



kenanga

SUSTAINABILITY REPORT 2025

## COVER RATIONALE

The cover presents a powerful aerial view of interconnected roots and dense greenery, symbolising resilience through strong foundations and connectivity. The visible root network beneath the surface reflects Kenanga's deep-rooted strength—often unseen, yet critical in navigating complexity and volatility.

It serves as a reminder that true stability is built not on what is immediately visible, but on the enduring capabilities and principles that anchor the organisation through every market cycle.

## OUR REPORTS

The Integrated Annual Report 2025, Corporate Governance Report 2025 and Sustainability Report 2025 are our primary reports.

Supplementary information is available on our website: <https://www.kenanga.com.my>



### Integrated Annual Report

Provides an overview of Kenanga Group's financial performance, as well as business highlights of the year.



### Corporate Governance Report

Provides an overview of Kenanga Group's corporate governance and how it facilitates effective management to deliver long-term value for the Company.



### Sustainability Report

Provides an understanding of Kenanga Group's sustainability ambitions, initiatives and progress, as well as how it is integrated across the business.



# 52<sup>ND</sup>

## ANNUAL GENERAL MEETING

Tuesday, 26 May 2026

11:00 a.m.

The Grand Ballroom, InterContinental Kuala Lumpur  
165, Jalan Ampang 50450 Kuala Lumpur  
Wilayah Persekutuan, Malaysia



This interactive PDF allows you to access information easily, search for a specific item or navigate between sections and links.

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Kenanga is committed to making a difference in the environment. Play your part by opting to download a softcopy of our reports at <https://www.kenanga.com.my/investor-relations/agm2026> or by scanning the QR code above.

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## BASIS OF THIS REPORT

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Kenanga Investment Bank Berhad ("**KIBB**") and its subsidiaries ("**Kenanga**" or "**the Group**" or "**Kenanga Group**") presents the Sustainability Report for the financial year 2025 ("**FY2025**"). This Report is the fifth edition of its standalone Sustainability Report, complemented by the Sustainability Statement within our Integrated Annual Report ("**IAR**") 2025. This Report details our management of material sustainability matters, associated performance and targets and further reflects our ongoing integration of sustainability-related risks and opportunities into strategic planning, risk governance, operations and product development to strengthen sustained impact for stakeholders.

### REPORTING SCOPE AND BOUNDARIES

This Report covers the full fiscal year from 1 January to 31 December 2025 and includes all our operations in Malaysia, including Kenanga Tower in Kuala Lumpur and our branches nationwide. All monetary values are presented in Malaysian Ringgit ("**RM**") unless stated otherwise.

### GUIDELINES AND FRAMEWORKS

This Report complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") and has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. The full GRI Content Index can be found on pages 139 to 143 of this Report. This Report also serves as our Communication on Progress ("**CoP**") to fulfil the membership requirements of the UN Global Compact ("**UNGC**").

To further enhance reporting practices, we aligned our sustainability-related disclosures with the following national and global sustainability frameworks, standards and guidelines including:

- International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("**IFRS S1**") & IFRS S2 Climate-related Disclosures ("**IFRS S2**")
- Sustainability Accounting Standards Board ("**SASB**") Industry-based Guidance - Investment Banking & Brokerage and Asset Management & Custody Activity
- United Nations Sustainable Development Goals ("**UN SDGs**")
- Bank Negara Malaysia's Climate Change and Principle-based Taxonomy ("**BNM CCPT**")
- United Nation's Global Compact's ("**UNGC**")'s Ten Principles
- Malaysian Code of Corporate Governance ("**MCCG**") by the Securities Commissions Malaysia ("**SC**")

Our disclosures and indicators are benchmarked against international ESG ratings, particularly the Financial Times Stock Exchange ("**FTSE**") Russell ESG ratings. Our FTSE4Good rating can be found on page 10.

### APPROACH TO CLIMATE-RELATED DISCLOSURES

In FY2025, we progressed our climate-related reporting by adopting a phased approach to transition from the Task Force on Climate-related Financial Disclosures ("**TCFD**") to the IFRS<sup>®</sup> Sustainability Disclosure Standards S2 (Climate-related Disclosures), issued by the International Sustainability Standards Board ("**ISSB**"). This ensures our preparedness to comply with the National Sustainability Reporting Framework ("**NSRF**") within the regulated timeline issued by the Advisory Committee on Sustainability Reporting ("**ACSR**").

Our Greenhouse Gas ("**GHG**") emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standards for Scope 1, Scope 2 and Scope 3. To compute Scope 3 emissions, namely, Category 6 and 7, we applied the GHG Protocol Corporate Value Chain (Scope 3) Standard (2011). The Partnership for Carbon Accounting Financials ("**PCAF**") methodology is used specifically for the calculation of Scope 3, Category 15 – Investments. The reporting boundary for GHG emissions encompasses both the organisational and operational boundaries of Kenanga Group, ensuring consistency with its financial reporting boundary. Our GHG emissions can be found on pages 87 to 97.

Our detailed climate-related disclosures can be found on page 65 to 101 in this Report.

### REPORTING ASSURANCE

#### Internal Assurance

This Report and the Sustainability Statement 2025 have been reviewed and approved by the Group Sustainability Management Committee ("**GSMC**"), Group Governance, Nomination & Compensation Committee ("**GNC**"), Audit Committee ("**AC**") and the KIBB Board of Directors.

#### External Assurance

SGS (Malaysia) Sdn Bhd, a leading national certification, inspection and testing body, provided independent limited assurance over selected key indicators, including energy management; GHG emissions (Scope 1 and Scope 2); water consumption; employee diversity data (age, gender and female representation by category); training data (training hours by employee level and total training spend); total number and rate of employee turnovers; total numbers and rate of new hires; parental leave; and performance appraisal. In 2025, the assurance scope was enhanced to include on-site visits conducted at branches chosen through an independent and random selection process.

We endeavour to expand the scope of assured data in future reports while continuously refining our data collection processes to enhance disclosures.

For the full SGS (Malaysia) Sdn Bhd Assurance Statement, refer to pages 151 to 153 of this Report.

## BASIS OF THIS REPORT

### Materiality

This Report was prepared based on the material matters identified through our first double materiality assessment in 2024. Following a review in 2025, all existing material matters were confirmed to remain relevant and continue to reflect our key sustainability risks and opportunities.

For more information on how we manage our material matters, please refer to pages 21 to 27 of this Report.

### Forward-Looking Statements Disclaimer

This Report contains forward-looking statements derived from prevailing assumptions and circumstances. Actual results may differ materially due to factors beyond our control, including changes in stakeholder expectations and broader sustainability developments. These statements will be monitored and, where required, revised in future disclosures. We will continue refining our reporting by aligning with evolving regulatory requirements and referencing established global frameworks.

### Feedback and Accessibility

We welcome your comments and feedback. Please send them to:

Group Marketing, Communications and Sustainability

#### Kenanga Investment Bank Berhad

Level 17, Kenanga Tower,  
237, Jalan Tun Razak,  
50400 Kuala Lumpur, Malaysia  
Tel: +603-2172 2888  
Email: [sustainability@kenanga.com.my](mailto:sustainability@kenanga.com.my)

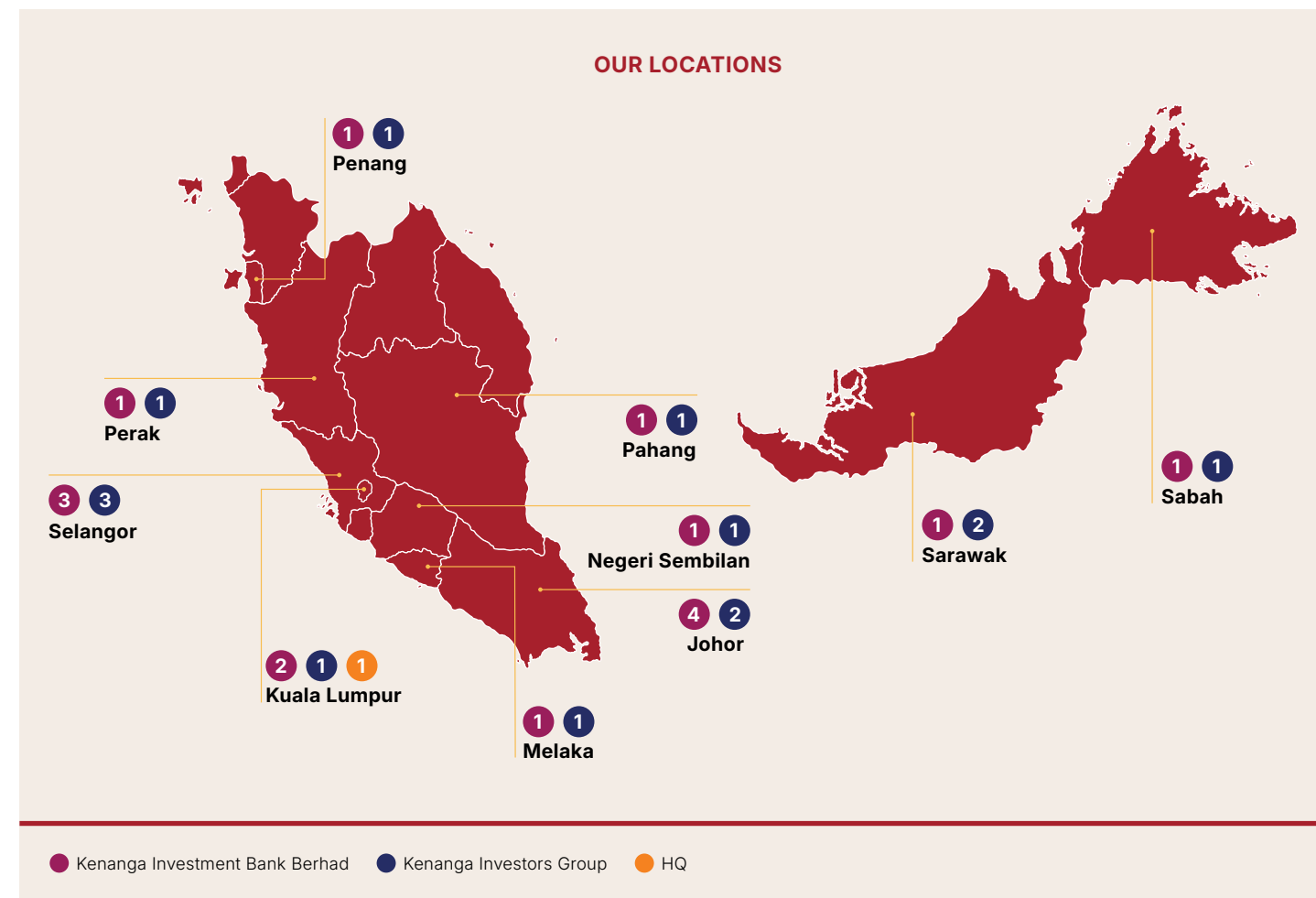
Our Sustainability Report 2025 is also available on our corporate website and sustainability microsite: <https://www.kenanga.com.my/who-we-are/sustainability>



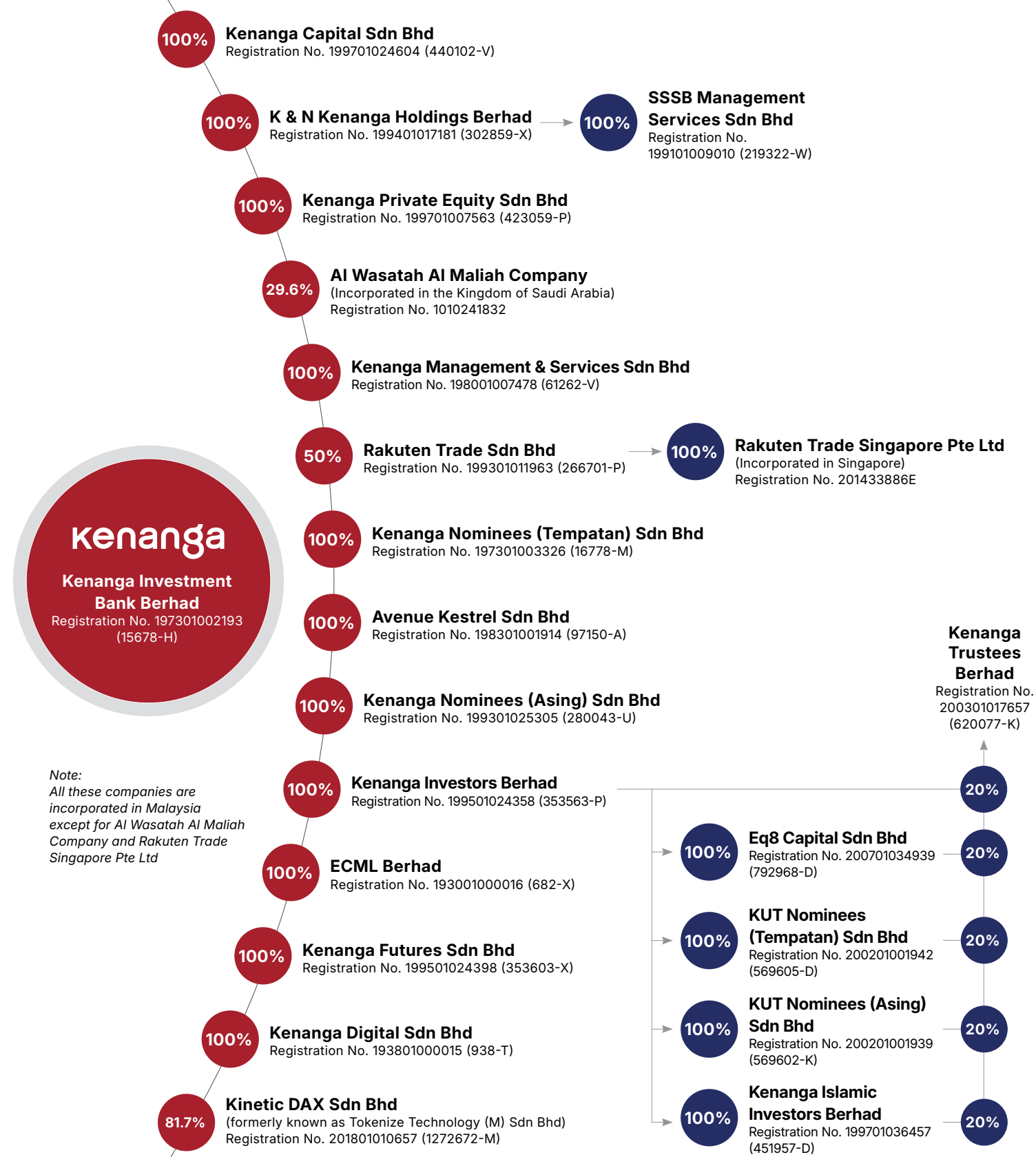
Scan here to our sustainability microsite for more information and downloads.

# WE ARE KENANGA

Kenanga Investment Bank Berhad is a Malaysian leading independent investment bank established in 1973. With over five (5) decades of experience, we provide award-winning products and services to clients and businesses across equity broking, investment banking, treasury, Islamic banking, listed derivatives, asset and wealth management, money lending, as well as digital financial solutions.



# CORPORATE STRUCTURE



## Our Statistics at a Glance

Over <b>500,000</b> Clients	<b>1,320</b> Employees
<b>31</b> Branches	<b>7,128</b> Licensed Representatives/ Personnel <sup>1</sup>

## Our Financial Performance

Revenue	Profit Before Tax	Net Profit
<b>RM 865.3 million</b>	<b>RM 73.6 million</b>	<b>RM 50.0 million</b>

Note: 1. Data includes Kenanga Investor Berhad's licensed unit trust and private retirement scheme personnel and Commissioned Dealer Representatives.

## OUR CORE BUSINESS SEGMENTS

## OUR CORE BUSINESS SEGMENTS

Kenanga provides a host of products and services to serve corporations, institutions, and individuals.



### EQUITY BROKING

We service the investing and trading needs of retail and institutional investors, both domestic and international. These services consist of equity brokerage, global equity trading, structured warrants, equity structured solutions, securities borrowing and margin lending.



### LISTED DERIVATIVES BUSINESS

We offer clearing and settlement services and access to trade on Bursa Malaysia Derivatives Berhad and the world's leading derivatives exchange, the Chicago Mercantile Exchange Group.



### INVESTMENT BANKING

We offer services including corporate banking, corporate finance, debt capital markets, and private equity.



### ASSET AND WEALTH MANAGEMENT

We offer collective investment schemes, portfolio management services, wills and trust, exchange-traded funds ("ETF"), segregated private mandates, and alternative investments.



### TREASURY

We offer a comprehensive array of investment and hedging solutions. In addition, we have a team responsible for delivering input on indicative prices or levels and market updates for the money, fixed income, and foreign exchange market.



### MONEY LENDING

We provide financing solutions through a wide variety of individually tailored corporate and leveraged finance products.



### ISLAMIC BANKING

We provide Shariah-compliant investment banking services and products. All of Kenanga's Skim Perbankan Islam and Islamic Stockbroking Window products are sanctioned by its Shariah Committee in accordance with regulatory mandates.

## OUR BRAND VALUES



### AGILITY

We are nimble and quick to respond with creative, customised solutions to meet our stakeholders' needs, both externally and internally.



### COLLABORATION

We are supported by an integrated network of colleagues and partners. We believe in consolidating our knowledge and working together for the best solutions.



### TRUSTWORTHINESS

We are fully committed to ethical practices and strive to always maintain credibility in all that we do. Professionalism, integrity and transparency are values we hold dear.



### FUTURE-FACING

We are constantly pushing boundaries. Our pursuit of digital innovations will drive financial inclusion and create opportunities and possibilities for our stakeholders.

## ACHIEVEMENTS AND ACCOLADES

## ACHIEVEMENTS AND ACCOLADES

**KENANGA INVESTMENT BANK BERHAD**
**Bursa Excellence Awards 2024**

- Best Retail Equities Participating Organisation (Investment Bank) (Champion)
- Best Structured Warrants Issuer (Equity Warrants) (Champion)
- Best Structured Warrants Issuer (Index Warrants) (Champion)
- Chu Yee Seng @ Chew Yee Seng – Best Remisier (Champion)

**FinanceAsia Awards 2025**

- Most Innovative Use of Technology – Banks

**Global Banking & Finance Awards 2025**

- Best Investment Bank Malaysia
- Best Equity Broker Malaysia
- Best Institutional Broker Malaysia
- Best Market Maker Malaysia
- Best Warrants Issuer Malaysia
- Best Research House Malaysia

**SRP Asia Pacific Awards 2025**

- Best Educational Initiative

**Euromoney Awards for Excellence 2025**

- Malaysia Best Bank for ESG
- Malaysia Best Bank for Diversity & Inclusion

**ESGBusiness Awards 2025**

- Carbon Disclosure Award – Malaysia
- Digital Inclusion Award – Malaysia

**The Minority Shareholders Watch Group's National Corporate Governance and Sustainability Awards 2025**

- Top 20 Overall Excellence Award
- Niche Cap Excellence Award

**National Annual Corporate Report Awards 2025**

- Gold (Excellence Awards – Companies with Less Than RM2 Billion in Market Capitalisation)

**Asia Integrated Reporting Awards 2025**

- Silver – Asia's Best Integrated Report (First Time)

**The Edge Malaysia ESG Awards 2025**

- Gold – Financial Services

**United Nations Global Compact Network Malaysia & Brunei ESG Select List 2025**

- ESG Breakthrough Innovation

**United Nations Global Compact Network Malaysia & Brunei Forward Faster Sustainability Awards 2026**

- Sustainability Governance & Strategy Award for Large Corporate (RM1B – RM5B)

**The Star ESG Positive Impact Awards 2024**

- Silver Award (Large Companies Category) for Governance, Reporting & Transparency

**KENANGA FUTURES SDN BHD**
**Bursa Excellence Awards 2024**

- Best Overall Derivatives Trading Participant (Champion)
- Best Institutional Derivatives Trading Participant (Champion)
- Best Trading Participant: Commodity Derivatives (Champion)
- Best Trading Participant: Equity & Financial Derivatives (Champion)

**CME Group**

CME Group Broker Program Key Partner 2025

**KENANGA INVESTORS BERHAD**
**Asia Asset Management's 2026 Best of the Best Awards**

**Best Impact Investing Manager in ASEAN**  
Kenanga Investors Group

**Malaysia Best Impact Investing Manager**  
Kenanga Investors Group

**Malaysia Best Equity Manager**  
Kenanga Investors Group

**Malaysia Best Alternatives Manager**  
Kenanga Investors Group

**Malaysia Best ESG Engagement Initiative**  
Kenanga Investors Group

**Malaysia CEO of the Year**  
Datuk Wira Ismitz Matthew De Alwis  
Chief Executive Officer/ Executive Director

**Malaysia CIO of the Year**  
Lee Sook Yee  
Chief Investment Officer

**LSEG Lipper Fund Awards 2026**

**Best Equity Malaysia – Malaysia Provident Funds over 5 Years**  
Kenanga Growth Fund

**Best Equity Malaysia Diversified – Malaysia Provident Funds over 3 Years**  
Kenanga Growth Fund Series 2 MYR Class

**Best Equity Malaysia Diversified – Malaysia Provident Funds over 10 Years**  
Kenanga Malaysian Inc Fund

**Best Mixed Asset MYR Balanced Malaysia – Malaysia Provident Funds over 10 Years**  
Kenanga Managed Growth Fund

**FPAM Financial Planning Leadership Award 2025**

**Platinum Award - Charter Member Category**  
Kenanga Investors Berhad

**Asia Asset Management ETF Awards 2026**

**Malaysia Leverage and Inverse ETF of the Year**  
Kenanga KLCI Daily 1x Inverse  
Kenanga Investors Group

**IFN Investor Awards 2025**

**IFN Investor Best Balanced Mixed Assets Fund in Malaysia – MYR 2025**  
Kenanga Islamic Balanced Fund  
Kenanga Investors Berhad

**IFN Investor Best Balanced Mixed Assets Fund in Asia Pacific 2025**  
Kenanga Islamic Balanced Fund  
Kenanga Investors Berhad

**IFN Investor Best Global Balanced Mixed Assets Fund 2025**  
Kenanga Islamic Balanced Fund  
Kenanga Investors Berhad

**EQ8 CAPITAL SDN BHD**
**Asia Asset Management ETF Awards 2026**

**Malaysia ETF Rising Star**  
Umar Alhadad (CEO, Eq8 Capital)  
Eq8 Capital Sdn Bhd

**IFN Investor Awards 2025**

**IFN Investor Best ETF Fund in Malaysia 2025**  
Eq8 Dow Jones U.S. Titans 50 ETF  
Eq8 Capital Sdn Bhd

**IFN Investor Best ETF Fund in Asia Pacific 2025**  
Eq8 Dow Jones U.S. Titans 50 ETF  
Eq8 Capital Sdn Bhd

ACHIEVEMENTS AND ACCOLADES

CHAIRMAN'S MESSAGE

GRI 2-22

**Kenanga's Impact Story: Strengthening ESG Governance for Sustainable Business Performance**

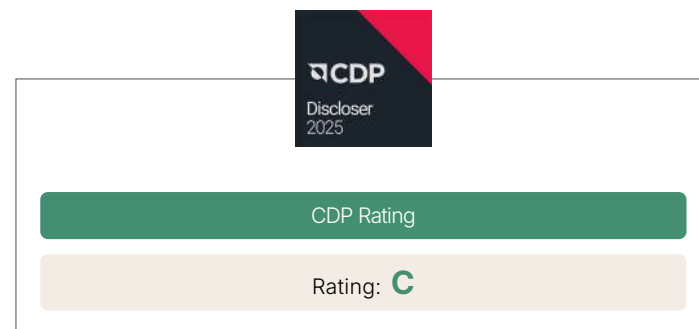
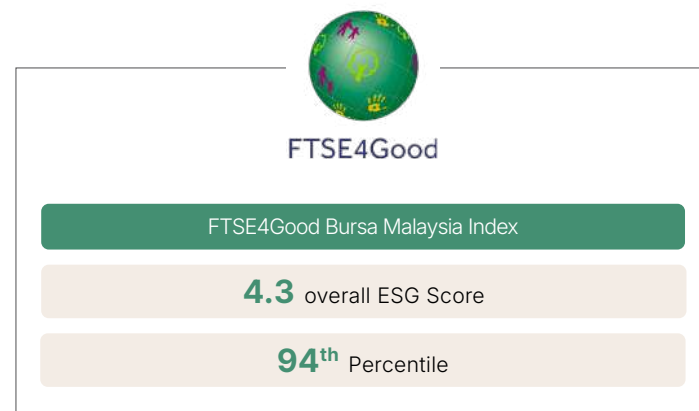
This impact case study, developed in collaboration with the UN Global Compact Network Malaysia & Brunei ("UNGCMYB"), spotlights Kenanga Investment Bank Berhad's sustainability transformation journey. It captures how Kenanga has rapidly evolved—strengthening ESG governance, elevating climate-related disclosures and embedding sustainability into the heart of its business. Through disciplined, organisation-wide reforms spanning governance, climate risk management, clean energy transition, digital innovation and stakeholder engagement, the Group reinforces its commitment to a forward-looking, strategically-aligned sustainability approach within the financial industry.



For more information on the featured case study, scan here to visit the Sustainability Impact Case Studies Directory (<https://www.ungcmvb.org/sustainability-impact-case-studies-directory>).

**2025 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.



**YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**  
Chairman



**Dear Shareholders,**

As we mark the fifth year of standalone sustainability reporting for Kenanga, this milestone offers a timely opportunity to reflect on the progress we have made in enhancing our sustainability practices, governance and organisational resilience as we prepare for the road ahead.

Expectations for clearer, more consistent and credible ESG disclosures continue to rise as regulators and investors heighten their expectations, while ASEAN's advancing transition agenda sets progressively stronger sustainability standards. At the same time, the global financial landscape is undergoing profound transformation, amid fast-paced technological, geopolitical and economic shifts.

These dynamics carry meaningful implications for our clients who entrust us with their investments, employees who rely on organisational stability, shareholders seeking sustainable long-term value and communities that depend on responsible financial institutions. Together, these forces underscore the need for adaptability, foresight and resilience in navigating uncertainty.

Within this landscape, Kenanga Group's intent remains steadfast: we see the evolving sustainability environment not as a limitation, but as an opportunity to strengthen how we serve our stakeholders in diverse markets. Rising expectations reaffirm the need for strong governance, thoughtful and forward-looking risk management and financial practices grounded in integrity—principles that continue to guide our approach to long-term value creation and responsible leadership.

**Building Strength Through Integrity**

Governance and risk management remain as the core strength of the Group, providing the clarity and discipline needed to safeguard trust and guide us through an increasingly complex environment. Throughout 2025, we strengthened this foundation by enhancing governance structures and deepening risk governance capabilities to ensure ethical, forward-looking oversight.

The initiation of the first-stage audit and certification process for International Standards Organisation ("ISO") 37001:2025 Anti-Bribery Management System ("ABMS") strengthened our anti-bribery and anti-corruption safeguards, reinforcing our commitment to integrity. Building on this foundation, we enhanced risk governance across all levels of the Group, embedding disciplined oversight and deepening understanding of core risk management principles. Our long-standing initiatives, including Fraud Awareness Week ("FAW"), Compliance Week and the Annual Regulatory Seminar, continued to nurture a culture of integrity, while enhancements to our Group Speak Up Framework further supported a safe and accountable workplace.

Together, these measures reflect a governance ecosystem that continues to mature and strengthen under principled leadership—affirmed by the Group's recognition through the Top 20 Overall Excellence Award and the Niche Cap Excellence Award at the Minority Shareholder Watch Group's National Corporate Governance & Sustainability Awards ("NACGSA") 2025, as well as the Sustainability Governance & Strategy Award at the United Nations Global Compact Network Malaysia & Brunei ("UNGCMYB") Forward Faster Sustainability Awards 2026.

*"As sustainability expectations evolve, we are focused on continuous improvement—enhancing the capabilities, systems and discipline needed to manage risk, respond to change and support the Group's long-term resilience."*

**CHUAH SZE PHING**

Group Chief Sustainability Officer and Head of Group Marketing and Communications, Kenanga Investment Bank Berhad

## CHAIRMAN'S MESSAGE

**Digitalising Financial Inclusion**

Malaysia's transition towards a more digitally enabled financial system is becoming clearer with each passing year. As national initiatives such as the Malaysia Blockchain Infrastructure take shape and the Government signals the need for leadership in digital finance, it is evident that the next chapter of our industry will be profoundly influenced by the rise of digital assets. For Kenanga Group, Project Juara has been an important step in understanding this future. It offered us a window into how tokenisation could reshape regulated asset classes, including carbon credits, an area that will only grow in relevance as the economy transitions. The Board views this work not as experimentation, but as a deliberate, long-term journey grounded in responsibility, one that supports financial inclusion by enabling broader, fairer access to emerging digital asset classes.

KDi GO's AI-powered ecosystem simplifies savings and investing, making wealth creation more accessible to all, a commitment reinforced by its accelerating growth. Its increasing relevance among younger Malaysians tells us that the expectations of tomorrow's investors are changing rapidly. Its recognition at the ESGBusiness Awards 2025 for digital inclusion affirms that we are moving with purpose. As we expand the platform, we will do so thoughtfully, guided by client needs, clarity of offerings and the safeguards required to uphold trust.

Enhancing data security, ensuring ethical use of technology and safeguarding client interests remain central to our approach. As we reinforce the foundations of our digital agenda, through stronger data management, risk governance and privacy practices, our intent remains steady: to make investing accessible, secure and grounded in integrity, empowering Malaysians to build lasting financial resilience.

**Investing for Impact**

Active stewardship continues to guide how we fulfil our responsibilities as long-term investors. Over the past year, we focused on encouraging our investee companies to strengthen their preparedness for a shifting economic and environmental landscape, whether through the adoption of lower-carbon operating models, more equitable transition planning or stronger climate-risk resilience. These conversations were shaped not only by our perspectives, but also by the insights gained through on-the-ground engagements and dialogues with industry participants, which offered a clearer view of the practical realities businesses face as they navigate their transition journeys.

In addition, research and analysis from Kenanga Equity Broking Research, continue to deepen visibility into sector-specific ESG challenges and emerging opportunities. This combination of insights and forward-looking analysis helps strengthen how our clients assess risk and allocate capital, ensuring decisions

remain both prudent and responsive to structural shifts in the market.

Across the Group, we are making progress in impact investing. In 2025, KIB's ESG-screened assets under management reached nearly RM16 billion, signalling continued confidence in our investment philosophy, while the recognition of the Eq8 Capital Sdn Bhd's ("Eq8") FTSE Malaysia Enhanced Dividend Waqf ETF, the world's first Waqf-featured ETF, in the UNGCMYB ESG Select List 2025 further affirms the importance of solutions that pair financial outcomes with positive social impact.

These elements together reinforce a stewardship approach that is not only values-aligned but deeply connected to the realities shaping long-term value creation.

**Driving Climate Resilience**

As ASEAN is advancing along the transition journey, the introduction of Kenanga Group's Decarbonisation Roadmap in 2025 reflects our commitment to aligning with national net-zero aspirations. While early steps, such as expanding renewable-energy use and initiating a phased transition to electric vehicles, represent incremental progress, they demonstrate the disciplined foundation essential for a credible and durable transition.

Deepening our understanding of financed emissions has improved our assessment of how climate factors may impact enterprise value and overall portfolio resilience. Our efforts toward transparency were affirmed through the Carbon Disclosure Award – Malaysia at the ESGBusiness Awards 2025.

We further deepened dialogue and engagement on sustainability with our employees and stakeholders across the value chain through our ThinkIMPACT campaign, which this year centred on the theme of "Leading with Purpose, Inspiring Sustainable Impact", focusing on energy transition to enhance its understanding and alignment across the organisation.

As the transition accelerates, the Board remains focused on ensuring readiness for a more climate-aware and resilient financial landscape.

**Building Workforce Resilience**

Our long-term resilience at Kenanga is built on our people, clear strategy and strong social foundations, strengthened by continued workforce investment. In 2025, more than RM5 million was invested in human capital and capability-building initiatives, enhancing leadership, technical and sustainability-related competencies across the Group.

Leadership development was a central priority, strengthened through the Kenanga Emerging Leadership Programme and broader learning pillars in governance, finance, digital innovation and organisational effectiveness, enabling our leaders to navigate a rapidly evolving landscape with confidence, clarity and long-term perspective. To broaden capabilities across the wider organisation, initiatives such as the Business Sustainability Learning Campaign, the ThinkIMPACT platform and our expanded "Work on Wellness" through the LinkedIn Learning, covering physical, emotional, financial and work-life wellness, as well as career development, also strengthened awareness, ownership and cross-functional understanding among employees and leaders.

Equally important is cultivating a workplace where employees feel connected, supported and empowered to contribute. Throughout the year, team-building sessions, festive engagements, volunteering initiatives and professional development programmes helped foster collaboration, belonging and shared purpose. Our sustained partnerships with social enterprises, including Dialogue Includes All and Silent Teddies Bakery, provided meaningful opportunities for employees to engage with and support marginalised communities. The relaunch of Silent Teddies Bakery's café, now complemented by a learning centre and training workshop, reflects the continued impact of this collaboration. These efforts were strengthened by more than 560 employees contributing over 3,500 volunteer hours through the Be a Volunteer Programme, demonstrating shared responsibility embedded in our culture.

Beyond the organisation, community investment and financial-literacy outreach continued to promote inclusive growth with over 100 investor-education engagements carried out during the year, in our bid to empower Malaysians to participate more confidently in capital markets.

To reinforce responsible conduct, our Group Human Rights Policy, introduced in 2025, continues to guide our practices across operations and supply chains, instilling trust with employees, communities and partners and supporting future-ready risk management rooted in accountability, transparency and shared prosperity.

**Honouring Trusted Performance**

We continue to be recognised for our consistent efforts in sustainability, governance and high-quality reporting. Our inclusion in the FTSE4Good Bursa Malaysia Index with an overall ESG score of 4.3 reflects our commitment to responsible business practices and continuous improvement.

Our commitment to clear and transparent reporting was further acknowledged through the Gold Award at the National Annual

Corporate Report Awards ("NACRA") 2025 for Excellence and the Silver Award for Asia's Best Integrated Report at the Asia Integrated Reporting Awards. Complementing these achievements, Kenanga Investment Bank Berhad received Gold at The Edge Malaysia ESG Awards 2025 in the Financial Services category. These recognitions offer reassurance that the trust placed in us is well-founded and that our governance, ethical conduct and long-term value orientation continue to guide our actions.

**Looking Ahead**

We remain clear-eyed about the road ahead. The financial sector continues to face climate-related risks, tighter regulations and market volatility, alongside rising expectations for transparency and assurance. Meeting global standards such as IFRS S1 and S2, addressing Scope 3 financed emissions and supporting an orderly transition will require stronger data capabilities, robust governance and coordinated action across the organisation. We view this as catalysts for innovation and remain committed to creating enduring stakeholder value with integrity, purpose and clarity.

**Closing**

On behalf of the Board, I extend my sincere appreciation to our Founder Emeritus and Advisor, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, for her distinguished leadership, strategic foresight and enduring counsel. I also acknowledge the Group Sustainability Management Committee, under the leadership of Datuk Chay Wai Leong, whose continued dedication strengthens the advancement of our sustainability priorities.

I am deeply thankful to our employees for their professionalism, perseverance and commitment to navigating an increasingly complex and demanding operating landscape. To our clients, business partners, suppliers and shareholders, I express my gratitude for your confidence and the value of our ongoing collaboration. I further recognise our regulators, including Bank Negara Malaysia, Bursa Malaysia and the Securities Commission Malaysia for their constructive guidance, oversight and continued engagement. Together, we will continue to build a stronger, more resilient Kenanga, one that is future-ready and firmly aligned with Malaysia's aspirations for sustainable, inclusive growth.

On behalf of the Board,

**TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**

**Chairman**

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

GRI 2-22

**DATUK CHAY WAI LEONG**

Group Managing Director



### 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.

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

### 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.

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

### 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.

## OUR APPROACH TO SUSTAINABILITY

### SUSTAINABILITY GOVERNANCE

At Kenanga, a well-defined sustainability governance structure ensures accountability and supports the effective, consistent execution of our sustainability efforts.

#### Kenanga's Group Sustainability Policy

The Kenanga Group's Sustainability Policy establishes the foundation for integrating sustainability into the Group's culture, operations and decision-making processes. It sets out the expectations for how sustainability should be embedded across the organisation and guides employees and stakeholders in contributing to the Group's long-term sustainability objectives.

The Kenanga Sustainability Guiding Principles operationalise this Policy by outlining the practices essential to embedding sustainability across the Group. These principles emphasise:

- **Embedding sustainability into strategy and decisions** to minimise adverse impacts while enabling long-term value creation.
- **Enhancing transparency** through clear and consistent reporting on both financial and non-financial sustainability performance.
- **Engaging meaningfully with stakeholders** to understand their expectations and incorporate their insights into our practices.
- **Ensuring compliance** with all applicable sustainability-related laws, regulations and standards.
- **Integrating sustainability into risk management**, ensuring risks and opportunities are assessed and managed systematically across the Group.
- **Building internal capacity** through continuous learning to strengthen awareness and capability in applying sustainability across roles.

With these guiding principles as our foundation, Kenanga's sustainability governance structure sets out clear lines of responsibility and oversight across the organisation.

### SUSTAINABILITY GOVERNANCE STRUCTURE

#### Board of Directors and Management Committees

The KIBB Board, as the Group's highest governing authority, provides strategic direction and oversees the Group's management of sustainability matters, including climate-related risks and opportunities. It also approves the allocation of resources for sustainability initiatives to ensure effective implementation across the organisation. The Board is currently chaired by YAM Tan Sri Dato' Seri Syed Anwar Jamalullail.

