



At the  
**HEART** of  
**A**SEAN's  
**GROWTH**

Sustainability Report 2016

## Our Sustainability Reports [GRI 102- 1, 52]

Bursa Malaysia Berhad (Bursa Malaysia) first started reporting our sustainability practices in our 2006 Annual Report, the same year we launched the Bursa Malaysia Corporate Social Responsibility (CSR) Framework for our listed issuers. In 2011 we moved to publishing our first annual stand-alone Sustainability Report (SR) and have reported in accordance with the G3 then G4 guidelines issued by the Global Reporting Initiative (GRI). This year is our sixth annual SR, and we are reporting in reference with the new GRI Standards for sustainability reporting, focusing on reviewing our material issues and mapping out our route forward to embed sustainability throughout both the Malaysian capital market and our business operations.

## GRI Standards

[GRI 102-46, 48, 49, 50, 51, 54]

This SR2016 has been prepared with reference to the GRI Standards: Core option. It covers the reporting period from 1 January 2016 to 31 December 2016. This year we have focused on reviewing our material sustainability topics and there are a number of significant changes from last year's SR2015 reflecting the materiality and stakeholder processes undertaken this year. The content of this report is based on our identified material topics. Our scope and boundaries have remained the same covering all our entities and operations (all based in Malaysia) in order to offer a full picture on the overall sustainability performance of Bursa Malaysia to our stakeholders during the reporting period. There are no restatements of information from last year's report.



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## Our Reporting Process [GRI 102-10]

Sustainability performance and disclosure are monitored closely by our Corporate Sustainability Committee (CSC), led by our Chief Executive Officer (CEO). Our SR is prepared by our Sustainability Department, working closely with our CEO on the report. There have been no significant changes to our organisation or our supply chain during the reporting period.

## Feedback [GRI 102-53]

This report, together with our Annual Report, is available on our corporate website at [www.bursamalaysia.com/corporate](http://www.bursamalaysia.com/corporate). We welcome feedback on this report and any aspect of our sustainability performance. Comments or feedback can be sent to [sustainability@bursamalaysia.com](mailto:sustainability@bursamalaysia.com).

## External Assurance [GRI 102-56]

We currently have no formal policy with regard to external assurance for this Report. However, as we embark on our Integrated Reporting journey in 2016, we envisage that external assurance could be made part of the process going forward.

# Chief Executive Officer's Message

DATUK SERI TAJUDDIN ATAN  
CEO

*Dear Stakeholders*

Bursa Malaysia plays a unique role for the Malaysian capital market as we are a regulator, a market operator, an influencer and a public listed company (PLC). We are in a position to champion the cultivation of the sustainability culture in the capital market, while as an exchange we are able to not only act as an influencer to other listed issuers but to also set the tone and pave the way for joint contribution from all listed issuers to the development of sustainable capital market.



In 2016 we see a growth in responsible investment with more investors subscribing to the UN Principles of Responsible Investment (PRI), now representing 1500 signatories worth US\$62 trillion in Assets Under Management (AUM) globally. This will certainly result in higher demand for sustainability and governance disclosure by business. By disclosing such information through annual reports and SRs, our listed issuers are preparing for the future by catering to these growing investor requirements where value creation will be articulated through business strategy incorporating the monitoring of non-financial metrics.

We see sustainability as a strategic area to position Bursa Malaysia as the leading exchange in ASEAN by 2020. As stock exchanges around the globe have stepped up their sustainability efforts through listing requirements, guidance and ESG-related products and services, it is important for Bursa Malaysia to innovate and stay ahead of the curve in order to secure our leading position as the sustainable capital market for responsible investment and fund raising in the region.

Sustainability is also a risk management tool which helps us holistically evaluate and improve the way we manage and operate our business. There are clear benefits for businesses who embed sustainability principles within their organisation, ranging from better long term financial performance, to increased access to capital and attraction and retention of talent.

Our focus in 2016 has been on revisiting our materiality process and engaging with our stakeholders as part of our long-term sustainability strategy. During the year, we conducted materiality assessment and identified our material sustainability matters, which are Market Integrity and Stability, Competition, Technology and Talent. These four matters are deliberated in-depth in this report. In addition to the identified material factors, we continue to report on our environmental and community initiatives as part of our sustainability practices.

We ensure the stability and integrity of the Malaysian capital market and hence, sustainability is important to us. Over the long term this sustainability will not only ensure steady operation of the capital market, but that it also continues to grow and appeal to the investment community who are increasingly considering sustainability in their investment process.

We also believe that the Bursa Malaysia Sustainability Framework for listed issuers will result in greater disclosure of sustainability performance data. Our aim is for listed issuers to not only disclose

their performance but also embed sustainable practices within their businesses. We want listed issuers to realise that improved performance on material issues will result in a positive impact on the bottom line, as well as appeal to the increasing number of responsible investors. To support our listed issuers with this opportunity, we have provided over 25 advocacy programmes for listed issuers in 2016 which were attended by over 800 participants, as well as engaging with 100 of our listed issuers to help them with their first sustainability reporting cycle and how to grow sustainability strategy within their organisation].

Among the challenges we experience are shortages of local talent, especially as we are the only exchange in the country and our work is highly specialised. Attracting and retaining talent is a key area for us and we have focused our attention on developing our employees through various training programmes offered throughout the year. Stock exchanges also face increased risks from information technology such as cyber threats or technology errors that bring severe disruptions to exchange operations. On the other hand, there are also exciting opportunities to develop our services utilising the advances in technology to support increased accessibility and capacity. We are closely monitoring the various advances in technological developments to determine how these will impact us and how we can leverage on these technologies to capture new segments of the market and put to use for our benefit.

We take great pleasure in informing our stakeholders that Bursa Malaysia has remained in the top 3 Malaysian companies listed in the Channel NewsAsia Sustainability Ranking for the third year running. We also continue to remain as a constituent of the FTSE4Good Bursa Malaysia Index even though there was an increase of the inclusion threshold for Emerging Markets from 2.0 to 2.2 in the December 2016 review. This review by FTSE Russell is an initiative to narrow the inclusion threshold difference between the Emerging and Developed Markets.

Moving forward, we will continue to focus on our sustainability strategy looking to our opportunities and risks, as well as our enduring commitment to improvement and further disclosure. This includes exploring opportunities for Bursa Malaysia to contribute to the United Nations Sustainable Development Goals (UN SDGs), supporting global development objectives and addressing critical economic, social and environmental challenges such as climate change and gender equality.



Datuk Seri Tajuddin Atan  
Chief Executive Officer

# About Bursa Malaysia

Who We Are [GRI102-2, 3, 4, 5, 6, 45]



EMPLOYEES BASED  
IN MALAYSIA

**593**

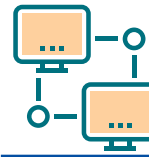


COMPANIES LISTED  
ON OUR MAIN MARKET

**791**

LISTED COMPANIES ON  
OUR ACE MARKET

**113**



OPERATING REVENUE OF

RM**472.7** million

Hosting more than 900 companies across 60 economic activities, Bursa Malaysia is one of the largest bourses in Asia. Headquartered at Exchange Square in Kuala Lumpur, we operate and regulate a fully integrated exchange offering a comprehensive range of exchange-related facilities including listing, trading, clearing, settlement and depository services. All our operations are based in Malaysia across our two offices, Kuala Lumpur and Labuan.

Established in 1973 and listed in 2005, we are an exchange holding company whose principal activities are treasury management and the provision of management and administration services of its subsidiaries.

The principal activities of our subsidiaries are to operate the Malaysian securities, derivatives and offshore exchanges and the Shari'ah compliant commodity trading platform, to

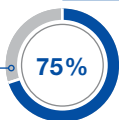
operate the related depository function and clearing houses, and to disseminate information relating to securities quoted on the exchanges. The principal activities of the subsidiaries are disclosed in Note 15 of the financial statements for the year ended 31 December 2016. All entities are covered within the financial statements and are considered within this report.



**Bursa Malaysia Securities Berhad**  
(635998-W)

**Date of Incorporation**  
4 December 2003

**Principal Activities**  
Provides, operates and maintains a securities exchange



**Bursa Malaysia Derivatives Berhad**  
(261937-H)

**Date of Incorporation**  
17 April 1993

**Principal Activities**  
Provides, operates and maintains a derivatives exchange



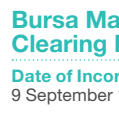
Wholly-owned subsidiary of Bursa Malaysia Derivatives Berhad



**Labuan International Financial Exchange Inc (LL 02032)**

**Date of Incorporation**  
30 July 1999

**Principal Activities**  
Provides, operates and maintains an offshore financial exchange



**Bursa Malaysia Derivatives Clearing Berhad (358677-D)**

**Date of Incorporation**  
9 September 1995

**Principal Activities**  
Provides, operates and maintains a clearing house for the derivatives exchange



**Bursa Malaysia Islamic Services Sdn Bhd (853675-M)**

**Date of Incorporation**  
15 April 2009

**Principal Activities**  
Provides, operates and maintains a Shariah compliant commodity trading platform



**Bursa Malaysia Depository Sdn Bhd (165570-W)**

**Date of Incorporation**  
26 October 1987

**Principal Activities**  
Provides, operates and maintains a central depository for securities listed on the securities exchange



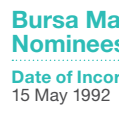
Wholly-owned subsidiary of Bursa Malaysia Depository Sdn Bhd



**Bursa Malaysia Securities Clearing Sdn Bhd (109716-D)**

**Date of Incorporation**  
12 November 1983

**Principal Activities**  
Provides, operates and maintains a clearing house for the securities exchange



**Bursa Malaysia Depository Nominees Sdn Bhd (240297-W)**

**Date of Incorporation**  
15 May 1992

**Principal Activities**  
Acts as a nominee for Bursa Malaysia Depository and receives securities on deposit or for safe-custody or management



**Bursa Malaysia Information Sdn Bhd (152961-H)**

**Date of Incorporation**  
2 May 1986

**Principal Activities**  
Compiles, provides and disseminates prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group as well as data reported from the bond platform



**Bursa Malaysia Bonds Sdn Bhd (319465-T)**

**Date of Incorporation**  
11 October 1994

**Principal Activities**  
Provides, operates and maintains an electronic trading platform for the bond market

Public Company Limited by Guarantee

**Yayasan Bursa Malaysia (464552-M)**

**Date of Incorporation**  
24 June 1998

**Principal Objectives**  
Provides funds or support to Malaysian individuals and organisations by way of scholarships, grants, donations and other forms of financial assistance for educational, research and charitable purposes

# About Bursa Malaysia

## What We Do [GRI 102-6, 7]

### OUR ROLES

**1** As a **REGULATOR** we ensure that our listed issuers and intermediaries meet their regulatory obligations to uphold investor protection, market integrity and stability.

**2** As a **MARKET OPERATOR** we provide easy access to attractive and alternative products via a facilitative market infrastructure.

**3** As an **INFLUENCER** we drive sustainability and governance practices through our identified roles to influence and elevate market standards.

