

OUR APPROACH TO SUSTAINABILITY

MATERIAL TOPICS, KEY RISKS AND OPPORTUNITIES

GRI 3-2

Material Topic	Key Risks	Impact to Kenanga	Managing the Risk	Opportunities
Good Governance				
Good Business Conduct	Operational risk arising from misconduct and breaches of ethical standards Credit risk stemming from unethical or improper credit assessment practices	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
Risk Management	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
Regulatory Compliance	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
Sustainable Economic Growth				
Responsible Investing	Sustainability and climate risks arising from portfolio exposure to transition and physical risk impacts Credit and market risks arising from ESG-driven valuation and portfolio exposure changes	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

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Sustainable Economic Growth				
Digitalisation	<p>Technology risks arising from rapid digital transformation and system vulnerabilities</p> <p>Operational risks arising from changes in processes, platforms, and digital workflows</p>	<p>Rapid digital transformation triggers operational and security vulnerabilities that may impair service delivery and process integrity</p>	<p>Enhanced security controls and continuous staff awareness programmes support secure digital transformation and reduce technology and operational vulnerabilities arising from evolving systems and workflows</p>	<p>Enhances enterprise productivity and client engagement through modern, secure, and scalable digital capabilities</p>
Cyber Security	<p>Technology risks arising from cyber threats and inadequate security safeguards</p> <p>Operational risks arising from disruptions caused by security breaches</p>	<p>Cyber security breaches disrupt operations, expose sensitive data, and erode client confidence</p>	<p>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</p>	<p>Strengthens competitive positioning and fosters stakeholder trust, by delivering secure, trusted digital services that enhance client confidence and loyalty</p>
Client Experience	<p>Operational risks arising from service delivery failures and weak client management processes</p> <p>Technology risks arising from breakdowns or vulnerabilities in client-facing systems</p>	<p>Service failures or weak client-facing systems reduce customer satisfaction and loyalty, affecting competitiveness and retention</p>	<p>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</p>	<p>Improves client engagement and broadens access by delivering reliable, seamless, and inclusive service experiences</p>

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Environmental Stewardship				
Climate Impact	<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>
Empowering People and Communities				
Diversity & Inclusion	<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>
Employee Safety, Health and Wellbeing	<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>

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Empowering People and Communities				
Talent Attraction, Development and Management	<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>
Community Investment	<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>
Financial Inclusion	<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.