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

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

The GNC assists the Board by providing oversight of sustainability progress, with a focus on governance arrangements and alignment with applicable statutory and regulatory requirements. The GNC is currently chaired by Madam Chin Siew Siew.

#### Audit Committee ("AC")

The AC assists the Board by providing oversight of the sustainability management process, including internal controls and compliance with applicable statutory and regulatory requirements. The Audit Committee is currently chaired by Encik Jeremy Nasrulhaq.

## OUR APPROACH TO SUSTAINABILITY

## OUR APPROACH TO SUSTAINABILITY

## Group Sustainability Management Committee ("GSMC")



This is the highest senior management committee supporting the Board on sustainability matters. GSMC is responsible for setting the Group's sustainability direction, strategies and targets, while addressing sustainability-related risks and opportunities in an integrated and strategic manner. It also oversees the implementation of approved sustainability strategies and the incorporation of sustainability considerations into day-to-day operations to support the Group's long-term business objectives. The Group Sustainability Management Committee is currently chaired by Datuk Chay Wai Leong.

Role	ESG Roles and Responsibilities
<b>Datuk Chay Wai Leong</b> Group Managing Director & Chairman of Group Sustainability Management Committee	Oversee the integration of sustainability risks and opportunities into Kenanga's long-term strategy, ensuring commitment from all levels of the organisation.
<b>Datuk Wira Ismitz Matthew De Alwis</b> Chief Executive Officer/ Executive Director of Kenanga Investors Berhad	Lead and promote sustainable and responsible investment strategies.
<b>Chuah Sze Phing</b> Group Chief Sustainability Officer and Head of Group Marketing and Communications	Lead the execution of Kenanga's sustainability strategy, integrating ESG practices, tracking performance, ensuring compliance, and engaging with stakeholders.
<b>Choo Siew Fun</b> Group Chief Compliance and Ethics Officer	Uphold the highest standards of governance, ethics and regulatory compliance within the organisation.
<b>Tai Yan Fee</b> Group Chief Risk Officer	Manage risk frameworks, integrate sustainability and climate-related risks into relevant policies and procedures.
<b>Cheong Boon Kak</b> Group Chief Financial and Operations Officer	Incorporate sustainability risks and opportunities considerations into budgeting, financial strategies, and operations to support sustainability initiatives.
<b>Nuzurul Ahmady Bin Sarifudin</b> Group Chief Human Resource Officer	Lead employee wellbeing, human rights initiatives, and align HR policies with sustainability goals.
<b>Woo King Huat</b> Chief Credit Officer	Integrate sustainability and climate risks considerations into credit risk management and lending practices.

## The Group Marketing, Communications and Sustainability ("GMCS") Division

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

## Sustainability Working Group ("SWG")

Led by the Group Sustainability Team, the SWG brings together representatives from key functions across the organisation to support the effective implementation of sustainability initiatives. Members provide operational insights and act as data owners for sustainability-related information, helping ensure accuracy, consistency and completeness across all disclosures.

The SWG includes representatives from critical functions such as Group Risk Management, Group Human Resource, Group Procurement and Administration, Group Financial and Operations, Group Corporate Planning, Group Compliance and Ethics, Group Digital, Technology and Transformation as well as other key business units ("BU") and operations. Each function contributes to embedding sustainability into day-to-day activities while supporting the execution of regulatory reporting requirements.

Complementing this structure, the NSRF Implementation Working Group was set up to focus on building the Group's readiness for IFRS S1 and IFRS S2 disclosures under the National Sustainability Reporting Framework, ensuring alignment with evolving regulatory expectations.

OUR APPROACH TO SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

AN INSIGHT INTO OUR STAKEHOLDERS' PERSPECTIVES

GRI 2-29

We proactively engage with key stakeholder groups to understand their expectations, assess emerging priorities and gather relevant feedback. These insights directly inform our strategic decisions, enabling us to respond effectively to material issues, strengthen stakeholder relationships and deliver long-term sustainable value.

THOSE WHOM WE ARE ACCOUNTABLE TO		
How We Engage	Areas of Interest	Our Commitment
<p><b>Shareholders</b></p> <ul style="list-style-type: none"> <li>Provide updates and gather feedback through meetings, reports and disclosures</li> </ul> <p><b>Clients</b></p> <ul style="list-style-type: none"> <li>Provide products, tools, education and insights through our trading platforms, mass media channels, events, emails, websites and social media channels</li> <li>Respond to queries and gather input and feedback through social media channels, helplines and email</li> </ul>	<ul style="list-style-type: none"> <li>Cyber security</li> <li>Data protection</li> <li>Portfolio performance</li> <li>Financial inclusion</li> <li>Financial literacy</li> <li>Digitalisation</li> <li>Responsible investing</li> <li>New products and services</li> <li>Market outlook</li> <li>Enhanced client experience</li> </ul>	<ul style="list-style-type: none"> <li>Ensure our investors and shareholders are regularly informed on how sustainability matters is embedded in our business strategy and operations</li> <li>Incorporate feedback to create long-term sustainable value for our stakeholders</li> <li>Leverage innovation and technology to enhance the client experience</li> </ul>

THOSE WHO WE COLLABORATE WITH		
How We Engage	Areas of Interest	Our Commitment
<p><b>Regulators and Government Bodies</b></p> <ul style="list-style-type: none"> <li>Participate in industry discourse and ensure adherence to applicable law, regulations and policies</li> </ul> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Engage employees through internal policies, meetings, emails, dialogue, training programmes, special events and performance appraisals</li> </ul> <p><b>Remisiers and Agents</b></p> <ul style="list-style-type: none"> <li>Engage through policies and procedures, training programmes and special events</li> </ul> <p><b>Vendors</b></p> <ul style="list-style-type: none"> <li>Collaborate through meetings, policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Compliance culture</li> <li>Cyber security and operational resilience</li> <li>Training and development</li> </ul>	<ul style="list-style-type: none"> <li>Create a safe, inclusive and high-performing work environment</li> <li>Embed our values of ethics, integrity and compliance across the organisation to drive responsible business operations</li> </ul>

THOSE WHOSE LIVES WE ENRICH		
How We Engage	Areas of Interest	Our Commitment
<p><b>Community Partners</b></p> <ul style="list-style-type: none"> <li>Contribute to social causes, with a focus on supporting social enterprises</li> <li>Encourage employee volunteerism and philanthropy</li> </ul> <p><b>Public</b></p> <ul style="list-style-type: none"> <li>Disseminate investment knowledge through roadshows, social media channels and webinars</li> </ul>	<ul style="list-style-type: none"> <li>Community empowerment</li> <li>Financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>Create positive impact in underserved communities through targeted social investments and employee volunteerism</li> <li>Enhance financial literacy in our communities, empowering individuals to make informed decisions about their investments and financial resources</li> </ul>

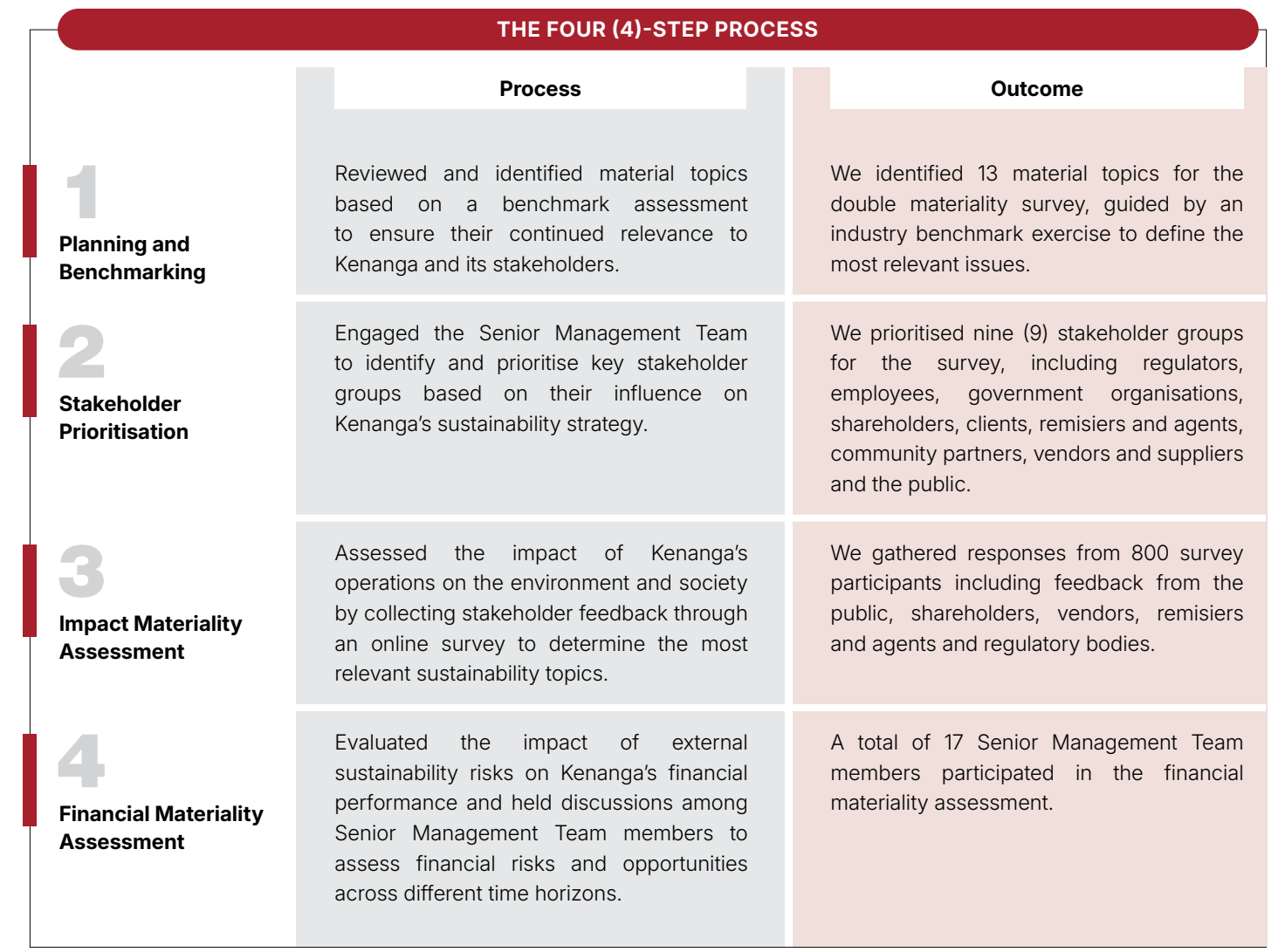
WHAT IS MATERIAL TO US

GRI 3-1

In line with the IFRS Sustainability Disclosure Standards, we conducted a double materiality assessment in 2024 to identify the key sustainability-related risks and opportunities that may affect the Group's prospects, including potential financial impacts. The assessment also offered a structured view of our organisation's impact on the environment and society.

This dual-lens approach supported our readiness for the NSRF compliance, which incorporates IFRS S1 and S2 disclosure requirements. It strengthens regulatory compliance while enabling deeper integration of sustainability considerations into our strategy and risk-management processes. In 2025, we retained the material matters identified in 2024, confirming their continued relevance to our business and stakeholders.

A four (4)-step process was applied to identify and assess our material issues.





OUR APPROACH TO SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

MATERIAL TOPICS, KEY RISKS AND OPPORTUNITIES

GRI 3-2

Material Topic	Key Risks	Impact to Kenanga	Managing the Risk	Opportunities
<b>Good Governance</b>				
<b>Good Business Conduct</b>	Operational risk arising from misconduct and breaches of ethical standards	Misconduct and ethical breaches undermine stakeholder trust, create financial losses, and disrupt business operations	Internal controls, risk identification, monitoring, and credit governance collectively mitigate misconduct and unethical practices	Strengthens organisational integrity and stakeholder confidence while supporting operational continuity and resilient financial performance
	Credit risk stemming from unethical or improper credit assessment practices			
<b>Risk Management</b>	Operational risks arising from weak risk governance and inadequate oversight structures	Weak risk governance reduces visibility of emerging risks, increasing exposure to legal, financial, and reputational harm	Board oversight supported by stress testing, risk monitoring dashboards and scenario analysis strengthens visibility of emerging risks	Enhances enterprise-wide risk insight and forward-looking decision-making, strengthening resilience to emerging risks
<b>Regulatory Compliance</b>	Operational risks arising from non-compliance with regulatory, legal, and supervisory requirements	Non-compliance with regulatory or legal requirements results in fines, supervisory action, and reputational damage	Policies, independent reviews and structured reporting ensure strong compliance with legal and supervisory requirements	Safeguards licence-to-operate and market confidence through consistent compliance
<b>Sustainable Economic Growth</b>				
<b>Responsible Investing</b>	Sustainability and climate risks arising from portfolio exposure to transition and physical risk impacts	Sustainability and climate-related valuation changes expose portfolios to financial volatility, impacting performance and long-term resilience	Climate governance processes, enhanced due-diligence tools, financed-emissions metrics, and stress testing help identify and manage ESG and climate-related portfolio risks	Improves investment resilience, aligns portfolios with evolving market expectations, and opens access to transition financing opportunities
	Credit and market risks arising from ESG-driven valuation and portfolio exposure changes			

Material Topic	Key Risks	Impact to Kenanga	Managing the Risk	Opportunities
<b>Sustainable Economic Growth</b>				
<b>Digitalisation</b>	Technology risks arising from rapid digital transformation and system vulnerabilities	Rapid digital transformation triggers operational and security vulnerabilities that may impair service delivery and process integrity	Enhanced security controls and continuous staff awareness programmes support secure digital transformation and reduce technology and operational vulnerabilities arising from evolving systems and workflows	Enhances enterprise productivity and client engagement through modern, secure, and scalable digital capabilities
	Operational risks arising from changes in processes, platforms, and digital workflows			
<b>Cyber Security</b>	Technology risks arising from cyber threats and inadequate security safeguards	Cyber security breaches disrupt operations, expose sensitive data, and erode client confidence	Compliance with regulatory requirements, supported by enhanced cyber security controls and established recovery capabilities, mitigates cyber threats and strengthens resilience against operational disruptions and data breaches	Strengthens competitive positioning and fosters stakeholder trust, by delivering secure, trusted digital services that enhance client confidence and loyalty
	Operational risks arising from disruptions caused by security breaches			
<b>Client Experience</b>	Operational risks arising from service delivery failures and weak client management processes	Service failures or weak client-facing systems reduce customer satisfaction and loyalty, affecting competitiveness and retention	Continuous monitoring, business continuity measures and cyber controls ensure the reliability and security of client-facing systems, reducing the risk of service failures and safeguarding customer experience	Improves client engagement and broadens access by delivering reliable, seamless, and inclusive service experiences
	Technology risks arising from breakdowns or vulnerabilities in client-facing systems			

OUR APPROACH TO SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

Material Topic	Key Risks	Impact to Kenanga	Managing the Risk	Opportunities
<b>Environmental Stewardship</b>				
<b>Climate Impact</b>	<p>Sustainability and climate risks arising from transition and physical risk impacts</p> <p>Credit, market, operational and reputational risks arising from climate-related disruptions to portfolios and operations</p>	<p>Climate-related disruptions affect portfolios, operations and asset values, increasing financial, credit, and operational exposure</p>	<p>Climate governance frameworks, complemented by stress testing and GHG emissions metrics, build organisational capability to identify and manage climate-related risks</p>	<p>Builds climate resilience and improves resource efficiency, positioning the business to meet evolving low-carbon market expectations</p>
<b>Empowering People and Communities</b>				
<b>Diversity &amp; Inclusion</b>	<p>Operational risks arising from discriminatory practices and inequitable workplace behaviour</p> <p>Social-related risks resulting from failure to align with diversity-related regulatory standards or evolving market expectations</p>	<p>Discriminatory practices or lack of inclusivity create legal exposure and reputational harm, weakening workforce morale and cohesion</p>	<p>Policies, training, clarified responsibilities and ongoing monitoring strengthen inclusive practices and mitigate discrimination-related risks</p>	<p>Strengthens employer brand and workforce performance by fostering an inclusive, equitable, and high engagement workplace culture</p>
<b>Employee Safety, Health and Wellbeing</b>	<p>Operational risks arising from poor management of occupational health and safety programmes</p> <p>Sustainability risks arising from limited support for holistic wellbeing</p>	<p>Inadequate health, safety and wellbeing practices reduce productivity, increase incident risk, and diminish organisational performance</p>	<p>Committee oversight, business continuity processes and continuous monitoring reinforce effective workplace safety and wellbeing management</p>	<p>Enhances workforce engagement and employer brand through a safe workplace and employee wellbeing support</p>

Material Topic	Key Risks	Impact to Kenanga	Managing the Risk	Opportunities
<b>Empowering People and Communities</b>				
<b>Talent Attraction, Development and Management</b>	<p>Operational risks arising from workforce skill gaps, talent shortages, and retention challenges</p> <p>Technology risks arising from limited digital capabilities and inadequate upskilling for future roles</p>	<p>Inadequate talent pipelines and weak retention slow innovation, reduce competitiveness, and impede delivery of strategic priorities</p>	<p>Targeted training, defined role expectations, and capacity-building initiatives address workforce skill gaps and support talent development</p>	<p>Builds future-ready capabilities and improves retention, strengthening long-term competitiveness and execution capacity</p>
<b>Community Investment</b>	<p>Sustainability risks arising from community investments that are misaligned with societal needs or ESG commitments</p> <p>Operational risks arising from fragmented delivery of community programmes and limited impact measurement</p>	<p>Weak or misaligned community initiatives reduce societal impact, impair stakeholder relationships, and weaken corporate reputation</p>	<p>ESG policies, governance mechanisms, and reporting dashboards ensure community initiatives are well executed and outcomes effectively measured</p>	<p>Strengthens stakeholder goodwill and long-term relationships through well-governed, high impact community initiatives</p>
<b>Financial Inclusion</b>	<p>Market risks arising from inconsistent access to essential financial services among underserved markets</p> <p>Technology risks arising from the digital divide, causing exclusion</p>	<p>Gaps in inclusive access or digital barriers undermine customer trust, increase misconduct risks, and damage market reputation</p>	<p>Control frameworks, data protection protocols, and financial literacy initiatives reduce exclusion risks for underserved markets</p>	<p>Expands underserved markets and strengthens customer reach through inclusive, secure, and accessible financial services</p>

For more information on Key Risks and Opportunities, refer to pages 28 to 33 in our Integrated Annual Report 2025.

OUR APPROACH TO SUSTAINABILITY

**KENANGA SUSTAINABILITY FRAMEWORK**

Kenanga's Sustainability 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 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



# GOOD GOVERNANCE



**MATERIAL MATTERS**

- Good Business Conduct
- Risk Management
- Regulatory Compliance

**Alignment to UN SDGs:**



GOOD GOVERNANCE

GOOD GOVERNANCE

**GOOD BUSINESS CONDUCT**



GRI 3-3, 405-1

**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 structure that safeguards stakeholder confidence, supports responsible decision-making and ensures the Group continues to operate to the highest standards.

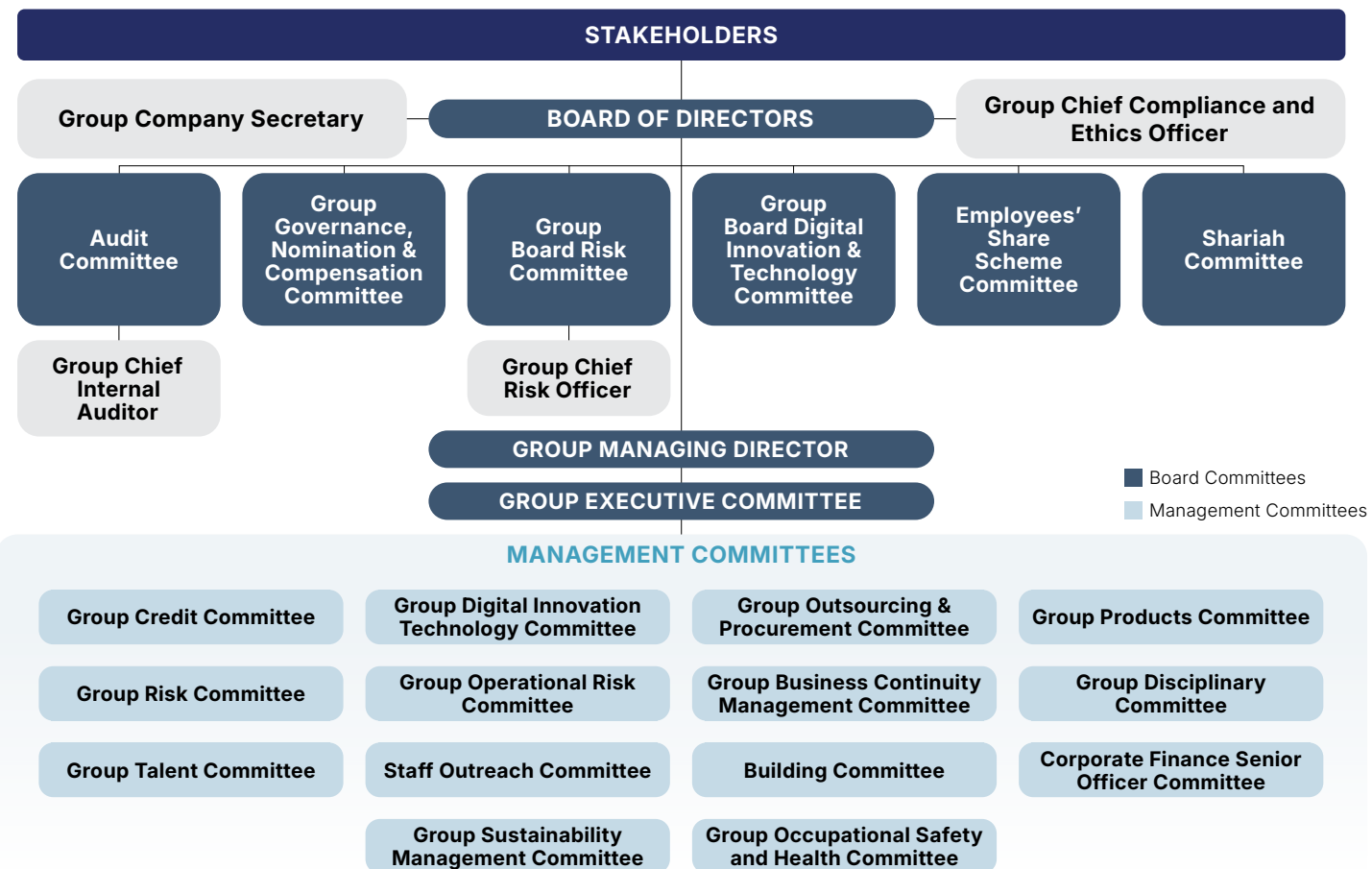
**OUR APPROACH**

**Our Corporate Governance Framework**

The Board understands its responsibility for upholding strong corporate governance and is committed to adopting its principles and best practices. It ensures that KIBB and its subsidiaries comply with guidelines issued by Bank Negara Malaysia ("BNM"), Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Securities Commission Malaysia ("SC").

The Board is also committed to embedding the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG"), issued by the SC, into the Company's policies and procedures.

The Group seeks to maintain a clear balance of authority between the Chairman and the Group Managing Director ("GMD") by clearly defining their respective roles in leading the Board and managing the Group's business. To promote objectivity, robust and open deliberations, the Board Committees are chaired by an Independent Director who is not the Chairman of the Board.

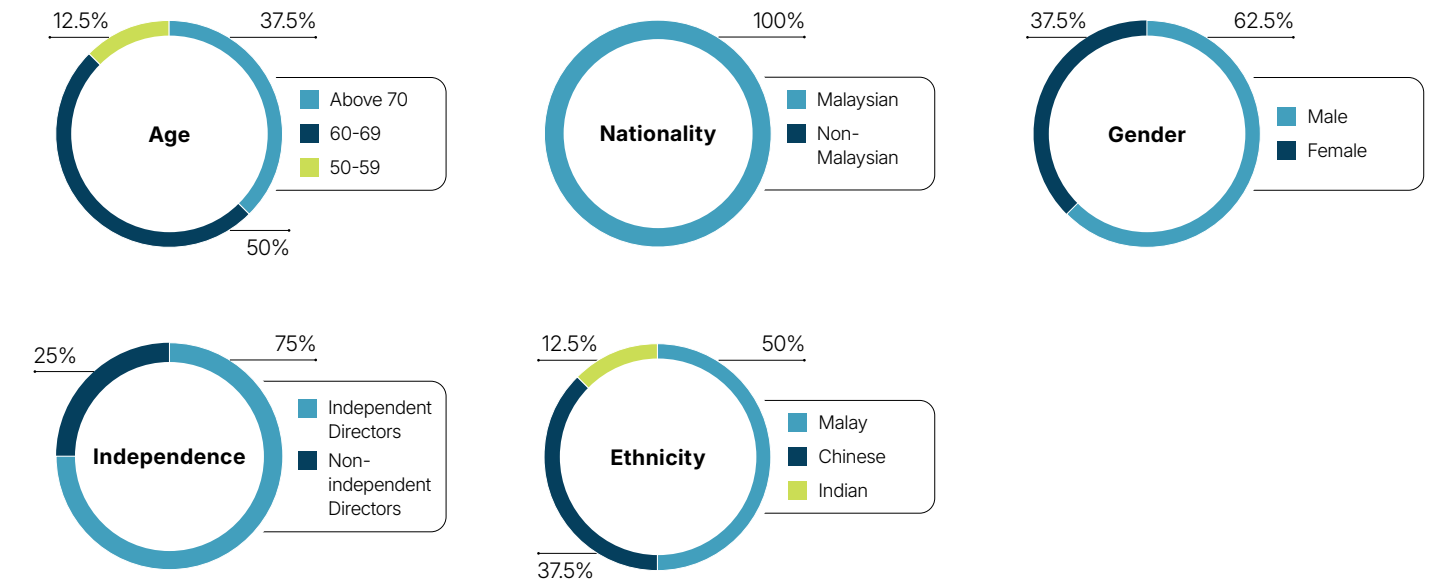


**Approach to Audit Tender**

Independent auditing is a key mechanism for strengthening trust and confidence in our financial statements. The Audit Committee is composed entirely of Independent Non-Executive Directors. In line with BNM's Guidelines on External Auditors, the Committee periodically reviews the appointment and re-appointments of audit firms when required.

**Board Diversity**

Reflecting our commitment to MCCG board diversity targets, our Board brings together a diverse representation of gender, skills and experience to enhance strategic oversight and decision-making.



For more information on Corporate Governance, refer to the Corporate Governance Overview Statement on pages 94 to 129 in our Integrated Annual Report 2025.

**FUTURE OUTLOOK**

Consistent with the principles of the MCCG, we will continue embedding a culture of integrity and ethical conduct across the organisation to support effective governance, manage emerging risks and sustain stakeholder trust.

GOOD GOVERNANCE

GOOD GOVERNANCE

RISK MANAGEMENT



GRI 3-3, 204-1

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.

OUR APPROACH

We embed risk management into our business planning, governance and decision-making processes through structured risk frameworks aligned with regulatory requirements set by Bank Negara Malaysia, Bursa Malaysia, and the Securities Commission Malaysia, as well as relevant international standards.

Our Board of Directors retains ultimate responsibility for overseeing material risks and approving our risk management framework and policies. The Board is supported by the Group Board Risk Committee ("GBRC") and the Group Risk Committee ("GRC"), which oversee risk exposures, emerging risk trends and the effectiveness of risk mitigation measures.

The Enterprise Risk Management Framework outlines clear roles and responsibilities across the organisation to ensure accountability in managing risks. It provides the principles of good governance so that all risk-taking activities remain aligned with the Group's long-term sustainability resilience. The Group adopts a "three lines of defence" approach as its core risk management philosophy.

MANAGING KEY MATERIAL RISKS

Our Enterprise Risk Management ("ERM") framework continuously integrate and maintains oversight of key material risks across credit, market, liquidity and funding, operational, technology and as well as sustainability- and climate-related risks.

1 Credit Risk

Risk of losses when borrowers or counterparties fail to meet obligations, affecting lending, financing, underwriting, investment and trading activities. This may lead to impairment losses and reduced capital.

Managing Credit Risk:

Kenanga applies robust credit assessments at transaction and portfolio levels, supported by sound structures, covenants and risk-based pricing. Controls include strict pre-approval checks, internal limits, climate-risk considerations, rating and collateral tools, ongoing monitoring of large/ high-risk exposures, independent reviews, impairment assessments and Board-level reporting.

Opportunity:

Strong credit discipline, early warning indicators and stress testing enhance resilience, enabling well-managed and sustainable credit growth.

2 Market Risk

Risk of loss from adverse movements in interest rates, credit spreads, equity prices, forex rates and market volatility, exacerbated by geopolitical tensions, inflation and global market shifts. Losses may affect earnings and capital.

Managing Market Risk:

Trading and investment activities operate within defined market risk limits, supported by strong governance and oversight. The Group follows a risk-reward aligned framework, diversified product mix, continuous exposure monitoring, regular limit recalibration, focus on stable-margin strategies, and frequent stress testing to evaluate extreme scenarios.

Opportunity:

Disciplined market-risk management positions the Group to capture opportunities in trading, investment and hedging while supporting sustainable growth and efficient capital deployment.

3 Liquidity & Funding Risk

Risk of insufficient resources to meet obligations or support funding needs, potentially affecting business continuity.

Managing Liquidity & Funding Risk:

Kenanga maintains healthy liquidity through compliance with Liquidity Coverage Ratio and Net Stable Funding Ratio, diversified funding sources, ALM-based oversight, early warning indicators, and regular liquidity stress testing.

Opportunity:

Proactive liquidity management strengthens financial stability, improves funding efficiency and supports long-term resilience.

4 Operational Risk

Risk of loss from inadequate or failed processes, systems, people or external events, including legal and Shariah compliance risks.

Managing Operational Risk:

The Group applies a four-pronged framework: self-assessments, key risk indicators, loss event tracking and scenario analysis. Strong internal controls, systematic risk identification and proactive monitoring support early detection of emerging risks.

Opportunity:

Effective operational risk management enhances business resilience, strengthens processes and supports more robust decision-making.

GOOD GOVERNANCE

GOOD GOVERNANCE

5 Sustainability & Climate Risk

ESG-related risks, including environmental, social and governance impacts, as well as climate-related physical and transition risks that may affect credit, market, operational and reputational exposures.

**Managing Sustainability & Climate Risk:**

The Group embeds sustainability and climate considerations across governance, strategy and risk management. Key measures include establishing a unified sustainability risk framework, development of climate change risk management framework which covers climate risk assessment tools, conducting climate risk scenario analysis and stress testing, measuring financed-emissions, performing a supplier ESG assessment and integrating climate risk considerations into business continuity management and operational risk processes. Capacity-building initiatives further strengthen ESG awareness and capability.

**Opportunity:**

Enhanced sustainability risk management opens pathways for climate-aligned products or services, strengthens client relationships, boosts reputation and attracts ESG-focused talent.

**Key Developments:**

In alignment with the National Sustainability Reporting Framework (“NSRF”) and its adoption of IFRS S1 and S2 requirements, the Group has established a Group Sustainability Risk Management Framework to integrate sustainability-related risk and opportunity assessments across all business units and subsidiaries. This strengthens our preparation for the upcoming NSRF disclosure requirements and supports the development of a comprehensive sustainability risk profile for the Group. In parallel, a climate risk profiling exercise has been initiated to identify areas of vulnerability, inform strategic prioritisation and enhance readiness for ISSB-aligned climate reporting.

*For more information on how we manage Key Risks and Opportunities, refer to the Statement of Risk Management and Internal Control 2025 on pages 139 to 143 in our Integrated Annual Report 2025.*

**FUTURE OUTLOOK**



We will further strengthen our risk management practices by integrating emerging risks, particularly sustainability-related risks and opportunities, into our governance, strategy and decision-making to ensure resilient and risk-informed business operations.

**REGULATORY COMPLIANCE**



GRI 2-23, 2-27, 3-3, 205-1, 205-2, 205-3

**WHY IT MATTERS**

Ethics and compliance anchor Kenanga’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. These principles are embedded across the Group’s structures, policies and operational practices ensuring that compliance is not viewed as a standalone obligation but as an integral part of how business is conducted.

**OUR APPROACH**

**Building an Ethical Culture**

Kenanga fosters an ethical culture through strong governance, clear policies and procedures and disciplined controls that manage regulatory, conduct, and financial crime risks. Anti-corruption and financial crime safeguards are integrated into daily operations and reinforced through continuous training and awareness initiatives, helping employees uphold integrity, maintain compliance discipline, and make responsible decisions at every level.

**Compliance and Ethics Governance Structure**

The Group’s ethics and compliance framework is supported by a coordinated governance and operating model under the Group Compliance and Ethics (“GCE”) function. This framework is designed to provide effective oversight, ensure regulatory compliance, promote ethical conduct, and support consistent application of policies and standards across the Group.

In 2025, the GCE function operated through four (4) specialised departments that collectively support the Board and Senior Management in overseeing and embedding ethical and compliant practices across the Group. The ethics and compliance framework is implemented through clearly defined departmental responsibilities and reinforced by collaboration within the GCE function and across control and assurance units. This integrated approach enables consistent management of ethics, compliance, conduct, and regulatory risks throughout the organisation.

Departments	Responsibilities
<b>Group Compliance (“GC”)</b>	Develops, implements and provides oversight to ensure the Group’s compliance with applicable laws, regulations, regulatory guidelines, and internal policies for all regulated activities.
<b>Group Financial Crime Compliance (“GFCC”)</b>	Responsible for establishing and maintaining Group’s frameworks to prevent, detect, and manage financial crime risks related to money laundering, terrorism financing, proliferation financing and targeted financial sanctions.
<b>Group Regulatory Affairs (“GRA”)</b>	Provides oversight and regulatory advisory support to ensure alignment with applicable regulatory requirements and standards as well as supervisory expectations.
<b>Group Business Ethics and Integrity (“GBEI”)</b>	Drives the Group’s ethics and integrity agenda by promoting ethical conduct, advising on matters relating to integrity, responsible for the speak-up framework within the Group and fostering a culture of accountability and responsible decision-making.

## GOOD GOVERNANCE

## GOOD GOVERNANCE

## Key Policies and Practices

To support consistent understanding and application of governance requirements across the organisation, the Group maintains a centralised platform for all policy-related resources. The Policy & Procedure Governance System is an internal repository containing all policies and procedures, including key ethics and regulatory compliance policies and is accessible to all employees. The Group adheres to a strict zero-tolerance approach towards all financial crime, including bribery, fraud, corruption, the direct or indirect financing of terrorism, money laundering, proliferation financing and any other illicit activities linked to unethical business practices. To safeguard our operations and the wider financial system from illegal and unethical behaviour, we have implemented these relevant internal policies, frameworks and standards.

This foundation enables the Group to implement a comprehensive suite of ethics, compliance and conduct policies, including the key frameworks outlined below:

<b>Anti-Money Laundering ("AML"), Countering Financing of Terrorism ("CFT"), Countering Proliferation Financing ("CPF") and Targeted Financial Sanctions ("TFS")</b>	<ul style="list-style-type: none"> <li>The Group's AML/ CFT/ CPF/ TFS Policy adopts a risk-based approach aligned with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act, promoting ethical business conduct, strong internal controls and regulatory compliance while safeguarding against Money Laundering ("ML"), Terrorism Financing ("TF") and Proliferation Financing ("PF").</li> <li>Through structured controls, ongoing monitoring and regular audits across business units and branches, the framework deters, detects, mitigates and manages ML, TF and PF risks, while supporting timely reporting of suspicious activities to the Financial Intelligence and Enforcement Department.</li> <li>Comprehensive training programmes, including onboarding training, refresher sessions for directors, employees and annual regulatory seminars, ensure employees remain informed of the evolving AML/ CFT/ CPF/ TFS requirements, reinforcing compliance discipline and strengthening the Group's overall defences against ML, TF and PF risks.</li> </ul>
<b>Anti-Fraud, Bribery and Corruption ("AFBC")</b>	<ul style="list-style-type: none"> <li>The AFBC Policy and Procedures set out Kenanga's principles for identifying and preventing fraud, bribery and corruption across all internal and external dealings and apply to the Board, Senior Management and all employees.</li> <li>The Policy ensures compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Corporate Liability Provision) and reinforces the Group's zero-tolerance stance, including the prohibition of political contributions.</li> <li>The Guidance on Conduct of Fraud and Corruption Risk Assessment outlines the process for identifying fraud and corruption risks involving employees, directors and third parties, supporting Section 17A compliance and strengthening controls, responsibilities and safeguards across KIBB and its subsidiaries. Coverage of corruption elements for risk assessments include fraud and bribery.</li> <li>The Guidance on Handling Incidents of External Fraud provides clear steps for employees in relation to incidents of external fraud.</li> <li>Employees received financial crime and anti-corruption training as part of the Group's capacity development efforts, ensuring consistent understanding of obligations and supporting the integration of ethical business conduct into daily responsibilities.</li> <li>Expectations for third-party integrity are reinforced through the Group Code of Conduct for Vendors, which outlines standards on ethical behaviour, transparency, and responsible business practices.</li> <li>In FY2025, we recorded zero incidents of fraud, bribery, or corruption within the Group.</li> </ul>

**Code of Ethics and Conduct for Employees ("the Code")**

- The Code reflects the integrity standards expected of all employees when dealing with all stakeholders.
- New hires are required to sign an acknowledgement that they have read and understood the Code as part of the onboarding process.
- The Code is periodically reviewed to ensure continued relevance, alignment with regulatory expectations and consistent with the Group's ethical standards.