**4** As a **PUBLIC LISTED COMPANY (PLC)** we build long-term value for our shareholders through capital appreciation and sustainable dividends.

### WHAT WE PROVIDE

**1** **Securities**  
We operate the stock market in Malaysia where investors can participate in the buying and selling of shares on two types of markets, the Main Market with 791 companies and the ACE Market with 113 companies. Together these markets comprise 18 sectors that cover 60 economic activities. Our products include:

<b>516</b> Structured Warrants	<b>3</b> SPACs
<b>264</b> Warrants	<b>3</b> ETBS
<b>16</b> REITs	<b>1</b> Stapled Securities
<b>10</b> Foreign Listings	<b>1</b> Closed-End Fund
<b>8</b> ETFs	

**2** **Derivatives**  
We offer 14 derivatives products from three categories comprising commodity, equity and financial.

#### Derivatives Products:

<b>7</b> Commodity derivatives	<b>3</b> Equity derivatives	<b>4</b> Financial derivatives
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**3** **Islamic**  
As a leading Islamic capital market, we operate a market offering diverse Shariah-compliant products. Our Bursa Malaysia-i provides a comprehensive end-to-end Shariah investing platform. We also operate Bursa Suq Al-Sila' (BSAS), a commodity trading platform specifically dedicated to facilitating Islamic liquidity management.

#### Shariah-compliant offerings include:

<b>671</b> <i>i</i> -Stocks	<b>4</b> <i>i</i> -ETFs	<b>4</b> <i>i</i> -REITs	<b>3</b> ETBS	<b>2</b> <i>i</i> -SPACs
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**4** **Offshore**  
We operate the Labuan International Financial Exchange, where issuers can list their non-Ringgit denominated securities.

<b>USD25.6billion</b> Total market capitalisation	<b>20</b> Bond listings	<b>12</b> Sukuk listings
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## VALUE WE CREATE

### A Diverse and Resilient Market:

**RM1.7 trillion**

#### Market Capitalisation

- As one of the largest stock markets in ASEAN, we are responsible for creating a resilient market on the back of quality listed issuers and a sustainable market ecosystem.

### Global Benchmark for Crude Palm Oil (CPO):

**Rank 1**

- Being a leading market for CPO contracts, the contracts on Bursa Malaysia function as a global benchmark for CPO settlement price.

### Effective Fundraising Channels:

**RM12.8 billion**

#### Funds Raised

- Bursa Malaysia is a choice destination for fundraising, offering deep liquidity and vibrant investment options.

### Pacesetter In Islamic Capital Markets:

Our expertise in Islamic Finance has enabled us to become a leading specialist in global Islamic capital markets.

### Exposure to ASEAN:

As home to some of ASEAN's largest companies with operations throughout the region, Bursa Malaysia is steadily reaching its goal of becoming ASEAN's Multinational Marketplace.

### Investor Protection:

Bursa Malaysia protects its investors via a systemically sound governance and financial infrastructure which has been recognised by international observers.

## About Bursa Malaysia

### Key Highlights For 2016 [GRO102-7]

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#### Markets

Number listed companies **904**

New listings:

- **11** Initial Public Offers (IPO)
- **1** Reverse Take Over (RTO)

Market capitalisation of **RM 1.7 trillion**

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#### Business

Revenue **RM 472.7 million**

Debt to equity ratio: **0.0**

Market cap **RM 4.7 billion**

Return on equity: **23.2**

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#### Sustainability

##### For our markets:

- Main Market Listing Requirements for Sustainability Statement within an Annual Report in force from 31 December 2016
- Joined over 30 stock exchanges worldwide to “Ring the Bell for Gender Equality”
- Launched FTSE4Good ASEAN 5 Index
- Customised sustainability advocacy programmes organised free of charge for listed issues with market capitalisation of RM2 billion and above
  - 26 sessions
  - 824 participants
- 100 listed issuers engaged to discuss challenges and provide support for their sustainability reporting

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##### For our business:

- Conducted a benchmarking analysis on global exchanges’ sustainability practices and reporting;
  - Strengthened our sustainability governance structure;
  - Provided sustainability training for ninety-nine of our senior, middle and top management staff;
  - Conducted a detailed review of our material Economic, Environmental and Social (EES) risks and opportunities
  - 101 internal and external stakeholders engaged for EES matters
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## Our Philosophy [GRI 102-16]

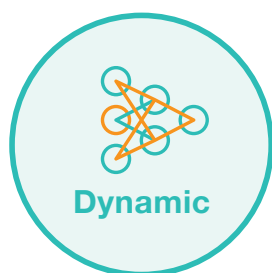
### Vision:

To be the preferred partner in Asia for fund raising, trading and investment

### Our Mission:

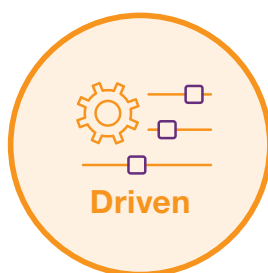
As the preferred partner, Bursa Malaysia offers a fair and orderly market that is easily accessible with diverse and innovative products and services

### Our Values:



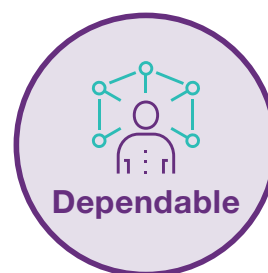
#### Dynamic

We believe that the growth of capital, in many forms, is the way to make unlimited opportunities possible. We believe that bringing great business minds together makes entrepreneurship flourish and ensures that the economy will never run out of fuel.



#### Driven

We believe that the opportunity for economic freedom is an essential right of all Malaysians. We believe that as the catalyst, we must always inspire by our own example. As the engine of Malaysia's growth, every project we undertake is ultimately a project for the nation.



#### Dependable

We are a proactive partner, a magnet for capital, a tireless competitor, a trusted custodian. Growth is our only option, that's why we are the true believers.

Bursa Malaysia's Codes of Ethics for Directors and employees govern the standards of conduct and behaviour expected. The Code of Ethics for Directors includes principles relating to Directors' duties, conflict of interest (COI) and dealings in securities. The Code of Ethics for Employees promotes integrity and ethical conduct in all aspects of our operations, including confidentiality of information, dealings in securities and COI. It also sets out prohibited activities or misconduct such as soliciting or accepting gifts (in excess of RM300), gratuities and bribes. These rules, regulations, codes, policies, procedures, manuals and guidelines form part of each employee's terms and conditions of employment or engagement with Bursa Malaysia. All are made available on our internal Employee Information Portal 'My1818'. A full list of our policies, codes, and manuals are available on our **corporate website**.

We also apply a standalone Whistle-blower Policy and Procedures (WPP) for any employee or external party to report any serious concerns of improper conduct or

wrongdoing at Bursa Malaysia or our subsidiaries without fear of detrimental action. The Audit Committee (AC) has the overall responsibility in overseeing the implementation of the WPP for Bursa Malaysia. Procedures for reporting by employees are available on our internal 'My1818' platform, while procedures for reporting by external parties are available on our **corporate website**. Reports by any party, internal or external, can be made to our Senior Independent Director or to the Chairman of the Board for any improper conduct by Directors of Bursa Malaysia.

As the AC is responsible for overseeing the implementation of the WPP, several emails addressed to the Senior Independent Director received from external parties were escalated by the Head of Group Internal Audit (GIA) to the AC for notation at its meetings in 2016 in accordance with the process. As these complaints received during the year were routine in nature and not the subject matter of the WPP, they were referred to and resolved by the relevant operating units, accordingly. No cases of serious concern were reported in 2016.

## About Bursa Malaysia

### Governance [GRI 102-11, 18]

## At Bursa Malaysia we adhere to high standards of corporate governance (CG) practices under the leadership of our Board of Directors, as guided by the Malaysian Code on CG 2012.

Our Board has a Board Charter which serves as a reference source and primary induction literature to assist the Board in performing their fiduciary duties as directors of Bursa Malaysia. The Board periodically reviews the Board Charter to ensure it complies with legislation and best practices, and remains relevant and effective in light of the Board's objectives.

The Board of Bursa Malaysia is committed to maintaining a sound internal control and risk management system. Each business/functional unit has implemented its own control processes under the leadership of the CEO, who is responsible for good business and regulatory governance. The full statement of our Internal Control and Risk Management is provided in our Annual Report [pages 87 – 93].

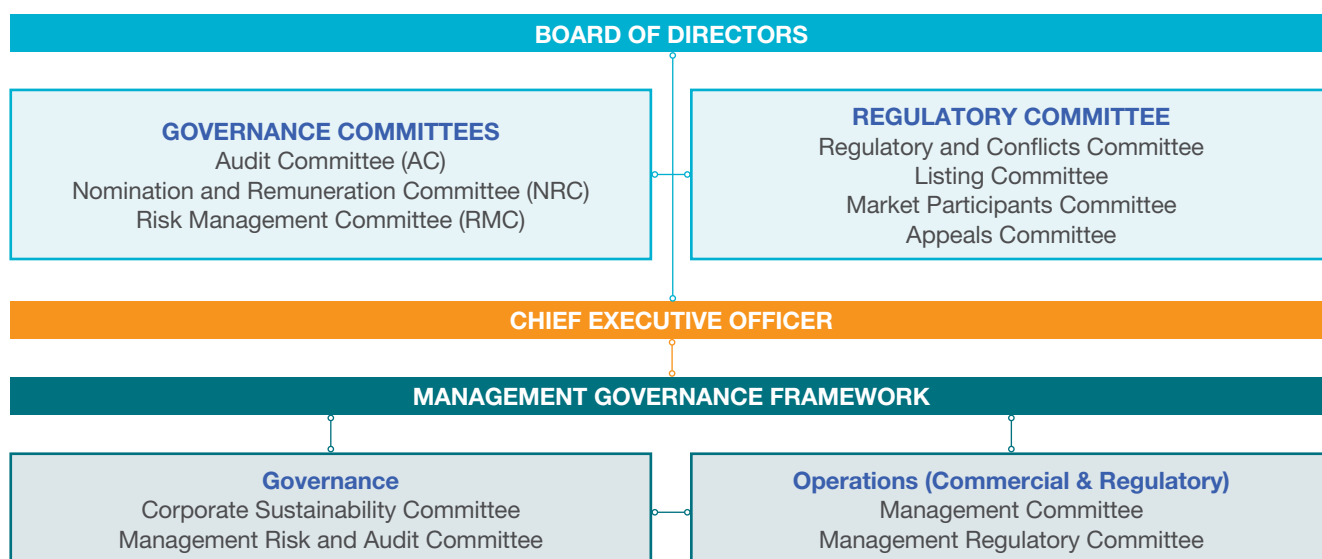
The Board is responsible for the oversight and overall management of Bursa Malaysia. In order to ensure the effective discharge of its functions and responsibilities, it has established a Governance Model for Bursa Malaysia, delegating specific powers of the Board to the relevant Governance and Regulatory Board Committees and CEO.

