

GOOD GOVERNANCE



We remain cognisant of our responsibilities to our stakeholders, as we strive to raise the bar on good governance by incorporating ethical business practices throughout the organisation.

MATERIAL TOPICS:

 Good Business Conduct

 Regulatory Compliance

Goal 1

All material matters to be supported by adequate policies and procedures in line with best practices and regulatory requirements.

Goal 2

Lead industry fraud awareness through an interactive flagship programme.



GOOD GOVERNANCE



GOOD BUSINESS CONDUCT

GRI 205

WHY IT MATTERS

The implementation of a strong governance foundation is critical for Kenanga's long-term value creation. It is imperative for us to instil a strong ethical and compliance culture that reflects the Group's zero-tolerance approach towards financial crimes.

OUR APPROACH

Our Corporate Governance

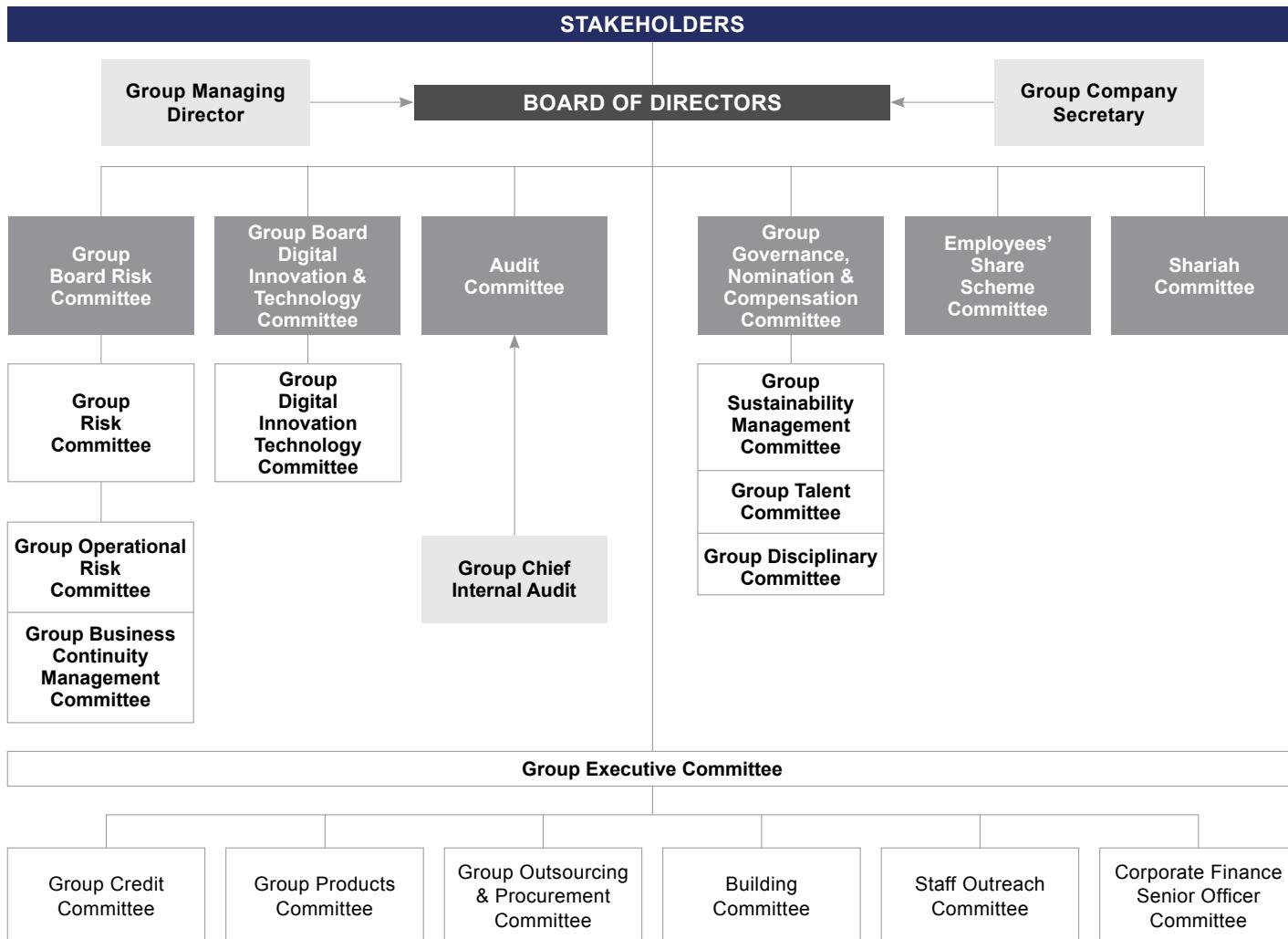
The Board strives to adopt principles and best practices of good corporate governance and ensures Kenanga and its subsidiaries comply with regulatory guidelines issued by Bank Negara Malaysia, Bursa Malaysia Securities Berhad and the Securities Commission Malaysia.

The Group aims to ensure balance of power and authority between the Chairman and the Group Managing Director (“GMD”) with a clear division of responsibilities between running of the Board and the Group’s business respectively. In line with the Malaysian Code on Corporate Governance and the Board Charter of KIBB, the positions of Chairman of the Group and GMD are held by different individuals, and the GMD is not a member of the Board.

Corporate Governance Framework

■ Board Committees

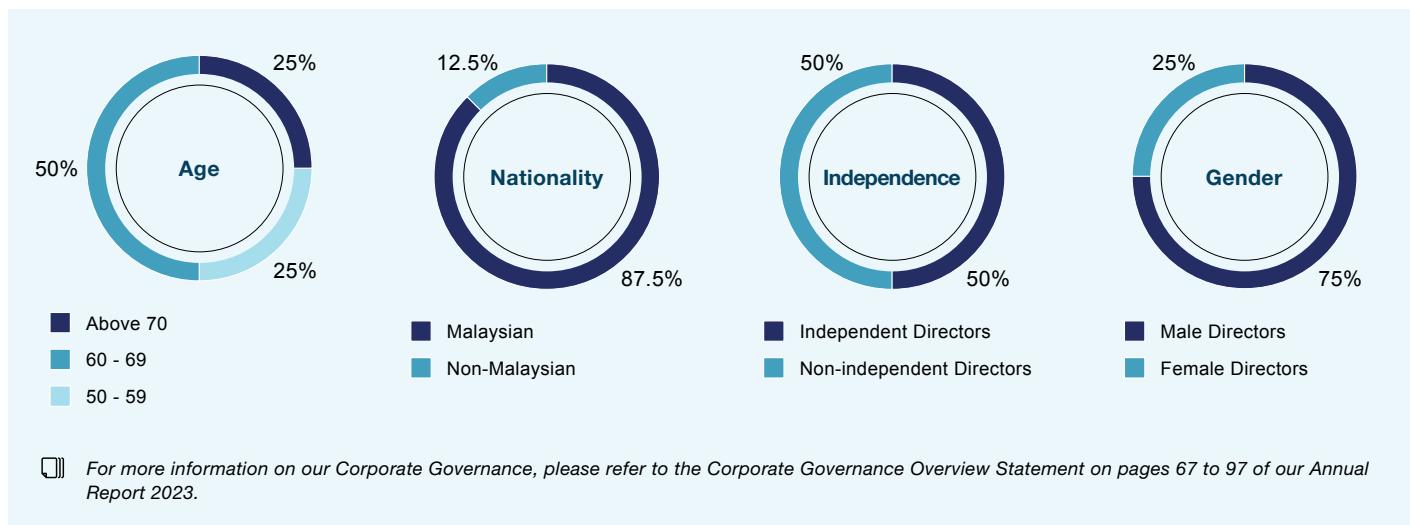
Management Committees



We prioritise independent auditing to build trust and confidence of our financial statements. In line with BNM Guidelines on External Auditors, our Audit Committee carries out a tender process for a new audit firm on a regular basis. The appointment of audit firms complies with the stringent tender and appointment process outlined in the Group Procurement Policy. To further safeguard objectivity and independence, our practice includes rotating the audit partner working on our assurance to ensure the appointed audit engagement partner does not serve a continuous period of over five (5) years.

Our Board Diversity

The Board's composition reflects a diverse range of perspectives, experiences, and expertise, which has a positive influence on the Group's strategic decision-making.



Our Sustainability Governance

Establishing a sustainability governance structure with clearly defined roles and responsibilities is paramount to ensure accountability and effectiveness in the execution of sustainability initiatives within the Group. As the Group's highest governing body, the Board drives the overarching leadership, strategy and oversight of the Group's ESG approach to risks and opportunities, supported by the relevant committees as defined below:

Sustainability Governance at Kenanga	
Board & Management Committees	
Governing Body	Roles & Responsibilities
Board of Directors ("the Board")	Highest approval authority and oversees the implementation of sustainability initiatives, including providing stewardship, guidance and direction for the sustainability agenda for the Group while promoting sustainability through appropriate ESG considerations in the Group's business strategies, governance and decision-making.
Group Governance, Nomination and Compensation Committee ("GNC")	An independent Board Committee that supports the Board in providing oversight on the progress of sustainability, particularly in ensuring the governance of sustainability within Kenanga, as well as the necessary alignment and compliance with applicable statutory and regulatory requirements.

GOOD GOVERNANCE

Sustainability Governance at Kenanga	
Board & Management Committees	
Governing Body	Roles & Responsibilities
Audit Committee (“AC”)	A Committee that supports the Board in providing oversight on the process of sustainability management, as well as the Group’s system of internal controls and compliance with applicable statutory and regulatory requirements.
Group Sustainability Management Committee (“GSMC”)	<p>Highest senior management committee that supports the Board in the governance of sustainability including establishing sustainability direction, strategies and targets for the Group.</p> <p>Ensures the Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategies by integrating sustainability considerations into the day-to-day operations of the Group.</p> <p>Ensures the effective implementation of the Group’s sustainability strategies and plans.</p>
Delivery	
Division	Roles & Responsibilities
Group Marketing, Communications and Sustainability	Provides management-level leadership in sustainability planning and implementation, as well as monitoring and evaluation of sustainability initiatives and their performances while actively engages with external stakeholders, as well as internal business divisions and subsidiaries, to identify sustainability risks and opportunities.
Business Divisions and Operations	Champions the implementation of sustainability initiatives and provides grassroots-level input for holistic sustainability management and acts as key sustainability data owners in driving the sustainability integration in respective divisions.

Group Sustainability Management Committee
Chaired by the Group Managing Director

Members				
Group Chief Financial and Operations Officer	Group Chief Regulatory and Compliance Officer	Chief Executive Director/ Executive Director Kenanga Investors Berhad	Chief Credit Officer	Group Chief Risk Officer
Permanent Invitee				
Group Chief Sustainability Officer				

Sustainability-linked Remuneration

Incorporating sustainability or ESG metrics into executive remuneration has become increasingly important as mechanism to demonstrate organisational accountability.

At Kenanga, we integrated ESG Key Performance Indicators (“KPIs”) with assigned weightage in the Group's Balanced Scorecard for FY2023, aligning with the Group's Sustainability Roadmap 2023-2025.

These ESG KPIs were integrated into the Balance Scorecards of the Group Managing Director, relevant Senior Management Team members, and were cascaded across the Group, with the annual performance incentive linked to their respective Balance Scorecards.

We will continue to explore different approaches in linking Sustainability KPIs to executive remuneration while enhancing our ESG KPIs monitoring mechanism to ensure meaningful integration of ESG considerations into relevant roles, as we further strengthen our sustainability governance.



REGULATORY COMPLIANCE

WHY IT MATTERS

One of our key priorities in adopting good governance practices includes fostering a compliance culture that empowers our employees to uphold high standards of integrity and vigilance in carrying out their responsibilities at work.

BUILDING AN ETHICAL CULTURE

We are committed to ensuring that our employees are well equipped to meet the challenges of their respective roles and demonstrate behaviours that align with the Group's values.

Our Group Regulatory and Corporate Services division has established a strong governance foundation, including corporate policies, procedures and control measures, to help the Group manage risks and respond to any incidents of non-compliance or unethical behaviour.

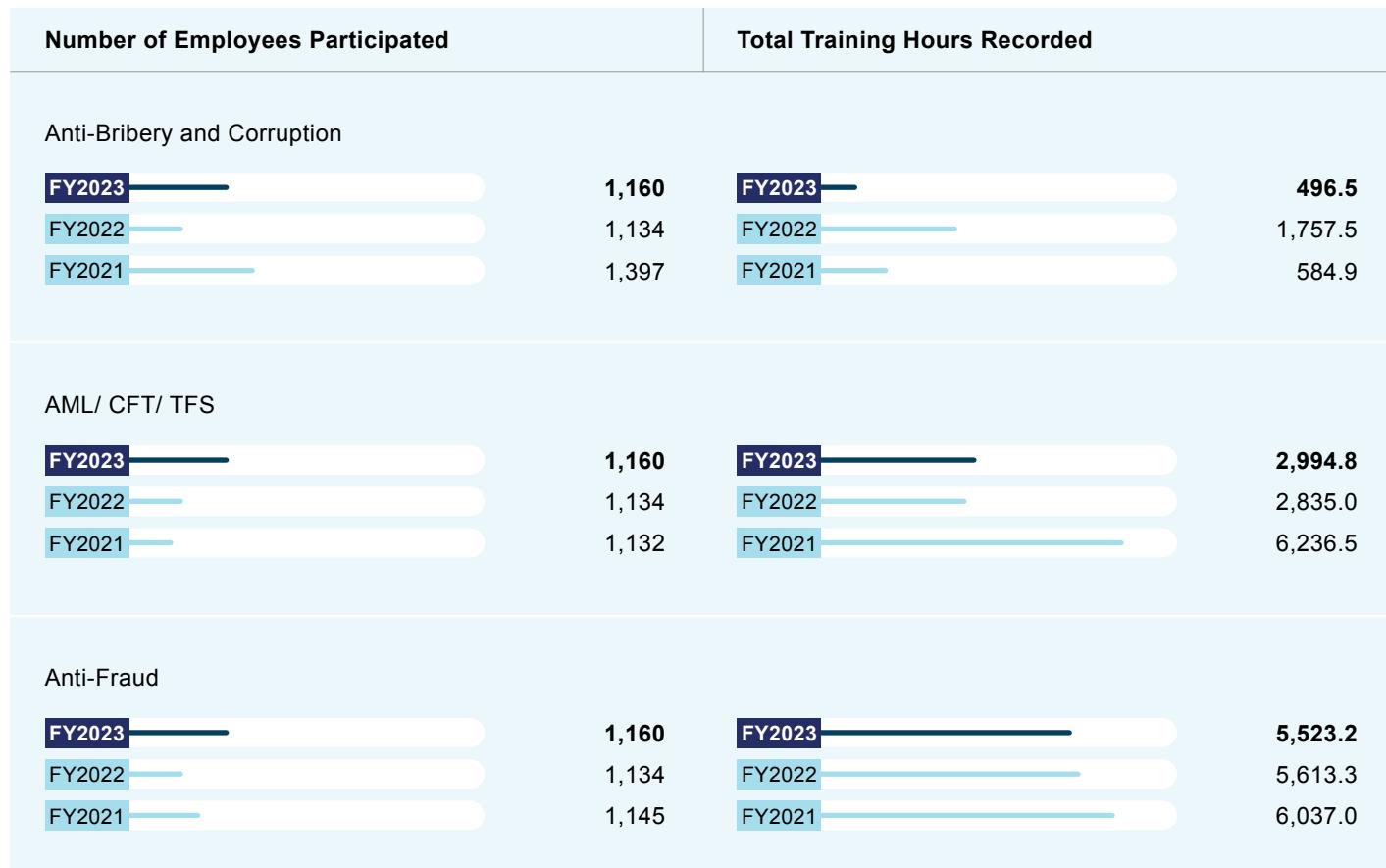
A key component of our strategy to build an ethical culture includes designing training programmes and awareness initiatives which embed our principles of ethics and integrity so that employees are reinforced, understood and practised throughout every level of our workforce.

