



CREATING OPPORTUNITIES, GROWING VALUE

Sustainability Report 2019



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The minimalist cover design for our Sustainability Report 2019 is intended to convey a sense of clarity of purpose and focus for Bursa Malaysia. It is also to showcase our iconic building at Bukit Kewangan which is situated in the Central Business District of the Kuala Lumpur City Centre. The rendition symbolises stability, longevity, continuity for the Malaysian capital market and strengths that we continue to drive towards our aspirations of always “Creating Opportunities, Growing Value”.

ABOUT THIS REPORT

This Sustainability Report 2019 marks our ninth report since 2011 to illustrate the progress of our sustainability journey. We began reporting on sustainability within our annual report in 2006. As part of our commitment to improve our reporting process each year, the report reflects our continuous efforts to streamline the way we communicate with our stakeholders by providing concise, relevant and useful information to help meet their needs.

Bursa Malaysia Berhad’s (Bursa Malaysia or the Exchange) Sustainability Report 2019 is published alongside our Integrated Annual Report 2019, which is available [online](#).

Reporting Standards

This report has been prepared in accordance with the framework and guidance provided by the Global Reporting Initiative (GRI) Standards: Core option, as in previous years. This report also meets the GRI principles for defining report content:

- **Stakeholder Inclusiveness:** Being responsive to stakeholder expectations and interests;
- **Sustainability Context:** Presenting performance in the wider context of sustainability;
- **Materiality:** Focusing on issues in which we can create the most impact, and which are of critical importance to our business and stakeholders; and
- **Completeness:** Including all information that are of significant economic, environmental and social impact to enable stakeholders to assess our performance.

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The report content also adheres to Bursa Malaysia Securities Berhad Main Market Listing Requirements, and the criteria for the FTSE4Good Bursa Malaysia (F4GBM) Index.

Reporting Scope and Boundaries

This report covers the economic, environmental and social performance across all our entities and operations in Malaysia from 1 January to 31 December 2019, unless otherwise stated.

To better manage and communicate our sustainability agenda, we validated and updated our Material Matters in 2019, which are outlined on pages 72 to 75. All Material Matters and corresponding topic boundaries within the reporting period have been covered in this report.

There were no significant changes to our operations and supply chain during the financial year. In this year's report, we have restated our carbon emissions data for the past 2 years (2018 and 2017) to include additional emission sources and to reflect the latest available emission factors. We have also restated our total investment in employee development for the year 2018 to reflect the actual utilisation amount.

Assurance

The data included in this report has undergone a rigorous review as part of the internal assurance process conducted by our internal audit team and reviewed by Bursa Malaysia's Audit Committee. The objective of this approach is to ensure accuracy and integrity of the data disclosed. We aim to obtain external assurance of our Sustainability Report in the coming years.

Contact Us

We welcome feedback and suggestions from our stakeholders on this report. Please provide any comments or queries by contacting:

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This report is available online at:

https://bursa.listedcompany.com/iar_2019.html

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

Bursa Malaysia plays a pivotal role in the Malaysian economy, facilitating growth and investment. This creates jobs, supports businesses, and generates wealth over time. Sustainability is crucial for this positive cycle to work. It ensures that the value created by the capital market is both lasting and inclusive for various stakeholders.



Looking back on the year under review, there have been both challenges and successes for the Malaysian capital market. Going into 2019, our focus was to strengthen the fundamentals that underpin our business and the capital market. We made progress in fostering sustainable business practices in the marketplace through our roles as a market operator and regulator. We are always mindful that we have a responsibility to lead by example, embedding sustainable practices across our own business and reporting on this transparently.

While the details of our sustainability approach and performance are available in the chapters of this report, I would like to highlight some of the key challenges and achievements from the year to our stakeholders.

MARKET OVERVIEW

In 2019, both the global and domestic economies faced headwinds. Geopolitical instability resulted in slower global economic growth, lower corporate earnings by some of our Public Listed Companies (PLCs), and subdued interest by investors. This naturally impacted the performance of the Malaysian capital market.

Nonetheless, we remain committed to enhancing our competitiveness and building the long-term attractiveness of the Malaysian capital market. This year, we continued to work towards improving the capital market ecosystem as well as growing our product offering to meet investors' evolving needs. Technology and innovation have been central to our approach in developing the market.

For more detailed information on the capital market performance, please refer to pages 17 to 28 of this report, or our Integrated Annual Report 2019.

A FOCUS ON EDUCATION

Education is an area of focus for Bursa Malaysia. It is our primary approach in raising standards among PLCs and intermediaries. Education also helps to create awareness and engage investors from various segments.

We continued to help PLCs understand changes to the Listing Requirements, as well as strengthen their practices and disclosures. In 2019, our education or advocacy efforts for PLCs were attended by more than 3,000 participants, covering a number of topics, including anti-corruption and climate action, which included the recommendations put forward by the Task Force on Climate-related Financial Disclosures (TCFD). Both of these topics will be elaborated further in this statement.

Another tool in our approach to education in the marketplace is **BURSASUSTAIN**. This is our online one-stop knowledge portal for PLCs, investors and other stakeholders. It provides an overview, guidance and updates on sustainability, Corporate Governance (CG) and responsible investment. We strived to deliver relevant and engaging content on **BURSASUSTAIN**. In 2019, we saw a 16% increase in average monthly page views.

We have also been focused on continuously growing our investor base, through various education initiatives and platforms. Various investor education initiatives were implemented in 2019, which included enhancing our BursaMKTPLC platform and launching the 'Mirror, Learn & Trade', a first-of-its-kind virtual education programme. As a result of the various efforts targeted at retail investors, we have seen retail participation grow to 24.5%¹ during the year, the highest level in the last 5 years.

Beyond raising the investment know-how of current retail investors, we also set out to educate the next generation of future investors. A customised financial literacy programme was delivered in partnership with Vision to Transform across 23 schools in the Klang Valley and Sarawak. The programme benefited over 2,000 students. The programme teaches the fundamentals of financial management through a structured syllabus. The aim was to ensure students are equipped with the skills to successfully manage their finances in the future.

¹ Based on Total Market Value Traded.

WALKING THE TALK ON ANTI-CORRUPTION

Bursa Malaysia recognises that corruption erodes value. It has a very real cost to business and society. Sound anti-corruption measures enhance business competitiveness as well as the integrity and attractiveness of the capital market.

In line with the National Anti-Corruption Plan 2019-2023 (NACP) launched by the Prime Minister of Malaysia on 29 January 2019 and the new corporate liability provision in section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, we made key amendments to the Main Market and ACE Market Listing Requirements. Taking effect on 1 June 2020, the amendments seek to strengthen PLCs' governance practices and ethical behaviour. They require PLCs to implement policies and procedures on anti-corruption and whistleblowing, to prevent corrupt practices.

In 2019, complementing these changes, we organised six awareness sessions on the new provision, which were attended by over 600 participants. The sessions, conducted in collaboration with the Securities Commission Malaysia (SC) and the MACC, were attended by directors, company secretaries and other practitioners from PLCs. The aim was to strengthen institutional processes, and prevent, detect and manage bribery and corruption in all forms.

Strengthening our company's own ethical framework, Bursa Malaysia established an internal Corporate Integrity Task Force. This task force will spearhead initiatives to enhance our anti-corruption framework and develop an Organisational Anti-Corruption Plan (OACP). This includes a robust review of our internal policies and processes that are related to fraud, bribery and corruption to ensure we are aligned with market best practices and principles of good governance.

CLIMATE ACTION

The threat of climate change is one of the world's pressing challenges. It is clear that urgent and collective action is needed to accelerate the transition to a low carbon economy.

Global capital markets and investors are becoming increasingly sensitive towards climate change risks. In this regard, we are committed to supporting the recommendations put forward by the TCFD. Our aim is to raise awareness among PLCs on the importance of taking action to mitigate climate change.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

In 2019, Bursa Malaysia became a member of the Joint Committee on Climate Change (JC3), which is co-chaired by the SC and Bank Negara Malaysia. As a member of JC3, we chair a sub-committee on governance and disclosure. This sub-committee is tasked to explore ways to improve financial institutions' governance and disclosure practices relating to climate change. During the year, we also collaborated with Carbon Trust UK to organise two thematic workshops on TCFD for PLCs in both the financial and non-financial sectors.

Internally, we have established a Climate Action Task Force to co-ordinate our own efforts as a PLC. The task force is responsible for managing and disclosing Bursa Malaysia's climate-related risks in line with the TCFD recommendations.

CHAMPIONING GENDER EQUALITY

At Bursa Malaysia, we value diversity in all its forms. In particular, we believe gender equality within the workplace is vital for us to build a high-performance organisation. We strive to foster an inclusive and gender-balanced workforce, as well as develop family-friendly policies. We believe this is of benefit both to Bursa Malaysia and our employees. I am proud that we have strong female representation across all levels of management. As at 31 January 2020, women with diverse skillsets make up 50% of our Board. We also began tracking additional gender metrics this year, including our gender pay ratio, and are pleased to share that these metrics indicate our success in inculcating gender equality at our workplace.

That said, we believe there is always more we can do. On International Women's Day in 2019, I signed the CEO Statement of Support for the Women's Empowerment Principles (WEPs), a joint initiative between UN Women and the UN Global Compact. The WEPs provide guidance to businesses on empowering women. We also took part in the "Ring the Bell for Gender Equality" event, alongside more than 80 other global exchanges to draw attention to the critical role businesses and markets play in advancing gender equality.

MOVING FORWARD

We are satisfied with the progress we have made on our sustainability journey thus far. However, we are cognisant that there is still a lot more to do. Positioning the Malaysian capital market as an attractive place to be in – whether as an investor, working professional, issuer, or other market player – will continue to be a top priority for us. We will continue to inculcate a strong culture of CG and sustainability among market participants through varied approaches to education, advocacy and engagement.

With regards to our own commitment to embed sustainability in our organisation, we will drive continuous improvements, year on year. In 2020, our focus is on becoming more agile and efficient, such that we can better serve the needs of our stakeholders and deliver sustainable returns. Developing a diverse and engaged workforce with the right skillsets will remain at the heart of our priorities going forward. In addition, we will continue to keep an eye on opportunities to further leverage on technology and innovation, such as fintech, blockchain, artificial intelligence and data analytics, to strengthen our capabilities and competitiveness.

I would like to thank all my colleagues for their dedication in enabling Bursa Malaysia to progress in 2019, and for their support of our growth plans going forward. I would also like to express my appreciation to our Chairman and the Board of Directors, for their counsel and guidance. Finally, I look forward to continuing working with all stakeholders on our sustainability journey to deliver better outcomes for the Malaysian market, economy and society.



DATUK MUHAMAD UMAR SWIFT

Chief Executive Officer

PERFORMANCE HIGHLIGHTS

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- Ensuring Market Integrity and Stability 06
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- Leveraging on Technology and Innovation 06
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PERFORMANCE HIGHLIGHTS

ENHANCING COMPETITIVENESS



- ▶ **36.4%** increase in number of new listings¹
- ▶ Total retail participation stood at **24.5%**², a record high in 5 years
- ▶ **71.0%** of FTSE4Good Bursa Malaysia (F4GBM) Index constituents are Shariah-compliant
- ▶ **88,465** members of the public were engaged and educated
- ▶ **563,758** new registered users for 2019 on BursaMKTPCL
- ▶ Migrated to **T+2 settlement cycle** for Securities Market

ENSURING MARKET INTEGRITY AND STABILITY



- ▶ **99.16%** of financial reports were submitted on time by Public Listed Companies (PLCs)
- ▶ **Zero** supervisory breaches among intermediaries

FOSTERING A RESPONSIBLE MARKETPLACE



- ▶ **69** constituents in F4GBM Index (up from 56 in 2018)
- ▶ Enhanced our Main Market and ACE Market Listing Requirements to **Introduce Anti-Corruption and Whistle-Blowing Measures for PLCs**
- ▶ **36.4%** increase in number of new listings on the LEAP Market, ASEAN's first SME-focused financing platform
- ▶ **36,516** members of the public were engaged and educated on Shariah investing via Bursa Malaysia-i

LEVERAGING ON TECHNOLOGY AND INNOVATION



- ▶ Launched **Bursa Anywhere**, a new mobile app for retail investors
- ▶ **Revamped Our Digital Touchpoints**, including our website and BursaMKTPCL (our virtual platform for investors)
- ▶ Completed our **first Blockchain Proof-of-Concept** for Securities Borrowing and Lending market

BUILDING A HIGH-PERFORMANCE ORGANISATION



- ▶ Established the **Corporate Integrity Task Force** to spearhead our efforts towards compliance with the new Corporate Liability Provision (section 17A, MACC Act 2009)
- ▶ Included reporting of **Scope 1 and Scope 3 Greenhouse Gas (GHG) Emissions**
- ▶ Set up the **Climate Action Task Force** to coordinate efforts towards adoption of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- ▶ **50%** of our Board are women (as at 31 January 2020)
- ▶ Announced support for **Women's Empowerment Principles (WEPs)**
- ▶ **Enhanced Reporting on Gender Metrics** to include gender pay ratio, percentage of employees returning to work after parental leave etc.
- ▶ Launched **GO1**, an e-learning platform for employees

¹ Number of new listings covers Initial Public Offerings (IPOs) on the Main, ACE and LEAP Markets as well as listings via introduction.

² Based on Total Market Value Traded.

ABOUT BURSA MALAYSIA

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ABOUT BURSA MALAYSIA

Bursa Malaysia is an exchange holding company incorporated in 1976 and a public listed company since 2005. We operate a vibrant and diverse marketplace in ASEAN, which is one of the fastest growing economic regions in the world.

Today, the Exchange is home to the largest number of Public Listed Companies (PLCs) in ASEAN.¹ Our PLCs are listed across the Main Market, the ACE Market and the LEAP Market.

A fully-integrated exchange, Bursa Malaysia offers a full-suite of products, including Equities, Derivatives, Offshore and Shariah-compliant products, as well as Exchange-Traded Funds (ETFs), Real Estate Investment Trusts (REITs), Structured Warrants (SWs) and Exchange-Traded Bonds and Sukuk (ETBS). We provide a full-range of exchange-related services, including listing, clearing and settlement, depository and offshore listing of Bonds and Sukuk. Our diverse offerings also include our Bursa Suq Al-Sila' (BSAS) Shariah-compliant commodity Murabahah trading platform and provision of market data.

Bursa Malaysia is a global leader in niche markets where we continue to develop innovations and create value for market participants from around the world. Our Bursa Malaysia-*i* platform, for instance, provides end-to-end Shariah-compliant securities trading solution. On the other hand, our BSAS platform facilitates Shariah-compliant liquidity management. In addition, our Crude Palm Oil Futures (FCPO) contracts serve as the global price benchmark for the commodity.

Last but not least, Bursa Malaysia is committed to driving the adoption and integration of sustainable and responsible principles in our marketplace. We introduced our globally-benchmarked FTSE4Good Bursa Malaysia Index in 2014 and amended our listing criteria to require that our PLCs report on their sustainability practices. These initiatives, collectively, have injected greater awareness and practices into our marketplace and transformed it into a more vibrant and attractive destination for global investors.

OUR ROLES

Bursa Malaysia plays a number of different roles in relation to our various stakeholders, as described below:

1

Market Operator:

We facilitate secured and easy access to investment and fundraising by providing reliable and resilient market infrastructure and ensuring accessibility to our products and services.

2

Frontline Market Regulator:

We ensure that our listed issuers and intermediaries meet their regulatory obligations to uphold investor protection, market integrity and stability.

3

Influencer:

We are a standard setter in the areas of corporate governance and sustainability, with the aim of building a strong sustainability culture across the Malaysian capital market and serving as an exemplary model of sound corporate governance to our stakeholders.

4

Shareholder Value Creator:

We build sustainable value for our shareholders through capital preservation and appreciation.

¹ Source: World Federation of Exchanges as at 31 December 2019

OUR PRODUCTS AND SERVICES

Bursa Malaysia is an integrated exchange with diversified, multi-asset class offerings. We provide investors and traders of differing objectives and risk appetites, the opportunities and avenues for dividend, capital appreciation and preservation, as well as hedging opportunities. We are also home to the largest number of PLCs in ASEAN and offer issuers seamless access to raise capital.

The Exchange comprises:

- Main Market for established companies
- ACE Market for companies with growth potential under a sponsor-driven regime
- LEAP Market for emerging small and medium enterprises under an advisor-driven market for sophisticated investors only
- Equity-linked products & bond trading services
- A futures and options exchange
- Shariah-compliant products and services through Bursa Malaysia-*i*
- A Shariah-compliant commodity Murabahah trading platform
- Labuan International Financial Exchange

As an end-to-end facilitator of trading, we also provide:

- Post-trade services
- Technology infrastructure and services to support our market operations
- Information services, including market data and indices, to uplift the visibility of our PLCs and help investors make investment decisions
- BursaMKTPLC, an online platform that provides investors and traders with the information they need to conduct analysis, investing and trading
- BURSASUSTAIN, a one-stop repository of information for corporate governance, sustainability, and responsible investment
- Bursa Anywhere, the first mobile CDS electronic platform in ASEAN

Our comprehensive risk management framework provides safeguard against the material risks and enables our stakeholders to confidently invest, trade and raise funds in our capital market.

OUR MARKETS

As at 31 December 2019



Securities Market

We operate the securities market in Malaysia where investors can participate in the buying and selling of shares on the following markets:

Main Market 772 PLCs	ACE Market 129 PLCs	LEAP Market 28 PLCs
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Together these markets comprise 21 sectors that cover 50 economic activities. Our products include:

724	Structured Warrants	16	ETFs
234	Warrants	1	SPAC
18	REITs*	4	ETBS
8	Foreign Listings	1	Closed-End Fund

Market Capitalisation
RM1.7 trillion



Derivatives Market

We offer 15 derivative products related to equity, financial and commodity.

4 Equity Derivatives	4 Financial Derivatives	7 Commodity Derivatives
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Islamic Capital Market

We offer diverse Shariah-compliant products and services. Our Bursa Malaysia-*i* provides a comprehensive end-to-end Shariah-compliant securities trading solution. Our BSAS platform facilitates Shariah-compliant liquidity management.

Our Shariah-compliant securities are a subset of our Securities Market. These offerings include:

714 <i>i</i> -Stocks	6 <i>i</i> -ETFs	4* <i>i</i> -REITs	4 ETBS
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Offshore

We operate the Labuan International Financial Exchange (LFX) which is based in Labuan. LFX is a full-fledged stock exchange.

USD 20.8 billion
Market Capitalisation

17
Bond Listings

11
Sukuk Listings

* Including one Stapled Securities

DRIVING SUSTAINABLE VALUE CREATION

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DRIVING SUSTAINABLE VALUE CREATION

Bursa Malaysia recognises that it plays a pivotal role in the Malaysian economy. We are committed to supporting inclusive economic growth and sustainable development that create lasting value for market participants – both now and for generations to come.

