and compliance anchor Kenanga Group's governance framework by guiding responsible conduct, shaping sound decision-making, and strengthening stakeholder trust. As regulatory expectations intensify and risks evolve, integrity and accountability remain essential to sustaining a resilient and trusted organisation. The Group embeds compliance across structures, policies, and daily operations—not as a standalone obligation, but as part of how business is conducted.

Key Risks:

- Operational risks arising from non compliance with regulatory, legal, and supervisory requirements

Key Opportunities:

- Safeguards licence-to-operate and market confidence through consistent compliance assurance and transparent performance

Key Activities:

- Strengthened governance through updates to regulatory guidance, the digitalisation of approval processes and the completion of the first-stage audit and certification process for ISO 37001:2025 Anti-Bribery Management System.
- Implemented governance and compliance measures including fraud awareness programmes, regulatory briefings, employee training, enterprise-wide risk assessments and centralised policy management systems.
- Held the annual Compliance Awareness Week 2025 to continue sharpening employees' knowledge and skills in key compliance areas, particularly on online security and regulatory integrity.
- Organised the 9th annual Fraud Awareness Week ("FAW") with the Association of Certified Fraud Examiners' International FAW to engage both internal and external stakeholders on fraud awareness and financial crime prevention.
- Hosted the 10th Annual Regulatory Seminar in conjunction with the 9th FAW, featuring insights from guest speakers and internal subject-matter experts.
- Enhanced the Group Speak Up framework to strengthen governance and expand the scope of reportable matters to include sexual harassment and bullying.
- 1,145 employees participated in Anti-Bribery and Corruption training, including Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions.

 For more information on good governance initiatives refer to Good Governance chapter, from pages 29 to 41 of our Sustainability Report 2025.



SUSTAINABLE ECONOMIC GROWTH



SUSTAINABILITY STATEMENT

RESPONSIBLE INVESTING



WHY IT MATTERS

Investing in companies with consideration of their ESG practices enhances long-term value creation by identifying opportunities and managing material sustainability risks that may affect portfolio performance. This approach also aligns the Group with evolving stakeholder expectations and regulatory requirements, strengthening trust and credibility across its investment ecosystem.

Key Risks:

- Sustainability and climate risks arising from portfolio exposure to transition and physical impacts
- Credit and market risks arising from ESG-driven valuation and portfolio exposure changes

Key Opportunities:

- Improves investment resilience, aligns portfolios with evolving market expectations, and opens access to transition-finance

Key Activities:

- Enhanced climate risk and physical risk considerations in the ESG Framework to align with the best global practices and local regulatory developments, including strengthening oversight by ensuring clearer accountability for decarbonisation and just transition strategies.
- Widened the scope of its climate risk assessment by evaluating the GHG data analysis of investee companies, shifting from qualitative to quantitative assessment. This included evaluating Scope 1 and 2 emissions, engagement targets and embedding climate risk metrics into the assessment process.
- KIB engaged 40 investee companies in high-risk sectors to support decarbonisation and just transition efforts, resulting in commitments on GHG targets, physical risk plans and strengthened social-impact safeguards.
- KIB and Kenanga Islamic Investors Berhad were affirmed investment manager ratings ("IMR") of IMR-2 by the Malaysian Rating Corporation Berhad for the 9th consecutive year since they were first rated in 2017.
- As of December 2025, KIB's ESG-screened assets under management ("AUM") reached RM15.5 billion, which is about 63.2% of its total AUM.
- Kenanga Investors Group established a Waqf-related ESG mandate with Waqf institution.
- Allocated approximately RM26.6 million, or 16% of Kenanga Private Equity Sdn Bhd's portfolio to the renewable energy sector.
- Directed RM84.5 million or 11% of Kenanga Group's Corporate Banking's loan and financing portfolio to green lending and financing, including renewable energy, green technology and climate change mitigation activities.
- Kenanga Research organised eight (8) engagement activities and published ten (10) ESG-focused thematic reports.



