


ENVIRONMENTAL STEWARDSHIP



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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

OUR GOALS:

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

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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

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“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.

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Scope 1 Direct GHG Emissions (tCO₂e)



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 (tCO₂e) – 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 (tCO₂e) – 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.

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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 (tCO₂e)



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 (tCO₂e) – 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.

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New Data Point:

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

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 (m³)



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

New Data Point:

**Water consumption –
Branch Offices (m³)**
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**

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#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.