

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.

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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 ("UNSDGs"). 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.

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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