Bursa Malaysia's Sustainability Journey and Major Milestones



Our Sustainability Journey and Major Milestones:

- 1 **2006:** - Introduced Corporate Social Responsibility (CSR) Framework to Public Listed Companies (PLCs)
- 2 **2007:** - Mandated CSR reporting for PLCs took effect
- 3 **2010:** - Launched the Business Sustainability Programme for PLCs
 - Corporate Sustainability Committee (formerly known as Sustainability Committee) was established
- 4 **2014:** - Launched first FTSE4Good Bursa Malaysia (F4GBM) Index
 - Bursa Malaysia also became a constituent of the Index
- 5 **2015:** - Became a member of the Sustainable Stock Exchanges (SSE) Initiative and the World Federation of Exchanges (WFE) Sustainability Working Group
 - Introduced the Sustainability Reporting Framework for our PLCs (amended relevant Listing Requirements, issued new guide and toolkits)
- 6 **2016:** - Implemented the Sustainability Engagement Series for PLCs

- 7 **2017:** - Established a dedicated Sustainability Department to reinforce our commitment to promoting sustainability
- 8 **2018:** - Launched BURSASUSTAIN, a one-stop knowledge portal to support market participants on Corporate Governance (CG), sustainability and responsible investment
 - Developed our Sustainability Roadmap 2019-2020
 - Became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
 - Enhanced the Sustainability Reporting Framework for our PLCs (amended guide and toolkits)
- 9 **2019:** - Became an official supporter of Women's Empowerment Principles (WEPs)
 - Developed an internal Sustainability Policy to articulate our commitment to sustainability within our business operations and guide employee behaviour and conduct

DRIVING SUSTAINABLE VALUE CREATION

OUR SUSTAINABILITY APPROACH

Sustainability has been a strategic focus for Bursa Malaysia, which supports our vision to be ASEAN's leading, responsible and globally connected marketplace.

We identified five priority areas that are critical to our corporate vision and our role as a stock exchange (Priority Areas). These Priority Areas help us to integrate sustainability, formulate strategies, and in turn, take action.

Within each Priority Area, we manage and report on specific material matters i.e. our Material Matters as listed below.¹

These Material Matters were determined by an assessment that involved internal engagement, as well as a survey of both internal and external stakeholders to gather perspectives. For more information on our materiality assessment process, refer to pages 72 to 75.

Our Priority Areas and Material Matters

<p>ENHANCING COMPETITIVENESS</p>  <p><i>Material Matters:</i></p> <ul style="list-style-type: none"> • Market Competitiveness • Economic Performance • Global Economic Performance and Outlook 	<p>ENSURING MARKET INTEGRITY AND STABILITY</p>  <p><i>Material Matters:</i></p> <ul style="list-style-type: none"> • Market Integrity and Stability (including Investor Confidence) • Education and Advocacy • Customer Privacy • Collaboration and Engagement 	<p>FOSTERING A RESPONSIBLE MARKETPLACE</p>  <p><i>Material Matters:</i></p> <ul style="list-style-type: none"> • Responsible Investment, Products and Services • Environmental, Social and Governance (ESG) Reporting • Anti-Fraud, Bribery and Corruption* • Climate Change (Mitigation and Adaptation)*
<p>LEVERAGING ON TECHNOLOGY AND INNOVATION</p>  <p><i>Material Matters:</i></p> <ul style="list-style-type: none"> • Innovation and Technology Excellence • Cyber Security 	<p>BUILDING A HIGH-PERFORMANCE ORGANISATION</p>  <p><i>Material Matters:</i></p> <ul style="list-style-type: none"> • Employee Diversity, Inclusiveness and Equal Opportunity • Workforce Learning and Development • Occupational Health, Safety and Well-Being • Responsible Resource Management • Anti-Fraud, Bribery and Corruption* • Climate Change (Mitigation and Adaptation)* 	

¹ Our Material Matters are defined as those that are of most importance to Bursa Malaysia, based on our significant economic, environmental, and social impacts and which substantively influence the assessments and decisions of our key stakeholders. They are also determined based on how they impact or are impacted by our value creation activities.

* Indicates that the Material Matter is covered under more than one Priority Area.

OUR SUSTAINABILITY ROADMAP 2019-2020

To build on the foundations that had been established over the last few years, we developed a Sustainability Roadmap in 2018 to drive performance across our sustainability priority areas for 2019 and 2020.

Focusing on five strategies, the Roadmap provides a clear set of objectives for us to measure, track and report our progress. It also details the steps we are taking on our journey to be a leading exchange on sustainability in ASEAN through 24 key initiatives, each with implementation plans.

Two key enablers for the Sustainability Roadmap are:

- Internal and external communications to raise awareness and education.
- Capacity building across Bursa Malaysia and the capital market ecosystem to drive change.

Each strategy is interconnected, addressing several of the Priority Areas and Material Matters that we have identified.

The table below provides a progress update on the key initiatives within our Sustainability Roadmap strategies in 2019. In addition, we continue to implement various initiatives and drive continuous improvements across these strategies.

Strategy	Indicators	Progress in 2019
To elevate the quality of sustainability practices and reporting among PLCs	Growth in constituents of F4GBM Index within the recognised sectors	13 PLCs were added as F4GBM Index constituents in 2019, increasing the total number of constituents to 69.
To champion climate action among PLCs	Growth in PLCs publicly committing to leading global frameworks for climate action	39 PLCs were engaged on the TCFD Recommendations.
To engage and attract investors through sustainable and responsible investment, products and services	Growth in sustainable and responsible investment in PLCs (including Shariah-compliant securities)	Issued a pilot survey to a select group of investors to establish a baseline for sustainable and responsible investment.
To foster financial literacy among the wider society	<ul style="list-style-type: none"> • Improvement in financial literacy knowledge and skills among students • Adoption of improved financial literacy programmes within targeted Malaysian schools 	Conducted a financial literacy programme in 23 schools.
To establish Bursa Malaysia as a sustainable company through best-in-class practices and reporting	Improved internal sustainability practices and disclosure in areas such as climate action, corporate integrity, employee well-being and sustainability reporting	<ul style="list-style-type: none"> • Established the Climate Action Task Force to strengthen Bursa Malaysia's environmental practices and integration of TCFD Recommendations. • Included reporting of Scope 1 and Scope 3 Greenhouse Gas (GHG) Emissions. • Established the Corporate Integrity Task Force to strengthen internal anti-corruption and integrity practices, as well as Bursa Malaysia's corporate disclosures. • Enhanced reporting on gender diversity metrics in the Sustainability Report 2019 to measure effectiveness of workplace policies. • Developed an internal Sustainability Policy to articulate our commitment to sustainability within our business operations and guide employee behaviour and conduct. • Obtained an internal review by our Internal Audit team, of data in our Sustainability Report 2019.

DRIVING SUSTAINABLE VALUE CREATION

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are ‘the blueprint to achieve a better and more sustainable future for all’, addressing the world’s most pressing priorities that require urgent action and solutions by 2030. They were agreed to by 193 United Nations (UN) member states at a historic UN Summit in 2015.

Achieving these goals requires investment in new solutions and working in partnerships across the public sector, private sector and civil society. For financial markets, the SDGs present both risks and opportunities.

Reflecting on our role to operate, regulate, influence and elevate the Malaysian capital market, we have focused our efforts on the SDGs where we can make the biggest contribution to sustainable development.

Our approach is also aligned with the Eleventh Malaysia Plan 2016-2020, which focuses on providing Malaysians with well-being and prosperity.

THE SDGS IN ACTION	
Relevant SDG Target	How Bursa Malaysia is Contributing
 <p>Our efforts focus on contributing to the SDG target 4.6, which relates to achieving literacy for youth and adults</p>	<ul style="list-style-type: none"> • Conducted investor education programmes for close to 37,000 attendees. For further information, refer to page 24. • Joined other World Federation of Exchanges (WFE) members around the globe to “Ring the Bell for Financial Literacy”, in conjunction with the International Organization of Securities Commissions (IOSCO)’s World Investor Week (WIW). The ceremony was used to commence the second edition of the National Investment Debate Challenge, which is a competition designed to stimulate interest, discussion and research among tertiary students, in order to equip them with knowledge on the capital market and to nurture a solid base of investors in the next generation. • Engaged Vision to Transform (V2T) to conduct a financial literacy programme for schools, reaching out to 2,183 students from 23 secondary schools in the Klang Valley and Sarawak. For further information, refer to page 66.
 <p>Our efforts focus on contributing to the SDG target 5.5, which relates to ensuring women’s participation and equal opportunities in the economy</p>	<ul style="list-style-type: none"> • Issued a CEO Statement of Support for the WEPs a joint initiative between UN Women and the UN Global Compact. For further information, refer to page 55. • Continued our participation in the fifth Annual “Ring the Bell for Gender Equality”, a global collaboration involving more than 80 exchanges around the world. For further information, refer to page 43. • Jointly organised the inaugural Women and Investment seminar with the National Council of Women’s Organisations Malaysia (NCWO). The seminar aimed to help women learn about financial planning and investment and encourage them to participate in stock market investing, as well as to attract women entrepreneurs to raise funds from the capital market. For further information, refer to page 43.

THE SDGS IN ACTION	
Relevant SDG Target	How Bursa Malaysia is Contributing
 <p>Our efforts focus on contributing to the SDG target 13.3, which relates to improving education and awareness raising on climate change</p>	<ul style="list-style-type: none"> • Participated in the Joint Committee on Climate Change (JC3) as a member, an initiative led by the Securities Commission Malaysia (SC) and Bank Negara Malaysia to promote the transition to a low-carbon economy. We also chair Sub-Committee 2 on Governance and Disclosure. For further information, refer to page 42. • Set up a Climate Action Task Force to coordinate efforts to improve our environmental performance and reporting – in relation to climate-related risks and opportunities – towards the adoption of the TCFD Recommendations. For further information, refer to page 61. • Included reporting of our Scope 1 and Scope 3 GHG emissions. For further information, refer to page 61.
 <p>Our efforts focus on contributing to the SDG target 16.5, which relates to the reduction of bribery and corruption</p>	<ul style="list-style-type: none"> • Amended the Main and ACE Market Listing Requirements to introduce anti-corruption and whistle-blowing measures for PLCs, as part of our commitment to anti-corruption and in line with the National Anti-Corruption Plan 2019-2023 (NACP). Under the new amendments, PLCs must establish and implement policies and procedures on anti-corruption and whistle-blowing from 1 June 2020 onwards. For further information, refer to page 39. • Conducted regular education and advocacy programmes to strengthen PLCs' practices and disclosures on anti-corruption measures, focusing particularly on the new section 17A, Malaysian Anti-Corruption Commission (MACC) Act 2009. For further information, refer to page 41. • Established the Corporate Integrity Task Force to spearhead our efforts, among others, towards compliance with the new Corporate Liability Provision in section 17A of the MACC Act 2009. For more information, refer to page 54.

SUSTAINABILITY GOVERNANCE

For information about our sustainability governance, refer to our Integrated Annual Report 2019.

ENHANCING COMPETITIVENESS

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ENHANCING COMPETITIVENESS

2019 Key Highlights

36.4%

increase in number
of new listings¹



Total retail participation
stood at

24.5%²

a record high in 5 years



71.0%

of FTSE4Good Bursa Malaysia (F4GBM)
Index constituents are Shariah-compliant



88,465

members of the public were
engaged and educated



563,758

new registered users on BursaMKTPLC



Migrated to **T+2**
settlement cycle

for Securities Market



We aspire to be ASEAN's leading, responsible and globally-connected marketplace. In a challenging and changing economic landscape, embedding sustainability into our approach to build a competitive marketplace is crucial to achieving this aspiration, and becoming the preferred market for fundraising, trading and investment.

The competitiveness of the capital market and our own competitiveness as a Public Listed Company (PLC) are impacted by internal and external factors, both within and outside our control.

The combination of external and internal challenges such as waning global growth, commodity price volatility and ongoing trade tensions affected market performance for most Emerging Markets including Malaysia. On the local front, softer external demand amid trade tensions and weaknesses in global macroeconomic conditions saw local export levels decline. The year also saw bouts of volatility in the Ringgit performance, driven by cautious market sentiments and some non-resident portfolio investment outflows. In 2019, Malaysia's Gross Domestic Product (GDP) expanded by 4.3%, a slower pace as compared to 4.7% growth registered in 2018. These factors, among others, together with our PLCs registering earnings below analysts' estimates affected the trading activity on our capital market.

¹ Number of new listings covers IPOs on the Main, ACE and LEAP Markets as well as listings via introduction.

² Based on Total Market Value Traded.

ENHANCING COMPETITIVENESS

In 2019, our approach to enhancing our competitiveness and building the long-term resilience of the Malaysian capital market continued to be anchored on the key strategies and initiatives laid out in our 2017-2020 Business Plan. It was also premised on our ability to maintain a fair and orderly market, foster a responsible marketplace and build a high-performance organisation. For further information, refer to the chapters on Ensuring Market Integrity and Stability, Fostering a Responsible Marketplace and Building a High-Performance Organisation.

This chapter highlights our efforts and progress across the following four key areas:



Market Snapshot 2019

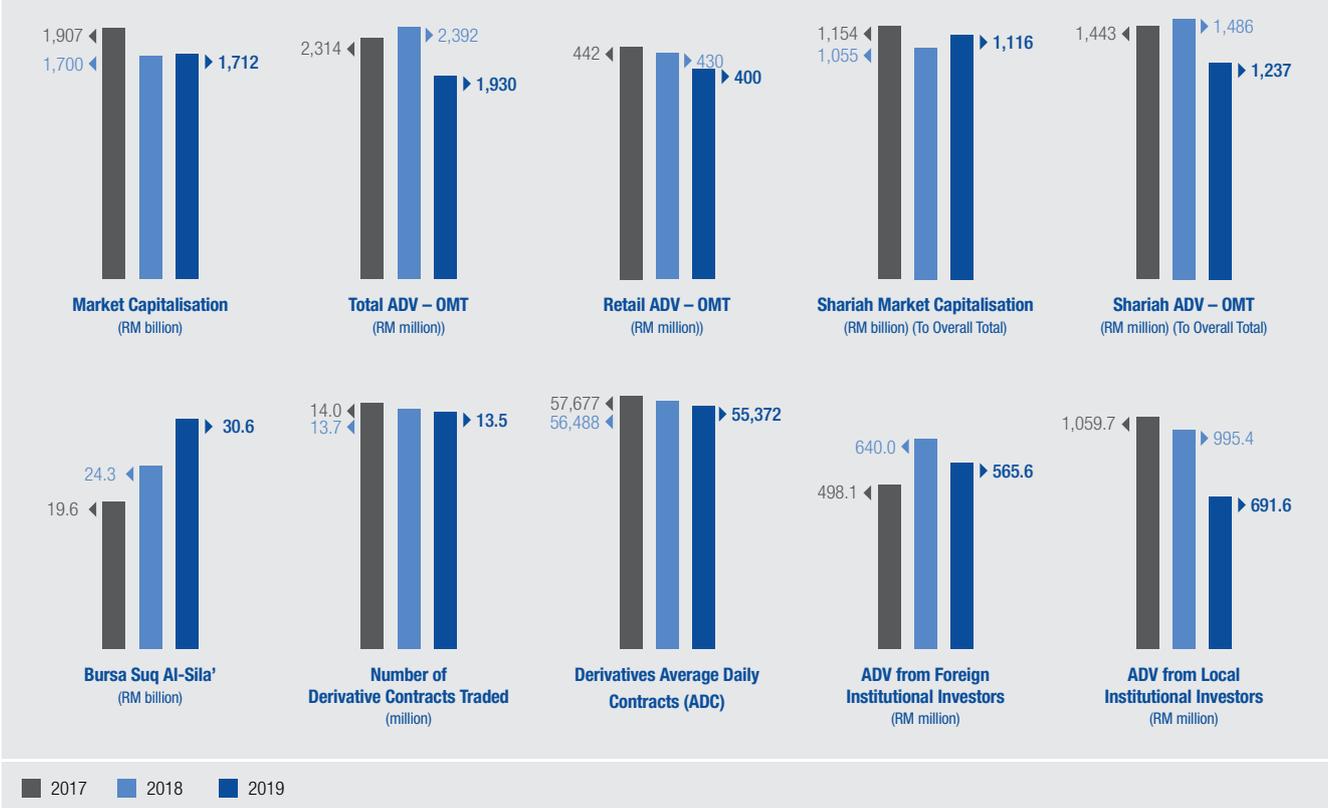
Despite a challenging environment, we have achieved stable performance this year, solidifying our areas of strength and continuing our development of the market through the implementation of our 2017-2020 Business Plan.

In 2019, our Securities Market capitalisation increased slightly by 0.7% to RM1,712 billion while our average daily value (ADV) - On-Market Transactions (OMT) dropped by 19.3% to RM1,930 million. The drop in ADV-OMT was in part due to global and domestic factors.

The Derivatives Market remained resilient despite a challenging start in 2019. The yearly total traded volume declined by a marginal 1.5% at 13.5 million contracts in 2019, compared to 13.7 million contracts in 2018. Global developments such as geopolitical uncertainties, higher import tariffs imposed by India and the palm oil ban by the European Union have impacted the Derivatives Market.

The Islamic Capital Market has seen significant growth in its size over the last 10 years. In 2019, the Shariah market capitalisation stood at RM1,116 billion or 65.2% of the total market capitalisation of RM1,712 billion. The ADV of Shariah-compliant securities traded was recorded at RM1,237 million, which was 64.1% of the overall ADV of RM1,930 million. This is up from 62.1% in 2018, further growing the significant proportion of the overall ADV represented by Shariah-compliant securities. As the leading emerging market exchange that offers a variety of Shariah-compliant securities, there were 714 Shariah-compliant companies (or 76.9%) out of a total of 929 companies listed on Bursa Malaysia.

Key Business Drivers 2017 – 2019



Comparative Performance on ASEAN Indices

2019 saw mixed performance from the markets in the ASEAN region. Global economic growth uncertainties coupled with trade and geopolitical tensions had resulted in market volatility in the ASEAN equity markets where a majority of the markets in the region saw declining activities in terms of ADV and lower velocity.

	Bursa Malaysia	Hanoi Stock Exchange	Ho Chi Minh City Stock Exchange	Indonesia Stock Exchange	Philippine Stock Exchange	Singapore Exchange Limited	Stock Exchange of Thailand
	FBM KLCI Index	VHINDEX Index	VNINDEX Index	JCI Index	PCOMP Index	STI Index	SET Index
2018	1,690.6	104.2	892.5	6,194.5	7,466.0	3,068.8	1,563.9
2019	1588.8	102.5	961.0	6,299.5	7,815.3	3,222.8	1,579.8
Year-on-Year Growth	-6.0%	-1.7%	7.7%	1.7%	4.7%	5.0%	1.0%

The FTSE Bursa Malaysia KLCI (FBMKLCI) performance was weighed down by the underperformance of the Financial sector (-10.6%) which accounted for approximately 35% of the FBMKLCI. The main index's relatively weak performance, however, did not reflect the true performance of our overall market last year as FBM MidS and FBM Small Cap indices recorded robust performance, gained 32.0% and 25.4%, respectively. Similarly, eight out of the 13 sectors recorded positive growth as denoted by the sectorial indices, led by Energy (+51.3%), Construction (+34.3%) and Technology (+29.2%).

Source: Bloomberg

ENHANCING COMPETITIVENESS

INCREASING SECURITIES AND OTHER PRODUCT OFFERINGS

We recognise that not all investors are the same. We need to create a marketplace with a diversity of products that cater to different risk appetites, time horizons and investment strategies. Enhancing existing products and developing new products to meet the changing needs of all our different investor segments remain a strong focus for us. We have detailed some examples below on how we have been increasing securities and other product offerings this year.

Securities Market



Growing Initial Public Offerings (IPOs)

We saw 30 new listings in 2019, which continued a long-term trend of an increasing number of new listings year-on-year. The total funds raised from IPOs also rose year-on-year to RM2.02 billion and the overall IPO market capitalisation increased to RM7.98 billion compared to the previous year.

In 2019, the total number of new listings across all markets represented year-on-year growth of 36.4%.



To ensure a healthy listing pipeline, we have continued our marketing and engagement activities to build awareness and understanding, enhancing our attractiveness as a listing destination. In 2019, we engaged 126 potential issuers through one-on-one engagements and provided them with guidance on how to prepare for listing and comply with the relevant rules.