The Governance Model, which is supported by the internal Corporate Authority Manual, is reviewed and amended as and when required to ensure an optimum framework for highest standards of independence, oversight and transparency. All subsidiaries of Bursa Malaysia have fully adopted this Governance Model, except Bursa Malaysia Derivatives Berhad and its wholly-owned subsidiary, Bursa Malaysia Derivatives Clearing Berhad which have adopted

two Governance Committees from this model (Audit Committee and Risk Management Committee) and the applicable Regulatory Committees.

Bursa Malaysia's sustainability leadership is also led by the Board, which oversees and ensures that we pursue our regulatory and commercial objectives and remain a responsible organisation. The Board promotes good CG and sustainability practices which it believes will translate into better corporate performance for our Company. The Board is responsible to review and approve Bursa Malaysia's sustainability strategy.

Detailed information on the Board of Directors and its Governance Model can be found in our CG Statement of our Annual Report 2016 (refer pages 53 to 60). This information is also available on our corporate website.



Our Corporate Sustainability Committee (CSC) is an executive management committee established under the Management Governance Framework. The CSC is chaired by our CEO, and update the Board regularly on all key EES risks and opportunities (sustainability matters). The committee

is responsible for overseeing the formulation, implementation and effective management of our sustainability matters in line with their Terms of Reference. The CSC is also supported by various working groups responsible for implementing the initiatives within Bursa Malaysia.

In addition to our CSC we also have an internal Sustainability Department, currently headed by our Director of Human Resources, as well as dedicated sustainability staff within our CG group primarily focused on market regulation and supporting our listed issuers.



\* Composition as per Terms of Reference

## About Bursa Malaysia

### Our Stakeholders [GRI 102-40, 42, 43, 44]

Bursa Malaysia interacts with a large number of different stakeholder groups and our engagement with them are crucial to help us identify, prioritise and address material matters in our business strategies. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms. All issues raised by stakeholders are brought to the attention of the Management Committee by the respective business and functional units. Engagements are carried out on a regular basis as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

STAKEHOLDERS/CUSTOMERS	ENGAGEMENT
Regulators & the Government	Meetings, dialogue, and official reports to Regulators & the Government in respect of development of capital market. One of our annual key engagement is on the proposal for the Federal Budget.
Issuers	Direct meetings, thought-leadership sessions and advocacy programs for listed issuers, and promotional roadshows and Initial Public Offerings (IPO) seminars.
Investors, Shareholders and Analysts	Local and overseas conferences, education and advocacy programmes, BursaMKTPLC, roadshows and workshops.
Industry associations, professional bodies	Dialogues, focus group meetings, consultation and conferences.
Employees	Sessions with the management, CEO briefings, activities (e.g. annual dinner, festive celebrations, outdoor sports and volunteering work), trainings, community talks and other engagements through the employee portal My1818, articles and surveys.
Suppliers	Direct meetings, internal vendor assessment process.
Communities	BursaMKTPLC free online information portal, educational programmes for community and students, scholarships, internship programmes, fundraising and CSR activities and trading games.
Media	Press conferences, media releases, media engagements

Note:

- Investors – Retail/Institutional & Local/Foreign
- Intermediaries – Participating Organisations/Trading Participants/Trading Clearing Participants/Authorised Depository Agents/Authorised Direct Members/Information Vendors/Index Providers
- Issuers – Listed issuers and non-listed issuers
- Regulators – Ministry of Finance/Bank Negara Malaysia/Securities Commission Malaysia/Companies Commission Malaysia/Malaysian Investment Development Authority

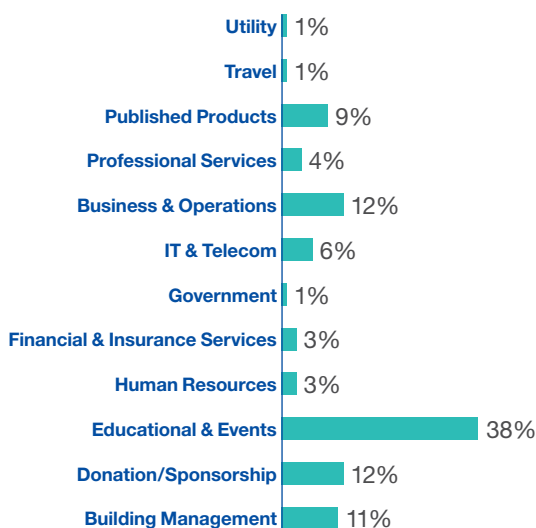
Our regular channels to provide information to stakeholders include our website, media releases, various committees and working groups as well as announcements made via Bursa LINK. We also undertake surveys for market feedback and hold public consultations for better insights into our audiences' needs. Various business units conduct customer satisfaction survey annually. Any complaints or enquiries made are generally directed to our Customer Service Centre. During 2016 our Customer Service Centre received 13 reports which were subsequently forwarded to respective departments to be addressed. Of these reports 12 have been resolved whilst review is still ongoing for 1 report.

Further stakeholder engagement undertaken as part of this year's materiality review is detailed on page 13.

## Our Supply Chain [GRI 102-9]

We are committed to local sourcing. We rely on our 927 vendors supplying various needs such as telecommunication services, utilities and office supplies.

### SUPPLIER GROUP 2016



## Initiatives And Memberships [GRI 102-12, 13]

Corporate Integrity System™ Malaysia (CISM). 2012-2016  
 In support of the Malaysian Government Transformation Programme to improve the socio-economic growth of Malaysians and to ensure that the Fighting Corruption National Key Results Areas achieves its target, Malaysia Institute of Integrity and Performance Management and Delivery Unit collaborate with six other stakeholders namely the Malaysian Anti-Corruption Commission, Securities Commission Malaysia, Companies Commission of Malaysia, Transparency International Malaysia, Bank Negara Malaysia and Bursa Malaysia to establish CISM. The initiative is to propose a series of roundtables and dialogues with the business community and promote corporate integrity instruments.

Ring the Bell for Gender Equality, held in conjunction with the Sustainable Stock Exchanges Initiative and in collaboration with the World Federation of Exchanges and the UN Global Compact. 2016

As well as participation in these initiatives, we also acted as an adjudicator in the following national awards focusing on sustainability and corporate responsibility:

- The Malaysian Institute of Certified Public Accountants (CPA) National Annual Corporate Report Awards (NACRA) 2016;
- Association of Chartered Certified Accountants (ACCA) Malaysia Sustainability Reporting Awards 2016, which is officially endorsed by Bursa Malaysia;
- The Edge Billion Ringgit Club, awards for Best Corporate Responsibility Initiatives.

Bursa Malaysia also holds memberships in various internationally renowned organisations. These enable us to remain up-to-date on latest developments in the Exchange sector. Our memberships include:

1. Sustainable Stock Exchange (SSE) Initiative;
2. World Federation of Exchanges (WFE);
3. Asia-Pacific Central Securities Depository Group (ACG);
4. OIC Member States' Stock Exchange Forum;
5. Asian & Oceania Stock Exchanges Federation (AOSEF);
6. International Organisation of Securities Commissions (IOSCO);
7. Futures Industry Association (FIA);
8. Association of National Numbering Agencies (ANNA).

# Driving Sustainability

## As a regulator Bursa Malaysia consistently encourages listed issuers to adopt good CG and sustainability practices.

We promote best sustainability practices and disclosures among our Malaysian listed issuers to secure long-term viability of our listed issuers and our marketplace. Our strong commitment has been clearly demonstrated in the various initiatives we have carried out since 2006.

### STRENGTHENING OUR LISTING REQUIREMENTS

In October 2015 we launched a new Sustainability Framework, In October 2015 we launched a new Sustainability Framework, comprising amendments to the Listing Requirements for both the Main Market and ACE Market, as well as the issuance of a Sustainability Reporting Guide and Toolkits. Under these amendments, listed issuers are required to release a Sustainability Statement within their Annual Report containing information relating to the management of their material sustainability matters.

These listing amendments came into force on 31 December 2016 for our listed issuers with a market capitalisation of RM2 billion and above, requiring a Sustainability Statement within Annual Reports issued for financial years ending on or after this date. Further implementation is staggered over the next three years, with all our listed issuers to be reporting on sustainability matters within their Annual Report for financial years ending on or after 31 December 2018.

2017 will be the first year of sustainability reporting for many of our listed issuers. We have focused on providing advocacy and support to guide these companies through this process, and to help them find value through embedding sustainability strategy within their organisation.

### SUPPORT FOR OUR LISTED ISSUERS

Following the launch of Bursa's Sustainability Reporting Framework in 2015, we embarked on a series of advocacy and training programmes for listed issuers in 2016 with market cap of RM2 billion and above. Programmes are offered free of charge to our listed issuers and were customised for various management levels and sectors, including Directors and Chief Executive Officers; Chief Financial Officers and Chief Sustainability Officers; practitioners; and company secretaries to ensure that they understood the requirements under the new Listing Requirements and the value propositions of sustainability to their business. A total of 26 sessions were held with 824 participants.

In addition to our advocacy and training programmes, we engaged via phone and over email with 100 listed Issuers issuing their Sustainability Statements in 2017 to understand their challenges and provide input on how to embed sustainability into their organisation.

### 'Ring the Bell' for Gender Equality

In support of the 'Ring the Bell for Gender Equality' programme, we also conducted two sessions for the Empowering Women Series, targeted at women in senior management and exploring the opportunities and challenges they face, and supporting them on their path to serving on the boards of our listed issuers. The programme was attended by 113 participants from various public listed companies.

Generally, sustainability disclosure in Malaysia is still at a nascent stage with the exception of several advanced reporters. In the future, we see non-financial disclosure playing a bigger role in how companies are being assessed for their overall performance. Integrated reporting is already picking up pace locally and we will certainly continue to see many more companies heading this direction.

### GOING FORWARD

We will continue engaging with our listed issuers and offering our suite of sustainability reporting training and advocacy programmes, extending the reach to include our companies who are due to beginning their reporting from financial year end on or after 31 December 2017.



# Our Material Factors

**We strive to become the leading market for sustainability in ASEAN and an exemplary PLC that is not only benchmarked to international standards and frameworks but with peer exchanges as well.**

Bursa Malaysia's continued success in maintaining a sustainable business and generating long-term shareholder value is influenced by several internal and external trends. Each material factor presents unique risks and opportunities to our organisation, and is a key consideration in our approach to strategy formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long-term future.

## **OUR SUSTAINABILITY STRATEGY**

During the year we embarked on an initiative to review our internal management approach, including sustainability governance, stakeholder engagement and materiality assessment, sustainability strategy, performance measures and disclosures in an effort to strengthen our approach to sustainability.

We intend to develop a sustainability strategy to ensure that we address each material sustainability matters in a more holistic and integrated manner moving forward. This may involve developing new policies and procedures, implementing various initiatives, measures and action plans, setting indicators, goals and targets as well as reviewing existing systems that capture, analyse and report sustainability data and information.

## **OUR MATERIALITY ASSESSMENT** [GRI102-42, 43, 44, 46, 47]

In our efforts to build capacity on sustainability we conducted a joint training and workshop for ninety-nine (99) of our senior, middle and top management staff as our internal stakeholders. As well as building up their knowledge on aspects of sustainability, a list of our sustainability matters was also developed during the session.