DIGITALISATION



WHY IT MATTERS

By mitigating operational and resource-intensity risks, digitalisation enables opportunities for broader inclusion, higher efficiency and lower environmental impact, supporting Kenanga Group's long-term resilience and strengthening value delivery to clients and stakeholders.

Key Risks:

- Technology risks arising from rapid digital transformation and system vulnerabilities
- Operational risks arising from changes in processes, platforms, and digital workflows

Key Opportunities:

- Enhances enterprise productivity and client engagement through modern, secure, and scalable digital capabilities

Key Activities:

- Guided by the Group's five (5)-year IT Strategy (2023–2027), initiatives in 2025 focused on application consolidation, private cloud adoption, IT resource strategy, Zero Trust Phase 2 and cost-saving measures, while strengthening operational efficiency and security through AI and cloud technologies.
- Enhanced iRemisier to enable eIPO subscription processing, strengthen approval rules for withdrawal requests, improve visibility and performance insights and improve Business Done Report.
- A total of 7,277 new users signed up on Rakuten Trade, bringing the total customer base to more than 295,500, recording over RM153 billion worth of stocks transacted since its inception in 2017.
- Recorded 2,285 new account opening through the Digital Client On-boarding online platform for Kenanga Futures, Kenanga Treasury and Equity Broking.
- Digitised seven (7) new workflows and upgraded fourteen (14) existing workflows through the Group's Digital Workflows, bringing the total to 58, driving greater efficiency, reduced manual work and cost saving opportunities.
- Deployed new Robotic Process Automation through five (5) migration projects and fifteen (15) new projects, saving about RM400,000 and 12,000 hours annually.



SUSTAINABILITY STATEMENT

CYBER SECURITY



WHY IT MATTERS

As we transition to a future driven by digital innovation, maintaining cyber security is becoming increasingly important to all organisations, especially financial institutions like Kenanga Group. Our main priority is to strengthen cyber security measures across our operations as we aim to mitigate cyber and technology-related risks while actively monitoring developments in the cyber landscape.

Key Risks:

- Technology risks arising from cyber threats and inadequate security safeguards
- Operational risks arising from disruptions caused by security breaches

Key Opportunities:

- Strengthens competitive positioning by delivering secure, trusted digital services that enhance client confidence and loyalty

Key Activities:

- Maintained Data Loss Prevention solutions and strengthened web application protection to safeguard customer data and prevent internal data leaks.
- Enhanced security for employee devices by improving mobile management tools and renewing the Microsoft 365 E5 security suite.
- Implemented enhanced cyber security controls and monitoring capabilities to better protect against identity-related risks and malware threats.
- Upgraded virtual patching solutions to before applying physical security patches.
- Conducted three (3) technology stress test exercises to evaluate resilience against cyber attacks and technical disruptions.
- Strengthened employee cyber awareness through monthly training, phishing simulations and online quizzes, achieving a 92% phishing detection success rate.

CLIENT EXPERIENCE



WHY IT MATTERS

Client experience is a key safeguard against reputational and service-quality risks, and a powerful opportunity to strengthen trust and loyalty. We focus on creating meaningful value by building trust-based relationships, personalising every interaction and ensuring clear, transparent communication across the client journey. This approach helps us deliver seamless, reliable experiences that support Kenanga Group's long-term growth and positive stakeholder impact.

Key Risks:

- Operational risks arising from service delivery failures and weak client management processes
- Technology risks arising from breakdowns or vulnerabilities in client-facing systems

Key Opportunities:

- Improves client engagement and broadens access by delivering reliable, seamless, and inclusive service experiences

Key Activities:

- Updated the Group Advertisement Policy and Group Social Media Policy to align with new requirements issued by the SC.
- Group Complaint Handling Procedure is updated to further strengthen our ability to safeguard clients against scams, online fraud and misinformation.

 For more information on sustainable economic initiatives refer to Sustainable Economic Growth chapter, from pages 42 to 64 of our Sustainability Report 2025.

