



ENVIRONMENTAL STEWARDSHIP

At Kenanga, we aim to promote a climate-positive culture across the organisation in pursuit of a reduced carbon footprint. Our approach to addressing climate change is defined by a multi-faceted approach in which we integrate climate-related risk considerations across our business while reducing the environmental impact of our operations.



Climate Impact

Goal 1 : Accelerate enterprise decarbonisation.

Goal 2 : Build awareness, knowledge and skills needed to enable employees and stakeholders to contribute positively to climate actions.



MANAGING OUR CLIMATE IMPACT

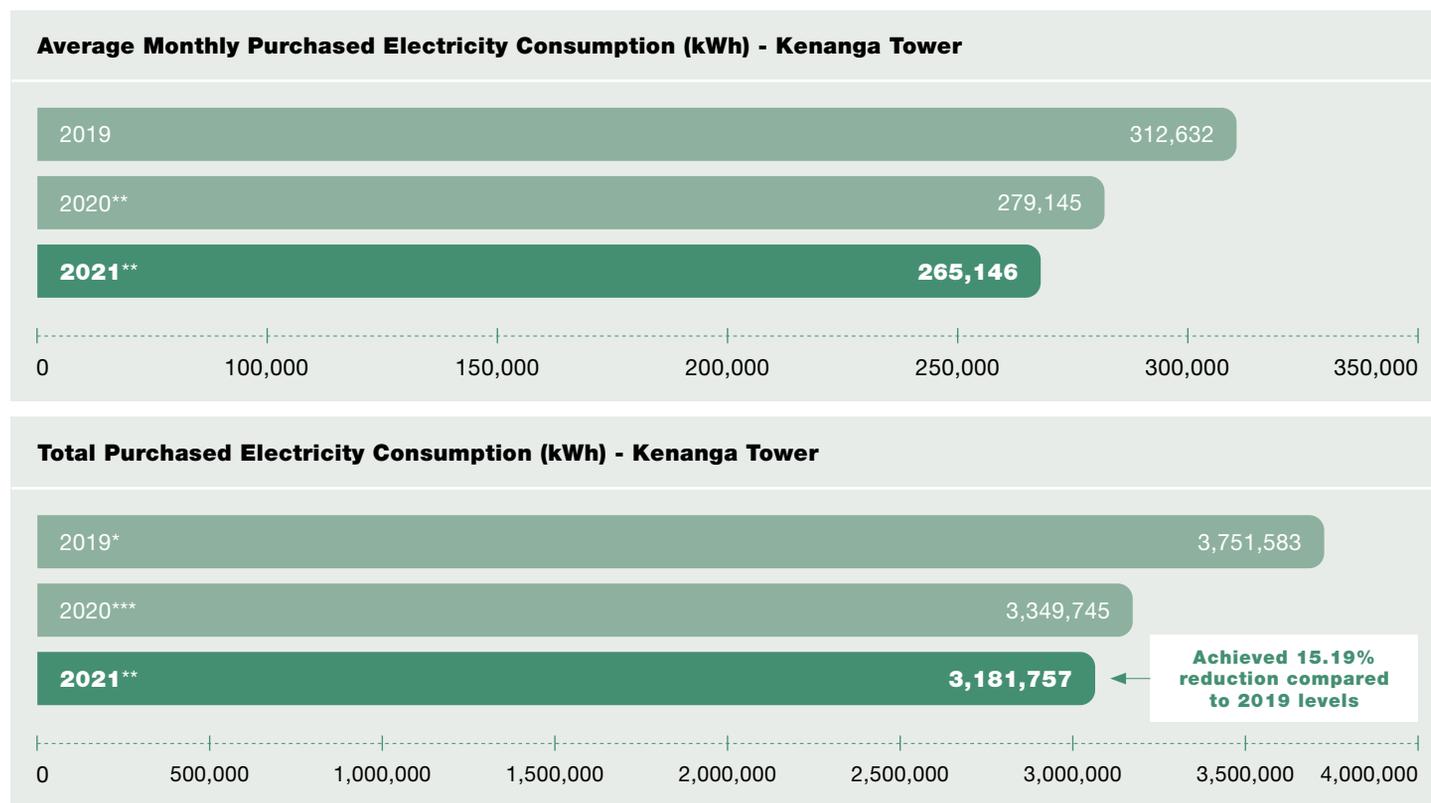
We are committed to reduce the environmental impact of our business activities by optimising our resource consumption and adopting responsible waste management practices, as well as, empowering our employees to be environmental stewards. We recognise the importance of safeguarding our planet for the wellbeing of our present and future generations.