The sustainability matters were subsequently prioritised, deliberated by our top management, and validated with two of our key external stakeholders, as identified during our stakeholder mapping and prioritisation exercise.

Our four material sustainability matters identified are:

- Market Integrity & Stability;
- Competition;
- Technology;
- Talent.

These four sustainability matters are material across all our operations, while both 'Technology' as well as 'Market Integrity and Stability' are also material outside of our organisation, being of importance to our listed issuers and intermediaries. All entities covered within the financial statements are considered within this report. In addition to our material sustainability matters, engagement with our external stakeholders also highlighted the need for us to disclose our environmental and social initiatives. To meet these stakeholder expectations, we have included our key activities in these areas within this report.

# Market Integrity & Stability

Being one of the largest bourses in ASEAN and a key powerhouse of the domestic economy, Bursa Malaysia has continued to place strong emphasis on upholding the integrity and stability of the Malaysian capital market. As the Asian financial crisis took its toll on investor confidence in 1997, many reform measures have since been undertaken to rectify market order and grow our attractiveness as the preferred market for investment and fund raising in the region.

## THE IMPORTANCE OF MARKET INTEGRITY & STABILITY [GRI103-1]

The marketplace is dynamic, and as such it is essential that we take note of trajectories and changes in the global landscape to enable effective regulation. In doing so, we are also conscious of the need to adopt a balanced approach to regulation, to ensure adequate investor protection whilst facilitating growth and development in the capital market so that it remains competitive. In this regard, the long-term integrity and sustainability of the capital market is a material matter to us across all our operations.

Our consistent engagement with regulatory bodies, investor groups, listed issuers, intermediaries and other relevant parties ensure that we take the needs of all stakeholders into account when effecting regulatory strategy.

## OUR APPROACH TO MARKET INTEGRITY & STABILITY [GRI103-2, 3]

Bursa Malaysia operates a well regulated market supported by adequate levels of investor protection. We are governed by Sections 11 and 21 of the Capital Markets and Services Act (CMSA) 2007. Our regulatory principles and policies are set out on our corporate website.

Our Regulation Division is responsible for the management of market integrity and stability. The effectiveness of our management approach is evaluated on a periodic basis through the review of our performance against scorecard measurements.

To manage our approach to market integrity and stability we have in place our internal Regulatory Plan as well as our Regulation Scorecard which contains the Key Performance Indicators (KPIs) for our Regulatory Division. This Scorecard is also cascaded down to the relevant departments within the Division through specific Regulation Departmental Scorecards. Key items in the Regulation Scorecard include:

1. Ensure maintenance of sound prudential requirements and high standards of business conduct in order to maintain a Fair and Orderly Market to ensure there is no industry wide breach.
2. Enhance market quality through improvement of the eco-system & governance framework.
3. Safeguard investor protection and market confidence: Minimise incidences that significantly affect investor confidence arising from market manipulation.

Measurable targets and outcomes are monitored and determined through our Regulation Scorecard and our Regulation Departmental Scorecards. Our Key Indicators Dashboard also provides an overview of the regulatory state of the market including measurements such as the Asian Corporate Governance Association (ACGA) Ranking, the ASEAN Corporate Governance Scorecard, and the Assessment on CG Disclosures.

## ROBUST REGULATORY FRAMEWORK [GRI419-1]

Our regulatory framework is assessed regularly and is benchmarked against international norms of market regulation. There is a prevalent culture of compliance amongst our listed issuers and intermediaries, with high level of adherence to our rules. Self-regulation and implementation of quality practices have also continued to strengthen over the years, as discussed in 'Governance of Markets'. All these efforts contribute towards the maintenance of market integrity and stability.

Our comprehensive regulatory framework was put to test during the period of significant volatility in 2015 and in the first half of 2016. Our regulatory framework held up well during this period, as evidenced by the fair and orderly manner in which the market operated. This was a result of the strong investor protection safeguards, high standard of business conduct and CG demonstrated by our listed issuers and intermediaries.

During 2016 there were no instances identified of any non-compliance with laws and/or regulations in the social and economic area.

### GOVERNANCE OF MARKETS

For the past decade, rankings such as the ACGA CG Watch Surveys have shown consistent improvement for Bursa Malaysia. 2016 was an exception to this trend, however, where there was a minor decline in the overall score due to public governance matters.

Asian Corporate Governance Association (ACGA) Corporate Governance Watch: ranking 2016: 6th place / Score 56 2014: 4th place / Score 58 2012: 4th place / Score 55
Minority Shareholder Watchdog Group (MSWG) ASEAN CG Scorecard for Top 100 Listed issuers of Malaysia 2016: Score 88.49 2015: Score 80.41 2014: 76.82

Our efforts have resulted in overall success, as demonstrated by the high standards of CG, and compliance amongst our listed issuers and intermediaries, as well as our approach to enforcement and incentivising self-regulation combined with our framework of no more rules than necessary. We will continue to monitor shifts in the global and regional landscape to ensure a contemporary and balanced approach to regulation, to maintain the attractiveness of the Malaysian capital market as a stable and competitive domain.

### Strong CG of Listed Issuers

Our annual CG Analysis Report for 2016 showed marked improvement in the CG disclosure of our listed issuers since 2014.

Market Capitalisation	2014	2015	2016	Change
Large (>RM1 billion)	64.3%	72%	72%	+7.7%
Medium (RM500 million to RM1 billion)	60.1%	66.18%	66.6%	+6.5%
Small (<RM500 million)	59.7%	62.18%	67.7%	+8%

### Strong Levels of Compliance by Listed Issuers

Indicators of strong levels of compliance to our Listing Requirements and of quality disclosures by our capital market include the growing adherence to timelines for submission of periodic financial information, combined with the low level of queries issued in response by Bursa Malaysia regarding these announcements.

- 99.5% of submissions of financial information received on time in 2016, compared to 99.4% in 2015 and 99.48% in 2014.
- Queries issued on financial announcements by listed issuers remain below 1.0% of the total corporate announcements made over the last three years.

### Incentivising Compliance and Self-Regulation

To facilitate the ease of doing business we have taken dedicated steps in incentivising compliance and self-regulation in both our listed issuers and intermediaries. Our 'Green Lane Policy' (GLP) facilitates the conduct of business activities by allowing those who have met the pre-approved criteria of high standard of disclosure and self-regulation to commence activities with only a notification to Bursa Malaysia. Activities covered by the GLP include opening a new branch, commencement of proprietary trading, or changing business address amongst others.

We first rolled out our GLP to Equity brokers in May 2013, followed by listed issuers in relation to certain types of applications in September 2015, and Derivative brokers in June 2016.

The GLP has significantly shortened the time-to-market for the brokers:

- From two market days via Declaratory Approach to immediate;
- From eight market days via Self-Assessment Approach to immediate.

## Market Integrity & Stability

This increased efficiency linked to the GLP encourages both listed issuers and intermediaries to enhance their self-regulation and compliance in order to meet the high standards of the GLP criteria and benefit from this incentive.

### Strong Enforcement

To ensure the stability and integrity of our markets, enforcement action is taken against breaches of both our Listing Rules and Business Rules. During 2016 the following actions were taken:

- Enforcement action against 14 listed issuers and 38 directors of 8 listed issuers for various breaches of the Listing Requirements;
- Enforcement actions against 22 intermediaries, including participating Organisations, Trading Participants, Authorised Depository Agents and Clearing Participants for various breaches of the Business Rules;
- Enforcement actions against 23 Registered Persons for various breaches of the Business Rules;
- Enforcement actions against 11 Dealer Representatives (DRs)/Registered Persons for market offences or trading related breaches.

As a result of our enforcement actions we have noted a declining trend in some of the breaches of our rules, in particular relating to the financial reporting obligations by our listed issuers. This is also reflected in the ACGA CG Watch 2016 report which shows improvement in enforcement actions taken in Malaysian markets from a score of 47% in 2014 to a score of 54% in 2016.

# Competition

Bursa Malaysia is exposed to strong competition both regionally and globally. Based on data from the World Federation of Exchanges (WFE), the global exchanges industry is valued at USD66 trillion in terms of domestic market capitalisation as at end December 2016. Although weightage for Malaysian stocks in the MSCI Emerging Market Index stood only at an estimated 3.1% during the May 2016 index review, we are ASEAN's fourth-largest stock exchange based on WFE's data at end 2016.

## THE IMPORTANCE OF COMPETITION [GRI103-1]

The landscape for global exchanges is evolving rapidly and it has had great impact on Bursa Malaysia. Market indicators over the last few years reveal that whilst our market has grown, our clear challenges are in attracting large cap companies to list on Bursa Malaysia, improving on our market velocity, building up the pool of retail investors and enticing domestic participation in futures for hedging for derivatives growth. In response, Bursa Malaysia is exploring inorganic opportunities, partnerships and joint ventures that would offer synergies and growth, especially in product development and internationalising our distribution. These have been drawn up in our 'Bursa Malaysia Blueprint' and our strategic intents that will take us towards our desired end state of becoming Asia's Leading Marketplace.

## OUR APPROACH TO COMPETITION [GRI103-2]

The responsibility for managing our approach to competition falls across a number of departments:

- Corporate Strategy & Alliances;
- Securities Market;
- Derivatives Market;
- Islamic Capital Market;
- Market Operations;
- Technology & Systems.

Our approach is managed in accordance with our internal 'Bursa Malaysia Blueprint', with performance and key milestone achievements tracked and measured through the Corporate and Divisional Scorecards. The effectiveness of this approach is evaluated through two separate means, the first is a centralised Programme/Project Management Office (PMO) to support the group in improving effectiveness, efficiency and

consistency in the full programme/project cycle as well as institutionalise best practices and standard methodology. The second is evaluation by the Business Case Review Committee to assess business cases for alignment of project objectives and outcomes to our overall Strategy and Business Plan.