We have also continued to work with government agencies and industry associations. In 2019, we organised and participated in 26 IPO seminars. For example, we collaborated with the Ministry of Entrepreneur Development and Cooperatives (MEDAC) (formerly known as Ministry of Entrepreneur Development (MED)) to promote listing among Malaysian SMEs to fund their business growth. We also joined forces with the Malaysian Investment Development Authority (MIDA) and PETRONAS to raise awareness among their stakeholders on the benefits of listing on Bursa Malaysia.

Islamic Capital Market



Islamic Capital Market as Our Competitive Advantage

Bursa Malaysia has played an important role in promoting the Islamic Capital Market for over a decade. Delivering Shariah-compliant products and services has long been our unique proposition and competitive advantage.

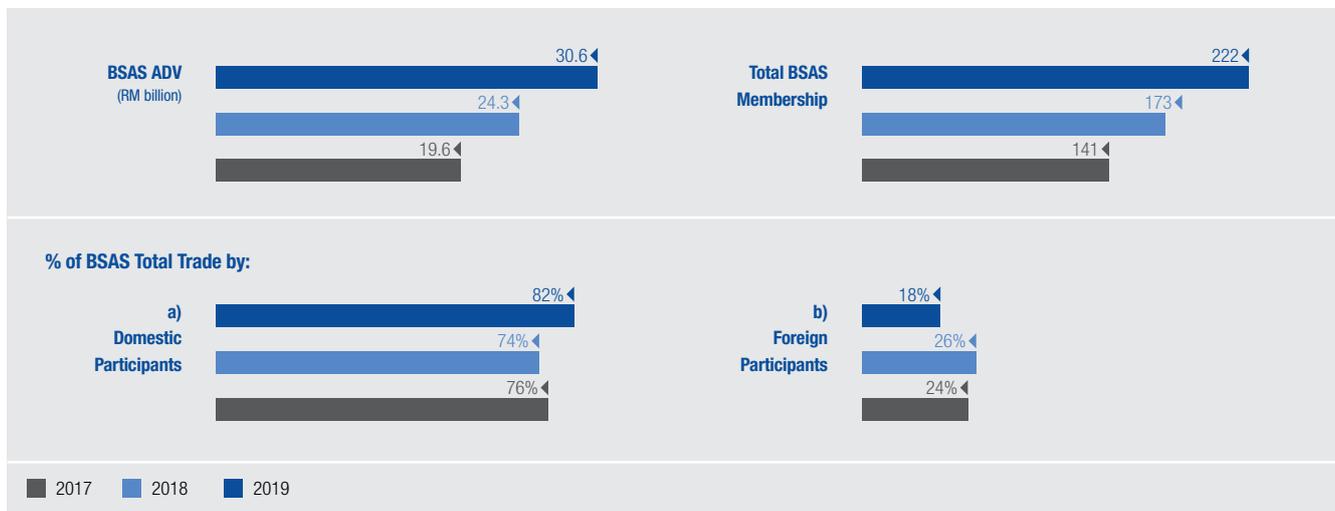
Shariah-compliant investment is an attractive source of value for investors. For example, the FTSE Bursa Malaysia Hijrah Shariah Index, comprising the 30 largest Shariah-compliant PLCs on the FTSE Bursa Malaysia EMAS Index, has risen 26.4% from January 2010 to December 2019, even surpassing the growth of the FBMKLCI. The positive trend is expected to continue on the back of the continuous growth in Islamic funds.

³ Number of new listings covers IPOs on the Main, ACE and LEAP Markets, as well as listings via introduction only

In 2016, Bursa Malaysia-*i* was launched as the world’s first end-to-end Shariah-compliant trading and investing platform. It offers a wide range of Shariah-compliant securities from stocks and Exchange-Traded Funds (ETFs) to Real Estate Investment Trusts (REITs) and Exchange Traded Sukuk for investors to build a multi-asset, diversified Shariah-compliant portfolio. We have continued to leverage on this area of strength and differentiation to broaden and deepen our product offerings.

It is also notable that 71.0% of FTSE4Good Bursa Malaysia (F4GBM) Index constituents were categorised as Shariah-compliant. This highlights a strong link between Shariah-compliant investing and responsible investing.

Furthermore, we continued to see strong performance in Bursa Suq Al-Sila’ (BSAS), our commodity Murabahah trading platform dedicated to facilitate Islamic liquidity management. This year, BSAS recorded an ADV of RM30.6 billion, representing a 25.5% growth from 2018.



New Products and Services

Securities Market



Securities Market

In 2019, Affin Hwang Asset Management Berhad listed six new ETFs, including the first two pairs of leveraged and inverse (L&I) ETFs. Unlike typical ETFs, L&I ETFs are more suitable for short-term positioning and allow investors to make profit in both bullish and bearish markets.

New ETFs Launched in 2019:

Dual Currency ETFs Listed on 28 January 2019	<ul style="list-style-type: none"> Tradeplus S&P New China Tracker – MYR Tradeplus S&P New China Tracker – USD
Four New L&I ETFs Listed on 29 November 2019	<ul style="list-style-type: none"> TradePlus NYSE® FANG+™ Daily (2x) Leveraged Tracker TradePlus NYSE® FANG+™ Daily (-1x) Inverse Tracker TradePlus HSCEI Daily (2x) Leveraged Tracker TradePlus HSCEI Daily (-1x) Inverse Tracker

Derivatives Market



Derivatives Market

We have laid the foundation for several new and revamped derivative products to be launched in 2020. These include:

- Refined Bleached and Deodorised (RBD) Palm Olein Options (OPOL)
 - First Options on Palm Olein, building on the strength of our palm oil related products and complementing the physical palm olein market.
- Relaunch of Single Stock Futures (SSF) contracts
 - The relaunch of SSF is themed towards underlying contracts with high retail participation. Market makers will be onboarded to provide bid and offer prices which will help to boost liquidity.

ENHANCING COMPETITIVENESS

DEVELOPING AND GROWING A DIVERSE INVESTOR BASE

Encouraging diversity of investors is important for a vibrant and competitive marketplace. Our efforts are focused on attracting and engaging a balanced mix of institutional, retail, local and foreign investors.

Our approach to increasing participation from investors is to educate and promote visibility, to ensure that they are aware of the opportunities the market provides, and are well-equipped to make informed investment decisions.

Engaging Institutional Investors

This year, we conducted events and activities to engage institutional investors, across the Securities Market, Derivatives Market and Islamic Capital Market, which are highlighted below.

Securities Market: 	Derivatives Market: 	Islamic Capital Market: 
<ul style="list-style-type: none"> • Conducted 'Invest Malaysia' programmes in Kuala Lumpur and Tokyo to highlight Malaysia's economic resilience, strong institutional foundations and dynamic corporate landscape. • Conducted Mini Corporate Days to promote mid- and small-cap PLCs to institutional investors. • Conducted thematic institutional seminars throughout the year, aimed at highlighting specific sectors to local fund managers and analysts. 	<ul style="list-style-type: none"> • Organised the Palm and Lauric Oils Conference and Exhibition (POC), held from 4 to 6 March 2019. The POC is our annual flagship event that seeks to maintain our world-leading position in Crude Palm Oil Futures (FCPO) and strengthen its position as the global benchmark. It brought together key players in the industry to discuss market trends, current issues and latest price forecasts and also served as a strategic platform for industry professionals to meet potential business clients. The theme of the event was "Manage Uncertainties, Harvest Global Opportunities" and it attracted approximately 2,000 attendees. 	<ul style="list-style-type: none"> • Held one-on-one engagements with 34 local institutional investors such as government-linked investment companies, fund management companies, and insurance/takaful operators to promote Shariah-compliant securities and Shariah investing on Bursa Malaysia-<i>i</i>.

Engaging Retail Investors

In 2019, we also continued our efforts to attract retail investors to our marketplace. As a result, we saw an increase in the retail participation rate in the Malaysian capital market. Retail participation stood at 24.5%⁴ as at end of FY2019, highest since 2014. Retail investors were also net buyers for two consecutive years, posting a net buy of RM2.45 billion despite the challenging market environment in 2019. This indicates a more confident and financially literate retail investor community that is able to take advantage of different market cycles.

Our main engagement activities targeted at retail investors across our Securities Market, Derivatives Market and Islamic Capital Market are highlighted below. Our investor literacy education initiatives are broadly aligned to the National Strategy for Financial Literacy 2019-2023.

Securities Market: 	Derivatives Market: 	Islamic Capital Market: 
<ul style="list-style-type: none"> • Positioned 2019 as the Retail Invest Year, with the theme “Invest Bursa, Invest In You”, and organised a focused and targeted retail centric campaign together with the brokers aimed at encouraging Malaysians to consider share investment as part of their asset allocation. • Implemented strategic direct marketing initiatives, where existing investor relationships were strengthened through a variety of face-to-face and digital campaigns. • Organised the Marketplace Fair@Penang, a one day financial investment fair graced by the Minister of Finance and Chief Minister of Penang, that attracted over 8,000 visitors. • Developed and implemented reward programmes and incentive schemes to encourage retail participation in the market. • Partnered with The Star newspaper for International Women’s Day to facilitate financial literacy programmes to offer women avenues to enhance their financial knowledge. • Increased utilization of digital and social media posts and content directed at new investors and millennials which further widened our audience reach. 	<ul style="list-style-type: none"> • Conducted education programmes for the public to raise awareness on derivatives, as well as to improve the public’s understanding of how derivatives work. • Jointly hosted campaigns with Trading Participants (TPs) where the retail segment was exposed to trading simulations, trading strategies and also given the opportunity to interact directly with TPs. • Delivered events relating to derivatives where we could enhance our branding and visibility to the public, as well as to promote our products to this target segment. 	<ul style="list-style-type: none"> • Delivered our Shariah Investing Programme 2019 Series through seminars, roadshows, workshops, education programmes, and joint initiatives with industry partners both domestically and in Singapore. • Collaborated with the National Council of Women’s Organisations Malaysia to organise “Seminar: Wanita dan Pelaburan” in conjunction with Women’s Day 2019, to support the empowerment of women in achieving stronger financial independence through investment education. This was officiated by Yang Berhormat Puan Hannah Yeoh, the Deputy Minister of Women, Family and Community Development. • Reached out to 2.2 million persons on social media via Twitter, Facebook and Instagram to increase the visibility of Shariah investing and Bursa Malaysia-i platform to grow retail investor awareness and participation and provide timely updates on Shariah investing activities.

⁴ Based on Total Market Value Traded.



Investor Education Programmes

In 2019, our approach to investor education was segmented by different levels, based on the knowledge level of investors:

Investor Education Programmes in 2019

	Examples of Key Programmes	Number of Events	Number of Attendees	Attendees Year-on-Year Growth
Future Investors	<ul style="list-style-type: none"> Conducted market awareness sessions on investment products and services. Facilitated 26 Bursa Young Investor Clubs (BYIC) in local universities, benefitting 4,208 undergraduates in universities across Malaysia. Held the Bursa Malaysia National Investment Debate Challenge to spur interest in investments among students, with a total of 16 teams participating from 12 universities, compared to 8 teams last year. Conducted the inaugural Inter-Varsity Stock Challenge which saw participation from 787 undergraduates from three universities (UTAR Kampar, Taylor's University and Multimedia University) to put into practice what they learnt through a real-time trading environment using virtual money. The students were guided and mentored by three brokers (Affin Hwang Investment Bank Berhad, AmlInvestment Bank Berhad and Public Investment Bank Berhad) during the 3-month period. 	100	10,326	38.40%
Beginners	<ul style="list-style-type: none"> Organised workshops and webinars to provide young, potential and new investors with knowledge on investment opportunities. Provided handholding sessions for new account holders in the form of investment talks that covered an introduction to investment in stocks, including other investment products such as ETF and Exchange Traded Bonds. Led the Edu@Ministries programme to reach out to individuals (potential investors) in government offices, agencies and corporations. 	46	16,403	211.31%
Intermediate/ Existing Investors	<ul style="list-style-type: none"> Conducted workshops and webinars to increase intermediate/ existing investors' capital market literacy levels on a range of relevant topics. Conducted lunch sessions with remisiers/dealers representatives on new products and other market development initiatives. 	31	6,889	-59.69%
Markey Savvy/ Professionals	<ul style="list-style-type: none"> Conducted workshops and webinars to build a pipeline of professional and market savvy investors as well as intermediaries. Conducted workshops and webinars to boost existing investors' capital market literacy levels. 	16	3,380	35.47%



BursaMKTPLC: Our Digital One-stop Portal for Investors

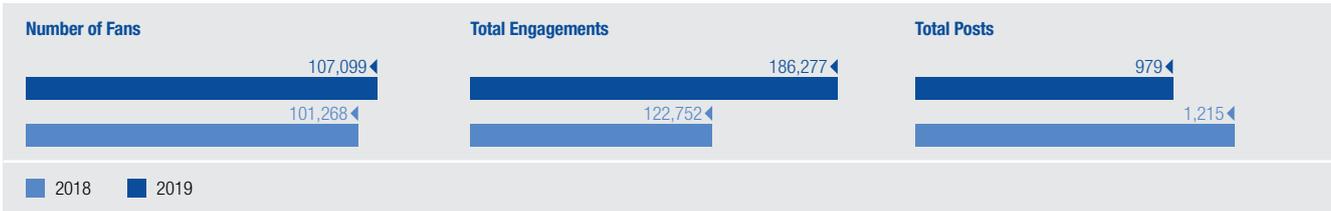
In an age where digital and social media dominate the access to knowledge and news, the BursaMKTPLC platform, created in 2014, has been consistently enhanced and improved to better provide the public with various tools and features to build their investment knowledge and skills.

One such enhancement made in 2019 was the launch of the Mirror, Learn & Trade feature on the platform. A first-of-its-kind virtual education programme in Malaysia, the platform offers the public direct access to licensed and seasoned research analysts who share knowledge on how to strategise and manage a securities portfolio based on real-time market information.

Available online via our website or mobile application, BursaMKTPLC had a total of 693,386 registered users at the end of 2019, an increase of 1,173% year-on-year.

Our social media strategy is an important part of driving engagement for BursaMKTPLC. We continue to use social media platforms such as Facebook, Twitter and Instagram to broadcast our events, share investment knowledge and provide updates on relevant market news.

Growth of BursaMKTPLC Social Media Platforms (Facebook, Twitter, Instagram)



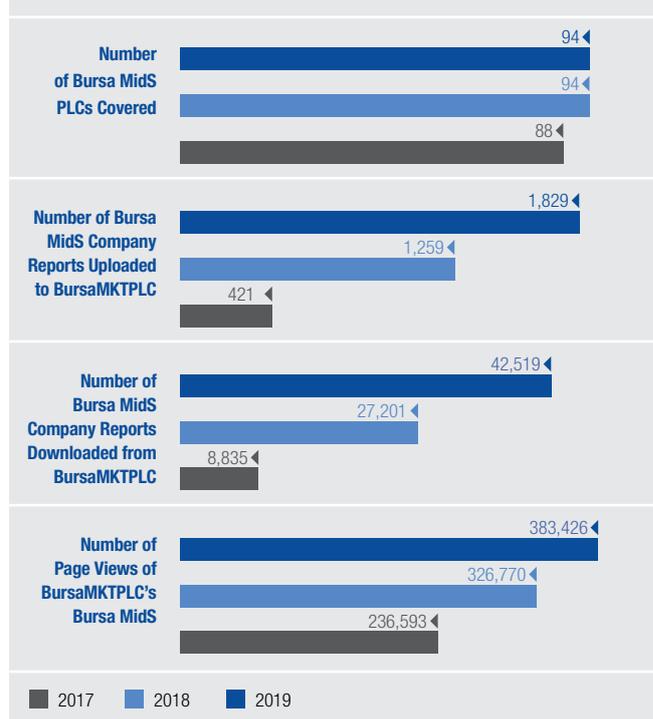
Enabling Investors to Diversify their Investments into Smaller PLCs

Since its launch in 2017, the Mid and Small Cap Research Scheme (Bursa MidS) has provided investors with in-depth analyses of mid- and small-cap PLCs, an important high-growth segment of the market that has historically been under-researched. This helps investors make informed decisions regarding such PLCs to diversify their portfolio.

Mid- and small-cap PLCs are a vital part of the local economy in Malaysia, supporting jobs and livelihoods. For the PLCs included in the Bursa MidS scheme, gaining greater visibility and raising their profile among investors is important to support their future growth.

In 2019, a total of 1,829 research reports on 94 participating PLCs were published on the Bursa MidS webpage on BursaMKTPLC. The number of report downloads and traffic to the Bursa MidS webpage both saw marked increases this year, as highlighted in the table below.

Growth of Bursa MidS



ENHANCING COMPETITIVENESS

IMPROVING AND PROVIDING AN ENABLING ECOSYSTEM

We seek to develop a facilitative marketplace that is attractive to investors and increase the breadth and depth of our market. We continue to focus on improving the ecosystem that underpins this goal.

This year, we undertook several key initiatives, which are highlighted below.

Securities Market



Migration to T+2 Settlement Cycle

On 29 April 2019, we successfully migrated the settlement cycle for the Securities Market from T+3 to T+2. The move towards a shorter settlement cycle is part of our ongoing efforts to reduce counterparty risk, improve operational efficiency and strengthen market competitiveness.

The shorter settlement cycle also aligned the clearing and settlement processes of the Malaysian capital market with those of major global exchanges in the United States, Europe and Asia Pacific, which were already operating on a T+2 settlement cycle.

On 27 September 2019, FTSE Russell recognised Malaysia as having a T+2 settlement cycle in its annual review of the FTSE Quality of Market Assessment Matrix. This recognition provided greater visibility of best practices that we have now implemented under the T+2 settlement cycle.



The launch of T+2 settlement cycle aligns the Exchange with global exchanges around the world, and is part of Bursa Malaysia's ongoing efforts to improve operational efficiency and reduce systemic risk."

Datuk Muhamad Umar Swift

Chief Executive Officer of Bursa Malaysia

Strengthening the Structured Warrant Ecosystem

We have identified structured warrants as one of the key areas with major growth potential within the Malaysian capital market. We are actively working to strengthen the structured warrant ecosystem from both the issuance and regulatory fronts.

In 2019, we continued to provide rebates for initial listing fees of new structured warrants. As a result, we saw 1,105 new structured warrants listed in 2019, a 6.9% increase from 2018. This growth reflects the sustained demand that the market has seen from both retail and institutional investors.

Volatility in the local and international markets also saw growing demand for index warrants. A total of 173 index warrants were issued in 2019, which marks a 23.6% increase from the previous year. The majority of these warrants focused on the FBMKLCI, the Hang Seng Index and the S&P 500 Index.

We have also continued to work actively to remove obstacles to the growth of the structured warrant ecosystem on the regulatory front. In that respect, we are taking measures to facilitate and provide more flexibility for structured warrants market makers to perform their role more effectively.

Intraday Short Selling (IDSS)

We continued to assess measures to boost liquidity in the market this year. We determined that the optimal measures to enhance liquidity under the prevailing market conditions were to expand IDSS and to extend the Volume Based Incentive Programme (VBIP).

Since being introduced in 2018, IDSS has had a visible impact on the Securities Market, accounting for 2.4%, or RM46 million, of total ADV in 2019. The number of Participating Organisations (POs) offering IDSS to their clients rose to 16 in 2019, up from 15 in 2018.

In addition, to boost market liquidity, we are working on increasing the number of securities that can be traded through IDSS.

Volume Based Incentive Programme (VBIP)

To boost market liquidity, we also renewed the VBIP for an additional year, effective from 1 March 2019. The VBIP offers rebates to eligible traders when they trade above a minimum threshold or meet other criteria as defined by Bursa Malaysia.