**Group Speak Up Policy and Framework**


(Scan the QR code to access the platform.)

- The Group Speak Up Policy is in place to provide a safe and secure channel for employees, customers and third parties to lodge reports concerning any misconduct or suspected breaches of laws, regulations or internal policies and procedures.
- The policy and framework offers accessible, confidential reporting channels, including an independent third-party platform, ensuring fairness, protection and anonymity for those who report in good faith.
- An expanded scope of reportable matters, including sexual harassment and workplace bullying, was introduced as it enhances psychological safety and reinforces a trusted environment for raising concerns.
- A Speak Up channel was established for whistleblowers to submit reports to the external independent third-party appointed by Kenanga Group. Submissions may be made via email, a dedicated e-form or postal mail, as outlined on the External Report Recipient website: <https://kenanga.confideplatform.com/c/>.

**Strengthening Resilient Financial Crime Risk Management**

The Group prioritises the prevention, detection and management of financial crime risks as a core component of its ethics and compliance framework, adopting a structured, risk-based approach to identify, assess and mitigate money laundering, terrorism financing risk and proliferation financing risks across its operations. Key enhancements made in 2025 to further strengthen its defence against financial crime, including:

**1. Fortifying Financial Crime Governance Frameworks**

The Group strengthened its financial crime governance by improving key frameworks, clarifying roles for accountabilities and implementing controls, and enhancing risk-assessment tools to enhance identification and management of financial crime risks across the organisation.

**2. Enhancing Detection, Monitoring and Control Effectiveness**

The Group improved its ability to detect and manage financial crime by enhancing monitoring systems, implementing a more robust customer onboarding controls and expanding the use of digital tools. These enhancements improved early detection and strengthened overall risk-based decision-making across the Group.

**3. Strengthening Resilient Financial Crime Risk Management**

The Group also 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.

GOOD GOVERNANCE

GOOD GOVERNANCE

**Embedding Integrity Through Continuous Training and Communication**

The Group recognises that strong ethics and compliance rely on continuous learning, regular engagement and consistent reinforcement of expected behaviours. In 2025, a range of accessible and engaging training and awareness initiatives were implemented to strengthen ethical conduct, fraud awareness and regulatory understanding, embedding integrity and vigilance into employees' day-to-day work practices.

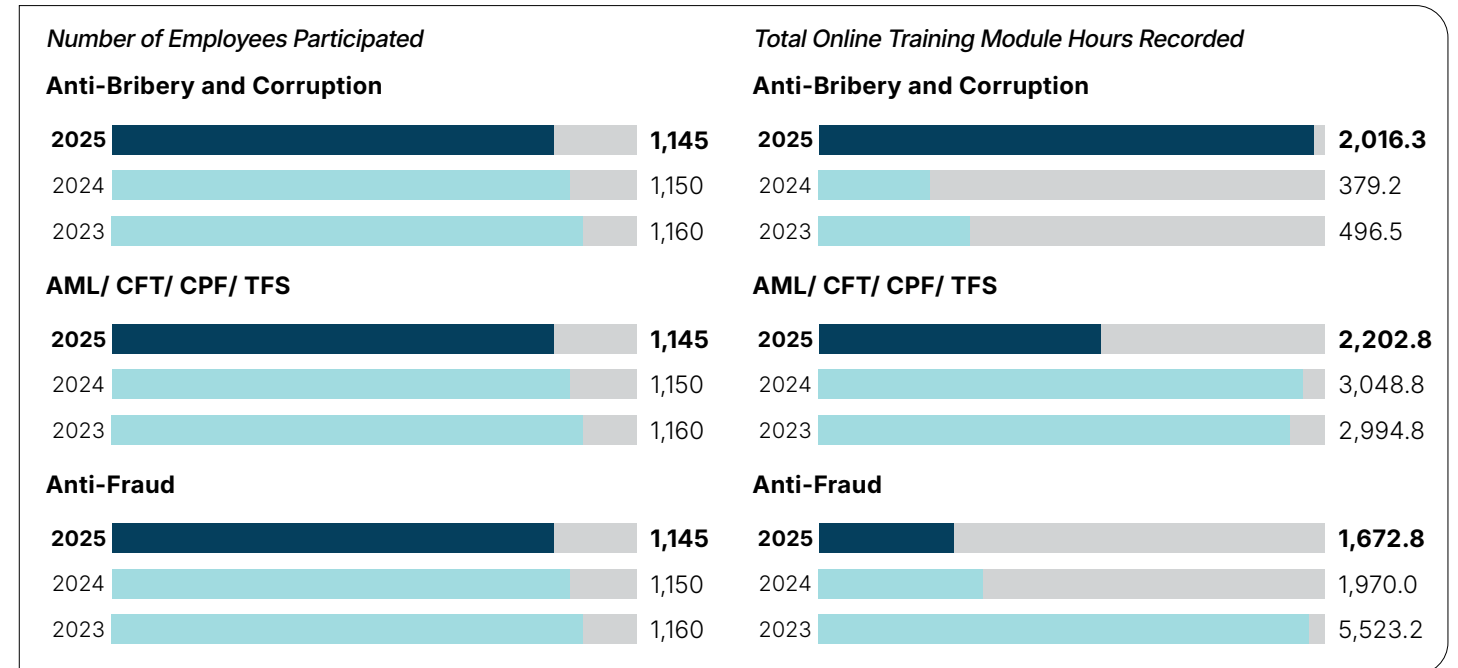
These initiatives formed part of the Group's broader approach to strengthening ethical conduct, fraud awareness and compliance discipline through practical learning, targeted communication and enterprise-wide engagement.

- Compliance Week**  
The Compliance Week was launched with the objective of strengthening practical understanding of compliance and reinforcing the expectation that compliance must be demonstrated through everyday behaviour. Through quizzes, activity stations and expert-led sessions, the programme aimed to make compliance accessible, promote active engagement and highlight the importance of integrity and accountability in supporting the Group's long-term sustainability.
- Fraud Awareness Week**  
The Group's Fraud Awareness Week aimed to strengthen ethical leadership, deepen fraud awareness and reinforce a strong compliance culture across the organisation. Through a mix of educational sessions, expert insights, collaborative activities and gamified learning platforms, the initiative promotes accountability, encourages cross-stakeholder engagement and supports a proactive approach to recognising and managing fraud risks.
- Ethical Conduct and Fraud Awareness Poster Campaign**  
The campaign aimed to strengthen ethical behaviour and fraud awareness across the organisation. Over two (2) weeks, thought provoking posters were displayed throughout our Headquarter at Kenanga Tower and shared on SharePoint for wider reach. Each poster featured curated messages encouraging daily reflections on integrity, vigilance, accountability and responsible decision-making.



**Ethics and Compliance Training**

To create meaningful impact, the Group also measures training reach and monitors programme effectiveness through surveys.



The training hours differences are attributed to variations in the duration of the training modules.

**E-Test Outcomes**



**Percentage of Employees Who Participated in Anti-Corruption Training by Employee Category in 2025**



### Embedding Ethics and Integrity with Awareness and Action



Themed “Beyond the Rules: Own It, Voice It, Do It”, the main objective of Compliance Week 2025 was to continue providing employees with the knowledge and practical skills to navigate key compliance areas, particularly on online security and regulatory integrity. Spanning over two (2) days, we garnered 350 participations during the event, which featured talks by industry experts on critical topics such as whistleblowing, financial crime and conflict of interest.

Following last year’s successful inaugural event, interactive booth activities made a return this year, presenting hands-on learning experiences across key compliance domains, such as stockbroking, capital market supervision and technology compliance. This year’s event also concluded with a prize-giving ceremony, acknowledging the top participants for their participation.

While these activities were designed to foster a deep understanding of compliance issues, it also reflects Kenanga’s continued commitment to upholding the high standards of ethics, transparency and organisational resilience.

#### At the Forefront of Fraud Prevention

Fighting fraud remains the top of Kenanga’s priorities. With its 9<sup>th</sup> annual Fraud Awareness Week (“FAW”), the event brought together industry leaders, practitioners and participants to work together on a shared mission: combatting fraud through awareness, insight and action.

Together with the Association of Certified Fraud Examiners (“ACFE”)’s International Fraud Awareness Week, this initiative served as a platform to engage both internal and external stakeholders on fraud awareness and financial crime prevention initiatives.

FAW 2025 highlighted some food-for-thought perspectives with its conversations. Huck Hai Lim, President of the ACFE Malaysia Chapter reminded us of an often-overlooked truth: that fraud evolves faster than our defenses, unless we stay committed to continuous learning. ACP Lai Lee Ching, Assistant Principal Director of CCID at PDRM underscored how scams are becoming more engineered with precision. Both their messages emphasised that awareness alone is not enough, we need to stay more vigilant, verify often and keep updated to changes and tactics.

In 2025, Malaysia Book of Records recognised the 2024 FAW Games for achieving the “Largest Participation in Anti-Fraud Games”. The FAW Games 2025 continued this momentum with 144 participating teams comprising Kenanga’s own internal teams and others from public-listed companies, regulatory bodies, professional associations and vendors, contributing to more than 1,650 participants across all rounds.

This initiative supports Kenanga’s dedication to promoting fraud awareness and continuing to build a more resilient, vigilant and ethical community.

### 10<sup>th</sup> Annual Regulatory Seminar

The Group hosted its 10<sup>th</sup> Annual Regulatory Seminar (“ARS”), “Building the Future with Compliance and Ethics as Our Compass” in conjunction with the 9<sup>th</sup> FAW. The e-learning programme was accessible through the LinkedIn Learning platform and featured insights from guest speakers and internal subject-matter experts covering important topics, which included the following:

- 1 3R Compliance: Reset, Realign & Reinforce
- 2 Building Stronger Defenses Against Financial Crime
- 3 Anti-Bribery & Corruption (ABC): Embedding Integrity into Culture
- 4 Demystifying Digital Assets: Compliance, Inclusion and the Future - Tokenisation
- 5 Embracing e-Invoicing: Compliance & the Digital Tax Future

In 2025, 94% of our employees completed the mandatory ARS Assessment on ethics, compliance and the regulatory landscape. Among those who completed the e-test, 94% achieved a score of 80% or higher. This initiative underscores Kenanga’s commitment to enrich their employees’ understanding and continued efforts to ethical business practices, transparency and accountability.

For more information on how we manage our compliance and ethics-related matters, refer to the Ethics and Compliance Statement 2025 on pages 130 to 138 in our Integrated Annual Report 2025.

### FUTURE OUTLOOK

In 2026, the Group will continue to strengthen governance, reinforce ownership of compliance risks, enhance monitoring and assurance and deepen collaboration across GCE functions to support more coordinated, effective management of regulatory, conduct and financial crime risks.

# SUSTAINABLE ECONOMIC GROWTH



## MATERIAL MATTERS

-  Responsible Investing
-  Digitalisation
-  Cyber Security
-  Client Experience

## Alignment to UN SDGs:



## RESPONSIBLE INVESTING



GRI 3-3, 201-1, 203-2

### WHY IT MATTERS

Investing in companies with consideration of their environmental, social and governance 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.

### OUR APPROACH

#### Governing Responsible Investment Practices

Kenanga Group's asset and wealth management arm, Kenanga Investors Group ("KIG"), comprises Kenanga Investors Berhad ("KIB"), Kenanga Islamic Investors Berhad ("KIIB"), Eq8 Capital Sdn Bhd ("Eq8") and Kenanga Trustees Berhad ("KTB"), is supported by a strong governance structure designed to effectively manage sustainability-related risks and opportunities across its investment and product platforms. This governance foundation ensures responsible stewardship, transparent decision-making and disciplined oversight of ESG-aligned investment activities.

KIB has been a signatory to the Malaysian Code for Institutional Investors since 2017, embedding responsible ownership and stewardship principles across the investment value chain. KIB also participates actively in key sustainability and climate-focused platforms, including the Institutional Investors Council ("IIC"), the Joint Committee on Climate Change ("JC3") and the Sustainable Investment Platform ("SIP"), strengthening governance alignment with industry-wide ESG and climate-risk developments.

In recognition of its strong governance practices, KIB and KIIB maintained IMR-2 investment manager ratings for the ninth consecutive year in 2025, reflecting consistent investment discipline, risk oversight and integration of ESG considerations into decision-making.

#### Investment Committee Oversight

To reinforce governance further, KIG's Investment Committee supports the Board in discharging its statutory duties relating to fund management. The Committee provides oversight of internal investment policies and restrictions, adherence to effective and acceptable practices within the investment management industry, compliance with relevant guidelines and securities laws and the management of environmental, social and governance risks across funds established and managed by the KIG.

Through this oversight, the Committee safeguards the interests and investments of shareholders and investors, ensuring that sustainability considerations are consistently embedded across investment governance.

As a wholly-owned subsidiary of KIB, Eq8 leverages the Investment Committee of KIG to support its Board in fulfilling statutory responsibilities in relation to its ETF investment objectives. This includes oversight of internal investment policies and ESG risk management for all funds managed across the Group, including those under Eq8.

Within Kenanga Investment Bank Berhad ("KIBB"), the investment- and loans-related divisions, namely Corporate Banking and Kenanga Private Equity ("KPE"), operate under the guidance of the Group's Climate Change Risk Management Framework ("CCRMF"). The CCRMF ensures that climate-related risks and opportunities are embedded systematically into credit decisions, lending strategies, investment due diligence, and portfolio monitoring.

This governance integration ensures that both KIG and KIBB apply a consistent sustainability-focused oversight framework, enabling the Group to manage sustainability-related risks and opportunities effectively across business activities.

## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

**Strategising Responsible Investing****Kenanga Investors Group**

KIG advances a responsible investment strategy that directly responds to sustainability-related risks and opportunities by strengthening portfolio resilience to climate transition, physical climate risks, and social impacts. This strategy supports long-term value creation by aligning investment and stewardship activities with Malaysia's shift toward a low-carbon, climate-adaptive economy.

KIB's ESG Framework, which covers all subsidiaries, expanded since 2022, integrates sustainability-relevant insights across both fixed income and equity portfolios. Through its in-house ESG assessment methodology, KIG applies positive screening for bonds and sukuk and sector-specific ESG scoring for equities. This systematic approach enhances preparedness for material sustainability drivers such as evolving carbon-pricing mechanisms, strengthened climate-related disclosure expectations, accelerated transition pathways across key sectors, and growing social-resilience priorities.

KIG further strengthened its strategic readiness by conducting a Climate Scenario Analysis to assess how climate-related risk could affect enterprise value, sector exposure and portfolio performance.

KIG's strategic product expansion, encompassing the Kenanga Sustainability Series and Eq8's suite of ETFs, positions the Group to capture opportunities associated with rapidly growing sustainability-driven capital flows. Eq8's launch of the world's first Waqf-featured ETF further reinforces its ability to deliver accessible, impact-aligned investment options.

**Corporate Banking & Kenanga Private Equity**

In addition to climate-risk evaluation, KIBB embeds ESG due diligence into all investment-related assessments, reviewing governance practices, environmental performance, transition-risk exposure and social-impact implications of prospective investees. This ensures that Corporate Banking and KPE systematically integrate sustainability-related opportunities into investment selection and portfolio construction, reinforcing alignment with the Group's responsible investment strategy.

**Managing Risk in Responsible Investing****Enhanced KIG ESG Framework, Screening and Policy**

KIG enhanced its climate risk and physical risk considerations in its ESG Framework to align with the best global practices and local regulatory developments. This included strengthening oversight by ensuring clearer accountability for decarbonisation and just transition strategies.

It also widened the scope of its climate risk assessment by evaluating the GHG emission exposure of the investee companies shifting from qualitative to quantitative assessment. This included evaluating Scope 1 and 2 GHG emissions, engagement targets and embedding climate risk metrics into the assessment process.

**KIG enhanced ESG screening process through:**

Incorporating GHG emissions data and climate risk indicators

Incorporating physical risk assessment modules to capture vulnerabilities from natural disasters

Strengthening social impact considerations to reflect community resilience on natural disasters and just transition principles

As part of its risk monitoring process, KIG assesses a broad set of factors and indicators for key risk areas, particularly in higher-risk sectors such as palm oil, oil and gas, banking and finance, power and mining. This assessment guides KIG ESG risk management strategies, including screening, engagement, and the exercise of voting rights. Eq8 also reflects these requirements within its ETF-management processes, ensuring that passive funds adhere to the Group's broader sustainability-risk expectations.

To keep pace with evolving sustainability expectations, KIG refreshed its Engagement Policy in line with updated standards, including the revised Malaysian Code for Institutional Investors ("MCII") principles. KIG conducted engagement with over 40 investee companies in higher-risk sectors on key ESG-related issues. These engagements have yielded positive outcomes, including stronger commitments to disclose GHG reduction targets, the initiation of physical climate risk management plans in response to natural disasters, and constructive dialogue on community impacts. Concurrently, KIB's climate-focused engagement strategy has received strong support from institutional investors, particularly for its proactive stance on decarbonisation and a just transition ahead of Malaysia's planned implementation of its Carbon Tax in 2026.

**Enhanced KIBB Risk Management Process**

Under the CCRMF, KIBB embeds climate-risk and ESG considerations into its risk-management processes for lending and investment.

Guided by the Group's frameworks, Corporate Banking and Kenanga Private Equity incorporates climate-risk thresholds, transition-risk sensitivity and climate-readiness indicators into credit and investment assessments, including evaluation of vulnerability to climate-related disruptions, alignment with transition pathways and exposure to sector-specific environmental risks. The Climate Change Risk Assessment Checklist is applied to assess transition, liability and physical risks prior to approving investments, ensuring alignment with KIBB's climate-aligned risk appetite.

Together, these processes ensure that sustainability-related risks are managed holistically across KIG and KIBB, safeguarding long-term portfolio resilience while supporting opportunities emerging from Malaysia's transition economy.

**Scaling Responsible Investing Opportunities****Kenanga Investors Group**

KIG's progress in managing sustainability-related risks and opportunities is reflected in the measurable performance achieved across its portfolios. As of December 2025, the ESG-screened assets under management ("AUM") reached RM15.54 billion, representing 63.2% of total AUM, compared to RM12 billion (51%) in 2024. This increase demonstrates strengthened integration of sustainability risks and opportunity-related insights into investment decision-making and expanding investor demand for sustainable and transition-aligned products.

As of 31 December 2025, the total fund size of the Kenanga Sustainability Series amounted to RM68.34 million, comprising the World Quality ESG Fund (RM63.97 million), the Emergency Waqf Musa'adah Fund (RM3.48 million) and the High Yield Bond Fund (RM0.89 million).

Eq8, KIG's ETF arm, recorded RM429.7 million in ETF AUM as of 31 December 2025, maintaining its position as Malaysia's largest equity ETF manager by both issuance count and total AUM. Its launch of the world's first Waqf-featured ETF, the Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF ("EQ8WAQF"), illustrates the KIG's leadership in delivering impact-aligned and values-driven investment solutions.

SUSTAINABLE ECONOMIC GROWTH

SUSTAINABLE ECONOMIC GROWTH

**Corporate Banking & Kenanga Private Equity**

Corporate Banking directed 11.6% of its financing portfolio (RM84.5 million) towards renewable energy, green technology and climate-mitigation sectors in 2025, while KPE allocated 16% of its investment portfolio (RM26.6 million) to renewable energy ventures, guided by the Climate Change Risk Assessment Checklist ("RAC"), showing clear alignment with transition-related priorities and consistency with CCPT classifications and the CCRMF's strategic direction.

Across KIG and KIBB, ESG integration and climate-risk management enhancements, such as improved ESG screening, quantitative climate-risk metrics, scenario analysis, physical-risk evaluation and ESG due diligence, have driven measurable improvements in investment performance. The Group's applied frameworks and governance oversight have enabled increased ESG-screened coverage across AUM, enhanced risk visibility across climate-exposed sectors and deepened engagement outcomes aligned to transition, physical and social risks and opportunities.

Collectively, these outcomes reinforce the Group's ability to respond to sustainability-related risks while capturing emerging opportunities in the transition to a low-carbon and inclusive economy.

**Kenanga Sustainable Fund Product Suites**

**Kenanga Sustainability Series: High Yield Bond Fund**

Launched on 30 March 2022, the Fund is Malaysia's first SRI-qualified high-yield bond fund, which aims to provide income and capital growth by investing in the NT Global High Yield ESG Bond Index Fund, managed by NT Asset Management. It excludes securities that do not meet certain ESG criteria, such as weapons producers, tobacco producers, thermal coal producers and companies that breach the UNGC's Ten Principles. The Fund uses an optimisation methodology proprietary to the Fund Investment Manager to overweight securities issued by companies that are leaders in implementing ESG principles. This maximises exposure to securities with higher ESG ratings while aligning key risks relative to the ICE BofAML Global High Yield Index, including duration, yield, option-adjusted spread and credit quality.

**Kenanga Sustainability Series: Emergency Waqf Musa'adah Fund**

Launched on 6 October 2022, the Emergency Waqf Musa'adah Fund seeks to generate sustainable returns that directly benefit climate change-related disaster victims in Malaysia to help them return to normalcy. The Fund aims to provide income distribution and capital growth by investing in a diversified portfolio of Shariah-compliant equities, equity-related securities, sukuk, Islamic money market instruments and Islamic deposits, integrating both Shariah principles and sustainable investing. The External Fund Manager employs a comprehensive ESG methodology in its investment process, including ESG integration by incorporating relevant ESG factors into securities analysis and post-investment monitoring. Positive screening is applied to assess and score companies based on their ESG performance, ensuring investments are made in those with strong ESG qualities. Negative screening excludes investments in sectors or companies not aligned with international norms or the Fund's core ESG values. The External Fund Manager will seek to divest within an appropriate timeframe from investments that consistently decline in ESG factors or scores.

**Kenanga Sustainability Series: World Quality ESG Fund**

Launched on 6 September 2022, the World Quality ESG Fund seeks to provide capital growth by investing in the Northern Trust ("NT") World Quality ESG Fund, managed by NT Asset Management. The Fund's Investment Manager utilises a proprietary scoring system to select eligible securities and exclude those that fail to meet specific ESG criteria. It evaluates securities based on key quality indicators, including profitability, management efficiency and cash generation, ensuring that the Fund targets those with strong performance and favourable ESG characteristics.

For more information on funds and its performance funds under the Kenanga Sustainability Series, please refer to <https://www.kenangainvestors.com.my>.

**Equity Broking Research**

*Internal Stock Scoring Methodology and Approach*

Kenanga's Equity Broking Research Department has established an internal scoring framework to assess publicly listed companies against the Bursa Malaysia Sustainability Reporting Guide, the Sustainability Accounting Standards Board ("SASB") standards and GRI's main sustainability topics. Since its introduction in 2022, we monitor publicly listed companies on their ESG strategies and approach, strengthening our understanding of their sustainability priorities and commitments. Key ESG themes reflected in our internal scoring methodology include:

- 1 Earnings Sustainability and Quality
- 2 Emissions Management
- 3 Workers' Safety and Wellbeing
- 4 Community Investment
- 5 Corporate Governance
- 6 Anti-Corruption Policy

**Other ESG Considerations**

- Favourable scores are accorded to companies that demonstrate a high level of disclosure, supported by quantifiable information. Scores reflect the availability and quality of disclosures as well as year-on-year progress and availability of assurance statements for its reported sustainability data.
- Short-term targets are preferred over the establishment of only long-term targets, as immediate solutions are prioritised.
- Year-on-year improvements in ESG data are given the highest score on a percentage basis.



## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

**ESG Engagement with Our Corporate and Institutional Clients**

The Kenanga Equity Broking Research division engages our corporate and institutional clients on ESG trends and opportunities. These engagement sessions are usually conducted through site visits, virtual meetings and webinars. We also produce reports based on our analysis of company sustainability strategies and initiatives, enhancing informed decision-making.

Our engagements are guided by priority themes and emerging developments that are relevant to Malaysian companies. These focus areas include policy and regulatory developments, sustainability frameworks and legislation, as well as market and business demand related to renewable energy, climate resilience and urban development. We also engage on topics such as carbon credit utilisation and storage ("CCUS"), renewable energy, sustainable agricultural and construction practices as well as low-carbon mobility.

**Client Engagement Activities****Site Visits**

<b>12 February 2025</b>	Gamuda Industrialised Building System Factory at Banting, Selangor	The visit provided insights into sustainable construction practices and advanced manufacturing processes. It highlighted how digital design, automation and precision manufacturing improve efficiency, enhance safety and reduce material waste and project timelines.
<b>7 to 8 May 2025</b>	Selected sites in Pahang as planned by the East Coast Economic Region Development Council ("ECERDC")	Organised by the ECERDC in collaboration with Malaysia-Japan Economic Association and Japanese Chamber of Trade and Industry, this visit featured a tour of the Lynas Advanced Materials Plant in Gebeng, Kuantan, the world's largest, rare earth elements processing facility outside China.
<b>10 September 2025</b>	Circular Tech Day featuring visits to: <ul style="list-style-type: none"> <li>Zenviro – Solar Panel Recycling Facility</li> <li>Electronic Recycling Through Heroes ("ERTH") – E-waste Recycling</li> </ul>	The visits to the solar panels and electronic waste recycling facilities highlighted how recycling, repairing and repurposing of e-waste reduce landfill disposal and support emissions avoidance, in line with Malaysia's energy transition agenda.
<b>11 September 2025</b>	The Green Moo-ve: Dairy & Sustainability Tour to Farm Fresh Muadzam Shah	The session at Farm Fresh's grass-to-glass model shared how sustainability practices across its integrated farm and processing facility support environmental outcomes, community benefits and long-term business resilience.

**Presentation and Test Drive**

<b>18 February 2025</b>	EV Day to Genting Highlands	The engagement provided insights into Malaysia's EV landscape and low-carbon mobility journey, combining expert perspectives on adoption, infrastructure and vehicle availability with hands-on test drives to demonstrate real-world performance and charging experiences.
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**Kenanga's 2025 Engagement Activities****Roundtable discussion**

<b>21 October 2025</b>	Malaysia's Clean Energy Future – Transition, Investment & Innovation	The roundtable explored Malaysia's clean energy transition, examining the role of battery storage, biogas, solar with green hydrogen and nuclear power in building a diversified and resilient low-carbon energy system.
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**Meeting**

<b>19 August 2025</b>	Carbon Next: Malaysia's Carbon Tax - Policy, Industry and ESG Implications	The engagement with Carbon Next examined carbon tax scenarios in Malaysia, highlighting policy developments, regional trends, industry readiness and the potential financial implications for affected sectors.
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**Talk**

<b>3 July 2025</b>	MCRE Resources Sdn. Bhd. ("MRCE"): Positioning Malaysia as a Rare Earth Powerhouse	The half-day session with MRCE provided insights into Malaysia's rare earth elements potential, in-situ leaching extraction processes and the sustainability considerations of mining operations. Post-engagement, key observations on operational practices, ESG risks, industry challenges and policy gaps were shared with selected clients.
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## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

**Delivering ESG Research and Thought Leadership**

During the year, we published 10 ESG-focused research reports covering key sectors, such as oil and gas, technology, plantation and telecommunications, with in-depth analysis of priority ESG themes and company practices. In parallel, we issued regular ESG bulletins to provide investors with timely updates and commentary on emerging developments and selected market topics.

**ESG Thematic Reports in 2025**

Publication Date	Report	Description
7 March 2025	CCUS Bill 2025: Ready to Capture	The report outlines Malaysia's CCUS Bill 2025, highlighting the Government's swift approval of the legislation to regulate and promote CCUS as a strategic pillar of the National Energy Transition Roadmap and a catalyst for climate action and new economic opportunities.
28 March 2025	EVs Charging Ahead, Faster and Farther	The publication examined Malaysia's EV adoption trajectory, highlighting infrastructure progress, comparative emissions performance between EVs and conventional vehicles and emerging technology trends shaping the future of electric mobility.
16 July 2025	MISC Group: Sustainable Maritime Transport	The report reviewed MISC Group's ESG strategy and disclosures following its Investor Day, highlighting progress in low-carbon services and climate-related investments, including revenue contributions from low-carbon activities and expenditure to improve energy efficiency, reduce emissions and strengthen environmental protection.
22 July 2025	Sunway Construction Group: ESG Reality Check	The report examined corporate liability for corruption offences and the importance of effective anti-bribery and corruption controls, drawing on Sunway Construction's governance practices as a reference point.

**ESG Thematic Reports in 2025**

Publication date	Report	Description
22 September 2025	Telecommunication: New E-Waste Law May Tighten ESG Compliance	The report examined e-waste in the telecommunications sector, the regulatory landscape and how industry players are addressing the issue.
25 September 2025	Farm Fresh: Greener Edge	The report examined Farm Fresh's integrated sustainability approach, highlighting how circular practices and community-focused initiatives strengthen its operational resilience and leadership in the regional dairy sector.
15 October 2025	Budget 2026: Not Chasing Big Tickets but Big Ideas	The report highlighted Kenanga's view on the National Budget 2026 with a focus on sustainability and comment on carbon tax.
30 October 2025	Plastic Packaging – Driving Change through Innovation	The report examined how leading packaging companies are leveraging product innovation, recycled materials and circular economy practices to meet rising sustainability expectations while maintaining product quality and safety.
31 October 2025	Plantation – Less is More	The report examined how advancements in planting materials, mechanisation, fleet electrification and biomass utilisation are shaping the sector's transition towards long-term sustainability and growth.
5 December 2025	Technology – Powering Tech with Talent	The report examined how leading technology companies prioritise talent development and retention as a core sustainability and business strategy to secure a long-term pipeline of skilled employees and support sustained growth.

SUSTAINABLE ECONOMIC GROWTH

SUSTAINABLE ECONOMIC GROWTH

**Eq8's FTSE Malaysia Enhanced Dividend Waqf ETF: First in the World**



Launched on 10 December 2024 by Eq8 Capital Sdn Bhd ("Eq8"), this exchange-traded fund ("ETF") is the world's first Waqf-featured ETF and is listed on Bursa Malaysia. Developed in collaboration with Yayasan Waqaf Malaysia, the ETF distributes its income annually by allocating half to Waqf assets and the remaining half to unitholders. This allows investors to contribute to community development while pursuing financial returns, reflecting KIG's ongoing commitment to impact investing.

As Eq8's fifth ETF product, the fund aims to create long-term value in education, healthcare, economic empowerment and environmental preservation, in line with Malaysia's efforts to foster partnerships between the public and private sectors to optimise the potential of Waqf assets for social development. This supports Malaysia's socio-economic growth as well as the UN Sustainable Development Goals.

The ETF uses an innovative, income-focused strategy that combines momentum with high dividend yields to deliver competitive returns, while creating positive social impact through the Waqf assets. These assets are overseen by the Yayasan Waqaf Malaysia and channelled to key sectors including education, healthcare and economic empowerment.

Beyond that, in 2025, KIG established a Waqf-related ESG mandate with Waqf institution, reinforcing our commitment to socially responsible investing.

**FUTURE OUTLOOK**



We plan to expand our range of sustainable investment products, with a focus on thematic investing strategy. To support this, we will continue to strengthen our understanding of sustainability risks and opportunities across the portfolio through active engagement with investee companies to gain insights into their sustainability objectives and strategies. We will also regularly review and refine our assessment framework to ensure it remains aligned with evolving industry standards, stakeholder expectations and emerging market trends.

**DIGITALISATION**



GRI 3-3, 201-1, 203-2

**WHY IT MATTERS**

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

**OUR APPROACH**

**Governance**

Strengthened information technology ("IT") governance ensures effective oversight of digital initiatives, while prioritising resource optimisation, accelerating digital adoption and refining cost structures.

At Kenanga, the Board sets the strategic direction and provides oversight of technology-related matters, including associated risks, in alignment with business priorities and regulatory requirements. The Group Board Digital Innovation & Technology Committee ("GBDITC") supports the KIBB Board by reviewing, evaluating and recommending technological initiatives that inform the Group's medium- and long-term business strategy. GBDITC also ensures that technology resources and programmes are aligned with the Group's broader digitalisation objectives.

**Strategy**

The IT Strategy 2023–2027 positions Kenanga for long-term digital resilience by advancing cloud capabilities, AI adoption and operational efficiency. Guided by principles that streamline processes, reduce risk and costs and accelerate delivery, the strategy enables stronger business performance and a more agile, modern technology environment.

Kenanga is on track to achieving its goals under the five (5)-year IT strategy, which was established in 2022. The strategy has guided us to enhance operations and security by adopting AI technology and a cloud storage system. We will continue to implement the strategy and conduct an annual review to ensure it remains relevant and effective. In 2025, we focused on app consolidation, private cloud, IT resource strategy, Zero Trust Phase 2 and cost-saving initiatives.

**IT Strategy 2023-2027**

**Following the development of the five (5)-year IT strategy in 2022, the strategy remains on track, with a focus on cloud adoption strategy and adoption of AI technology for operations and security. The strategy will continue to be implemented as planned and reviewed annually to ensure it remains relevant and effective.**

**Principles of the IT Strategy 2023-2027**

- Ease of Operations** - Simplify operations model and reduce manual manpower and further repurpose human resources.
- Improve Business Revenue** - Create additional workstreams to boost business revenue.
- Reduce Risks** - Reduce technology and business risks to ensure business runs as usual.
- Cost Reduction** - Reduce and repurpose operational expenditure ("OPEX") to other work initiatives.
- Time to Market** - Improve application time to market and gain velocity to support Digital and Digitisation initiatives.

SUSTAINABLE ECONOMIC GROWTH

SUSTAINABLE ECONOMIC GROWTH

Derisking through Digitalisation

Digitalising for Operational Efficiency

Our digital transformation efforts reduce operational, compliance and cost risks by simplifying workflows. Digital partnerships and technology adoption also open opportunities to innovate, enhance customer experience and build long-term competitiveness. In 2025, key digitalisation initiatives advanced modernisation across key functions, which include:

Initiative	Digitisation in 2025
Digital Workflows ("iLeap") streamlines approvals, document management and audit workflows by digitising processes, reducing paper use and improving efficiency through automation. Guided by the iLeap Application Governance Policy, the platform ensures secure and consistent use across business and IT functions.	Digitisation of seven (7) new workflows, bringing the total to 58, and upgrades to 14 workflows across major functions, drove greater efficiency, reduced manual work and created cost saving opportunities. Improved application classification, consolidation of similar functions and unified email and task assignment workflows streamlined processes, reduced approval delays and ensured consistent data synchronisation with the HR system. Governance and security were strengthened through clearer procedures, role-based access controls and enhanced monitoring. These improvements supported higher user adoption, with 9,156 submissions recorded in 2025, an 11% increase, bringing total requests since launch to 37,442.
Robotic Process Automation ("RPA") uses software "bots" to automate rule-based digital tasks such as data entry, transaction processing and report generation. By streamlining routine operations, RPA improves efficiency, reduces errors and enables employees to focus on higher-value work.	Five (5) migration initiatives and 15 new projects were deployed, benefitting Group Operations, Group Finance, Group Human Resources, Group Compliance and Ethics, Business System Process, and Kenanga Equity Broking Research. Collectively, these improvements delivered around 12,000 annual hours saved and RM400,000 in yearly impact, alongside significant error reduction that strengthened reconciliation and compliance accuracy. The shift to Power Automate also cut licensing costs by over 60%, further boosting overall efficiency.
RegTech streamline regulatory processes, enhancing risk management, regulatory monitoring, reporting and compliance.	The process management of four (4) major regulatory and reporting modules, the Central Credit Reference Information System ("CCRIS"), Integrated Statistical System ("ISS"), External Sector Submission ("ESS") and Business to Business ("B2B") module, was consolidated to streamline operations and strengthen overall process governance. This integration improved operational cost savings and reduced duplication across reporting functions.

Looking ahead to 2026, we will expand digital workflows across high volume and manual intensive functions, such as Human Resources, KIB Compliance, Group Business Ethics and Integrity and Group Finance approvals, to reduce operational and compliance risks associated with manual processing. In parallel, we will strengthen process integrity by enhancing applications to minimise errors, improve data accuracy and unlock efficiency opportunities across the organisation.

Digital Transformation in Product Platforms

Kenanga continues to elevate its product and service delivery through digital innovation, reducing operational, technology and market risks, while enhancing opportunities for broader access, improved efficiency and better user experience. These enhancements enable clients to manage their financial needs through secure, streamlined and user-centric digital solutions.

KDi GO

Developed by Kenanga Digital Sdn Bhd ("KDSB"), KDi GO is an integrated digital platform that allows clients to manage their finances through AI-driven robo-advisory tools, payment features and remittance services. Since its launch in August 2024, KDi GO has offered a unified ecosystem of wealth and financial solutions designed for simplicity and accessibility.

Built in collaboration with AntChain Technology Pte Ltd. on a Mobile-Platform-as-a-Service ("mPaaS") architecture, KDi GO delivers a scalable user experience. KDi GO offers investors an opportunity to manage and grow their wealth with ease, flexibility and confidence by integrating a wide range of financial products and services into a single, user-friendly app beginning with Kenanga Group products.

At the core of KDi GO's role as the Group's digital storefront, its ecosystem offers clients a consolidated view of their investment portfolio, enabling deeper engagement across the Group's product suite. It consolidates KDi Save, KDi Invest, Kenanga Money, Rakuten Trade and Kinetic DAX ("KDX") into a single app.

The KDSB Board continues to provide strategic oversight, ensuring the platform evolves in line with market needs while remaining focused on long-term value creation.

Throughout the year, enhancements were made to improve onboarding efficiency, platform stability, and the overall user experience. These improvements provide a reliable service as they navigate their wealth and investment options.