## BENCHMARKING AND PEER COMPARISON

- Benchmark Index Performance (As at 31 December 2016)
- ASEAN Exchanges Five-Year Index Growth From 2012-2016
- Dividend Yield (%)
- Total Funds Raised From Primary And Secondary Market (In USD Million)

### BENCHMARK INDEX PERFORMANCE (AS AT 31 DECEMBER 2016)

**FBMKLCI INDEX**  
Bursa  
Malaysia

**1,641.73**

▼ 3.0% from 2015

**PCOMP INDEX**  
The Philippine  
Stock Exchange

**6,840.64**

▼ 1.6% from 2015

**JCI INDEX**  
Indonesia Stock  
Exchange

**5,296.71**

▲ 15.3% from 2015

**STI INDEX**  
Singapore  
Exchange

**2,880.76**

▼ 0.1% from 2015

**SET INDEX**  
The Stock Exchange  
of Thailand

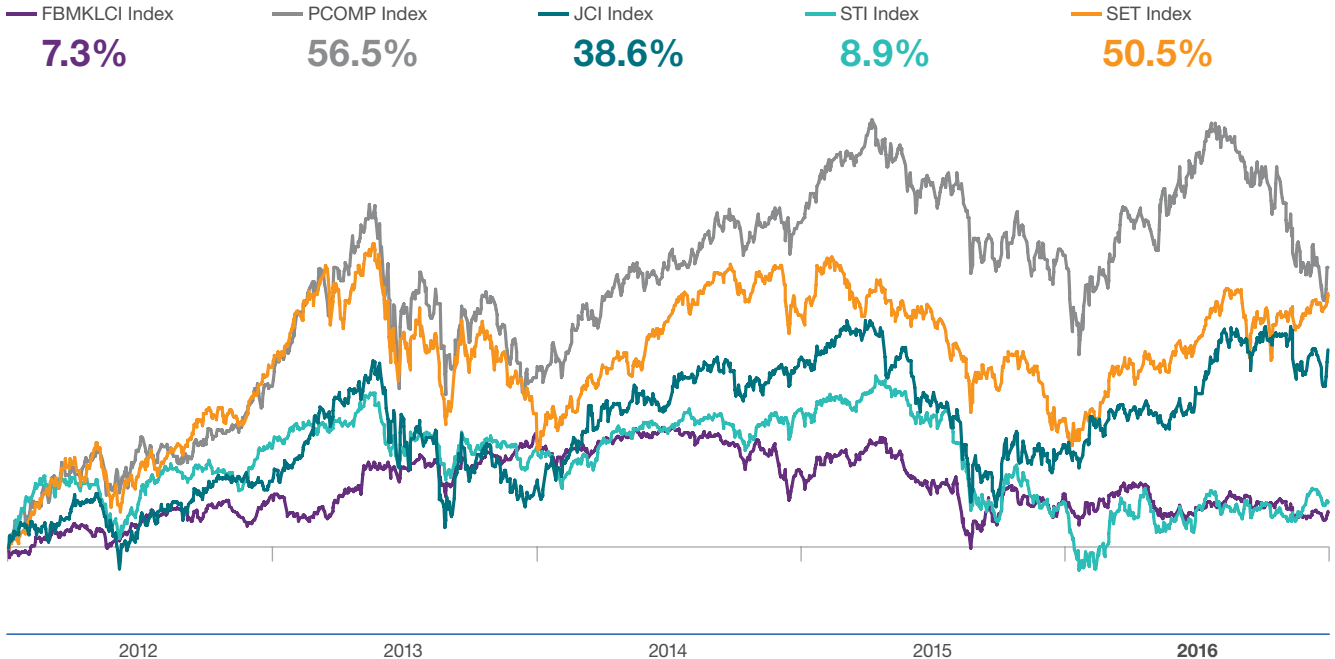
**1,542.94**

▲ 19.8% from 2015

Source: Bloomberg

# Competition

## ASEAN EXCHANGES FIVE-YEAR INDEX GROWTH FROM 2012-2016



Source: Bloomberg

## DIVIDEND YIELD (%)



Source: Bloomberg

## TOTAL FUNDS RAISED FROM PRIMARY AND SECONDARY MARKET (In USD Million)



Source: World Federation of Exchanges

# Technology

## THE IMPORTANCE OF TECHNOLOGY [GRI103-1]

Technology has been the driving force for Bursa Malaysia in our mission to bring efficiency and innovation to the exchange, as well as to our trading members and investors at large. Given this central role, technology is a material topic across all of our operations.

## OUR APPROACH TO TECHNOLOGY [GRI103-2]

Our Technology & Information Management Division is responsible for technology matters at Bursa Malaysia. Our approach is guided by our 'Technology Strategy 2017-2020', as approved by our Management Committee (MANCO) and our Board of Directors in December 2016. The effectiveness of this strategy will be evaluated by our Project Steering Committee, as well as reviewed by MANCO and our Transformation Steering Committee. Performance is also measured through our Scorecard and Key Performance Indicators (KPIs) as set out in our Technology Strategy. Our Board has oversight of this process.

## IMPROVING ACCESSIBILITY & CUSTOMER EXPERIENCE

As an exchange the accessibility and reliability of our trading systems is paramount. Zero downtime was experienced during 2016, with all systems recording 100% availability during the year.

## HIGH CYBER SECURITY STANDARDS

Cyber security has been a major area of concern globally. In this respect, we continue to place emphasis and vigilance in this area.

In order to ensure that our systems and information are secured, we have invested and set in place adequate IT security tools and mechanisms to enhance our cyber resilience capabilities to anticipate, withstand, contain and rapidly recover from a cyber incident with the objective of limiting the escalating risks that cyber threats pose to both our company and the broader capital market. The tools and mechanisms are reviewed and assessed to observe with the Guidance on Cyber Resilience for Financial Market Infrastructures issued by IOSCO as well as to comply with the Guidelines on Management of Cyber Risk issued by the SC Malaysia. We apply a certified Information Security Management System (ISMS), MS ISO/ IEC 27001:2013.

Our Security Operations Centre provides 24/7 monitoring of internet related devices covering a number of event types:

- Events or incident notifications of any suspicious attempts to access our network;
- Requests for information on activity that may be suspicious;
- Security device notifications sent to Bursa Malaysia to alert on issues with device.

In total, 177 events were detected during 2016, but led to no security breaches. Overall the risk level over the period is classified as LOW with zero breaches recorded.

In 2015, we embarked on several initiatives to enhance awareness and the management of cyber threats within the trading community. Continuing this focus in 2016 our progress includes:

- Various efforts to drive awareness on cyber security among intermediaries including carrying out targeted review/ inspections, engagements, issuance of guidance note and industry communications, as well as conducting industry advocacy programmes;
- Revision of the existing IT Security Standards (ITSS) for the industry to be more principle-based and intended to serve as a guide to brokers in adopting and embracing principles and best practices which are benchmarked against international standards, namely ISO 27001.

We aim for 100% service availability and uptime as this is a critical performance factor. Going forward, technology also plays a significant role in our aspiration to attain developed exchange capability in the near future. This is driven by our three strategic themes:

### 1. Accessibility to ASEAN and Global

We plan to enhance the current technology infrastructure to be more robust and cost effective. We will make use of mobile services to enrich the investor experience. For cross border activities, we will further capitalise and leverage on technological developments to improve connectivity with partner exchanges. To reach out to our markets and new customers we will adopt the internet and cloud services.

# Technology

In order to develop Application Programming Interfaces (APIs) and mobile applications, we will look for partnership with Financial Technology (FinTech) companies. Social media will be used to engage with our investors.

## 2. Adopt Innovative Technology

Innovation in technology is key for the growth of new business services. The focus is on building an information rich organisation, the efficient managing of processes end to end, managing risk via integrated risk framework industry wide, facilitating exciting trading experiences and having in place a robust and adaptive infrastructure to support the capital market business of the near future. Big Data Analytics and Artificial Intelligence capabilities can be harnessed to enable an information rich organisation. End to end processing or Straight Through Processing (STP) can be further enhanced through the use of blockchain and digitilisation. Introducing tick data for algorithmic trading and cross market trading platform between securities and derivatives is one of the areas where innovative technology can be applied. Potential areas that offer innovation are to explore partnerships with FinTech companies to expand new capabilities, and to explore the potential to improve accessibility, efficiency, security and quality of exchange services.

## 3. Sustainable 100% Service Availability and Relevance

To realise this strategic objective, we need to ensure that systems are kept up to date and that standards and best practices are adopted to manage and support systems and services. In addition, the infrastructure environment must be managed effectively and good governance adopted for optimum control. Some of the key components to deliver on this objective are Pro-active Monitoring and Automated Recovery Mechanisms, Mature Process Model to deliver a high standard of service management and delivery and Mature Security Management to deliver a high standard of security governance and practices.

The landscape is continuously evolving and the exchange needs to keep abreast of developments and leverage new, innovative and disruptive technology to spearhead its aspiration to achieve developed exchange status.



# Talent

## THE IMPORTANCE OF TALENT

[GRI103-1]

Seeking only the best, we are made up of people with vast degree of experience and industry background. Building capability is key, hence we proactively provide opportunities for growth and development for the talent in the organisation through targeted development plans and succession planning. Ensuring our long term sustainability, we continuously invest more time and effort in recruiting across all our operations (internal and external), upskilling, engaging and rewarding the organisation accordingly. This is not compromised.

## OUR APPROACH TO TALENT

[GRI103-2]

Our talent management process is guided by our Talent Management Framework and our Recruitment and Learning & Development policies. We also have in place a Talent Council that monitors and provides guidance on the implementation of all talent initiatives, mainly focusing on talent development and retention.

It is our Human Resources Division is responsible for managing talent within Bursa Malaysia, with oversight given by both the Talent Council and Nomination & Remuneration Committee (NRC) for key management personnel.

Talent management targets are based on an employee development objective of three (3) number of learning days, while Talent management goals focus on talent readiness level and succession ratio.

The performance of our management is evaluated through three levels of employee development measurements to gauge the effectiveness of the training conducted and the application on the job. Measurements include multi-dimensional assessments to identify areas of development for individuals, and their potential and readiness levels. The results from the assessment are presented to Senior Management, our Talent Council, and the NRC for their feedback and guidance.

In cultivating a learning culture, initiatives on change focusing on creating awareness and supporting the employees on continuous development of competencies.

To ensure that we have a healthy pipeline, a yearly review is also conducted on the readiness state of our succession pool and presented to the Talent Council and NRC for agreement. It is important to emphasise that our Talent Council will continue providing consultation and guidance in building the succession pipeline for Bursa Malaysia. With our aspiration to be a High Performance Organisation, we have embarked upon many initiatives including Optimising Organisational Structure for Organisation Effectiveness Project to review and align our structure, processes, people and governance towards steering the exchange to be highly efficient and effective and regionally competitive.

## OUR PEOPLE [GRI102-8]

During 2016 we employed a total of 593 people across our operations. All our staff are employed on a full-time basis as both permanent staff and contract staff. The majority of our employees are based at our Exchange Square Office in Kuala Lumpur, with only one permanent male staff member based at our Labuan office location.

	Employees	Male	Female
Permanent	565	300/53%	265/47%
Temporary (Contract)	28	16/57%	12/43%
<b>Total</b>	<b>593</b>	<b>316/53%</b>	<b>277/47%</b>

We rely on our employees for our operations, and are committed to local employment. Our employees are of diverse backgrounds, the majority of which are Malaysian citizens (99.8%). Our Management Committee, which comprises our top management, are all Malaysian citizens.

Our Group Human Resources Division compiles and updates our employee data monthly and prepares a report for the scheduled meetings of the Management Committee, chaired by the CEO. There were no significant changes in employee numbers during the year.

## Talent

### **FREEDOM OF ASSOCIATION, COLLECTIVE BARGAINING AND LABOUR RELATIONS** [GRI102-41]

Bursa Malaysia recognises the National Union of Commercial Workers (NUCW), which is a trade union of employees registered pursuant to the Trade Unions Act, as the exclusive collective bargaining agency that our eligible employees are members of. All our non-executive employees (96 staff or 16% of our total employees) are governed by the terms of a three-year Collective Agreement (CA). Our previous CA ran out last year and the negotiation going forward is still on-going.

