

CHAIRMAN'S MESSAGE

**DEAR
SHAREHOLDERS,**

Kenanga Investment Bank Berhad's sustainability journey has been one of determination, progress, and purpose. Looking back, we see not just milestones, but the collective effort of individuals who believe in doing what is right.

While the challenges have emerged along the way, our resolve remains steadfast, because meaningful change takes time, resilience, and the courage to challenge the status quo.

Recognising the growing importance of sustainability, the Board took a decisive step in 2021 by establishing a Group Sustainability Management Committee, led by Group Managing Director, Datuk Chay Wai Leong. This was more than just a structural shift; it was a signal of intent—a commitment to embedding Environmental, Social and Governance (“ESG”) into the fabric of our organisation. Since then, we have moved from discussions to implementation, turning policies into measurable impacts and challenges into opportunities for progress.

With each step, our ambitions have sharpened and become more focused. From integrating climate risk into our business strategy to launching the Group Sustainability Policy in 2024, we are not just responding to change, we are driving it. In 2025, the establishment of sub-committees and working groups will further strengthen our governance framework, ensuring sustainability is embedded at every level of our operations.



TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman

GOVERNANCE: THE CORNERSTONE OF TRUST AND INTEGRITY

At Kenanga, governance is more than a framework—it is the foundation that upholds trust, reinforces resilience, and safeguards our responsibilities to stakeholders. In an environment of rapid change and heightened risks, maintaining the highest standards of ethical conduct remains central to our long-term sustainability.

This year, our annual Fraud Awareness Week (“FAW”) returned in person for the first time since the Covid-19 pandemic, reaffirming our commitment to fraud prevention and accountability. Themed “Innovate, Integrate, Insulate”, the event brought together key industry stakeholders, including the Malaysian Anti-Corruption Commission (“MACC”), the Securities Commission, and Bursa Malaysia, to strengthen joint efforts in combating financial crime. More than just raising awareness, FAW reflects our proactive approach to fostering transparency and protecting the integrity of the financial ecosystem. Similarly, the launch of our inaugural Compliance Awareness Week marked another milestone in strengthening our governance culture. Since updating our whistleblowing policy to the Group Speak Up Policy in 2023, we have encouraged stakeholders to share any grievances through the independently managed platform, promoting transparency and accountability. By fostering open dialogue and equipping employees with deeper insights into compliance and ethical decision-making, we ensure integrity is not just a principle, but a deeply embedded value in Kenanga.

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As we look ahead, we remain committed to strengthening our governance framework, ensuring that the Group's legacy is defined not only by financial success, but also by a commitment to integrity and responsible leadership.

FOSTERING A COLLECTIVE ESG CULTURE

Our sustainability journey has never been a solitary pursuit. Strong partnerships, including our long-standing collaboration with the United Nations Global Compact Network Malaysia & Brunei, alongside engagement with various key stakeholders have been pivotal in shaping our ESG approach.

At the heart of this transformation are our employees. From the outset, we have worked to cultivate a shared vision, equipping them with the knowledge and skills to navigate an evolving sustainability landscape. What began as online modules during the pandemic has since expanded into a dynamic and comprehensive programme, designed to embed ESG principles into everyday decision-making.

A major milestone was the launch of our first annual Sustainability Day in 2024, following the success of the in-house-led Sustainability Roadshow the previous year. This event not only showcased our journey and progress but also celebrated the tangible impact we have created. By bringing together employees, vendors and suppliers, we sparked meaningful discussions and encouraged broader adoption of sustainable practices.

At Kenanga, building ESG literacy is an ongoing priority. As we move forward, we are confident our approach will set new standards, creating lasting outcomes within the Group and across our ecosystem.

TAKING CLIMATE ACTION

Our journey towards environmental stewardship has been one of continuous progress, shaped by the ambition for more sustainable operations. In recent years, we took deliberate steps to reduce our environmental footprint, beginning with enhancements to our heating, ventilation, and air conditioning systems, which earned national recognition at the prestigious National Energy Awards, a testament to our people's commitment to environmental sustainability.

In 2024, we pushed the envelope further by subscribing to Tenaga Nasional Berhad's Green Electricity Tariff, allowing us to source over 90% of Kenanga Tower's electricity consumption from renewable energy. This milestone not only underscores our commitment to reducing our carbon footprint but also reinforces our support for the nation's transition to a low-carbon economy.

Our efforts did not stop there. Recognising the urgency of climate action, we developed a Decarbonisation Roadmap in 2024, with implementation commencing in 2025. This roadmap provides a structured approach to addressing our Scope 1 and 2 emissions while expanding our focus on managing and disclosing Scope 3 emissions. Establishing a Scope 3 baseline marks an essential step in gaining a more in-depth understanding of our overall environmental impact and ensuring our reduction strategies align with global best practices.

Beyond operational improvements, we have adopted a broader, forward-looking approach to climate resilience. In 2024, we conducted a climate scenario analysis to assess potential climate-related risks and opportunities, equipping us with deeper insights to navigate the evolving regulatory and market landscape. These findings not only guide our Decarbonisation Roadmap but also strengthen our ability to mitigate risks while seizing opportunities in the green economy.

