

Message From Our Chairman



“Supporting climate transition and inclusive growth is a significant opportunity for us, especially in leapfrogging the economy towards low-carbon technologies and digital solutions.”

Dear Readers,

The last two years of battling the far-reaching impacts of the pandemic precipitated the need for businesses around the world to rethink the role of sustainability within organisations.

At Kenanga, as we made conscious efforts to swiftly adapt to the new normal and the changing expectations from our stakeholders – clients, regulators, business partners, shareholders and employees – we found ourselves examining how we can further our role in contributing to a better, safer and prosperous world for the benefit of current and future generations through a heightened focus on ESG dimensions.

During the year, a Group Sustainability Management Committee (“**Committee**”) comprising multidisciplinary business leads and chaired by the Group Managing Director, Datuk Chay Wai Leong, was established to set the tone of Kenanga’s ESG ambitions and to augment oversight and stewardship of our ESG strategy and performance. The Committee reports to the Group Governance, Nomination and Compensation Committee, as well as, the Board of Directors.

I am also very pleased to share, in the following pages of this Report, our newly established ESG Framework that sets out our sustainability scope and priorities for the longer term. Anchored on four key pillars – Good Governance, Sustainable Economic Growth, Environmental Stewardship and Empowering People and Communities – this framework now serves as the bedrock that formalises how Kenanga views and takes action on sustainability matters across our operations.

To further power our progress on this front, we became the first investment bank in the country to join the world’s largest corporate sustainability initiative, UN Global Compact. Our participation marks a significant milestone as we advance our sustainability efforts to deliver impacts that matter to our stakeholders and society at large. As a participant member, we advocate for responsible stewardship of our business, aligned with the UN Global Compact’s Ten Principles and the broader UN SDGs.

For me, this rapid collective response demonstrated in the past months, despite the challenging and volatile circumstances exacerbated by the pandemic, is a testament to the earnest commitment we have made to take responsibility for our sustainability agenda.

Our goals are ambitious and I am pleased to share the progress we have intensified this year through this Report, our first standalone sustainability publication. Aligned to the GRI standards, this report is focused on the most material ESG aspects of our business and marks our move towards enhanced disclosures and greater transparency.

The following chapters highlight several of our notable milestones this year. These include the development of a Climate Change Risk Management Framework (“**CCRMF**”) that will accelerate the integration of climate risk factors into our business decisions, as well as, the creation of a roadmap that will guide us in our efforts to incorporate ESG considerations into our products and services. In addition, we saw a breakthrough in our industry-wide fraud awareness campaign and addressed our responsibilities as a key financial institution by putting together an enterprise plan. The enterprise plan ensures that we create a great working environment for our employees, while driving positive social change for the communities around us.

In response to the increasing social and community needs in the COVID-19 environment, I am proud to share that Kenanga launched a bespoke campaign, The Humankind Project, aimed at boosting our support for local social enterprises. The year-long rally generated tremendous public support and saw us raising over 5,000 orders for Café Includes, a café run by differently-abled individuals. This has helped to keep their doors open at a time when many retail businesses have shuttered.

We have also made significant strides forward in terms of managing our enterprise carbon footprint. Through the adoption of A.I.-driven technology, we are tackling greenhouse gas emissions (“**GHG**”) from our largest source of energy demand - the Heating, Ventilation and Air Conditioning (“**HVAC**”) system at our premises. We have observed impressive improvements thus far and look forward to saving up to 1 million kWh in the next year.

Undoubtedly, the climate crisis the world is facing today is one of the most profound challenges of our time and we understand the pressing urgency for institutions and individuals around the world to take action. Doing our part, Kenanga has signed a Memorandum of Understanding (“**MoU**”) with Malaysia’s leading solar producer, reNIKOLA for the purchase of renewable energy. By 2025, we will transition all our energy requirement to renewable energy sources.

Despite the progress, there is still a lot more to be done. The year ahead will involve refining and cascading targets to drive progress, operationalising our plans and frameworks, as well as, to continue driving advocacy and capacity building across the business.

We are cognisant that the COVID-19 crisis has magnified the need for a more sustainable approach to capital allocation and Kenanga, as one of the leading financial institutions in the country has a catalytic role in driving opportunities that contribute to multi-layered development goals, whilst delivering prosperity across the economy in this new era of finance.

Building upon our current trajectory, I am optimistic of the journey ahead and confident that we will continue to punch above our weight and lead our sustainability efforts with conviction and accountability, which will, in turn, allow us to positively impact the planet and its people, as we realise our business goals.

TAN SRI DATO’ SERI SYED ANWAR JAMALULLAIL
Chairman