There are two categories of investors eligible for the VBIP, POs with Investment Account Trader (IVT) accounts and Non-PO Proprietary Trading Firms (PTFs). Trades under the VBIP rose from 9% of total market ADV in 2018, to 11% of total market ADV in 2019, with IVTs and PTFs contributing approximately 9% and 2%, respectively.

Derivatives Market

Revamp of Business Rules

As part of our continuous efforts to enhance operational and business efficiency, we revamped the Rules of Bursa Malaysia Derivatives Berhad (BMD) and Bursa Malaysia Derivatives Clearing Berhad (BMDC) for Trading Participants (TPs) and Clearing Participants (CPs) which became effective from 15 August 2019. For more information on changes to our regulatory framework, refer to page 32.

The primary objective of this exercise was to ensure that the rules governing the Derivatives Market and derivatives clearing remained relevant, efficient and effective without compromising our regulatory objectives.

With the reduced regulatory burden and liberalised regulatory framework, TPs would be able to reduce their cost of doing business. Additionally, both TPs and CPs would be able to leverage on the greater flexibility to manage and operate their business to expand their clientele and trading volumes as well as provide better services to their clients, while strengthening their governance framework and providing better investor protection.

Institutionalising Locals

We continued to encourage professional traders in the Derivatives Market to establish proprietary trading firms in Malaysia under the existing Associate Participants (APs) framework. Our incentives included the waiving of participant fees and streamlining of the application process, giving professional traders particularly Locals (namely, individuals

who trade for themselves) the option to upgrade and expand their business from individual trader capacity, to setting up proprietary trading firms in a streamlined and cost-effective manner.

This concept of institutionalising Locals enables professional traders to come together as owners of a proprietary trading firm, and trade in their collective capacity as APs, to maximise their business opportunities.

Since 2018, the total number of APs established by our Locals has increased to three.

Retail Transaction Incentive Programme (RTIP)

Introduced in 2016, RTIP aims to increase trading participation in the retail segment of the Derivatives Market.

This incentive programme was extended to 2019 to complement our educational efforts to encourage experienced retail traders to increase their trading activities, which will further enhance liquidity in these contracts. A total of 17 (seven new and ten recurring) RTIP applicants signed up in 2019.

ENHANCING COMPETITIVENESS

REGIONAL AND GLOBAL EXPANSION

Our vision to become ASEAN's leading, responsible and globally connected marketplace relies on our ability to expand our regional presence. To drive our approach to regional expansion, we developed the strategies and initiatives highlighted below.

Attracting Retail and Institutional Investors across the Region into Our Marketplace

As a globally connected marketplace, we are continually committed to attracting foreign investors. In 2019, we carried out the following activities:

- Conducted investor roadshows and events, such as the Spotlight on Malaysia seminars, with tailor-made programmes based on the appetite and demographics of investors in each country. All of our events were held in collaboration with both regional and local intermediaries and supported by the presence of PLCs showcasing their performance and future plans.
- Organised Invest Malaysia in Tokyo and held several Mini Corporate Days in Bangkok and Singapore to facilitate and drive increased investment activities among investors.
- Engaged with regional investors throughout the year where we provided incentives to regional broker partners to promote and acquire more ASEAN investors into our marketplace.
- Engaged foreign brokerage firms located in Greater China, India and Southeast Asia to explore the possibility of setting up their presence in Malaysia, as well as facilitating the establishment of inter-broker relationships between Malaysia's TPs and foreign brokerage firms. Through an inter-broker relationship, foreign investors can execute their trades into our market.
- Launched a revamped website for the ASEAN Exchanges, which serves as a common platform to further promote intra-ASEAN and regional trades especially into Malaysia.

Expanding Shariah Investing

As the leading exchange in the Islamic Capital Market, we have been committed to stimulating interest among regional investors to invest in our markets by providing them with our comprehensive Shariah-compliant investment instruments and solutions. In particular, we have continuously highlighted the value proposition offered by Bursa Malaysia-*i*.

In 2019, we focused our efforts in Singapore. In April, we took part in the Islamic Investment Symposium organised by the Financial Alliance Islamic Wealth and Advisory (FAiWA), which was attended by almost 200 attendees. In July, Bursa Malaysia-*i* also collaborated with Phillip Securities Pte Ltd to conduct a Shariah Investing roadshow that attracted over 150 participants. Both events had significant interest, particularly from the Muslim population in Singapore.

Collaborating with Regional Exchanges

We are committed to building connectivity and sharing knowledge with regional exchanges for mutual benefits. This includes taking part in the ASEAN Exchanges initiative, a collaboration with exchanges from Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam to promote opportunities in ASEAN to more investors.

We also continued our partnership with China's Dalian Commodity Exchange by jointly leading the annual China International Oils and Oilseeds Conference (CIOC) on 7 November 2019 in Guangzhou, China. Approximately 900 delegates attended, including oil and oilseed professionals. The conference provided visitors with a platform to meet other related industry peers, explore trade opportunities, and strengthen working relationships with China's oil and oilseed community.

MOVING FORWARD

Given the pace of change today, positioning the Malaysian capital market as an attractive place to raise funds, trade and invest will continue to be a key priority for Bursa Malaysia.

We will continue to enhance our competitiveness by investing in our product and service offerings to ensure they remain relevant and attractive, growing our investor base through awareness raising, education and engagement, and improving and providing an enabling ecosystem to expand regionally.



ENSURING MARKET INTEGRITY AND STABILITY

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ENSURING MARKET INTEGRITY AND STABILITY

2019 Key Highlights

99.16%

of financial reports were submitted on time by PLCs



Zero

supervisory breaches among intermediaries



Integrity and stability are fundamental to engendering trust in the capital market. Trust fosters investor confidence, encourages capital raising and promotes innovation, which are important components for the growth and development of the Malaysian economy.

Through our roles as a frontline regulator and market operator, we maintain robust rule and regulatory frameworks to govern our operations, as well as the market, in a fair, orderly and efficient manner, underpinned by strong investor protection.

REGULATOR

We aim to create an environment of trust for our market participants. We are guided by the key regulatory principles of striking the right balance between promoting innovation and growth in the marketplace, while ensuring market integrity, transparency, investor protection, and high standards of conduct and governance.

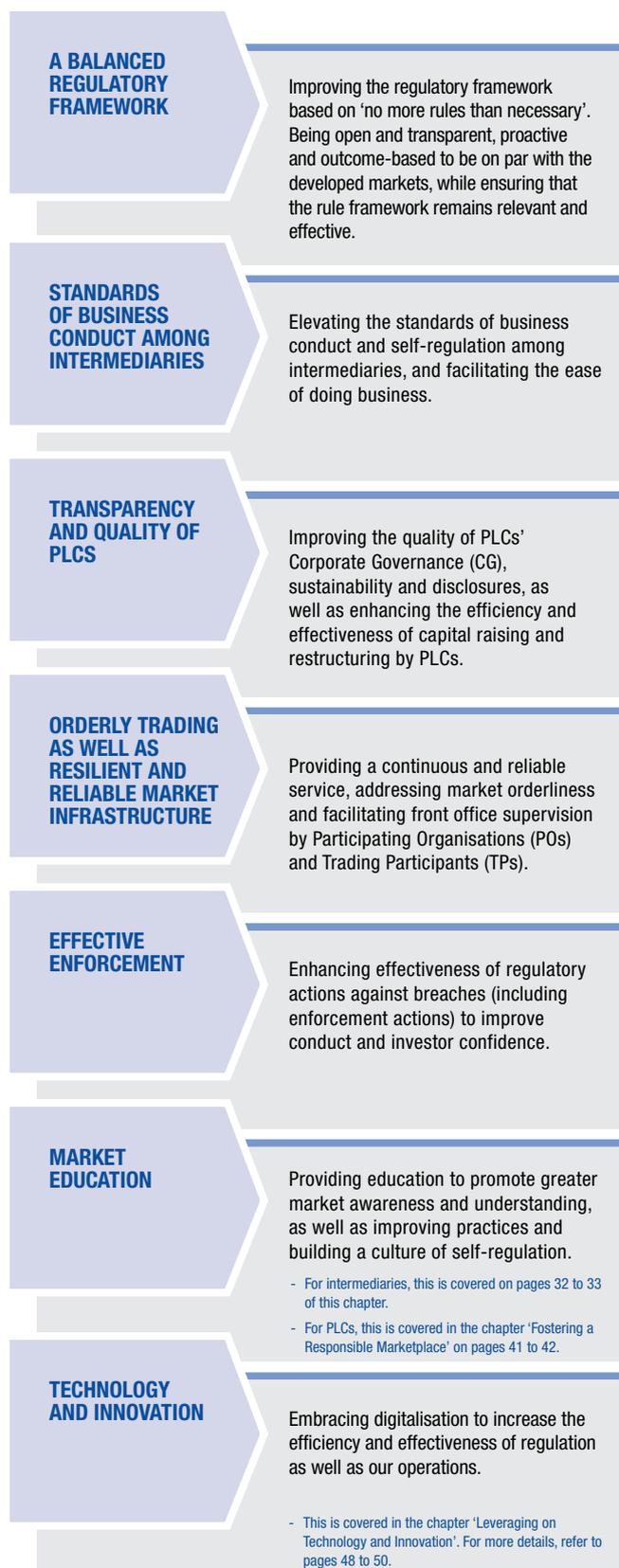
MARKET OPERATOR

We aim to be the preferred market for fundraising, trading and investment. To achieve this, we ensure that the marketplace is secure and facilitative of trading, and meets the fundraising needs of our Public Listed Companies (PLCs). We are continuously investing in technology to ensure the efficiency, resiliency and reliability of the market infrastructure.

Our approach to ensuring market integrity and stability is guided by both our 2017-2020 Regulatory Plan and our 2017-2020 Operational Transformation Plan. Furthermore, we take an integrated approach across the organisation to strengthening market quality, increasing efficiency and facilitating the development of the Malaysian capital market.

To manage the risk of any conflict of interest, given the multiple roles we play, we have established a comprehensive Conflict of Interest framework and a Regulatory and Conflicts Committee (RACC) to oversee the regulatory functions and handling of conflict processes within Bursa Malaysia. In addition, the Securities Commission Malaysia (SC) as the regulatory oversight body, supervises and monitors the performance of our statutory duties.

This chapter highlights our efforts and progress across the following key areas of our integrated approach:



A BALANCED REGULATORY FRAMEWORK

We have established a clear, comprehensive and accessible set of rules to govern the listing of issuers and products on our markets, the obligations of the issuers post-listing, the dealings in deposited securities, the trading, clearing and settlement of our products, as well as the admission and post-admission obligations of our participants. These rules play a significant role in helping us carry out our statutory duties under the Capital Markets and Services Act 2007 (CMSA) and Securities Industry (Central Depositories) Act 1991 (SICDA), namely to maintain an orderly and fair market, efficient and orderly dealings in deposited securities, as well as orderly, clear and efficient clearing and settlement of products traded through our facilities.

When reviewing the rules, we are mindful to provide adequate levels of investor protection, while ensuring that they do not result in unnecessary compliance costs or impede the ease of doing business and growth. We also seek to encourage and facilitate a strong culture of CG and sustainability in the capital market, as we believe this is crucial to the creation of long-term and inclusive growth for the Malaysian economy, as a whole.

Our rules are regularly reviewed as part of our day-to-day operations and annual planning process. We also benchmark our approach against international standards of market regulation. This ensures that we maintain an updated, relevant and effective framework of rules.

To ensure that any changes to the rules are practical and aligned with stakeholders' expectations, we conduct robust discussions internally before seeking feedback from market participants and relevant stakeholders. This includes undertaking public consultation for rules that have a major impact, especially changes to Bursa Malaysia Securities Berhad Listing Requirements (LR).

Our rule changes are also subject to internal approvals by the Management Regulatory Committee. In addition to this, for rules that have a major impact to the market, the approval of the RACC must also be obtained. All rule changes must also be approved by the SC before implementation.

This robust rule review process helps us to determine the current state of our market and identify the key risks, issues and challenges that need to be addressed. It also helps us to determine how we refine our rules to address policy issues and key regulatory risks in the market, while also ensuring that the regulatory environment remains conducive and competitive for fundraising and listing.

ENSURING MARKET INTEGRITY AND STABILITY

In 2019, the following key changes were introduced to our regulatory framework:

- **Amendments to Bursa Malaysia Securities Berhad Main Market LR and ACE Market LR Relating to Continuing Disclosure Obligations and Other Amendments**

The amendments were part of our efforts to progressively simplify the LR to align with the state of development in our market, particularly since there is now greater adherence to the LR, and an increasing level of better governance culture and practices among PLCs. Through this review, we enhanced the continuing disclosure obligations of PLCs, primarily on disclosures in announcements and circulars for transactions, as well as simplified the requirements relating to corporate disclosure policies. Apart from this, we also removed certain requirements that posed insignificant risks to shareholders and addressed gaps that we observed to strengthen investor protection.

The amendments, which took effect from 3 June 2019, sought to achieve the following objectives:

- Ensure transaction circulars and announcements are coherent, relevant and easy to understand.
 - Promote clear, relevant and practical requirements relating to corporate disclosure policies and other disclosure requirements.
 - Promote balanced regulation by easing regulatory compliance through liberalisations, where appropriate.
 - Address gaps to safeguard shareholder interest.
- **Revamp of the Rules of Bursa Malaysia Derivatives Bhd (BMD) and Rules of Bursa Malaysia Derivatives Clearing Berhad (BMDC)**

The enhancements arising from this revamp took effect from 15 August 2019, with the following key objectives:

- Simplify the regulatory framework towards enhancing business efficiency and flexibility of doing business.
- Strengthen the governance framework for participants and registered persons to promote self-regulation.
- Improve management of systemic risks to ensure continued functioning of BMDC and promote greater transparency on the exercise of its powers in emergency situations and in relation to disciplinary proceedings.

- Promote clearer, simpler and streamlined rules to ease compliance.
- Enhance efficiency in the admission and registration procedures and simplify the reporting requirements.

- **Amendments to Bursa Malaysia Securities Berhad Main Market LR and ACE Market LR on Anti-Corruption and Whistle-Blowing Measures**

The amendments required PLCs to, among others, implement and maintain policies and procedures on anti-corruption and whistle-blowing. They were issued on 18 December 2019 and will take effect from 1 June 2020. For more information, refer to page 39.

STANDARDS OF BUSINESS CONDUCT AMONG INTERMEDIARIES

Intermediaries play an integral role to keeping the markets moving smoothly and in an orderly fashion. They assist investors to achieve their investment objectives by providing a secure trading environment while also setting a high standard of ethical behaviour.

Education

This year, we continued to place emphasis on the standards of business conduct and self-regulation among intermediaries. We conducted year-round education programmes for intermediaries based on specific knowledge gaps identified through our ongoing engagements with them¹.

In 2019, we organised 10 training sessions attended by close to 1,200 participants, on topics such as the role of ethics in governance, creating an ethical framework for the capital market industry, market misconduct and developing marketing strategies. These sessions were targeted at licensed persons in POs and TPs.

¹ Throughout the year, we gathered information on intermediaries through analysis of market trends to identify risk areas and during on-site and off-site inspections and one-on-one engagements to understand areas where they require further guidance.

Highlights of Other Programmes:

- **Educational Programmes for Heads of Compliance and Other Senior Employees of POs and TPs:**

We also collaborated with the Malaysian Investment Banking Association (MIBA) and Association of Stockbroking Companies of Malaysia (ASCM) to organise programmes for industry professionals in areas such as anti-money laundering, digitisation in stockbroking, fintech and algorithmic trading. A total of 929 participants attended these sessions.

- **Educational Programmes for Directors and Senior Management of POs and TPs:**

A cyber security workshop was also held to emphasise the roles and responsibilities of the board of directors and senior management in managing cyber risk. A total of 155 participants attended this workshop.

Supervising and Monitoring Intermediaries

Our supervision activities continued to focus on ensuring that our intermediaries maintain high standards of business conduct through compliance with the business rules and other regulatory requirements. In 2019, we conducted on-site and off-site monitoring, which found that intermediaries had adopted adequate safeguards and controls to mitigate against incidences which pose systemic risk to the market. In addition, our monitoring did not reveal any industry-wide breaches or findings which affected the fairness and orderliness of the market.

To ensure that our supervision practices and approaches remained relevant and dynamic to address emerging risks, we rolled out several initiatives in 2019. These initiatives included:

- Liberalisation of B5² transfers for rectification of errors (non-trade) for Authorised Depository Agents (ADAs) and Authorised Direct Members (ADMs), allowing them to rectify errors without obtaining Bursa Malaysia Depository Sdn Bhd's (Bursa Malaysia Depository) prior approval.
- Enhancement on the verification of clients during the onboarding process to include flexible methods such as video recordings, usage of biometric technologies and an online fund transfer verification process.

² B5 refers to the category of CDS transfers which requires the prior approval of Bursa Malaysia Depository.

TRANSPARENCY AND QUALITY OF PLCs

Corporate Disclosure and Financial Health

As part of our efforts to ensure the integrity and stability of our capital market over the long-term, we monitor and supervise PLCs' disclosure obligations to ensure that sufficient and relevant information is provided for investors to make informed investment decisions. Our approach includes reviewing PLCs' announcements, circulars and other documents, as well as issuing queries on media statements to PLCs to provide shareholders and investors with adequate and accurate information, responses and clarifications.

This year, we continued to implement the following strategic measures to further elevate the disclosure standards in our market:

(1) Pre-emptive Supervisory Approach

Under our supervisory approach, subsequent to the announcement of a complex corporate proposal, we engage the PLCs and/or advisers before the draft circulars are submitted for our review. During the engagements, we highlight areas which require greater focus to ensure that information in the circulars are comprehensive for shareholders' decision-making. The key objective of this approach is to ensure that circulars submitted to us are complete and contain all the necessary information. This approach facilitates our review and allows the completion of such proposals to be expedited.

(2) Green Lane Policy (GLP) in Dealing with Circulars and Applications by Qualified Companies

The GLP is an incentive granted to PLCs which have been assessed to have good CG and disclosure practices (Qualified Companies). This provides them certain privileges and incentives in recognition of their good conduct and practices in the form of an exemption of review of circulars (other than Complex Circulars), as well as the faster processing of shareholders' circulars and other applications. This incentive allows them to expedite the implementation and completion of their corporate proposals.

Under the GLP, we cease to pre-vet all the circulars issued by these Qualified Companies, except for those involving very complex proposals such as major disposals or privatisations, related party transactions and transactions which involve mineral, oil and gas assets (Complex Circulars). Therefore, the Qualified Companies can issue such circulars to their shareholders as soon as they are ready without having to submit and await Bursa Malaysia's pre-vetting. In addition, we fast track the processing of Complex Circulars (which are still required to be reviewed by Bursa Malaysia) submitted by the Qualified Companies. The GLP is aimed at recognising and rewarding these companies by facilitating a more efficient time-to-market for their corporate proposals.

ENSURING MARKET INTEGRITY AND STABILITY

In 2019, we continued to achieve timely and reliable submission of financial reports by PLCs, with more than 99% of the reports being submitted by PLCs within the prescribed time frame. The number of PLCs that had a variation of more than 10% between their audited and unaudited financial reports fell dramatically, to only two. The number of queries we issued on both PLCs' corporate announcements and on media reports continued to remain low this year, having dropped significantly from 2017 to 2019, illustrating an improvement in the quality of disclosures among PLCs. The number of financially distressed PLCs remained relatively stable at 2.8% this year.