The Group strives to responsibly manage the environmental impact generated across our business operations. Our efforts on this front include being mindful of resource consumption, advancing our digitalisation strategy and incorporating environmental considerations throughout our business value chain.

Energy Management

Through the continuous monitoring and analysis of our internal operations, Kenanga has been able to identify opportunities to achieve energy efficiencies. Since 2017 when we relocated to our current premise, Kenanga Tower, we have embarked on an energy-saving programme to implement various energy efficiency initiatives throughout the Tower.

Purchased Electricity Consumption



* Restatement of data due to enhancement in data tracking.

** Figures may have been affected by the Work-From-Home ("WFH") arrangements which were deployed as a response to the COVID-19 pandemic.

*** Restatement of data due to update in monitoring and figures may be affected by WFH arrangements due to the COVID-19 pandemic.

In 2021, we were able to reduce our purchased electricity consumption by 569,826 kWh, equating to 333.35 tCO₂e emissions, a 15.19% reduction from our 2019 consumption. Our WFH arrangements in response to the COVID-19 pandemic are likely to have contributed to this reduction in our electricity consumption.

A key part of our energy efficiency efforts in 2021 has been centred on the enhancement of our chiller system in Kenanga Tower, which aims to reduce energy consumption while maintaining the temperature of the premises. We retrofitted the HVAC system at Kenanga Tower with a new A.I. smart chiller system. The project focused on upgrading our chiller, Air Handling Unit (“AHU”) and Air Conditioning (“AC”) systems and was completed in the third quarter of the year 2021.

As a result of the investments we made in enhancing our chiller system, we have been able to reduce our average daytime power consumption by 43%, while our night-time and weekend power consumption has been reduced by almost 50%. We are expecting to reduce our overall electricity consumption by up to approximately 1 million kWh over 12 months. Besides the cost-savings achieved, this investment is also expected to extend the lifespan of our HVAC system in Kenanga Tower.

INITIATIVES IN ENERGY-SAVING MANAGEMENT IN 2021



Upgrading Chiller Plants and AHU

In 2021, we upgraded our chiller plants and AHU to manage our energy efficiency for Kenanga’s air conditioning system. Some of the key highlights of our upgrade include:

- Upgraded CH1 Centrifugal Chiller with Inverter Driven Screw Chiller with enhanced part-load performance
- Implemented Cooling Tower Fans for Systems 1 & 2
- Implemented Inverter Driven Fan Motor for Cooling Tower 1 & 2
- Introduced enhanced sensors and monitoring devices into the integrated control system
- Introduced Inverter to control motor speed according to prevailing demand

Enhancements for Overall AC System

To optimise energy management, we have enhanced our AC system accordingly resulting in improved energy efficiency and reduced water consumption of the cooling tower system with a limited amount of water carried over. The benefits of this integrated plant room include the ability to monitor and control the demand for water pumps and cooling tower fans according to the cooling load.

Converting to LED

In addition to the enhanced HVAC system, we also strive to use LED bulbs throughout Kenanga Tower wherever possible. As of 2021, nearly 50% of the lights in Kenanga Tower rely on LED bulbs.



“One of the developments this year has been the collaboration with reNIKOLA, a leading solar energy producer in the country, to purchase renewable energy for our operations. By 2025, we aim to transition all our energy requirements to renewable energy sources.”

CHEONG BOON KAK
Group Chief Financial and Operations Officer
Kenanga Investment Bank Berhad

GHG Emissions

This year, we expanded our data collection from Scope 2 emissions to also account for our Scope 1 emissions. Moving forward, we aim to establish a baseline to guide the target setting for Scope 3 and expand our monitoring on Scope 3 emissions.



Note:

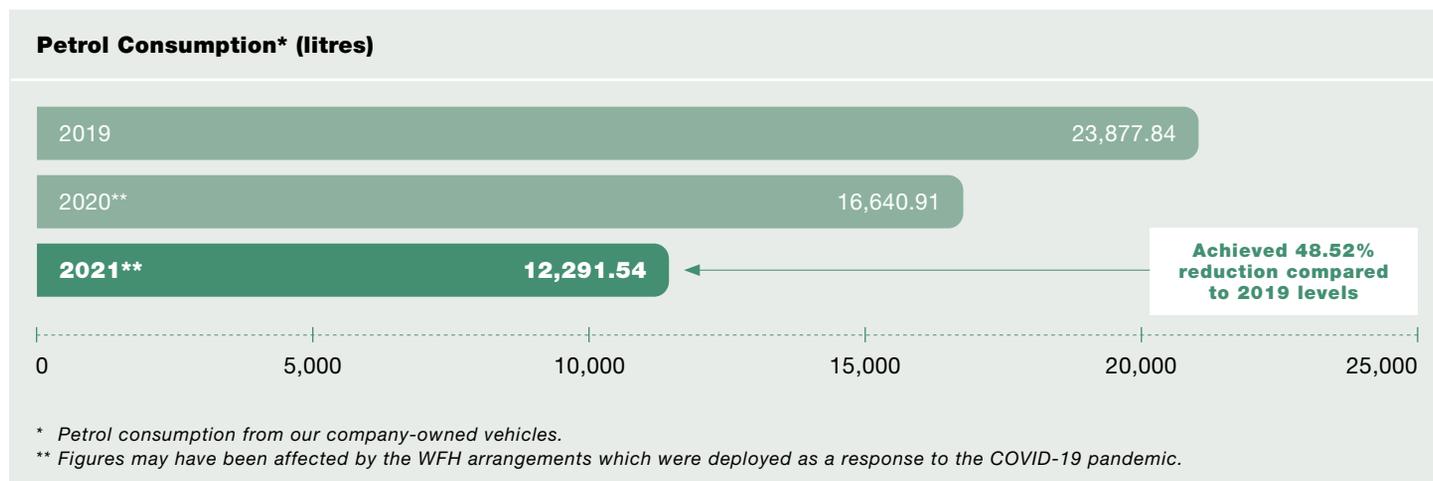
Our Scope 1 emissions are calculated based on petrol consumption from our company-owned vehicles at Kenanga Tower while our Scope 2 emissions figures are derived from purchased electricity consumption throughout Kenanga Tower, converted using emissions factors for the Peninsular Malaysian grid.

Scope 1 emission factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Scope 2 emission factors were sourced from the Malaysian Green Technology Corporation's 2017 CDM Electricity Baseline Final Report.

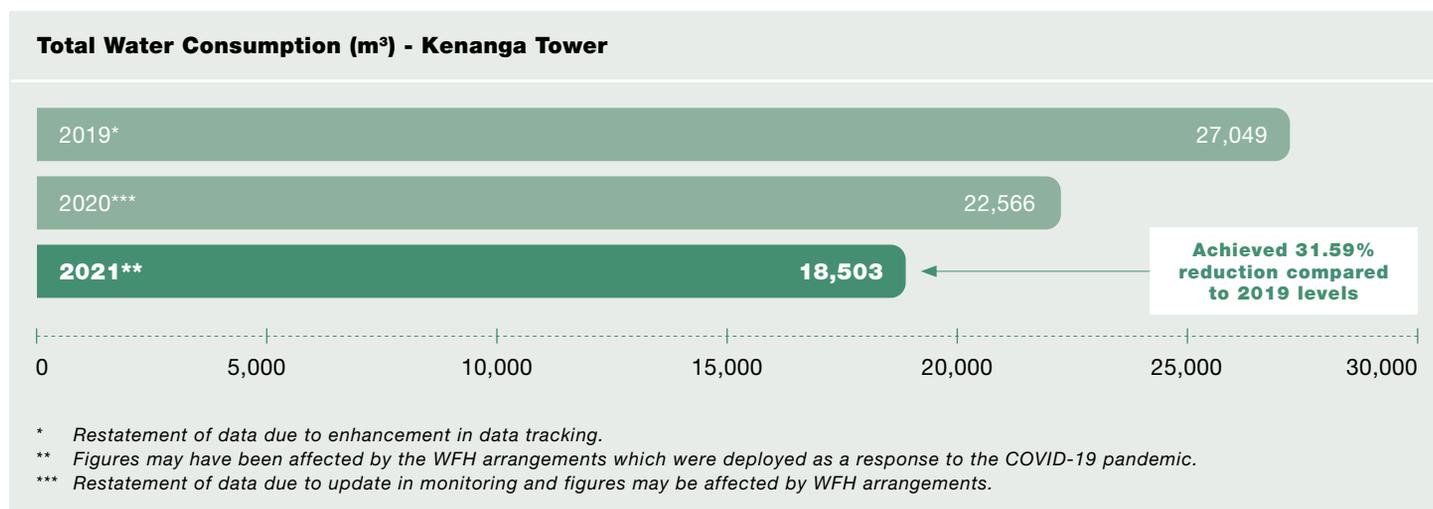
** Figures may have been affected by the WFH arrangements which were deployed as a response to the COVID-19 pandemic.