EMPOWERING PEOPLE AND COMMUNITIES



SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSION



WHY IT MATTERS

Fostering diversity and inclusion enables us to attract a wider range of talent to foster creative ideas, manage social risks and build a resilient organisation. An inclusive workplace strengthens employee wellbeing, enables fair access to opportunities and supports ethical business conduct, all of which are essential to long-term value creation and sustainable growth. By embedding diversity and inclusion into learning and culture, we contribute to broader social equity while strengthening organisational capability and decision-making.

Key Risks:

- Operational risks arising from discriminatory practices and inequitable workplace behaviour
- ESG governance risks arising from non-alignment with diversity-related regulatory or market expectations

Key Opportunities:

- Strengthens employer brand and workforce performance by fostering an inclusive, equitable, and high-engagement workplace culture

Key Activities:

- Strengthened human rights governance through the introduction of a Human Rights Policy that reinforces the Group's commitment to respecting and protecting human rights and promoting fair treatment and ethical conduct across its operations.
- Launched the Business Sustainability Learning Campaign to enhance employee awareness and build employees' capability on sustainability-related topics, with a focus on the practical application and integration of sustainability within business operations.
- Marked the International Women's Day ("IWD") 2025 through a series of virtual engagement including interviews and podcasts highlighting journeys of the Group's women leaders and IWD pop quiz.
- Women comprised 52% of the workforce, with 35% holding key and senior management positions.
- Recorded an overall gender pay ratio of men to women at 1:0.91, reflecting the Group's continued efforts to promote equitable remuneration across the organisation.

EMPLOYEE SAFETY, HEALTH AND WELLBEING



WHY IT MATTERS

A safe and healthy workplace is essential to sustaining a resilient, engaged and productive workforce. By prioritising employee health, safety and wellbeing, the Group supports workforce sustainability, mitigates workplace risks and fosters an environment where employees can perform, grow and thrive.

Key Risks:

- Operational risks arising from poor management of occupational health and safety programmes
- Sustainability risks arising from limited support for holistic wellbeing

Key Opportunities:

- Enhances workforce engagement and organisational reputation through safe workplaces and sustained wellbeing support

Key Activities:

- Maintained compliance with the Occupational Health & Safety Act 1994 and a robust governance structure consisting of a Group Occupational Safety and Health Committee.
- Appointed a Safety and Health Officer.
- Prioritised the prevention of workplace injuries and property damage by enforcing strict Safety Rules and Regulations, as well as maintaining emergency response readiness through emergency response protocols.
- Conducted health and safety training that included fire emergency response and fire safety awareness sessions.
- Organised health talks, and healing therapy and meditation sessions to promote employee wellbeing.
- Maintained minimal workplace injuries.

TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT**WHY IT MATTERS**

Building a future-ready workforce mitigates talent and capability risks, ensuring agility amid evolving market and regulatory demands. Continuous learning unlocks innovation opportunities and strengthens execution quality, while improving risk awareness and operational resilience. This sustained investment enhances organisational adaptability and long-term competitiveness in a rapidly shifting financial landscape.

Key Risks:

- Operational risks arising from workforce skill gaps, talent shortages, and retention challenges
- Technology risks arising from limited digital capabilities and inadequate upskilling for future roles

Key Opportunities:

- Builds future ready capabilities and improves retention, strengthening long-term competitiveness and execution capacity

Key Activities:

- Launched the Group's inaugural ThinkIMPACT Campaign, an annual sustainability platform aimed to drive continuous learning, advocacy and engagement.
- Delivered a broad range of training programmes in FY2025 covering strategy and investment, risk and governance, leadership development and digital innovation to strengthen strategic insight, regulatory awareness, leadership capabilities and future-ready skills across the organisation.
- Continued participating in the SC's InvestED programme and recruited 18 trainees.
- Invested more than RM5.0 million in employee training across strategy, risk, governance, leadership and digital capabilities, recording a total of 49,901 training hours.
- Average training hours per employee increased from 31.7 in 2024 to 37.8 in 2025.