KDi GO also continues to widen access to investing and wealth-building solutions, particularly among mass-affluent clients. The platform recorded a 45% year-on-year increase in users, marking one of its strongest growth periods.

As at 31 December 2025, total activated users are more than 3,500 and more than 50% of its users are below the age of 50, with the age group of 30-40 segment making up 38% of its user base-reflecting rising demand for transparent, self-directed wealth solutions among individuals in their peak earning years.

To serve this growing demographic, a blueprint has been developed to guide the introduction of more sophisticated offerings tailored to unmet needs within the mass-affluent segment and beyond.

Looking ahead, KDi GO will continue strengthening its long-term strategic roadmap, deepening customer loyalty through differentiated services and leveraging Kenanga's broad business capabilities and regulatory licenses to expand its digital ecosystem.



Scaling Digital Assets through KDX

In parallel, to further expand our digital ecosystem, Kenanga Group has taken steps to enhance its investment in Kinetic DAX Sdn Bhd (formerly known as Tokenize Technology (M) Sdn Bhd), a fully licensed and regulated digital exchange. We have increased our equity stake in KDX to 81.7%, reflecting our long-term commitment to the development of digital and tokenised assets in Malaysia. We intend for KDX to form a core part of our digital asset journey, serving as a secondary market for listed tokenised assets. Over time, this is expected to facilitate 24/7 trading and fractional ownership of real-world assets, broadening investor access and supporting our efforts to expand tokenised investment solutions within Malaysia's capital markets.

## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

## PRODUCT

## KEY HIGHLIGHTS

**Kenanga Digital Investing ("KDI")**

Licensed by the Securities Commission Malaysia, it offers KDI Save and KDI Invest. While KDI Save provides daily returns with no lock-in period or management fees, KDI Invest enables portfolio growth by offering access to global investment opportunities through US-listed Exchange Traded Funds ("ETFs") at competitive fees.

KDI continued to grow, reaching approximately 40,500 customers and managing around RM517 million in assets under management.

**Rakuten Trade Sdn Bhd ("Rakuten Trade")**

Rakuten Trade, a joint venture between Kenanga and Japan-based Rakuten Securities Inc, has expanded access to online equity trading for a broad base of retail investors. Beyond domestic trading, the platform provides exposure to international markets, including the Hong Kong Exchange and US fractional share trading, enabling Malaysian investors to diversify their portfolios through a seamless and cost-effective digital experience.

A total of 7,277 new users signed up on Rakuten Trade, bringing the total customer base to more than 291,600. Over RM153 billion worth of stocks have been transacted since its inception in 2017.

**Kenanga Money**

Developed in partnership with Merchantrade Asia Sdn Bhd ("Merchantrade"), Kenanga Money is our first stockbroker e-wallet platform, representing our expansion into digital payments. Kenanga Money allows clients to transfer funds from their stock trading account into an e-wallet with a prepaid card for retail payments, remittances, and withdrawals globally. Users can also leverage Merchantrade's multi-currency capability to buy, sell and hold up to 20 foreign currencies at competitive exchange rates.

Over 890 customers have registered since its launch in 2020. In 2025, over RM399,000 in retail transactions were made through this e-wallet.

**Kenanga Treasury FX Platform**

The enhanced Treasury FX Platform was designed to enable clients to execute foreign currency trades and perform international fund transfers online. Building on the version first released in 2023, the platform incorporates significant User Interface ("UI") and User Experience ("UX") improvements to deliver a more accessible, seamless and efficient digital experience. The official launch of the enhanced KenangaFX is targeted for end-March 2026.

In 2025, KenangaFX recorded strong growth, with transaction volume rising to RM439 million, up from RM288 million in 2024. The completion of UI/UX enhancements during the year strengthened system performance and improved client experience, setting a solid foundation for broader adoption ahead of the 2026 launch.

**Enhancing Client Services**

To mitigate operational, compliance and service-delivery risks, we are advancing transaction management across our financial solutions platform with secure and intuitive digital interfaces. In parallel, enhancements to digital onboarding and back-end systems reduce error rates, shorten processing times and lower manual-handling costs. These upgrades support faster, paperless account access and more consistent client management, helping safeguard service reliability while strengthening long-term financial performance through improved efficiency gains.

**iRemisier**

Kenanga's iRemisier is a revamped operations system that enhances efficiency, user experience and scalability. Launched in 2024 to replace the previous Remisier Portal, the platform's mobile-friendly interface simplifies processes for both clients and internal teams, streamlining workflows while improving operational reliability and speed. Designed for a mobile-first, user-centric workforce, it enhances accessibility and usability while supporting Kenanga's growth through faster adaptation to market needs and the cost-efficient rollout of new features.

Since its launch, all remisiers have been onboarded onto the platform, enabling more streamlined transactions across a range of services. The platform has supported 117,264 eDeposits, 327,389 eSettlements and 120,938 eTrust Withdrawals, contributing to smoother processes and improved operational efficiency.

In 2025, we introduced several enhancements to iRemisier to further improve internal processes and client experience. These includes:

**eIPO Subscription Processing**

This enhancement allows clients to subscribe to eIPO seamlessly through KenTrade while iRemisier manages the back-end processing, reducing operational and data-handling risks associated with manual submission and file management. By strengthening accuracy and timeliness in processing IPO data with issuing houses, the enhancement improves workflow efficiency, creating opportunities for faster turnaround times and better client experience, ultimately supporting stronger operational productivity and financial performance.

**Enhanced Auto-Approval Rules for Withdrawal Requests**

We strengthened the withdrawal-approval process by expanding the Pending Deposit Clearance calculation to include all deposit types, such as cheques, online transfers and cash deposits. This enhancement reduces validation and processing risks, improves accuracy and increases workflow efficiency, supporting faster approvals and lowering operational handling costs.

**Trader Dashboard Enhancement**

The enhanced Trader Dashboard now allows traders to view the previous year's Top Traded Clients, improving visibility and decision-making insights. This supports better performance management and creates opportunities for more targeted client engagement.

**Business Done Report Update**

The Business Done Report was upgraded to include Sales and Service Tax (SST) details, providing traders with a consolidated, compliant view of all transaction data. This improvement reduces reporting risks, strengthens regulatory alignment and enhances efficiency by streamlining access to required information.

Beyond transaction management, iRemisier also serves as the foundation for the Kenanga Group's Data Lake, acting as a central repository for information across the Group's lines of business. The platform supports more targeted services and personalised engagement, while strengthening compliance through improved client screening and more efficient regulatory processes.

In 2025, Anti Money Laundering ("AML") risk factors from multiple sources were integrated into the Centralised Customer Layer, with audit tracking implemented. Centralised customer information across various lines of business was also leveraged to support e-invoicing submissions, further strengthening data governance, traceability and regulatory compliance.

## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

Other key enhancements made in clients' services:

#### Digital Client On-boarding ("DCO")

The DCO initiatives provides a seamless digital channel for clients to open an account from anywhere, eliminating the need for physical branch visits. The platform currently supports the onboarding process for Equity Broking, Futures and Treasury products. With the incorporation of electric know-your-customer ("e-KYC") technology, applicants can complete identity verification through document scanning and biometric verification while leveraging optical character recognition ("OCR") technology to automate data entry, significantly reducing manual intervention and human errors.

Through integration to Bursa Malaysia and other supporting sub-systems, individual screening checks are also performed more efficiently, allowing the account opening to be completed within 15 minutes. As of end of 2025, 2,285 accounts were opened, bringing the total number of accounts since DCO's inception to 9,239. This includes Kenanga Futures, Kenanga Treasury and Equity Broking accounts, covering cash, collateralised and margin facilities.

#### Futures Account Opening Services

The digital transformation of the Kenanga Futures account opening process supports faster processing, stronger security and more cost-efficient client onboarding. As of 2025, the digitalised process achieved a 69% digital onboarding rate, with only 31% of new accounts opened physically and the process of minimising physical forms and converting them to digital format is still ongoing.

#### Treasury Relationship Manager Platform

The Treasury Relationship Manager Platform enables relationship managers to execute Dual Currency Investment ("DCI") order fulfilment digitally, reducing manual processing and operational risks while strengthening data accuracy and process control. This streamlined, end-to-end workflow improves service reliability and supports greater scalability. In 2025, DCI transaction volume surpassed RM481 million, with 16 relationship managers actively using the platform, demonstrating growing adoption, improved productivity.

#### Project OMNI

This digital platform enables KIB advisers to onboard and service clients digitally in a face-to-face setting, reducing manual processing and operational risks. The iOS-based application reduces the need for physical submission at branch level by enabling digital submissions, while the browser-based Back Office portal processes these digital submissions to enhance accuracy and efficiency. Fully deployed in February 2025, OMNI is now undergoing upgrades to enhance its features and user experience, supporting greater scalability and long-term operational impact.

Going forward, we will continue strengthening our data and digital platforms to deliver better performance, greater scalability and deeper integration across the organisation. These advancements will enhance data accessibility and insights, streamline key processes and create a more seamless experience for advisers and clients alike, supporting the Group's digital transformation and long-term growth. This includes upgrading the DCO platform with an improved KIB Reach 2.0 application, which is currently being refined for enhanced usability and stronger operational efficiency.

#### Cloud Adoption Strategy

Our five-year Cloud Adoption Strategy supports the Group's digital transformation agenda by enabling innovation, growth and a scalable, secure and resilient cloud infrastructure.

During the year, the Group also reinforced its overall security framework and governance processes, including upgrades to its network protection infrastructure and readiness to support cloud-based hosting arrangements in line with regulatory expectations. Kenanga's Cloud Adoption Strategy is executed through a two (2)-pronged approach:

##### Approach #1 – Public Cloud

We will leverage public cloud infrastructure services, such as Azure and Amazon Web Services ("AWS"), to accelerate time-to-market, enhance scalability and improve resiliency for new cloud-native applications.

##### Approach #2 – Private Cloud

In 2025, we successfully completed Private Cloud technology stack implementation in our data centres. This included repurposing existing infrastructure, implementing a cloud management portal capable of monitoring and managing servers, storage and network resources on both on-premise and public cloud services.

#### Azure Enterprise Skilling Initiative ("ESI")

We are strengthening the technical capabilities of our IT workforce through Microsoft's Azure ESI by building the skills and knowledge required to deliver Azure-related projects and initiatives. This includes structured training and professional certifications. In 2025, our IT personnel completed more than 19 Azure training courses, recording a total of 26 training hours.

#### Greening Data Centres

Enhancing the sustainability of our data centres remains a strategic priority, reflecting our commitment to operational efficiency and environmental responsibility. Launched in 2023, the programme focuses on optimising energy consumption and improving overall energy performance across our infrastructure.

The initiative includes upgrading servers, storage and network equipment to more energy-efficient models, alongside expanding server virtualisation to improve resource utilisation. While system functionality remains unchanged, the upgraded infrastructure incorporates greener materials and more efficient design.

In 2025, in line with the completion of the Private Cloud platform, we migrated all mission-critical systems to the platform, enabling us to optimise and consolidate all resources and reduce the data centre's footprint. We leveraged on modern technologies, such as the HPE ProLiant Gen11 Servers, which have lower power and cooling requirements, helping to reduce carbon footprint and align with Kenanga's sustainability practices.

#### FUTURE OUTLOOK

Moving forward, Kenanga will continue to build resilience, drive innovation and enhance operational efficiency by focusing on security, optimisation and advanced capabilities. This will include implementing multiple portfolio enablement in KDI, centralised cash management, tokenisation, e-corporate action, cloud consolidations and ransomware protection across the Group.

## SUSTAINABLE ECONOMIC GROWTH

## SUSTAINABLE ECONOMIC GROWTH

## CYBER SECURITY



GRI 3-3, 418-1

## 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. 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.

## OUR APPROACH

The foundation of our IT governance comprises IT policies guiding our approach to managing cyber risks and responding to security incidents.

## Key Policies and Framework

- Cyber security risk is a component of Kenanga's **Enterprise Risk Management Framework**.
- Regulatory guidelines, such as Bank Negara Malaysia's Risk Management in Technology ("RMiT") set the foundations for Kenanga's Cyber Security Policy.
- Various privacy legislations, such as the Financial Services Act 2013, the Securities Industry (Central Depositories) Act 1991, BNM's Management of Customer Information and Permitted Disclosures and the Personal Data Protection Act 2010 ("PDPA") are incorporated into the Group Confidential Information Policy.
- The Group Confidential Information Policy governs all data usage within Kenanga Group, with data assets categorised into three (3) classifications: Regulated Confidential, Unregulated Confidential and Public. Payment and settlement-related applications and systems (such as RENTAS and FAST) also fall under this policy.
- Sensitive data discovery is integrated into the Information Asset Inventory and managed through the Data Loss Prevention ("DLP") tool, of which DLP rules are aligned with the Group Confidential Information Policy.
- The increasing reliance on cloud computing and the shift towards a "work-from-anywhere" model resulted in the creation of Project Zero Trust, where employees can work seamlessly and securely through an agile network and security architecture that meets RMiT requirements.

## Strategy

## PROJECT ZERO TRUST

Kenanga's Project Zero Trust has completed its implementation in three (3) phases, from the initial rollout at Headquarters, extension to branches to the final optimisation with policy reviews. In 2025, the Group enhanced its cyber security posture by implementing additional enterprise-wide security and access management measures across its technology environment, building on its existing Zero Trust approach.

These new measures have strengthened network security and access control by providing clear visibility into a user's activities, as well as ensuring that access is granted only to the resources necessary for a user's role. Faster responses to suspicious behaviour are also made possible with continuous monitoring and threat detection.

## Data Loss Prevention Framework

Kenanga's DLP Framework outlines data protection measures for sensitive information across various mediums to protect against cyber threats. While the DLP project was initially conceived to enhance visibility over data processes within the organisation, it is now leveraged to monitor confidential information across all data egress channels. The DLP framework frequently reviews, classifies and prioritises protection of confidential data, such as enforcing strong access controls and adopting least-privilege principles, such as reducing privileges for employees serving notice periods.

To foster a security-conscious culture and encourage reporting of potential incidents, ongoing awareness training supplemented by phishing simulations is made available to employees. These also include the latest regulatory requirements. The DLP system detects and triggers an alert when customer data or confidential information is being shared with external parties or copied to external mediums as all activities across the network are monitored. A Privacy Notice is available on our corporate website which details the scope of practice with regards to customers' data, prioritising customer awareness and transparency.

## Risk Management

## Strengthening Cyber Resilience

In 2025, we advanced our cyber resilience capabilities through a series of targeted measures designed to reduce operational, technology and data-security risks, while enhancing organisational readiness and supporting long-term resilience.

## Securing Customers' Data

To mitigate risks of data leakage and strengthen protection of customer information, we:

- Maintained DLP solutions to detect and stop internal data leaks.
- Upgraded virtual patching to shield servers from vulnerabilities prior to applying full security patches.
- Sustained Cloudflare safeguards to protect web applications against cyber attacks.

These measures strengthen system defences and reduce the likelihood of disruption, reputational harm and financial loss.

## Improving Incident Response Mechanism

- To reduce operational disruption risks, we conducted three (3) technology stress tests to evaluate our readiness for severe cyber incidents or technical failures. The insights gained strengthen recovery capabilities and improve overall resilience.

## Undergoing Regulatory Audit

- The Group participated in Bursa Malaysia's annual technology and cyber audit, reinforcing compliance, transparency and governance expectations.

## Strengthening Employee Data Protection

To address identity-based and endpoint risks, we:

- Enhanced mobile-device management to better safeguard corporate information stored on employee devices.
- Renewed Microsoft 365's E5 security suite, providing advanced endpoint, identity and threat-protection capabilities.

These enhancements strengthen our defence posture and reduce exposure to internal and external cyber threats.

SUSTAINABLE ECONOMIC GROWTH

SUSTAINABLE ECONOMIC GROWTH

**Fostering Cyber Awareness Among Employees**

Recognising that employees are a critical line of defence, we:

- Engaged cyber security experts to build deeper capability within the Digital, Technology & Transformation division.
- Conducted compulsory monthly cyber security training for all employees.
- Performed regular phishing simulations, achieving a **92% detection success rate** through four (4) mock-phishing exercises.
- Reinforced awareness through online quizzes and continuous learning activities.

This reduces human-error risks and strengthens organisation-wide vigilance.

**Enhancing Cyber Resilience Through Enhanced Security Controls**

To strengthen system-level protection, we:

- Implemented enhanced cyber security controls and monitoring capabilities to better protect against identity-related risks and malware threats.
- Enhanced Active Directory security to prevent, detect and recover from identity-based attacks, a key defence against ransomware and advanced persistent threats.

These upgrades improves our ability to prevent, detect and respond to cyber threats, thereby enhancing overall operational resilience.

**FUTURE OUTLOOK**



Looking ahead, Kenanga will further strengthen cyber security through its Zero Trust Phase 2 project, focusing on breach simulation exercises, Active Directory protection, threat detection and response, and cyber recovery. This is in line with the Group's DLP Framework and IT Strategy 2023-2027, which will enhance security and capabilities in 2026.

**CLIENT EXPERIENCE**



GRI 3-3

**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's long-term growth and positive stakeholder impact.

**OUR APPROACH**

We are committed to upholding ethical principles and honesty in the way we communicate our products and services. This is achieved by ensuring that marketing materials and claims comply with Group policies aligned with applicable laws and regulations. We also engage regularly with clients and the public through various customer touchpoints to continuously strengthen relationships and sustain long-term growth.

**Key Policies and Governance Framework**

We ensure that all information communicated through prospectuses and memoranda is accessible by the public and complies with the relevant laws and regulations of the following regulators and institutions:

Regulator/ Institution	Law and Regulation
Bank Negara Malaysia	Financial Services Act (2013)
Ministry of Domestic trade, Co-operatives and Consumerism of Malaysia	Consumer Protection Act (1999)
Advertising Standards Advisory Malaysia	Malaysian Code of Advertising Practice
Companies Commission of Malaysia	Companies Act 2016 Section 30 (2)
Bursa Malaysia	Bursa Securities Rules & Bursa Derivatives Rules
Securities Commission Malaysia	Guidelines on Advertising for Capital Market Products and Related Services

In addition to national laws and regulations, we comply with the following Group policies, which are accessible by all employees via Policy and Procedure Governance System ("PPGS"). We review and revise these policies periodically to ensure they are aligned with the latest national requirements. In 2025, we updated the Group Advertisement Policy and Group Social Media Policy to align with new requirements issued by the Securities Commission Malaysia:

Group Advertisement Policy	Group Social Media Policy	Group Media Relations Policy	Group Complaint Handling Procedure
Describes guiding principles, regulatory requirements and guiding frameworks for Kenanga Group's communications undertaken via traditional and digital advertisements.	Contains guiding principles and an employee participation framework that sets standards for appropriate behaviour, outlining procedures and guidelines for the Group's communications on its social media platforms.	Establishes guiding principles and a framework within the Group in its engagements with print, electronic and broadcast media.	Establishes guiding principles and a framework within the Group for its complaint handling processes and procedures for all stakeholders.

SUSTAINABLE ECONOMIC GROWTH

To ensure responsible communication, we have implemented robust internal procedures to guide the development and distribution of promotional and marketing materials. As part of our efforts, we ensure that all types of communications are reviewed and approved by the Approving Authority before they are shared with clients and the public.

**Establishing a Client-Centric Strategy**

We focus on listening to and meeting the diverse needs of our existing and prospective clients through various engagement platforms that enable two (2)-way communication. This allows us to gather insights and feedback to continuously improve our services and enhance client experience.

**Engagement Channel**

**Digital Communication Platforms**

- Communicate and market all latest promotions, product information and corporate news.
- Enable direct engagement and responses to queries, feedback and complaints, with social media platforms providing swift response, while more in-depth queries are addressed through Kenanga's corporate websites.
- Platforms include Kenanga's corporate websites and social media channels, such as Instagram, LinkedIn, Facebook, Telegram and TikTok.

**Telephony Support**

- Enable customers to reach out to Kenanga for information, advice and assistance in handling customer queries and complaints.

More details can be found at: <https://www.kenanga.com.my/contact-us>.

**Physical Branches**

- Complement Kenanga's digital platforms by offering services across all our physical branches in Malaysia.

More information is available at: <https://www.kenanga.com.my/branches>.

**Combatting Financial Scams**

We are committed to protecting our clients from financial scams while reinforcing the integrity of the financial system. Fraudulent activities weaken trust in financial institutions and markets, resulting in lower investor and consumer confidence.

Kenanga maintains a streamlined process to handle scam and fraud reports efficiently. When clients report an incident via hotline or email, key details of the identified issues are recorded and the affected account is immediately secured by suspending access or resetting passwords. Cases are then escalated to the relevant Complaints Officer, who verifies whether the issue relates to Kenanga's products, services or representatives and initiates investigations where required. Matters involving potential fraud are reported to the Fraud and Ethics Officer and Group Marketing, Communications and Sustainability for awareness and alerting. All actions are logged and clients are updated on the outcome, ensuring a timely, transparent and coordinated response.

We remain proactive in raising awareness and educating our clients through our corporate websites and the social media platforms we use to engage with the public. Our scam awareness efforts on these channels are updated regularly to highlight practical prevention tips and common financial scams to help clients stay vigilant.



To support the reporting of scam-related complaints, we have established a dedicated email and hotline. Scan here or visit the link for more information: <https://www.kenanga.com.my/news/articles/stay-smart-stay-alert/>.

**FUTURE OUTLOOK**



In addition to enhancements made to the Group Advertisement Policy and Group Social Media Policy, the Group Complaint Handling Procedure—which guides how the Group manages and responds to stakeholder complaints—is being updated to further strengthen our ability to safeguard clients against scams, online fraud and misinformation, ensuring a more strengthened and client-centric approach moving forward.

# ENVIRONMENTAL STEWARDSHIP



**MATERIAL MATTER**

Climate Impact

**Alignment to UN SDGs:**



## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

## CLIMATE IMPACT



GRI 3-3, 305-1, 305-2, 305-3

IFRS S2 6 (a), 6 (b), 6 (a), 10 (a), 10 (b), 10 (c), 10 (d), 22 (a), 22 (b), 25 (a), 25 (b), 25 (c), 29 (a)

## 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, Scope 2 and material Scope 3 Greenhouse Gas ("GHG") emissions enhances operational resilience, supports transition preparedness and reflects our commitment to responsible business practices.

## OUR APPROACH

We manage climate-related matters in accordance with our internal governance framework, including the Climate Change Risk Management Framework, Group Sustainability Policy and Group Procurement Policy. These policies guide how we identify and manage climate-related risks and environmental considerations across our operations, products and services. Our approach is aligned with the Group's net-zero emissions goal by 2050, supported by the Decarbonisation Roadmap developed in 2025, which aligns our goals to the nation's transition to a low-carbon economy.

Beyond our internal operations, we apply sustainability-related requirements in our supply chain due diligence through the Group Code of Conduct for Vendors.

All our vendors are subject to ESG assessment as part of the onboarding process to assess alignment with our expectations. In relation to clients, we promote responsible practices through relevant products, services and engagements, where applicable. These efforts form part of our broader approach to integrating environmental and climate risk considerations into our business activities.

We encourage responsible use of resources, including electricity, water and paper, across our operations. This includes measures to reduce resource consumption where practicable and to minimise waste generation across our value chain. Additionally, we raise awareness among employees through the #GreenAtWork initiatives, inculcating a culture of sustainability while fostering environmentally-responsible workplace practices.

## Managing our Climate Impact

Building on our alignment with the NSRF implementation requirements, the Group is undertaking a phased transition towards the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board. The Group's climate-related disclosures are structured around the four (4) core pillars of Governance, Strategy, Risk Management, and Metrics and Targets. This approach aligns with internationally recognised reporting standards and Bank Negara Malaysia's Policy Document on Climate Risk Management and Scenario Analysis, which sets regulatory expectations for the identification, assessment and disclosure of climate-related risks.

## Governance

The Group's climate-related risks are governed by a structured governance framework with oversight from the KIBB Board and Group Board Risk Committee ("GBRC"), together with Management Committees, Business Units and Group Risk Management. Our climate governance structure is responsible for assessing, monitoring and mitigating climate risks, ensuring alignment with the Group's strategic objectives and regulatory requirements. The roles and responsibilities of each governance body are set out in the Board Charter and Terms of Reference ("TOR") and summarised in the following tables:

## Board and Management's Oversight of Climate-related Risks and Opportunities

Board and Management Committees	Roles and Responsibilities
<b>Board of Directors ("Board")</b>	Oversees climate risk management initiatives and is responsible for ensuring that climate risks are incorporated across our governance process, strategy, and business operations.
<b>Group Board Risk Committee ("GBRC")</b>	Supports the Board in its supervisory role, overseeing all aspects of risk management throughout the Group, including climate risk management.
<b>Audit Committee ("AC")</b>	Supports the Board in overseeing sustainability and climate risk management processes, including the Group's internal control system to ensure compliance with statutory and regulatory requirements.
<b>Group Governance, Nomination and Compensation ("GNC")</b>	Functions as an independent Board Committee to support the Board in providing oversight on material sustainability risks, including climate-related risks, particularly to ensure sustainability governance within Kenanga and facilitate alignment and compliance with applicable statutory and regulatory requirements.
<b>Group Sustainability Management Committee ("GSMC")</b>	Supports the governance and implementation of sustainability matters, providing oversight and input to ensure that the Group's strategies, policies, goals, programmes and initiatives related to sustainability matters are aligned with the Group's commitment towards sustainability.
<b>Group Risk Committee ("GRC")</b>	Provides risk management oversight for the Group, including reviewing and recommending frameworks, policies, processes and procedures, as well as evaluating climate risk-related propositions from Group Risk Management, Business Units or support units within the Group.
<b>Group Credit Committee ("GCC")</b>	Oversees the climate risk profiles and asset quality in ensuring that the climate risks undertaken are within prescribed levels. Separately, the GCC reviews the policies and procedures related to climate risk activities before submitting them to the GRC for endorsement.

## Board and Management's Oversight of Climate-related Risks and Opportunities

Board and Management Committees	Roles and Responsibilities
<b>Delivery and Business Units</b>	
<b>Group Risk Management ("GRM")</b>	Oversees all aspects of risk, including credit risk, market and liquidity risk, operational risk, technology risk, climate risk, and any other relevant risks within the Group. The GRM develop frameworks to integrate climate-related risks into governance processes, business strategies and operations. In addition, it conducts independent assessments of appraisals made by the Business Units from a climate risk perspective, carries out climate risk scenario analyses and stress-testing exercises, analyses data and provides relevant reports to the GRC, GBRC and Board. The GRM also offers advisory support to the Business Units on climate-related matters.
<b>Divisions/ Departments/ Business Units</b>	The Head of the relevant Divisions/ Departments/ Business Units ensures alignment of business strategies with the Group's climate risk objectives, conducts climate risk assessments in financing or investment proposals, applies climate risk insights to define target markets and exercises due diligence to avoid supporting activities that may negatively impact climate change.

## Frequency of Meeting on Climate-related Matters

## KIBB Board (convened twice a year)

- 30 April, the Board reviewed and discussed the updates to the Climate Change Risk Management Framework ("CCRMF") together with the findings of the Climate Risk Stress Testing ("CRST") exercise.
- 10 December, the Board deliberated on the tabled Sustainability Risk Management Framework ("SRMF").

## GBRC (convened twice a year)

- 21 March, the GBRC reviewed the CCRMF updates and the CRST report.
- 2 December for the deliberation of the SRMF.

## GRC (convened twice a year, with monthly reporting)

- 19 February, the GRC assessed the updated CCRMF and the CRST outcomes.
- 24 November, meeting to review the SRMF.
- GRC receives monthly climate risk reports to support continuous climate risk oversight.

## GCC (convened as when needed, with monthly reporting)

- 21 February, the GCC reviewed the updates on CCRMF.
- GCC receives monthly climate risk reports to maintain visibility over emerging climate-related credit risks.

## GSMC (convened as when needed)

- 28 November, the GSMC discussed the recommendation of SRMF via circulation.

## Embedding Climate-related Accountability

The Group views the linkage between climate-related KPIs and executive performance assessment as an important mechanism in reinforcing accountability for climate-related responsibilities across senior leadership. The inclusion of these KPIs within the Balanced Scorecard framework supports consistent implementation across the Group and allows sustainability considerations to be evaluated alongside financial and operational objectives.

The Group will continue to review and refine the application of these KPIs within executive remuneration frameworks, including the scope of metrics, assigned weightages and monitoring processes, to support effective sustainability and climate risk management and execution of the Decarbonisation Roadmap.

## Enhancing Leadership Capabilities

To keep up to date with the latest developments in sustainability and climate change, the Board and Senior Management Team attended the following training programmes in 2025:

## The Board's ESG Training

- National Climate Governance Summit
- Climate Talk...Or Last? by Asia Business School
- Kenanga's Directors' In-House Training: ESG – Just Transition for Board Leadership by PwC
- Setia Sustainability Day 2025 by S P Setia
- Carbon Markets and Transition Credits
- Climate Governance Malaysia Roundtable Series 2025:
  - Blended Finance Access
  - Principle to Action: Shaping Malaysia's Just Transition

## Senior Management Team's ESG Training

- Developing Integrated Health, Environment and Climate Strategy for Your Company
- National Climate Governance Summit 2025 by Climate Governance Malaysia
- SC's Climate Adaptation & Resilience Conference 2025
- The Evolving Financial Industry - Technology Driven Banking and Capital Markets, Fintech Credit and ESG
- Carbon Capture, Utilisation and Storage ("CCUS") Market Perspectives by MIBA
- 4<sup>th</sup> Annual Sustainability Week Asia

As part of Kenanga's ThinkIMPACT campaign, themed "Leading with Purpose, Inspiring Sustainable Impact", we organised a Board engagement session delivered by our industry partner, Thoughts in Gear, titled "From Strategy to Impact: Boardroom Leadership in Just Transition." Led by sustainability expert Margie Ong, the session strengthened Directors' understanding of just-transition principles and enhanced Board capability in overseeing climate strategy and governance for long-term value creation.

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

**Advancing Industry Leadership in Climate Governance**

The Group's leadership actively participates in key regulatory and industry platforms, including Bursa Malaysia's Sustainable Development Committee and the Joint Committee on Climate Change ("JC3"), which focuses on climate risk management and sustainability-related priorities. Through these engagements, the Group contributes to the development of industry best practices, supports constructive policy dialogue on climate-related matters and reinforces its role in advancing the broader sustainability agenda.

Name and Title	Key Roles and Industry Involvement
<b>Datuk Chay Wai Leong</b> Group Managing Director of Kenanga Investment Bank Berhad & Chairman of the Group Sustainability Management Committee	<ul style="list-style-type: none"> <li>Member of the Sustainable Development Committee, a Board Committee of Bursa Malaysia, which oversees development and implementation of sustainability strategies to ensure alignment with the Malaysian Code on Corporate Governance.</li> </ul>
<b>Datuk Wira Ismitz</b> <b>Matthew De Alwis</b> Chief Executive Officer/ Executive Director of Kenanga Investors Berhad	<ul style="list-style-type: none"> <li>Member of Joint Committee on Climate Change, a collaborative initiative by Bank Negara Malaysia and the Securities Commission to build climate resilience in Malaysia's financial sector.</li> <li>Vice Chairman of the Institutional Investors Council ("IIC") Malaysia, which represents institutional investors and promotes good governance and responsible investment practices.</li> <li>Member of the Bursa Malaysia Securities Market Consultative Panel, which provides industry input to Bursa Malaysia on market policies and development initiatives.</li> <li>Member of the Sustainable Investment Platform Steering Committee – Malaysia Sustainable Investment Initiative, which drives the growth of sustainable and climate-aligned investments in Malaysia.</li> <li>Chairperson of the Malaysian Association of Asset Managers, an industry body representing licensed asset managers, promoting standards, professionalism and capability building.</li> </ul>
<b>Mr Tai Yan Fee</b> Group Chief Risk Officer	<ul style="list-style-type: none"> <li>Member of the Climate Change Principles Taxonomy ("CCPT") Implementation Group – Editorial Sub-Group, to support its consistent and credible implementation by financial institutions in Malaysia.</li> <li>Supports the CCPT Implementation Group's Editorial Sub-Group by refining industry materials to promote consistent CCPT adoption, improving the frequently asked questions and due diligence questions to provide clearer guidance for financial institutions and helping strengthen alignment in climate-risk classification and assessment practices.</li> </ul>

**Strategy**

At Kenanga, we assess and manage our climate-related risks and opportunities ("CROs") to support the Group's business resilience, financial performance and regulatory alignment, in accordance with Bank Negara Malaysia's Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document and other applicable climate-related regulations and frameworks. This includes evaluating the potential financial implications of climate risks across relevant time horizons, such as impacts on revenue, cost structures, asset values and credit exposures, to ensure informed decision-making and strengthen the Group's long-term strategic readiness.

Our climate strategy is informed by key activities, including our Climate Risk and Opportunities Identification Exercise, Climate Risk Stress Testing ("CRST"), Climate Risk Scenario Analysis ("CRSA"), and the measurement of financed emissions, which together strengthen our understanding of climate-related exposures and further guide our transition planning.

**Climate Risk and Opportunities Identification Exercise**

The climate risk and opportunities identification exercise was focused on its credit portfolio and is intended to expand across other business units as relevant. The exercise enabled the Group and the participating business units to assess the identified key risks from the physical, transition and liability risk categories across the time horizons, namely short-, medium- and long-term. These defined horizons (1–3 years, 4–10 years, and 10–30 years) align with the BNM's CSRT methodology paper. The assessment applied impact and likelihood ratings to support the prioritisation of material risks and to inform the development of appropriate mitigation and risk management strategies.

**Process of Climate Risk and Opportunities Identification**

The climate risk and opportunities identification exercise follows a structured process beginning with the development of a template to capture key risks and opportunities, followed by defining the scope and conducting briefing sessions for units. Risk ratings and opportunity inputs provided by the business units, were reviewed and refined by Group Risk Management before being consolidated into Group- and BU-level profiles. Group Sustainability reviews the identified opportunities, while Group Finance and the respective business units assess the potential financial implications to support a more robust qualitative analysis. Climate risks were rated based on likelihood and impact after taking existing risk controls into account. Their financial implications were qualitatively assessed in line with IFRS S2 disclosure expectations. Potential opportunities were identified for future consideration.

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

Our climate risk and opportunities identification exercise is guided by three (3) core climate risk categories, supported by the key drivers that shape their potential impacts on our business.

<p><b>Physical risk</b></p> <p>Physical risk is assessed on the potential impact of acute and chronic climate events that may result in asset damage, business disruption and operational outages (e.g. credit and operational risk).</p>	<p><b>Physical Risk – Chronic: Rising Temperature</b></p>	<p>Risks from extreme weather events and long-term climate change causing asset damage, business disruptions, supply chain delays, productivity losses, and operational outages for clients and our business.</p>
<p><b>Transition risk</b></p> <p>Transition risk is assessed on the potential impact of the shift towards a low-carbon economy that may result in higher costs, reduced demand or stranded assets (e.g. credit, market, legal/ compliance and reputational risk).</p>	<p><b>Change in Policies</b></p>	<p>Risks from evolving climate policies, regulations and disclosure requirements, leading to higher compliance costs and potential credit and reputational impacts.</p>
	<p><b>Shift in Market Demand and Sentiment</b></p>	<p>Risks driven by shifts in client and stakeholder preferences towards low-carbon practices, potentially resulting in loss of business, reduced demand, and weakened credit profiles.</p>
	<p><b>Carbon Tax</b></p>	<p>Risks from carbon taxes and Carbon Border Adjustment Mechanism (“<b>CBAM</b>”) leading to higher operating costs, stranded assets and market access constraints, particularly for carbon-intensive sectors.</p>
	<p><b>Technological Advancement</b></p>	<p>Risks from rapid low-carbon technological advances where failure to adapt may reduce competitiveness, increase costs, and result in stranded assets.</p>
<p><b>Liability risk</b></p> <p>Liability risk is assessed on the potential impact of climate-related legal and regulatory actions that may result in financial loss and reputational damage (e.g. legal, reputational and credit risk).</p>	<p><b>Climate Liability</b></p>	<p>Risks of legal action, regulatory scrutiny or reputational damage arising from inaccurate climate disclosures, unmet commitments or misaligned financing activities.</p>

**Key Risk Areas Assessed in the Identification Exercise**

The following six (6) key climate risks and enterprise risk management framework’s risk categories were assessed across the Group and the selected BU levels:

<p><b>Physical Risk – Acute and Chronic: Rising Temperature</b> <i>Credit Risk, Operational Risk</i></p>	
<p><b>Effects on Business Model and Value Chain</b></p> <ul style="list-style-type: none"> <li>• May impact client assets, disrupt operations and supply chains, increase operating and insurance costs, reduce productivity and affect revenue. This may affect clients’ financial resilience and credit profiles, especially for those in exposed sectors or locations.</li> <li>• Supply chain disruptions may arise if key suppliers, logistics providers or customers are affected by flooding or heatwaves, resulting in delays and higher input costs.</li> <li>• May disrupt operations at the Group’s branches, headquarters and data centres causing service interruptions and system outages. (CRST assessment concludes that our operational location is not located at high-risk areas.)</li> </ul>	<p><b>Potential Financial Impact</b></p> <ul style="list-style-type: none"> <li>• Limited operational disruption risk due to established remote working capabilities.</li> <li>• Potential revenue and credit impact from reduced client repayment capacity when physical risks disrupt business continuity.</li> <li>• Potential increase in Expected Credit Loss (“<b>ECL</b>”) from collateral revaluations or repayment challenges (However, this is assessed in the CRST exercise and it is concluded that the ECL impact of the Group is not material.)</li> </ul>
<p><b>Transition Risk – Changes in Policy</b> <i>Legal/ Compliance Risk, Reputational Risk, Credit Risk</i></p>	
<p><b>Effects on Business Model and Value Chain</b></p> <ul style="list-style-type: none"> <li>• May increase compliance costs, regulatory scrutiny and the potential enhancement for internal systems, controls and reporting processes.</li> <li>• Potential operational and compliance pressure across the value chain.</li> <li>• Clients that are exposed to transition risks may experience rising compliance costs, asset impairment risks or reduced access to capital, affecting their financial resilience.</li> </ul>	<p><b>Potential Financial Impact</b></p> <ul style="list-style-type: none"> <li>• Potential increase in cost to align the existing risk models with the evolving regulatory expectations.</li> <li>• Potential increase in capital expenditure to support the development of climate-related capabilities, including enhancements in data, tools and systems required to meet evolving transition needs.</li> <li>• May increase in compliance cost to ensure that the Group’s policy is compliant with regulatory requirements.</li> <li>• Potential impact on revenue linked to shifts in share margin client profiles and associated portfolio exposures, and potential increase in ECL or bad debts which will impact the financial performance of the Group. (However, this is assessed in the CRST exercise and it is concluded that the ECL impact of the Group is not material.)</li> </ul>

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

**Transition Risk – Shift in Market Demand and Sentiment***Reputational Risk, Market Risk, Credit Risk, Strategic Risk***Effects on Business Model and Value Chain**

- Clients in carbon intensive or climate sensitive industries may face asset stranding, declining valuations and heightened transition risks.
- Credit impacts may arise where clients lose market share, face regulatory penalties or reduced access to capital due to slow adaptation to climate expectations.
- Strategic impacts may occur if clients shift to financial institutions offering stronger or more comprehensive transition-aligned solutions, leading to potential loss of business opportunities.
- Misalignment between stakeholder expectations and the Group's pace of adoption or promotion of climate-aligned products may give rise to adverse perceptions.
- Market-related impacts may arise as investor sentiment shifts away from sectors exposed to higher climate risk.