Petrol Consumption



Water Consumption

We track our water consumption at Kenanga Tower on an annual basis to identify opportunities for us to introduce more water-efficient practices.



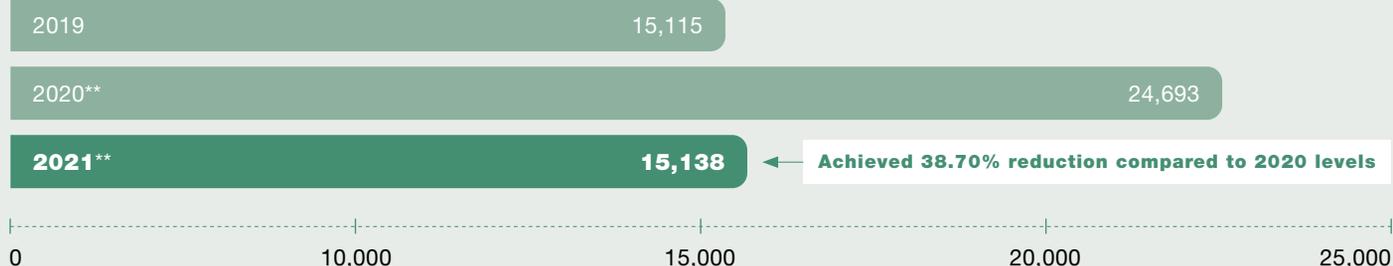
Between 2019 to 2021, we have been able to reduce our water consumption by 8,546 m³, equivalent to a 31.59% reduction from 2019 levels. This reduction can be attributed to the utilisation of smart technology, which relies on machine learning capabilities to constantly improve water-use efficiency and enhance cooling tower performance. Similar to the electricity consumption, reduction in water consumption figures may likely be correlated with the WFH policy in response to the COVID-19 pandemic.

MANAGING WASTE

Ensuring the responsible management of our office waste is another important aspect of our efforts to manage the Group's environmental impact. As a financial institution, paper and e-waste are the primary forms of waste we produce. Paper is one of the largest material resources consumed in our daily operations and as part of our efforts to reduce paper consumption, Kenanga has embraced digitalisation throughout our operations, gradually moving towards a paperless way of working. As we rolled out more digitalisation efforts throughout 2021, other than improving client experiences and enhancing workflows, we also managed to reduce our paper consumption by 38.70% from 2020.

Paper Consumption

Estimated Total Paper Purchased* (kg)



* Covers all Kenanga operations in Malaysia. Paper consumption data is estimated based on paper purchased for the financial year. We plan to continue monitoring our usage and rolling out initiatives to reduce paper consumption in the coming years.

** Figures may have been affected by the WFH arrangements which were deployed as a response to the COVID-19 pandemic.

➤ To learn more about how some of key digitalisation measures helped reduce paper consumption, please refer to Digitalisation, on page 38 of this Report.

We ensure that we comply with regulatory requirements on waste management practices, we have appointed licensed waste disposal contractors to manage and dispose of our solid waste. Moving forward, we are planning to monitor our waste management practices including e-waste.

Promoting Environmental Awareness

A key aspect of our ESG journey is inculcating an environmentally-conscious mindset in our employees. Beyond strengthening our employees' ESG skills and awareness through providing role-based training, we also undertake a proactive approach in organising campaigns to promote green awareness amongst our workforce.

#GreenAtHome



#GreenAtHome – previously known as #GreenAtWork – is a month-long interactive event to raise environmental awareness amongst employees throughout the month of April, culminating in World Earth Day. We have carried out this campaign on an annual basis since 2017, to continuously reinforce the importance of embracing more sustainable lifestyles amongst our employees. In 2021, the month-long event saw encouraging participation of over 54% of our total workforce.

As COVID-19 pandemic lockdowns prevailed for much of 2021, we gave the event a new spin by encouraging employees to practice a zero-waste lifestyle at home and incorporate easy green habits into their day-to-day lives.

We utilised a range of channels to engage our employees, from virtual interactive learning events consisting of educational pop quizzes and games, to more experiential learning initiatives such as virtual eco-workshops.

We also partnered with local zero-waste stores such as The Hive Bulk Food to conduct online workshops, as well as, Liquid Etc. and Null to give out discount codes to our employees, enabling them to purchase eco-friendly products from each business' online store.

