

Q&A WITH OUR GROUP MANAGING DIRECTOR AND CHAIRMAN OF THE GROUP SUSTAINABILITY MANAGEMENT COMMITTEE



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Q1

Beyond regulatory requirements, how does Kenanga measure the success of its sustainability efforts, and how do you ensure accountability?

As a financial services player, regulatory compliance is crucial to our operations. In addition to guidance from regulators, we also adopt globally recognised ESG benchmarks to quantify our progress.

Our continued inclusion onto FTSE4Good Bursa Malaysia Index, one of the world's first global ESG index families is a testament to our ESG performance. In the most recent December assessment cycle, our ESG score rose to 4.2, placing us in the 92nd percentile among the Malaysian public listed companies.

To ensure accountability and execution, we have integrated ESG goals and targets into our Balanced Scorecard framework, making sustainability a performance-driven priority across the organisation. These targets are cascaded from leadership to business units, aligning sustainability objectives with key operational metrics. This ensures that ESG considerations are embedded in decision-making, risk management, and long-term strategic planning.

Q2

As ESG scrutiny intensifies, how does Kenanga ensure its sustainability initiatives are credible and not just box-ticking exercises?

Greenwashing is a real risk, and we take a proactive stance to ensure transparency and accuracy. Our ESG disclosures are supported by clear methodologies, third-party verification, and alignment with global reporting standards. We also actively engage with investors and regulators to enhance our ESG data quality and avoid misleading claims.

Since 2023, we have appointed SIRIM QAS International Sdn Bhd, a leading national certification, inspection, and testing body, to independently verify key indicators in our Sustainability Report, reinforcing our commitment to credible, traceable, and high-quality disclosures.

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Q3

What is your view on climate change, and how is Kenanga responding to it?

Climate change presents both risks and opportunities, and we take a measured, pragmatic approach to integrating climate considerations into our business strategy. As regulations and policies evolve, we remain focused on balancing sustainability ambitions with business resilience and long-term value creation.

A key step in this journey has been strengthening our Scope 3 emissions baseline in 2024, especially for Category 15 – Investments, which includes our Financed and Facilitated Emissions, in addition to Business Travel and Employee Commute. This data-driven approach enables us to assess material risks and refine our decarbonisation strategy in alignment with business priorities.

We have also developed a Decarbonisation Roadmap, outlining practical, phased measures to reduce Scope 1 and Scope 2 emissions. This roadmap aligns with evolving global standards such as IFRS S1 and S2 while remaining responsive to economic realities.

In terms of operational emissions, we began subscribing to the Green Electricity Tariff from Tenaga Nasional Berhad in 2024, enabling over 90% of electricity consumption at Kenanga Tower to come from renewable energy sources, further reducing our carbon footprint. Beyond operational emissions, we have conducted climate risk scenario analyses to enhance the climate resilience of our portfolios, ensuring agility and adaptability in a rapidly evolving climate landscape.

Ultimately, our approach to climate action is rooted in business pragmatism, regulatory compliance, and risk-adjusted decision-making. While global sentiment on climate policies may shift, Kenanga remains committed to delivering long-term, sustainable growth by aligning environmental responsibility with financial performance and stakeholder expectations.

Q4

What are some key highlights of Kenanga's progress on Social and Governance aspects of sustainability?

Governance has always been a cornerstone of Kenanga's corporate identity, deeply embedded in our culture and decision-making. As a financial institution, robust governance is not just a regulatory requirement – it is fundamental to maintaining trust, safeguarding financial stability, and ensuring long-term sustainability.

In 2024, we continued to strengthen our governance framework, reinforcing accountability, transparency, and risk management across all levels of the organisation. Our 8th annual Fraud Awareness Week, themed "Innovate, Integrate, Insulate", reaffirmed our industry leadership in fraud prevention initiative by bringing together key stakeholders to exchange best practices and enhance collective vigilance. Likewise, our Compliance Awareness Week deepened employees' understanding of ethical business conduct, regulatory compliance, and online fraud prevention, ensuring integrity remains a core part of our culture.

Beyond governance, we take a long-term, partnership-driven approach to social impact, shifting from one-off contributions to fostering sustained and meaningful change. For over a decade, we have actively supported social enterprises, such as Silent Teddies Bakery and Dialogue Includes All, alongside more recent grassroots collaborations with non-governmental organisations such as Pertiwi Soup Kitchen and Pertubuhan Rahoma Darul Fakir Malaysia, aiming to uplift marginalised communities. In 2024, we invested over RM640,000 in community initiatives, directly impacting the lives of more than 2,500 individuals facing hardships.

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Q5

What's next for Kenanga in terms of sustainability?

Sustainability is fundamental to long-term value creation and risk management. We remain steadfast in advancing our ESG priorities while staying agile in responding to shifting policies, investor sentiments, and global market dynamics.

We look forward to implementing our Decarbonisation Roadmap, which will help us better understand and manage our environmental impact across our operations and value chain. In parallel, the upcoming introduction of a Group Responsible Investment Framework will harmonise the integration of ESG considerations into our investment strategies and decision-making across the Group.

With the rollout of the National Sustainability Reporting Framework on the horizon, we are also working to ensure our teams are equipped with the necessary skills and expertise to support its implementation.

Last but not least, financial inclusion remains central to our mission, and through our KDi GO, we are making strides in democratising access to financial services. This platform provides users with easy access to a broad range of financial tools — from savings and investing to cross-border remittance, stock trading and cryptocurrency trading—empowering individuals with the ability to manage their finances seamlessly under one app. In this coming year, we will continue refining KDi GO's functionalities and offerings. With the KDi GO, we are supporting inclusive growth while advancing our commitment to a sustainable financial ecosystem.