Financial Transparency and Quality of PLCs

	2017	2018	2019
Submissions of financial information received on time	99.2%	99.1%	99.2%
Number of PLCs with a deviation of more than 10% between the unaudited and audited results based on fiscal year end	14	11	2
Total queries on media reports (% of media queries over general announcements received)	61	28	13
	(0.3%)	(0.1%)	(0.1%)
Total queries on corporate announcements (% of queries on announcements over general announcements received)	159	99	111
	(0.7%)	(0.4%)	(0.5%)
Number of financially distressed PLCs (% of affected PLCs over total PLCs)	22	24	26
	(2.4%)	(2.6%)	(2.8%)

Corporate Surveillance

To promote investor protection, and market integrity and stability, we constantly monitor PLCs' corporate activities and developments to ensure compliance with the LR. In undertaking our surveillance activities, we look for breaches of the LR, corporate abuses, irregular transactions or malpractices by PLCs. We take appropriate preventive or remedial actions in a timely manner to maintain an orderly and fair market.

We adopt a 'risk-based' approach in the monitoring of these activities and developments, which is guided by the corporate surveillance framework, including detection of possible irregularities or corporate misconducts through regular monitoring of non-financial and financial red flags, corporate developments and in-depth analysis of issues. Where necessary, we engage with the directors or auditors of the PLCs to address concerns not only relating to a direct breach of the LR, but also poor CG practices or other undesirable practices with the aim of enhancing standards of practice and conduct among PLCs. We also undertake thematic studies to detect emerging trends and issues, and consider appropriate actions to address or mitigate these issues or trends, including proposing changes to the regulatory framework.

If our surveillance activities reveal any breaches of the LR, we will undertake the necessary corrective actions, including referring the parties for investigation. Apart from breaches of the LR, should we discover potential breaches of other Acts and/or Regulations, we will make the necessary referral to the relevant authorities, where appropriate. We may also, as

part of our actions, issue directives to PLCs to undertake the necessary corrective actions to address the concerns raised, including the appointment of special auditors and making additional disclosures necessary for the investing public.

As part of our continuous efforts to maintain a fair and orderly market, we also collaborate closely with authorities, including the SC, Companies Commission of Malaysia and Audit Oversight Board, to maintain the integrity of the markets. We regularly assess and improve our surveillance framework, to ensure it is robust and effective, to address the ever-changing landscape of our capital market.

ORDERLY TRADING AS WELL AS RESILIENT AND RELIABLE MARKET INFRASTRUCTURE

Market Surveillance

Through our new SMARTS market surveillance system, which went live in December 2018, we conduct real-time surveillance to detect any undesirable trading activities or conduct across both the Securities and Derivatives Markets. The SMARTS market surveillance system is used in 62 jurisdictions by market surveillance specialists.

In addition to real-time surveillance of the market, we conduct measures in accordance with our surveillance framework to curb trading irregularities and escalate any cases where there are breaches to the business rules or Acts. We also continue to work in partnership with intermediaries to enhance their level of front office monitoring and surveillance of trading activities in their respective firms through awareness programmes and focused engagements.

In 2019, we conducted a thematic review of POs' front office monitoring and surveillance of electronic trading. The review took the form of a questionnaire, which was completed by the POs. It covered reviewing risk controls relating to electronic trading, the POs' governance and compliance framework in addressing these risks, and the front office monitoring and surveillance processes with regard to electronic trading. To help POs close any identified gaps, we shared the results with them during our Market Inter-Surveillance Group (MISG) meeting, which was held in August 2019.

Strengthening Market Safeguards

To ensure trading can be conducted in an orderly manner, various market safeguard measures have been automated and enhanced within our trading systems. These measures are designed to prevent or manage sudden or excessive price movements. They include:

Securities Market

- **Circuit Breaker** – a safeguard for securities trading at market level.
- **Price Limits**, such as static price limits, dynamic price limits and last price limits – safeguards for securities trading at individual stock level.
- **Order Cancellation** – a market safeguard that allows POs to cancel outstanding orders.

Derivatives Market

- **Velocity Logic** – a market integrity feature for derivatives trading, which introduces momentary suspension in matching in the event of significant price changes within a short span of time.

We also have Error Trade Policies for both the Securities and Derivatives Markets where different mechanisms such as price adjustments or trade cancellations can be applied to manage the impact of an error trader.

The order cancellation function was enhanced on 3 June 2019 to provide an alternative avenue for POs to cancel outstanding orders more efficiently.

Furthermore, we conducted an annual default drill exercise with the Clearing Participants (CPs) to ensure that the CPs are familiar with default management procedures and rules as prescribed in Bursa Malaysia's Default Management Framework. To-date, all CPs have met their financial obligations to both the clearing houses Bursa Malaysia Securities Clearing Sdn Bhd (BMSC) and BMDC, and as such, we have never invoked the default management framework.

We also conducted an annual Principles for Financial Market Infrastructures (PFMI) self-assessment to ensure that our financial market infrastructures continue to operate in a safe and efficient manner.

We constantly review and update, where applicable, our market management and safeguard measures to ensure practicality and relevancy to market conditions.

Business Continuity Management

Appropriate systems with adequate capacity, security arrangements, facilities and resources are in place to mitigate risks that could cause interruption to Bursa Malaysia's critical business functions. We have a comprehensive Business Continuity Plan (BCP), including a Disaster Recovery Plan which is tested annually to ensure continuity of the business and technology operations.

In 2019, we encountered two business interruptions. On 27 February 2019, trading on the Derivatives Market was affected and it was resumed within the target recovery time objective. On 19 December 2019, trading on the Securities Market was affected at 4:45 pm, 15 minutes before the usual market close time. The Securities Market opened and closed normally on 20 December 2019.

In both cases, the Disaster Recovery Management Team (DRMT) was activated and the incident response, system recovery and communication processes were promptly carried out to ensure timely business resumption without any further operational impact. Furthermore, actions have been taken to prevent recurrence of similar incidents in the future.

Besides the mandatory industry wide tests, we also facilitated two BCP exercises for market participants. The objective of these exercises was to ensure the market participants' backup sites systems could be connected successfully and in a timely manner to Bursa Malaysia in the event of a disruption.

Customer Privacy

Privacy is paramount to secure the trust and confidence of market participants. We have established an Information Management Policy (Policy) to provide direction and guidance for the classification, management and safeguarding of information that is used by us in relation to our business, operations, employees, strategic partners, shareholders, customers, and all third parties. The Policy is supplemented by the Information Management Matrix and Handling Guide which is intended to provide clear guidance in implementing the Policy for efficient and effective information management within our organisation.

As part of our safety measures to protect customer data, access to the Central Depository System (CDS) information by staff is governed by our user access guidelines and is restricted only to authorised personnel. In addition, our data loss preventive measures require all outgoing emails containing CDS information to be verified and approved prior to release.

ENSURING MARKET INTEGRITY AND STABILITY

Our measures to safeguard the CDS information of our customers are in accordance with the requirements of section 43 of the SICDA, where Bursa Malaysia Depository Sdn Bhd (Bursa Malaysia Depository) as the Central Depository has a duty to maintain the secrecy of any information or document relating to the affairs of the depositors, and in particular, relating to their securities accounts. Such information can only be disclosed under the permitted circumstances in section 45 of SICDA. Additionally, section 42 of SICDA requires Bursa Malaysia Depository to take all reasonable security measures to protect the depositor's information against any unauthorised access, alteration, disclosure or dissemination.

In 2019, there were no substantiated complaints concerning breaches of customer privacy, from external parties or regulatory bodies. There were also no identified leaks, thefts or losses of customer data during the year.

EFFECTIVE ENFORCEMENT

Enforcement is one of the regulatory approaches we take to maintain market integrity. Through enforcement actions, we seek to deter future breaches, enhance greater market understanding and awareness, and promote high standards of CG and business conduct in the market.

Enforcement actions may be taken depending on the materiality and/or severity of the breaches, where sanctions may include public or private reprimands, fines, suspensions and/or striking off. For less serious breaches, management actions such as warnings, cautions or reminders may be issued. Through these actions, we seek to preserve the stability and integrity of the market and encourage a strong culture of compliance among market participants.

We ensure that our processes and actions are effective and timely, fair, independent and transparent. To consistently provide and maintain transparency to the industry on enforcement actions taken by Bursa Malaysia, we continue to update our enforcement statistics and key enforcement cases on our [website](#) on a yearly basis.

Number of Enforcement Actions Taken by Bursa Malaysia

	2017	2018	2019
Actions taken against PLCs for breaches of the LR	37	55	34
Actions taken against directors and/or other persons subject to the LR	86	68	38
Actions (including management actions) taken against intermediaries (POs, TPs, Authorised Depository Agents and CPs) for breaches of Business Rules	54	18	31
Actions (including management actions) taken against Dealer's Representatives/Registered Persons/Registered Representatives/Local Participants for breaches of Business Rules	23	14	14

MOVING FORWARD

Maintaining a fair and orderly market is our statutory obligation. We also recognise that it forms the foundation on which investment, trading, growth and development can flourish in Malaysia. We will continue to update and enhance our approach to regulation and market operation, to ensure that it is in line with international best practice, as well as fit for purpose in Malaysia. We will continue to take an appropriate, timely and balanced approach to regulation, avoiding over-regulation, while embedding the highest standards of compliance and a culture of self-regulation among market participants. In this regard, delivering targeted education for PLCs and intermediaries will remain central to achieving our goals in 2020 and beyond.

Furthermore, market integrity and stability are increasingly dependent on our ability to leverage on technology and innovation. We will continue to invest in digitalisation and automation of our systems to ensure robust and efficient market infrastructure.

We will continue with our annual PFMI self-assessment to ensure our financial market infrastructure continues to operate in a safe and efficient manner.

FOSTERING A RESPONSIBLE MARKETPLACE

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FOSTERING A RESPONSIBLE MARKETPLACE

2019 Key Highlights

Enhanced our Main Market and ACE Market Listing Requirements (LR) to

Introduce Anti-Corruption and Whistle-Blowing Measures for PLCs



36,516 members

of the public were engaged and educated on Shariah investing via Bursa Malaysia-i



69

constituents in FTSE4Good Bursa Malaysia (F4GBM) Index (up from 56 in 2018)



36.4% increase in number

of new listings on the LEAP Market, ASEAN's first SME-focused financing platform



Riding on our unique position as an Exchange, we strive to build a strong culture of good Corporate Governance (CG) and sustainability in the Malaysian capital market. In order to do this, we regularly strengthen our regulatory framework, monitor performance of Public Listed Companies (PLCs), and invest in advocacy efforts to elevate the quality of their practices and disclosures. At the same time, we encourage institutional investors to incorporate Environmental, Social and Governance (ESG) considerations in their investment decisions.

Over the years, we have devoted a significant amount of effort and resources to strengthen the culture of CG and sustainability among PLCs.

To achieve our goals, we have adopted a holistic and multi-pronged approach based on the following:



STRENGTHENING OUR REGULATORY FRAMEWORK

Revising our regulatory framework (particularly the Main Market and ACE Market Listing Requirements), to support the adoption of good CG and sustainability practices.



MONITORING AND SUPERVISION

Conducting annual reviews of CG and sustainability practices and disclosures by PLCs to assess compliance and quality of the disclosures made, as well as identify areas for improvement.



EDUCATION, ADVOCACY AND ENGAGEMENT

Conducting capacity-building programmes and engagements to strengthen culture of CG and sustainability among PLCs.



RESPONSIBLE INVESTMENT, PRODUCTS AND SERVICES

Facilitating investors to make responsible investments by offering sustainable products and services.

STRENGTHENING OUR REGULATORY FRAMEWORK

We believe that reliable and high-quality information is a key driver of a conducive and active capital market. As such, we review and strengthen our regulatory framework on a regular basis, ensuring that stakeholders have access to regular, reliable and comparable information on CG and sustainability to help assess the long-term health of a company.

Corporate Governance (CG)

We maintain a robust regulatory framework with regards to CG. Bursa Malaysia Securities Berhad Main Market and ACE Market LR state that all PLCs are required to report their application of the Principles set out in the Malaysian Code on Corporate Governance (MCCG). To support PLCs on their reporting journey, we published a comprehensive CG Guide (third edition) in 2017, which is available on our [website](#).

Introducing Requirements on Anti-Corruption and Whistle-Blowing Measures

This year, we made key amendments to the LR, requiring PLCs to establish and maintain policies and procedures on anti-corruption and whistle-blowing. This is in line with the National Anti-Corruption Plan 2019-2023 (NACP) launched by the Prime Minister Tun Dr Mahathir Mohamad, in particular 'Strategy 6: Inculcate good governance in corporate entity'. For further information on the NACP, refer to the box on the right.

Taking effect on 1 June 2020, the amendments seek to strengthen the culture of governance and ethical behaviour among PLCs, thereby providing a measure of assurance and a defence against corporate liability for corruption under the new section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Corporate Liability Provision)¹.

The amendments require PLCs and their boards of directors to:

- Establish and maintain policies and procedures on anti-corruption and whistle-blowing for the PLC and its subsidiaries (group)
- Periodically review the said policies and procedures to assess their effectiveness, and in any event, at least once every three years
- Include corruption risk in the annual risk assessment of the group

In addition, the amendments also require PLCs to publish their policy on anti-corruption and their policy and procedures on whistle-blowing, on their website.

Keeping Up-to-date on Malaysia's Anti-Corruption Strategies

This year, the Malaysian Government took key steps forward to strengthen its approach against corruption. Following the launch of the Guidelines on Adequate Procedures pursuant to section 17A, MACC Act 2009 in December 2018, Prime Minister Tun Dr Mahathir Mohamad launched the NACP in January 2019. The NACP is underpinned by six strategies, including to instil good governance in corporate entities. One of the initiatives under this strategy is to encourage the private sector to develop their own Organisational Anti-Corruption Plan (OACP) to strengthen their corporate anti-corruption strategy.

Bursa Malaysia is also one of the members of the Corporate Integrity System Malaysia (CISM) Roundtable², an initiative to cultivate and instil ethical values and anti-corruption within the business community. For the past two years, we have been actively participating in the CISM Roundtable to help create a business environment in Malaysia that is transparent, fair and corruption-free.

In addition, we are also devoting particular attention to the new Corporate Liability Provision, which is expected to come into force on 1 June 2020. Our role as a PLC and a regulator is to ensure that Bursa Malaysia is ready for the new Corporate Liability Provision, while also helping PLCs to adopt the Guidelines on Adequate Procedures issued by the Prime Minister's Department.

For further information on how Bursa Malaysia is integrating anti-corruption measures across the organisation, refer to pages 53 to 55.

¹ The Act states that a commercial organisation commits an offence if any individual associated with the organisation commits a corrupt act to obtain or retain business or an advantage for the commercial organisation. Commercial organisations can raise a defence if they can show that they have 'adequate procedures' in place.

² Apart from Bursa Malaysia, other Roundtable members include the Malaysian Anti-Corruption Commission (MACC), Companies Commission of Malaysia (SSM), Malaysian Institute of Integrity (IIM), TI-Malaysia (TI-M), the Securities Commission Malaysia (SC), and National Center for Governance, Integrity and Anti-Corruption (GIACC).

FOSTERING A RESPONSIBLE MARKETPLACE

Sustainability

In 2015, we introduced amendments to the LR requiring PLCs listed on the Main and ACE Market to publish a Sustainability Statement (within the annual report) or a standalone Sustainability Report, narrating how they manage their material economic, environmental and social risks and opportunities. These requirements took effect on a staggered basis, with all Main and ACE Markets PLCs complying with the disclosures in their annual reports issued on or after Financial Year End (FYE) 31 Dec 2018.

We also developed a comprehensive [Sustainability Reporting Guide](#) and [Toolkits](#), to assist PLCs in embedding and reporting on sustainability practices. We update these resources to incorporate the latest developments in the wider sustainability landscape. These resources were last updated in 2018, and can be accessed [here](#).

MONITORING AND SUPERVISION

To ensure that PLCs adhere to our LR on CG and sustainability, we conduct annual reviews to monitor their disclosures. These reviews are underpinned not only by our regulatory requirements, but also relevant international frameworks which set standards for best practice. Results from these reviews also help us to identify areas for improvement and guide our efforts on education, advocacy and engagement among PLCs.

Corporate Governance (CG)

We collaborate with the Securities Commission Malaysia (SC) to measure progress on the quality of CG, practices and disclosures by PLCs against recommendations of the MCCG. Findings and observations derived from data gathered from 841 CG reports (Main and ACE Markets) released between 28 February and 31 December 2018 and relevant announcements made via the website of Bursa Malaysia were published in SC's inaugural CG Monitor 2019.

We also track the performance of PLCs on the ASEAN Corporate Governance Transparency Index and are encouraged that our efforts have led to improvements over the years.

Performance on the ASEAN Corporate Governance Transparency Index by Minority Shareholder Watch Group³

2016	2017	2018
85	86	95

Sustainability

The review on sustainability-related disclosures also draws specific references from relevant sustainability-related international standards, such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). This is to ensure that our PLCs' disclosures are benchmarked against best practice.

Our annual review of their sustainability statements covers both compliance and quality, examining four key areas, including Governance, Scope, Materiality and Management Approach.

Over the past few years, we have been conducting these annual reviews in batches. For 2019, we reviewed the sustainability statements/reports of PLCs with market capitalisation of less than RM1 billion who were reporting for the first time. The average compliance level was 93% while the average quality score stood at 59%. Separately, we also reassessed a subsample of PLCs with market capitalisation of RM2 billion and above that we initially covered in our 2017 review. From an overall adherence score of 90% in 2017, the subsample of PLCs that we assessed have improved, registering an average of 98% in 2019. The improvement is even more marked when it comes to average quality scores, rising from 48% in 2017 to 73% in 2019.

We also provide individual written feedback to the sampled PLCs on their gaps in reporting to facilitate further improvements. Our continuous review of PLCs' sustainability disclosures provides not only a gauge of the maturity of sustainability practices and disclosures, but also enables us to identify strategies that we can adopt to drive continuous improvement.

EDUCATION, ADVOCACY AND ENGAGEMENT

Strengthening Compliance with Listing Requirements

To help PLCs better understand changes to the LR and strengthen their disclosure practices, we also conduct frequent engagements with various groups of practitioners, such as company secretaries and advisers.

Number of Attendees for Technical Briefings/Training

Technical Briefings/ Training for	2017	2018	2019
Company Secretaries	746	851	981
Advisers	-	-	124

³ 2019 results of the ASEAN Corporate Governance Transparency Index will only be released in 2020.

Corporate Governance (CG)

In order to raise standards of CG practice and disclosure in the market, we conduct regular programmes in collaboration with industry associations⁴, targeting various capital market stakeholders. Our advocacy and engagement efforts are not confined to PLCs alone but also extend to other key capital market stakeholders such as institutional investors.

Highlights of Our Education and Advocacy Programmes in 2019:

Advocacy Programmes on CG for Directors and Practitioners:

We conducted a total of 21 programmes this year on a broad range of topics, including board independence, gender diversity, cyber security, effective internal audit functions and integrated reporting.

Workshops on the New Corporate Liability Provision:

We co-organised workshops with the SC and MACC, covering findings of the CG Monitor, the annual review of PLCs' adoption of the MCCG recommendations and requirements of the new Corporate Liability Provision.

Overall, there was an increase in the number of participants at our CG advocacy programmes this year.

Number of Participants for CG Advocacy Programmes

	2017	2018	2019
	1,758	1,105	1,725

A Focus on Anti-Corruption

In line with the latest developments in Malaysia on the fight against corruption, we have taken active steps to promote a culture of anti-corruption among PLCs this year. On top of the workshops organised in collaboration with the SC and MACC, we also developed interactive digital initiatives to strengthen our suite of education and advocacy programmes on anti-corruption.

