

PROGRESSING TOWARDS A SUSTAINABLE FUTURE

OUR ESG FRAMEWORK

Our ESG Framework serves as a focal point for how we articulate our sustainability aspirations for the long-term. Anchored upon four (4) key pillars – Sustainable Economic Growth, Environmental Stewardship, Empowering People and Communities; and Good Governance, the framework guides us in our efforts to address ESG issues that are material to our business while aligning with our targets and strategies.

OUR SUSTAINABILITY VISION

As a leading independent investment bank, Kenanga is committed to promoting and adopting business-relevant sustainable practices by embedding ESG in our core business strategy and operations, while considering the ESG risks and opportunities in shaping up sustainable investment products and services towards contributing to the best interests of our stakeholders.

Sustainable Economic Growth

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

Responsible Investment

Incorporate ESG factors into our investment processes, offer and promote sustainable products and solutions and take an active stewardship role in the companies in which we invest.

Digitalisation

Leverage technological advancements to develop secure, meaningful and innovative products and solutions that will help shape the future of investing.



Environmental Stewardship

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

Climate Impact

Take ownership of climate risks and opportunities of our operations through monitoring environmental performance, identifying and practising behaviours to promote climate positive action and outcomes.



Empowering People and Communities

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

Diversity, Inclusion and Wellbeing

Inculcate an equitable workplace culture that recognises the unique needs and contributions of employees and where employee rights, health, safety and wellness are promoted.

Community Investment

Enhance financial literacy for investors and the community through education. Reaching out to communities in need through targeted social investments and employee volunteerism.



Good Governance

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

Good Business Conduct




Promote and embed good business conduct and high standards of integrity throughout the organisation, operate ethically and transparently and in compliance with applicable laws and regulations.



PROGRESSING TOWARDS A SUSTAINABLE FUTURE

AN INSIGHT INTO OUR STAKEHOLDER'S PERSPECTIVES

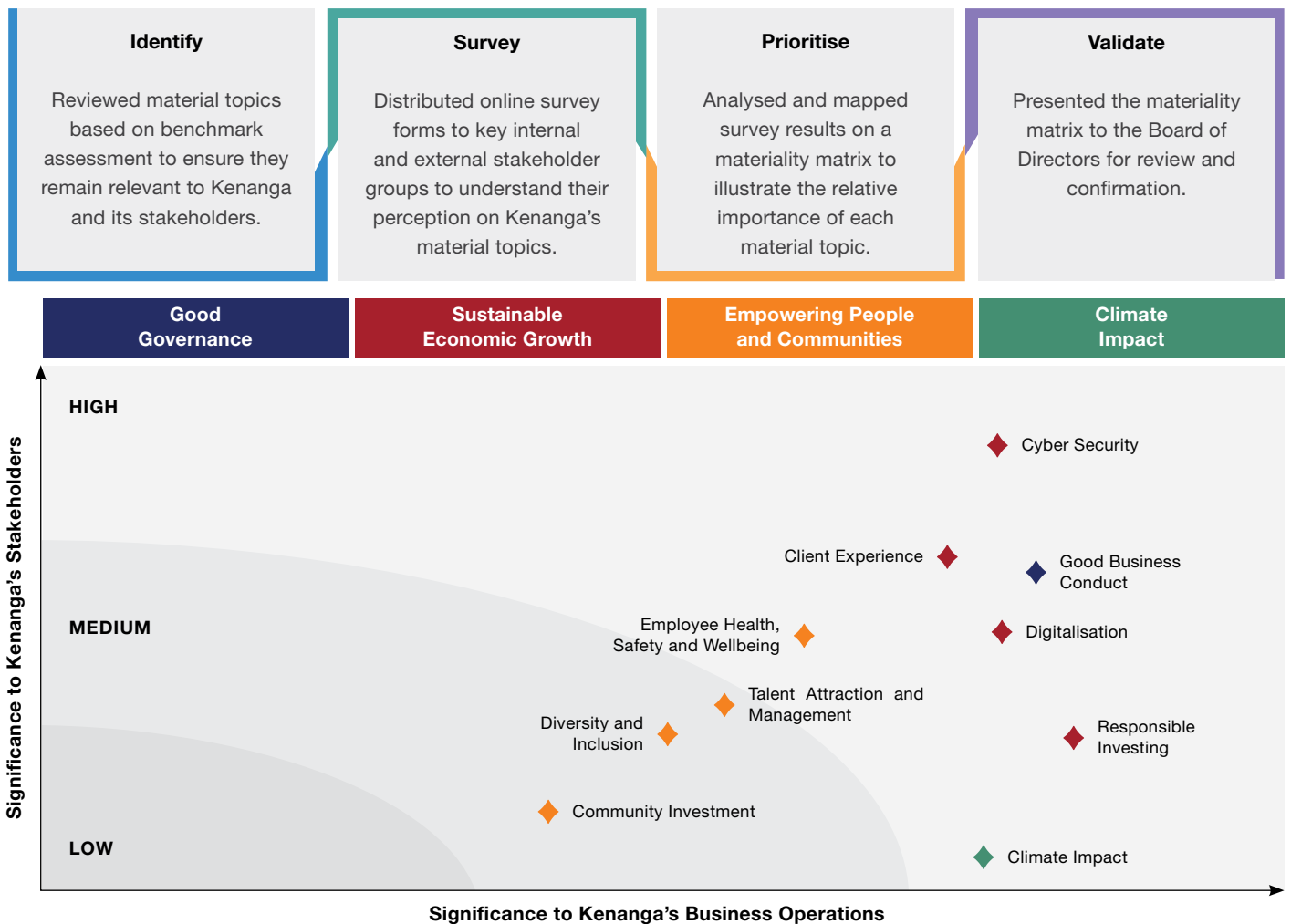
Stakeholder engagement, assessment and feedback are integral to our organisation. We continuously work to improve our engagement approaches through various communication channels to ensure we meaningfully connect with our stakeholders to gather input relevant to current trends and changing expectations.

