

Q&A WITH OUR GROUP MANAGING DIRECTOR AND CHAIRMAN OF THE GROUP SUSTAINABILITY MANAGEMENT COMMITTEE

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Q1 How would you describe sustainability in 2025 and the milestones that best defined Kenanga's progress?

Precipitated by divisive views that have become increasingly pronounced over the last year, sustainability is no longer viewed through a single global lens, but region-specific priorities shaped by energy security, competitiveness and long-term resilience.

Malaysia has demonstrated a clear and sustained commitment through policy direction and regulatory action. This is reflected in the strengthening of national climate and transition policies, as well as the launch of the National Sustainability Reporting Framework which signals a move towards greater consistency, transparency and comparability in sustainability disclosures.

In this context, Kenanga has continued to advance our sustainability agenda with discipline and clarity of purpose. Our sustained inclusion in the FTSE4Good Index is a tangible benchmark of commitment to responsible practices and transparency for investors. With an ESG score of 4.3, one of the highest among financial institutions on the Index, alongside our wins at both the NACRA and the The Edge Malaysia ESG Awards, we have demonstrated that strong governance, transparency and consistent execution remain the cornerstones of our progress.

We remain committed to upholding ethical conduct and strong corporate governance to build trust with our stakeholders. We continue to strengthen our cyber security capabilities to safeguard our clients, employees, and institution, while advancing social outreach initiatives that give back to the communities we serve and fostering a people-centric culture within the organisation.

On the climate front, we advanced the commitments laid out in our Decarbonisation Roadmap, by adopting renewable-energy at Kenanga Tower, electrifying of our company-owned vehicles, and improving visibility over investment-related emissions as part of the preparatory process to meet climate reporting requirements.

From my perspective, sustainability is not separate from business strategy, it is how we manage risk and position Kenanga for sustained growth and value creation.

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Q2

Given the increasingly polarised sentiments around sustainability, do you still see a meaningful place for sustainability in Kenanga's business strategy?

Sustainability is a business reality. Resource constraints, regulatory shifts, customer expectations and cost of capital incentives are all moving in the same direction and the operational risks and opportunities are real.

Sustainability still has a place in business strategy. However, it must be practical, focused on value, and grounded in day-to-day business decisions, just like how, we have been running our sustainability agenda from Day 1. Sustainability considerations help reduce cost, manage risk, build resilience and is part of good business management. Take Kenanga Tower as an example, our energy efficiency efforts are reducing our monthly electricity costs, one of the many ways we have turned our sustainability commitment into real results.

Q3

The past year has seen the roll-out of the much-anticipated National Sustainability Reporting Framework ("NSRF") by Securities Commission Malaysia. How has Kenanga approached this new set of requirements that is predicated on globally recognised standards to drive transparency and accountability?

Malaysia's NSRF implementation represents an important shift, elevating expectations around transparency, decision-useful disclosures and governance. For Kenanga, it has accelerated the way we integrate climate-related considerations into business strategy — influencing how we allocate capital, design products, manage transition risks and engage with clients and counterparties. It also reinforces the importance of improving data quality across the value chain, including on Scope 3 financed emissions.

The NSRF has prompted us to sharpen our understanding of how climate-related risks and opportunities translate into financial impact — whether through transition risk, regulatory developments or emerging investor preferences. For us, sustainability is both a resilience strategy and a growth lever, enabling us to innovate, compete and strengthen long-term performance.

To stay ahead, we introduced the Group Sustainability Risk Management Framework to strengthen how sustainability risks are governed, monitored, and acted upon across our businesses. We also invested in talent and capability development to ensure our teams are equipped to deliver high-quality reporting and execute our decarbonisation plans with discipline. These investments reinforce regulatory readiness, deepen stakeholder trust and support sustainable value creation well into the future.

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Q4

Could you share some key highlights of actions taken by Kenanga over the past year to reinforce governance and our broader sustainability agenda?

In 2025, we focused on further reinforcing the governance structure that keeps our business resilient. Fraud Awareness Week, Compliance Awareness Week and the Annual Regulatory Seminar helped elevate awareness of emerging risks and reinforce a culture anchored in ethical conduct and regulatory discipline. This strong governance foundation is critical for enabling sustainable growth in a more complex operating landscape. We also advanced our enterprise-wide risk ecosystem by elevating discussions on non-traditional risks and integrating sustainability-related risks, including climate risk, into our risk management framework. Enhancing our Speak Up framework and progressing the ISO 37001:2025 AMBS certification further enhanced organisational safeguards and supported a culture of accountability.

Our efforts were recognised through the Sustainability Governance & Strategy Award at the UN Global Compact Malaysia and Brunei Forward Faster event, validating the progress we've made in embedding sustainability into strategic decision-making and oversight mechanisms. On the social front, we enhanced employee leadership capabilities through programmes such as the Kenanga Emerging Leadership Programme, while advancing our SDG-aligned community outreach efforts. These include continued support for our long-standing social enterprise partners, Dialogue Includes All and Silent Teddies Bakery, which are collaborations we have nurtured for over a decade.

Q5

Looking ahead, what are Kenanga's priorities as sustainability expectations and business realities continue to evolve?

Our sustainability strategy is fundamentally tied to how we build competitiveness and long-term business value. We will continue embedding climate and technology considerations into governance and risk management while scaling sustainability-linked solutions and digital finance innovations that support Malaysia's evolving capital market landscape. Building readiness for the full compliance towards NSRF and meeting emerging expectations on financed emissions will remain key priorities. We are increasing investments in data, technology and talent to enhance disclosure quality, sharpen risk insights and support execution with greater consistency. These capabilities are critical as we navigate regulatory shifts and rising investor expectations.