The CA covers elements including working conditions as well as employment policies such as probationary period, discipline, salary structure, bonus, leave, working hours, overtime, rest days, maternity and paternity leave, redundancy, retirement, allowance and medical benefits, among others. It also covers employees' health and safety topics such as hospitalisation, prolonged illness, insurance coverage and compensation for accidents as well as provision of safety helmets for floor marshals.

Written notice of not later than three months shall be provided to employees and the NUCW prior to implementation of significant operational changes that could substantially affect them.

During the year, there was no report received on violation of employees' rights to exercise freedom of association or collective bargaining.

### **CAPACITY BUILDING AND TRAINING** [GRI404-1, 3]

We cultivate a learning culture in the organisation by providing programmes to support accelerated skill development and innovative approaches to learning and development. In addition, our Knowledge Centre is readily available to all staff providing easy access to data and information through the wide range of collection of reference documents, books and publications.

# The Environment

## THE IMPORTANCE OF ENVIRONMENTAL MANAGEMENT

[GRI103-1]

As an Exchange our direct impacts on the environment are limited. Even so, we feel that environmental management is a core pillar of corporate responsibility and we promote good environmental practices among our employees and stakeholders. Though environmental topics were not identified as material to our organisation, in line with our stakeholder expectations we have included our key environmental initiatives and performance within this SR.

## OUR APPROACH TO ENVIRONMENTAL MANAGEMENT

[GRI103-2]

Our environmental initiatives are managed by our Corporate Services Division through our Building Management and Administration departments. We do not currently employ a dedicated Environmental Management System (EMS).

Our focus is on the management of natural resources through our electricity and water usage, as well as the management of our general and scheduled waste. We also track our carbon footprint related to our electricity usage (Scope 2 emissions).

## ENERGY MANAGEMENT AND GREENHOUSE GAS EMISSIONS

[GRI302-1, GRI305-1, 2]

Our annual energy consumption at our Exchange Square head office in Kuala Lumpur has reduced by 13% since 2011<sup>1</sup>. Our energy is sourced solely from the local electricity supply. This reduction is attributable to the various initiatives we have undertaken to reduce our consumption, such as:

- A lighting schedule across key areas in our head office to switch off lights during certain hours of least use.
- Scheduled operation for our lifts to meet passenger demand while maximising energy efficiency
- Using our Building Management System (BMS) to automatically switch on/off all Air Handling Units (AHUs), and optimising hours of operation to meet demand while maximising energy efficiency.
- Coordinating with our building tenants reduce use of the chiller during non-working hours.
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency
- Campaign to remind all staff to switch off the lighting, water dispenser, air conditioning, or other electrical appliances in office and pantry when they are not required.

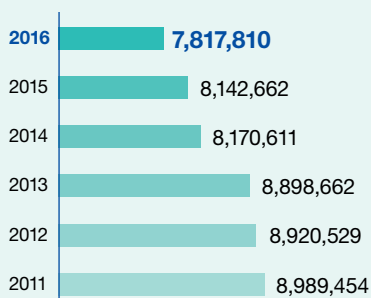
- Daily shut-down of the chiller overnight, and increasing the temperature setting during cool and raining days.

Total energy consumption for our head office in 2016 was 7,817,810kWh (or 28,144.12 GJ). Data from our Labuan office location is not included given the insignificant contribution.

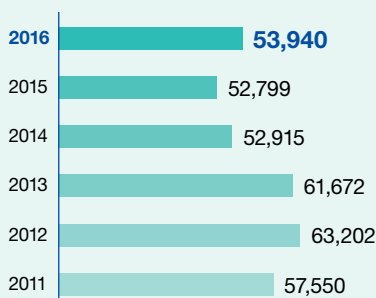
For our Greenhouse Gas (GHG) emissions we calculate and track our indirect energy emissions (Scope 2) at our Exchange Square head office as our electricity usage forms the largest component of our carbon footprint. Our Scope 2 emission is a total of 5,840 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) for 2016<sup>2</sup>. This makes management of our energy use an important factor in reducing our Scope 2 emissions and our overall environmental impact. As we are an exchange and we do not operate a fleet of company vehicles we feel that the monitoring of direct emissions (Scope 1) is not applicable to us.

Further details of our energy consumption and GHG emissions are provided in the EES Performance Data Appendix to this report.

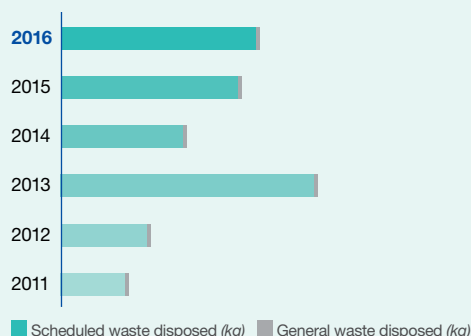
### ELECTRICITY USAGE IN KWH



### VOLUME OF WATER USED IN 2016 (M<sup>3</sup>)



### WASTE DISPOSED



# The Environment

## WATER MANAGEMENT [GRI303-1, 3]

At our Exchange Square head office in Kuala Lumpur we consume water sourced locally from our water utilities supplier Syarikat Bekalan Air Selangor Sdn Bhd. In 2016 we purchased a total water volume of 53,940m<sup>3</sup>, equating to 14.65% reduction in purchased water since we first started recording our usage in 2011<sup>3</sup>. This reduction is mostly attributable to our water management initiatives:

- Slow the flow. Adjusting water pressure/outflow for toilets, wash basins, pantry, throughout our head office building.
- Seek the Leak. Conducting checks and fixing leaks immediately, where possible.
- Use of surface water. In addition to our purchased water utilities we have also used surface water from a stream in the vicinity for our cooling tower since 2011. This water was also routed to flush toilets on the ground floor of the Exchange Square Annexe. This has also contributed to the reduction in our purchased water usage. We do not currently measure the amount of water used from this source.

Water use from our Labuan office location is not included given the insignificant contribution. No water is reused or recycled at either office location.

## WASTE MANAGEMENT [GRI306-2]

We generate two types of waste in our operations: general waste and scheduled waste. Our scheduled waste makes up a small portion of our overall waste at only 0.08% of the total weight in 2016. This scheduled waste is composed of e-waste<sup>4</sup>, being mostly of fluorescent tubes<sup>5</sup> in 2016 resulting from the completion of our light fitting refurbishment started in 2015. We appoint government-approved waste contractors for removal and disposal of both waste streams. Waste disposal from our Labuan office location is not included given the insignificant contribution. General waste is disposed to landfill at Bukit Tagar via the waste exchange station Taman Lembah Beringin Transfer Station Kuala Lumpur. Schedule waste is disposed of appropriately depending on its composition. For the fluorescent tubes they are collected and taken to a recycling plant at Telok Gong, Klang. At the recycling plant the mercury is removed from the fluorescent tubes, with the remainder of the tube disposed and recycled via a crusher machine.

We aim to reduce our GHG emissions by 0.5% year-on-year going forward from our 2016 baseline, ensuring that we continue to find ways to reduce the impact of our operations on the environment.

**In 2016 we embarked on our '3R' campaign to promote greener office environment. The campaign aims to get full participation and commitment from all Bursa Malaysia's employees in the following activities:**

1. To reduce energy, water and paper consumption by optimising utilisation.
2. To reduce paper consumption by minimising printing/ photocopying or using paper based document such as to print only the final copy, use double sided printing, use scanner or email to share and store documents electronically.
3. To reuse paper to minimise waste by using one sided printed paper for draft documents.
4. To recycle paper/other materials.

<sup>1</sup> Scope includes the whole building with electricity usage by both Bursa Malaysia's staff and tenants

<sup>2</sup> Carbon emissions reported are referenced to the requirements of the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'. The equivalent CO<sub>2</sub> emissions for electricity (Scope 2) are calculated based on conversion factors from the MYCarbon GHG Reporting Guidelines.

<sup>3</sup> Scope includes the whole building with water usage by both Bursa Malaysia's staff and tenants

<sup>4</sup> Code SW110 in the First Schedule, Environmental Quality (Scheduled Wastes) Regulations 2005

<sup>5</sup> Code SW109 in the First Schedule, Environmental Quality (Scheduled Wastes) Regulations 2005, waste containing mercury or its compound

# Our Community

## THE IMPORTANCE OF COMMUNITY [GRI103-1]

Bursa Malaysia's influence on the community is broad. Though such social topics were not identified as material to our organisation, in line with our stakeholder expectations we have included our key community investment initiatives and performance within this SR.

## OUR APPROACH [GRI103-2]

Our initiatives in the community are centred on:

- Enhancing capital market awareness amongst the industry and general public;
- Education as our foundation offers scholarships to students pursuing courses in local universities;
- Employee volunteering and engagement;
- Fundraising to support entrepreneurship and financial literacy development and growth within our community.

Bursa has not yet undertaken any formal community needs assessments or social or environmental impact assessments. The decision to pursue efforts to enhance capital market awareness in the community is driven by our business strategy, where nurturing retail investor participation in the capital markets remains a key business target. The decision to pursue education and employee volunteering activities is driven by our desire to be a responsible corporate citizen contributing to education and serving as a platform for fundraising, employee volunteering and engagement.

These community activities involve our Securities Market, Derivatives Market and Islamic Capital Market business units, employees and external stakeholders. Bursa has not caused or contributed to the areas our community activities seek to address and is not directly linked to these areas through business relationships.

Our Securities Market, Derivatives Market and Islamic Capital Market business units plan, manage and execute all our capital market awareness education programmes for the general public and university students.

Our Internship programme and Skim Latihan 1 Malaysia (SLIM) are planned, managed and executed by our Human Resources Division.

Our foundation, Yayasan Bursa Malaysia, oversees our Yayasan Scholarship Programme, Yayasan Excellence Award and The Bursa Bull Charge. Bursa Malaysia allocates funds annually for our Foundation's activities.

## OUR INITIATIVES [GRI413-1]

We are actively involved in our community through a number of activities. Data around participation rates and number of activities held is available in this section. We do not measure the impact nor set targets for these initiatives.

### Enhancing capital market awareness:

The cornerstone of our efforts to enhance capital market awareness is our BursaMKTPLC website. Together with content partners, Bursa has set up the BursaMKTPLC, an interactive website that supports retail investors by providing basic information and supporting tools to make trading easy. Information is presented in simple, bite-sized pieces using various mediums such as video clips and infographics while tools provide searchable, easy access to relevant research and news.

Our other activities linked to enhancing capital market awareness include:

- Market Awareness Visit, a visit for students centred on the fundamentals of the capital market.
- Bursa Young Investor Club (BYIC), a student group centred on financial literacy and investment knowledge.
- Bursa Investor Education Workshop, a workshop for the general public on financial literacy and investment knowledge.
- Bursa University Day, an event for students on financial literacy and investment knowledge.