Our Stakeholder Groups	Our Commitment	How We Engage	Areas of Interest
<p>Those to Whom We Are Accountable</p> 	<ul style="list-style-type: none"> Ensure our investors and shareholders are kept abreast on how we embed ESG in our business strategy and operations Incorporate feedback to create long-term, sustainable value for our stakeholders Leverage innovation and technology to enhance the client experience 	<p>Shareholders</p> <ul style="list-style-type: none"> Provide updates and gather feedback through meetings, reports and disclosure <p>Clients</p> <ul style="list-style-type: none"> Provide products, tools, education and insights through our trading platforms, mass media channels, events, emails, websites and social media channels Respond to queries, as well as gather input and feedback via social media channels, helplines and email 	<ul style="list-style-type: none"> Cyber security and data protection Portfolio performance Financial inclusion Financial literacy Digitalisation Responsible investing New products and services Market outlook Enhanced client experience
<p>Those Who We Collaborate With</p> 	<ul style="list-style-type: none"> Create a safe, inclusive and high-performing work environment Embed our values of ethics, integrity and compliance throughout the organisation, to lead a responsible business operation 	<p>Regulators</p> <ul style="list-style-type: none"> Participate in industry discourse and enforce adherence to regulations and policies <p>Employees</p> <ul style="list-style-type: none"> Engage through internal policies, meetings, emails, dialogues, training programmes, special events and performance appraisals <p>Remisiers and Agents</p> <ul style="list-style-type: none"> Engage through policies and procedures, training programmes and special events <p>Vendors</p> <ul style="list-style-type: none"> Collaborate through meetings, policies and procedures 	<ul style="list-style-type: none"> Compliance culture Cyber security and operational resilience Training and development
<p>Those Whose Lives We Enrich</p> 	<ul style="list-style-type: none"> Create positive impact for communities in need through targeted social investments and employee volunteerism Enhance the financial literacy of our communities to empower them to make decisions on their investments and financial resources 	<p>Community Partners</p> <ul style="list-style-type: none"> Contribute to various social causes, in particular towards enterprises Activate employee volunteerism and philanthropy <p>Public</p> <ul style="list-style-type: none"> Disseminate investing knowledge via roadshows, social media channels and webinars 	<ul style="list-style-type: none"> Community empowerment Financial literacy

PROGRESSING TOWARDS A SUSTAINABLE FUTURE

WHAT IS MATERIAL TO US

In 2022, we conducted materiality assessment, driven by four (4)-step process, to identify and prioritise ESG topics that are relevant to Kenanga and its stakeholders. The biennial assessment ensures that we consider and integrate these ESG topics in identifying opportunities and risks in our business operations, as well as to further guide the Group’s ESG strategy and reporting.



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

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

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

PROGRESSING TOWARDS A SUSTAINABLE FUTURE

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

Material Topic	GRI Indicators	Description
GOOD GOVERNANCE		
Good Business Conduct	205: Anti-corruption 2016	Operating transparently, with integrity and accountability in compliance with applicable laws and regulations. Adopting the highest standards of professionalism, honesty, and ethics.
Regulatory Compliance	205: Anti-corruption 2016	Identifying, managing and responding to compliance risk across the Group. Cultivating a transparent ethical culture and educating employees to reflect the compliance behaviours of the organisation.
SUSTAINABLE ECONOMIC GROWTH		
Responsible Investing	3-3: Management of material topics	Collaborating with asset owners, regulators and a wide range of market participants on ESG matters and ensuring that it takes place at the heart of the investment process and promote the sustainability agenda.
Digitalisation	3-3: Management of material topics	Leveraging technological advancements to develop innovative products and services; enhance and reinforce advisory operations and offer seamless service solutions that meet clients’ needs.
Cyber Security	418: Customer Privacy 2016	Implementing robust cyber security solutions through strategic partnerships to protect corporate and client information and enhance cyber security posture. Equipping employees with the knowledge and skills to recognise and prevent malicious activity from cyber threat actors.
Client Experience	417: Marketing and Labelling 2016	Delivering positive client experience through customer service excellence and delivering innovative products and services.
ENVIRONMENTAL STEWARDSHIP		
Climate Impact	302: Energy 2016 303: Water and Effluents 2018 305: Emissions 2016 306: Waste 2020	Taking ownership of the climate impacts of our operations through monitoring environmental performance, identifying and practising behaviours promoting climate positive outcomes, and raising awareness of climate change and sustainability with internal stakeholders.
EMPOWERING PEOPLE AND COMMUNITIES		
Diversity and Inclusion	405: Diversity and Equal Opportunity 406: Non-Discrimination 2016	Inculcating a diverse and inclusive workplace culture by adopting equality and non-discriminative practices in human resource processes.
Employee Health, Safety and Wellbeing	403: Occupational Health and Safety 2016	Safeguarding employees’ health, safety and wellbeing by promoting a safe and decent working environment while creating an accident-free work environment.
Talent Attraction and Management	401: Employment 2016 404: Training and Education 2016	Designing the Group’s training and development initiatives to respond to business needs, regulatory requirements, industry standards and people development principles.
Community Investment	GRI 413: Local Communities 2016	Enhancing financial literacy and inclusion for clients and the community through education. Reaching out to communities in need through targeted social investments and employee volunteerism.