Some of the key measures we have implemented include:

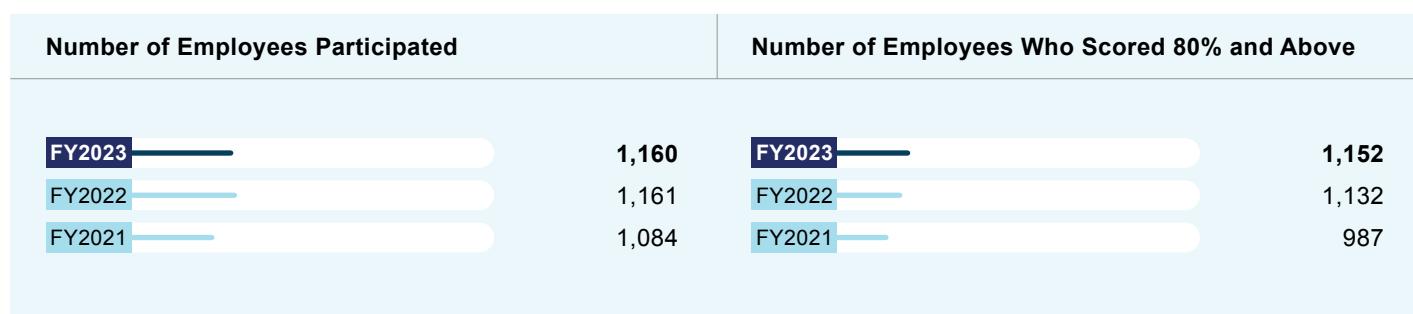
- Regulatory issuances and updates are communicated to employees as and when they are updated by the regulators i.e. Regulatory Brew, introduced in 2023, is a weekly newsletter aimed at educating all employees about the latest governance trends locally and regionally through selected news articles. The newsletter also serves as a resource for employees to stay updated on regulatory changes by providing a compilation of recent rules and guidelines.
- An Annual Regulatory Seminar (“ARS”) was organised through which we reinforced our standards of conduct on matters such as conflicts of interest, governance, fraud, bribery and corruption, Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/ CFT/ TFS”), whistleblowing, as well as updates on the latest regulatory requirements.
- Key ethics and regulatory compliance policies have been made available online to all employees via the Policy & Procedure Governance System, an internal repository platform containing our policies and procedures.
- An ARS assessment was conducted to gauge awareness and understanding of our employees, reinforcing their grasp and knowledge on good governance and business practices.
- The Enterprise Wide Risk Assessment was conducted to identify and categorise AML/ CFT/ TFS risks across various dimensions to ensure a more thorough approach to risk management. The result of this assessment enables Kenanga to prioritise risks and allocate resources effectively in the development and implementation of strategies to mitigate or manage the identified risk effectively, reducing the likelihood of financial losses and reputational damage associated with financial crime controversies.
- New hires are required to attend an onboarding training session to familiarise themselves with the relevant frameworks, procedures and policies, while annual training is provided as a refresher for existing employees. The sessions are delivered through a blended format, which includes reading materials and explainer videos on topics such as Anti-Bribery and Corruption, AML/ CFT/ TFS, Chinese Wall Policy, Compliance and Anti-Fraud practices.

GOOD GOVERNANCE

Compliance Training Summary



E-Test Outcomes





Boosting Fraud Awareness at Kenanga

The 7th Fraud Awareness Week (“FAW”)

As part of Kenanga Group’s ongoing commitment to combat fraud, the Group organised its 7th annual Fraud Awareness Week (“FAW”) in collaboration with the Association of Certified Fraud Examiners (“ACFE”)’s International Fraud Awareness Week. This flagship campaign aligns with the UNGC’s 10th Principle to emphasise the need for businesses to work against corruption in all its forms. The month-long initiative, themed ‘Embracing Disruption, Pioneering Change, Unwavering Integrity,’ strived to raise awareness about the importance of fraud detection and prevention, as well as shaping corporate cultures to thrive in a constantly evolving regulatory landscape.

The 7th FAW recorded over 2,300 participations in FY2023, with attendees from notable regulatory, enforcement and professional bodies, as well as other financial institutions, public listed companies and Kenanga Group’s third party vendors and suppliers.

All programmes and games sessions were conducted virtually, focusing on delivering the message regarding the importance of combating all forms of fraud, corruption, and preventing misdemeanours or scams for businesses. Notably, this year saw the inclusion of seven (7) international teams from organisations based in Indonesia, Singapore, United Arab Emirates, and South Africa.

For the first time, this year, we also collaborated with the esteemed Law Faculty of the University of Malaya (“UM”) on a Fraud Awareness Talk Session aimed at enhancing awareness of fraud prevention and detection within the local community, particularly amongst the student of UM’s Law Faculty. The collaborative effort signifies our dedication to broadening the scope of the FAW, fostering a culture of vigilance and ethical conduct in the fight against fraud.

8th Annual Regulatory Seminar

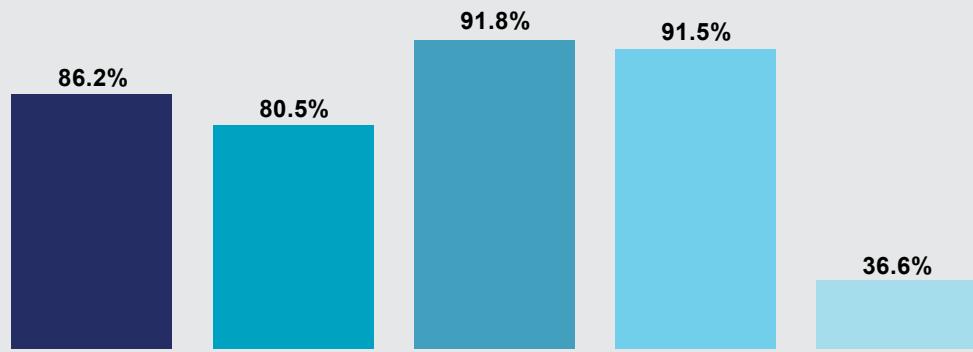
The Group hosted the Annual Regulatory Seminar in 2023, where our standards of conduct and procedures were reinforced on a wide range of regulatory and ethical issues including conflicts of interest and corruption, as well as AML/ CFT/ TFS.

In 2023, approximately 85% of our employees completed e-tests on ethics and compliance, as well as the landscape and regulatory expectations on AML/ CFT/ TFS which was made mandatory to all our employees during the ARS, with 99.3% of our employees achieving a score of 80% or higher.

- Sustainable Compliance for Business Resilience – Agile, Adaptability & Technology Driven
- AML Risk Management for Sustainable Banking
- Leveraging on Regulatory Landscape to Innovate Integrity
- Kenanga’s Speak Up Framework – Your Voice Matters!
- A Glance at the Most Recent Phishing Attempt
- Data Governance and Management
- Building a Zero Trust Strategy Entails Erecting Digital Bastion to Safeguard Against Dynamic Cyber Threats
- “Act or Resign” – Corrupt-Free Corporate Malaysia
- Conversation with a Convicted Fraudster: Billy McFarland

**Percentage of employees
who have received training
on anti-corruption by
employee category in
FY2023**

- Key Management
- Senior Management
- Middle Management
- Junior Management
- Non-executive



GOOD GOVERNANCE

Combating Financial Crimes

Kenanga takes a zero-tolerance approach to all forms of financial crime including bribery, fraud, corruption, the direct or indirect financing of terrorism, money laundering, proliferation financing and any other forms of illicit activity connected to unethical business practices. To safeguard our operations, as well as the wider financial system, we have designed and implemented relevant internal policies, frameworks and standards.

Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/ CFT/ TFS”)	<ul style="list-style-type: none"> The AML/ CFT/ TFS internal policies, frameworks, and standards implemented by Kenanga are one of the essential risk management tools that support the principles of sustainable banking by ensuring compliance with AML/ CFT/ TFS laws & regulations, mitigating money laundering/ terrorism financing and financial crime risk, promoting financial stability, and upholding ethical and social responsibility standards. Multiple AML/ CFT/ TFS initiatives have been implemented to closely monitor adherence levels for compliance with regulatory standards. Regular reviews of AML/ CFT/ TFS protocols via regular audits, assessments, reviews on a group-wide basis and feedback mechanisms, are carried out across all Business Units and branches to uphold regulatory compliance, particularly in prompt detection, monitoring, and reporting of suspicious transactions on a risk-based approach. By continuously reinforcing our AML/ CFT/ TFS initiatives, Kenanga remains vigilant in safeguarding our operations and protecting stakeholders' interests, thereby fostering trust and confidence in Kenanga's operations.
Anti-Fraud, Bribery and Corruption (“AFBC”)	<ul style="list-style-type: none"> The Group's AFBC Policy establishes Kenanga's guiding principles for identifying and preventing fraudulent activities in all of its internal and external dealings. The AFBC Policy is to be complied with by the Board of Directors, Senior Management and all employees of Kenanga Group. The AFBC Policy ensures that it meets the relevant standards and principles which underpins the introduction of the corporate liability provision (i.e. Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”). As per our AFBC Policy, we do not make any political contributions, including lobbying, campaigns, or other activities. In July 2021, we implemented the Fraud and Corruption Risk Assessment Guidance, which stipulates that the review of anti-bribery and anti-corruption (“ABC”) assessment results should be conducted every three (3) years. As a result, 100% of our operations are assessed for corruption-related risks through the ABC risk assessments. In June 2023, our Group Business Ethics and Integrity launched the new Guidance on Handling Incidents of External Fraud, which specifies the actions to be taken by the employees should they identify incidents of 'external fraud'.
Code of Ethics and Conduct for Employees	<ul style="list-style-type: none"> Our Codes of Ethics and Conduct for Employees reflect the professionalism and integrity standards that all employees are expected to uphold when dealing with customers, business partners, regulators or other key stakeholder groups. We require all new hires to sign an acknowledgment that they have read and understand the Code as part of the onboarding process. The Code will undergo periodic review to ensure its effectiveness and compliance with any regulatory requirements.

Group Speak Up Policy and Framework

- The Group provides a safe and secure environment for employees, customers and third parties to report their concerns about any misconduct or suspected breach of laws, regulations or internal policies and procedures.
- In 2023, the Group enhanced its Group Whistleblowing Policy and replaced it with the Group Speak Up Policy for the reporting of any concerns made in good faith about behaviour, conduct, practice, deeds and/ or omissions that might be either unlawful or inconsistent with the policies of the Group. Kenanga ensures confidentiality and assures its stakeholders and the general public that they can make a report in good faith.
- The new Group Speak Up Policy introduces a new Speak Up channel where whistleblower may submit a report to the external independent third party appointed by Kenanga Group. Submission may be done by an email, a dedicated internet platform (e-form) or to a postal mail as stated below:

External Report Recipient

Website : <https://secure.deloittehalo.com/kenangaspeakup>

Email : kenangaspeakup@tipoffs.com.my

Postal Box: Kenanga Speak Up (External Report Recipient)

PO. Box. No. 8097

Kelana Jaya Post Office

46781 Petaling Jaya

Selangor, Malaysia



Scan here to
learn more
about our
Group Speak
Up Policy and
Framework

 For more information on how we manage our Group's Ethics and Compliance matters, refer to pages 98 to 110 of our Annual Report 2023.

Key Policies, Frameworks and Commitment Statements

At Kenanga, we monitor and implement all corporate policies and frameworks to incorporate good governance values throughout the organisation.

GOOD GOVERNANCE



- Group Code of Ethics and Conduct for Employees
- Code of Ethics for Dealer Representatives**
- Group Code of Conduct for Vendors*
- Group Procurement Policy**
- Group Sustainability Policy**
- E-Procurement Procedure
- Business Continuity Management Framework Policy*
- Group Conflict Management Policy

CYBER SECURITY



- Cyber Security Policy
- Data Loss Prevention Framework*
- Group Confidential Information Policy*
- Retention, Archiving and Destruction Policy*
- PDPA Data Access and Retention Procedure
- Cyber Security Procedure
- Technology Risk Management Framework

GOOD GOVERNANCE

REGULATORY COMPLIANCE



- Group Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Policy & Procedure*
- Group anti-Fraud, Bribery and Corruption Policy & Reporting Procedure*
- Group Chinese Wall Policy*
- Group Speak Up Policy*
- Group Competition Act Compliance Policy
- KIB Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (AML/ CFT/ TFS) Procedure*
- Group Gifts, Entertainment and Hospitality Policy

DIVERSITY, INCLUSION AND WELLBEING



- Preventing and Eradicating Sexual Harassment in the Workplace Procedure
- Committed to promoting gender diversity in the workplace and aligning our Board's representation in accordance with the updated MCCG's requirement
- Zero tolerance of any violation of human rights, including forced and compulsory labour, child labour, as well as discrimination with respect to employment in our operations in compliance with the applicable employment law and regulations

CLIENT EXPERIENCE



- Group Advertisement Policy
- Group Social Media Policy
- Group Media Relations Policy
- Group Complaint Handling Policy and Procedure

COMMUNITY INVESTMENT



- Group Donation Policy
- Committed to empower and uplift local communities by supporting social enterprises, through targeted community investments, outreach activities and employee volunteerism

DIGITALISATION



- iLeap Application Governance Policy

RESPONSIBLE INVESTING



- ESG Integration Framework
- Statement on Application of the Principles of the Malaysian Code for Institutional Investors

CLIMATE IMPACT



- Climate Change Risk Management Framework*
- Committed to reduce our operational footprint of our business activities by optimising our energy and resource consumption efficiently, adopting responsible waste management practices and empowering our employees, as well as our vendors to be environmental stewards

* These policies and procedures were updated in 2023

** These policies and procedures currently under approval and will be implemented upon approval in 2024



Future Outlook

Looking ahead, we will continue to strengthen our governance practices through periodic reviews and updates of policies as when required.

🌐 Our suite of policies and position statements have been approved by the Board and is publicly available on our corporate website: <https://www.kenanga.com.my/ethics-governance>

SUSTAINABLE ECONOMIC GROWTH



Our approach to integrating ESG considerations into our core operations, investing, and decision-making processes is a crucial component of our strategy to deliver innovative sustainable finance and investing products for our clients. We employ a multi-faceted approach to responsible investment, engaging in both product development and active management of the businesses in which we invest in.

MATERIAL TOPICS:

Responsible Investing

Digitalisation

Cyber Security

Client Experience

Goal 1

Increase support of sustainable economic activities.

Goal 2

Champion cloud-first strategy to increase scalability and flexibility.

Goal 3

Increase automation for productivity.

Goal 4

Increase digital distribution of products and services.





WHY IT MATTERS

By investing in companies that are committed to sustainable practices, we can help create positive impact on the environment and society, while building long-term value and attracting investors who consider overall business sustainability in their investment decision-making process.

OUR APPROACH

Our Investment Strategy

Kenanga Investors Group (“Kenanga Investors” or “KIG”), which comprises Kenanga Investors Berhad (“KIB”), Kenanga Islamic Investors Berhad (“KIIB”), and Eq8 Capital Sdn Bhd (Formerly known as i-VCAP Management Sdn Bhd), is the asset and wealth management arm of the Group. As part of our commitment to responsible investing, Kenanga Investors works closely with investee companies, regulators and a broad range of market players in the integration of ESG considerations into our investment process.

Kenanga Investors has been a signatory to the Malaysian Code for Institutional Investors (“Code”) since 2017, and we have established procedures to support the Code’s principles throughout our investment value chain. Additionally, our membership in the Institutional Investors Council (“IIC”) and active participation in JC3 reflect our dedication to advancing the ESG agenda while accelerating a swift response to the climate risks in our sector.

Kenanga Investors and KIIB have been affirmed investment manager ratings (“IMR”) of IMR-2 by the Malaysian Rating Corporation Berhad for the 7th consecutive year since first rated in 2017 in its recent November

2023 rating announcement. The rating considers KIG’s well-established investment processes and sound risk management practices.

KIG enhanced its Sustainability Blueprint in 2022 to incorporate fixed-income asset class by developing an in-house ESG assessment to perform positive screening for bonds and sukuk-based on independent and accredited external data sources. Following the enhancement, in 2023, KIG completed comprehensive screenings for its fixed-income securities and sector-specific assessments for equities, with a heightened focus on sectors bearing elevated ESG risks. As of December 2023, KIB’s total asset under management (“AUM”) with ESG coverage amounted to approximately RM10 billion, accounting for approximately 48% of our reported AUM.

To effectively manage and monitor risks, various factors and indicators specific to respective industries such as palm oil, oil and gas, banking and finance, power, as well as mining were integrated into this process for a more holistic perspective. Following this, KIG has developed strategies tailored to include ESG screening procedures, participation in active stewardship via engagement with stakeholders, and the exercise of voting rights in investee companies.

ESG Integration Strategy

Positive Screening

- Incorporate ESG factor assessment into investment analysis and decision-making
- Invest in companies that meet our ESG standards

Negative Screening

- Avoid investing in companies with unsatisfactory ESG performances
- Exclude industries that do not align with our ESG core values from investment consideration, such as controversial weapons and adult entertainment

Voting Rights

- Exercise our voting rights in investee companies with substantial holdings, as per our voting policy
- Serve as a formal channel to communicate and relate our views to investee companies, especially on ESG-related issues
- Encompass significant resolutions such as the appointment of auditors and board of directors, proxy contests, anti-takeover provisions, corporate governance matters, capital structure decisions, including mergers and acquisitions, and executive compensation

Active Engagement

- Actively engage with stakeholders across industry and investee companies to monitor and promote good ESG practises

ESG Integration Throughout Investment Life Cycle

Pre-Investment

- Stock selection based on ESG assessment conducted via positive and negative screening

Post-Investment

- Continuous ESG monitoring and review
- Exercise active ownership through voting and engagement to ensure continued ESG alignment

Divestment

- Divest stocks that are not aligned with our ESG values

Our Sustainable Investment Products

Kenanga Investors currently has three (3) Sustainable and Responsible Investment (“**SRI**”)-qualified ESG funds under its Kenanga Sustainability Series (“**KSS**”). These funds were also disclosed in the research reports which are shared on our website via the ‘Market Insights’ webpage, providing a comprehensive look at the ESG criteria for investment.