DEEPENING OUR COMMITMENT TO SOCIAL RESPONSIBILITY

True leadership extends beyond financial success—it is about creating meaningful change, empowering communities, and shaping a more inclusive future. Over the years, we have moved beyond one-off contributions to forging deep, long-term partnerships that drive sustainable impact.

Our collaboration with social enterprises - Silent Teddies Bakery and Dialogue Includes All ("DIA") exemplifies this commitment. What began as modest partnerships over 13 years ago has since evolved into deeply rooted initiatives that champion inclusivity.



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We continue collaborating with DIA to host unique empathy workshops, led by visually impaired trainers, equipping our employees and agents with perspectives on accessibility, compassion, and communication. Similarly, our ongoing support for Silent Teddies Bakery has expanded beyond product purchases to on-site employee volunteerism, and funding of their café revitalisation project in 2024, which included sponsorships of new equipment and barista training for hearing-impaired team members.

As a signatory of the Women's Empowerment Principles ("WEPs"), we continue to advocate for gender equality and leadership diversity. With women making up 52% of our workforce, we remain resolute in fostering an inclusive environment where talent is recognised and opportunities are equitable.

In 2024, we also strengthened our sexual harassment and anti-discrimination policies to provide a safe, respectful, and inclusive workplace. At the same time, we organised our inaugural Employee Health Day to reinforce our commitment to holistic wellbeing, providing wellness talks, health screenings, and support systems for our employees. To strengthen workplace safety, we formalised a Group Occupational, Safety and Health Committee, establishing a structured and proactive approach to safeguard our employees.

We are proud to have received the Silver Award in the Large Companies Tier at The Star ESG Positive Impact Awards 2023 for Diversity and Inclusion. This recognition reaffirms our leadership in cultivating a workplace where diverse perspectives fuel innovation, resilience, and long-term success.

As we move forward, Kenanga's role as a purpose-driven organisation has never been clearer. We are not just adapting to change, we are driving it through collaboration, inclusion, and a dedication to making a lasting difference.

RECOGNITION AND INDUSTRY ACHIEVEMENTS

Our strides in advancing ESG have led to continued recognition on both national and international platforms. We are proud to have retained our place on the prestigious FTSE4Good Bursa Malaysia Index, with an improved score of 4.2, placing us in the 92nd percentile among Malaysian public listed companies. This achievement reflects our steady progress and serves as both encouragement and a responsibility to further advance our ESG efforts.

We are also honoured to be recognised among the Top 20 Overall Excellence Award winners at the National Corporate Governance & Sustainability Awards by the Minority Shareholders Watch Group, as well as to receive Euromoney's Best for ESG award in the Securities Houses category. These acknowledgements are more than milestones; they remind us that the work we do serves a broader purpose.

Beyond accolades, what truly matters is the trust our stakeholders place in us. Each recognition strengthens our resolve to drive meaningful change—not just within our organisation, but across the broader ecosystem. Sustainability is an ongoing journey and we remain committed to staying the course with integrity, accountability, and a shared vision for a better tomorrow.

LOOKING AHEAD TO 2025: AMPLIFYING OUR ESG IMPACT

As we look towards 2025, we are guided by the understanding that real progress requires thoughtful solutions and continuous efforts. Embedding ESG into the core of our business—and beyond—is a journey that demands resilience, collaboration, and a shared commitment to a more sustainable future.

The true impact extends beyond policies and frameworks; it is measured by the trust we cultivate, the awareness we foster, and the meaningful change we drive and inspire across our ecosystem. In the year ahead, we will focus on deepening engagement—not only within our organisation but also with those who walk this path alongside us. Clients, vendors, investors, and communities all play a role in shaping a more responsible and forward-thinking world.

Education and empowerment will continue to be central to our approach. As sustainability challenges and opportunities evolve, we must continue equipping ourselves and our stakeholders with the right insights, ensuring that we can adapt, innovate, and lead in a rapidly changing landscape.

With our Decarbonisation Roadmap set to take shape in 2025, we remain mindful that transformation does not happen overnight. It requires perseverance, continuous learning, and a commitment to progress. Our vision is clear: to create lasting value, where sustainability is not just a priority but an enduring resolve for generations to come.

ACKNOWLEDGMENTS

I would like to extend my deepest gratitude to our Founder Emeritus and Advisor, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, for her visionary leadership and constant support. My heartfelt appreciation also goes to the Group Sustainability Management Committee, led by Datuk Chay Wai Leong, whose dedication continues to drive our sustainability agenda forward.

I am equally grateful to our employees for their tireless efforts and resilience in a dynamic and challenging environment. To our clients, business partners, suppliers and shareholders, thank you for your continued trust and collaboration. Lastly, I wish to acknowledge our regulators, including Bank Negara Malaysia, Bursa Malaysia and the Securities Commission Malaysia, for their invaluable guidance and support.