E-Learning Module on Corruption and Bribery

This year, we launched a 15-minute e-learning module on **BURSASUSTAIN**, introducing what constitutes as bribery and corruption as defined by Malaysian law, specifically the MACC Act 2009. In particular, the course content helps participants to understand the key features of the new Corporate Liability Provision. This e-learning module complements other related modules launched this year, such as Ethical Decision Making and Introduction to CG and Global Principles.

The e-learning module includes quizzes for participants

Sustainability

We also take considerable time and effort to organise education and advocacy sessions on various topics on sustainability – carefully selected based on best practices, international standards and national priorities, as well as our engagements with PLCs on the distinctive challenges they face.

This year, we conducted a total of 12 programmes which included workshops on sustainability reporting.

Total Number of Participants for Sustainability Advocacy Programmes

	2017	2018	2019
	731	1,009	533

⁴ This includes institutions such as Institute of Corporate Directors Malaysia (ICDM), Iclif Leadership and Governance Centre (Iclif) and the Malaysian Institute of Accountants (MIA)

FOSTERING A RESPONSIBLE MARKETPLACE

BURSASUSTAIN: A One-Stop Knowledge Portal

We continue to feature fresh content on BURSASUSTAIN, a one-stop knowledge portal launched in 2018 for PLCs, investors and other stakeholders to source relevant information and updates on sustainability, CG and responsible investment. The resources are presented in a variety of formats, such as videos, webcasts, infographics, reports and case studies.

This year, we featured more commentaries from thought leaders and case studies on progressive Malaysian companies. We also sourced feedback from BURSASUSTAIN users and are updating our website to ensure our content remains both relevant and user-friendly.

Corporate Liability Provision (Section 17A) – Getting Corporate Malaysia Ready



Share on Date: Oct 23, 2019 Category: Corporate Governance

Case Studies: Supply Chain Transparency and Accountability



Share on Date: Oct 23, 2019 Category: Sustainability

Top: A commentary written by Dr Muhammad Mohan, President of Transparency International Malaysia, on the new Corporate Liability Provision. Bottom: Case studies featuring the approach taken by progressive Malaysian companies on supply chain transparency and accountability.

Since its launch in 2018, we have seen increasing interest in BURSASUSTAIN.

Total Number of Page Views/Visitors

	2018 ⁵	2019
Page Views	78,263	121,174
Visitors	20,974	44,618

BURSASUSTAIN can be accessed [here](#).

Promoting Climate Action

In recent years, there has been stronger collective action to tackle one of the greatest challenges of our time – climate change. Governments and businesses are entering a critical decade for action to avert the worst effects of climate change. According to the United Nations Development Programme (UNDP), the annual average economic losses from climate-related disasters are estimated to cost hundreds of billions of dollars, while trillions of dollars in economic benefits can be realised through bold climate action⁶.

As part of the Paris Agreement, Malaysia has committed to reducing its carbon emission intensity per capita Gross Domestic Product (GDP) by 45% by 2030, relative to its 2005 levels. It is clear that collective action by government, businesses, the community and all stakeholders is crucial to meeting this national target.

Against this backdrop, Bursa Malaysia is committed to increasing awareness and action among our PLCs.

Our key initiatives in 2019 include:

- **Joint Committee on Climate Change (JC3):**

Co-chaired by the SC and Bank Negara Malaysia, JC3 serves as a platform to propel financial institutions towards the transition to a low-carbon economy. It aims to build the readiness and capacity of financial institutions to mitigate climate-related risks, accelerating the development of new low-carbon solutions. In addition to membership on the main JC3, Bursa Malaysia also chairs Sub-Committee 2 on Governance and Disclosure.

- **Adoption of TCFD Recommendations:**

We collaborated with Carbon Trust UK to organise two thematic workshops on the TCFD, with sessions tailored for PLCs in both the financial and non-financial sector. We plan to further engage with these participants to support them in climate adaptation.

Promoting Board Diversity

Over the last few years, we have also placed considerable efforts on promoting board diversity among PLCs. In particular, we focused on increasing the number of women serving on the boards of PLCs. This is in line with the MCCG and national agenda requiring that women hold at least 30% of board seats in Malaysian companies.

⁵ Data recorded from April to December 2018, after the launch of BURSASUSTAIN in April 2018.

⁶ <https://www.my.undp.org/content/malaysia/en/home/sustainable-development-goals/goal-13-climate-action.html>



Bursa Malaysia Diversity Xperience – Promoting Gender Diversity through Interactive Theatre

This year, we organised our inaugural Diversity Xperience programme designed exclusively for directors of PLCs. The interactive live exchange theatre created a safe space to uncover unconscious biases that may exist in boardroom situations, relationships and social dynamics. This unique experience was followed by facilitated networking and knowledge sharing with selected women candidates to increase their visibility among board circles.



During the interactive theatre performance, directors experienced and explored the challenges of increasing gender diversity on the board of directors.

“Ring the Bell for Gender Equality” Alongside Global Stock Exchanges

We took part in a global collaboration with more than 80 exchanges, leveraging on our unique position as a frontline regulator and PLC to draw attention to the critical role business and markets play in advancing gender equality. This event, in the fifth year running, is a partnership between Sustainable Stock Exchanges Initiative, International Finance Corporation, UN Global Compact, UN Women, the World Federation of Exchanges and Women in ETFs.



Yang Berhormat Puan Hannah Yeoh, Deputy Minister of Women, Family and Community Development, along with Datuk Shireen Ann Zaharah Muhiudeen, Chairman of Bursa Malaysia, striking the opening gong at the event.



The Exchange’s efforts in driving this agenda (gender equality) not only help create economic opportunities for women in the country but also ensure a more sustainable, inclusive and responsible capital market.”

Yang Berhormat Puan Hannah Yeoh,

Deputy Minister of Women, Family and Community Development.

Female representation on the boards of the top 100 PLCs has been steadily increasing over the years.

Female Representation on the Boards of the Top 100 PLCs

2017	2018	2019
19.3%	24.4%	26.4%

RESPONSIBLE INVESTMENT, PRODUCTS AND SERVICES

As an Exchange operator, we recognise that we have a unique opportunity to promote responsible investment in the Malaysian capital market. We believe sustainable products and services generate social and environmental benefits alongside financial returns, and therefore, support the creation of long-term value for PLCs, investors and society as a whole.

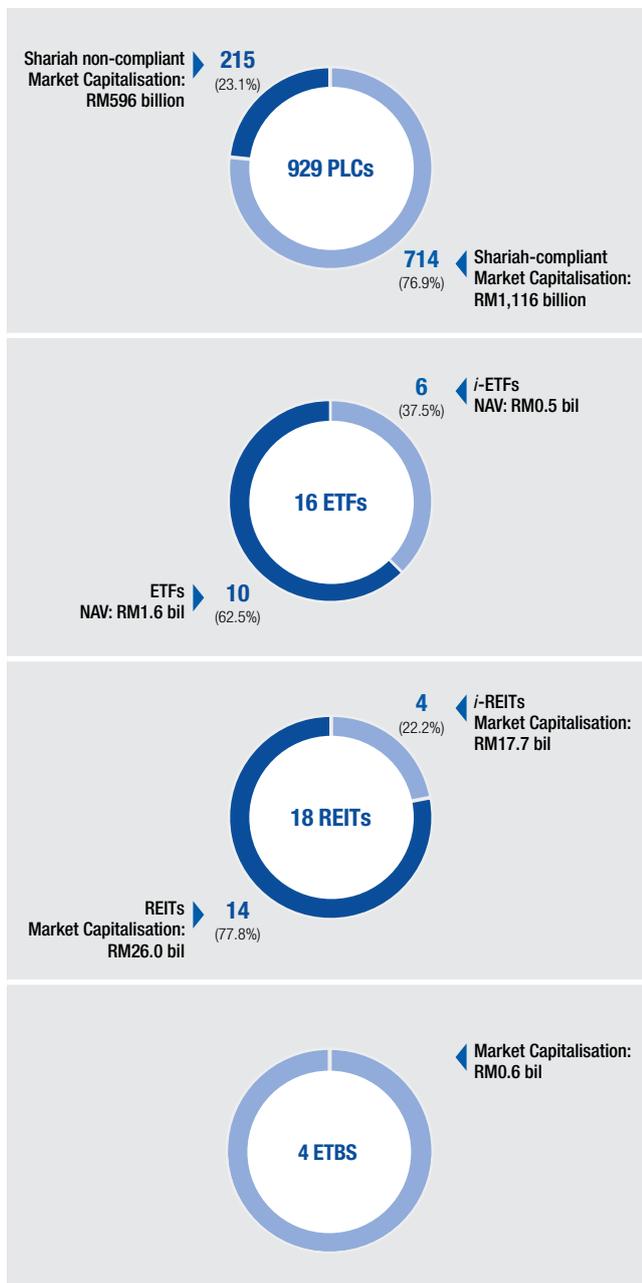
With this in mind, we strive to provide a range of products and services to cater for responsible investment, particularly in the Islamic capital market.

FOSTERING A RESPONSIBLE MARKETPLACE

Our Focus on Shariah-compliant Products and Services

We have long focused on delivering Shariah-compliant products and services, with 77% of PLCs now categorised as Shariah-compliant. Shariah market capitalisation and Average Daily Trading Value (ADV) of Shariah-compliant securities from 2010 to 2019 grew significantly by 39% and 35%, respectively. We believe that we have established solid foundations to continue building on this competitive advantage, and will continue to ride on our strengths to promote Shariah investing as part of ethical and responsible investing.

Shariah-compliant Securities Listed and Traded on Bursa Malaysia:



Source: As at 31 December 2019, Bursa Malaysia

In 2016, we launched Bursa Malaysia-*i* as the world's first end-to-end Shariah-compliant trading and investing platform. Since then, it has been delivering positive and sustainable impact to the development of Malaysia's Islamic stockbroking services industry.

By the end of 2019, there were 15 brokers providing Islamic stockbroking services. We believe that having a greater number of intermediaries, such as these Islamic brokers, will facilitate the promotion of Shariah-compliant products and Shariah investments on Bursa Malaysia-*i*. To promote Shariah investing, we have been working closely with Islamic brokers and other industry partners to reach out to all segments of the investing community. In particular, we have been increasing our engagements with retail investors via seminars, roadshows, workshops and education programmes.

Over the past three years, we conducted over 400 direct engagements with market participants, including fund managers, institutional investors and over 100,000 retail investors. This year, we also reached out to 36,516 members of the public to educate and engage them on Shariah investing via Bursa Malaysia-*i*.

Facilitating Microfinance to Underbanked Communities

Since 2009, we have been operating Bursa Suq Al-Sila' (BSAS), a commodity Murabahah platform to facilitate Islamic financial transactions. For more information on BSAS, refer to page 21.

Support for Rural Poor

Through our BSAS platform, we have been providing Amanah Ikhtiar Malaysia (AIM), Malaysia's largest microfinance institution, access to trade and administer microfinance to communities in Malaysia facing barriers to access credit or funding. Since 1987, AIM has distributed more than RM2.6 billion to more than 260,000 borrowers nationwide. Some of AIM's borrowers include single mothers in rural villages requiring finance to run their small businesses. AIM also provides counselling, training and guidance to families from low-income groups, with an aim to reduce poverty by promoting entrepreneurship. Our support for AIM is in line with our commitment to ensure that nobody is left behind in Malaysia's story of economic growth.



Total disbursements to the community have seen a rise in 2019.

Total Disbursements by AIM to the Community through BSAS

2017	2018	2019
RM2.3 billion	RM2.3 billion	RM2.6 billion

Support for Cooperatives

Furthermore, there are currently 62 cooperatives actively trading on BSAS. These cooperatives, often people-centred enterprises, meet a variety of different economic needs of its members.

An increasing number of cooperatives have been trading on our platforms, with an increasing amount of financing year-on-year.

Total Financing by Cooperatives on BSAS

2017	2018	2019
RM434.2 million	RM356.7 million	RM803.6 million

Total Number of Cooperatives Trading on BSAS

2017	2018	2019
15	33	62

 For more information on how we promote the Islamic Capital Market, refer to pages 20 to 21.

Promoting ESG Indices

As part of our efforts to be a leading exchange on sustainability in ASEAN, we also launched Malaysia's first ESG index in 2014, followed by a regional index in 2016.

F4GBM Index

As Malaysia's first ESG index, it measures the performance of PLCs within the recognised sectors, demonstrating strong ESG practices. Since its launch in 2014, we have seen steady year-on-year growth in the number of constituents:

	2014	2015	2016	2017	2018	2019
Number of F4GBM Index Constituents	24	34	42	44	56	69
Average Overall ESG Rating	1.31	1.39	1.56	1.71	1.94	2.15

To encourage more PLCs to take part in F4GBM Index or improve their ratings, we conduct regular one-on-one engagements to help them understand the assessment criteria and methodology. Of these constituents, an increasing number are also Shariah-compliant. This provides opportunities for greater demand in Shariah-compliant products and services, while paving the way for further listed product innovations that will spur market growth and attract greater investor participation.

% of Shariah-compliant F4GBM Index Constituents:

	2016	2017	2018	2019
Number of Shariah-compliant F4GBM Index constituents	27	27	39	49
Percentage (%)	64%	61%	70%	71%

On 31 May 2019, Bursa Malaysia was classified as a Shariah-compliant counter on the Exchange, effectively also becoming an ESG and Shariah-compliant constituent of the F4GBM Index. This was pursuant to the updated list of Shariah-compliant securities released by the SC following approval by its Shariah Advisory Council.

FOSTERING A RESPONSIBLE MARKETPLACE

Number of One-on-One Engagements with PLCs on F4GBM Index

2017	2018	2019
10	28	26

In addition, we organised seminars in collaboration with FTSE Russell to ensure that all F4GBM Index constituents were kept up-to-date with the latest changes to the assessment criteria, as well as developments in the wider responsible investment landscape. Approximately 200 participants attended the seminars this year.

FTSE4Good ASEAN 5 Index (F4GA5)

Launched in 2016 together with four other stock exchanges in the region⁷, this ESG Index measures the performance of regional PLCs with strong ESG practices.

Total Number of Malaysian Constituents on F4GA5

2016	2017	2018	2019
22	25	34	34

Promoting Inclusivity for SMEs

We recognise the key role played by small- and medium-sized enterprises (SMEs) in the Malaysian economy, which contributed 38.3% to the GDP in 2018. This figure is expected to rise, with the Ministry of Entrepreneur Development and Cooperatives (MEDAC) announcing its target of achieving 41% of GDP contributed by SMEs by 2020.

To support SMEs, we launched the LEAP Market in 2017, ASEAN's first SME-focused financing platform. Every year, we conduct various initiatives to encourage SMEs to consider the LEAP Market as an option for fundraising. As a result of these engagements, we were able to record a strong increase in the number of listings on the LEAP Market.

Total Number of Companies Listed on the LEAP Market

2017	2018	2019
2	13	28

Such engagements with SMEs also provide us with valuable feedback on the challenges faced by SMEs when they consider listing, including the lack of readiness and cost of listing. We will continue to address their issues, and champion an inclusive and sustainable market and its contribution to the wider economy.

MOVING FORWARD

Looking ahead, we remain committed to continue our efforts over the upcoming years to embed a strong culture of CG and sustainability in Malaysia's capital market, and in turn, position ourselves as a leader in sustainability in ASEAN. We recognise that this is a journey and anticipate further improvements in the future as we continue to invest in efforts to strengthen our regulatory framework, monitor and supervise disclosures as well as conduct education and advocacy initiatives. In the area of responsible investments, we are considering the development of further ESG-themed indices in the years ahead. This is in line with our commitment to strengthen our market competitiveness and attractiveness as a preferred destination for responsible investments, believing in the win-win benefits for both investors and the market.

⁷ The other stock exchanges listing this index include the Indonesia Stock Exchange (IDX), the Philippine Stock Exchange (PSE), Singapore Exchange (SGX) and the Stock Exchange of Thailand (SET)

LEVERAGING ON TECHNOLOGY AND INNOVATION

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LEVERAGING ON TECHNOLOGY AND INNOVATION

2019 Key Highlights

Launched

Bursa Anywhere

a new mobile app for retail investors



Revamped Our Digital Touchpoints

including our website and BursaMKTPLC
(our virtual platform for investors)



Completed our

First Blockchain Proof-of-Concept

for Securities Borrowing and Lending (SBL) market



To achieve our aspirations of becoming a regional exchange with global reach, it is imperative for us to embrace digitalisation and leverage on the opportunities presented by technology and innovation.

New technologies and innovations are changing the world at an unprecedented pace. To ensure our services are best-in-class and on par with leading exchanges, technology and innovation have become crucial drivers for our business, underpinning several of the other priority areas within our sustainability framework. We recognise the need to modernise our services in order to enhance our competitiveness, as customer demands for digital solutions continue to rise. It also helps to ensure the smooth operation of markets while building our internal capacity as a high-performance organisation. Finally, as our dependency on IT systems continue to grow, we are also investing in resources to mitigate risks such as cyber threats.

Our approach to leveraging on technology and innovation is anchored on the following three areas:

 CUSTOMER EXPERIENCE AND SERVICE EXPANSION	 OPERATIONAL EXCELLENCE	 CYBER SECURITY
<p>Transforming the customer experience by providing value-added services and new capabilities, while revolutionising our trading and post-trading services.</p>	<p>Gaining competitive advantage through digital transformation, innovation and continuous improvement of technology systems.</p>	<p>Mitigating our exposure to cyber threats by strengthening our infrastructure resilience.</p>

CUSTOMER EXPERIENCE AND SERVICE EXPANSION

Industry 4.0 is fast changing our daily lives in this increasingly inter-connected world. To stay on top of these changes in our rapidly-evolving environment, we have developed a roadmap to guide our direction over the next few years, centred on leveraging on technology and innovation to deliver transformations in customer experience and reduce cost structures. We aim to provide our stakeholders, including investors, brokers and other market participants with improved efficiencies and enhanced service experience and convenience, where possible.

This year, we embarked on a number of new initiatives towards these goals, centred on improving digital access for investors:

- Enhanced our Client Onboarding Process**
 We implemented additional non face-to-face verification methods – including verification using videos or biometric data – to allow Participating Organisations (POs) to increase the use of technology in verifying clients' identities when they apply to open trading accounts.
- Launched New Corporate Website**
 We revamped our [website](#) to deliver functional and experiential improvements to users, which includes investors, issuers and the wider public. The new website adopts a more user-friendly design with improved readability and navigation. It is also now device- and mobile-responsive, enabling on-the-go access to website content available in three languages – English, Malay and Chinese.
- Upgraded BursaMKTPCLC: Our Digital One-stop Portal for Investors**
 We continuously update BursaMKTPCLC with fresh content and functionality improvements, enhancing our virtual platform for investors to improve their knowledge and skills. For more information on BursaMKTPCLC, refer to page 25.



Bursa Anywhere – Launch of New Mobile App

This year, we rolled out a new mobile app – Bursa Anywhere – a service designed to link investors directly with Bursa Malaysia Depository Sdn Bhd (Bursa Malaysia Depository). The mobile app allows investors to log on and access a wide range of central depository services on-demand, using a mobile device or tablet. Prior to the launch of the app, investors would have to rely on brokers or wait for monthly statements from Bursa Malaysia Depository to obtain this information.

We are launching the app in a few phases, with the first version launched in 2019 allowing investors to conduct activities such as to:

- Access a consolidated view of Central Depository System (CDS) accounts, as well as e-statements with 12 months archive
- View balance shareholdings in all their direct CDS accounts with marked-to-market value
- Receive alerts on corporate announcements for their portfolio
- Update their account information
- Transfer securities between investor's own accounts, namely no change in beneficial ownership transfer

The final version of the app, targeted for release in 2020, will include additional features allowing investors, among others, to open new CDS accounts and subscribe for Initial Public Offerings (IPOs) and rights issues. Our plans to continue upgrading Bursa Anywhere are in line with our commitment to enhance all our digital touch points with investors.