**Potential Financial Impact**

- Potential adjustments to the Group's financial position as climate-related risks become more material.
- Potential impact on revenue if the Group adopts a more selective approach toward ESG-aligned clients.
- Potential credit risk implications, including higher provisioning needs, where clients struggle to adapt to evolving climate expectations. (Climate risk assessment processes will continue to identify and monitor such exposures.)
- Potential increase in compliance and operational costs due to enhanced monitoring, reporting and disclosure requirements.

**Transition risk – Carbon Tax***Legal/ Compliance Risk, Credit Risk***Effects on Business Model and Value Chain**

- Clients in high-emitting industries face rising compliance costs, disclosure obligations and potential penalties under tightening climate policies, affecting their financial resilience. This may affect clients' profitability and debt servicing capacity, increasing credit risk.
- The Group may face indirect compliance and reputational risks where clients struggle to meet carbon pricing or reporting requirements.

**Potential Financial Impact**

- Potential impact on portfolio exposure as clients in high emission sectors face rising operating costs from evolving carbon-related policies and market pressures.
- Potential reputational and regulatory challenges linked to carbon intensive exposures, though expected to be limited as the Group increasingly aligns client and sector selection with its sustainability objectives.

**Transition risk – Technological Advancement***Reputational Risk, Market Risk, Credit Risk, Strategic Risk***Effects on Business Model and Value Chain**

- Declining value of legacy and fossil fuel-dependent technologies, along with potential asset stranding, may affect both client asset values and the Group's investment and trading portfolios.
- Credit risks may increase as clients undertake high-capital expenditure technology investments that strain cash flows. Clients that are slow to adapt may face weaker competitiveness, lower revenues and higher default risk, with emerging tech sectors adding uncertainty due to limited operating history.
- Potential strategic and reputational risks if the Group's products, services or advisory capabilities do not keep pace with technology-driven and low-carbon sector developments, or if the Group is perceived as not supporting clients in their transition.

**Potential Financial Impact**

- Potential increase in capital expenditure to enhance data, tools and systems needed for evolving climate-related and transition requirements.
- Higher investment may be required over time to maintain competitiveness and keep pace with emerging sustainability expectations.
- Potential impact on the value of collaterals as companies that do not adapt to technological, or market shifts may experience declining valuations.

**Liability Risk***Legal Risk, Reputational Risk, Credit Risk***Effects on Business Model and Value Chain**

- Growing regulatory and legal scrutiny on climate-related disclosures and ESG commitments may increase liability risks if the Group's disclosures are inaccurate, incomplete or perceived as greenwashing.
- Potential exposure to lawsuits or enforcement actions from regulators, investors or NGOs for unmet climate targets, inadequate due diligence on financed emissions or misrepresentation of sustainability credentials (currently, there are no enforcing actions by regulators on meeting climate targets or commitments).
- Potential reputational damage and potential legal claims may arise from financing high-emission sectors without credible transition plans.

**Potential Financial Impact**

- Potential increase in compliance and operating costs to meet evolving expectations on climate-related disclosures.
- Possible reputational and financial penalties if disclosures are inaccurate, incomplete or perceived as misleading.
- Potential credit and reputational impact if clients affected by physical risks face repayment difficulties, leading to higher ECL or write-offs. (However, this is assessed in the CRST exercise and it is concluded that the ECL impact of the Group is not material.)

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

## Top three (3) Key Risks Identified Across Different Time Horizons

Short-term	Medium-term	Long-term
Transition Risk - Changes in Policy	Transition Risk - Changes in Policy	Transition Risk - Shifts in Market Demand and Sentiment
Liability Risk	Transition Risk - Technological Advancement	Transition Risk - Technological Advancement
Transition Risk - Carbon Tax	Liability Risk	Transition Risk - Changes in Policy

Based on the climate risks and opportunities identification outcome, all climate-related risks were assessed as “low” across the short-, medium- and long-term horizons with their level of significance varying across the different time horizons. The top three (3) risks identified are predominantly transition risks, which are expected to be more significant in the long-term. Other risks, such as liability risks, are anticipated to be more relevant in the short- to medium-term; however, their impact remains low given the controls and initiatives currently in place. Physical risks are not considered key risks across all the three (3) time horizons, as the Group's operational and portfolio resilience remains strong. The Group will continue to enhance its internal assessments and closely monitor exposure to physical, transition and liability risks.

## Opportunities Identified in the Assessment

The assessment resulted in the identification of six (6) potential opportunities that could support the Group's product expansion and enhance value for its clients based on the relevance to the respective business units.

## Identified Climate Risks &amp; Opportunities

Risks	Opportunities
Transition Risk – Changes in policy; Shift in market demand and sentiment; Carbon Tax; Technology advancement	Financing clients to facilitate their transition to a low carbon economy
Transition Risk – Shift in market demand and sentiment	ESG investment portfolios and stakeholder engagement
Transition Risk – Changes in policy; Shift in market demand and sentiment; Reputational	Green shared margin financing, preferential pricing or product innovation
Physical Risk – Chronic & Acute	Adaptation instruments (e.g., adaptation bonds)
Transition Risk – Changes in policy; Carbon tax	Transition advisory & compliance support (including Carbon Board Adjustment Mechanism or carbon tax implementation)
Transition Risk – Changes in policy; Shift in market demand and sentiment; Liability risk	ESG screening and policy-aligned investment tools

As the opportunities are currently exploratory in nature, the respective business units will be engaged to evaluate and prioritise them to ensure alignment with business needs and strategic relevance.

## Outcome analysis

The climate risk assessment indicates that the Group's overall exposure to climate-related risks is currently relatively low in the near-term, supported by existing governance structures, risk management processes and control measures. However, risk exposure is expected to increase over the medium- to long-term, primarily due to transition-related risks, which are assessed as the most material across all time horizons.

The assessment identifies a gradual shift in the Group's climate risk profile. In the short-term, climate risks are more closely linked to operational and liability considerations, while longer-term risks may evolve into broader strategic and business model implications as global decarbonisation pathways accelerate. Although physical risks are currently less material, they are expected to grow over time as exposure to chronic hazards increases, potentially influencing operational resilience and asset performance.

As this represents the Group's first integrated assessment of climate risk and potential financial implications, the findings remain primarily qualitative and are limited to selected business units. Overall, the results suggest that the Group's current strategy and control environment remain resilient, with no material financial impact identified at this stage. Future assessment cycles and scenario analysis will continue to strengthen forward-looking insight and risk understanding.

## Climate Risk Scenario Analysis and Climate Risk Stress Testing

We had conducted both the Climate Risk Scenario Analysis (“CRSA”) which focused on assessing the quantitative impact of climate risks on the credit portfolio and the Climate Risk Stress Testing (“CRST”) exercise which assesses the climate risks and opportunities impact on the businesses qualitatively. Both assessments are intended to complement the outcomes to obtain a comprehensive assessment of the Group's strategy, portfolios and business model under different climate pathways.

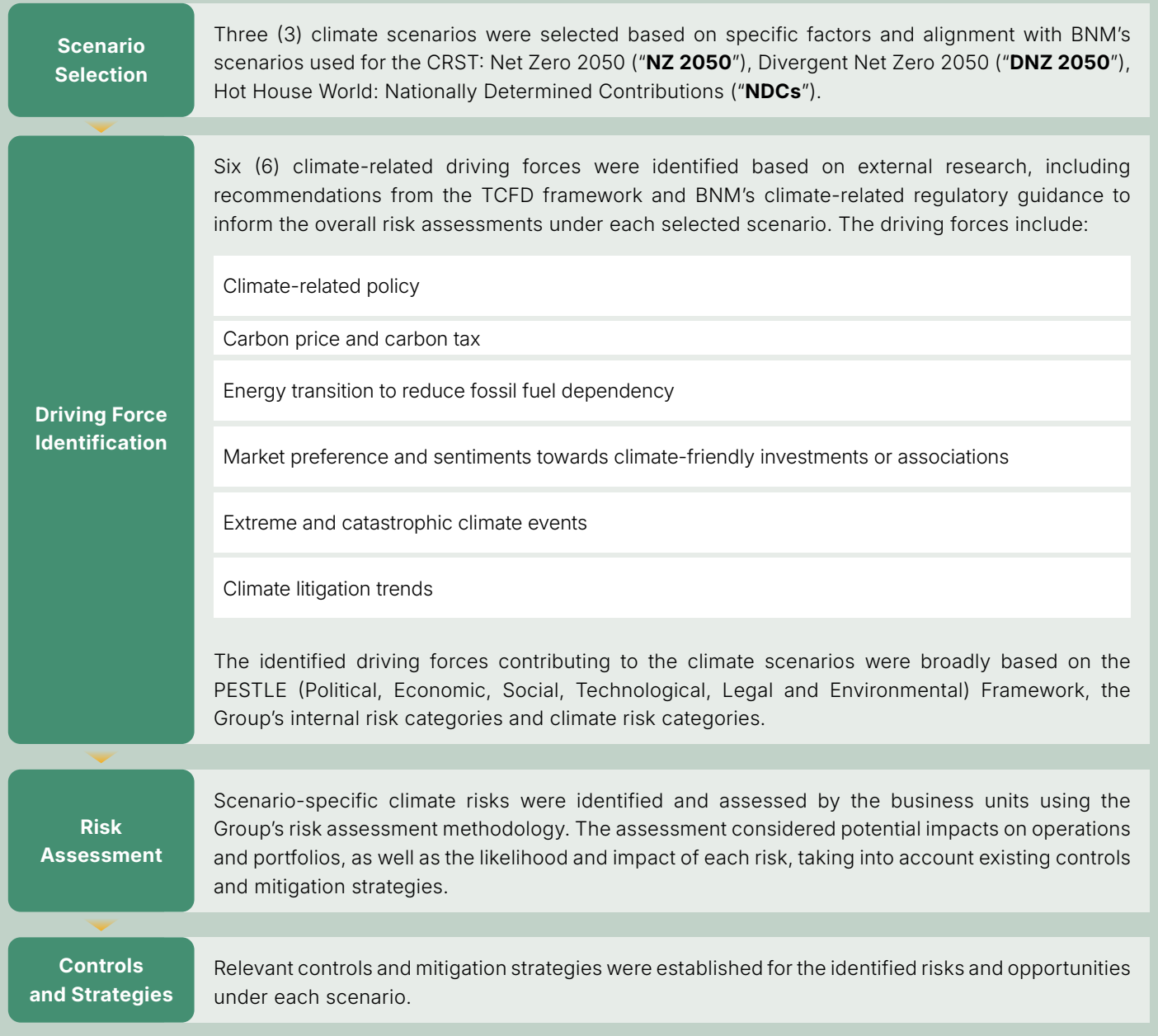
## Climate Risk Scenario Analysis:

The CRSA was conducted as a qualitative exercise to identify the climate-related risks across physical, transition and liability risk due to the evolving climate risk landscape which include regulatory changes, change in market demand, technological advancement and more. This assessment allows us to identify emerging risks and further strengthen our Group's resilience.

The assessment is conducted across the Group's credit portfolio, with plans to expand the scope to other areas and risk categories in future cycles. This phased approach supports alignment with the CSRT methodology and establishes a foundation for broader climate risk integration.

Guided by the Network for Greening the Financial System (“NGFS”) Phase III scenarios, the climate scenario analysis is aligned with the scenarios prescribed in BNM's CSRT methodology. The climate scenario analysis followed a structured process which included scenario selection, driving force identification, risk assessment among the business units and development of controls and strategies.

Climate Scenario Analysis Process



Climate Scenarios Used in the Analysis

Orderly: Net Zero 2050 ("NZ 2050")	Disorderly: Divergent Net Zero ("DNZ 2050")	Hot House World: Nationally Determined Contributions ("NDCs")
<p>Strong climate policies and significant green technology breakthroughs to rapidly reduce greenhouse gas ("GHG") emissions, limiting global warming to 1.5°C.</p> <p>It reflects key features of an early and orderly transition to a low-carbon world.</p> <ul style="list-style-type: none"> <li>Stringent climate policies are applied immediately across all sectors of the economy.</li> <li>Significant innovation and technology breakthrough (e.g. carbon dioxide removal ("CDR") technology and a sharp shift towards renewable energy production) resulting in high transition risk.</li> </ul>	<p>Global climate policies are much more stringent in selected economic sectors, reflecting a quicker phase-out of fossil fuels and the impact thereof.</p> <p>The distributional impacts are uneven from climate policies and varied focus of climate policies being introduced at different points in time.</p> <p>Technology advancements in CDR and renewable energy are lower relative to NZ 2050 reflecting inherent limitations of adequate financial funding and constraints within existing economic structures.</p> <ul style="list-style-type: none"> <li>Medium to higher transition risks, relative to the NZ 2050 scenario.</li> <li>Lower physical risk on the economy than the NDCs scenario.</li> </ul>	<p>The NDCs scenario assumes both implemented and pledged policy measures are fully implemented but remains inadequate to facilitate an orderly transition.</p> <p>While emissions decline, the limited policy actions taken are insufficient and will lead to an approximately 2.5°C increase in temperatures.</p> <ul style="list-style-type: none"> <li>Moderate to severe physical risks.</li> <li>Lower impact from transition risks is expected.</li> </ul>

Outcome of Climate Scenario Analysis Assessment

Climate-related risks associated with each scenario and its underlying drivers were identified and assessed by the business units in accordance with the Group's risk assessment methodology. The assessment considered the potential impacts of these risks on operations and portfolios across the short-, medium- and long-term horizons. The BUs also provided data-driven inputs reflecting current exposures and planned initiatives, while evaluating the likelihood and impact of each risk and documenting existing controls and mitigation measures.

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

As a result of the risk assessment process, the following top three (3) risks and three (3) driving forces were identified on the assessment:

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

In conducting the risk assessment, the respective business units considered the existing controls in place. The table below summarises the key controls implemented to address the identified risks across all three (3) scenarios.

Key Controls	Description
Establishing appropriate governance	Sustainability and risk governance structures are in place. A sustainability and climate-related risk management framework has been established and is regularly updated.
Enhancing the Group's resilience against physical climate risk impact	Business Continuity Plans ("BCPs") for the Group and key stakeholders are maintained to strengthen resilience against physical climate risks.
Monitoring and reviewing of climate risk exposure and mitigation actions	Climate risk exposure is assessed through periodic client reviews, collateral monitoring mechanisms, supplier ESG assessments and the collection of clients' GHG emissions, supported by ongoing client engagement.
Reducing exposure to coal-related investments and lending activities	Measures are implemented to reduce or avoid coal-related investments and lending activities.
Implementing sustainable business practices and decarbonisation initiatives within the Group	The Group implements sustainability initiatives such as installing solar panels, transitioning to electric vehicles, and are guided by the Decarbonisation Roadmap.
Others	Awareness and capacity-building sessions on sustainability and climate change-related topics are conducted regularly. Regulatory reporting on climate-related risks and opportunities has been undertaken since 2022 in line with regulatory reporting requirements under the Sustainability Reporting framework. External audits are conducted annually on the reported data.

**Outcome Analysis**

Based on the qualitative climate scenario analysis, the Group's current business model, strategy and risk management controls indicate a level of resilience across the climate scenarios assessed. The analysis shows that while risk levels increase progressively from NZ 2050 to DNZ 2050 and NDC scenarios, they remain low overall with no material impact identified. The analysis did not identify material vulnerabilities that would significantly affect the Group's operations or financial position under the scenarios considered and the results are broadly consistent with the findings of the climate risk stress testing conducted in 2025.

The assessment also highlighted several limitations that are common in climate risk analysis. In particular, the availability of detailed, forward-looking and location-specific data remains limited, which may affect the precision of scenario modelling and risk quantification at the BU level.

Despite these limitations, the outcomes of the scenario analysis will inform the Group's ongoing risk management and business planning processes. Key insights will be communicated to the relevant business units to support the integration of climate-related risks and opportunities into operational planning, portfolio management and strategic decision-making. Additionally, capacity-building and awareness initiatives will be conducted to strengthen understanding of climate risk scenarios and their potential implications, while promoting greater climate risk awareness and ownership at the BU level.

The Group intends to progressively enhance the scope and depth of its climate scenario analysis. Future assessment cycles will expand coverage to additional business units and incorporate a broader range of climate risk drivers and hazards in order to improve the granularity, robustness and decision-usefulness of the analysis.

**Climate Risk Stress Testing ("CRST")**

CRST exercise assesses the potential impact of climate change on the Group's business across different sectors and geographical regions under various stress scenarios. The exercise evaluates both transition and physical risks ranging from policy and technological shifts to acute and chronic climate hazards to determine the Group's resilience. The assessment draws on scenario-based projections to estimate potential financial impacts, including effects on collateral values or business operations.

The approach and scenarios used are aligned with BNM's expectations and referenced the CRST Methodology Paper. The scenarios are based on the NGFS Phase III scenarios (refer to section above for scenario definition) which are namely the NZ 2050, DNZ 2050 and NDCs and additionally the RCP 8.5 one-off 1-in-250 years flood event.

The exercise is focused on the credit portfolio of the Group as it assesses the potential financial impact (Expected Credit Loss) across the different climate scenarios and time horizon. There are two (2) methodologies used in the completing this exercise, the Bottom-up approach and the Top-down approach.

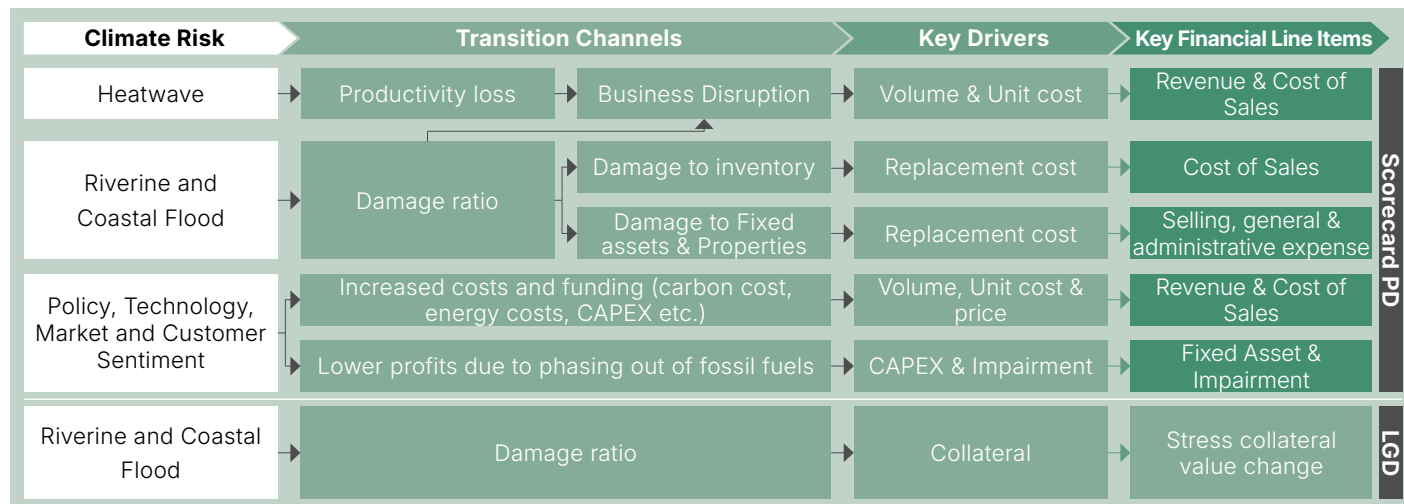
**Climate Risk Stress Testing Process:**

- Scope of Application and Assessment: Covers physical and transition climate risks.
- Information/ Data Compilation: Various extensive external and internal data are required. Such as:
  - External data: Pass-through rate, energy mix of each NGFS sector, loan distribution ratio, flood depth and inundation map, damage ratio, labour productivity studies and other climate-related datasets.
  - Internal data: Client's financial statement, collateral information, client address, ECL data, and other internal datasets.

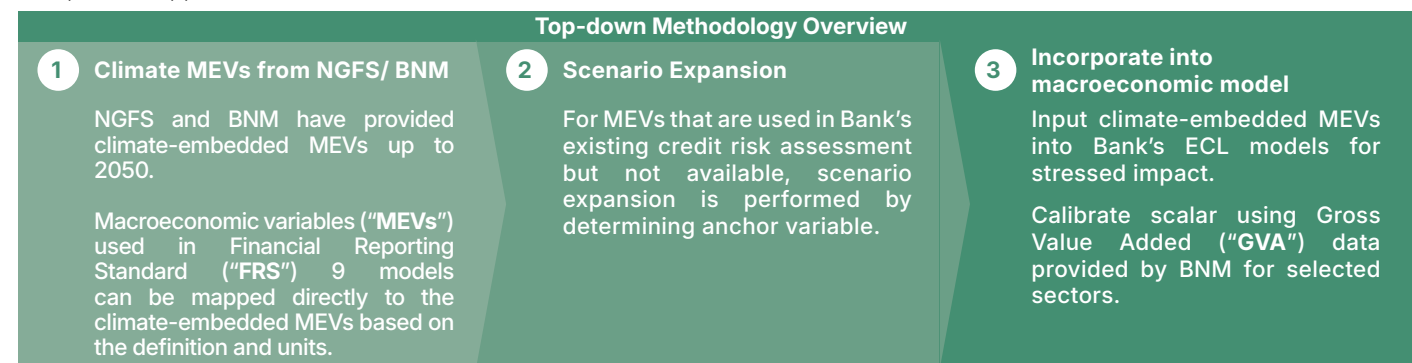
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- Approach/ Methodology Segmentation
  - Bottom-up approach: Stress client financial statements across time horizons based on physical and transition risk methodology. The perils covered in the physical risk assessment include district level riverine or fluvial floods and coastal floods, along with state level heatwaves. These translated to potential collateral impact, business disruptions and productivity loss.



- Top-down approach: Embed climate-stressed macroeconomic variables ("MEVs") for sectoral view.



- Outcome: Based on the outcome, it is concluded the impact on ECL is minimal and the Group remains resilient across all scenarios and time horizons.

**Outcome Analysis:**

The overall ECL Impact is minimal as the Group's exposure is mainly secured with adequate collaterals. As there is no material financial impact to the Group, therefore no immediate action is required. The assessment on the physical vulnerability of the Group's branches also indicates that the risk exposure is immaterial. However, the Group remains committed to implementing our planned actions and initiatives as per the Decarbonisation Roadmap and continues to explore any potential opportunities that is deemed relevant to the business. The exercise also allowed us to obtain the following observation.

Climate Risk Impacts & Observations	<b>1 Transition Risk</b>	<p><b>Vulnerable Areas Identified by Portfolio</b></p> <ul style="list-style-type: none"> <li>• <b>Corporate Loans:</b> High transition risk, especially for large corporate and SMEs.</li> </ul>	<p><b>Vulnerable Areas Identified by Sector</b></p> <ul style="list-style-type: none"> <li>• <b>Real Estate &amp; Construction:</b> Impact from transitioning to sustainable standards and higher operational costs.</li> <li>• <b>Oil &amp; Gas:</b> Demand shift towards clean energy raises operational challenges.</li> </ul>
	<b>2 Physical Risk</b>	<ul style="list-style-type: none"> <li>• <b>Flooding:</b> Collaterals in low-risk flood zones show minimal changes. The Group may consider enhancing the methodology to include pluvial (Flash) flood assessment based on need basis in future.</li> <li>• <b>Heatwaves:</b> Productivity losses in labor-intensive sectors (i.e. Oil &amp; Gas and Construction).</li> </ul>	

This provides us information to consider for any future strategic and risk management initiatives when the impact increases in significance.

**How Our Climate Assessments Inform Strategy**

Our climate strategy is shaped by an integrated set of assessments that together provide a comprehensive view of our climate-related exposures and inform long-term planning. The Climate Risk and Opportunities Identification Exercise established the key physical, transition and liability risk relevant to our business and highlights emerging opportunities.

These insights are further strengthened through the CRST, which quantified the potential financial effects of extreme climate outcomes. The latest CRST results indicate no material ECL impact to the Group, reflecting the resilience of our current portfolio.

Complementing this, the CRSA also provided a qualitative forward-looking understanding of how different climate pathways may influence our business model, portfolio composition, client segments and long-term value chain.

In parallel, the measurement of financed emissions enhances visibility over portfolio-related climate impacts, enabling more informed decisions on sectoral exposures, client engagement and future decarbonisation priorities.

Together, these assessments form the analytical foundation of our climate strategy and guide the activation of key strategic levers across the organisation in addition to the Decarbonisation Roadmap developed in 2025, including:

**Key Strategic Levers:**

- Strengthening ESG and climate integration into policies, processes and reporting practices.
- Enhancing portfolio resilience by increasing exposure to green and low-carbon sectors.
- Expanding climate-aligned products and solutions, including financing for transition and climate-resilient business models.
- Gradually reducing exposure to carbon-intensive sectors through refined risk thresholds and targeted client engagement.
- Building internal capabilities through continuous training, improved analytical tools and expanded use of external climate-related data.
- Supporting decarbonisation efforts through the implementation of the Group's Decarbonisation Roadmap and explore the formulation of a sectoral decarbonisation playbook to guide targeted sector-specific decarbonisation initiatives.

Through these measures, climate considerations are embedded across capital allocation, risk appetite, product development and operational decision making, ensuring that the Group remains resilient, forward-looking and aligned with evolving regulatory expectations and Malaysia's broader transition to a low-carbon economy.

**Risk Management**

Kenanga manages climate-related risks and opportunities through an integrated structure supported by three (3) core pillars:

**1. Risk Assessment Tools**

The Group utilises a suite of tools and methodologies to systematically identify, assess and classify climate-related risks across the organisation. These include the Climate Change Risk Assessment Checklist ("**RAC**"), enhanced due-diligence processes and climate risk assessment templates, which support the consistent evaluation of clients' climate profiles and sectoral exposures. These tools are updated regularly to align with regulatory developments and JC3 guidance. CRST and CRSA, conducted in line with BNM's expectations, assess potential portfolio and sector-level impacts under different climate pathways and inform strategic responses.

Considerations of physical climate risks that are affecting the Group's own locations are incorporated into the Operational Risk Self-Assessment and Business Continuity Management processes. In 2025, a Climate Risk and Opportunities Identification Exercise was also conducted across key business units, producing detailed climate-risk profiles and enabling prioritisation of areas with higher exposure. These insights complement the Group's monitoring of Scope 3 financed and facilitated emissions, which provides a basis for developing relevant risk indicators for future oversight.

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## 2. Policies and Frameworks

Sustainability-related risks and opportunities are identified through the Group's materiality assessment and integrated into the broader Enterprise Risk Management framework. A structured process is applied to prioritise risks, monitor developments and track management actions. Climate-related risks are managed through an established governance structure involving the Board, Board Committees, Business Units and Group Risk Management, ensuring disciplined oversight and informed decision-making.

Climate considerations are embedded into lending and investment processes through the Climate Change Risk Management Framework, which defines thresholds and risk appetite parameters for evaluating counterparties and transactions. These criteria guide business units during onboarding, credit assessment and annual reviews, including communication of climate expectations and required mitigations.

In 2025, the Group introduced the Sustainability Risk Management Framework, harmonising the approach to identifying, assessing and monitoring sustainability-related risks Group-wide. Sustainability and climate-related risks associated with outsourced vendors and suppliers are addressed through enhancements to the Outsourcing Risk Management Framework and Procurement Framework, ensuring these considerations are applied when evaluating third-party sustainability risks profiles, including climate risks.

The Risk Appetite Statement has been updated to reflect climate-related boundaries, ensuring the Group refrains from financing activities that fall outside approved thresholds.

## 3. Capacity Building

Effective climate risk management is supported by continuous strengthening of internal capabilities. The Group conducts awareness sessions and targeted training to equip employees with the skills needed to assess climate-risk exposures and engage clients on transition expectations. Climate-related information, including client climate profiles derived from the Climate Change Preparedness Tool and sectoral exposures, is monitored and reported to Risk Committees monthly.

The Group also tracks domestic and global climate-related developments that may affect operations and clients. Dedicated resources have been expanded through additional headcount and specialised training, including professional certifications in climate risk management, to ensure readiness for evolving regulatory and market expectations.

### Approach to Financed, Facilitated and Portfolio Emissions

At Kenanga, we aim to measure and manage our investment-related emissions as part of our broader climate strategy. Guided by the Partnership for Carbon Accounting Financials ("PCAF"), we began calculating emissions associated with the Group's on-balance sheet and off-balance sheet activities in 2024, using the best available data while acknowledging existing limitations. The Group has since disclosed first assessment of financed, facilitated and portfolio emissions (Scope 3 - Category 15: Investments) for Financial Year 2023 ("FY2023") and Financial Year 2024 ("FY2024"), applying the PCAF methodologies to ensure consistency with global standards. In 2025, we formalised this approach through a methodology note that outlines our procedures for data collection, calculation, quality assurance and reporting across our operational market in Malaysia, forming the foundation for future portfolio-level decarbonisation strategy.

### Scope, Boundary and Methodology

#### Organisational Boundary

Kenanga applies the operational control approach, meaning the emissions of all operated subsidiaries are included. The reporting boundary for emissions includes all on-balance sheet lending and investment activities as well as off-balance sheet facilitation activities undertaken by Kenanga during the reporting period. Kenanga's operational GHG emissions (Scope 1, Scope 2 and other Scope 3 categories, such as business travel and employee commuting) are covered in separate sections of this Report and are not addressed here.

#### Reporting Period

The financial accounting period (1 January to 31 December) is used for its annual emissions attribution, consistent with PCAF's guidance. Where emissions data are reported for a different year, the most recent available data is used and aligned as closely as possible with the financial reporting year. Our emissions are currently calculated on a one-year arrears basis, with FY2024 representing the most recently completed computation. Going forward, we are committed to progressively narrowing this reporting lag and will continue to enhance our data availability, processes and systems to provide timelier and up-to-date emissions disclosures.

#### In-scope GHG Emissions for Counterparties

The GHG scopes of the counterparties currently cover Scope 1 (direct emissions) and Scope 2 emissions (indirect emissions from electricity, heating, steam and cooling consumption). As the Group has assessed its financed, facilitated and portfolio emissions, one of the key challenges is the lack of Scope 3 emissions data, therefore Scope 3 emissions of investees are currently not included. As data quality and availability improve, the inventory will be further refined and included for future assessments.

#### Asset Classes Included

These asset classes form the boundary for financed and facilitated emissions:

Type	Asset class	Description
<b>Operational Market</b>		Business activities within Malaysia which includes Asset and Wealth Management, Kenanga Private Equity, Corporate Islamic Banking, Debt Capital Market, Equity Capital Market and Group Treasury.
<b>Financed Emissions</b>	<b>Listed Equity and Corporate Bonds</b>	Includes all on-balance sheet corporate bonds or listed equity that is traded on the market and is for general corporate purposes.
	<b>Business Loans and Unlisted Equity</b>	Include all on-balance sheet loans and lines of credit or equity investments to businesses, nonprofits and any other structure of the organisation for general corporate purposes.
	<b>Project Finance</b>	Includes all on-balance sheet loans or equities to projects or activities that are designated for specific purposes (e.g. gas-fired power plants, renewable energy projects).
	<b>Sovereign Debt</b>	Includes sovereign bonds and sovereign loans of all maturities issued in domestic or foreign currencies. Both sovereign loans and bonds lead to the transfer of funds to the country, which in turn creates a debt obligation to be repaid by the borrowing country.
<b>Facilitated Emissions</b>	<b>Facilitated Equity and Debt Transactions</b>	Off-balance sheet facilitation of primary equity and debt instruments, such as underwriting initial public offerings or bond issuance.

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There are other asset classes recognised by PCAF (e.g. commercial real estate, mortgages, motor vehicle loans) that may become material to Kenanga in the future as its portfolio changes.

**Exclusions and Thresholds**

PCAF's guidance does not apply to advisory services, brokerage activities, deposit accounts, margin financing or transactions in secondary markets and therefore these activities are not included.

The methodology applies across all activities and asset classes covered by the PCAF standard regardless of materiality; the only excluded transactions are where there is insufficient data.

**Emission Factors**

The Group reports its financed, facilitated and portfolio emissions by asset class and sector to differentiate business models, identify emissions hotspots and support future alignment with science-based decarbonisation pathways. Sector classification follows PCAF recommendations using Global Industry Classification Standard ("GICS") Sub-Industry categories, which are mapped to Bureau Economic Analysis ("BEA") codes from the United States Environmentally-Extended Input-Output ("USEEIO") database to ensure consistency, comparability, and robust estimation of sector-level emission intensities. Emissions factors applied across asset classes are sourced in a manner that reflects the nature of each exposure. For Sovereign Debt, emissions factors are derived from national greenhouse gas inventories reported by the borrowing country, while emissions factors for other asset classes, including listed equity and corporate bonds, business loans and unlisted equity and project finance, are obtained from the USEEIO database in line with PCAF guidance.

Each counterparty is assigned sector-specific emission factors based on its core revenue activities, with classifications reviewed annually to maintain relevance. Sector-level emission intensities and decarbonisation pathways will inform future hotspot analysis and target-setting. While Kenanga has not yet established investment emissions reduction targets, it intends to define such targets in the future as data quality and methodologies continue to strengthen.

**Data Quality & Limitation**

Accurately calculating investment emissions requires high-quality, company-level GHG data. Consistent with industry-wide challenges, the Group faces data limitations as many counterparties do not yet disclose granular or entity-specific emissions. To address this, the PCAF Standard provides methodologies that allow the use of different estimation approaches depending on data availability and Kenanga has applied the best available data in line with these guidelines.

External datasets used for emissions, financials and emission factors often come with time lags and mapping these datasets to internal counterparties is further complicated by complex ownership structures and the volume of checks required. As an interim measure, sector- and subsector-level proxy data are used where necessary. Time lag challenges are common in financed and Scope 3 emissions reporting and the key requirement is to transparently track and optionally disclose these lags.

We are committed to improving data quality and methodologies over time. This includes enhancing processes to obtain actual emissions data directly from counterparties and investees and encouraging them to adopt better emissions measurement and reduction practices.

**The Outcome**

The assessment indicates that the Group's climate impact is primarily driven by portfolio-level exposures, with portfolio emissions totalling 243,736.4 tCO<sub>2</sub>e, making up 69.7% of overall emissions and largely attributed to high-emitting sectors such as Utilities, Energy and Industrials. Facilitated emissions contributed 79,071.8 tCO<sub>2</sub>e reflecting the emission of capital-market activities, particularly in the Transportation & Storage, Industrials and Energy sectors. Meanwhile, on the balance sheet financed emissions amounted to 27,045.6 tCO<sub>2</sub>e driven mainly by exposures to sovereign debt as well as investments and loans in the Energy and Industrial sectors. These insights reinforce the importance of strengthening the Group's transition-aligned strategies, supporting deeper integration of climate considerations into engagement, portfolio management and long-term transition planning in line with the Decarbonisation Roadmap.



Scan here for the Supplementary Methodology Note for Calculating Scope 3 Category 15 Investment Emissions (2025).

**Metrics and Targets****Reporting Boundary for GHG Emissions**

GHG emissions are measured using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004), except where specific requirements under IFRS S2 apply. The Group refers to the GHG Protocol Corporate Value Chain Standard (2011) to define the 15 categories of Scope 3 emissions for disclosure.

The boundary for greenhouse gas reporting is determined through both organisational and operational perspectives. The organisational boundary defines the entities and activities included within the reporting scope, based on ownership and control. The operational boundary identifies emission sources classified as Scope 1, Scope 2 and Scope 3, in accordance with the GHG Protocol.