SUSTAINABILITY STATEMENT

COMMUNITY INVESTMENT



WHY IT MATTERS

Kenanga Group's people-centred approach reduces social risks while unlocking opportunities to uplift communities. By engaging employees and supporting vulnerable groups, we create positive social impact, strengthen community resilience and contribute to sustainable, long-term business performance.

Key Risks:

- Sustainability risks arising from community investments that are misaligned with societal needs or ESG commitments
- Operational risks arising from fragmented delivery of community programmes and limited impact measurement

Key Opportunities:

- Strengthens stakeholder goodwill and long-term relationships through well-governed, high-impact community initiatives

Key Activities:

- Maintained long-standing partnerships with key social enterprise partners for the 14th year, including Silent Teddies Bakery and Dialogue Includes All Academy, empowering the communities in need by creating opportunities and fostering economic participation.
- Invested over RM570,000 in community outreach programmes, directly benefitting hundreds of individuals in Malaysia and creating positive impact across health, education, inclusion and environment.
- Accumulated a total of dedicated over 3,500 volunteer hours in support of underserved and marginalised communities through our Be A Volunteer Programme.

FINANCIAL INCLUSION



WHY IT MATTERS

At Kenanga Group, financial inclusion continues to be an integral part of our ESG framework and our commitment to social equity in finance. We actively work to reduce disparities in financial access, enhance livelihoods and build resilient communities. Through innovative digital solutions, we make banking, investment and wealth management services accessible, affordable and meaningful, particularly for underserved populations. By broadening access to financial services, we empower communities and drive sustainable socio-economic growth and long-term inclusive development.

Key Risks:

- Market risks arising from inconsistent access to essential financial services among underserved markets
- Technology risks arising from the digital divide, causing exclusion

Key Opportunities:

- Expands underserved markets and strengthens customer reach through inclusive, secure, and accessible financial services

Key Activities:

- Strengthened the Group's role in Malaysia's digital asset ecosystem through a strategic investment in Halogen Capital Sdn Bhd, supporting the advancement of real-world asset tokenisation and expanding access to regulated digital investment opportunities.
- Advanced thought leadership in digital assets through the release of Project Juara, a white paper outlining a national roadmap for asset tokenisation and the development of Malaysia's digital asset ecosystem.
- Advanced financial literacy and investor education by organising and participating in initiatives such as webinars, virtual roadshows, exhibitions and social media engagement, as well as publishing thought leadership articles to empower individuals to make informed investment decisions. Reached more than 5,000 participants through over 100 digital and physical engagements nationwide.

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-20_10:52:59
 FYE 31/12/2025

Kenanga Investment Bank Berhad
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Risk Management	Proportion of spending on local suppliers	Percentage	85	-	No assurance	
Regulatory Compliance	Percentage of employees who have received training on anti-corruption by employee category - Key Management	Percentage	86.84	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	96.51	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	79.13	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Junior Management	Percentage	72.90	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	39.58	-	No assurance	
Good Governance	Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance	
Good Governance	Confirmed incidents of corruption and action taken	Number	0	-	No assurance	

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-20 10:52:59
FYE 31/12/2025Kenanga Investment Bank Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Good Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Climate Impact	Total Energy Consumption	Gigajoules	19,809.2	-	External (Limited)	
Climate Impact	Total Scope 1 emissions	tCO2e	39.6	-	External (Limited)	
Climate Impact	Total Scope 2 emissions	tCO2e	1,462.5	-	External (Limited)	
Climate Impact	Total Scope 3 emissions - Category 6 & 7	tCO2e	4,412.7	-	No assurance	Category 6 - Business Travel; Category 7 - Employee Commute
Climate Impact	Total Scope 3 emissions - Category 15 Investments	tCO2e	362,273.9	-	No assurance	Our financed emissions are currently calculated on a one-year arrears basis, with FY2024 representing the most recently completed computation.
Climate Impact	Total waste generated	KG	61,621	-	No assurance	
Climate Impact	Total waste diverted from disposal	KG	0	-	No assurance	
Climate Impact	Total waste directed to disposal	KG	61,621	-	No assurance	
Climate Impact	Total volume of water used	Cubic Meter	43,706.5	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management Below 30	Percentage	0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management 30-39	Percentage	0	-	External (Limited)	