Bursa Anywhere is available for free download on both Apple and Android app stores

LEVERAGING ON TECHNOLOGY AND INNOVATION

OPERATIONAL EXCELLENCE

We recognise the need to leverage on technology and innovation to enhance our business efficiency and market competitiveness. As such, we constantly upgrade our IT systems and security infrastructure, while seeking opportunities to provide new trading services, post-trade capabilities and post-trade services, to deliver market needs.

Our key initiatives this year included:

- **Rolled Out T+2 Settlement Cycle**
We shortened our settlement cycle for the Securities Market from T+3 to T+2, in line with major global exchanges which have made the transition. This was a major initiative that required changes to the relevant system and with these changes, enabled us to increase efficiency of operational processes, making the securities and funds available earlier for investors.
- **Completing our First Blockchain Proof-of-Concept**
We accomplished our first SBL Proof-of-Concept blockchain technology solution designed to improve the operational efficiency in the securities lending supply and borrowing demand (Lending Pool). The successful outcome opens up future possibility of using blockchain technology to transform the execution, collateral management and corporate action management in the SBL market. The project also signalled our commitment towards forming strategic partnerships with technology firms¹, as part of our longer-term roadmap to leverage on emerging technology to drive effective solutions.
- **Further Automation Leveraging on the New Market Surveillance System (NMSS)**
In 2018, we launched the NMSS to strengthen our surveillance, monitoring and analytical capabilities, which played a key role in our detection of market offences. This year, we embarked on further automation leveraging on the NMSS, which improved our alert modules (introduction of new alerts and reports) and reduced the turnaround time required to generate the reports needed. This ensures irregular trading activities are acted upon expeditiously.

CYBER SECURITY

As our mission-critical computer systems handle a vast amount of data and information, it is vital for us to strengthen our cyber security and technology infrastructure to prevent and mitigate our exposure to risks, as well as to ensure the smooth operation of markets.

We have adopted a framework to manage cyber threats. Under the framework, we also adopted key cyber security standards and guidelines. This year, we announced our compliance with ISO20022 (a standard for electronic data interchange between financial institution) for corporate announcements. We also completed an internal and external surveillance audit based on ISO27001, a standard for information security management.

In addition, the yearly certification for the Information Security Management System (ISMS), MS ISO/IEC 27001:2013 was carried out by Cyber Security Malaysia. The ISMS scope covered the management, operation and maintenance of the information system assets and information systems of the Group.

To strengthen our governance structure, the Board established a Technology and Cybersecurity Committee (TCC) this year. The role of the TCC is to provide oversight over the technology and cyber security functions of the Exchange, escalating issues to the Board where necessary.

We believe in the importance of building a safe and strong cyber-resilient environment in the capital market. We work continually towards this objective primarily by raising awareness on cyber security among the POs and Trading Participants (TPs).

MOVING FORWARD

Keeping an eye on opportunities ahead to leverage on technology and innovation, we are committed to continue strengthening our technological capabilities across the Exchange. To improve customer experience and better serve market needs, we are looking at initiatives to improve and develop relevant products and services. In 2020, our plans are to enhance our digital touchpoints, including Bursa Anywhere. In the years ahead, we will also continue to explore emerging fintech services, such as blockchain, AI and data analytics to enable us to deliver new services. We are also pursuing partnerships and technological collaborations with firms that use innovative technology and business models, to seek opportunities in new domains which can spur our growth. Furthermore, we have plans for a multi-year project set to modernise our post-trade infrastructure and improve the existing clearing, settlement and depository systems for the Securities and Derivatives Markets. To strengthen operational efficiency, we are also planning to refresh and upgrade infrastructure in our data centre.

¹ The project was a collaborative effort together with our technology partner, Forms Syntron Information (HK) Ltd, a wholly owned subsidiary of Shenzhen Stock Exchange-listed Shenzhen Forms Syntron Information Co Ltd., and industry collaborators, Affin Hwang Investment Bank Berhad, CGS-CIMB Securities Sdn Bhd, Citibank Berhad, KWAP and Malacca Securities Sdn Bhd.

BUILDING A HIGH-PERFORMANCE ORGANISATION

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BUILDING A HIGH-PERFORMANCE ORGANISATION

2019 Key Highlights

Established the **Corporate Integrity Task Force**

to spearhead our efforts towards compliance with the new Corporate Liability Provision (section 17A, Malaysian Anti-Corruption Commission (MACC) Act 2009)

Enhanced Reporting on Gender Metrics

to include gender pay ratio, percentage of employees returning to work after parental leave etc.

Set up the **Climate Action Task Force**

to coordinate efforts towards adoption of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Announced support for **Women's Empowerment Principles** (WEPs)

Launched **GO1**

an e-learning platform for employees

50%

of our Board are women (as at 31 January 2020)

Included reporting of **Scope 1 and Scope 3 Greenhouse Gas (GHG) Emissions**

In order to secure our long-term success, we believe in the importance of building a high-performance organisation with the ability to efficiently navigate today's increasingly dynamic operating environment. To achieve this goal, we take steps to make sustainability a way of life at Bursa Malaysia. In particular, we embed ethical practices in our DNA, embrace diversity at the workplace, nurture and develop our talent, and integrate environmental practices into our organisation.

We aspire to achieve long-term success by staying on top of and actively managing the economic, environmental and social issues affecting our internal and external stakeholders. To ensure our continuous improvement, we benchmark ourselves against best practices, including that of peer exchanges.

In particular, we strive to create a work environment for our employees that is conducive for their personal and professional development. Apart from promoting diversity and inclusion, we endeavour to forge a culture that is innovative, engaging and rewarding. We also believe in investing in employee training, ensuring that our employees are able to adapt and thrive in a rapidly-changing economy.

Our overall approach to building a high-performance organisation is outlined under five main priorities:

 <p>ETHICAL BEHAVIOUR</p>	 <p>DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY</p>	 <p>LEARNING AND DEVELOPMENT</p>	 <p>EMPLOYEE WELL-BEING</p>	 <p>ENVIRONMENTAL SUSTAINABILITY</p>
<p>Ensuring that we act with integrity at all times and embrace ethical practices as an integral part of our DNA.</p>	<p>Providing equal opportunity and a conducive work environment for all while embracing diversity and inclusivity in the workplace.</p>	<p>Building human and intellectual capital towards being an employer of choice.</p>	<p>Safeguarding the physical, mental and emotional well-being of our employees.</p>	<p>Utilising natural resources (such as water and energy) efficiently while reducing waste.</p>

This year, we have made progress in building a high performing culture across these five areas.

ETHICAL BEHAVIOUR

As the Exchange, we are responsible for setting the right tone on ethics and integrity in the capital market ecosystem. To achieve this, we must embrace ethical practices as an integral part of our DNA and fulfil our duties in an exemplary manner.

One of our key priorities is to build and maintain a strong culture of anti-fraud, bribery and corruption in Bursa Malaysia. We take a zero-tolerance approach towards fraud, bribery and corruption, and ensure that we are in compliance with all relevant laws, including anti-corruption laws. Our Board maintains oversight of our approach to managing fraud, bribery and corruption risks.

This year, there were a number of key developments in Malaysia’s regulatory and policy landscape regarding anti-fraud, bribery and corruption. This includes the launch of the Guidelines on Adequate Procedures (GAP) and the National Anti-Corruption Plan 2019-2023 (NACP), both by the Prime Minister, Tun Dr Mahathir Mohamad, in December 2018 and January 2019, respectively. For more information on these developments, refer to page 39.

To ensure that our internal practices and processes are in adherence and alignment with these latest developments, we took active steps to strengthen our internal processes and practices on anti-corruption this year.

The key improvements in 2019 include:

CORRUPTION RISK ASSESSMENT

As the first step to identify potential high-risk areas, our Risk and Compliance (RC) team incorporated corruption-related elements in its Risk Control Self-Assessment (RCSA). This is a self-declaration exercise/tool that all divisions and departments are required to conduct on a quarterly basis. Next, the RC team will continue to engage various stakeholders to strengthen the controls in place, and perform compliance reviews on high-risk areas. The reviews will be prioritised for departments with the highest exposure to corruption risks.

DUE DILIGENCE TO MANAGE RISKS FROM THIRD PARTIES

To minimise our risk exposure brought about by third parties, we strengthened our due diligence regarding anti-fraud, bribery and corruption when establishing relationships with vendors. This includes requiring vendors to make a commitment to our standards via the Vendor Declaration Form, as well as conducting third party background checks and annual assessments on critical vendors.



Establishing the Corporate Integrity Task Force ahead of the New Corporate Liability Provision

We set up the Corporate Integrity Task Force to spearhead and coordinate the efforts to review our policies, procedures and controls to ensure we have 'adequate procedures' to prevent corruption, as required under section 17A, MACC Act 2009 (Corporate Liability Provision) and the Guidelines on Adequate Procedures issued pursuant to that section. Our review also took into account the Corporate Integrity System Malaysia (CISM) Initiative's policies required to be adopted by a Corporate Integrity Pledge signatory. Furthermore, the Task Force also led efforts to commence development of the Organisational Anti-Corruption Plan (OACP), which will outline our corporate anti-corruption strategies and action plans in preventing, detecting and managing fraud, bribery and corruption issues.

The Task Force is chaired by the Director of Sustainability and comprises representatives from relevant divisions/departments within Bursa Malaysia.

The new initiatives are complemented by our following ongoing strategies to combat fraud, corruption and bribery:

THE 'THREE LINES OF DEFENCE' STRATEGY

We employ a three-pronged approach to address fraud, bribery and corruption:

- i. Employees and management are responsible to identify fraud, bribery and corruption risks in their business units and operationalise effective controls in managing these risks.
- ii. RC develops and monitors the implementation of effective fraud, bribery and corruption risk management policies. It also supports the Risk Management Committee's oversight function by assisting the Board to fulfil its responsibilities in the management of fraud, bribery and corruption risks.
- iii. Internal Audit (IA) enhances and protects our organisational value by providing risk-based and objective assurance, advice and insight. IA helps us accomplish our objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes. The IA engagements are carried out based on an annual audit plan approved by the Audit Committee (AC). Depending on the auditable areas assessed and the scope of audit, the level of exposure to the relevant fraud, bribery or corruption risks will be taken into consideration during the audit process. The results of the audits in the IA reports are reviewed by the AC.

WHISTLE-BLOWER POLICY AND PROCEDURES

Bursa Malaysia has a Whistleblower Policy and Procedures (WPP) to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and our policies and guidelines, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions. The AC has the overall responsibility in overseeing the implementation and monitoring of the WPP, and ensuring effective administration by the Director of IA. Our WPP can be accessed [here](#).

COMPREHENSIVE POLICIES AND GUIDELINES

In addition to whistle-blowing policies, Bursa Malaysia has policies in place which support the management of corruption risks, such as:

- Anti-Fraud, Bribery and Corruption Policy
- Enterprise Risk Management Principles and Framework
- Guidelines For Handling Conflict of Interest
- Code of Ethics for Bursa Malaysia Group
- Code of Conduct and Ethics for Directors
- Securities Transaction Policy for Bursa Malaysia Group
- Asset Declaration Guidelines

There were no incidents in 2019 where contracts with business partners were terminated or not renewed due to violations related to fraud, bribery or corruption. In addition, there have been no legal cases related to fraud, bribery or corruption brought against us, nor have there been such incidents or confirmed incidents in which employees were dismissed or disciplined for fraud, bribery or corruption.

To drive awareness and education on anti-fraud, bribery and corruption, we provided training at all levels in our organisation. The training covered 93% of our employees and 100% of our Board as of August 2019.

As a standard business practice, we do not make any political contributions.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

We believe that a diverse and inclusive workforce is a crucial part of an engaging work environment. Together with a high-performance culture, we strive to position Bursa Malaysia as an employer of choice to attract and retain talent.

We are committed to providing equal opportunities and a conducive workplace for all, aiming to shape our workforce to be representative of Malaysia's diverse and multicultural society. We ensure equal treatment and opportunities for our employees at all levels, regardless of their gender, age, ethnicity, sex, disability, religion or any other status.

Within our Board Charter, which is reviewed and approved by the Board, our Board Diversity Policy states clearly that we will take steps to ensure our Board is diverse (including gender, ethnicity and age) and is equipped with relevant skills, experience and expertise. The Governance and Nomination Committee (GNC), which is responsible for reviewing these commitments on Board diversity, will also periodically review and report on our progress, as well as identify, shortlist and recommend potential candidates for the Board and Board Committees to the Board for consideration and approval.

This year, we took a number of steps to strengthen our commitments to diversity, inclusion and equal opportunity:

- **Outlined our Commitments to Diversity and Inclusion in Our Newly-Developed Sustainability Policy**

In November 2019, our Board approved Bursa Malaysia's internal Sustainability Policy which includes a commitment to cultivate an inclusive, diverse, ethical, fair and safe workplace that provides equal opportunities for all employees. Our commitment to human rights and labour

practices also includes providing an environment free of discrimination and harassment for our employees where they are treated with respect and dignity. For example, we are committed to support the WEPs. For further information, refer to the box below.

- **Addressing Youth Unemployment**

The Protégé programme, originally known as Skim Latihan 1Malaysia (SL1M), is a government initiative to help address youth unemployment through job training and soft skills development. Bursa Malaysia is a participant of the programme, providing short-term employment to Malaysian students from universities to enhance their employability through exposure to relevant skills, knowledge and experience.



Empowering Women for Sustainable Results

CEO Support for WEPs

On International Women's Day in 2019, Datuk Muhamad Umar Swift signed the CEO Statement of Support for the WEPs, a joint initiative between UN Women and the UN Global Compact, which provides guidance to businesses on empowering women. We believe in the importance of leveraging on our unique position as a frontline regulator and a Public Listed Company (PLC) to advance gender equality and support Goal 5 Gender Equality of the UN Sustainable Development Goals.

Launch of Financial and Investment Education Seminars for Women

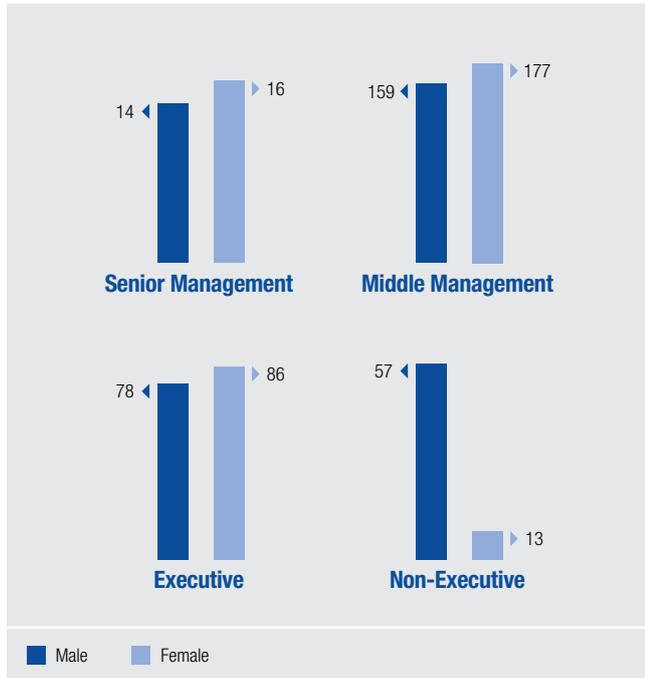
We also launched an inaugural seminar series "*Wanita dan Pelaburan*" (or "Women and Investment") to promote financial and investment literacy among women. Jointly organised with the National Council of Women's Organisations Malaysia, the seminars aimed to help women achieve stronger financial independence through investment education. 280 women attended the first session and further sessions were conducted in Kuala Lumpur, Melaka, Pahang, Perlis and Sarawak.

BUILDING A HIGH-PERFORMANCE ORGANISATION

Our Employees

This year, our workforce included 566 permanent staff and 34 contract employees, all of whom are based in Malaysia and work on a full-time basis:

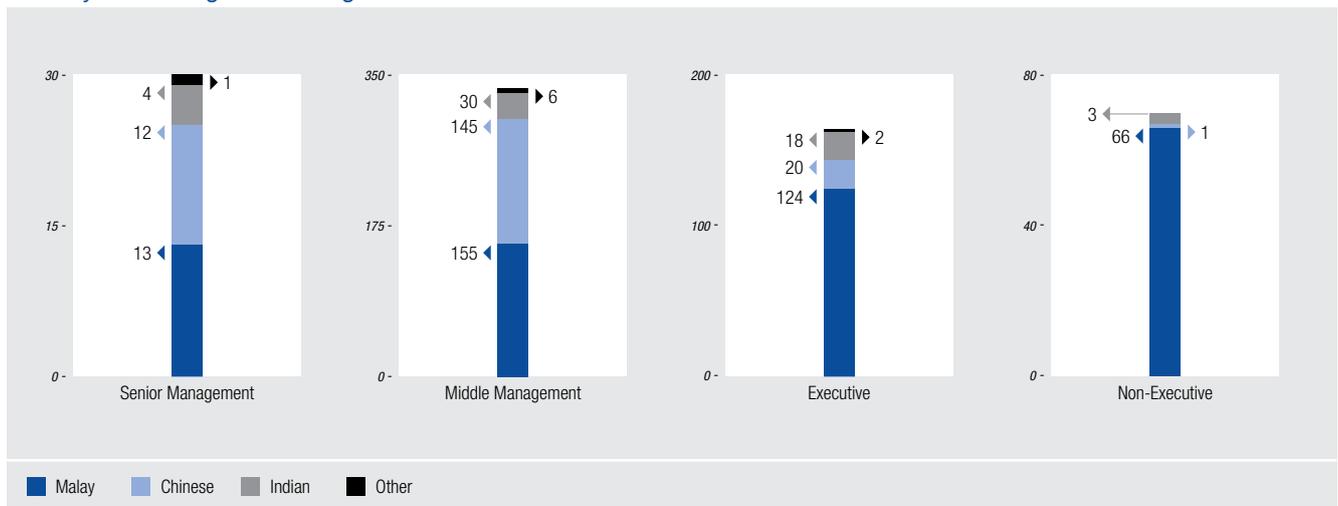
Employee Breakdown by Gender and Management Categories



