

# 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")

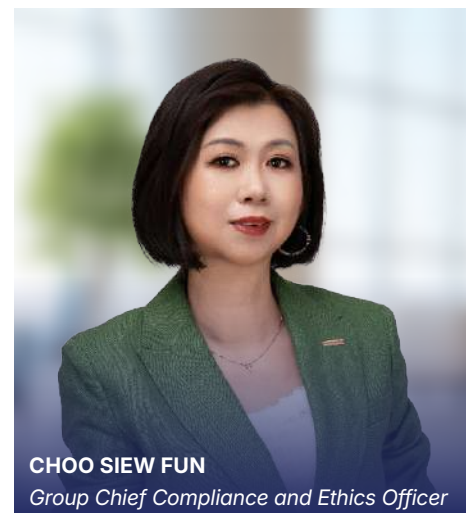
The GNC assists the Board by providing oversight of sustainability progress, with a focus on governance arrangements and alignment with applicable statutory and regulatory requirements. The GNC is currently chaired by Madam Chin Siew Siew.

### 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.

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### Group Sustainability Management Committee ("GSMC")



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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.

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### 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>

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### 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.

THE FOUR (4)-STEP PROCESS		
	Process	Outcome
<b>1</b> <b>Planning and Benchmarking</b>	Reviewed and identified material topics based on a benchmark assessment to ensure their continued relevance to Kenanga and its stakeholders.	We identified 13 material topics for the double materiality survey, guided by an industry benchmark exercise to define the most relevant issues.
<b>2</b> <b>Stakeholder Prioritisation</b>	Engaged the Senior Management Team to identify and prioritise key stakeholder groups based on their influence on Kenanga's sustainability strategy.	We prioritised nine (9) stakeholder groups for the survey, including regulators, employees, government organisations, shareholders, clients, remisers and agents, community partners, vendors and suppliers and the public.
<b>3</b> <b>Impact Materiality Assessment</b>	Assessed the impact of Kenanga's operations on the environment and society by collecting stakeholder feedback through an online survey to determine the most relevant sustainability topics.	We gathered responses from 800 survey participants including feedback from the public, shareholders, vendors, remisers and agents and regulatory bodies.
<b>4</b> <b>Financial Materiality Assessment</b>	Evaluated the impact of external sustainability risks on Kenanga's financial performance and held discussions among Senior Management Team members to assess financial risks and opportunities across different time horizons.	A total of 17 Senior Management Team members participated in the financial materiality assessment.