SUSTAINABLE ECONOMIC GROWTH

	Kenanga Sustainability Series: High Yield Bond Fund	Kenanga Sustainability Series: World Quality ESG Fund
About the Fund	The Fund is Malaysia's first SRI-qualified high yield bond fund, which seeks to provide income and capital growth by investing in the Northern Trust ("NT") Global High Yield ESG Bond Index Fund managed by NT Asset Management.	The Fund seeks to provide capital growth by investing in the NT World Quality ESG Fund managed by NT Asset Management.
Launched Date	30 March 2022	6 September 2022
Sustainable and Responsible Investment Strategy	<p>The Fund will exclude securities that do not meet certain ESG criteria, such as weapons producers, tobacco producers, thermal coal producers and companies that are in breach of the UNGC's Ten Principles.</p> <p>The Fund will employ an optimisation methodology proprietary to the Fund Investment Manager to overweight securities issued by companies that are leaders in implementing ESG principles, thereby maximising 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.</p>	The Fund Investment Manager will apply its proprietary scoring to the securities eligible for investment after excluding those securities that do not meet certain ESG criteria to assess their quality based on profitability, management efficiency and cash generation, thereby maximising exposure to securities which exhibit quality and have favourable ESG characteristics.
Fund Size	RM1.2 million	RM64.8 million

	Kenanga Sustainability Series: Emergency Waqf Musa'adah Fund
About the Fund	<p>The Fund sets out to generate sustainable returns that will directly benefit climate change-related disaster victims in the country by helping them return to normalcy.</p> <p>The Fund aims to primarily provide income distribution and achieve capital growth by investing in local and global diversified portfolios of Shariah-compliant equities, Shariah-compliant equity-related securities, sukuk, Islamic money market instruments, or Islamic deposits that integrates both Shariah principles and principles of sustainable investing.</p>
Launched Date	6 October 2022
Sustainable and Responsible Investment Strategy	<p>The External Fund Manager adopts the following ESG methodology throughout its investment and decision-making process:</p> <ul style="list-style-type: none"> ESG Integration: ESG integration involves evaluation of ESG criteria on companies in which the Fund invests. The External Fund Manager incorporates relevant ESG factors as part of the securities analysis, stock selection and post-investment portfolio monitoring. Positive Screening: Positive screening involves assessment and scoring of companies based on the relevant ESG factors to ensure that the Fund invests only in companies with good ESG quality and ESG scores. Negative Screening: Negative screening aims to exclude investing in sectors or companies with principal activities that are deemed to be not aligned with international norms or the External Fund Manager's ESG core values. <p>If the companies in which the Fund invests show persistent decline in their ESG factors and/ or ESG scores, the External Fund Manager will seek to dispose of the Fund's investments in such companies within an appropriate timeframe.</p>
Fund Size	RM1.7 million

Additionally, in 2023, KIG successfully secured two (2) exclusive landmark ESG mandates from notable Malaysian public asset owners, which is a testament to the strength of our expertise, and bolsters our position as trusted fund managers in the sustainability space.

Engagement with KIG Clients

Through KIG, we maintain regular engagement with investee companies. Additionally, in 2023, we conducted in-depth engagement with a group of over 20 companies on ESG matters, including climate change.

We are currently enhancing our Engagement Policy as part of our ongoing efforts to strengthen our ESG Framework in response to the ever-evolving demands of the sustainability landscape.



Pledge to Preserve ("P2P") Campaign

The P2P Campaign is an ongoing initiative in collaboration with Animals Projects & Environment Education Sdn Bhd ("APE Malaysia"). APE Malaysia is a social enterprise focusing on improving animal welfare through the development of volunteering projects and educational programmes.

The Restore Our Amazing Rainforest ("ROAR") initiative, a reforestation initiative championed by APE Malaysia, aims to rejuvenate degraded habitats for endangered animals at its reforestation sites at Lower Kinabatangan River in Sabah.

For each fresh investment contributed to KSS products, the investor would have one (1) tree sapling planted on their behalf by APE Malaysia. Kenanga Investors also matched the total number of trees planted from the campaign at the end of campaign period, as well as sponsored saplings on behalf of each Kenanga Investors employee.



Since its inception in 2022, a total of 2,089 trees have been planted.

Focus on Green Economy

We continue to explore avenues to support a green economy through the mobilisation of capital and financial flows. Kenanga Private Equity Sdn Bhd ("KPE"), our private equity arm, actively strives to explore climate-friendly ventures, as well as companies with a strong ESG agenda. KPE has also incorporated the Climate Change RAC as part of its investment risk assessment strategy.



As of 31 December 2023, approximately RM73.9 million (28%) of KPE's portfolio are focused on the renewable energy sector.

Our Corporate Banking unit at Kenanga has started incorporating ESG factors into its lending and financing activities. In June 2023, we have completed screening for all our existing corporate loans, as guided by the CCRM Framework.



As of 31 December 2023, 7.4% of loan and financing portfolio amounting to RM44.6 million under Kenanga's Corporate Banking division in green lending and financing are related to renewable energy, green technology, and climate change mitigation activities.

Kenanga Futures Sdn Bhd ("Kenanga Futures") actively promoted 10 Bursa Malaysia products, including the ESG-driven FTSE4Good Bursa Malaysia Index Futures, through its "Grow Your Futures" campaign in 2023. In conjunction with the campaign, Kenanga Futures offered an electric scooter as the grand prize, promoting awareness of environmentally friendly transportation options.

SUSTAINABLE ECONOMIC GROWTH

Our Internal Stock Scoring Methodology

Kenanga's Equity Broking Research Department has developed an internal scoring system to rate public listed stocks, premised on Bursa Malaysia Sustainability Reporting Guide, the Sustainability Accounting Standards Board ("SASB") and GRI's primary ESG topics. Since the establishment of the scoring system in 2022, we have consistently engaged with businesses to obtain updates on their ESG strategy, goals, and accomplishments to gain a deeper understanding of their sustainability aspirations and commitments.

Favourable scores are accorded toward companies that possess a high degree of disclosure, with particular reference to quantifiable information	Short-term targets are preferred compared to long-term targets, as immediate solutions are favoured	Year-on-year comparisons of improving ESG data would be given the highest score on a percentage basis
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Our Progress in 2023

The main ESG themes considered in our internal scoring methodology include:



A number of ESG-themed reports were published on key sectors such as banking, palm oil, and technology, delving into specific ESG aspects and company activities

Continued publishing ESG-centric bulletin to deliver news updates and commentary on selected topics

During the year, we published 10 ESG-thematic reports on the following topics:

Digitalisation and the Future of Retailers	Malaysia Tapping into VCM Potential	A Boost to EV Charging Network	Drilling Down to Details	Boost to Carbon Credit Trading
The Future of Low Carbon Mobility	Sustainability the Infineon Way	Banking on Cyber Security	National Energy Transition Roadmap	Waste: Generate Less, Separate More

FUTURE PROSPECTS

In 2024, Kenanga Research will be focusing on more engagements with corporates, as well as industrial authorities to delve deeper into the requirements in ESG reporting and disclosure, and understanding the impact of climate change on businesses.



ESG Engagement with Our Corporate and Institutional Clients

As part of our ESG integration strategy to facilitate active engagements across industries between investors and investee companies, we conducted a total of 12 ESG-related webinars and experiential visits for corporate and institutional clients in 2023. These initiatives aimed to offer first-hand knowledge and understanding of sector-specific and company-specific ESG information.

The webinars and visits conducted were:

Samaiden Group Bhd: Visit to rooftop solar installation in Sunway Nexis, Petaling Jaya

Kenanga ESG Webinar on Accelerating Decarbonisation (Infineon Technologies AG)

Gentari Sdn Bhd: Visit to EV Charging Hub & Test Drive of EVs in Bangi Golf Resort, Selangor

Top Glove Corporation Bhd: Visit to workers' accommodation in Meru, Klang, Selangor

Oil & Gas Industry Insight Session with Malaysia Petroleum Resources Corporation and Velesto

Kenanga ESG Webinar on The Future of Low Carbon Mobility (Zero Emission Vehicle Association, Tenaga Nasional, Swift Haulage)

Kenanga ESG Webinar on Cyber Security in Financial Institutions (Deloitte)

Kenanga ESG Webinar on The Potential and Opportunities in Malaysia's Carbon Market (Bursa Carbon Exchange, Majuperak Holdings, ERM Japan)

Opportunities in Malaysia's National Healthcare Insurance Scheme Reforms

Tenaga Nasional Bhd: Webinar on Vantage RE Ltd on RE development in the UK

Kenanga ESG Webinar: Choosing the Right Cooking Oil

ESG Webinar on Sustainable Waste Management in the Consumer Sector

These engagements garnered participation from over 300 clients.



Future Outlook

We intend to broaden our array of sustainable investment products with a focus on thematic investing. To deepen our understanding of ESG risks and opportunities within our portfolio, we will intensify engagements with our investee companies to gain insights into their ESG aspirations and strategies.

**WHY IT MATTERS**

We recognise that strengthening our digital competitiveness is vital to our continued sustainability and growth, especially given the rapidly evolving financial landscape. Our goal is to optimise internal operational efficiency through digitisation, as well as to create an integrated and seamless digital experience that offers a suite of products.

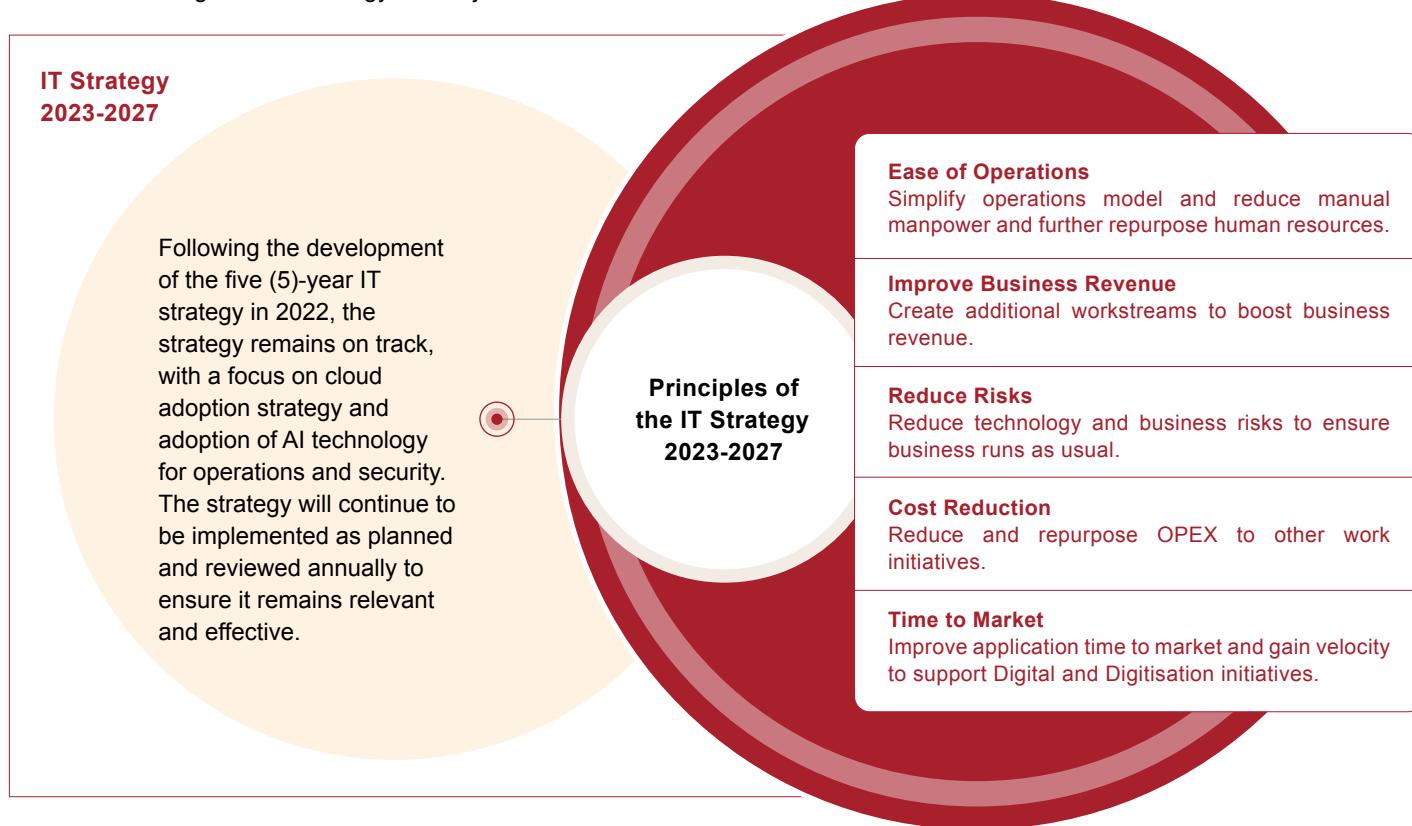
OUR APPROACH

At Kenanga, our digitalisation strategy is premised on expanding our digital offerings to create a comprehensive approach to wealth creation. We also aim to streamline workflows through automation to boost efficiency, and continue to enhance our IT governance for effective oversight of digital initiatives. Our objectives include optimising resources, speeding up digital implementation, and refining cost structures. Furthermore, we aim to forge strategic partnerships with technology leaders to drive innovation and deliver value to our customers. These efforts underscore our commitment to leveraging digitalisation to fuel growth and innovation in our business.

Information Technology (“IT”) Governance

The Group Board Digital Innovation & Technology Committee (“**GBDITC**”) supports the Board in providing direction and oversight on technology-related matters, including risks, in line with business requirements, and relevant regulatory expectations.

The GBDITC reviews, evaluates and recommends technological innovations for the formulation of the Group’s medium and long-term business strategy, and assists the Board in ensuring that the Group’s technology resources and initiatives are aligned with its overall digitisation strategy and objectives.



Digitalisation in Product and Services

● Greater Product Accessibility for Financial Inclusion

We believe in advancing financial inclusion through digitalisation by embracing technological advancements and innovation. This approach aims to increase clients' access to financial products and reach the underserved market segments.

Planned Initiative	Key Highlights
SuperApp	<p>We entered into a Memorandum of Understanding with Ant Group to create Malaysia's first Wealth SuperApp in 2022. The SuperApp will serve as a central platform for our financial, and wealth solutions, which will be complemented by lifestyle offerings.</p> <p>Utilising AntChain's state-of-the-art mobile Platform as a Service, the SuperApp is nearing completion and is ready to support our financial products including Single Customer Portfolios, Single Onboarding and integrated e-KYC which is expected to launch in 2024.</p>
Wealth-as-a-Service (“WaaS”)	Along with the SuperApp, the upcoming introduction of WaaS to our ecosystem partners will allow our suite of wealth services to be embedded onto their platforms for their audiences at a swift go-to-market pace. It is anticipated that this will debut alongside the SuperApp in 2024.
Treasury FX Platform	This platform is aimed at empowering clients to conduct online foreign currency trades and transfer funds internationally. Our target for the official launch of the platform is set for 2024, following enhancements to user experiences.

● Innovative Product Platforms

Our financial solutions platform continues to transform how clients manage their transactions. Prioritising user-friendly interfaces and security, we strive to provide tailored services for convenience and efficiency.

Product	Key Highlights in 2023
Kenanga Digital Investing (“KDI”) Fully automated AI-driven robo-advisor aimed at simplifying the saving and investment process was introduced in 2022. Licensed by the Securities Commission Malaysia, the KDI platform offers two (2) convenient products – KDI Save and KDI Invest. KDI Save offers daily returns on savings with no lock-in or management fees, while KDI Invest enables wealth growth through access to global investment opportunities via US-listed Exchange Traded Funds (ETFs) at competitive fees.	Total Assets Under Management of over RM235 million, serving 23,396 clients.
Rakuten Trade Rakuten Trade Sdn Bhd (“ Rakuten Trade ”) is a joint venture between Kenanga and Japan-based Rakuten Securities Inc. has introduced the ease and access of online stock trading to hundred thousand of new traders and investors. In addition to introduction of trading access into the US market, foreign trading capabilities also include Hong Kong Exchange and US Fractional Share Trading, allowing Malaysian users a seamless and cost-effective option to further diversify their portfolio.	<p>A total of 19,410 new users signed up on Rakuten Trade in 2023, bringing the total customer base to more than 276,163.</p> <p>Over RM125 billion worth of stocks have been transacted since its inception in 2017.</p>
Kenanga Money Through partnership with Merchantrade Asia Sdn Bhd (“ Merchantrade ”), Kenanga entered the cashless payment sector through its first e-wallet platform, allowing its clients to move money from their stock trading account into an e-wallet with a prepaid card for retail payments, remittances, and withdrawals globally. Users also benefits from Merchantrade's innovative multi-currency capability, which allows users to buy, sell, and keep up to 20 foreign currencies at any time at competitive exchange rates.	Over 750 sign-ups since its release in 2020. In 2023, a total of over RM44,000 retail transactions were made via this platform.