Scope 1 emissions comprise direct emissions from sources that are owned or controlled by the Group. Scope 2 emissions comprise indirect emissions associated with the generation of purchased electricity consumed by the Group. Scope 3 emissions comprise other indirect emissions that occur across the value chain, including both upstream and downstream activities, where relevant to the Group's principal businesses.

GHG emissions data are prepared using activity-based calculations and relevant emission factors. Where estimates, assumptions or data limitations apply, these are disclosed to support transparency and comparability. The methodologies applied are reviewed periodically to support consistency with evolving regulatory guidance and market practice.

**Organisational Boundary**

An operational control approach is used to determine the organisational boundary for GHG emissions reporting. Under this approach, emissions are reported for entities, assets and operations where the Group has the authority to introduce and implement operating policies and procedures.

This approach has been selected as it reflects the Group's ability to influence operational practices and performance, including for certain entities and assets that fall outside the financial reporting group but are subject to the Group's operational decision-making.

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## Managing Our Operational GHG Emissions and Energy Consumption

GRI 3-3, 302-1, 302-4

Since 2021, we have implemented a series of energy-efficient measures focusing on long-term performance improvements across Kenanga Tower's core building systems. These include the integration of a control solution into the central air-conditioning system, an upgrade of the Air Handling Unit ("AHU"), and the installation of energy-efficient lighting.

We also have operational controls in place to optimise energy use, including adjusting the air-conditioning temperature set point by 2°C. This measure reduces energy demand while maintaining a comfortable and conducive working environment, reflecting our balanced approach to energy efficiency and workplace wellbeing.

In 2024, we subscribed to Tenaga Nasional Berhad's Green Electricity Tariff ("GET"), which enables us to source approximately 90% of Kenanga Tower's electricity consumption from renewable energy. In 2025, we further advanced our decarbonisation efforts by installing solar photovoltaic ("PV") panels on the rooftop of Kenanga Tower. Both the subscription and solarisation initiatives support our journey towards Net Zero by 2050 and are in line with Kenanga's Decarbonisation Roadmap, reflecting our commitment to the national energy transition.

## Summary of Total Energy Consumption &amp; Operational GHG Emissions Scope 1 &amp; Scope 2

Total Energy Consumption <sup>1</sup> (GJ)	
2025	19,809.2
2024	20,055.8
2023	20,211.3
2022	18,730.3

Total Operational GHG Emissions <sup>2</sup> - Scope 1 & Scope 2 (tCO <sub>2</sub> e) – Kenanga Tower and Branches	
2025	1,502.1
2024	2,349.5
2023	3,832.2
2022	3,577.5

## Notes:

- The total energy consumption data is converted from kilowatt per hour (kWh) to gigajoule (GJ) to align with Bursa Malaysia's sustainability reporting requirements, whereas the conversion metric is guided by the energy conversion calculator from the US Government's Energy Information Administration. The reported total energy consumption in gigajoules includes fuel and purchased electricity consumptions.
- Operational GHG emissions refers to direct emissions, where the source of emissions is from Kenanga Group's owned and/ or controlled vehicles and building premises. These refer to Scope 1 and Scope 2 of GHG emissions.
- Energy consumption and Scope 2 GHG emissions data for FY2021–FY2024 were restated following enhancements to data completeness identified during the assurance process.

## Total Fuel Consumption &amp; Scope 1 - Direct GHG Emissions

In 2025, our fuel consumption decreased by approximately 5.7% compared to 2024, largely due to reduced usage of company cars for corporate travel and Kenanga's initiative to roll out a fleet electrifying initiative under Kenanga's Decarbonisation Roadmap, which further contributed to lower fuel dependence.

Scope 1 Direct GHG Emissions (tCO <sub>2</sub> e)	
2025	39.6
2024	42.0
2023	43.4
2022	40.6

Total Fuel Consumption (litres)	
2025	16,411.8
2024	17,382.0
2023	18,209.1
2022	17,059.1

Total Fuel Consumption (GJ)	
2025	555.0
2024	587.9
2023	610.0
2022	571.5

## Notes:

- The fuel consumption data consists of petrol and diesel consumption data as all KIBB-owned vehicles use petrol and diesel.
- Scope 1 emissions are calculated based on fuel consumption from KIBB-owned vehicles, converted using emission factors sourced from the 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories.

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**Reducing Fuel Consumption Through Electric Mobility**

On 27 December 2025, we strengthened our carbon reduction and energy management initiatives by adding three (3) Denza D9 electric vehicles ("EVs"), our first EVs, to our fleet. Equipped with high-capacity batteries and fast-charging capability, the vehicles support operational efficiency while reducing reliance on conventional fuel.

This initiative contributes to improved energy efficiency by lowering fuel consumption associated with internal combustion vehicles. The adoption of EVs also aligns with our Decarbonisation Roadmap, supporting lower-emission mobility and responsible energy use across operations.



**Total Purchased Electricity Consumption & Scope 2 – Indirect GHG Emissions**

During the year, we recorded a total electricity consumption of 5,348,385.5 kWh for Kenanga Tower and our branch offices. This represents a slight decrease from 5,407,742.7 kWh in 2024. In the same year, Kenanga Tower recorded a 10.3% change in electricity consumption compared to the baseline year, which is calculated as the average electricity consumption for 2018 and 2019.

**Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Kenanga Tower**

Year	2025	2024	2023	2022
2025	257.1			
2024		1,045.6		
2023			2,379.7	
2022				2,331.4

Notes:  
 1. Scope 2 GHG emissions data for FY2021–FY2024 were restated following enhancements to data completeness identified during the assurance process.  
 2. The significant reduction in GHG emissions for FY2025 reflects the positive impact of the Group's subscription of TNB's GET.

**Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Branch Offices**

Year	2025	2024	2023	2022
2025	1,205.3			
2024		1,261.9		
2023			1,409.1	
2022				1,205.4

**Scope 2 Indirect GHG Emissions (tCO<sub>2</sub>e) – Kenanga Tower and Branch Offices**

Year	2025	2024	2023	2022
2025	1,462.5			
2024		2,307.5		
2023			3,788.8	
2022				3,536.8

Notes:  
 1. The figures for Scope 2 emissions are derived from purchased electricity consumption across Kenanga Tower and our branch offices, converted using the emission factors for Peninsular Malaysia, Sabah and Sarawak. The Scope 2 emission factors were sourced from the Malaysia Energy Commission - Grid Emission Factors in Malaysia, 2022 – 2024.  
 2. Scope 2 GHG emissions data for FY2021–FY2024 were restated following enhancements to data completeness identified during the assurance process.  
 3. Kenanga Tower's electricity consumption in 2025 comprised 3,047,130 kWh supplied under the TNB Green Energy (GET) programme (90%) and 347,467 kWh from the standard grid mix (10%). For Scope 2 reporting, GET electricity is assigned a zero-emission factor under the market-based method, while the national grid emission factor is applied to total electricity consumption under the location-based method. This dual reporting approach is consistent with the GHG Protocol Scope 2 Guidance.

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## Total Purchased Electricity Consumption

Purchased Electricity Consumption (kWh) – Kenanga Tower	
<b>2025</b>	<b>3,394,597</b>
2024	3,317,494
2023	3,131,136
2022	3,012,152
2021	3,646,095

Purchased Electricity Consumption (kWh) – Branch Offices	
<b>2025</b>	<b>1,953,789</b>
2024	2,090,249
2023	2,313,653
2022	2,031,972

Purchased Electricity Consumption (GJ) – Kenanga Tower and Branch Offices	
<b>2025</b>	<b>19,254.2</b>
2024	19,467.9
2023	19,601.2
2022	18,158.8

Note:  
Purchased electricity consumption data for FY2021–FY2024 were restated following enhancements to data completeness identified during the assurance process.

## Advancing Clean Energy Through Solar Installation at Kenanga Tower

As part of Kenanga's commitment to transition all energy requirements to solar-powered electricity, a rooftop solar photovoltaic ("PV") panel system was installed at Kenanga Tower on 5 November 2025. This initiative marks an important milestone in reducing reliance on grid electricity and lowering operational carbon emissions. With the system now generating solar energy on-site, Kenanga is able to offset a meaningful portion of electricity consumption while supporting long-term cost savings. The completion of this project reflects Kenanga's ongoing commitment to environmental responsibility and represents a key step towards achieving the full transition to solar-powered electricity.



A rooftop solar panel system was installed at Kenanga Tower to increase the share of electricity sourced from renewable energy, supporting our efforts to decarbonise Scope 2 emissions under the Decarbonisation Roadmap.

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## Scope 3 – Other Indirect GHG Emissions

Scope 3 GHG Emissions – Category 6: Business Travel (tCO <sub>2</sub> e)		Scope 3 GHG Emissions – Category 7: Employee Commuting (tCO <sub>2</sub> e)	
<b>2025</b>	<b>488.3</b>	<b>2025</b>	<b>3,924.4</b>
2024	532.7	2024	3,841.0
2023	444.8	2023	4,320.4
2022	210.9		

## Notes:

- The activity data for Scope 3 - Business Travel is obtained from the total fuel consumption of employee-owned vehicles and e-hailing cars, based on the price of RON95 fuel. The data is then converted using emission factors sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- Data for Scope 3 - Employee Commuting is gathered from surveys that capture employees' commuting patterns and the distance travelled to and from their offices. The distance is then converted using the US EPA's 2023 Emission Factors Hub - Table 10, Scope 3, Category 7: Employee Commuting. This data collection began in 2023; hence, no data is reported for prior years.

Scope 3 GHG Emissions - Category 15: Investments (tCO<sub>2</sub>e)

## Financed Emissions

Financed emissions are on-balance sheet investments and calculated in accordance with the PCAF Standard. These emissions are reported within Kenanga's Scope 3 inventory under Category 15.

## By Asset Class

Financed emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Listed Equity and Corporate Bonds	37,634.0	1,059.9	4.0	-	-	-
Business Loans and Unlisted Equity	2,111.6	75.0	3.7	4,383.1	85.8	3.7
Project Finance	3,141.5	752.0	4.0	3,353.3	774.2	4.0
Sovereign Debt	71,181.1	400.3	2.0	19,309.2	397.1	2.0
<b>Total</b>	<b>114,068.2</b>			<b>27,045.6</b>		

## By Sector

Financed emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Education	13.7	4.9	4.0	18.6	6.4	4.0
Energy	4,889.0	707.9	4.0	5,145.0	392.7	4.0
Energy and Utilities	2,032.1	138.3	4.0	-	-	-
Financials	181.9	15.4	4.0	223.1	10.1	4.0
Industrials	-	-	-	2,142.4	957.7	4.0
Real Estate	208.5	10.0	4.0	207.3	13.7	3.3
Sovereign Debt	71,181.1	400.3	2.0	19,309.2	397.1	2.0
Transportation and Storage	35,371.8	4,778.4	4.0	-	-	-
Consumer Discretionary	191.2	58.9	4.0	-	-	-
<b>Total</b>	<b>114,068.4</b>			<b>27,045.6</b>		

## Note:

Financed emissions assessment was expanded to full coverage in FY2024, compared with 93% in FY2023.

## Facilitated Emissions (Equity Capital Markets &amp; Debt Capital Markets)

Facilitated emissions refer to investments where Kenanga plays an intermediary role, such as through lending or underwriting activities and are calculated in accordance with the PCAF Standard. These emissions are reported within KIBB's Scope 3 inventory under Category 15.

## By Asset Class

Facilitated emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Equity capital market	23,354.9	180.6	5.0	3,738.7	28.7	5.0
Debt capital market	200.1	635.3	4.0	75,333.1	31.2	4.9
<b>Total</b>	<b>23,555.0</b>			<b>79,071.8</b>		

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## By Sector

Facilitated emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Construction	2,411.2	313.7	5.0	512.7	17.2	4.0
Consumer Discretionary	13,132.8	806.1	5.0	16.3	0.7	5.0
Consumer Staples	-	-	-	519.1	50.1	5.0
Education	-	-	-	891.3	1.1	5.0
Energy	1,102.1	237.6	5.0	2,049.7	86.0	4.5
Financials	-	-	-	42.2	0.3	5.0
Industrials	3,918.8	235.9	5.0	1,243.4	23.1	5.0
Information Technology	-	-	-	110.2	0.6	4.7
Plantation	-	-	-	559.5	48.3	5.0
Real Estate	11.1	1.5	5.0	11.9	3.3	5.0
Telecommunications & Media	22.3	9.7	5.0	11.2	0.8	5.0
Transportation & Storage	200.1	635.3	4.0	73,104.3	58.5	4.9
Property	1,499.5	21.0	5.0	-	-	-
Ship Repair	21.9	13.7	5.0	-	-	-
Fast-Moving Consumer Goods ("FMCG")	1,235.2	806.1	5.0	-	-	-
<b>Total</b>	<b>23,555.0</b>			<b>79,071.8</b>		

Note:  
Facilitated emissions assessment remain expanded to full coverage in FY2024, similar to FY2023.

**Total Portfolio Emissions from Assets Under Management ("AUM")**

Kenanga calculates the portfolio emissions of its AUM using the PCAF methodology. In line with the GHG Protocol, these emissions arise from assets managed but not owned by Kenanga and are therefore classified as off-balance sheet. As such, they are excluded from Kenanga's GHG emissions inventory.

Nonetheless, monitoring and disclosing these emissions provides a more comprehensive view of the potential climate-related risks associated with managed assets. By reporting these financed emissions separately, Kenanga demonstrates its commitment to transparency, responsible investment and alignment with global best practices in climate risk assessment and disclosure.

## By Asset

Portfolio emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Listed Equity and Corporate Bonds	375,127.4	156.8	4.0	226,098.0	82.8	4.0
Sovereign Debt	-	-	-	17,638.4	397.1	2.0
<b>Total</b>	<b>375,127.4</b>			<b>243,736.4</b>		

## By Sector

Portfolio emissions	FY2023			FY2024		
	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score	Total Emissions (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/\$' mil)	Data Quality Score
Communication Services	2,233.5	16.1	4.0	425.0	2.7	4.0
Consumer Discretionary	16,412.1	187.9	4.0	1,527.2	10.7	4.0
Consumer Staples	33,123.1	263.2	4.0	26,584.8	211.7	4.0
Energy	38,112.5	479.1	4.0	27,490.3	292.4	4.0
Financials	149.0	0.9	4.0	534.5	1.7	4.0
Health Care	6,431.3	74.7	4.0	12,512.2	63.8	4.0
Industrial Products & Services	-	-	-	0.0	0.0	5.0
Industrials	33,116.7	60.6	4.0	47,314.7	57.3	4.0
Information Technology	464.8	1.9	4.0	1,003.6	3.1	4.0
Materials	31,341.2	467.9	4.0	16,263.6	164.0	4.0
Not Classified	18.1	1.7	4.0	9.7	4.2	4.0
Real Estate	1,360.7	3.9	4.0	1,917.9	8.9	4.0
Sovereign Debt	-	-	-	17,638.4	397.1	2.0
Utilities	56,523.0	487.0	4.0	90,514.5	440.8	4.0
Energy and Utilities	126,910.6	508.8	4.0	-	-	-
Transportation & Storage	28,808.8	254.6	4.0	-	-	-
Professional Services	122.0	9.5	4.0	-	-	-
<b>Total</b>	<b>375,127.6</b>			<b>243,736.4</b>		

Note:  
Portfolio emissions assessment was expanded to full coverage in FY2024, compared with 98% in FY2023.

## Restatements:

As part of Kenanga's ongoing efforts to strengthen the accuracy and consistency of climate-related disclosures, we have restated our FY2023 financed and facilitated emissions following updates to the methodology, data inputs and classification processes. This ensures data comparability between FY2023 and FY2024.

In addition, the PCAF data quality scores presented have been clarified and revised to align with the derived calculations. These refinements demonstrate Kenanga's continued commitment to enhancing data integrity, strengthening climate-related reporting practices and ensuring transparent, decision-useful disclosures for stakeholders.

For FY2023, financed emissions across all asset classes have been restated and updated following refinements to the emissions factors. These adjustments resulted in an approximate 2.5% increase in total financed emissions, providing a more representative estimation of portfolio-related emissions.

For the FY2023, we updated the facilitated emissions factors to better reflect sectoral data quality score 5, which led to a 38.8% decrease in total facilitated emissions for equity and debt capital market activities.

For FY2023, errors in market capitalisation data were addressed, along with corresponding updates to emissions factors, resulted in an 82.8% decrease in total portfolio emissions.

For more information on the Group's approach on its financed, facilitated and portfolio emissions, please refer to Supplementary Methodology Note for Calculating Scope 3 Category 15 Investments Emissions (2025).

## ENVIRONMENTAL STEWARDSHIP

## ENVIRONMENTAL STEWARDSHIP

**Other Environmental-related Initiatives**

GRI 306-1, 306-2, 306-3, 306-5

**Paper Consumption and Waste Management**

We adopt responsible waste management practices across our operations, with a focus on the handling and disposal of general waste, IT assets and confidential documents. Our practices are guided by the Group's Retention, Archiving and Destruction Policy and the PDPA Data Access and Retention Procedures to ensure ethical, secure and responsible disposal.

**Reducing Our Paper Waste**

We are committed to minimising our environmental impact, particularly through the reduction of paper consumption in our office operations. To support this commitment, we implement ongoing digitalisation initiatives, complemented by employee awareness efforts to promote a zero-waste workplace culture.

In addition to internal measures, we have implemented client-facing initiatives to reduce paper usage. As part of this efforts, monthly paper-based statements are no longer issued via postal delivery to clients with no account activity. For inactive clients, statements are now issued on a semi-annual basis.

To further reduce paper consumption, we continue to transition clients from physical monthly statements of accounts to electronic statements ("**e-statements**"). As of December 2025, a total of 165,430 clients had adopted e-statements, representing an adoption rate of 63.23%.

	2023	2024	2025
Estimated Total Paper Purchased (kg)	17,339	16,190	<b>15,802</b>

**Electronic Waste ("E-waste") Management**

E-waste arising from end-of-life IT assets represents another primary waste stream generated by our office operations. We engage a licensed IT asset destruction agency to carry out the secure destruction of IT assets.

Upon completion of the destruction process, a Certificate of Destruction is issued by the licensed agency, providing assurance that all e-waste has been managed in accordance with applicable security and compliance standards.

**Other Office Waste**

In addition to paper waste and e-waste, we monitor other types of office waste, including carton boxes and aluminium cans. These materials are recycled through appropriate waste management channels as part of our broader waste monitoring efforts.

During the year, we responsibly disposed of 61,621 kg of waste through our recycling and destruction process. The increase in paper disposal in 2025 was driven by a one-off clean-up of legacy documents to ensure proper records management and reduce storage costs.

**Waste Generated**

	2023	2024	2025
<b>Total Waste Generated (kg)</b>	32,876	36,244	<b>61,621</b>
<b>Total Waste Directed to Disposal (kg)</b>	32,876	36,244	<b>61,621</b>
<b>General Waste Collected and Recycled by Type (kg)</b>	9,758	10,475	<b>6,530</b>
Paper	9,675	10,415	<b>6,495</b>
Plastic	13	0	<b>0</b>
Aluminium Cans	64	60	<b>35</b>
Others	6	0	<b>0</b>
<b>IT Assets and Paper Collected and Our Disposed by Type (kg)</b>	23,118	25,769	<b>55,091</b>
Paper	19,334	7,602	<b>48,832</b>
e-Waste	3,784	18,167	<b>6,259</b>

**Water Management**

GRI 303-5

We recognise that water resources are finite and are committed to managing them responsibly. We source our water from municipal supplies and use it primarily for sanitation and general office cleaning. Additionally, we remain focused on monitoring and improving water efficiency across our operations.

In 2025, we recorded total water consumption of 43,706.5 m<sup>3</sup>, compared to 40,577.3 m<sup>3</sup> in 2024. This represents a 12% increase in water consumption at Kenanga Tower and a 11% decrease across the Group's branch offices. The increase in water consumption at Kenanga Tower in 2025 was attributed to a defective water pump that resulted in continuous water flow and a flooding incident. The issue has since been rectified and corrective measures have been implemented to prevent recurrence.

<b>Water Consumption (m<sup>3</sup>)</b>	2023	2024	2025
Total Water Consumption	42,208.1	40,577.3	<b>43,706.5</b>
- Kenanga Tower	33,307.0	33,019.0	<b>36,977.0</b>
- Branch Offices	8,901.1	7,558.3	<b>6,729.5</b>

ENVIRONMENTAL STEWARDSHIP

ENVIRONMENTAL STEWARDSHIP

**FY2025 #GreenAtWork: Small Acts, Big Impact**

Our #GreenAtWork campaign continued to promote environmental awareness and sustainable workplace practices among employees nationwide. Running from April to November 2025 and guided by the theme of "Small Acts, Big Impact", the initiative highlighted how everyday actions can collectively support a circular economy and meaningful environmental change.

Since 2017, #GreenAtWork has evolved into a hybrid initiative that combines virtual and physical activities aligned with global environmental milestones, including Earth Hour, World Earth Day, and World Environment Day. In 2025, we marked our 16<sup>th</sup> consecutive year of supporting Earth Hour by switching off lighted signage and non-essential lighting across our premises, reflecting our long-standing commitment to environmental stewardship. Our plastics trade-in initiative also resulted in the collection of over 220kg of recyclable plastics, reinforcing our focus on waste reduction, circularity and responsible consumption.

Throughout the campaign, we delivered a series of educational and hands-on activities in collaboration with sustainability-focused partners. With SunwayXFarms, employees explored sustainable sourcing, local food systems and food labelling through a DIY salad workshop. In partnership with San Francisco Coffee, our Plastic-Free Day encouraged the reduction of single-use plastics by offering complimentary beverages to employees who brought their own mugs. Through MAEKO, employees were introduced to composting techniques and the role of food-waste reduction in minimising landfill impact. A firefly nature walk with Friends of Bukit Kiara further deepened awareness of local biodiversity and ecosystems. Across these activities, the campaign recorded 818 participations. Together, these efforts strengthened a well-rounded approach to sustainability and encouraged sustained employee participation.

The 2025 #GreenAtWork campaign continued to translate awareness into sustained action, reinforcing our efforts to embed environmental consciousness into everyday workplace behaviour.

**Kenanga's Decarbonisation Roadmap**

We developed a Decarbonisation Roadmap in 2025 to guide our overall strategy in managing and reducing our GHG emissions. As we advance, we aim to complement our reduction goals by setting quantitative, sector-specific GHG emission reduction targets, while continuing to monitor emissions across all scopes in coverage. Guided by the outcomes of our integrated climate assessments and investment-related emissions, we will prioritise high-emitting sectors, strengthen data quality and progressively establish science-aligned decarbonisation targets as methodologies and portfolio-level insights mature.

**Kenanga'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.

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

**Levers to Decarbonisation**

	<b>Short-Term (1 to 5 years)</b>	<b>Mid-Term (5 to 10 years)</b>	<b>Long-Term (&gt; 10 years)</b>	
<b>Scope 1</b> (Direct Emissions – Fleet)	Transition to low-emission vehicles and optimise fleet operations to reduce fuel consumption.	Explore options to expand the use of electric vehicles (EVs) across the fleet.	Aim for a fully electric fleet to ensure zero emissions from the Group-owned vehicles.	
<b>Scope 2</b> (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.	
<b>Scope 3</b> (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.	
<b>Approach to Residual Emissions</b>	Explore utilising carbon offsetting mechanisms to offset residual emissions.			
<b>Key Enablers</b>	Enhance data collection, analysis, and reporting capabilities	Adopt advanced technologies and innovative solutions	Engage and enable suppliers, clients, and partners	Capacity Building

**FUTURE OUTLOOK**

We will continue advancing our decarbonisation agenda by deepening engagement with clients and suppliers to drive emissions-reduction initiatives and broaden adoption of lower-carbon practices. Although we have not yet set quantified reduction targets, we continue to closely track GHG trends and performance indicators, with formal targets to be established following our upcoming targeted engagement exercise.

EMPOWERING PEOPLE AND COMMUNITIES

# EMPOWERING PEOPLE AND COMMUNITIES



**MATERIAL MATTERS**

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

**Alignment to UN SDGs:**



**DIVERSITY AND INCLUSION**

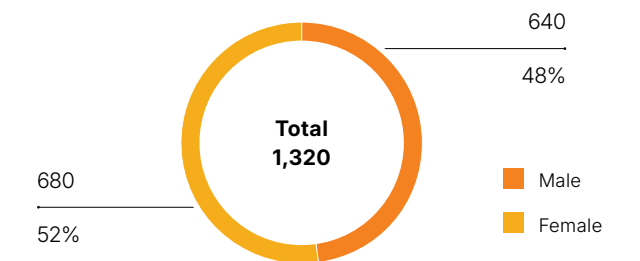
GRI 2-7, 3-3, 405-1, 405-2, 406-1

**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 our learning and culture, we contribute to broader social equity while strengthening organisational capability and decision-making.

**Workforce Profile**

**FY2025 Total Number of Employees**



**Breakdown by Age Group**

	2023	2024	2025
< 30	288	290	<b>260</b>
30 - 39	375	364	<b>380</b>
40 - 50	402	382	<b>372</b>
> 50	293	298	<b>308</b>

**Breakdown by Ethnic Composition**

	2023		2024		2025	
	%	Total	%	Total	%	Total
Malay & Other Bumiputera	40.5	550	42.7	570	<b>43.8</b>	<b>578</b>
Chinese	54.1	734	52.2	696	<b>51.0</b>	<b>674</b>
Indian	5.0	68	4.7	63	<b>4.8</b>	<b>63</b>
Others	0.4	6	0.4	5	<b>0.4</b>	<b>5</b>

**Breakdown by Employee Category and Gender**

M-Male F-Female

	2023			2024			2025		
	M %	F %	Total	M %	F %	Total	M %	F %	Total
Key Management	66.7	33.3	18	63.2	36.8	19	<b>68.4</b>	<b>31.6</b>	<b>19</b>
Senior Management	59.5	40.5	42	62.8	37.2	43	<b>62.8</b>	<b>37.2</b>	<b>43</b>
Middle Management	46.6	53.4	500	45.6	54.4	500	<b>46.9</b>	<b>53.1</b>	<b>520</b>
Junior Management	47.0	53.0	691	45.8	54.2	673	<b>45.2</b>	<b>54.8</b>	<b>642</b>
Non-Executive	70.1	29.9	107	69.7	30.3	99	<b>68.8</b>	<b>31.3</b>	<b>96</b>

## EMPOWERING PEOPLE AND COMMUNITIES

## EMPOWERING PEOPLE AND COMMUNITIES

## Breakdown by Employee Category and Age Group

Employee Category	Age Group	2023	2024	2025	Total
Key Management	<30	0	0	0	19
	30-39	0	0	0	
	40-50	5	5	5	
	>50	13	14	14	
Senior Management	<30	0	0	0	43
	30-39	2	2	1	
	40-50	21	21	21	
	>50	19	20	21	
Middle Management	<30	3	4	5	520
	30-39	156	155	165	
	40-50	195	203	212	
	>50	146	138	138	
Junior Management	<30	279	280	249	642
	30-39	197	188	199	
	40-50	138	124	103	
	>50	77	81	91	
Non- Executive	<30	6	6	6	96
	30-39	20	19	15	
	40-50	43	29	31	
	>50	38	45	44	

## Number of Temporary Staff

	2023	2024	2025
Number of Temporary Staff <sup>1</sup>	3	2	3
Number of Fixed Term Contract Staff <sup>2</sup>	193	180	158
Total Temporary and Fixed Term Contract Staff by %	14.4	13.6	12.2

## Notes:

1. Staff hired for specific purposes, such as temporary replacements or special projects.

2. Staff, including members of the Senior Management Team, employed under fixed-term contracts on a renewal basis.

## Our Approach

At Kenanga, we are committed to fostering a workplace culture that values diversity and inclusion. Our initiatives aim to create an environment where every individual is respected, empowered and provided with equal opportunities to thrive.

Our approach to diversity and inclusion is underpinned by a broader human rights framework that guides how we treat employees fairly, ethically and with dignity. This framework informs our employment practices, policies and governance processes across the Group, ensuring consistency, accountability and alignment with applicable legal and regulatory requirements.

This approach is supported by a comprehensive suite of human resource policies that govern key aspects of the employee lifecycle, as shown below:

- Compensation and Benefits Policy
- Group Disciplinary Policy
- Group Performance Management Policy
- Learning and Development Policy
- Flexible Work Arrangement Policy & Procedure
- Group Code of Ethics and Conduct for Employees
- Group Policy and Procedure on Recruitment and Staffing Management

Our management approach to human rights is guided by established internal and external reference points to ensure compliance, consistency and alignment with applicable legal and regulatory requirements. These include:

- Internal legal advice from Group Legal, providing ongoing interpretation and oversight.
- External industrial relations ("IR") legal counsel, offering independent and specialised guidance.
- Relevant provisions of the Employment Act, ensuring adherence to statutory labour and employment standards.

In 2025, we further strengthened our human rights governance through the formal introduction of a Human Rights Policy. The policy complements our Group Sustainability Policy by articulating the Group's commitment to and expectations in respecting and protecting human rights across our operations, while reinforcing principles of fair treatment, dignity at work and ethical conduct for all employees.

## Human Rights Communication for Employees

We continue to promote awareness of employee rights and responsibilities through mandatory onboarding and internal learning initiatives. All newly onboarded employees are required to complete a self-directed learning module on employee rights via our Learning Management System ("LMS"). During the year, a total of 151 enrolments were recorded for this module.

Our Group Disciplinary Policy provides guidelines for managing misconduct and addressing employee grievances. These mechanisms enable employees to raise employment-related concerns and ensure that such matters are reviewed and resolved by the appropriate parties within defined timeframes.

## Human Rights and Fair Employment Practices

We are committed to upholding the human rights and labour principles set out in the Ten Principles of the United Nations Global Compact ("UNGC"). Guided by these principles, we provide equal employment opportunities and do not tolerate discrimination based on race, religion, gender, age or other legally protected characteristics.

We maintain a zero-tolerance approach to human rights violations, including forced or compulsory labour, child labour, harassment, bullying and discriminatory practices. We ensure our human resource practices comply with all applicable Malaysian employment and labour laws and regulations, including minimum wage requirements, statutory working hours and minimum employment age. These requirements form the baseline for protecting employee rights and supporting equitable treatment in the workplace.

EMPOWERING PEOPLE AND COMMUNITIES

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**Business Sustainability Learning Campaign: People and Social Wellbeing**

In 2025, we introduced the Business Sustainability Learning Campaign to strengthen employee awareness and build organisational capability in sustainability-related areas, with an emphasis on practical application and integration into business operations. Developed in collaboration with Group Human Resources (“GHR”), the campaign was implemented across the organisation between April and July 2025 through a structured learning journey supported by curated external resources.



It focused on key social priorities aligned with SDGs 1 to 5, including ending poverty, promoting good health and wellbeing, supporting access to quality education and advancing gender equality.



The campaign integrates the United Nations Sustainable Development Goals (“UN SDGs”) across its learning modules, encompassing foundational sustainability concepts as well as key focus areas including social sustainability, environmental stewardship, shared prosperity, and peace and strong institutions. Collectively, these modules form a cohesive learning programme designed to deepen organisational understanding of sustainability principles and support informed decision-making aligned with responsible and sustainable business practices.

<b>Module 1:</b>	Getting Started
<b>Module 2:</b>	Sustainable Development Goals - People
<b>Module 3:</b>	Sustainable Development Goals - Prosperity
<b>Module 4:</b>	Protecting Our Planet Starts with Us
<b>Module 5:</b>	Peace

The campaign, attended by 640 employees, contributed to Kenanga’s human capital development agenda by embedding sustainability, as well as diversity and inclusion considerations into targeted and structured employee learning, strengthening organisational capability to support responsible and sustainable business practices, while reinforcing our commitment to sustainable development.

**Preventing Harassment, Bullying and Discrimination**

We are committed to maintaining a safe, respectful and inclusive work environment. This commitment is reinforced through the continued implementation of our Preventing and Eradicating Sexual Harassment Policy and Procedure, supported by ongoing awareness and education initiatives to prevent sexual harassment and workplace bullying.

**1 Sexual Harassment**

- Sets out the process for reporting, investigating and resolving sexual harassment cases through the Preventing and Eradicating Sexual Harassment Policy and Procedure.

**2 Office Bullying, Harassment and Discrimination**

- Addresses complaints relating to workplace bullying, harassment and discrimination through the grievance provisions under our Group Disciplinary Policy.
- Supports the reporting of unethical or discriminatory practices via the Speak Up Policy, which is aligned with Section 69F of the Employment Act 1955 (Amendment 2022) and updated from our former Whistleblowing Policy.

In July 2025, we received a report of perceived harassment and addressed the matter according to our established procedures. We engaged both the superior and the complainant in a clarification discussion to better understand the concerns raised. Following this engagement, the report was subsequently withdrawn by the complainant. We remain committed to constructively addressing concerns and fostering a workplace culture built on respect, fairness, and accountability.

**Inclusive Work Practices**

We are committed to fostering a gender-balanced workplace that enables equal participation, progression and wellbeing. We support this through inclusive benefits and flexible work practices that recognise different life stages and caregiving responsibilities. These include nursing rooms, enhanced maternity and paternity leave provisions and hybrid working arrangements.

Additionally, we embed equity across all our people processes, including recruitment, performance management and talent development, which are administered consistently to ensure fair access to opportunities and advancement, regardless of gender.

**Gender Pay Equity**

We prioritise equal economic opportunities for all employees, particularly those performing similar roles and functions. Our approach to pay and compensation is based on objective and transparent criteria, including role requirements, relevant experience, skills, competencies and industry benchmarks in determining base salary.

We make all employee-related decisions based on business needs and individual merit and we monitor remuneration outcomes to identify and address potential gender pay gaps.

In 2025, our overall gender pay ratio (men to women) was 1:0.91, reflecting our continued efforts to promote equitable remuneration across the organisation, as presented below:

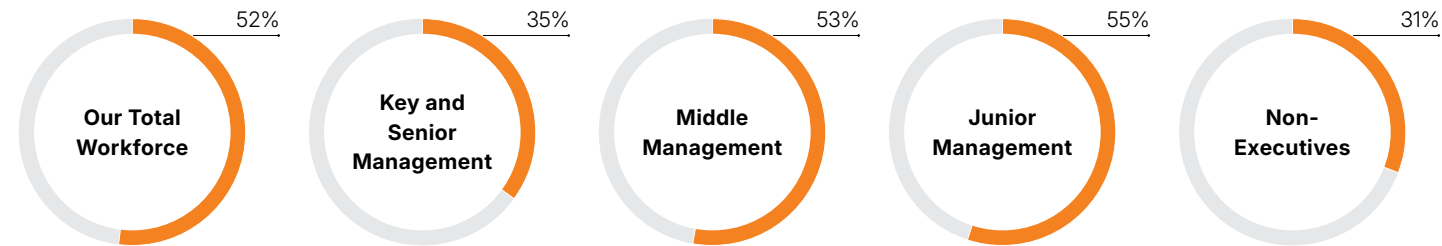
	Ratio of Basic Salary of Men to Women
Key Management	1:0.76
Senior Management	1:1.04
Middle Management	1:0.86
Junior Management	1:0.94
Non-executive	1:0.96

EMPOWERING PEOPLE AND COMMUNITIES

EMPOWERING PEOPLE AND COMMUNITIES

Female Representation at Kenanga

We remain committed to maintaining a healthy and balanced gender representation across our human resource processes, including recruitment and compensation. The following shows the percentage of female employees by employee category:



2025 International Women's Day - #AccelerateAction

In celebration of International Women's Day 2025 ("IWD25"), Kenanga hosted virtual engagement activities via the #myKenanga Intranet Portal, aligned with the global theme, #AccelerateAction and in support of the UN Global Compact's Countdown to IWD25.

The initiative featured stories highlighting the journeys of Kenanga's women leaders through media interviews and a podcast, along with inspirational excerpts from the autobiography of our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail.

**Top 5 Quotes from Tengku Noor Zakiah, Our Founder Emeritus & Adviser**

- The best sailboat is nothing without wind.
- Keep your feet firmly on the ground, eyes set on the future.
- Learn constantly along the way, from situations, from other people and from your mistakes.
- There must be passion for the job and a sense of triumph with every push forward-small or big to overcome every setback.
- When I want to do something, I could tell myself not to worry too much about whether I could cope- I would just do the work.

YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail  
Founder Emeritus & Adviser

Employees actively participated by taking part in an IWD-themed pop quiz. The initiative demonstrated organisation-wide engagement, strengthening awareness of gender equality issues and fostering collective ownership of our inclusion agenda across the workforce.

Signatory to the Women's Empowerment Principles ("WEPs")

As a signatory to the WEPs since 2023, Kenanga continued to advance gender equality across the seven (7) principles that guide women's empowerment in the workplace, marketplace, and community.

- |   |  |
|---|--|
| 1 Equal Opportunity, Inclusion and Non-discrimination | 4 Enterprise Development, Supply Chain and Marketing Practices |
| 2 Health, Safety and Freedom from Violence            | 5 Community Leadership and Engagement                          |
| 3 Education and Training                              | 6 Transparency, Measuring and Reporting                        |
| 7 Leadership Promotes Gender Equality                 |  |

Established by the UN Global Compact and UN Women, the WEPs also align with the 2030 Agenda for Sustainable Development and the 17 SDGs, providing a global framework for organisations to strengthen gender-inclusive practices.

Partnership with LeadWomen

We also strengthened our partnership with LeadWomen in 2025. In May, our former Group Chief Regulatory and Compliance Officer, Maheswari Kanniah, participated as a guest speaker on building a speak-up culture, reinforcing our commitment to gender equality and leadership diversity.