Initiative	Measure	2015	2016
Market Awareness Visit	No. of students involved	3,275	2,904
Bursa Young Investor Club	No. of students involved	1,823	2,549
Bursa Investor Education Workshop	No. of participants	1,514	5,387
Bursa University Day	No. of students involved	637	554

## Our Community

### Education:

We believe contributing to education is a mark of a responsible corporate citizen and we have done so predominantly through:

- Skim Latihan 1 Malaysia (SLIM), a training course for unemployed graduates.
- Internship Programme, a programme where undergraduates are attached to various departments in Bursa.
- Yayasan Excellence Award, an award given to employee's children who have performed well in school.
- Yayasan Scholarship Programme, a programme assisting students from challenging backgrounds to pursue undergraduate studies at local universities.

Initiative	Measure	2015	2016
Yayasan Scholarship Programme	No. of students in the programme	26	19
Yayasan Excellence Award <sup>6</sup>	No. of recipients	32	29
Internship Programme	No. of students trained	10	23
Skim Latihan 1 Malaysia (SL1M)	No. of graduates trained	11	13

### Employee volunteering and engagement

Our employees are a key resource and important stakeholder to us.

We have engaged with our employees in the following ways:

- CEO Conversation, an activity where the CEO meets and shares new developments at Bursa Malaysia with employees
- Wellness campaign, a campaign to promote employee wellness
- Employee volunteering, facilitated opportunities for employees to participate in community work

Initiative	Measure	2015	2016
CEO Conversation	No. of sessions conducted	2	2
Wellness Campaign	No. of campaigns conducted	2	2
Employee Volunteering <sup>7</sup>	No. of employees	596	120
	No. of volunteer hours on company time	3,462	1,718

### Fundraising

We believe general contributions to charity is a mark of a responsible corporate citizen and we organise an annual charity run to raise funds for this purpose.

Our flagship Bursa Bull Charge (previously known as The Edge-Bursa Malaysia Kuala Lumpur Rat Race from 2000 – 2013) raised a total of 2.2 million RM in 2016 for 37 beneficiary organisations.

Initiative	Measure	2015	2016
The Bursa Bull Charge	Donation raised (RM million)	1.8	2.2
	No. participating companies	179	217
	No. of runners	1800	2022
	No. of beneficiary organisations	28	37
	Cumulative amount raised including Rat Race (RM)	20.3	22.5
	Cumulative number of beneficiaries including from Rat Race	232	289

<sup>6</sup> The Scholarship Programme for 2016 has been deferred pending review of the programme structure. The reduction in the number of students in 2015 and 2016 is due to 7 students who completed their studies

<sup>7</sup> Volunteering work organized and initiated by the Community Investment Department (e.g. Bull Charge 2016)

# Appendix: Economic, Environmental and Social Performance Data

## KEY ECONOMIC PERFORMANCE INDICATORS

Initiative	Objective	Measure	Achievement
Analysis of CG Disclosure	Provide feedback to listed issuers for improvement	No. of listed issuers analysed	435 listed issuers analysed
Advocacy Programme	Improve standards of CG practices and disclosures	No. of directors and practitioners who participated	2,441 directors and practitioners participated CG programmes 824 directors and practitioners participated sustainability programmes
ESG Engagement Programme	Improve listed issuers CG and sustainability practices	No. of listed issuers engaged	200 listed issuers engaged through seminars and workshops focused on Bursa's Sustainability Framework
FTSE4Good Bursa Malaysia (F4GBM) Index	Improve listed issuers CG and sustainability practices	No. of index constituents	2016: 42 constituents 2015: 34 constituents 2014: 25 constituents
		Overall ESG Rating for Top 200 companies	2016: 1.56 of 5.00 2015: 1.39 of 5.00 2014: 1.31 of 5.00
Have Future in Futures with an Option for Options – OKLI Training Seminar	To assist retail participants to make informed decisions and seize market opportunities. Provide opportunity for 3 TPs to promote their broking services	No. of participants	80 participants
China International Oils & Oilseeds Conference 2016	Global visibility & Branding	No. of attendees	882 attendees
Bloomberg Seminar – Palm Oil	Palm Oil Education Seminar, supporting industry and providing a platform for Bloomberg to brief participants on macroeconomics and hedging using palm financial products	No. of participants	40 participants

## KEY ENVIRONMENTAL PERFORMANCE INDICATORS

Initiative	Objective	Measure	2012	2013	2014	2015	2016
Electricity Usage	Manage our energy usage	Electricity usage (in Kwh)	8,920,529	8,898,662	8,170,611	8,142,662	7,817,810
GHG Emissions	Manage our GHG emissions from electricity usage, business air travel and paper consumption	Electricity usage (in tonnes of CO2 equivalent)	6102	6087	5589	5569	5840
Waste Management	Manage our waste	General waste disposed (kg)	448,975	610,958	491,454	558,486	577,113
		Scheduled waste disposed (kg)	552	684	398	525	447
Water Conservation	Manage our water usage	Water drawn from source (m3)	63,202	61,672	52,915	52,799	53,940

## Appendix: Economic, Environmental and Social Performance Data

### Energy & GHG Emissions

1. Electricity usage is presented for Exchange Square, Kuala Lumpur, for Main Building plus Annexe. Usage figures are for both Bursa Malaysia staff plus total staff of our building tenants.
2. Carbon emissions reported are referenced to the requirements of the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.
3. Scope 2 refers to indirect GHG emissions from consumption of purchased electricity, heat or steam. As Bursa Malaysia does not generate and electricity, heat or steam on-site and does not operate a fleet of vehicles, Scope 1 GHG emissions (direct emissions) are not deemed applicable to our operations.
4. The equivalent CO2 emissions for electricity (Scope 2) were previously based on conversion factors from the 2007 report by Pusat Tenaga Malaysia titled "Study on grid connected electricity baselines in Malaysia". On review of methodology for the current report, data for 2016 are calculated based on conversion factors from the MYCarbon GHG Reporting Guidelines.

### Water

1. We consume water sourced locally from Syarikat Bekalan Air Selangor Sdn Bhd.
2. Water usage is presented for Exchange Square, Kuala Lumpur, for Main Building plus Annexe. Consumption figures are for both Bursa Malaysia staff plus total staff of our building tenants.
3. Water effluent is channelled to a public sewerage tank under Indah Water Konsortium Sdn Bhd.
4. We use water from a stream in the vicinity. This water is routed for use in our cooling tower and to flush toilets on the ground floor of the Annexe. The volume of water sourced from the stream is not yet measured.

### Waste

1. We generate two types of waste in our operation: general waste and scheduled waste (SW110/SW109).
2. The general waste is brought to the waste exchange station Taman Lembah Beringin Transfer Station Kuala Lumpur before final disposal to Bukit Tagar (Landfill). Disposal is via a government-approved party at Pusat Perlupusan Sisa Pepejal, Sanitari Bukit Tagar, Rawang.
3. The scheduled waste, which mainly comprise of e-waste and fluorescent tubes, is disposed of by Tex Cycle (P2) Sdn Bhd, which is a company approved by the Department of Environment under the Ministry of Natural Resources and Environment. The scheduled waste disposed increased in 2015 through to 2016 due to the replacement of the fluorescent tubes to LED lights at the Exchange. The florescent tubes are transported to a recycling plant located in Telok Gong, Klang, where mercury is then removed and the tubes disposed and recycled via crusher machine.

### Our Location

1. We operate within the commercial area of Kuala Lumpur.
2. The land is leased from the Federal Land Commissioner for 99 years.
3. The land is not neighbouring any protected areas, wildlife habitats or areas of high biodiversity value.



## KEY SOCIAL PERFORMANCE INDICATORS

### Workplace

Year	2012	2013	2014	2015	2016
<b>Employment</b>					
Total Headcount	584	614	606	596	593
<b>Breakdown of headcount</b>					
a) Top management					
– Local	7	7	8	8	11
– Foreign	1	1	1	0	0
Total	8	8	9	8	11
b) Employee					
– Local	574	604	596	587	581
– Foreign	2	2	1	1	1
Total	576	606	597	588	582
<b>New Hires</b>					
Malaysian	64	89	41	55	45
Foreign nationals	0	0	0	0	0
Total	64	89	41	55	45
<b>New Hires by Age Group</b>					
a) Under 30	n/a	n/a	n/a	n/a	18
b) 30-50	n/a	n/a	n/a	n/a	27
c) Over 50	n/a	n/a	n/a	n/a	0
Total	0	0	0	0	45
<b>Attrition by Age Group</b>					
a) Under 30	n/a	n/a	n/a	n/a	8
b) 30-50	n/a	n/a	n/a	n/a	35
c) Over 50	n/a	n/a	n/a	n/a	5
Total	0	0	0	0	48
<b>Attrition Rate (%)</b>					
Total employee	13.5	9.2	8.0	11.0	8.8
Industry	18	8.8	9.3	13	12.5
<b>Employees Age Group</b>					
a) Under 30	69	97	75	71	62
b) 30-50	474	457	456	433	417
c) Over 50	41	60	75	92	114
Total	584	614	606	596	593
<b>Employment Contract</b>					
a) Permanent	543	582	574	568	565
b) Contract (temporary)	41	32	32	28	28
Total	584	614	606	596	593
<b>Employees in the National Union of Commercial Workers (NUCW)</b>					
a) Number of employees	101	69	97	64	56
b) Percentage of total employees	17.3	11.2	16	11	9.4
<b>Parental Leave</b>					
a) Male	9	13	7	9	18
b) Female	3	9	8	5	4
Total	12	22	15	14	22

Year	2012	2013	2014	2015	2016
<b>No of Employees Returned to Work after Parental Leave</b>					
a) Male	9	13	7	9	18
b) Female	3	9	8	5	4
Total	12	22	15	14	22
<b>No of Employees Returned to Work after Parental Leave who were still Employed 12 Months After Their Return to Work</b>					
a) Male	9	13	7	9	18
b) Female	2	9	8	4	4
Total	11	22	15	13	22
<b>Percent of Employees Returned to Work and Retention Rates of Employees Who Took Parental Leave</b>					
a) Male	100	100	100	100	100
b) Female	67	100	100	80	100
<b>Occupational Health &amp; Safety (OSH)</b>					
<b>OSH Committee</b>					
Number of representatives:					
a) Management	5	5	5	6	6
b) Employee	5	5	5	4	4
<b>Percentage of Total Representatives:</b>					
a) Management	50%	50%	50%	60%	60%
b) Employee	50%	50%	50%	40%	40%
<b>Type and Rate of Injury</b>					
a) Lost time injury					
– Male	0	0	0	0	0
– Female	0	0	0	0	0
b) Work-related fatalities					
– Male	0	0	0	0	0
– Female	0	0	0	0	0
<b>Training And Education</b>					
<b>Safety and Health</b>					
a) Total training hours	1,760	59	1,230	1,113	2,962
b) Number of attendees	764	902	141	972	1,766
<b>Skills Management</b>					
a) Total training hours	14,725	3,169	1,895	19,625	17,259
b) Number of attendees	1,532	1,933	461	2,841	3,212
<b>Policies and Procedures</b>					
a) Total training hours	2,172	127	1,230	555	2,739
b) Number of attendees	580	1,417	428	219	597
<b>Percentage of Security Personnel* trained on Bursa Malaysia's Human Rights Policies and Procedures</b>					
a) Male*	n/a	n/a	n/a	n/a	66
b) Female*	n/a	n/a	n/a	n/a	50
* including those sourced from a third party					
<b>Training Hours by Gender</b>					
a) Male	n/a	11,017	11,929	10,841	11,034
b) Female	n/a	10,292	9,869	10,553	11,934
<b>Training Hours by Employee Category</b>					
a) Non-Executive (NE-G1)	2,283	2,144	2,738	3,213	1,789
b) Executive (E10-E8)	12,424	14,503	15,277	5,275	5,663
c) Middle management (E7-E2)	3,799	4,415	3,401	12,395	14,526
d) Top management (A1-E1)	151	248	281	434	950