SUSTAINABLE ECONOMIC GROWTH

 **Enhancing Client Services**

We continue to enhance client services by implementing digital onboarding processes and improving back-end client management systems. Through digital onboarding, clients can conveniently open accounts and access our services online, thus reducing paperwork and processing time. Additionally, our improved back-end systems works to streamline client management processes, ensuring smoother interactions and more personalised services.

Services	Key Highlights in 2023
Digital Client On-boarding (“DCO”) Service Launched in 2022, this platform enables clients to open accounts online, eliminating the need to visit a Kenanga branch. Clients can easily access equity trading, futures and options trading, and treasury products. The account opening process takes just 15 minutes and can be completed on a PC, laptop, or with a mobile device.	A total of 3,282 accounts have been opened via DCO, since its inception. This includes Kenanga Futures, Kenanga Treasury, and Equity Broking – cash, collateralised, and margin.
Futures Account Opening Services An initiative to digitalise Kenanga Futures account opening process, aiming to increase processing speed, enhance security, and reduce the cost of client onboarding.	Achieved a 98% digital onboarding rate, with only 2% of new accounts being opened through physical means. As of 2023, 50% of its back-office administrative forms and existing physical documents have been converted to digitalised forms.
Remisier’s Service Portal A user-friendly platform offering greater flexibility to remisiers and enhancing client experience. Key functions include enabling remisiers to access stock information quickly and support clients in submitting requests via the e-request functions.	100% of our remisiers have been onboarded on our Remisiers Portal. Number of transactions: <ul style="list-style-type: none"> • eDeposits – 133,621; • eSettlements – 372,260; • eTrust Withdrawals – 88,352
Treasury Relationship Manager Platform An online platform enabling Relationship Managers to execute order fulfilment digitally and seamlessly for the popular structured investment solution, Dual Currency Investment (“DCI”).	DCI transaction volume has more than doubled from 2022, achieving over 200% increase.
Project OMNI A software platform designed to support advisers and staff in onboarding and servicing clients through a digital journey. It comprises two main components: an iOS-based tablet app called REACH for advisers and a web-browser-based Back Office Web portal for Kenanga Investors employees. It further aims to minimise the printing of forms and reduce adviser trips to the branch, as REACH submissions are fully digital except for those mandated by regulators.	During the year, enhancements were made to the app and we aim to release the updated version in 2024. Moving forward, we plan to gradually roll out more advanced Switching and Redemption features throughout 2024. Additionally, we plan to expand the app's availability to more advisers.

Centralising Client Information

In 2023, we initiated a project to develop data lake, aimed at centralising customer information, improving client screening, and enhancing overall IT operations. This initiative supports our goals of enhancing analytics and operational efficiency. The data lake will provide a comprehensive view of customers, aiding in better segmentation and personalised marketing. It will also improve client screening accuracy for better risk management and regulatory compliance. Additionally, the data lake will streamline data management, reduce silos, and enable more efficient data access and analysis, leading to cost efficiencies and improved governance.

● **Digitalising Operational Efficiency in Kenanga**

As we gradually accelerate our digital transformation efforts across the organisation, we are focused on the digitalisation of key functions and processes to enhance operational efficiency.

Product

The Group's Digital Workflows ("iLeap")

This project streamlines sign-off, storage, and audit processes, reducing printing in digital workflows. Additionally, it adopts the iLeap Application Governance Policy to ensure secure and effective platform use. By automating business and IT processes, Project iLeap optimises resources and results in cost savings.

Key Highlights in 2023

A total of 69 workflows were digitised since 2020 with four (4) workflows digitised in 2023. These include processes within Group Operations, Group Finance, Group Equity Business, Group Treasury, Equity Derivatives, and Group Digital, Technology, and Transformation.

Product

Robotic Process Automation ("RPA")

A software technology that automates digital tasks using predefined instructions.

Key Highlights in 2023

A total of 10 RPAs were launched to date with three (3) new RPAs processes rolled out in 2023, to automate routine tasks and processes within the Equity Derivatives, Treasury Operations Payment Settlement ("TOPS") Conventional Blotter, and TOPS SPI Blotter areas. The implementation of RPA was also extended to support the Group's IT operations and digital investment management. This expansion of RPA usage enhances operational efficiency and enables more effective management of digital investments, contributing to the overall digital transformation journey of the Group.

SUSTAINABLE ECONOMIC GROWTH

 **Cloud Adoption Strategy**

Our five (5)-year Cloud Adoption Strategy aligns with our group-wide digital transformation ambitions, aiming to fuel innovation and growth. Cloud infrastructure services will enhance scalability, performance, security, and resiliency across the Group. Non-production workloads have been successfully migrated to the Cloud this year. We are currently in collaboration with regulatory bodies to finalise the migration of production applications, a crucial step in enhancing efficiency and scalability through cloud-based solutions.

Kenanga adopts a two (2)-prong cloud adoption strategy approach as follows:

Approach #1 – Public Cloud

To expedite time-to-market, scalability, and resiliency for new cloud-native applications, we will utilise publicly available cloud infrastructure services such as Azure & Amazon Web Services (AWS).

Approach #2 – Private Cloud

Kenanga currently hosts many applications in its data center. We plan to implement a private cloud technology stack to modernise our on-premise data center infrastructure, incorporating cloud automation and security software. This initiative aims to enhance agility and flexibility in managing our infrastructure. Priority will be given to hosting time-sensitive applications and those with high latency requirements in the private cloud.

Key Initiatives:
Remisier Application Modernisation

Our goal is to enhance the efficiency of the Remisier's application in serving our clients. Cloud infrastructure, with its adaptability to varying usage demands, will enhance the scalability, resiliency, and flexibility of the application to better align with evolving business needs.

Azure Enterprise Skilling Initiative (“ESI”)

We are progressively upskilling our IT workforce through Azure ESI offered by Microsoft to further build technical skills which also includes trainings and certifications.

This is a programme offered by Microsoft to help employees to sharpen their technical skills and knowledge needed to be applied for Azure-related projects and initiatives. In FY2023, our IT personnel attended over 12 Azure training courses with a total of 430.3 training hours logged.

Greening Data Centers

Furthermore, as part of our ongoing commitment to fostering energy-efficient practices, we have launched a new initiative focused on greening data centers at the Group during the review period. This initiative involves upgrading to energy-efficient hardware, including servers, storage devices, and networking equipment, as well as virtualising servers to enhance resource utilisation. In 2023, the Group initiated this effort, completing approximately 10% of the upgrades for storage and servers. The primary goal of this initiative is to reduce energy consumption and improve overall energy efficiency.


Future Outlook

We will continuously assess and make improvements to our systems and processes to ensure we remain at the forefront of digital transformation in the financial industry. Amongst some of the new solutions that we are looking forward to launch in 2024 include the launch of the first Wealth SuperApp in Malaysia, a new FX platform that will support our Treasury products, Project OMNI to fully digitalise our end-to-end processes, and enhanced features on our DCO Service.



CYBER SECURITY

GRI 418

WHY IT MATTERS

As we transition towards a future defined by digital innovation, cyber security issues have increasingly become more relevant and urgent to organisations. We aim to address cyber risks by actively monitoring developments in the cyber world and strengthening our cyber security measures across our operations.

OUR APPROACH

Our suite of IT policies forms a fundamental aspect of IT governance which guides our management approach towards cyber risks and responses to security incidents.

Key Policy and Framework

- Cyber security is a formal risk component of Kenanga's Enterprise Risk Management Framework.
- Cyber Security Policy has been developed based on regulatory guidelines such as Bank Negara Malaysia Risk Management in Technology (RMiT).
- The Group Confidential Information Policy has been established and incorporates various privacy legislation that includes Financial Service Act 2013, Securities Industry (Central Depositories) Act 1991, BNM Management of Customer Information and Permitted Disclosure and Personal Data Protection Act ("PDPA") 2010.
- The policy provides governance for all data usage by Kenanga Group i.e., including Paynet related application/ system (such as RENTAS and FAST), whereby data asset is currently categorised in three (3) different classifications: Regulated Confidential, Unregulated Confidential and Public.
- Sensitive data discovery is included in Information Asset Inventory, which is covered by the embedded rules in the Data Loss Prevention ("DLP") tool. The DLP rules are also consistent with the Group Confidentiality Information Policy.



Data Loss Prevention Framework

Our DLP Framework has been structured to outline data protection measures for sensitive data across different mediums to address cyber threats. Supporting our DLP Framework is Kenanga Group's Cyber Security Policy as outlined by Bursa Malaysia, Bank Negara Malaysia and the Securities Commission Malaysia Guidelines on IT and Cyber Security.

The Group's DLP project was launched in 2019 to provide us with greater visibility over data processes within Kenanga. Through this project, we can monitor the location of confidential data, determine how it is being used and undertake measures to prevent data loss. The Framework also outlines data protection measures for sensitive data

across all endpoint devices and data egress channels, aligned with our DLP Framework & Group Confidential Information Policy.

All activities have been monitored and alerts will be prompted when the DLP system detects customers' data or confidential information is being shared to external parties or copied to external mediums. In order to proceed with the activity, the users will need to provide reasons and justification, which will be documented by the Data Officers and Data Governance team.

To further promote transparency and improve customer awareness, we also published a Privacy Notice on our corporate website which specifies the scope in which we utilise customers' data.

SUSTAINABLE ECONOMIC GROWTH

Accelerating Data Security Measures

In the year under review, we bolstered the cyber resilience of our operations through the implementation of the following measures:

SECURING CUSTOMERS' DATA

- Ensured DLP solutions in place to prevent data leaks from internal sources
- Ensured virtual patch solution in place to shield servers from risks before applying physical security patches
- Implemented Cloudflare to shield web applications from cyber-attacks

STRENGTHENING MEASURES FOR SECURING EMPLOYEE DATA

- Enhanced usage of mobile management tool to effectively monitor company information on employee's mobile phones
- Enhanced security posture by upgrading Microsoft 365 subscription to include the full E5 security suite which includes advanced endpoint and identity protection

FOSTERING CYBER AWARENESS AMONGST EMPLOYEES

- Collaborated with a team of experienced cyber security experts to provide valuable cyber knowledge to our Group Digital, Technology and Transformation Division
- Conducted mandatory monthly cyber security awareness training for all employees, in partnership with Sophos and our in-house Kenanga Group Learning Management System
- Implemented regular email phishing simulations to educate employees on identifying and responding to potential phishing threats
- Conducted online quizzes and training sessions
- Introduced the 'IT-Cyber Security – Staying Safe in the Cyberspace' module as part of our New Hire Orientation Course

Completed

2,979.6 hours

of mandatory in-house cyber security training for employees

Achieved a success rate of

89%

in identifying phishing emails through our employee phishing simulator

Conducted

4

mock-phishing exercises during the year



In 2023, zero cyber security incidents involving breach of customer data were recorded.

**Future Outlook**

The ongoing escalation of cyber threats has underscored the importance of cyber security measures. Aligned with our IT Strategy 2023-2027 and DLP Framework, we are committed to continuously strengthen our cyber security protocols. This involves necessary upgrades to our systems and raising awareness amongst both our employees and clients to preemptively address cyber security risks. Our overarching goal is to cultivate trust amongst our clients as they engage in financial pursuits in this digital age, reassuring them that their personal and financial information are safeguarded.



CLIENT EXPERIENCE

GRI 417

WHY IT MATTERS

As a homegrown brand that has evolved and grown over the last 50 years, we recognise that our success is the result of our relationships with our clients. Having served over 500,000 clients, we remain committed to continue delivering excellence through our products and services by putting our clients at the centre of all that we do.

OUR APPROACH

We prioritise understanding our clients' needs, preferences, and expectations, ensuring that our interactions are personalised and meaningful. Our approach to client experience is centred on delivering value and building enduring relationships founded on trust and satisfaction.

Transparency and communication are integral to our approach, as we strive to keep clients informed and engaged throughout their journey with us. In addition to maintaining a myriad of customer touch points to facilitate open dialogues, we are guided by policies that are aligned to applicable laws and regulations, and we aim to ensure our marketing materials and claims embody a commitment to ethical principles which prioritise accuracy and honesty. Through our client-centric approach, we aim to build lasting client relationships that will serve to fortify the foundation that sustains our business for the long term.

Responsible Marketing & Communication

All information contained in prospectuses and memoranda are made available to the public in accordance with key applicable laws and regulations established by:

Administered/ Regulated by	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	Company's Act 2016 Section 30 (2)
Bursa Malaysia	Bursa Securities Rules & Bursa Derivatives Rules
The Securities Commission Malaysia	Guidelines On Advertising For Capital Market Products And Related Services

SUSTAINABLE ECONOMIC GROWTH

In relation to the creation and distribution of promotional and marketing materials, we have a set of internal procedures to further uphold our standards. All employees have access to the following guidelines via the Group's Intranet:

 **Group Advertisement Policy**

Outlines guiding principles, regulatory requirements, and guiding frameworks for Kenanga Group's communications through the use of traditional and digital advertisements.

 **Group Social Media Policy**

Contains guiding principles and an employee participation framework that sets expectations for appropriate behaviour which outlines procedures and guidelines for the Group's communications on its social media platforms.

 **Group Media Relations Policy**

Establishes guiding principles and a framework within the Group in its engagements with print, electronic and broadcast media.

 **Group Complaint Handling Procedure**

Establishes guiding principles and a framework within the Group for its complaint handling processes and procedures for all stakeholders.

Our intermediaries such as, agents and remisiers are provided with relevant information and training that emphasises the importance of upholding and demonstrating high standards of ethics and honesty in client interactions. All our remisiers are required to comply to the Group Code of Conduct to ensure our services are delivered with integrity. Any complaint received must be directed to the appropriate Complaint Officer for further action, in accordance with our Group Complaints Handling Procedure.

Establishing a Client-Centric Strategy

Our focus is centred on listening and catering to the diverse needs of our clients. To facilitate two (2)-way communication with all our existing and prospective clients, we utilise several channels such as the ones listed below to actively seek and gather feedback from our clients to help improve their experience with us.

DIGITAL COMMUNICATIONS PLATFORMS

- Promotional updates, product information and corporate news are constantly updated on all our digital communication touchpoints, which include product and corporate websites, as well as social media platforms including Facebook, Instagram, LinkedIn, Telegram and TikTok
- Digital touchpoints enable direct client interaction, where we monitor and respond to queries, feedback and complaints that come through

TELEPHONY SUPPORT

- Our customer helplines provide access to information, advice and assistance in handling customer queries and complaints through toll-free numbers. Further details can be found at: <https://www.kenanga.com.my/contact-us>

PHYSICAL BRANCHES

- Complementing our digital channels, we extend our services through 34 physical branches nationwide. More information is available at: <https://www.kenanga.com.my/branches>

Combating Financial Scams

Fighting financial scams is crucial to safeguard our clients' wellbeing and preserve the integrity of the financial system. Scams and fraudulent activities undermine trust in financial institutions and markets, eroding confidence amongst investors and consumers alike.

In 2023, Kenanga Group has expanded its scam awareness efforts through its corporate websites and social media platforms such as Facebook, TikTok, Instagram, and Telegram to educate the public about financial scams and provide practical tips on prevention. To further assist our clients and public, a dedicated email and hotline channels were established to facilitate the reporting of scam-related issues.



SCAN HERE

for more or visit
the link below

[https://www.kenanga.com.my/news/
articles/stay-smart-stay-alert](https://www.kenanga.com.my/news/articles/stay-smart-stay-alert)

ENVIRONMENTAL STEWARDSHIP



We are fully committed to promoting a climate-positive culture and reducing our carbon footprint. We recognise the urgency of the climate crisis and believe that we have a responsibility to take action. We integrate climate-related risk considerations into all aspects of our business operations and continuously seek ways to minimise our environmental impact.