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-20_10:52:59
 FYE 31/12/2025

Kenanga Investment Bank Berhad
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management 40-50	Percentage	25.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management Above 50	Percentage	73.7	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management Below 30	Percentage	0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management 30-39	Percentage	2.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management 40-50	Percentage	48.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management Above 50	Percentage	48.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management Below 30	Percentage	1.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management 30-39	Percentage	31.7	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management 40-50	Percentage	40.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management Above 50	Percentage	26.5	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management Below 30	Percentage	36.8	-	External (Limited)	

BURSA PRESCRIBED TABLE

Kenanga Investment Bank Berhad
BMLR Transition Period

Date & Time: 2026-04-20 10:52:59
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management 30-39	Percentage	31.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management 40-50	Percentage	16.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management Above 50	Percentage	14.2	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive Below 30	Percentage	6.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive 30-39	Percentage	15.6	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive 40-50	Percentage	32.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive Above 50	Percentage	45.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Key Management Male	Percentage	68.4	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Key Management Female	Percentage	31.6	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Senior Management Male	Percentage	62.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Senior Management Female	Percentage	37.2	-	External (Limited)	

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-20_10:52:59
FYE 31/12/2025

Kenanga Investment Bank Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Gender Group - Middle Management Male	Percentage	46.9	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Middle Management Female	Percentage	53.1	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Junior Management Male	Percentage	45.2	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Junior Management Female	Percentage	54.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Non-Executive Male	Percentage	68.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Non-Executive Female	Percentage	31.3	-	External (Limited)	
Good Business Conduct	Percentage of directors by gender - Male	Percentage	62.5	-	No assurance	
Good Business Conduct	Percentage of directors by gender - Female	Percentage	37.5	-	No assurance	
Good Business Conduct	Percentage of directors by age group - 50-59	Percentage	12.5	-	No assurance	
Good Business Conduct	Percentage of directors by age group - 60-69	Percentage	50.0	-	No assurance	
Good Business Conduct	Percentage of directors by age group - Above 70	Percentage	37.5	-	No assurance	
Talent Attraction, Development and Management	Total hours of training by employee category - Key Management	Hours	1,531.4	-	External (Limited)	

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Kenanga Investment Bank Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Talent Attraction, Development and Management	Total hours of training by employee category - Senior Management	Hours	2,618.2	-	External (Limited)	
Talent Attraction, Development and Management	Total hours of training by employee category - Middle and Junior Management	Hours	44,214.8	-	External (Limited)	
Talent Attraction, Development and Management	Total hours of training by employee category - Non-Executive	Hours	1,536.3	-	External (Limited)	
Diversity & Inclusion	Percentage of employees that are contractors or temporary staff	Percentage	12.2	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Key Management	Number	1	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Senior Management	Number	0	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Middle Management	Number	46	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Junior Management	Number	84	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Non-Executive	Number	3	-	External (Limited)	
Employee Safety, Health and Wellbeing	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	

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Kenanga Investment Bank Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Employee Safety, Health and Wellbeing	Number of work-related fatalities	Number	0	-	External (Limited)	
Employee Safety, Health and Wellbeing	Lost time incident rate ("LTIR")	Rate	0	-	No assurance	
Employee Safety, Health and Wellbeing	Number of employees trained on health and safety standards	Number	81	-	No assurance	
Community Investment	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	576,958.00	-	No assurance	
Community Investment	Total number of beneficiaries of the investment in communities	Number	1,100	-	No assurance	
Talent Attraction, Development and Management	Percentage of Employees that Returned to Work After Parental Leave Ended	Percentage	100	-	External (Limited)	
Talent Attraction, Development and Management	Total number of Employees Covered under Employee Performance Management	Number	1,184	-	External (Limited)	
Talent Attraction, Development and Management	Total percentage of employees covered under Employee Performance Management	Percentage	89.6	-	External (Limited)	