Year	2012	2013	2014	2015	2016
<b>Percentage of Employees Receiving Regular Performance and Career Development Reviews</b>					
a) By gender					
– Male	100	100	100	100	100
– Female	100	100	100	100	100
b) By employee category					
– Non-Executive	100	100	100	100	100
– Executive (G4-G6)	100	100	100	100	100
– Middle management (G2-G3)	100	100	100	100	100
– Top management (Manco)	100	100	100	100	100
<b>Total Investment in Employee Development</b>					
Total investment (RM million)	1.9	1.6	1.1	2.0	1.4
Average learning days per employee	4.9	5.0	4.2	5.0	4.0
<b>Diversity &amp; Equal Opportunity</b>					
<b>Racial Diversity</b>					
a) Top management (%)					
– Malay	50	38	44	50	64
– Chinese	38	50	44	38	27
– Indian	12	12	12	12	9
– Others	0	0	0	0	0
Total	100	100	100	100	100
b) Employee (%)					
– Malay	60	59	59	60	62
– Chinese	25	28	27	27	27
– Indian	12	12	12	11	10
– Others	3	1	2	2	1
Total	100	100	100	100	100
<b>Gender Diversity</b>					
a) Top management (%)					
– Male	63	50	56	50	36
– Female	37	50	44	50	64
Total	100	100	100	100	100
b) Employee (%)					
– Male	55	55	54	54	54
– Female	45	45	46	46	46
Total	100	100	100	100	100
<b>Gender Diversity by Age Group</b>					
<b>Male</b>					
a) Under 30	n/a	n/a	n/a	n/a	29
b) 30-50	n/a	n/a	n/a	n/a	216
c) Over 50	n/a	n/a	n/a	n/a	71
Total	0	0	0	0	316
<b>Female</b>					
a) Under 30	n/a	n/a	n/a	n/a	33
b) 30-50	n/a	n/a	n/a	n/a	201
c) Over 50	n/a	n/a	n/a	n/a	43
Total	0	0	0	0	277
<b>Others</b>					
a) Disabled	2	2	2	2	2
b) Children	0	0	0	0	0

Year	2012	2013	2014	2015	2016
Note: We provide equal access to people with disabilities in our employment					
<b>Equal Remuneration For Women And Men</b>					
Basic Salary Ratio (% of Total RM Salary Paid to Gender Group)					
a) Male					
– Top management	76	64	59	59	48
– Middle management	58	59	58	51	51
– Executive	51	51	47	46	48
– Non-Executive	64	77	77	78	78
Total	57	55	54	54	52
b) Female					
– Top management	24	36	41	41	52
– Middle management	42	41	42	49	49
– Executive	49	49	53	54	52
– Non-Executive	36	23	23	22	23
Total	43	45	46	46	48
<b>Benefits Provided To Full-Time Employees That Are Not Provided To Temporary Or Part-Time Employees</b>					
a) Life insurance	All benefits provided to both Permanent and Contract (temporary) staff.				
b) Health care					
c) Disability and invalidity coverage					
d) Parental leave					
e) Retirement provision					
f) Stock ownership					
<b>Others</b>					
<b>Employee Engagement Survey</b>					
Response rate (%)	93.4	88.0	98.5	96.3	99.0
Score (%)	68.0	52.0	68.0	75.0	77.0

## Community Performance Indicators

Initiative	Measure	2012	2013	2014	2015	2016
Market Awareness Visit	No. of students involved	2,000	3,343	5,066	3,275	2,904
Bursa Young Investor Club	No. of students involved	n/a	n/a	n/a	1,823	2,549
Bursa Investor Education Workshop	No. of participants	n/a	n/a	n/a	1,514	5,387
Bursa University Day	No. of students involved	n/a	n/a	n/a	637	554
Yayasan Scholarship Programme	No. of students in the programme	17	20	19	26	19
Yayasan Excellence Award <sup>9</sup>	No. of recipients	43	46	55	32	29
Internship Programme	No. of students trained	27	48	68	10	23
Skim Latihan 1 Malaysia (SL1M)	No. of graduates trained	5	4	7	11	13
CEO Conversation	No. of sessions conducted	n/a	2	1	2	2
Wellness Campaign	No. of campaigns conducted	n/a	3	3	2	2
Employee Volunteering <sup>10</sup>	No. of employees	645	614	606	596	120
	No. of volunteer hours (work-time)	2,737	3,937	4,574	3,462	1,718
The Edge-Bursa Malaysia Kuala Lumpur Rat Race ("Rat Race") (2000-2013)	Donation raised (RM million)	2.2	1.8	1.4	1.8	2.2
	No. participating companies	80	67	130	179	217
The Bursa Bull Charge (2014-2016)	No. of teams	148	125	n/a	n/a	n/a
	No. of runners	n/a	n/a	1300	1800	2022
	No. of beneficiaries	26	28	21	28	37
	Cumulative amount raised including Rat Race (RM)	15.3	17.2	18.5	20.3	22.5
	Cumulative number of beneficiaries including from Rat Race	176	204	212	232	289

<sup>9</sup> The Scholarship Programme for 2016 has been deferred pending review of the programme structure. The reduction in the number of students in 2015 and 2016 is due to 7 students who completed their studies

<sup>10</sup> Volunteering work organized and initiated by the Community Investment Department (e.g. Bull Charge 2016)

## GENERAL DISCLOSURES

GRI Standard	Disclosure	Description	Reference
<b>Organisational profile</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About Bursa Malaysia
	102-2	Activities, brands, products, and services	About Bursa Malaysia
	102-3	Location of headquarters	About Bursa Malaysia
	102-4	Location of operations	About Bursa Malaysia
	102-5	Ownership and legal form	About Bursa Malaysia
	102-6	Markets served	About Bursa Malaysia
	102-7	Scale of the organisation	About Bursa Malaysia
	102-8	Information on employees and other workers	About Bursa Malaysia
	102-9	Supply chain	About Bursa Malaysia
	102-10	Significant changes to the organisation and its supply chain	About Bursa Malaysia
	102-11	Precautionary principle and approach	About Bursa Malaysia
	102-12	External initiatives	About Bursa Malaysia
	102-13	Membership of associations	About Bursa Malaysia
<b>Strategy</b>			
GRI 102: General Disclosures 2016	102-14	Statement from the most senior decision-maker of the organisation	About Bursa Malaysia
<b>Ethics and integrity</b>			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	About Bursa Malaysia
<b>Governance</b>			
GRI 102: General Disclosures 2016	102-18	Governance structure	About Bursa Malaysia
<b>Stakeholder engagement</b>			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Sustainability at Bursa Malaysia
	102-41	Collective bargaining agreements	Sustainability at Bursa Malaysia
	102-42	Identifying and selecting stakeholders	Sustainability at Bursa Malaysia
	102-43	Approach to stakeholder engagement	Sustainability at Bursa Malaysia
	102-44	Key topics and concerns raised	Sustainability at Bursa Malaysia
<b>Reporting practice</b>			
GRI 102: General Disclosures 2016	102-45	Entities included in the organisation's consolidated financial statements	Sustainability at Bursa Malaysia
	102-46	Defining report content and topic Boundaries	Sustainability at Bursa Malaysia
	102-47	List of material topics	Sustainability at Bursa Malaysia
	102-48	Restatements of information	Sustainability at Bursa Malaysia
	102-49	Changes in reporting	Sustainability at Bursa Malaysia
	102-50	Reporting period	Sustainability at Bursa Malaysia
	102-51	Date of most recent report	Sustainability Report 2015 'Driving Sustainability and Inclusiveness'
	102-52	Reporting cycle	Sustainability at Bursa Malaysia
	102-53	Contact point for questions regarding the report	Sustainability at Bursa Malaysia
	102-54	Claims of reporting in accordance with the GRI Standards	Sustainability at Bursa Malaysia

GRI Standard	Disclosure	Description	Reference
	102-55	GRI content index	Sustainability at Bursa Malaysia
	102-56	External assurance	Sustainability at Bursa Malaysia

## MATERIAL TOPICS

### Market integrity & stability

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Market integrity & stability
	103-2	The management approach and its components	Market integrity & stability
	103-3	Evaluation of the management approach	Market integrity & stability
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulation in the social and economic area	Market integrity & stability
Non-GRI	N/A	Corporate governance performance of listed issuers	Market integrity & stability
Non-GRI	N/A	Corporate governance performance in independent rankings and benchmarks	Market integrity & stability

### Competition

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Competition
	103-2	The management approach and its components	Competition
	103-3	Evaluation of the management approach	Competition
Non-GRI	N/A	Benchmarking and peer comparison	Competition

### Technology

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Technology
	103-2	The management approach and its components	Technology
	103-3	Evaluation of the management approach	Technology
Non-GRI	N/A	Annual percentage downtime of service	Technology
Non-GRI	N/A	Total number of identified digital attacks or digital security breach incidents	Technology

### Talent

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Talent
	103-2	The management approach and its components	Talent
	103-3	Evaluation of the management approach	Talent
GRI 401: Employment and decent work 2016	401-1	New employee hires and employee turnover	Not available
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not available
	401-3	Parental leave	Not available
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Not available
GRI 202: Market presence 2016	202-2	Proportion of senior management hired from the local community	Talent; Economy, Environmental and Social (EES) Performance Data

## GRI Index [GRI 102-55]

GRI Standard	Disclosure	Description	Reference
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Talent; EES Performance Data
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent; EES Performance Data

### OTHER DISCLOSURES

#### Environment

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	The Environment; EES Performance Data
	103-2	The management approach and its components	The Environment; EES Performance Data
	103-3	Evaluation of the management approach	The Environment; EES Performance Data
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	The Environment; EES Performance Data
GRI 303: Water 2016	303-1	Water withdrawal by source	The Environment; EES Performance Data
	303-3	Water reused and recycled	The Environment; EES Performance Data
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	The Environment; EES Performance Data
	305-2	Energy indirect (Scope 2) GHG emissions	The Environment; EES Performance Data
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	The Environment; EES Performance Data

#### Community

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Our Community
	103-2	The management approach and its components	Our Community
	103-3	Evaluation of the management approach	Our Community
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Our Community
Non-GRI	N/A	Key community initiatives undertaken and impact	Our Community







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