MATERIAL TOPICS:

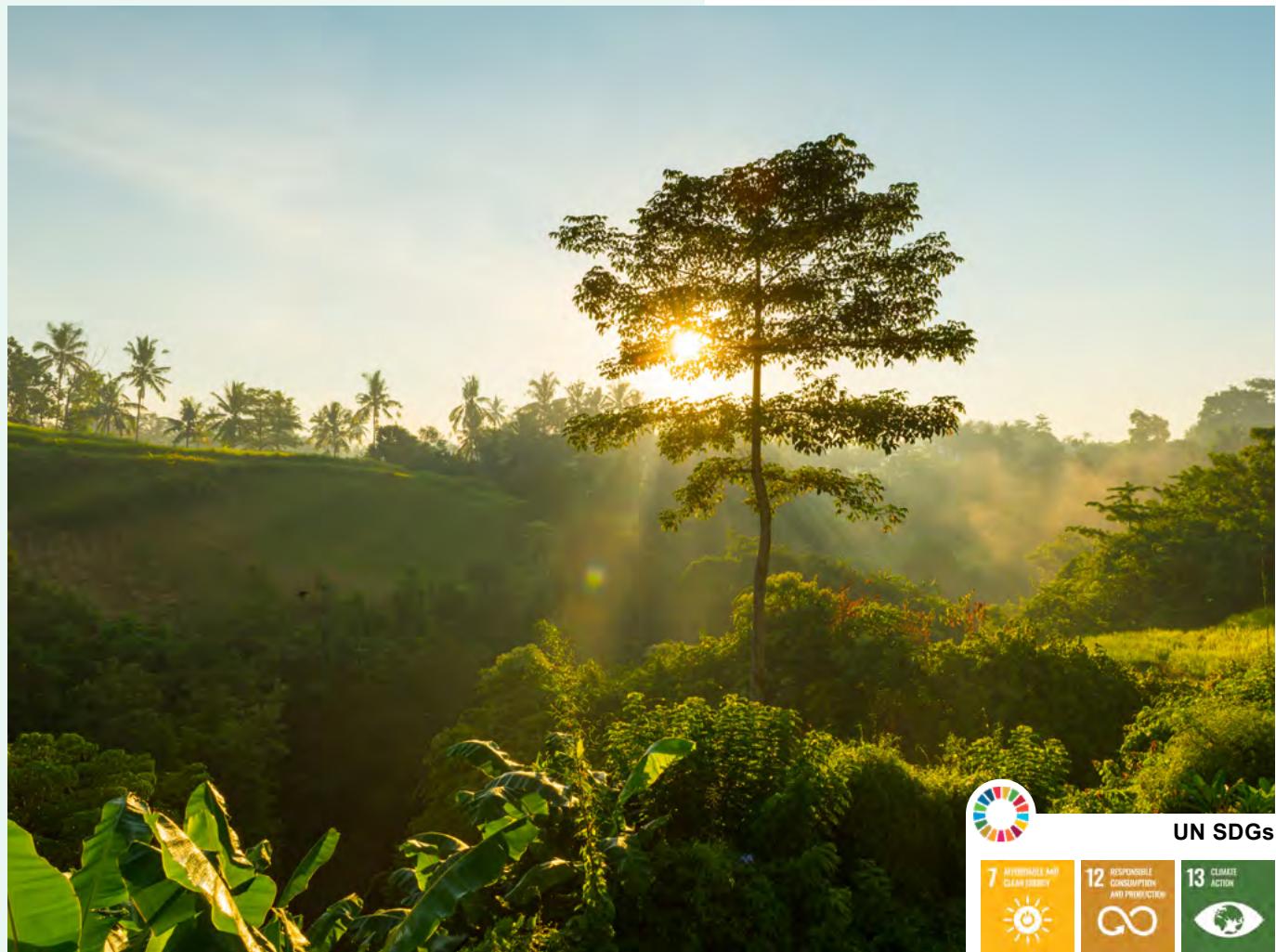
Climate Impact

Goal 1

Accelerate enterprise decarbonisation.

Goal 2

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



ENVIRONMENTAL STEWARDSHIP



MANAGING OUR CLIMATE IMPACT

GRI 302, 303, 305, 306

WHY IT MATTERS

Enhancing environmental stewardship is pivotal in conserving resources and mitigating environmental impact. Practices such as energy efficiency not only reduce operational costs but also lower carbon emissions, thereby helping in the fight against climate change. Moreover, ensuring water resource efficiency plays a vital role in conserving water, particularly in regions facing water scarcity challenges. Finally, advocacy for sustainability contributes to fostering broader societal change through educational initiatives and policy influence. We acknowledge its impact and role in facilitating the transition to a low-carbon economy. Aligned to our national ambition, the Group is committed to achieving net-zero emissions by 2050.

OUR APPROACH

We adopt a pragmatic approach to addressing climate impact that incorporates the management of climate-related risk factors across our business activities, products and services, as well as the reduction of environmental impact from our operations.

We continuously strive to reduce the carbon footprint of our operations where possible and minimise wastage throughout our value chain to reduce the adverse impacts on the ecosystem and biodiversity. Our vendors are also expected to adopt sustainable business practices as guided by our Group Code of Conduct for Vendors.

We encourage our employees to use resources responsibly, including electricity, water and paper. Our month-long interactive campaign, #GreenAtWork, is designed to raise awareness amongst our employees on the need to adopt an environmentally friendly mindset.



Kenanga Tower Wins 'Energy-Efficient Retrofitted Building' at National Energy Awards 2023

We are delighted to announce our win of the 'Energy Efficient Building in the Retrofitted Building' category at the esteemed National Energy Awards ("NEA") 2023. This prestigious recognition, conferred by the Ministry of Natural Resources, Environment, and Climate Change in collaboration with the Malaysian Green Technology and Climate Change Corporation, marks the culmination of dedicated efforts throughout the last two (2) years.

Through a collaborative partnership with a Malaysian-based climate tech company, we implemented an advanced AI solution in the central air conditioning ("AC") system, which significantly contributes to Kenanga Tower's energy consumption. This overhaul, along with upgrades to the Air Handling Unit ("AHU") and installation of energy-efficient lighting throughout the premises, resulted in an overall energy reduction in 2022.

As we reflect on the progress we have made in such a short period of time, we reaffirm our commitment to continue driving sustainable practices and positive change within our enterprise and industry. We also remain steadfast in our pursuit of excellence and are committed to fostering a greener, more sustainable future for all.



The Kenanga Group Procurement and Administration Team who continue to spearhead transformative initiatives to improve Kenanga Tower's energy efficiency.

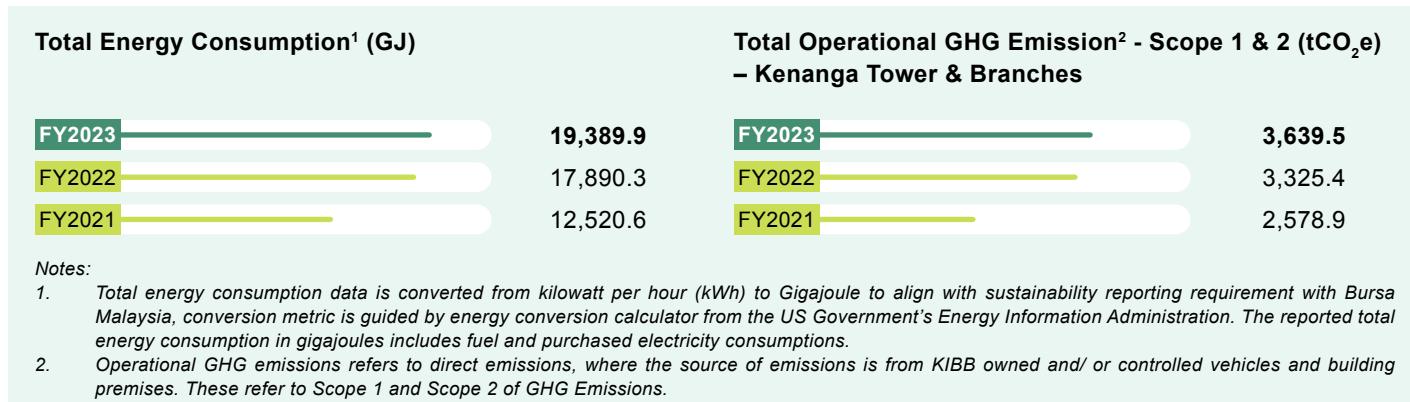
Energy Management & Greenhouse Gas Emissions (“GHG Emissions”)

We continuously monitor our energy management which includes electricity and fuel consumption to identify opportunities to improve our energy efficiency. Following the completion of the enhancements made to the AC and AHU systems, we transitioned into the monitoring phase in 2023.

As we continue to track and monitor the Group’s GHG emissions, we derived our Scope 1 GHG emissions from fuel consumption data of company-owned vehicles, while our Scope 2 emissions calculations for 2023 are based on purchased electricity consumption throughout Kenanga Tower (“KT”) and our branch offices. For Scope 3, we continue to monitor our GHG emissions to track emissions generated from business travel, employing the spend-based method. Aligned with our Sustainability Roadmap 2023-2025, we have expanded our Scope 3 GHG emissions data to also include emissions generated from employee commuting, measured using a distance-based method.

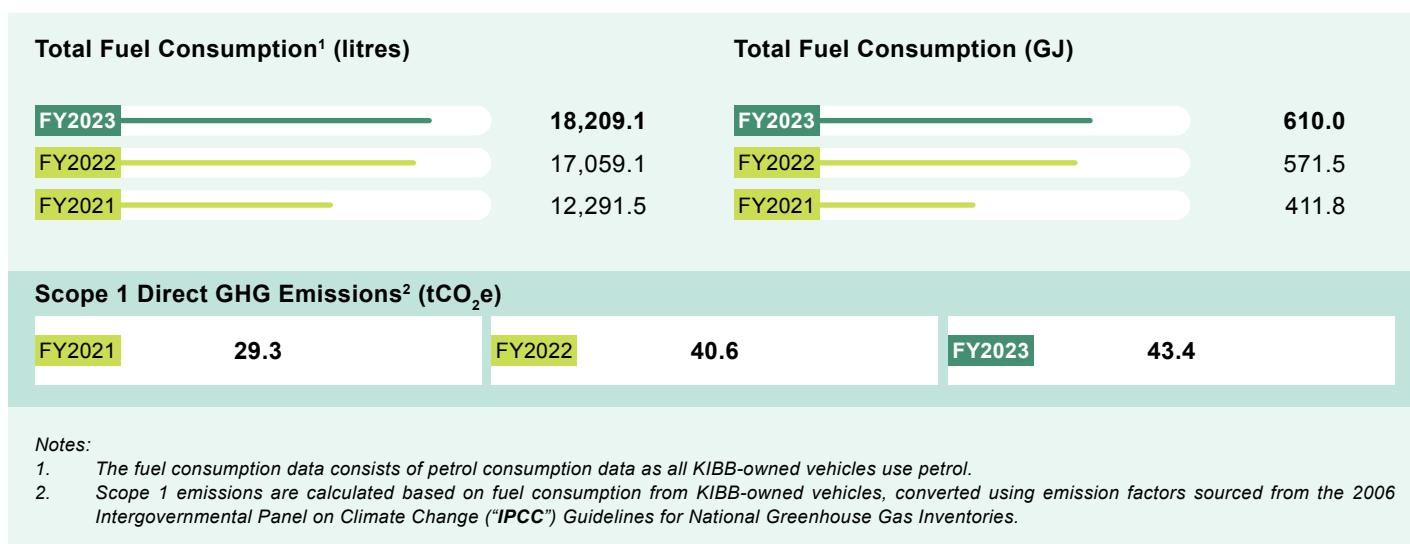
Following sections showcases our energy consumption and GHG emissions data:

Summary of Total Energy Consumption & Operational GHG Emission Scope 1 & Scope 2



Total Fuel Consumption & Scope 1 - Direct GHG Emissions

In 2023, we observed a 6.7% rise in fuel consumption compared to FY2022 resulting an increase in our Scope 1 direct GHG emission. This increase can be attributed to increased corporate travels in recent years, as business activities resumed to pre-pandemic normalcy.

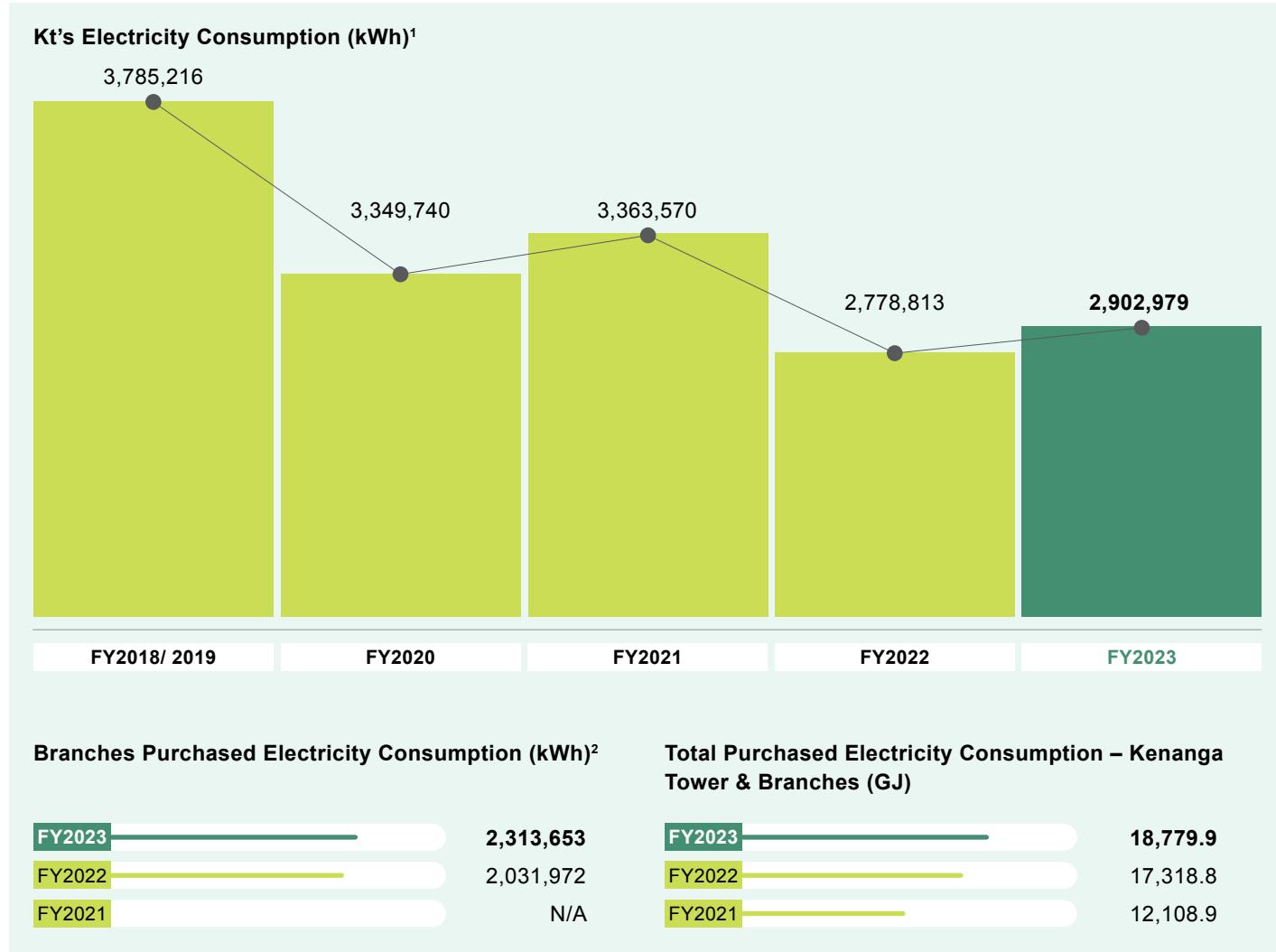


ENVIRONMENTAL STEWARDSHIP

Total Purchased Electricity Consumption & Scope 2 – Indirect GHG Emissions

In 2023, our overall total electricity consumption for both Kenanga Tower and branches were 5,216,632 kWh compared to 4,810,785 kWh the year before. This slight augmentation was largely driven by the resumption of work in office, increased in business activities and multiple renovation works.

Through our energy-efficient enhancement efforts since 2021, we were able to achieve a 23% reduction of overall Kenanga Tower's electricity consumption in 2023 compared to the baseline year – the average of 2018 and 2019 electricity consumption. This anomaly in comparison is attributed to the impact of the COVID-19 pandemic, which significantly affected energy usage patterns and consumption in office buildings during those years.

Total Purchased Electricity Consumption (kWh)

Scope 2 - Indirect GHG Emissions³**Scope 2 Indirect GHG Emissions⁴ (tCO₂e) –
Kenanga Tower only****Scope 2 Indirect GHG Emissions⁴ (tCO₂e) –
Branches only****Total Scope 2 Indirect GHG Emissions (tCO₂e) – Kenanga Tower & Branches****Notes:**

1. Data restatement for FY2021, from 3,181,757 kWh to 3,363,570 kWh as there were data correction made upon improvement of our data collection process.
2. Data collection for purchased electricity for branches only commenced in FY2022, hence no data available for FY2021.
3. Scope 2 emissions figures are derived from purchased electricity consumption throughout Kenanga Tower and our branch offices, converted using emissions factors for the Malaysian Peninsular, Sabah and Sarawak. Scope 2 emission factors were sourced from the Malaysia Energy Commission – Grid Emission Factor in Malaysia, 2017-2021.
4. Scope 2 data for both Kenanga Tower and Branch Offices were restated for FY2021 and FY2022 due to revision of the emission factors and purchased electricity data changes due improvement of our data collection process.