FUTURE OUTLOOK

We aim to organise a human rights awareness programme in collaboration with an external legal expert to strengthen organisational understanding of human rights issues. Additionally, we will roll out a GHR training programme on managing workplace harassment and bullying. This will be delivered via e-learning and made mandatory for all employees, reinforcing our commitment to a safe, respectful and inclusive workplace.

EMPOWERING PEOPLE AND COMMUNITIES

EMPOWERING PEOPLE AND COMMUNITIES

EMPLOYEE SAFETY, HEALTH AND WELLBEING



GRI 3-3, 403-4, 403-5, 403-6, 403-9

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.

Health and Safety Performance

	2023	2024	2025
Total Employees	1,358	1,334	1,320
Total Man-Hours Worked <sup>1</sup>	2,713,213	2,682,726	2,573,807
Number of Work-Related Fatalities	0	0	0
Number of Lost Time Injuries	0	0	0
Lost Time Incident Rate ("LTIR")	0	0	0

Note:  
Total man-hours worked refers to the cumulative number of hours worked by all employees during working days.

Our Approach

We continue to take a proactive approach to employee health and wellbeing, aligned with the Occupational Health and Safety ("OHS") Act 1994. Our GHR department drives our health and wellbeing initiatives, including an Employee Health Day featuring wellness talks, physical health checks and the promotion of health and wellbeing products. In addition, employees are provided with convenient access to Kenanga's 'Work on Wellness' campaign through the LinkedIn Learning platform, which was launched in August 2024.

Safety Risk Prevention and Emergency Preparedness

We prioritise the prevention of workplace injuries and property damage by enforcing strict Safety Rules and Regulations, as well as maintaining emergency response readiness through established emergency response protocols.

As part of this approach, we conduct annual evacuation drills and maintain clearly designated assembly points and evacuation routes. Additionally, all renovation activities are subject to close safety oversight in line with Kenanga Tower's Renovation Guidelines, providing assurance over the risk of construction-related accidents.

During the year, we held several OHS-related training sessions to further strengthen employee's safety awareness, as listed below:

Training Session	Number of Sessions Carried Out	Number of Targeted Participants	Total Number of Training Hours
Kenanga Tower's Department Floor Marshalls Fire Emergency Response Training	3	81	1,944
Kenanga Tower's Department Floor Marshalls Fire Safety Awareness Training	2	75	1,200
Tabletop Exercise (TTX) by BOMBA (Fire and Rescue Department of Malaysia) - a simulated emergency role-playing session designed to test and improve disaster response plans	1	70	560

Group Occupational Safety and Health Committee ("GOSHC")

We uphold a structured approach to managing employee health, safety and wellbeing, supported by clear governance and oversight. With the Group Executive Committee's approval, the GOSHC was established in 2024 to strengthen safety governance, followed by the appointment of a dedicated Safety and Health Officer in 2025. In 2025, we held the inaugural GOSHC meeting and the following key matters were discussed:

Key Health and Safety Matters Discussed

- The Group reviewed procedures for emergency handling, including crisis management protocols and the identification of emergency contact points. Required emergency contact numbers, as well as lists of Floor and Department Marshalls, have since been displayed at lift lobbies and inside passenger lifts.
- The need for First Aid competency among Emergency Response Team ("ERT") members and Marshalls was discussed and required certified First Aid training sessions to be organised to ensure readiness during emergencies.

As an outcome of our ongoing safety management efforts, we maintained minimal workplace injuries in 2025. Looking ahead, a comprehensive safety and health training programme will be implemented to strengthen organisational preparedness and emergency response capabilities. The programme will include targeted training for ERT members and Fire Marshalls, alongside broader safety and health awareness initiatives for employees delivered through digital learning platforms. These efforts are intended to support regulatory compliance, enhance workplace safety standards and ensure readiness for emergency situations, including annual fire drills.

Communicable Disease Management

Communicable diseases such as COVID-19, influenza and monkeypox continue to pose health and operational risks in the workplace. Managing these risks requires a timely and coordinated response to protect employee health and maintain business continuity.

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Our Group Business Continuity Management Committee (“**GBCMC**”) integrates lessons from the COVID-19 pandemic into preventive measures to mitigate risks and maintain workplace safety. This includes regular reviews and updates of standard operating procedures in line with prevailing health guidelines, supported by consistent organisation-wide communications to keep employees informed of current policies, precautionary measures and actions required to safeguard their health and wellbeing.

**Employee Wellness Programmes**

Supporting employee wellbeing, including mental health, is central to sustaining a resilient and engaged workforce. In 2025, we organised a Health Talk session delivered by Pusat Pungutan Zakat (“**PPZ**”), which was attended by 58 participants. We also conducted *Thriving Under Pressure: Emotional Resilience and Client Management*, attended by 17 participants, accumulating a total of 16 training hours.

We continued to implement the Kenanga Wellbeing Programmes, which encompass initiatives focused on mental health, physical wellbeing and social wellbeing.

**Kenanga Wellbeing Programme**

Sound Healing Therapy Session		Meditation Session	
Aimed to support holistic wellness and mindfulness		Aimed to support holistic wellness and mindfulness	
Partnership with: Goodvibes_VR		Partnership with: Ruma Yoga Malaysia	
Number of Sessions Carried Out	Number of Participants	Number of Sessions Carried Out	Number of Participants
<b>23</b>	<b>544</b>	<b>17</b>	<b>384</b>

Additionally, Kenanga’s ‘Work on Wellness’ LinkedIn Learning E-learning Campaign highlighted employee wellbeing across four (4) key areas, namely Physical Wellness, Emotional Wellness, Financial Wellness and Work-Life Balance. During the year, the programme was expanded to include two (2) additional focus areas, Managing Your Career and Building Better Relationships.

A total of 240 employees completed the e-learning modules, accumulating 1,746.5 training hours. This initiative forms part of Kenanga’s broader efforts to support and enhance the overall wellbeing of our employees.

**FUTURE OUTLOOK**



We will continue to strengthen health and safety across the Group by focusing on practical risk management, clear accountability and continuous improvement. Our priority is to ensure hazards are identified early, controls are effective and corrective actions are implemented without delay.

**TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT**



GRI 3-3, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3

**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.

**Our Approach**

**Fair Recruitment Practices**

At Kenanga, we are guided by our Group Policy on Recruitment and Staffing Management, which ensures impartial and unbiased recruitment processes. As part of our support for local talent development, we prioritise hiring Malaysians across all employee categories in the Group. In 2025, we continued participating in the Securities Commission Malaysia’s InvestED programme and recruited 18 trainees, who gained valuable industry exposure and hands-on experience for six (6) months in the Group.

**New Employee Hires**

By Gender	2023	2024	2025
Male	105	98	<b>92</b>
Female	103	102	<b>84</b>
New Hire Rate	15.3%	15.0%	<b>13.3%</b>

By Age Group	2023	2024	2025
< 30	113	117	<b>82</b>
30 - 39	52	54	<b>59</b>
40 - 50	25	19	<b>26</b>
> 50	18	10	<b>9</b>

Note:  
Exclude Temporary Staff (Non-Headcount)

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**Employee Turnover**

By Gender	2023	2024	2025
Male	104	125	<b>96</b>
Female	104	98	<b>95</b>
Turnover Rate	15.3%	16.6%	<b>14.5%</b>

By Age Group	2023	2024	2025
< 30	95	68	<b>66</b>
30 - 39	49	74	<b>68</b>
40 - 50	24	40	<b>27</b>
> 50	40	41	<b>30</b>

By Employee Category	2023	2024	2025
Key Management	1	0	<b>1</b>
Senior Management	3	1	<b>0</b>
Middle Management	61	66	<b>46</b>
Junior Management	129	74	<b>84</b>
Non-Executive	14	1	<b>3</b>

*Note: Employee Turnover figures exclude Temporary Staff (Non-Headcount) and include all types of attritions.*

**Voluntary Attritions**

	2023	2024	2025
Number	137	142	<b>134</b>
Voluntary Attrition Rate	10.1%	10.6%	<b>10.1%</b>

By Age Group	2023	2024	2025
< 30	60	41	<b>46</b>
30 - 39	44	64	<b>56</b>
40 - 50	17	24	<b>23</b>
> 50	16	13	<b>9</b>

*Note: Voluntary attrition figures exclude Temporary Staff (Non-Headcount) and include only voluntary departures.*

**Talent Development and Management**

We invest in the development of our people through a structured, policy-led approach that aligns external industry expectations with our internal governance and talent priorities. This ensures our training and development initiatives remain relevant, compliant and aligned with our long-term business strategy.

Our internal governance is reinforced by the Learning and Development Policy, which embeds a culture of continuous learning across all levels of the organisation and ensures consistency in the planning, delivery and evaluation of development initiatives.

Our approach to talent management is based on four (4) key elements:

**Competency-Based Development Framework**

We implement a structured, competency-driven yearly training plan that addresses both organisational focus areas and individual development needs. Each employee's development journey is guided by their Individual Development Plan ("IDP"), ensuring personalised learning pathways that build critical skills for current and future roles.

**Continuous Learning and Upskilling**

Through curated programmes and digital learning platforms, employees gain access to resources that enhance technical, leadership and power skills. This ensures our workforce remains future-ready and equipped to thrive in a rapidly changing business environment.

**Our Approach to Talent Development**

**Leadership Pipeline Development**

To strengthen our leadership bench, we have established a structured three-tier Leadership Development Framework to cater to different leadership levels within the organisation. This framework ensures a progressive and holistic approach to building leadership capabilities across all career stages.

**Awareness and Engagement Programmes**

We complement our development initiatives with awareness programmes that reinforce our values, governance standards and sustainability principles. These programmes help embed a culture of responsibility, resilience and ethical leadership across the organisation.

**Role-Based Development**

Kenanga supports employees in key roles through role-based training aimed at enhancing their professional capability and career progression. We work closely with external training and certification partners, including Iverson Malaysia, the Asian Institute of Chartered Bankers ("AICB") and the Securities Industries Development Corporation ("SIDC"), to provide recognised learning pathways. In 2025, 92 employees obtained professional certifications, supporting strong governance, competence and industry readiness.

Training Provider	AICB	Iverson Malaysia	Securities Industry Development ("SIDC")
List of Certifications	Advanced Certification In Anti-Money Laundering And Counter Financing of Terrorism	Certification for Veeam Backup & Replication v12.1: Configure, Manage and Recover	Certified Capital Market Professional

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**ThinkIMPACT Campaign 2025: Leading with Purpose, Inspiring Sustainable Impact**

Our approach to sustainability training has evolved into a structured and progressive learning journey aimed at building ESG awareness, capability and ownership across our organisation and wider ecosystem. We began this journey with the Kenanga Sustainability Roadshow in 2023, which focused on engaging our employees and strengthening foundational understanding of sustainable practices. Kenanga Sustainability Day expanded this learning approach in 2024 by engaging both our employees and suppliers, reinforcing ESG principles across our value chain.

In August 2025, we launched the inaugural ThinkIMPACT Campaign, a sustainability platform aimed at driving continuous learning, advocacy and engagement. Anchored in the theme of "Leading with Purpose, Inspiring Sustainable Impact". ThinkIMPACT is structured around the following focus areas:



**ThinkIMPACT Campaign 2025:**

- I** ▶ **Integrate ESG for Impact**  
Apply ESG principles in daily operations to create real, positive changes for people and the planet
- M** ▶ **Mobilise Leadership**  
Empower leaders and champions to drive ESG ownership and accountability
- P** ▶ **Promote Awareness**  
Educate and engage stakeholders to foster a culture of sustainability
- A** ▶ **Advocate Transparently**  
Communicate ESG progress and impact with clarity and integrity
- C** ▶ **Collaborate for Value**  
Build partnerships that generate shared value across the ecosystem
- T** ▶ **Transform for the Future**  
Innovate and evolve ESG strategies to meet future challenges and opportunities

We delivered ThinkIMPACT Campaign 2025 as a month-long series of targeted training and engagement sessions in August 2025, designed to build ESG and Just Transition understanding across our key stakeholder groups. The programme combined leadership dialogues, capability-building workshops and sector-specific engagements to strengthen ESG integration across governance, operations and our value chain, as detailed below:

<b>6 August 2025</b>	<ul style="list-style-type: none"> <li>• ThinkIMPACT Campaign 2025 kicked off with a keynote speech, followed by a panel discussion on navigating the Just Transition and decarbonisation in the financial sector.</li> <li>• A <i>Communicating for Impact</i> workshop equipped the Sustainability Working Group with skills in impact-driven storytelling.</li> </ul>
<b>8 August 2025</b>	<ul style="list-style-type: none"> <li>• Board members participated in a session on advancing Just Transition from strategy to impact.</li> <li>• Senior Management Team attended a programme focused on operationalising inclusive climate action across Kenanga.</li> </ul>
<b>20 August 2025</b>	<ul style="list-style-type: none"> <li>• SMEs were engaged through <i>Smart ESG Moves for SMEs</i>, offering practical, affordable and actionable sustainability steps to strengthen resilience.</li> </ul>
<b>27 August 2025</b>	<ul style="list-style-type: none"> <li>• The ThinkIMPACT Festival brought employees together through interactive games and quizzes, showcasing sustainability initiatives and reinforcing a culture of shared impact.</li> </ul>

Collectively, the campaign, attended by 244 employees, demonstrates how ESG is integrated within Kenanga and translated into tangible impact across our ecosystem, strengthening ESG and Just Transition capabilities across our organisation and value chain.

In addition to the Kenanga ThinkIMPACT Campaign, a total of 871 employees completed ESG-related training in 2025, contributing 7,434.39 cumulative training hours across areas such as climate risk, ESG investing, sustainability assurance and disclosure practices—demonstrating strong organisation-wide commitment to building sustainability capability and readiness.

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**Leadership Development**

We focus our leadership development efforts on ensuring succession readiness and continuity for key positions across the Group. To identify leadership potential, we apply talent mapping based on the following qualities and attributes:

<b>1</b> Ability to drive results	<b>2</b> Capacity to innovate and respond to change	<b>3</b> Sound client focus
<b>4</b> Ethical and risk-conscious mindset	<b>5</b> Ability to collaborate and build effective relationships	<b>6</b> Communications skills

Our approach is embedded within our Talent and Succession Management Framework, which supports proactive workforce planning and leadership pipeline development. We also strengthened the objectivity and consistency of our talent assessments by refining our evaluation framework around ability, commitment and engagement.

Additionally, we support leadership readiness through a structured coaching programme, connecting experienced employees with our emerging talent to foster knowledge transfer, skill development and professional growth. Our Kenanga Leadership Development Programme (“**KLDP**”) continues to provide a comprehensive, targeted learning experience to develop our employees’ leadership capabilities and was expanded in 2024 to include People Managers. In 2025, a total of 49 employees participated in the Emerging Leadership Development Programme (“**ELDP**”) and a total of 99 employees participated in the Generic Offering (“**GO**”) training programme.

**Kenanga’s Talent Development Programmes and Initiatives**

<b>Individual Development Plan</b>	To provide a structured and personalised approach for employees to identify development needs, set clear goals and implement targeted actions that enhance skills, support career progression and drive high performance.
<b>Sustainability Programme</b>	To create and implement initiatives that promote and ensure the long-term wellbeing of the environment, society and employees, integrating sustainability principles into business operations.
<b>Digital Business/ Digitalisation</b>	To accelerate digital fluency and deepen technical capabilities for data, AI, cyber security and digital products through targeted upskilling initiatives.
<b>Good Corporate Governance Programme</b>	To strengthen governance culture, regulatory competency and ethical practices by providing relevant mandatory programmes to targeted employees.
<b>Kenanga Leadership Programme</b>	To cultivate and enhance leadership capabilities by providing a comprehensive and targeted learning experience that develops power skills, strategic thinking and decision-making. The programme aims to prepare participants to assume leadership roles, drive organisational goals and create a positive impact across diverse business areas.
<b>Subscription to LinkedIn Learning Platform</b>	To enable employees to access curated competency-based learning paths and a vast library of courses anytime, anywhere, fostering a culture of continuous learning.

**FY2025 Training Programmes**

**Strategy, Finance, Investment & Board-Level Engagement**

<b>What These Covers:</b>	Board Effectiveness, Executive Strategy, Capital Markets, Investor Forums, Macro and Geopolitical Insight		
<b>Includes:</b>	Investor & Finance Forums, Board & CAE Roundtables, Black Swan Summit, COO & CFO forums, MAICSA Conference, Luno Institutional Digital Asset Conference		
	<b>Total Attendees:</b>	<b>52</b>	<b>Total Training Hours:</b> <b>333.5 hours</b>

**Risk, Governance, Compliance & Assurance**

<b>What These Covers:</b>	Fraud, Audit, Cyber Security, AML/ CFT, Regulatory Risk, Enterprise and Digital Risk		
<b>Includes:</b>	ACFE Fraud Conferences (Europe & APAC), Cyber Security & IT Assurance, ACIIA Conferences & CAE Roundtables, AMLA/ CFT Boardroom Accountability, KRIs Masterclass		
	<b>Total Attendees:</b>	<b>1,932</b>	<b>Total Training Hours:</b> <b>8,133.9 hours</b>

**Leadership, Talent & Organisational Capability**

<b>What These Covers:</b>	Leadership Development, People Management, Communication, HR, Execution Skills, Future of Work		
<b>Includes:</b>	KLDP ELDP Modules 1-4, RESET Leadership, Problem-Solving & Critical Thinking, Cambridge Summer School, Communication Skills Coaching, HR & Leadership Summits		
	<b>Total Attendees:</b>	<b>168</b>	<b>Total Training Hours:</b> <b>2,509.0 hours</b>

**Digital, Data, Innovation & Future Technologies**

<b>What These Covers:</b>	Data analytics, AI, digital transformation, fintech, technology-enabled growth		
<b>Includes:</b>	KLDP ELDP Module 4 & GO (Data for Business Growth), CFO Circle (AI & RPA), Digital Wealth Management, Huawei Connect, MyFintech Week, LLMs Enter the Boardroom		
	<b>Total Attendees:</b>	<b>99</b>	<b>Total Training Hours:</b> <b>711.2 hours</b>

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TRAINING PERFORMANCE



Average Training Hours per Employee		Average Training Days per Employee	
2025*	37.8	2025*	4.7
2024	31.7	2024	4.0
2023	44.9	2023	4.3

Note:  
\* Average Training Hours and Days figure exclude training hours for investED trainees, interns and sponsorship programmes.

By Employee Category	Total Hours of Training			Average Training Hours per Employee		
	2023	2024	2025	2023	2024	2025*
Key Management	1,310.4	1,477.1	<b>1,531.4</b>	70.9	77.7	<b>80.6</b>
Senior Management	1,508.8	2,145.0	<b>2,618.2</b>	35.7	49.9	<b>60.9</b>
Middle and Junior Management	36,231.0	37,666.1	<b>44,214.8</b>	62.0	32.1	<b>38.1</b>
Non-Executive/ General Employees	1,017.8	1,005.5	<b>1,536.3</b>	9.3	10.2	<b>16.0</b>

Note:  
\* Average Training Hours and Days figure exclude training hours for investED trainees, interns and sponsorship programmes.

Average Training Hours per Employee (Male)		Average Training Hours per Employee (Female)	
2025*	33.6	2025*	41.8
2024	31.0	2024	32.4

Note:  
1. Average Training Hours and Days figure exclude training hours for investED trainees, interns and sponsorship programmes.  
2. The 2024 figure has been restated following the correction of a formula error.

E-learning on the Kenanga Learning Management System

Our e-learning infrastructure is a core component of our talent development framework. The Kenanga Learning Management System ("LMS") delivers standardised, regularly reviewed learning content across the organisation, including structured onboarding programmes for new hires.

This is complemented by LinkedIn Learning, which provides competency-based learning paths aligned with employees' roles and IDP, supported by an extensive library of on-demand courses.

E-learning Programmes	2025		
	Number of Courses Offered	Hours	Enrolments
Cyber Security Awareness Training	14	3,024.3	9,841
Data Loss Prevention	1	453.6	1,134
Business Continuity Management Awareness Training	1	244.3	977
10 <sup>th</sup> Annual Regulatory Seminar	1	5,735	1,147
AML/ CFT	4	451	369

Employee Performance Management

We implement our annual performance management process in alignment with the Group's strategic direction. Following the Board's approval of our business plan and budget, all employees are required to set individual performance objectives through a Balanced Scorecard at the beginning of the year.

Throughout the year, we monitor performance through periodic reviews conducted by our Heads of Departments and Business Units, culminating in a formal annual appraisal. Our process incorporates three (3) structured reviews: self-appraisal by employees, assessments by immediate superiors and performance moderation or calibration to ensure consistency and fairness across the organisation.

The outcomes of these appraisals inform our decisions on reward allocation, talent management and learning and development. Where performance gaps are identified, we implement targeted performance improvement plans to address underperformance and support sustained improvement.

Employee Performance Management in 2025



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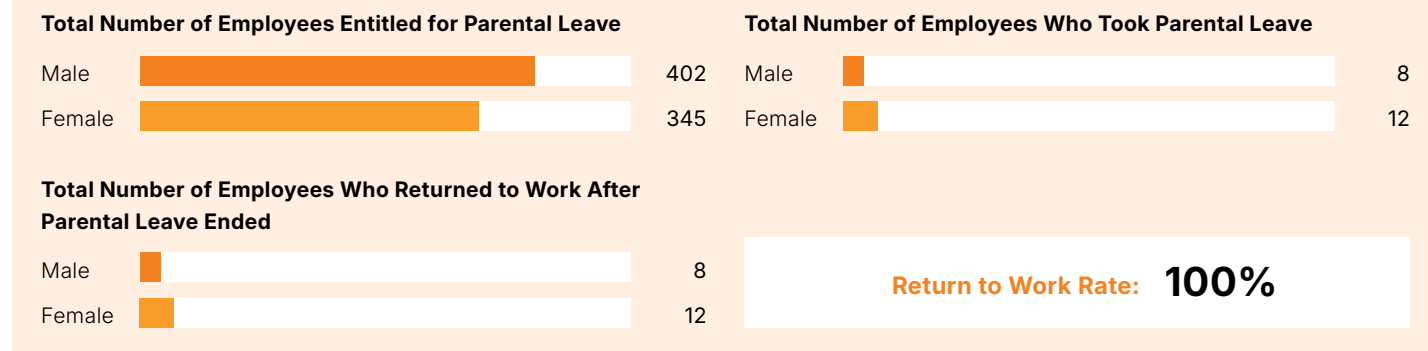
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**Employee Benefits and Support**

Our employee benefits are aligned with local labour standards and benchmarked against prevailing industry practices. We aim to provide a comprehensive and competitive benefits framework that supports employees' wellbeing, financial security and work-life balance.

Core Benefits	Financial Benefits	Development and Other Benefits
<ul style="list-style-type: none"> <li>Medical Benefits</li> <li>Insurance Coverage</li> <li>Dental and Optical</li> <li>Leave Allocation</li> </ul>	<ul style="list-style-type: none"> <li>Bonus and Incentives</li> <li>Employees' Share Option Scheme</li> <li>Private Retirement Scheme</li> </ul>	<ul style="list-style-type: none"> <li>Professional Development</li> <li>Fitness Memberships</li> <li>Travel and Transport Allowances</li> </ul>

**Parental Leave in 2025**



In 2025, flexible working arrangement remained available, with implementation determined by the respective Head of Departments and Divisions based on operational requirements, as well as business and divisional priorities. The approach supports productivity, while also boosting talent attraction and retention.

**Employee Engagement Initiatives**

Throughout 2025, we implemented a range of employee engagement initiatives designed to strengthening workplace connectivity, fostering inclusivity and recognising employee contributions. These activities provided meaningful opportunities for employees to connect beyond their day-to-day roles, reinforcing a positive and people-centric workplace culture.

**Cultural Festive Celebrations**

In 2025, we celebrated Chinese New Year, Hari Raya and Deepavali through a hybrid of virtual and on-ground activities that promoted cultural appreciation and organisation-wide engagement, recording over 2,800 employee participations across the three (3) festivities. The celebrations featured fun games, workshops and interactive activities, fostering a lively and inclusive festive atmosphere. Employees also received e-festive money via Kenanga Money through the KDi GO app, along with early salary payouts in conjunction with the festive seasons.



**Founder's Day**

We commemorated Founder's Day in honour of our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, Malaysia's pioneering female stockbroker. This annual tradition pays tribute to our heritage and celebrates Kenanga's long-standing success. The occasion was marked through virtual engagement activities hosted on #myKenanga Intranet Portal, recording over 500 employee participations.



**Group-Wide Digital and Governance Knowledge Initiatives**

We continued to strengthen digital awareness and organisational readiness through a series of Group-wide knowledge initiatives. These include the Group Equity Business #ThinkDigital Campaign, which shares insights into our transformation journey and upcoming initiatives; the Group Legal LEX Sharing Microsite, which provides updates on legal and regulatory developments impacting the financial industry; and the Group Operations Know Your Data Officer Microsite, which enhances understanding of data governance roles across the organisation. Collectively, these initiatives strengthened informed decision-making, enhanced regulatory awareness and reinforced responsible data practices across the Group.

**FUTURE OUTLOOK**

Kenanga will continue to enhance equitable hiring practices and expand both our talent development and employee engagement initiatives to build a resilient, future-ready workforce, aligned with the Group's long-term growth strategy.

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## COMMUNITY INVESTMENT



GRI 3-3, 413-1, 413-2

## WHY IT MATTERS

By engaging employees and supporting vulnerable groups, we create positive social impact, strengthen community resilience and contribute to sustainable, long-term business performance.

## Our Approach

Guided by the Group Donation Policy, which ensures consistency, accountability and transparency in how contributions are disbursed and how donation requests are assessed, we continued to strengthen our community investment efforts. In 2025, we translated this commitment into action by investing over RM570,000 in community outreach programmes, directly benefiting over thousands of individuals across Malaysia and creating positive impact in the areas of health, education, inclusion and the environment.

## Kenanga Gives Back

Through our flagship corporate social responsibility ("CSR") programme, **Kenanga Gives Back**, we continue to support marginalised and underserved communities while promoting inclusion across diverse groups. The programme spans a wide range of initiatives that deliver meaningful impact and contribute to stronger, more resilient communities.

By collaborating closely with social enterprises and non-governmental organisations ("NGOs"), we focus on addressing pressing social challenges such as education gaps, hunger and health-related vulnerabilities. These efforts are grounded in the principles of the UN SDGs emphasising wellbeing, reducing inequalities, strengthening community resilience and supporting environmental protection.

## Kenanga's Be a Volunteer Programme

Established in 2022, the "Be a Volunteer Programme", encourages employees to take an active role in outreach initiatives with our charitable partners. Since its launch, hundreds of employees have contributed their time and energy to support communities in need, reflecting our culture of shared responsibility and purpose-driven engagement.

During the reporting period, employees dedicated over 3,500 volunteer hours to support community initiatives for the underserved and marginalised communities. Most activities were carried out under Kenanga Gives Back, focusing on empowering vulnerable groups by providing food support, building confidence, promoting economic participation and supporting children in care as well as differently-abled individuals, aligned with UN SDGs, such as SDG 3: Good Health and Well-Being, SDG 4: Quality Education, SDG 10: Reduced Inequalities and SDG 8: Decent Work and Economic Growth.

By enabling employees to contribute beyond their daily roles, we help strengthen community resilience and encourage greater environmental responsibility. These efforts reinforce a strong culture of collective action within the organisation, demonstrating how structured volunteerism can generate meaningful, long-term impact while deepening employee engagement and sense of purpose.

## Partnering for Positive Impact

We also continued our long-standing partnerships with key community organisations, including our 14-year collaborations with Silent Teddies Bakery ("**Silent Teddies**") and Dialogue Includes All Academy ("**DIAA**"). Through these partnerships, we help create opportunities, foster economic participation and empower communities in need. Alongside these social enterprises, we also worked closely with Pertubuhan Rahoma Darul Fakir Malaysia, Pertiwi Soup Kitchen, Persatuan Kanak-Kanak Istimewa Ampang, Pusat Darah Negara and the National Cancer Society of Malaysia, extending support across a broad network of charitable partners to drive meaningful and sustained community impact.

## Key Community Outreach Initiatives

## Kenanga Gives Back to Silent Teddies

We continued our long-standing support for Silent Teddies, a social enterprise under the Community Service Centre for the Deaf that equips hearing-impaired individuals with entrepreneurial and vocational skills. We contributed a solar panel system to help the bakery improve its operational efficiency through the use of renewable energy. Through our Be a Volunteer Programme, Kenanga employees also provided hands-on assistance at the bakery, supporting activities such as packing, labelling and preparing festive hampers to bolster Silent Teddies' operations and community outreach.



## Back-to-School Donation Campaign

We continued supporting Pertubuhan Rahoma Darul Fakir Malaysia ("**Rahoma**"), an all-female shelter, by enhancing access to education for girls aged 7 to 17. Our efforts focused on bridging learning gaps and promoting more equal opportunities for student from underserved backgrounds. A core initiative included sponsoring the shelter's school transportation from February to December 2025, ensuring consistent and safe access to school. Additionally, we provided essential school supplies such as uniforms and stationery. We also organised a Back-to-School donation campaign, through which employees contributed school bags, stationery and participated in distribution sessions, reinforcing our shared commitment to supporting the children's educational needs.



## Kenanga Gives Back to the Homeless via Pertiwi Soup Kitchen

We collaborated with local NGOs to support individuals experiencing homelessness, focusing on nourishment, dignity and overall wellbeing. Partnering with Pertiwi Soup Kitchen, Kenanga employees assisted with the preparation and distribution of meals. We also worked with the Taiwan Buddhist Tzu Chi Foundation Malaysia to provide grooming services during the Ramadan and Hari Raya Aidilfitri period, boosting beneficiaries, confidence through personal grooming.

## 2025 Blood Donation Drive with Pusat Darah Negara

We supported community health efforts by collecting 75 packs of blood during our annual Blood Donation Drive with Pusat Darah Negara at Kenanga Tower, which could potentially benefit up to 225 patients. This initiative strengthens our commitment to social responsibility and increases awareness of the importance of blood donation among our employees.



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**Kenanga Gives Back to Persatuan Kanak-Kanak Istimewa Ampang**

We supported Persatuan Kanak-Kanak Istimewa Ampang by sponsoring the purchase of a new passenger van, enhancing mobility for differently-abled students. This contribution enabled safer and more reliable transportation for the children to access therapy, learning programmes and essential services.

**Relay for Life by National Cancer Society of Malaysia**

We contributed to the Relay for Life initiative organised by the National Cancer Society of Malaysia, enabling the organisation to continue offering essential health screening services to cancer patients from lower-income communities. This initiative reflects our commitment to improving access to quality healthcare and supporting community wellbeing.

**Qurban Perdana Kenanga Investors Berhad 2025**

During Hari Raya Haji, we distributed meat from 30 cows from Colla Cattle Farm in Kuala Selangor to underprivileged families, improving food security for hundreds of beneficiaries while promoting compassion, solidarity and care. This initiative aligns with SDG 1: No Poverty and SDG 2: Zero Hunger, supporting food access during the festive period. The event saw the participation of 413 Kenanga agents and volunteers who collectively dedicated 3,304 volunteering hours.



**Ramadhan Iftar Session**

We hosted a *Buka Puasa* session with Rahoma, creating a shared meal experience that fostered cultural appreciation and meaningful connection with the children. The gathering encouraged warm interaction and strengthened our relationship with the community.



**Kenanga Gives Back to the National Cancer Society of Malaysia**

We partnered with the National Cancer Society of Malaysia (“NCSM”) to promote early cancer detection through a Chinese New Year hand-painting activity that transformed employee participation into meaningful community impact. The initiative raised RM10,000 to support NCSM’s ongoing efforts to expand cancer awareness and outreach programmes that encourage preventive healthcare and enhance community wellbeing.



**Leading with Empathy Workshop for Kenanga Employees**

We continued to support DIAA, a social enterprise that advocates for disability inclusion and empowers individuals through life and vocational skills development. We organised an empathy-building workshop led by ten differently-abled trainers, focusing on strengthening leadership awareness and inclusive workplace practices. Participants took part in activities conducted in complete darkness, guided by visually impaired facilitators, providing firsthand insight into the lived experiences of individuals with visual impairments. The workshop helped deepen understanding, improve communication and teamwork and enhance self-awareness among 47 employees.

**Kenanga Gives Back to DIAA**

We continued our partnership with DIAA by sponsoring the rental of its GMBB Plaza premises. This support enabled DIAA to sustain employment and training opportunities for its members, including ten differently-abled individuals, while also providing a space to raise public awareness on disability inclusion through immersive experiences.

**Sensory in the Dark Experience by DIAA**

We hosted DIAA’s Sensory in the Dark Experience for 25 children from Rahoma. The immersive session encouraged empathy, broadened perspectives and deepened understanding of the challenges faced by individuals with disabilities, reinforcing inclusive thinking among participants.

**Dive Against Debris and Beach Clean-up by Kenanga Investors Berhad**

We continued to support the Dive Against Debris and Beach Clean-up initiative at Pulau Perhentian for the third consecutive year. A total of 25 employees took part in sorting the rubbish collected from the beach and nearby marine areas and recording the data in a global database that documents marine debris worldwide. With a total of 282.4 kg of waste collected and recorded, the initiative helped protect our marine ecosystems by contributing to global conservation efforts.



**FUTURE OUTLOOK**



We will continue to invest in initiatives that support communities and contribute to their long-term wellbeing. Our focus remains on programmes that respond to community needs while enabling meaningful and measurable impact.

## EMPOWERING PEOPLE AND COMMUNITIES

## EMPOWERING PEOPLE AND COMMUNITIES

## FINANCIAL INCLUSION



GRI 3-3, 203-1, 203-2

## WHY IT MATTERS

At Kenanga, 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.

## Our Approach

We adopt a proactive approach to advancing financial literacy, recognising it as a critical enabler of financial inclusion. Through collaborations with non-governmental organisations, government agencies and local communities, we provide accessible financial education aimed at equipping individuals with the knowledge and confidence to engage effectively with the financial system.

Our initiatives also enhance digital literacy, supporting the adoption of digital tools while strengthening trust and awareness of financial solutions. In parallel, we conduct outreach campaigns to promote our digital platforms and communicate their value, addressing both literacy- and trust-related barriers. These efforts form a comprehensive strategy to expand financial inclusion by making financial services more accessible and affordable.

## 1 Equity Broking

- Facilitates equity trading for clients, providing services such as:
  - Global equity trading
  - Structured warrants
  - Equity structured solutions
  - Securities borrowing and lending
- Enables clients to access multiple markets, diversify their portfolios and capitalise on various trading opportunities.

## 2 Treasury Service

- Offers a range of treasury products, including:
  - Foreign exchange
  - Currency market instruments
- Enables clients to manage their cash flow and mitigate currency volatility effectively.

## 3 Listed Derivatives

- Provides access to derivative products listed on exchanges, allowing clients to engage in risk hedging or market speculation.
- Ideal for clients looking to manage hedge risks in dynamic market conditions.

## 4 Corporate Investment and Islamic Banking

- Offers investment solutions, including:
  - Corporate banking
  - Corporate finance
  - Debt capital markets
  - Equity capital markets
  - Private equity services
- Supports businesses in securing financing, managing financial growth and achieving long-term corporate success.
- Provides Shariah-compliant products for clients seeking Islamic financial solutions and Islamic banking, such as:
  - Islamic financing
  - Islamic treasury products
  - Islamic stockbroking
- Ensures alignment with faith-based investment principles.

## 5 Asset and Wealth Management

- Offers asset and wealth management services for both individuals and institutional clients, which include:
  - Portfolio management
  - Investment advisory
- Provides a diverse range of investment solutions tailored to different risk appetites and financial goals.
- Leverages our expertise to deliver long-term value and sustainable returns for our clients.

## Our Financial Digital Platforms and Solutions

Through our digital platforms and solutions, we aim to provide seamless access to a diverse range of financial services. We continue to leverage digital innovation to address gaps and drive socio-economic growth, supporting financial inclusivity by reducing traditional barriers and empowering more individuals to engage meaningfully with the financial system.

## Contributing to Malaysia's Asset Tokenisation Landscape

In August 2025, we released Project Juara: Malaysia's Asset Tokenisation Opportunity ("**Project Juara**"), a white paper co-authored with Saison Capital Pte Ltd, Helicap Labs Pte Ltd and Satori Research Ltd, to map out the future of asset tokenisation in Malaysia. The report presents a whole-of-nation roadmap for building a robust digital asset ecosystem, highlighting the roles of financial institutions, infrastructure providers, regulators and community leaders in making investing more inclusive and transformational for Malaysians. The paper further estimates that the country's tokenised asset market could reach US\$43 billion by 2030, anchored in regulated products, such as unit trusts, bonds and sukuk and aligned with national ambitions to become a digital asset hub.

## Advancing Real-World Asset Tokenisation Initiative

In December 2025, we strengthened our role in Malaysia's digital asset ecosystem through our strategic investment in Halogen Capital Sdn Bhd, Malaysia's first licensed digital asset fund manager. With Kenanga participating as the lead investor, Halogen Capital completed a RM13.3 million (USD3.2 million) funding round, alongside the leading global venture capital firm, 500 Global, resulting in our holding a 14.9% strategic equity stake.

Our investment supports Halogen Capital in advancing its Real-World Asset (RWA) tokenisation strategy, including unit trust funds, bonds, sukuk, private credit and real estate, leveraging blockchain technology to expand access to investment opportunities that were previously limited to institutional and high-net-worth investors. Through this initiative, we are advancing regulated digital asset innovation, broadening investment accessibility and strengthening Malaysia's digital finance ecosystem.