Scope 3 – Other Indirect GHG Emissions**Scope 3 GHG Emission – Business Travel for Kenanga Group (tCO₂e)****Scope 3 GHG Emission – Employee Commuting from Employees Nationwide (tCO₂e)**

New Data Point

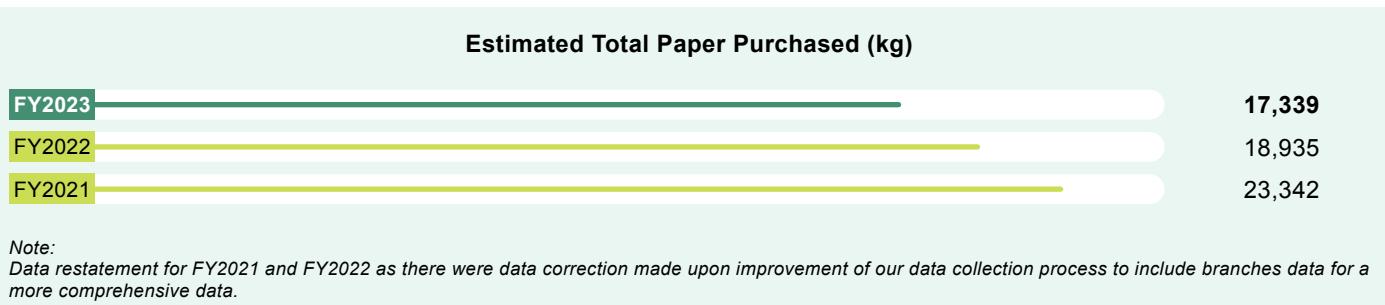
**Notes:**

1. Activity data for Scope 3 Business Travel is obtained from the total fuel consumption from employee-owned vehicles and e-hailing cars only, using the price of Ron-95 fuel. These data are then converted using emission factors sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
2. Data for Scope 3 Employee Commuting is gathered from surveys that capture employees' commuting patterns and the distance travelled between to and from their office. The distance-travelled is then converted using EPA's 2023 Emission Factors Hub – Table 10 Scope 3 Category 7: Employee Commuting. This data collection started in FY2023, hence no data available for FY2021 and FY2022.

ENVIRONMENTAL STEWARDSHIP

Paper Consumption and Waste Management

The waste we predominately generate include paper and electronic waste (“**e-waste**”). The proper disposal of office waste is a vital component of minimising our environmental impact as we aim to reduce our paper consumption through our digitalisation efforts and building awareness of a zero-waste culture amongst our employees. In addition to reporting on our paper consumption data, we have further enhanced our waste monitoring by including other types of office waste, which include paper, carton boxes, aluminium tins, e-waste and plastic.

Paper Consumption

We continue to migrate clients from physical monthly statements of accounts to e-statements. In 2023, a total of 149,721 clients have migrated to e-statements, with an e-statement adoption rate of 57.7%. As part of our ongoing efforts to reduce paper-based postal statements, we have adopted the practice of not sending monthly statements for clients using postal delivery who have had no transactions in their accounts. For inactive clients, statements will only be posted on a semi-annual basis.

Responsible Waste Management

As we aim to adopt responsible waste management practices within our operations which include managing our general waste, IT assets and confidential documents, we have partnered with a local recycling centre and a licensed IT asset destruction agency. In 2023, we have responsibly disposed 32,876kg of our wastes which include IT assets, confidential documents and other general office wastes.

2022				2023			
Total Waste Generated (kg)				Total Waste Generated (kg)			
19,974				32,876			
Total Waste Directed to Disposal (kg)				Total Waste Directed to Disposal (kg)			
19,974				32,876			
General Waste Collected and Recycled by Type (kg)				General Waste Collected and Recycled by Type (kg)			
Paper	Plastic	Aluminium Tins	Others	Paper	Plastic	Aluminium Tins	Others
8,945	77	31	6	9,675	13	64	6
IT Asset and Paper Collected and Our Disposed by Type (kg)				IT Asset and Paper Collected and Our Disposed by Type (kg)			
10,865				23,118			
Paper	e-Waste		Paper	e-Waste			
8,980	1,935		19,334	3,784			

This approach aligns with the guidelines outlined in the Group's Retention, Archiving and Destruction Policy and the PDPA Data Access and Retention Procedures, ensuring the responsible disposal of paper and e-waste. Upon destruction of our IT assets, we were issued with a Certificate of Destruction by a licensed local agency, providing assurance of secure and ethical disposal.

Looking ahead, our focus is on continuous improvement in waste management systems through enhanced monitoring and proactive stakeholder engagement to raise awareness about circularity.

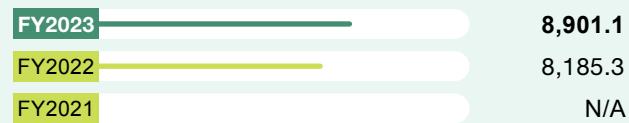
Water Management

We aim to manage our water consumption and consistently explore opportunities to improve our water usage efficiency. In 2023, our overall total water consumption was 42,208.1 m³ compared to 29,489.3 m³ the year before. We recorded an increase of 56.3% in our water consumption at Kenanga Tower, which directly correlated to the resumption of our employees working in the office, as well as renovation works at the lobby of Kenanga Tower, and rectification works on multiple leakage incidents.

Water Consumption – Kenanga Tower (m³)



Water Consumption – Branch Offices (m³)¹



Total Water Consumption – Kenanga Tower & Branches (m³)



Notes:

1. Data restatement for FY2022 as there were data correction made upon improvement of our data collection process. Data collection for water consumption for branches only commenced in FY2022, hence no data available for FY2021.
2. Water consumption data for our branch offices exclude KIBB – Damansara, Johor Bahru – Menara Pelangi, Penang-Menara PSCI, Subang Jaya, Kota Kinabalu; and KIB – Penang-Menara Boustead, Kuching, Miri, and Bukit Jalil Agency Office. This exclusion is due to the unavailability of bills and the charging of a fixed monthly amount within the rental agreements.



Promoting Environmental Awareness - #GreenAtWork

Since 2017, we conducted **#GreenAtWork** annually - a month-long interactive campaign, in conjunction with World Earth Day to increase environmental awareness amongst our employees. The campaign aims to promote sustainable practices and encourage our employees to adopt a more environmentally friendly lifestyle.

In 2023, the event garnered participation from over 800 employees. To engage our employees effectively, we deployed virtual interactive learning events featuring educational pop quizzes, games and immersive learning initiatives such as environmental workshops.

The workshops were conducted in collaboration with non-governmental environmental organisations, EcoKnights, Free Tree Society and Repurpose Plastics. During these sessions, we encouraged our employees to learn about ways to repurpose plastics and participate in our plant adoption drive. These initiatives aimed to inspire our employees to embrace green practices in their daily lives.

We have also been participating in Earth Hour for the past 14 years by switching off lighted signages and non-essential lights in our premises nationwide.



Future Outlook

In the coming period, we will continue to monitor the Group's environmental footprint and explore opportunities to manage our resources efficiently. Concurrently, we strive to enhance advocacy efforts through employee awareness programmes, promoting the sustainable use of resources. Furthermore, we aim to develop a Net Zero Roadmap that also covers the Group's decarbonisation efforts focusing on both enterprise and portfolio level.

EMPOWERING PEOPLE AND COMMUNITIES

We believe that our people are at their best when they feel a sense of belonging and are adequately supported by the organisation. We are committed to empowering our people to build their knowledge and expertise in an inclusive and healthy environment while extending our support in contributing to the growth and resilience of our communities.



MATERIAL TOPICS:



Diversity and Inclusion



Talent Attraction, Development and Management



Employee Safety, Health and Wellbeing



Community Investment

Goal 1

Maintain and promote workforce diversity and maintain anti-discrimination culture.

Goal 2

Integrate mental health as a topic of overall wellbeing of employees.

Goal 3

Increase social impact towards marginalised and deserving communities through consistent programmes and initiatives.

Goal 4

Expand investing literacy reach through online and offline channels.





DIVERSITY AND INCLUSION

GRI 405, 406

WHY IT MATTERS

Embracing diversity and inclusion enables us to attract a wider pool of talent, as well as to encourage new ideas and perspectives that help enhance our business. We aim to give our employees equal opportunities to succeed professionally, regardless of their age, gender, ethnicity and background. We strive to improve and maintain a healthy gender-balanced workforce through our focus on inclusivity that allows each individual to thrive in their careers.

Our Workforce Profile

[GRI 401, 404, 405]



Key Management	2022	2023
Male	20	18
Female	70.0%	66.7%
Senior Management	40	42
Male	60.0%	59.5%
Female	40.0%	40.5%
Middle Management	497	500
Male	47.5%	46.6%
Female	52.5%	53.4%
Junior Management	683	691
Male	46.7%	47.0%
Female	53.3%	53.0%
Non-Executive	115	107
Male	66.1%	70.1%
Female	33.9%	29.9%

Breakdown By Age Group	2022	2023
< 30	305	288
	22.5%	21.2%
30-39	379	375
	28.0%	27.6%
40-50	389	402
	28.7%	29.6%
> 50	282	293
	20.8%	21.6%

Breakdown By Ethnic Composition	2022	2023
Malay & Other Bumiputra	549	550
	40.5%	40.5%
Chinese	733	734
	54.1%	54.0%
Indian	60	62
	4.4%	4.6%
Others	13	12
	1.0%	0.9%

Number of Temporary Staff	2023
Number of Temporary Staff ¹	3
Number of Fixed Term Contract Staff ²	193
Total Temporary/ Fixed Term Contract Staff by %	14.4%

¹ Staff that are hired for a specific purposes i.e. temporary replacement or special project.

² Staff which includes Senior Management Team under fixed term contract on a renewal basis.

OUR APPROACH

Our Policy on Ethical Human Resource Practices

We ensure our human resource operations are following the applicable employment and labour laws and regulations of Malaysia, including adhering to the set minimum wage and ensuring its continued compliance, with local laws on working hours. Our commitment to these standards is reflected in our Group's Code of Ethics and Conduct for Employees.

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

Zero Tolerance of Human Rights Violation

As signatory to the UNGC, we adopt the human rights and labour principles as outlined in the UN Global Compact's Ten Principles and placed importance to continue improving workplace diversity, providing equal opportunities and reducing discrimination, including those based on race, religion, gender, age, disability or nationality. At Kenanga, we have zero tolerance for any violation of human rights, including forced and compulsory labour, child labour, discrimination and harassment at our workplace. Additionally, our hiring procedures abide by the local laws in establishing the minimum age for employment.

Communication on Human Rights for Employees

In our efforts to ensure our employees are aware of their rights, all newly onboarded employees are required to undertake a 10-minute self-directed learning module on employee rights, which is facilitated through our Learning Management System ("LMS"), an internal learning platform. In 2023, a total of 158 enrolments were recorded for this module.

Furthermore, the Group Disciplinary Policy includes guidelines to address employee misconduct. This policy outlines the procedures for handling employee grievances related to their employment. Through this platform, employees are provided with the means to express their concerns regarding employment-related matters, with the assurance that these concerns will be addressed by the relevant parties within a specified timeframe.

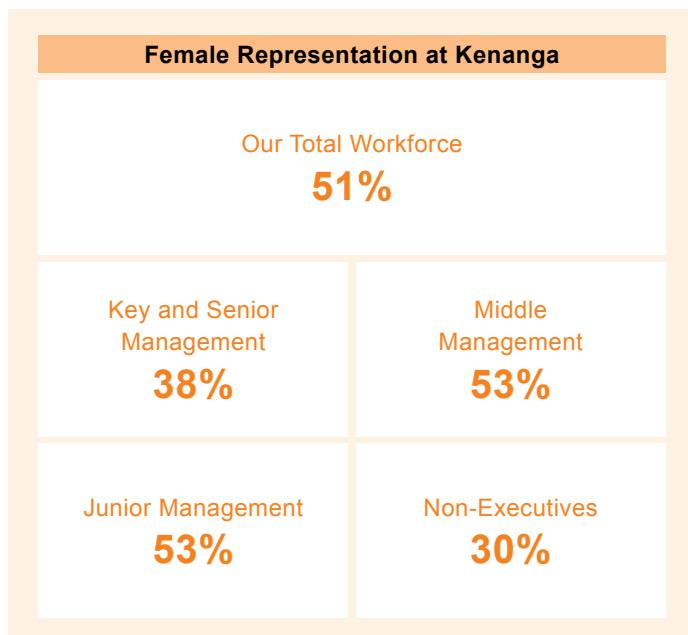
To heighten awareness on issues such as office bullying, harassment and discrimination in the workplace, we executed the following initiatives during the year:

- Revision of the "Preventing and Eradicating Sexual Harassment in the Workplace Policy and Procedure – Issue 2 191016". This has resulted in the creation of two (2) distinct documents – "Preventing and Eradicating Sexual Harassment Policy" and "Preventing and Eradicating Sexual Harassment Procedure"
- Employees are given constant reminders on sexual harassment and its risks through our internal electronic platform
- Training on sexual harassment and anti-bullying was conducted by an external legal counsel on November 2023, which we intend to continuously conduct in the coming years
- Incorporation of discrimination as per Section 69F of the Employment Act 1955 (Amendment 2020) which has been underscored further in initiatives such as the revision of our Whistleblowing Policy to a more comprehensive Speak Up Policy, aimed at preventing discrimination and unethical practices in the workplace.

 In 2023, there were zero grievances or incidents reported related to harassment, bullying or discrimination.

Promoting a Gender-Balanced Workplace Culture

In promoting a gender-balanced workplace, we offer benefits in line with local labour laws, which applies to all eligible employees. This includes, nursing rooms, and updated maternity and paternity leave days, as well as hybrid working arrangement. Our human resource practices, including recruitment, performance management and talent development are managed equitably.



Gender Pay Gap

We believe in providing equal economic opportunity for all, regardless of gender, especially within similar roles. Our approach to pay and compensation is based on employees' experiences, skills and competencies required, as well as industry benchmark in determining basic salary. All employee-related decisions are made based on business needs and employee merit.

Ratio of Basic Salary of Men to Women (2023)

Key Management	1:0.85
Senior Management	1:1.01
Middle Management	1:0.83
Junior Management	1:0.98
Non-Executive	1:0.93



Kenanga Becomes Signatory of the Women's Empowerment Principles ("WEPs")

In 2023, we strengthened our commitment to gender equality by becoming a signatory of the WEPs. These seven (7) principles are:

- Equal Opportunity, Inclusion, and Non-discrimination
- Health, Safety and Freedom from Violence
- Education and Training
- Enterprise Development, Supply Chain and Marketing Practices
- Community Leadership and Engagement
- Transparency, Measuring and Reporting
- Leadership Promotes Gender Equality

These principles were established by the UNGC and UN Women, aligning with the 2030 Agenda on Sustainable Development and the 17 SDGs. The WEPs Framework offers guidance to businesses on how to advance gender equality and women's empowerment in the workplace, marketplace, and community. Currently, there are over 7,000 global signatories, including 103 from Malaysia.

"A gender-equal workplace not only benefits women, but all individuals. We are dedicated to creating an environment where everyone can thrive and contribute to the growth and success of our organisation."



DATUK CHAY WAI LEONG
Group Managing Director

EMPOWERING PEOPLE AND COMMUNITIES



Kenanga is Officially a Partner of LeadWomen

As an official partner of LeadWomen, an organisation founded in 2011 to advance the presence of women in senior leadership and corporate boards in Malaysia, Kenanga reinforced our commitment towards promoting gender equality and women empowerment.

Through the partnership, we supported LeadWomen's dialogue session on "Women on Boards," where our Board member participated as one of the panellist speakers, sharing her experience and insights on driving meaningful change towards a more equitable future. The session covered leadership development, representation and inclusion, offering attendees with an opportunity to learn from influential leaders. Additionally, through LeadWomen, we conducted a webinar on the "Introduction to DEI and Allyship at the Workplace". The one (1)-hour session, tailored for Kenanga employees, provided an understanding of the various aspects of Diversity, Equity & Inclusion (DEI). A total of 159 employees benefitted from the session.

Employee Engagement on Diversity and Inclusion

Kenanga continuously strives to encourage two (2)-way, open communication with our employees through dialogues and discussions. Our employee engagement programmes seek to promote the sharing of knowledge amongst our employees, celebrate diversity, and foster a sense of belonging.

Employee Engagement Activities



Celebrating Our Founder's Day

Every year, we commemorate Founder's Day alongside the birthday of our esteemed Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, a pioneering female stockbroker in the country. This tradition serves as a tribute to our heritage and is an annual celebration of Kenanga's success. In 2023, Founder's Day activities included a nationwide celebration of virtual games via myKenanga Intranet portal. Total participation from employees in all activities conducted were 1,897.





Kenanga's 50th Anniversary

On 9th June 2023, a nationwide celebration was held for Kenanga's 50th anniversary, marking our achievement as the largest independent investment bank in Malaysia. The event featured virtual engagement with prizes through Kenanga Money and exclusive Kenanga 50th merchandise distributed to all employees nationwide. Additionally, on-ground activities and food redemption were arranged for employees at our headquarters office, Kenanga Tower. As part of the celebration, we also introduced and honoured recipients of the 40-year Long Service Award.



EMPOWERING PEOPLE AND COMMUNITIES



Cultural Festive Celebration

In 2023, we marked the celebration of Chinese New Year, Hari Raya and Deepavali through a hybrid of on ground and online events. Employees received e-festive money through the Kenanga Money mobile application, coupled with early salary payouts aligned with the festive seasons. Additionally, a variety of games and activities were organised as part of the celebrations. The total participation from employees in all our festive celebrations were 2,895.



Launch of #MyKenanga Intranet Portal

In 2023, we introduced the #MyKenanga Intranet Portal to all employees nationwide. This portal is aimed at improving collaboration, communication, and productivity throughout our organisation. With the #MyKenanga Intranet Portal, employees can stay informed and connected about everything that happens within Kenanga. A total of 1,356 employees took part in the activities organised during the launch of the portal.

kenanga | 50 YEARS

Introducing the #myKenanga Intranet Portal

What is the #myKenanga Intranet Portal?

Kenanga will help us work better, together. Stay connected and up-to-date with all that's going on across the organisation. At the click of a button, you'll be able to access all the latest news, events and information you need!

How can I access the #myKenanga Intranet Portal?

Access via your desktop, iOS or Android devices via [myKenanga - Home \(sharepoint.com\)](https://myKenanga.sharepoint.com) using your Internet Browser (desktop only), Microsoft TEAMS and SharePoint App.

Note: To access via your iOS or Android devices, please ensure you have installed Intune (Office365 suite of apps for smartphone/tablet).

Do I have to create a new account to access it?

No. The #myKenanga Intranet Portal supports single log-in as you log into your desktop at the start of the day.



International Women Day 2023 ("IWD23")

In celebration of International Women's Day 2023, themed "DigitALL: Innovation and Technology for Gender Equality," we conducted several initiatives to further promote gender equality amongst employees, including pop quizzes, the dissemination of online awareness material and #EmbraceEquity pose challenge. In conjunction with IWD23, we encouraged our employees to join the following panel sessions:

- **Invest Meet Up #3: Babe & Finance** – "Women's Money Talk" session, hosted by Tokenize Malaysia in collaboration with InvestingNote, ShareInvestor Malaysia and Kenanga Group. The event aims to empower women from diverse backgrounds by providing essential knowledge and insights into investing, breaking down barriers in the traditionally male-dominated field. It fosters a supportive environment for enhancing financial literacy.
- **#EmbraceEquity Festival 2023** – Organised by LeadWomen with the aim to empower women in Science, Technology, Engineering, Arts and Mathematics fields, as well as healthcare and sports through insightful panel sessions and networking opportunities. The event focuses on inspiring discussions, promoting wellbeing with a yoga session and fostering inclusivity in the sports industry. Attendees were given the opportunity to engage in meaningful conversations about women's journeys, creating a more inclusive sports environment for women and girls.
- **Bursa Malaysia's #EqualityforEquity Campaign** – Encouraged women to open trading accounts to increase the number of female traders on the local bourse. As part of the campaign, we waived the account opening fee, and those who joined have a chance to receive GrabFood e-vouchers.

A total of 203 employees participated in the activities organised during the IWD23 programme.

Moving forward, we aim to continue advocating financial independence for women through products and financial literacy programmes.



Future Outlook

We are currently developing a Group Human Rights Policy, which will be communicated to all stakeholders. This policy aims to enhance our existing practices, with a central focus on ensuring the protection of human rights across our operations.



WHY IT MATTERS

We believe that the health, safety and wellbeing of our employees are essential to our success, as it is not only beneficial to our employees, but also to our business, promoting productivity, engagement, and overall satisfaction. We aim to create a safe working environment culture as we progressively promote overall wellbeing of our employees including physical and emotional wellness.

OUR APPROACH

At Kenanga, we continue to exercise precaution to ensure we provide a safe and healthy work environment. Kenanga follows the Occupational Health and Safety (“OHS”) Act 1994 as we make our best efforts to protect our workforce health, safety and wellbeing.

Our Safety Rules and Procedure

We have established Safety Rules and Regulations to address emergencies, aiming to minimise injuries to personnel and property damage, and we continue to organise OHS-related training programmes for our staff in 2023 to enhance their safety knowledge and practices. In 2023, 86 employees received training on Basic Fire Safety Training in collaboration with the Malaysian Fire and Rescue Department (*Jabatan Bomba Malaysia*).

Assembly points and evacuation protocols are established, with fire evacuation drills conducted yearly. Our renovation processes and procedures are monitored according to Kenanga Tower’s Renovation Guideline to mitigate any accidents due to construction in the workplace.

The Group has also designated fire marshals that form members of our Emergency Response Team (“ERT”) to ensure we are in compliance with the Fire Service Act 1988. As of 31 December 2023, we have a total of 71 employees who are trained as fire and floor marshals. We also conducted “Occupational Safety and Health in the Office” training, which was attended by 91 of our ERT members, including fire marshals and floor wardens.

We are pleased to report that there were zero workplace injuries reported in 2023.

	FY2022	FY2023
Total Employees	1,335	1,358
Total Hours Worked ¹	2,745,487	2,713,213
Number of Work-related Fatalities	0	0
Number of Lost Time Injuries	0	0
Lost Time Incident Rate (“LTIR”)	0	0

Note:

1. Total man hours worked – the combined hours worked by all employees, inclusive of overtime and non-overtime hours during the working days.

Addressing COVID-19

The Ministry of Health (“MOH”) has guided the country’s transition from the COVID-19 pandemic to an endemic phase, implementing several revisions to the standard operating procedures (“SOPs”). Aligning with MOH’s updates, we have consistently reviewed, updated and communicated our internal COVID-19 measures across the entire organisation during the reporting year. In December 2023, there was an increase in COVID-19 cases nationwide. In response, the Group Business Continuity Management Committee shared updated precautionary measures to maintain a safe work environment for all.

The Group has been operating at full capacity in the office since November 2022. However, in April 2023, a Hybrid Work Arrangement was implemented to provided employees and Heads of Divisions/ CEOs with greater autonomy and flexibility in planning their work schedules according to business needs and the priorities of respective divisions/ subsidiaries to enhance productivity.

Promoting Emotional Wellness

At Kenanga, we strive to enhance employees’ overall wellbeing by integrating mental health support into our employee wellness programmes. Thus, Group Human Resources (“GHR”) organises health-related programmes and talks annually. In 2023, we engaged mental health professionals from a reputable wellness organisation, Naluri Hidup Sdn Bhd (“Naluri”) to conduct talks aimed at enhancing mental health awareness for our employees.

Additionally, we partnered with Etiqa Insurance Berhad (“Etiqa”), an insurance provider, and MiCare Sdn Bhd (“MiCare”), a third-party medical administrator, to conduct three (3) health talks as follows:

Programme	C.A.R.E Workshop (Mental Health & Wellbeing Advocacy Workshop for People Managers)	Virtual Health Talk - Lower Back Pain and Methods of Prevention	Virtual Health Talk – Diabetes Mellitus
Partnership with	Naluri	MiCare and Etiqa	
Objectives	The session aimed to facilitate open discussions to reduce mental health stigma and cultivate for a healthy and productive workforce. The programme also encouraged employees to seek guidance on emotional wellness.	The session aimed to help participants maintain a healthy lower back, covering topics on body awareness by identifying factors causing back pain and exploring the link between stress and back discomfort. The programme promoted exercise for preventing lower back issues and introduces new approaches for managing pain.	The session aimed to help participants understand the causes, management and prevention of diabetes. The programme covered the origins of diabetes, effective lifestyle management, the role of medications and focused on identifying and reducing associated risk factors.
Number of Participation	79 employees	155 employees	168 employees

EMPOWERING PEOPLE AND COMMUNITIES

Going forward, we plan to expand our programmes to encompass physical, financial and social aspects, in addition to the existing mental health and wellbeing initiatives.

In conjunction with World Blood Donor Day on 14 June 2023, Kenanga organised a blood donation drive to raise awareness about the critical need for blood donation and encouraged employee participation. A total of 82 employees participated in the #GiveBlood Drive. Simultaneously, two (2) health talks were conducted on the same day:

“Unlock the Secrets of Dry Eye Disease”
by Dialogue Includes All Academy

“Colorectal Cancer”
by National Cancer Society Malaysia



Empathy Workshop by Dialogue Includes All Academy

Over 200 Kenanga Investors Berhad's staff and advisers participated in immersive empathy workshops led by visually impaired trainers from Dialogues Includes All (“DIA”) Academy, a social enterprise that envisions an inclusive society, breaking down barriers between abled and disabled communities.

The empathy workshop, guided by visually impaired trainers, focuses on cultivating cross-cultural communication and understanding, emphasising empathetic listening and understanding. Participants were actively engaged in empathy-driven activities and discussions conducted in darkness, which are crafted to reshape awareness, promote deeper appreciation, and encourage empathetic connections. This immersive experience not only sharpens communication, teamwork, and listening skills but also fosters self-reflection, leading to profound insights rooted in empathetic principles.



“It was a privilege working with social enterprise, DIA Academy, on this impactful programme. I commend DIA Academy for their unwavering commitment to creating an inclusive society, and I extend my heartfelt gratitude to the visually impaired trainers whose guidance and wisdom enriched our experience. Together, we have embarked on a journey of personal growth and enlightenment, laying the foundation for a more empathetic and inclusive workplace culture at Kenanga Investors.”

DATUK WIRA ISMITZ MATTHEW DE ALWIS

Chief Executive Officer/Executive Director of Kenanga Investors Berhad

Building Awareness on Sexual Harassment

Our 2016 guideline, “Preventing and Eradicating Sexual Harassment in the Workplace Procedure,” is designed to guide, monitor and ensure the prevention of any instances of sexual harassment in the workplace. In 2023, we revised and segregated the guideline into two separate documents, namely “Preventing and Eradicating Sexual Harassment Policy” and “Preventing and Eradicating Sexual Harassment Procedure” to provide clearer information and guidance to all employees on sexual harassment.

Following that, our Notice on Sexual Harassment was communicated and information on the topic was disseminated to all employees to raise awareness. We also conducted a three (3)-hour training session titled “Managing Sexual Harassment and Workplace Bullying Complaints,” aimed at People Managers, covering sexual harassment, office bullying, and investigative skills.



TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT

GRI 401,404

WHY IT MATTERS

We understand that an agile and engaged workforce is critical to our organisation's long-term success. As such, Kenanga is committed to investing in our people while also providing technical, professional, and personal development opportunities. In doing so, we hope to provide our employees with the knowledge and skills they need to succeed in their careers.

OUR APPROACH**Fair Recruitment**

At Kenanga, we will continue to uphold impartial and unbiased recruitment processes. To accomplish this, we operate based on our Group Policy on Recruitment and Staffing Management. Furthermore, we employ a Malaysian-first approach in our hiring strategy with the aim to support local talent.

As part of industry efforts, Kenanga participated in the Securities Commission Malaysia's InvestED programme, which aimed at enhancing the knowledge and increasing employability rate of young graduates in the capital market. A total of 16 InvestED programme trainees were placed within the Group for a six (6)-month period in 2023.

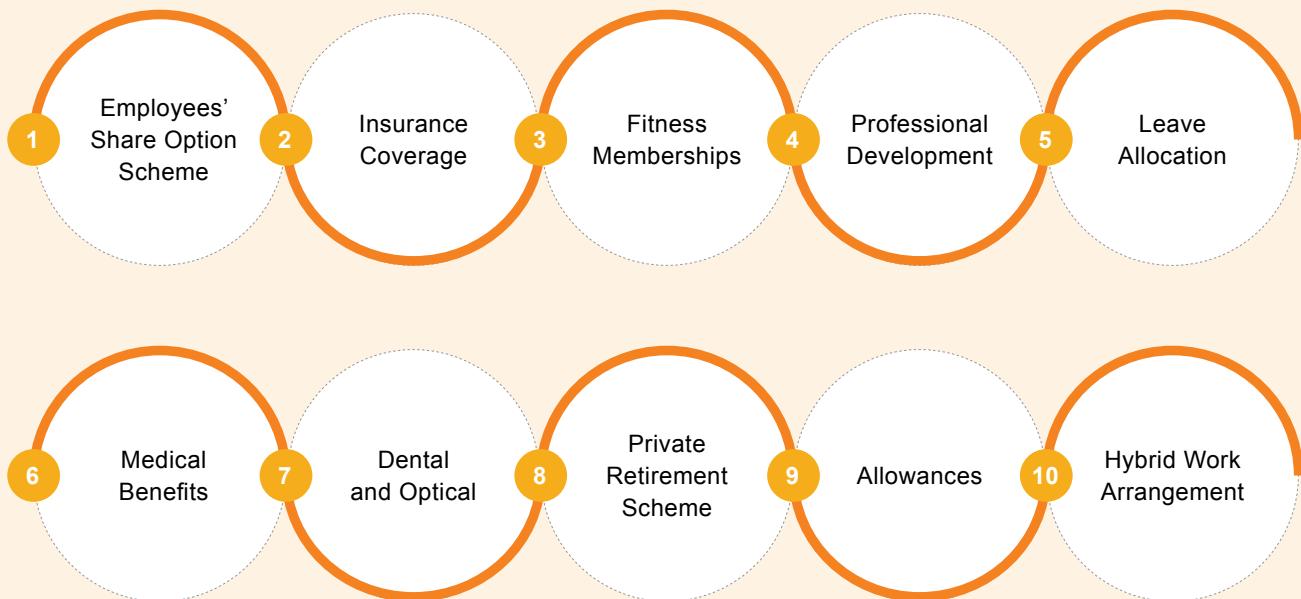
	2022	2023
New Hire		
Total Number of New Hires	209	208
New Hires Rate (%)	15.4	15.3
By Gender		
Male	113	105
Female	96	103
By Age		
< 30	106	113
30-39	67	52
40-50	27	25
> 50	9	18
Employee Turnover		
Total Number of Employee Turnover	249	208
Total Turnover Rate (%)	18.1	15.3
By Gender		
Male	130	104
Female	119	104
By Age		
< 30	97	95
30-39	71	49
40-50	39	24
> 50	42	40
By Employee Category		
Key Management	2	1
Senior Management	5	3
Middle Management	71	61
Junior Management	149	129
Non-executive	22	14
Total Number Voluntary Attritions	189	137
Total Voluntary Attritions Rate (%)	13.7	10.1

EMPOWERING PEOPLE AND COMMUNITIES

Employee Benefits

Our employee benefits are in compliance with local labour standards, and are based on industry practice. Our spectrum of benefits ranges from insurance coverage, leave allocation, and fitness memberships, to employees share option scheme.

Highlights of our Employee Benefits include:



Parental Leave in 2023	Male	Female
Total number of eligible employees	242	545
Total number of employees that took parental leave	24	14
The total number of employees that returned to work after parental leave ended	24	14
Return to work rate	100%	100%

Supporting Employees in Need

We support our employees' health and wellbeing in a comprehensive manner, considering their holistic welfare. The Tengku Noor Zakiah Staff Outreach Fund was established specifically to provide financial assistance to employees in need and alleviate the challenges they may face. In 2023, GHR received two (2) applications from employees seeking financial aid for their immediate family members undergoing major surgery.

Additionally, we distributed zakat contributions received from Zakat Perniagaan and Zakat Wakalah amounting to over RM250,000. A total of 274 employees in the lower income category have benefitted from these funds, providing significant financial aid for them and their families.

Talent Development

Kenanga works towards creating a skilled, competent, and agile workforce by providing its employees access to purposeful growth and developmental opportunities. Numerous training and development programmes have been offered to help our employees upskill and reach their potential to better serve our clients and effectively drive organisational growth.

We identify training and development programmes for our employees by referring to the Kenanga Competency Framework, which is based on the Securities Industry Development Corporation (“**SIDC**”)-s Industry Competency Framework, where it outlines Kenanga’s core values and leadership competencies. In addition to that Framework, we also refer to Bursa Malaysia Sustainability Competency Framework to develop training plan for roles relevant to sustainability.

Our Learning and Development Policy further supports our values for continuous learning and development for employees at all levels of the organisation. We continue to introduce opportunities to learn through training programmes in areas such as digital competency, leadership skills, and sustainability.

Our Approach to Talent Development

In 2023, we continue to uphold a comprehensive four (4)-pronged approach to our training and development initiatives, by placing a central focus on fostering the personal development of our employees in alignment with the evolving requirements of our business.

Regulatory

Mandatory courses that ensure robust corporate governance and regulatory compliance.

Functional

Courses that equip employees with technical and practical skills relevant to professional growth and the Group’s business needs including accredited courses with certifications or professional qualifications required by job roles.

Leadership

Modules that inculcate leadership skills through building winning mindsets and developing the capacity of employees to implement the Group’s strategy.

Personal Effectiveness

Courses that hone employees’ competencies and facilitate self-improvement.