## EMPOWERING PEOPLE AND COMMUNITIES

## EMPOWERING PEOPLE AND COMMUNITIES

**Promoting Financial Literacy and Empowering Investors Through Knowledge**

Guided by our commitment to empowering individuals to make informed investment decisions, navigate complex financial systems and plan effectively for their future, we actively organised and participated in a wide range of financial literacy and investor education initiatives throughout 2025. These included published articles, webinars, virtual roadshows, exhibitions and engagement across social media platforms.

In total, we reached more than 5,000 participants through over 100 digital and physical engagements nationwide. These initiatives aimed to strengthen investor confidence, promote long-term investing discipline and deepen understanding of evolving market trends, including sustainability, digital assets and risk management.

The key activities undertaken during the reporting period are as follows:

	Engagement Platforms	Number of Sessions	Number of Participants
Stockbroking	Webinar, Workshops, Exhibitions	86	5,293
Structured Warrants	Article, Exhibitions	22	130
Asset and Wealth Management	Webinar, Roadshow, Exhibition	68	-
Futures Broking	Webinar, Seminar, Exhibitions	5	184

**Stock Chat by Kenanga with Adrian Ng****51 sessions****Thought Leadership/ Media Features****13 articles**

- Shaping a Smart & Sustainable Future: Impact Investing
- Wakaf Pencetus Perubahan Untuk Ekonomi Malaysia
- Reverse Annuity Solution for Seniors with Catastrophic Illnesses
- The Next Frontier of Real Assets Investing
- KALSIS Widening Home Equity Health Financing Scheme Beyond Cancer
- From Risk to Reward: The Critical Role of Quantitative Risk Management
- Malaysia's Asset Management Industry Seen Shaped by AI
- Crafting an Enduring Impact with Kenanga Investors
- In SEA, Retail Demand for Sustainable Investment Products Still Low
- ASEAN's Q3 Investment Playbook
- Riding the Tokenisation Wave
- Building a Sustainable Future with Kenanga Investors
- What's Ahead for Financial Planning? (4EJournazine)

**EDM Market Insight (EDM)****12 sessions****Monthly Market Outlook Briefing by Fund Managers****12 sessions****LinkedIn/ Other****9 articles**

- The Latte Factors
- What's Your ROI
- Success in Long-term Investment
- Long-Term Investing: The Career Climber's Secret Advantage
- Long-Term Investing: Giving the Gift of Investing
- Get Ahead of Your Retirement Goals
- Busy Building Your Career? Let DCA Build Your Wealth
- KDI Invest Delivered 15.6% Returns + DCA

**Sector Outlook Webinars****7 sessions**

(Construction, Plantation, Oil & Gas, Banking, Solar, Technology, Telecommunication)

**Specialised/ Thematic Webinars****6 sessions**

(Chart Nexus Webinar, Winners on the SGX, A Comprehensive Guide to CME Agri Commodities Futures, Next Gen Trading: Harnessing Micro Bitcoin & Ether Futures)

**Malaysia Market Outlook (1Q, 2Q, 3Q, 4Q)****4 sessions****Physical Engagements**

- 15 roadshows (UT & PRS Roadshow – UTC Melaka, Mahkota Parade, LHDN Melaka & MITC, UOA Business Park, Telekom Malaysia Kota Kinabalu, KIP Mall Melaka, LHDN Kota Kinabalu, UCSI Hotel Kuching, UTC Sabah, Media Prima Bangsar, TNB Kota Bharu) (Retail Corporate Day – Your Gateway to High-Growth Opportunities, Discovering Potential in Local Leaders) (Sabah Investor Day: Pathway to IPO & Prosperity with Kenanga)
- 3 exhibitions (InvestFair 2025 @ Mid Valley, SC Bersama Invest Smart Kuantan, Invest Smart Fest 2025 "Bijak Labur Hidup Makmur")
- 3 brand and community engagement events (Multimedia University Accounting Fest, Quest International University Industry Day, 16<sup>th</sup> Feng Chia Cup National High School Calligraphy Competition)
- 2 seminars (Q3 2025 US Equity and Markets Outlook, Harnessing Algorithms for Effective Futures Trading)
- 2 investor outreach/ exhibitions (Asia Pacific University of Technology & Innovation (APU) Fintech Day, Maxis Event)
- 1 workshop (InvestSG Workshop @ Johor Bahru)
- 1 booth (FSMOne What & Where to Invest 2025)
- 1 listing ceremony (NagaWarrants First-Ever HSCEI & HSTECH Structured Warrants)

**Industry Conferences/ High-Level Forums****16 sessions**

- National Climate Governance Summit 2025
- MALTIAA Annual National Convention 2025
- Eq8 Waqf Special Insight Session
- 12<sup>th</sup> MFPC International Shariah Wealth Management & Financial Planning Conference 2025
- AFA 14<sup>th</sup> Annual Conference & Award Recognition 2025
- FPAM Annual Signature Financial Planning Symposium 2025
- Single Family Office Summit Malaysia
- 13<sup>th</sup> Asia Asset Management Malaysia Roundtable 2025
- PhillipCapital 15<sup>th</sup> Investment Conference 2025
- ASEAN Corporate Governance Conference & Awards
- IERP Global Conference 2025 Enterprise Risk Management
- 38<sup>th</sup> International Investment Funds Association Conference
- FIMMAC 2025 – Navigate the Future
- IFN Investor Asia Forum 2025
- Luno Institutional Digital Asset Conference 2025

**Professional Training****4 sessions**

(Kenanga Trustees Training, Kenanga Trust Series Product Pre-launch Briefing, Wills & Trust Refresher – Affluent Group, UTC & PRSC Career Path Training)

**FUTURE OUTLOOK**

We aim to advance financial inclusion by expanding accessible, affordable and secure financial solutions for underserved groups. Our focus is on strengthening financial capability, improving access to digital financial services and supporting initiatives that enhance livelihoods, resilience and long-term economic participation, ensuring equitable opportunities for all communities we serve.

## YEAR-ON-YEAR PERFORMANCE TABLE

## YEAR-ON-YEAR PERFORMANCE TABLE

## GOOD GOVERNANCE

Compliance Online Training Module Summary						
	Number of Employees Who Participated			Total Training Hours Recorded		
	2023	2024	2025	2022	2023	2024
Anti-Bribery and Corruption	1,160	1,150	<b>1,145</b>	496.5	379.2	<b>2,016.3</b>
AML/ CFT/ TFS	1,160	1,150	<b>1,145</b>	2,994.8	3,048.8	<b>379.2</b>
Anti-Fraud	1,160	1,150	<b>1,145</b>	5,523.2	1,970	<b>496.5</b>

ARS Assessment	2023	2024	2025
Number of Employees Participated	1,160	1,150	<b>1,145</b>
Number of Employees Who Scored 80% and Above	1,152	1,076	<b>1,072</b>

## SUSTAINABLE ECONOMIC GROUP

Supporting Our Local Suppliers	2023	2024	2025
Total Procurement Spent on Local Businesses (RM)	81.5 mil	112.1 mil	<b>114.8 mil</b>
Total Procurement Spent on Local Businesses (%)	82%	83%	<b>85%</b>

## ENVIRONMENTAL STEWARDSHIP

Managing Our Climate Impact	2023	2024	2025
<b>Total Fuel Consumption &amp; Scope 1 - Direct GHG Emissions</b>			
Total Fuel Consumption (litres)	18,209.1	17,382.0	<b>16,411.8</b>
Total Energy Consumption - Fuel Consumption (GJ)	610.0	587.9	<b>555.0</b>
Scope 1 Direct GHG Emissions (tCO <sub>2</sub> e)	43.4	42.0	<b>39.6</b>

<b>Total Purchased Electricity &amp; Scope 2 - Indirect GHG Emissions</b>			
Total Purchased Electricity Consumption - KT (kWh)	2,902,979	3,083,435	<b>3,394,597.0</b>
Total Purchased Electricity Consumption - Branches (kWh)	2,313,653	2,090,249	<b>1,953,788.5</b>
Total Energy Consumption - Purchased Electricity (GJ)	18,779.9	18,625.3	<b>19,254.2</b>
Scope 2 Indirect GHG Emissions - KT (tCO <sub>2</sub> e)	2,200.5	912.5	<b>257.1</b>
Scope 2 Indirect GHG Emissions - Branches (tCO <sub>2</sub> e)	1,395.6	1,313.7	<b>1,205.3</b>
Total Scope 2 Indirect GHG Emissions - KT and Branches (tCO <sub>2</sub> e)	3,596.1	2,226.2	<b>1,462.5</b>

Managing Our Climate Impact	2023	2024	2025
<b>Scope 3 - Other Indirect GHG Emissions</b>			
Category 6 - Business Travel (tCO <sub>2</sub> e)	444.8	532.7	<b>488.3</b>
Category 7 - Employee Commuting (tCO <sub>2</sub> e)*	4,320.4	3,841.0	<b>3,924.4</b>
Category 15 - Investments			
Portfolio Emission (tCO <sub>2</sub> e)**	375,127.6	243,736.4	-
Financed Emission (tCO <sub>2</sub> e)**	114,068.4	27,045.6	-
Facilitated Emission (tCO <sub>2</sub> e)**	23,555.0	79,071.8	-

\* Collection of data began in FY2023

\*\* Collection of data began in FY2024

Consumption and Waste Management	2023	2024	2025
Paper Consumption (kg)	17,339	16,190	<b>15,802</b>
Total Waste Generated (kg)	32,876	36,244	<b>61,621</b>
Total Waste Generated (tonnes)	32.9	36.2	<b>61.6</b>

Water Consumption	2022	2023	2024
Kenanga Tower (m <sup>3</sup> )	33,307.0	33,019.0	<b>43,706.5</b>
Kenanga Branch Offices (m <sup>3</sup> )	8,901.1	7,558.3	<b>36,977.0</b>
Total Water Consumption (m <sup>3</sup> )	42,208.1	40,577.3	<b>6,729.5</b>

## EMPOWERING PEOPLE AND COMMUNITIES

Our Workforce Profile	2023	2024	2025
Total Number of Employees	1,358	1,334	<b>1,320</b>
<b>Breakdown by Gender</b>			
Male	670	644	<b>640</b>
	49%	48%	<b>48%</b>
Female	688	690	<b>680</b>
	51%	52%	<b>52%</b>

## YEAR-ON-YEAR PERFORMANCE TABLE

## YEAR-ON-YEAR PERFORMANCE TABLE

Our Workforce Profile	2023	2024	2025
<b>Breakdown by Employee Category</b>			
<b>Key Management</b>	18	19	<b>19</b>
Male	66.7%	63.2%	<b>68.4%</b>
Female	33.3%	36.8%	<b>31.6%</b>
<b>Senior Management</b>	42	43	<b>43</b>
Male	59.5%	62.8%	<b>62.8%</b>
Female	40.5%	37.2%	<b>37.2%</b>
<b>Middle Management</b>	500	500	<b>520</b>
Male	46.6%	45.6%	<b>46.9%</b>
Female	53.4%	54.4%	<b>53.1%</b>
<b>Junior Management</b>	691	673	<b>642</b>
Male	47.0%	45.8%	<b>45.2%</b>
Female	53.0%	54.2%	<b>54.8%</b>
<b>Non-Executive</b>	107	99	<b>96</b>
Male	70.1%	69.7%	<b>68.8%</b>
Female	29.9%	30.3%	<b>31.3%</b>
<b>Breakdown by Ethnic Composition</b>			
Malay and Other Bumiputera	550	570	<b>578</b>
	40.5%	42.7%	<b>43.8%</b>
Chinese	734	696	<b>674</b>
	54.0%	52.2%	<b>51.1%</b>
Indian	68	63	<b>63</b>
	5.0%	4.7%	<b>4.8%</b>
Others	6	5	<b>5</b>
	0.4%	0.4%	<b>0.4%</b>
<b>Breakdown by Age Groups</b>			
<30	228	290	<b>260</b>
	21.2%	21.8%	<b>19.7%</b>
30-39	375	364	<b>380</b>
	27.6%	27.3%	<b>28.8%</b>
40-50	402	382	<b>372</b>
	29.6%	28.6%	<b>28.2%</b>
>50	293	298	<b>308</b>
	21.6%	22.3%	<b>23.3%</b>

Our Workforce Profile	2023	2024	2025
<b>By Employee Category and Age Group</b>			
<b>Key Management</b>			
<30	0	0	<b>0</b>
	0%	0%	<b>0%</b>
30-39	0	0	<b>0</b>
	0%	0%	<b>0%</b>
40-50	5	5	<b>5</b>
	27.8%	26.3%	<b>26.3%</b>
>50	13	14	<b>14</b>
	72.2%	73.7%	<b>73.7%</b>
<b>Senior Management</b>			
<30	0	0	<b>0</b>
	0%	0%	<b>0%</b>
30-39	2	2	<b>1</b>
	4.8%	4.7%	<b>2.3%</b>
40-50	21	21	<b>21</b>
	50.0%	48.8%	<b>48.8%</b>
>50	19	20	<b>21</b>
	45.2%	46.5%	<b>48.8%</b>
<b>Middle Management</b>			
<30	3	4	<b>5</b>
	0.6%	0.8%	<b>1.0%</b>
30-39	156	155	<b>165</b>
	31.2%	31.0%	<b>31.7%</b>
40-50	195	203	<b>212</b>
	39.0%	40.6%	<b>40.8%</b>
>50	146	138	<b>138</b>
	29.2%	27.6%	<b>26.5%</b>

## YEAR-ON-YEAR PERFORMANCE TABLE

## YEAR-ON-YEAR PERFORMANCE TABLE

Our Workforce Profile	2023	2024	2025
<b>By Employee Category and Age Group</b>			
<b>Junior Management</b>			
<30	279 40.4%	280 41.6%	<b>249</b> <b>38.8%</b>
30-39	197 28.5%	188 27.9%	<b>199</b> <b>31.0%</b>
40-50	138 20.0%	124 18.4%	<b>103</b> <b>16.0%</b>
>50	77 11.1%	81 12.0%	<b>91</b> <b>14.2%</b>
<b>Non-Executive</b>			
<30	6 5.6%	6 6.1%	<b>6</b> <b>6.3%</b>
30-39	20 18.7%	19 19.2%	<b>15</b> <b>15.6%</b>
40-50	43 40.2%	29 29.3%	<b>31</b> <b>32.3%</b>
>50	38 35.5%	45 45.5%	<b>44</b> <b>45.8%</b>
<b>New Hires</b>			
Total Number of New Hires	208	200	<b>176</b>
New Hires Rate (%)	15.3	15.0	<b>13.3</b>
Total Number of Employee	1,358	1,334	<b>1,320</b>
<b>Breakdown by Gender</b>			
Male	105	98	<b>92</b>
Female	103	102	<b>84</b>
<b>Breakdown by Age Groups</b>			
<30	113	117	<b>82</b>
30-39	52	54	<b>59</b>
40-50	25	19	<b>26</b>
>50	18	10	<b>9</b>

Employee Turnover	2023	2024	2025
Total Number of Employee Turnover	208	223	<b>191</b>
Total Employee Turnover Rate (%)	15.3	16.6	<b>14.5</b>
<b>Breakdown by Gender</b>			
Male	104	125	<b>96</b>
Female	104	98	<b>95</b>
<b>Breakdown by Age Groups</b>			
<30	95	68	<b>66</b>
30-39	49	74	<b>68</b>
40-50	24	40	<b>27</b>
>50	40	41	<b>30</b>
<b>Breakdown by Employee Category</b>			
Key Management	1	0	<b>1</b>
Senior Management	3	1	<b>0</b>
Middle Management	61	66	<b>46</b>
Junior Management	129	74	<b>84</b>
Non-Executive	14	1	<b>3</b>
Total Number of Voluntary Attritions	137	142	<b>134</b>
Total Voluntary Attritions Rate (%)	10.1	10.6	<b>10.1</b>

Parental Leave	2023	2024	2025
Total Number of Eligible Employees	787	756	<b>747</b>
<b>Breakdown by Gender</b>			
Male	242	403	<b>402</b>
Female	545	353	<b>345</b>
<b>Total Number of Employees That Took Parental Leave</b>			
Male	24	9	<b>8</b>
Female	14	11	<b>12</b>
<b>Total Number of Employees That Returned to Work After Parental Leave Ended</b>			
Male	24	9	<b>8</b>
Female	14	11	<b>12</b>
Return to Work Rate	100%	100%	<b>100%</b>

## YEAR-ON-YEAR PERFORMANCE TABLE

Training and Development	2023	2024	2025
Total Expenses on Training and Development (RM)	1.9mil	2.6mil	<b>5.3mil</b>
Overall Training Hours	40,067.9	42,294	<b>49,901</b>
Average Training Hours per Employee	44.9	31.7	<b>37.8</b>
Average Training Days per Employee	4.3	4.0	<b>4.7</b>
<b>Average Training Hours per Employee by Gender</b>			
Male	22.9	13.5	<b>33.6</b>
Female	21.9	12.0	<b>41.8</b>
<b>Breakdown by Employee Category</b>			
Key Management	70.9	77.7	<b>80.6</b>
Senior Management	35.7	49.9	<b>60.9</b>
Middle/ Junior Management	62.0	32.1	<b>38.1</b>
Non-Executive/ General Employees	9.3	10.2	<b>16.0</b>
<b>Community Investment</b>			
Total Amount of Community Investment (RM)	636,809.93	648,226.00	<b>576,957.72</b>
<b>Financial Literacy</b>			
Number of Forums Conducted	119	164	<b>181</b>
Number of Participations	7,877	14,106	<b>5,607</b>

## GRI CONTENT INDEX

## GRI Universal Standard

<b>Statement of Use</b>	Kenanga has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	Not Applicable

## GENERAL DISCLOSURES

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/ Omissions
<b>GRI 2: General Disclosures 2021</b>			
<b>The organisation and its reporting practices</b>			
2-1	Organisational details	2-3, 4-6	
2-2	Entities included in the organisation's sustainability reporting	2, 4	
2-3	Reporting period, frequency and contact point	3	
2-4	Restatements of information	88, 91, 92, 97, 120	
2-5	External assurance	3, 151-153	
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	4-7	
2-7	Employees	103-104, 133-136	
2-8	Workers who are not employees	104	
<b>Governance</b>			
2-9	Governance structure and composition	30	
2-10	Nomination and selection of the highest governance body	-	Please refer to the Kenanga Investment Bank Integrated Annual Report 2025 for further details
2-11	Chair of the highest governance body	-	YAM Tan Sri Dato' Seri Syed Anwar Jamalullail, Chairman
2-12	Role of the highest governance body in overseeing the management of impacts	17, 30	
2-13	Delegation of responsibility for managing impacts	17-19	
2-14	Role of the highest governance in sustainability reporting	3, 21-22	
2-15	Conflicts of interest	30	
2-16	Communication of critical concerns	11, 37,107	
2-17	Collective knowledge of the highest governance body	-	
2-18	Evaluation of the performance of the highest governance body	-	Please refer to the Kenanga Investment Bank Integrated Annual Report 2025 for further details
2-19	Remuneration policies	-	
2-20	Process to determine remuneration	69	
2-21	Annual total compensation ratio	-	

## GRI CONTENT INDEX

## GRI CONTENT INDEX

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/ Omissions
<b>GRI 2: General Disclosures 2021</b>			
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	11-13, 14-16	
2-23	Policy commitments	11, 33-35, 36-37, 60, 63, 66, 105, 107-108, 124	
2-24	Embedding policy commitments	11, 33-35, 36-37, 60, 63, 66, 105, 107-108, 124	
2-25	Processes to remediate negative impacts	11, 105, 107	
2-26	Mechanisms for seeking advice and raising concerns	11, 37	
2-27	Compliance with laws and regulations	36-37, 38, 40, 41	
2-28	Membership associations	43, 70	
<b>Stakeholder engagement</b>			
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IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>GOVERNANCE</b>		
6(a)(i)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	67-68, Refer to pages 43 and 47 in Kenanga Investment Bank Integrated Annual Report 2025
6(a)(ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	69-70
6(a)(iii)	How and how often the body(s) or individual(s) is informed about climaterelated risks and opportunities.	68
6(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	67-68, Refer to page 47 in Kenanga Investment Bank Integrated Annual Report 2025
6(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities and monitors progress towards those targets (see paragraph 33-36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	69
6(b)(i)	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climaterelated risks and opportunities, including information about Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	67-68, Refer to pages 43 and 47 in Kenanga Investment Bank Integrated Annual Report 2025
<b>STRATEGY</b>		
9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	72, Refer to pages 33, 49 and 50 in Kenanga Investment Bank Integrated Annual Report 2025
9(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	73, 74, 75, 76
9(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	83, 100-101, Refer to page 54 in Kenanga Investment Bank Integrated Annual Report 2025
9(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	73, 74, 75, 76, Refer to page 42 in Kenanga Investment Bank Integrated Annual Report 2025
9(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	71

IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>STRATEGY</b>		
10(a)	An entity shall disclose information that enables users of general- purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	72, Refer to page 49 in Kenanga Investment Bank Integrated Annual Report 2025
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climaterelated transition risk.	72, Refer to page 49 in Kenanga Investment Bank Integrated Annual Report 2025
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium, or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	76, Refer to pages 49 and 50 in Kenanga Investment Bank Integrated Annual Report 2025
10(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision making.	71
13(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climaterelated risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	73, 74, 75, 76
13(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	-
14(a)(i)	Disclose information about how the entity has responded to and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climaterelated targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments).	73, 74, 75, 76
14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments and changes in product specifications).	73, 74, 75, 76
14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains).	73, 74, 75, 76
14(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan and dependencies on which the entity's transition plan relies.	-
14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33-36.	-
14(b)	How the entity is resourcing and plans to resource, the activities disclosed in accordance with 14(a).	-

## IFRS S2 CONTENT INDEX

## IFRS S2 CONTENT INDEX

IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>STRATEGY</b>		
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	-
15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	73, 74, 75, 76
15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	73, 74, 75, 76
16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	-
16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	-
16(c)(i)	Specifically, an entity shall disclose quantitative and qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the entity is not contractually committed to; and	-
16(c)(ii)	Its planned sources of funding to implement its strategy.	-
16(d)	An entity shall disclose quantitative and qualitative information about How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	73, 74, 75, 76
21(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	-
22(b)(i)(1)	How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including: Which climate-related scenarios the entity used for the analysis and the sources of those scenarios.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 202

IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>STRATEGY</b>		
22(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(i)(6)	The time horizons the entity used in the analysis; and	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(i)(7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis).	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(ii)(1)	The key assumptions the entity made in the analysis, including assumptions about: Climate-related policies in the jurisdictions in which the entity operates.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(ii)(2)	Macroeconomic trends.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(ii)(4)	Energy usage and mix.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(ii)(5)	Developments in technology.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
22(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	78-79, Refer to pages 50-51 in the Kenanga Integrated Annual Report 2025
<b>RISK MANAGEMENT</b>		
25(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	83-84, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025
25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks.	77, 78-81, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025
25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	83-84, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025
25(a)(iv)	Whether and how the entity prioritizes climate-related risks relative to other types of risk.	83-84, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025

## IFRS S2 CONTENT INDEX

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IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>METRICS AND TARGETS</b>		
25(a)(v)	How the entity monitors climate-related risks; and	67-68, Refer to pages 43 and 47 in Kenanga Investment Bank Integrated Annual Report 2025
25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period.	-
25(b)	The processes the entity uses to identify, assess, priorities and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	83-84, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025
25(c)	The extent to which and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	83-84, Refer to page 48 in Kenanga Investment Bank Integrated Annual Report 2025
29(a)(i)(1)	An entity shall disclose information relevant to the cross-industry metric categories of: greenhouse gases—the entity shall Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO <sub>2</sub> equivalent (see paragraphs B19–B22), classified as: Scope 1 greenhouse gas emissions.	88-89, Refer to page 55 in Kenanga Investment Bank Integrated Annual Report 2025
29(a)(i)(2)	Scope 2 greenhouse gas emissions; and	94-97, Refer to page 55 in Kenanga Investment Bank Integrated Annual Report 2025
29(a)(i)(3)	Scope 3 greenhouse gas emissions.	88-89, Refer to page 55 in Kenanga Investment Bank Integrated Annual Report 2025
29(a)(ii)	Measure its greenhouse gas emissions in accordance with the greenhouse gas protocol: a corporate accounting and reporting standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs b23–b25).	87
29(a)(iii)(1)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs b26–b29) including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions.	87
29(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	87
29(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	87
29(a)(iv)(1)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: The consolidated accounting group.	-
29(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).	-
29(a)(v)	Location-based Scope 2 greenhouse gas emissions and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	91

IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>METRICS AND TARGETS</b>		
29(a)(vi)(1)	For scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3) and with reference to paragraphs b32–b57: The categories included within the entity's measure of scope 3 greenhouse gas emissions, in accordance with the scope 3 categories described in the greenhouse gas protocol corporate value chain (scope 3) accounting and reporting standard (2011).	Refer to the Supplementary Methodology Note for Calculating Scope 3 Category 15 Investment Emission (2025)
29(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	84-87, 94-97, Refer to the Supplementary Methodology Note for Calculating Scope 3 Category 15 Investment Emission (2025)
29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	-
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	-
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.	-
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	-
29(f)(i)	Internal carbon prices, including the information about: An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	-
29(f)(ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	-
29(g)(i)	Remuneration, including the information about: A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)).	69
29(g)(ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	69
33(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target (see paragraphs B66–B67).	-
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	-
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	-
33(d)	The Period Over Which The Target Applies.	-
33(e)	The base period from which progress is measured.	-
33(f)	Any milestones and interim targets.	-

## IFRS S2 CONTENT INDEX

IFRS S2 Indicator	IFRS S2 Indicator Description	Page Number
<b>METRICS AND TARGETS</b>		
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	-
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	-
34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	-
34(b)	The entity's processes for reviewing the target.	-
34(c)	The metrics used to monitor progress towards reaching the target; and	-
34(d)	Any revisions to the target and an explanation for those revisions.	-
36(a)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target. which greenhouse gases are covered by the target.	-
36(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	-
36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs b68–b69).	-
36(d)	Whether the target was derived using a sectoral decarbonisation approach.	-
36(e)(i)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including and with reference to paragraphs b70–b71: the extent to which and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	-
36(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits.	-
36(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals and whether the underlying offset is achieved through carbon reduction or removal.	-
36(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	-

## STATEMENT OF ASSURANCE

Statement No. MY260000242,  
**ASSURANCE STATEMENT**  
Kenanga Investment Bank Berhad

**NATURE OF THE ASSURANCE**

SGS (Malaysia) Sdn. Bhd. (hereinafter referred to as "SGS") was commissioned by Kenanga Investment Bank Berhad ("Kenanga" or the "Company") to conduct an independent assurance engagement on selected sustainability information ("Subject Matter"), disclosed in Kenanga's Sustainability Report 2025 ("Report") covering reporting period from 1 January 2025 to 31 December 2025.

The assurance boundary covers operations and entities under the Company's operational control.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

This statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

**RESPONSIBILITIES**

The information in the Report and its presentation are the responsibility of the directors and the management of the Company. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Company's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

SGS performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and according to SGS ESG and Sustainability Report Assurance Protocols, which are based on internationally recognized assurance guidance and standards. The engagement was conducted at a limited level of assurance, applying a materiality threshold of  $\pm 10\%$  for potential errors or omissions.

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of Subject Matter as detailed below and evaluation of adherence to the following reporting criteria:

- With reference to Global Reporting Initiative (GRI) sustainability reporting standards 2021; and
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

This Statement is issued, on behalf of Client, by SGS Malaysia Sdn. Bhd. ("SGS"). A full copy of this statement may be consulted at SGS. This statement does not relieve client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, criteria and conclusion available on the Statement.

## STATEMENT OF ASSURANCE

## STATEMENT OF ASSURANCE

Statement No. MY260000242,  
**ASSURANCE STATEMENT**  
 Kenanga Investment Bank Berhad

**SELECTED SUSTAINABILITY INFORMATION (“SUBJECT MATTER”)**

#	Subject Matter
1.	Energy Management
2.	GHG Emissions for Scope 1 and Scope 2
3.	Water Consumption
4.	Employee Diversity (age, gender and female representation by category)
5.	Training (training hours by employee level and total training spend)
6.	Total Number and Rate of Turnovers
7.	Total Numbers and Rate of New Hires
8.	Parental Leave
9.	Performance Appraisal

**METHODOLOGY**

The engagement applied a risk-based approach, focusing on areas with higher risk of material misstatement, data complexity, and stakeholder relevance. The following procedures provide the basis for our conclusion:

- Desk study to identify material issues in relation to the organisation, its sector, location and operations, and stakeholders;
- Sampling of data for testing in accordance with limited assurance requirements.
- Assessment of whether qualitative and quantitative disclosures, initiatives, and claims are accurate, consistent, and supported by appropriate evidence;
- Recalculation of selected quantitative data to verify accuracy, consistency, and plausibility of reported results, and performing analytical procedures to assess data trends and identify anomalies; and
- Planning and performing site visits to the head office (Kenanga Tower) and a sampled operational site (Kenanga Klang Branch) to assess the design and implementation of data management and reporting processes. This included:
  - Conducting interviews with relevant personnel;
  - Reviewing systems and controls used for data collection, collation, analysis, and reporting;
  - Inspecting supporting documentation and records; and
  - Corroborating information from multiple sources.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**LIMITATIONS AND EXCLUSIONS**

The assurance engagement is subject to inherent limitations, including the nature of non-financial data, the use of assumptions, and the effectiveness of internal controls. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Information outside the reporting period and assurance boundary was excluded unless specifically stated.

This Statement is issued, on behalf of Client, by SGS Malaysia Sdn. Bhd. (“SGS”). A full copy of this statement may be consulted at SGS. This statement does not relieve client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, criteria and conclusion available on the Statement.

Statement No. MY260000242,  
**ASSURANCE STATEMENT**  
 Kenanga Investment Bank Berhad

**ASSURANCE OPINION**

On the basis of the methodology described and the assurance work performed, nothing has come to our attention that causes us to believe that the Subject Matter included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the Company has chosen an appropriate level of assurance for this stage in their reporting.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification: quality, environmental, social and ethical auditing, and sustainability report assurance.

SGS applies a system of quality management for assurance engagements designed to ensure the highest standards of quality, consistency, ethics, and integrity across all assurance activities.

SGS affirm our independence, being free from bias and conflicts of interest with the Company, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and all team members have conducted the work in accordance with SGS’s Code of Integrity, ensuring independence, objectivity, and professional ethical standards throughout the engagement.

Signed:  
 For and on behalf of SGS (Malaysia) Sdn. Bhd.

Nizam Richard  
 SRA Lead Practitioner

Yien Xuan Foong  
 SRA Practitioner

10 April 2026  
 Selangor, Malaysia  
 www.sgs.com

This Statement is issued, on behalf of Client, by SGS Malaysia Sdn. Bhd. (“SGS”). A full copy of this statement may be consulted at SGS. This statement does not relieve client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, criteria and conclusion available on the Statement.

## KEY TERMS GLOSSARY

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## List of Acronyms and Abbreviations

<b>ABMS</b>	Anti Bribery Management System
<b>AC</b>	Audit Committee
<b>ACFE</b>	Association of Certified Fraud Examiners
<b>ACIIA</b>	Asian Confederation of Institutes of Internal Auditors
<b>ACSR</b>	Advisory Committee on Sustainability Reporting
<b>AFBC</b>	Anti Fraud, Bribery and Corruption
<b>AHU</b>	Air Handling Unit
<b>AICB</b>	Asian Institute of Chartered Bankers
<b>AML</b>	Anti Money Laundering
<b>AMLA</b>	Anti Money Laundering Act
<b>AUM</b>	Assets Under Management
<b>AWS</b>	Amazon Web Services
<b>BCP</b>	Business Continuity Plan
<b>BEA</b>	Bureau of Economic Analysis
<b>BNM</b>	Bank Negara Malaysia
<b>BNM CCPT</b>	Bank Negara Malaysia Climate Change and Principle based Taxonomy
<b>B2B</b>	Business to Business
<b>BU / BUs</b>	Business Unit(s)
<b>CCRMF</b>	Climate Change Risk Management Framework
<b>CCRIS</b>	Central Credit Reference Information System
<b>CCUS</b>	Carbon Capture, Utilisation and Storage
<b>CDR</b>	Carbon Dioxide Removal
<b>CFT</b>	Counter Financing of Terrorism
<b>CROs</b>	Climate Related Risks and Opportunities
<b>CRMSA</b>	Climate Risk Management and Scenario Analysis
<b>CRSA</b>	Climate Risk Scenario Analysis
<b>CRST</b>	Climate Risk Stress Testing
<b>CSR</b>	Corporate Social Responsibility
<b>DCI</b>	Dual Currency Investment
<b>DCO</b>	Digital Client On boarding

<b>DLP</b>	Data Loss Prevention
<b>DNZ2050</b>	Divergent Net Zero 2050
<b>ECL</b>	Expected Credit Loss
<b>ECERDC</b>	East Coast Economic Region Development Council
<b>EDM</b>	Electronic Direct Mail
<b>Eq8</b>	Eq8 Capital Sdn Bhd
<b>EQ8WAQF</b>	Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	Environmental, Social and Governance
<b>ETF</b>	Exchange Traded Fund
<b>EV / EVs</b>	Electric Vehicle(s)
<b>FAW</b>	Fraud Awareness Week
<b>FY</b>	Financial Year
<b>FY2023 / FY2024 / FY2025</b>	Financial Years 2023 / 2024 / 2025
<b>GBDITC</b>	Group Board Digital Innovation & Technology Committee
<b>GBRC</b>	Group Board Risk Committee
<b>GCC</b>	Group Credit Committee
<b>GCE</b>	Group Compliance and Ethics
<b>GET</b>	Green Electricity Tariff
<b>GFCC</b>	Group Financial Crime Compliance
<b>GHG</b>	Greenhouse Gas
<b>GICS</b>	Global Industry Classification Standard
<b>GMCS</b>	Group Marketing, Communications and Sustainability
<b>GNC</b>	Group Governance, Nomination and Compensation Committee
<b>GRI</b>	Global Reporting Initiative
<b>GRM</b>	Group Risk Management
<b>GRC</b>	Group Risk Committee
<b>GSMC</b>	Group Sustainability Management Committee
<b>HPE</b>	Hewlett Packard Enterprise
<b>IAR</b>	Integrated Annual Report
<b>IIC</b>	Institutional Investors Council

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<b>IMR</b>	Investment Manager Rating
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IR</b>	Industrial Relations
<b>IRS</b>	Internal Reporting System
<b>ISS</b>	Integrated Statistical System
<b>ISSB</b>	International Sustainability Standards Board
<b>IT</b>	Information Technology
<b>JC3</b>	Joint Committee on Climate Change
<b>KDX</b>	Kinetic DAX Sdn Bhd
<b>KDSB –</b>	Kenanga Digital Sdn Bhd
<b>KIB</b>	Kenanga Investors Berhad
<b>KIBB</b>	Kenanga Investment Bank Berhad
<b>KIG</b>	Kenanga Investors Group
<b>KIIB</b>	Kenanga Islamic Investors Berhad
<b>KPE</b>	Kenanga Private Equity
<b>KT</b>	Kenanga Tower
<b>KTB</b>	Kenanga Trustees Berhad
<b>LHDN</b>	Lembaga Hasil Dalam Negeri (Inland Revenue Board)
<b>LMS</b>	Learning Management System
<b>MCII</b>	Malaysian Code for Institutional Investors
<b>MCCG</b>	Malaysian Code on Corporate Governance
<b>MEV</b>	Macroeconomic Variable
<b>ML</b>	Money Laundering
<b>MMLR</b>	Main Market Listing Requirements
<b>mPaaS</b>	Mobile Platform as a Service
<b>NACGSA</b>	National Corporate Governance and Sustainability Awards
<b>NACRA</b>	National Annual Corporate Report Awards
<b>NDCs</b>	Nationally Determined Contributions
<b>NGFS</b>	Network for Greening the Financial System
<b>NSRF</b>	National Sustainability Reporting Framework
<b>NT</b>	Northern Trust

<b>NZ2050</b>	Net Zero 2050
<b>OCR</b>	Optical Character Recognition
<b>OPEX</b>	Operating Expenditure
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PDPA</b>	Personal Data Protection Act
<b>PESTLE</b>	Political, Economic, Social, Technological, Legal and Environmental
<b>PF</b>	Proliferation Financing
<b>PPGS</b>	Policy and Procedure Governance System
<b>PV</b>	Photovoltaic
<b>RAC</b>	Risk Assessment Checklist
<b>RMiT</b>	Risk Management in Technology
<b>RPA</b>	Robotic Process Automation
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SC</b>	Securities Commission Malaysia
<b>SDGs</b>	Sustainable Development Goals
<b>SIP</b>	Sustainable Investment Platform
<b>SME</b>	Small and Medium Enterprise
<b>SRI</b>	Socially Responsible Investment
<b>SROs</b>	Sustainability Related Risks and Opportunities
<b>TCFD</b>	Task Force on Climate related Financial Disclosures
<b>TF</b>	Terrorism Financing
<b>TFS</b>	Targeted Financial Sanctions
<b>TNB</b>	Tenaga Nasional Berhad
<b>TOR</b>	Terms of Reference
<b>tCO<sub>2</sub>e</b>	Tonnes of Carbon Dioxide Equivalent
<b>UNGC</b>	United Nations Global Compact
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>UNGCMYB</b>	United Nations Global Compact Network Malaysia & Brunei
<b>USEEIO</b>	United States Environmentally Extended Input Output
<b>UX / UI</b>	User Experience / User Interface

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