Training and Development Highlights for FY2023

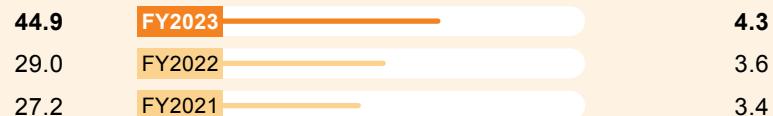
Over **RM1.9 million** invested in employees training and development initiatives

Over **40,000** training hours recorded

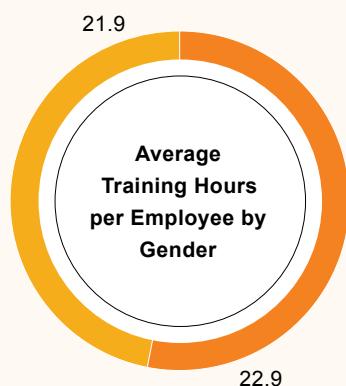
Average Training Hours Per Employee



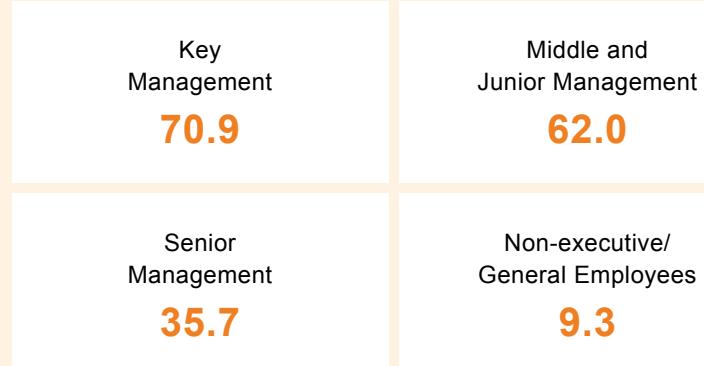
Average Training Days Per Employee



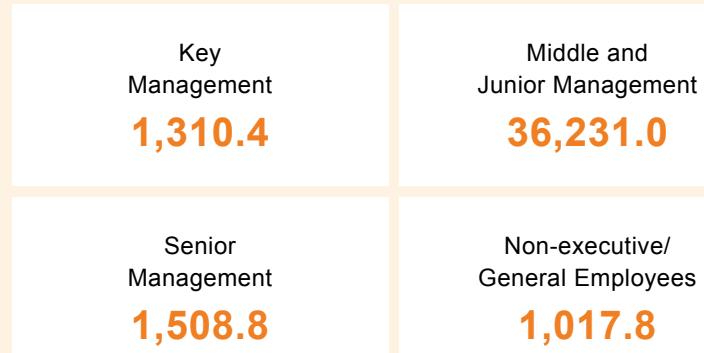
Male Female



Average Training Hours Per Employee by Category



Total Hours of Training by Employee Category



Role-based Development

At Kenanga, we offer role-based training in order to ensure that employees in crucial positions stay knowledgeable and remain competitive.

We continue to support employees in obtaining professional certifications and credentials by collaborating with external training and certification providers such as Iverson Malaysia (“**Iverson**”), the Asian Institute of Chartered Bankers (“**AICB**”), and the Asian Banking School, which is the largest specialised provider of training programmes for the banking sector in the ASEAN region.

Together with our partners, we strive to develop a workforce that is equipped with high standards of conduct, knowledge, and competence. In 2023, we supported 58 employees in obtaining professional certifications from various certification programmes as follows:

Organisation	Certification Programmes
Asian Institute of Chartered Bankers	<ul style="list-style-type: none"> • Certification for Climate Risk • Certification for Financial Services (CFS) • Advanced Certification in Anti-Money Laundering and Counter Financing of Terrorism
Association of Certified Anti-Money Laundering Specialists	<ul style="list-style-type: none"> • Certification for Anti-Money Laundering Specialist
National University of Singapore	<ul style="list-style-type: none"> • Certification for Cyber Security
Iverson	<ul style="list-style-type: none"> • Certified Information System Auditor by Iverson • Certified EC-Council Incident Handler by Iverson
Securities Industry Development Corporation	<ul style="list-style-type: none"> • Certification for Capital Market Professional

In 2023, we initiated a three (3)-year Tech Talents Programme which prioritises in upskilling internal capabilities to support the Group’s digital transformation. During the year, a total of 23 employees underwent training as part of this initiative.

We continue to provide our employees with the necessary ESG and sustainability-related skills and expertise to drive our sustainability agenda forward. In the year under review, a total of 393 employees took part in ESG and sustainability-related trainings with 2,239.7 training hours recorded, covering the topics of climate-related risks, ESG investing, sustainability assurance, and sustainability disclosures.

Additionally, the Kenanga Group Sustainability Team hosted a Sustainability Roadshow which was held from July to August 2023. Attended by over 170 employees across 10 sessions, the roadshow aimed at promoting and understanding of ESG issues and trends, as well as Kenanga’s sustainability journey and ambition. Topics presented included managing ESG-related risks, the importance of ESG data and reporting, as well as Kenanga’s sustainability transformation, amongst others.

To ensure our licensed representatives, who are our intermediary personnel remain updated with new developments and rapidly evolving consumer market needs, they were offered in-house Continuing Professional Education (CPE) courses. These courses cover a variety of topics including Anti-Money Laundering Risks in Capital Markets, Personal Data Protection & Customer Information Management in the Age of Big Data, Fundamentals of ESG Investing and Digital Leadership for Sustainable Business in Industry 4.0, and The Evolution of the Internet: The Metaverse & Decentralised Finance. In 2023 a total of 1,105 of our licensed representatives participated in these courses.

EMPOWERING PEOPLE AND COMMUNITIES

Leadership Development

We recognise the importance of developing leadership skills of our employees and apply employee talent mapping based on the traits listed below:

Ability to drive results	Ability to collaborate and build effective relationships
Ethical and risk-conscious mindset	Sound client focus
Capacity to innovate and respond to change	Communications skills

The Group's Talent and Succession Management Framework outlines our strategy to ensure a strong talent pipeline is available to fill key positions as needed within the Group. Additionally, we have implemented a new approach to measure talent potential based on ability, commitment, and engagement. To assess these components, we have developed new guidelines that provide a more standardised and objective approach to employees' evaluations.

We identify critical positions and high-potential employees that could be possible successors for critical positions and create succession plans to prepare them for leadership roles in the future. We develop their Individual Development Plan to groom and develop these individual to increase their readiness to take up the critical positions.

Additionally, we implemented structured coaching programme in 2023 that connect experienced employees with talents seeking guidance. This promotes knowledge transfer, skill development and professional growth.

In 2023, the Kenanga Leadership Programme was launched following the introduction of the Kenanga Leadership Development Framework in 2022. This programme aims to offer employees with a comprehensive and targeted learning experience to develop their leadership potential, cultivating and

enhancing their leadership capabilities, skills, and qualities. These attributes will enable employees to assume leadership roles, contribute meaningfully to the Group's goals, and drive positive outcomes across various aspects of the business. We also actively encouraged participation in the following leadership programmes:

Leaders Discourse: Reinventing a Sustainable Workforce of the Future by AICB
Suite Talk: Governing Into The Future by SIDC
ICMR-SIDC Conference - Reshaping Markets & Finance: Thought Leadership, Technology & Talent as Levers for Change by SIDC
International Institutional Investor Series 2023 by Malaysian Association of Asset Managers
2023 Asia Pacific/ South Asia Leadership Institute Meeting by Project Management Institute

Moving forward, we will extend the Kenanga Leadership Programme to also include People Managers.

E-learning on Kenanga Learning Management System

We consistently update our e-learning modules to meet the learning requirements of our employees. These courses are designed for employees at all levels, including new hires.

FY2023			
e-learning at Kenanga	No. of Courses	Hours	Enrolments
Cyber Security Awareness Training	12	2,979.6	11,274
Data Loss Prevention	1	483.3	1,160
Business Continuity Management Awareness Training	1	400.0	959
8 th ARS	1	8,932.0	1,160
AML/ CFT	4	3,790.5	1,015
Operational Risk Management ("ORM") Awareness Training	1	542.5	1,085
Total	20	17,127.9	16,653

Performance Management at Kenanga

Performance management is an annual process, necessitating all employees to develop a Balanced Scorecard/ Scorecard in the first quarter of the year following the Board's approval on the Group's business plan and budget. Throughout the year, progressive performance reviews are conducted by respective Heads of Departments/ Business Units, culminating in a formal annual appraisal involving all eligible employees. To ensure fairness, three (3) key appraisal reviews are implemented: self-appraisal, reviews by immediate superiors and performance moderation or calibration.

The outcomes of these appraisals form the foundation for reward distribution, talent management, as well as learning and development. In cases of underperformance, performance improvement plans are implemented.





WHY IT MATTERS

We believe that supporting local communities is crucial for building stronger and more resilient societies where people can thrive. To achieve this, we have been reaching out to communities in need through targeted social investments and active employee volunteerism.

OUR APPROACH

We have in place a Group Donation Policy that establishes a standardised approach for assessing and directing donation requests and community investments. Additionally, we have implemented an employee volunteering mechanism since 2022, designed to foster a positive work culture, enhance relationships with stakeholders and contribute to social and environmental causes. This initiative provides employees with opportunities for both personal and professional growth.

Empowering Our Communities

Kenanga Group has a long history of philanthropic contributions, community outreach initiatives, and fundraising campaigns. We continue to strengthen these initiatives through employee volunteerism and support social enterprises through targeted community investments that is consistent with our focus on empowering and uplifting local communities. In 2023, we invested over RM600,000 in community outreach programmes, benefitting over 2,700 people. For 12 consecutive years, we have also consistently supported our key social enterprise partners, Silent Teddies Bakery and Dialogue Includes All Academy.

KEY EMPLOYEE VOLUNTEERING ACTIVITIES

The introduction of the volunteering mechanism enabled us to accumulate a total of 2,423 hours of volunteering service through outreach programmes to local communities in 2023.

Silent Teddies Bakery

Based in Kuala Lumpur, the Silent Teddies Bakery ("Silent Teddies") is entirely run by hearing-impaired youths. In 2023, Kenanga contributed RM35,000 to Silent Teddies to support its refurbishment and renovation efforts. Additionally, as part of our 50th anniversary celebration, we purchased baked goods from the bakery to be distributed to all staff in Klang Valley.

Additionally, 22 dedicated Kenanga volunteers contributed a collective total of 132 hours in 2023, providing support to the bakery across various tasks including baking and providing delivery services, along with packing and labelling of the products.

Flood Relief Centre in Johor

In collaboration with our Batu Pahat Branch staff and remisiers, we contributed food and essential items worth RM30,000 to the flood victims in March 2023. Through this initiative, we achieved a total of 67 volunteering hours, invested by 10 Kenanga volunteers for the distribution of food and essential items, as well as cleaning up the aftermath of a flood incident.

Feed the Homeless via Pertiwi Soup Kitchen

In our commitment to support the homeless community, 18 volunteers devoted a total of 72 hours at the food distribution centre, and actively participated in serving, packing and distributing meals to over 790 homeless individuals.

Qurban Programme

As part of the Aidiladha celebration, this programme was carried out to distribute 'Qurbani' or 'sacrificial meat' to the less fortunate where, approximately 250 Kenanga agents and volunteers spent a cumulative of 2,000 volunteering hours distributing the Qurbani portions to 68 orphanages, old folks' homes and various community centres in Klang Valley.

Dive Against Debris and Beach Clean-up Event

Eight (8) volunteers inclusive of Kenanga Investors employees actively supported and participated in the Dive Against Debris and Beach Clean-up event, organised by a non-profit organisation, Yayasan Salam Malaysia and Black Eye Scuba Team. The event was aimed at making a positive environmental impact on our oceans and beaches. Through this event, we contributed a total of 112 volunteering hours.



Kenanga Investors employees actively supported and participated in the Dive Against Debris and Beach Clean-up event



Joined forces with our amazing Batu Pahat Branch team and dedicated remisiers to support Johor Flood Relief initiative

EMPOWERING PEOPLE AND COMMUNITIES

Other Community Outreach Initiatives

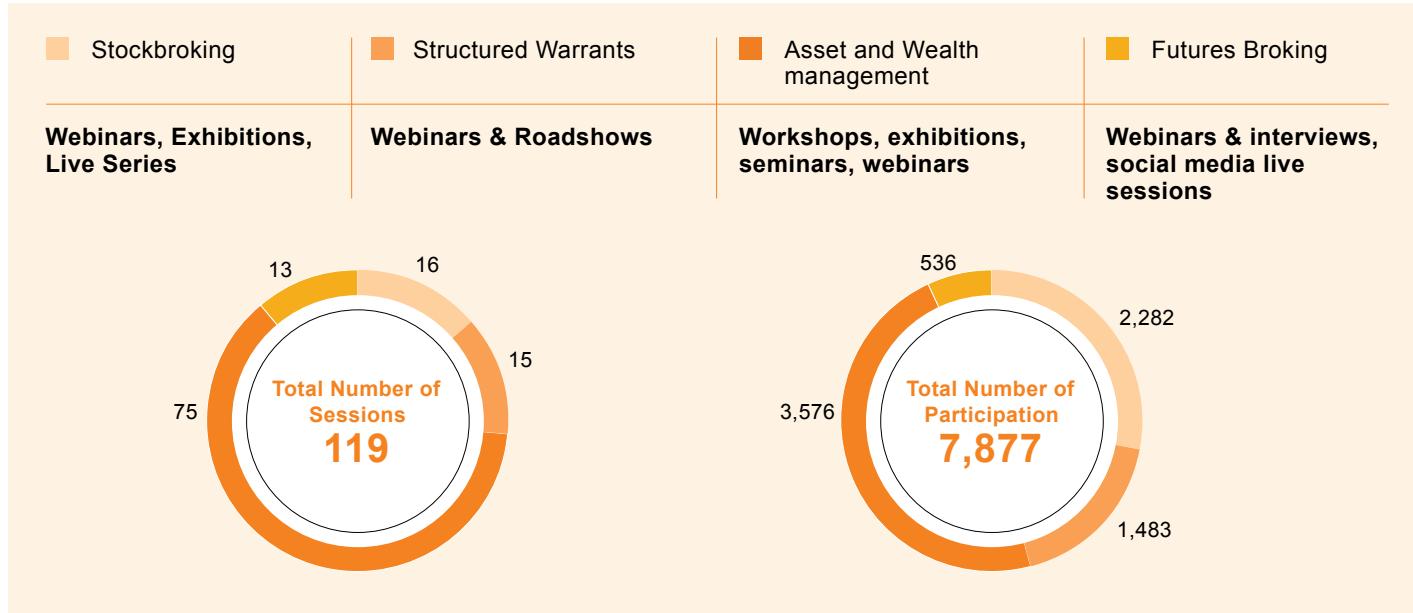
Dialogue Includes All (“DIA”) Academy	Through the commission of Empathy Workshops conducted by the DIA Academy for the employees and agents of KIG, a total of RM70,000 was contributed to the Academy. In addition to that, a total of RM5,000 was contributed to support Café Includes All, a F&B outlet operated by the individuals with disabilities of DIA Academy.
Pertubuhan Rahoma Darul Fakir Malaysia (“Rahoma”)	We also extended our support to the Rahoma orphanage, a non-profit organisation dedicated to support children’s welfare. The organisation provides shelter, education, and wellness support for the underprivileged children from low-income families. In 2023, we organised a movie screening activity with 35 underprivileged children, and the Group contributed a total of RM3,925 to support this initiative.
National Cancer Society Malaysia (“NCSM”)	We continued to extend our support to NCSM, where during the year, we donated a total of RM15,000 to the organisation for its early detection and cancer awareness activities.
Pertubuhan Tindakan Wanita Islam (“Pertiwi”)	In our aspiration to support the underprivileged and underserved, we contributed a total of RM10,000 to purchase food that would be distributed to the homeless through Pertiwi’s Soup Kitchen.
Bursa Bull Charge Run	We also took part in the Bursa Bull Charge Run, a corporate charity run organised by Bursa Malaysia. Funds collected from the run were contributed to environment-related NGOs/ institutions, and Kenanga contributed a total of RM15,000.
Special Olympics World Summer Games 2023	In our efforts to promoting inclusion for individuals with intellectual disabilities, we were privileged to sponsor our athletes representing Malaysia at the Special Olympics World Summer Games 2023 in Berlin, where Kenanga contributed a total of RM15,000 to support this cause.

Advancing Financial Literacy

In our aspiration to empower individuals in making informed decisions about their investments, navigate complex financial systems, and plan for their future effectively, our team of experts at Kenanga actively drive and participate in various financial literacy programmes and events throughout the year:



Additionally, we continued to disseminate investment knowledge through published articles, webinars, virtual roadshows, exhibitions and various social media platforms. Our financial literacy outreach initiative via social media garnered a total reach of 4,883,575 views.



Promoting Youth Empowerment

Kenanga x Malaysia Youth Trading Championship ("MYTC") 2023

Kenanga has partnered with Tunku Abdul Rahman – University of Management and Technology ("TAR UMT")'s Bursa Youth Investor Club to host its inaugural MYTC, aimed at promoting financial literacy and investing education amongst Malaysian youths. The competition is designed to cultivate real-world trading knowledge and experience amongst the younger generation, preparing them for the future. Over 370 students, representing universities such as TAR UMT, Universiti Tunku Abdul Rahman, University of Malaya, Sunway University, and others, actively participated.

During the event campaign, we also conducted a knowledge-sharing session on structured warrants, attended by nearly 100 participants.

Monash University Investment Group ("MUIG") Workshops

The "MUIG Summit: Trade, Invest, Triumph!" is a four (4)-week competition to equip Monash University students with actionable insights and expertise in trading and investing. The competition comprises three (3) key phases: a Workshop Series, an Online Trading Round and an Investing Case Study Final Round.

Kenanga was invited to serve as a judge for the Final Round and conduct talks on trading and investment topics such as technical indicators, guidance on drawing and identifying patterns on stock charts, functions and applications of various tools used in technical analysis, and hands-on experience in real-world trading. A total of 61 students took part in the programme.