Employee Breakdown by Age and Management Categories

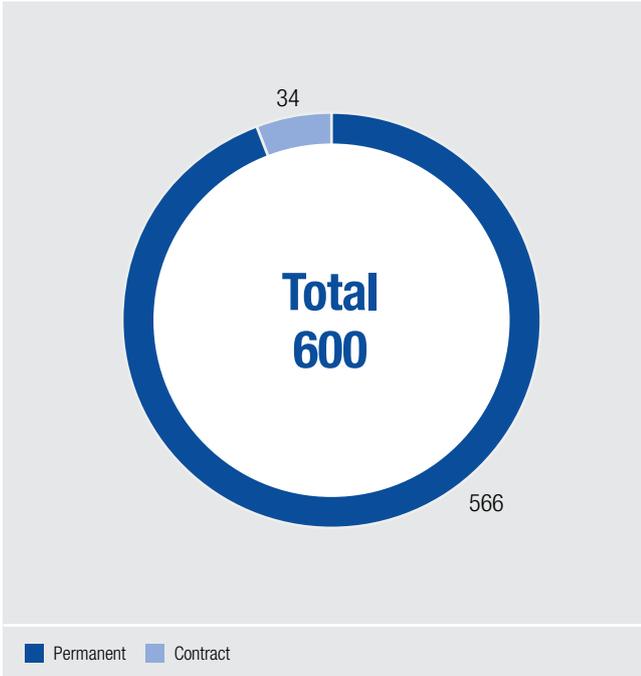


Employee Breakdown by Ethnicity and Management Categories

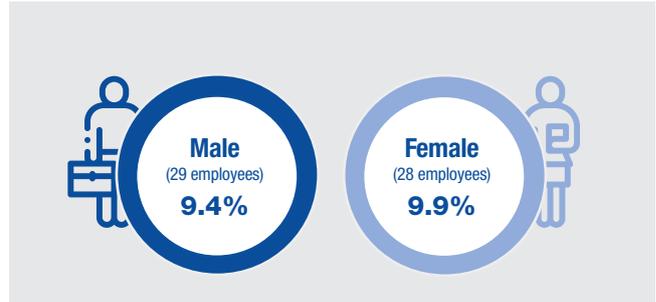


Senior Management	CEO, Senior Directors, Directors Senior Executive Vice Presidents and Executive Vice Presidents	Middle Management	Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, Senior Managers and Managers	Executive	Senior Executives, Executives and Junior Executives
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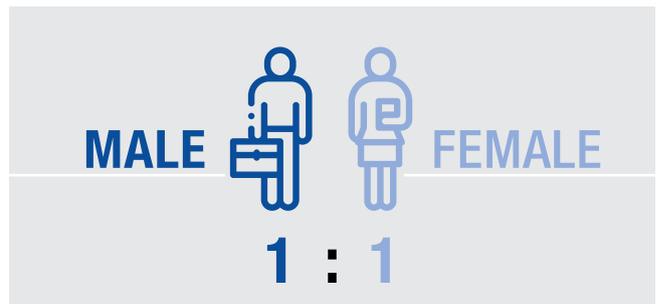
Number and Percentage of Employees by Employment Contract



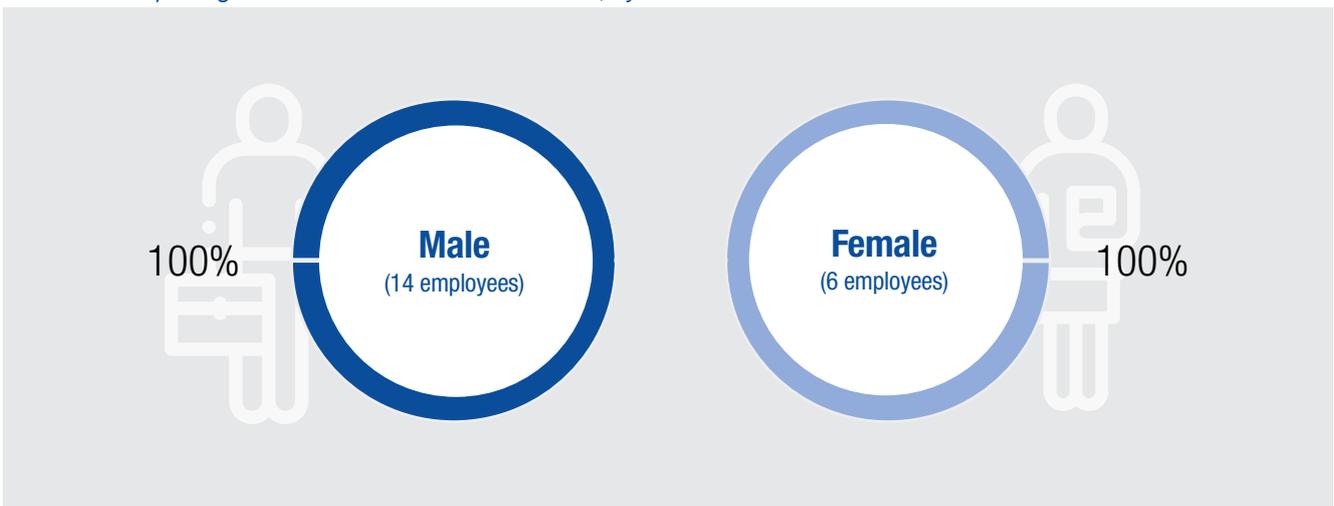
Percentage of Employees Promoted by Gender¹



Gender Pay Ratio



Percentage of Employees Returning to Work in the Reporting Period After Parental Leave Ended, by Gender



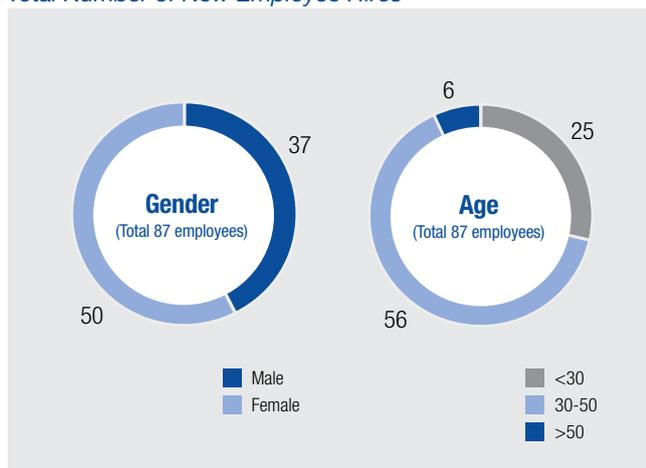
¹ Based on Total Number of Employees as at end of 2018

BUILDING A HIGH-PERFORMANCE ORGANISATION

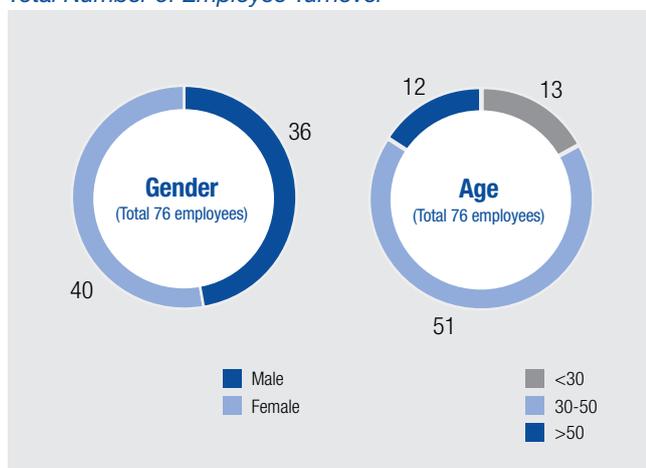
Employee Retention and Attraction

We continue to hire top talent to fulfil our resource needs and requirements. Approximately 99% of our employees are locally based with diverse experiences and disciplines. This year, we recorded a total of 87 new employee hires. The breakdown of hires according to age and gender are as follows:

Total Number of New Employee Hires



Total Number of Employee Turnover



Board Diversity

As embedded in our Board Charter, we are committed to maintaining gender diversity in our Board, in line with the Malaysian Code on Corporate Governance (MCCG) and the national agenda. Diversity, classified by gender, age, ethnicity and nationality of our Board as of 31 January 2020, is as follows:

	Number	%
Gender		
Male	5	50%
Female	5	50%
Age		
51-55	1	10%
56-60	5	50%
61-65	1	10%
66-70	3	30%
Ethnicity		
Malay	3	30%
Chinese	2	20%
Indian	3	30%
Others	2	20%
Nationality		
Malaysian	9	90%
Non-Malaysian	1	10%

LEARNING AND DEVELOPMENT

Our goal is to encourage and instil a culture of learning in every employee, equipping our workforce with the necessary skills required to meet our goal of becoming ASEAN's leading, responsible and globally-connected marketplace. The need for reskilling and upskilling has become increasingly important due to the rapid changes and trends that continue to affect the business landscape, in particular the transition towards Industry 4.0. We believe that promoting lifelong learning leads to stronger growth, innovation and ultimately, employability in a fast-changing workplace.

This year, we refreshed our learning approach to focus on equipping our employees with technical and soft skills relevant for the future economy. Key development programmes implemented were as follows:

- **Building Leadership Capabilities**

Developing the leadership capabilities of our employees – from non-executive to top management – by focusing on personal effectiveness and strategic leadership effectiveness. We also had in-house programmes on leadership development, which included exposure to best practices and industry leaders, both locally and abroad.

- **Enhancing Learning Methods**

Widening our learning approaches by introducing courses with innovative learning styles, such as gamification.

- **Addressing Main Competency Gaps and Strengthening Risk Awareness**

Ensuring that all employees had individual development plans to address key gaps in their behavioural, technical and functional skills, which were identified after individual assessments. We also conducted awareness programmes organisation-wide on critical areas, such as cyber security, crisis management, anti-fraud, bribery and corruption, and personal data protection for employees exposed to high risk areas. For further information on our learning and development efforts, refer to our Integrated Annual Report 2019.

GO1: E-learning Courses

Our e-learning platform, launched in 2018, has close to 300 soft skill courses which includes bite-sized courses on a variety of topics. This platform provides our employees with the opportunity to learn at their own pace. Pre and post assessments are also conducted to ensure employees are learning the skills provided.

This year, we promoted the platform heavily among our employees to create the awareness as an alternate learning tool and encourage utilization. In 2019, there was an increase in the usage of the platform from 9.7% (2018) to 90.2.% (2019).

Training Hours, Broken Down By Gender And Employee Category

	Category	2017	2018	2019
Total training hours		16,656	21,916	19,741
Total training hours by gender	Male	8,440	11,081	9,768
	Female	8,216	10,835	9,973
Average training hours by gender	Male	27.58	36.1	49.5
	Female	31.00	38.4	50.5
Total training hours by employee category	Senior Management	367	863	583
	Middle Management	8,898	12,502	10,479
	Executive	5,232	6,215	5,731
	Non-Exec	2,159	2,336	2,947
Average training hours by employee category	Senior Management	13.59	30.52	3.0
	Middle Management	29	39.4	53.1
	Executive	33.3	37.2	29
	Non-Exec	26.7	30.3	14.9
Total amount invested in employee learning and development (RM)		1,044,647	1,091,597	1,318,048

BUILDING A HIGH-PERFORMANCE ORGANISATION

EMPLOYEE WELL-BEING

We strive to create a healthy and safe work environment for our employees and support their physical, mental and emotional wellness.

Occupational Safety and Health (OSH)

To ensure the occupational health and safety of our employees, we follow relevant regulations and voluntary codes and have in place the following initiatives/processes:

- A strong governance structure, led by the OSH Committee, which is in charge of developing, endorsing and evaluating the quality and effectiveness of our OSH policies.
- Safety and security measures to ensure that employees who carry out high-risk job functions or roles have clear procedures and guidelines in reporting and responding to any threat or safety incidents.

Employee Well-being and Health

To care for the well-being of our employees, we provided facilities and various activities throughout the year. These include:

• Health Screening for Employees

To help our employees monitor their health, we conducted a 10-Point Check basic screening between October-November 2019, which included heart-specific and generic health screening. Both screenings were held on-site to provide employees with some insight on their overall health performance, at a corporate price. In 2019, we organised a two-month campaign in conjunction with the Mental Health Month in October. It focused on mental health and cultivating a happy workplace, including talks on nutrition, quality sleep, stress management, road safety and ergonomics. We also organised a one-day bazaar selling and promoting health products and healthy food and beverages.

• Sports Facilities

A well-equipped gym is based in our offices, as well as facilities for yoga, zumba, aerobics and other exercise programmes for employees.

• Flexible Work Arrangements

We provide alternative work arrangements for our employees, demonstrating our efforts to encourage a work-life balance.

• Freedom of Association

We recognise our employees' rights to freedom of association. In 2019, we did not receive any reports of the violation of these rights. 42 of 70, or 60% of our non-executive employees are union members and are covered by the Terms and Conditions of the Employment Agreement between Bursa Malaysia and the National Union of Commercial Workers (NUCW). We have recognised the NUCW in representing non-executives since 1990.

We constantly monitor our OSH performance through injury rate, occupational disease rate, lost day rate and work-related fatalities. In 2019, these were all recorded at zero.

ENVIRONMENTAL SUSTAINABILITY

Climate Change (Mitigation and Adaptation)

To contribute towards combating climate change, we strive to ensure we are practical and careful in managing our environmental footprint and impact from our operations, such as office and business travel.

In light of these commitments, we are continuously strengthening our approach to monitoring and reporting our GHG emissions. This year, we undertook a number of key improvements:

• Reporting of Scope 1 and Scope 3 GHG Emissions

We extended our carbon emission reporting scope to include Scope 1 GHG emissions and Scope 3 GHG emissions from air travel for business, in line with the GHG Protocol Corporate Accounting and Reporting Standard. We aim to incorporate other emission sources in the future to improve our emission reporting. We are also analysing our environmental footprint baselines and are considering a target-setting approach in the future.

• Providing Electric Vehicle (EV) Charging Stations for Employees

This year, we installed two EV charging stations for our employees in the basement and will be installing an additional two more in 2020.

• "From Bursa to Bursa" – Crowdsourcing Ideas from Employees

We organised a campaign to seek innovative ideas from employees to improve Bursa Malaysia. The final winning idea was a proposal to implement a roof-top solar project at our office building to reduce electricity costs and our carbon footprint. We are currently exploring the feasibility of implementing this idea.

Towards the Adoption of the TCFD Recommendations

This year, we set up the Climate Action Task Force to coordinate efforts to improve our environmental performance and reporting, in relation to climate-related risks and opportunities, towards the adoption of the TCFD recommendations. The Task Force meetings were held when necessary to discuss and evaluate the progress and effectiveness of environmental programmes. Task Force is chaired by the Director of Sustainability and comprised representatives from different divisions or departments.

In 2020, we aim to conduct a more comprehensive analysis of our climate and environmental management approach against the TCFD recommendations. This includes enhancing GHG emissions management and reporting, and the systematic identification of climate-related risks and opportunities that could be significant for Bursa Malaysia.

Energy Consumption

Our electricity consumption has seen a reduction over the last three years as a result of our previous energy-saving initiatives.

	2017	2018	2019
Total electricity consumption (MWh)	10,200	9,196	8,977
Energy intensity (MWh/m ²) ³	0.27	0.23	0.22

Note:

- This year, we included data on the energy consumption of all our buildings (Bursa Malaysia Main Building, Annexe, data centre and our disaster recovery site)
- The 2017 figure does not include disaster recovery site
- Our electricity data does not include consumption by our tenants
- We have used the self-occupied area as the measurement of floor space, instead of the Gross Floor Area (GFA) as used in previous reports

³ The energy intensity was calculated by dividing total energy consumption with the self-occupied area.

GHG Emissions (tCO₂e)

	2017	2018	2019
Scope 1	28.00	30.10	32.76
Scope 2	7,079.05	6,381.85	6,230.20
Scope 3	-	-	63.68

Note:

- Scope 1 emissions: Sources include on-site power generation (genset) and pool vehicles. Scope 1 Emission Factors were obtained from MYCarbon GHG Reporting Guidelines.
- Scope 2 emissions: Purchased electricity from grid. Grid Emission Factor was obtained from <http://www.seda.gov.my/statistics-monitoring/co2-avoidance>
- Scope 3 emissions: Air travel for business. Emissions were calculated using the Carbon Emissions Calculator developed by International Civil Aviation Organisation (ICAO).

Carbon Emissions Intensity	2017	2018	2019
Scope 2 (tCO ₂ e/m ²)	0.19	0.16	0.16
Scope 3 (tCO ₂ e/FTE) ⁴	-	-	0.11

⁴ FTE refers to Full Time Employee

Bursa Bull Charge (BBC) 2019: A Carbon-Neutral Event

Every year, we seek to ensure that BBC, our flagship fundraising event, remains a carbon-neutral event. We do this by measuring, reducing and offsetting the carbon emissions of the run.

To measure our carbon footprint, a detailed carbon assessment was carried out with our BBC carbon partner. As a counter-measure on carbon emissions created this year, Bursa Malaysia will offset our BBC 2019 emissions through certified carbon credits.

Building on our experience from previous years, we used a similar methodology to calculate our carbon emissions, which included engaging our runners, vendors and staff through surveys to obtain information on their activities and travelling arrangements for the day. We then used the inputs to estimate our GHG emissions:



BUILDING A HIGH-PERFORMANCE ORGANISATION

Type	GHG Emissions (in kilograms of CO ₂ , equivalent, (kgCO ₂ e))
Scope 1	13.90
Scope 2	3,698.60
Scope 3	2,426.40
Total	6,138.90

Note:

- Scope 1 emissions: On-site vehicle usage
- Scope 2 emissions: Grid power consumption
- Scope 3 emissions: Vendor equipment (on-site power generator), transportation of participants and event personnel and vendor transportation before, during and after event preparations.

For more information on the social impact of BBC, refer to pages 65 to 66.

Responsible Resource Management

We believe that preserving and protecting the environment is vital to building a sustainable business. We are committed to ensuring the transparent and efficient management of our resource footprint, and to minimising the environmental impact from our business activities. We aim to continuously improve our water and waste management practices and take appropriate precautions.

Water Consumption

We reduced our water consumption by using water-efficient technology and equipment, where possible. Most of the water consumed at our Head Office is sourced from the municipal water supply. Since 2011, we have also utilised groundwater extracted from a stream located near our Head Office as non-potable water used for other purposes, such as toilet flushing and in cooling towers. This year, we installed a meter to monitor and report on our groundwater usage.

Waste Management

To manage our waste, we take steps to ensure that it is disposed of responsibly, and recycled where possible, to minimise our environmental footprint. Our waste composition include hazardous and non-hazardous waste, with the latter disposed of in a landfill at Bukit Tagar through the Taman Lembah Beringin Transfer Station in Kuala Lumpur. Our hazardous waste, which is made up of mainly fluorescent tubes, is treated and disposed of in an environmentally responsible way, in line with government legislation by a licensed operator.

Our waste management approach includes:

- Responsible disposal of solid waste and effluents, according to regulations.
- Responsible disposal of e-waste via a licensed operator.
- Recycling programme – waste separation and recovery.
- Encouraging the use of reusable cups and plates during internal company activities as part of our overall commitment to enhance employee awareness on the importance of waste reduction.

Water and Waste Management Performance Data

	2017	2018	2019
Water withdrawal (m3)	56,087	39,785	39,808
Hazardous waste (kg)	421	455	579
Non-hazardous waste (kg): General waste (sent to landfill)	619,169	575,405	581,940
Non-hazardous waste (kg): Paper (sent for recycling)	6,204	4,478	5,145
Total waste (kg)	625,794	580,338	587,664

SUPPORT FOR LOCAL VENDORS

As a key player in Malaysian economy, we also seek to leverage on our supply chain to further our contribution to the national economic development. As such, we are committed to supporting local business activities and procuring from local businesses as much as we can. In 2019, 89.5% of our suppliers were local vendors. We engaged them to source for goods and services for both operating and capital expenditure, such as technology services, hardware and software, building management services, advertising and consultancy services to support our day-to-day operations.

MOVING FORWARD

We will continue our efforts to build a high-performance organisation in the years ahead, as it is critical to our organisational success. One of our key priorities for 2020 is to develop our OACP, which will outline our strategies and action plans to enhance the prevention, detection and management of fraud, bribery and corruption. We will also continue to benchmark ourselves against best practices to strengthen our management systems on anti-corruption.

We intend to develop a Smart Energy Plan for Bursa Malaysia's Head Office. The plan involves exploring solutions to develop an eco-friendly office building, which includes studying the feasibility of installing rooftop solar panels and other environmentally-friendly solutions.

Furthermore, we will always strive to create a work culture that is engaging and rewarding for our employees, by focusing on diversity, inclusion and equal opportunity, employee well-being as well as learning and development.

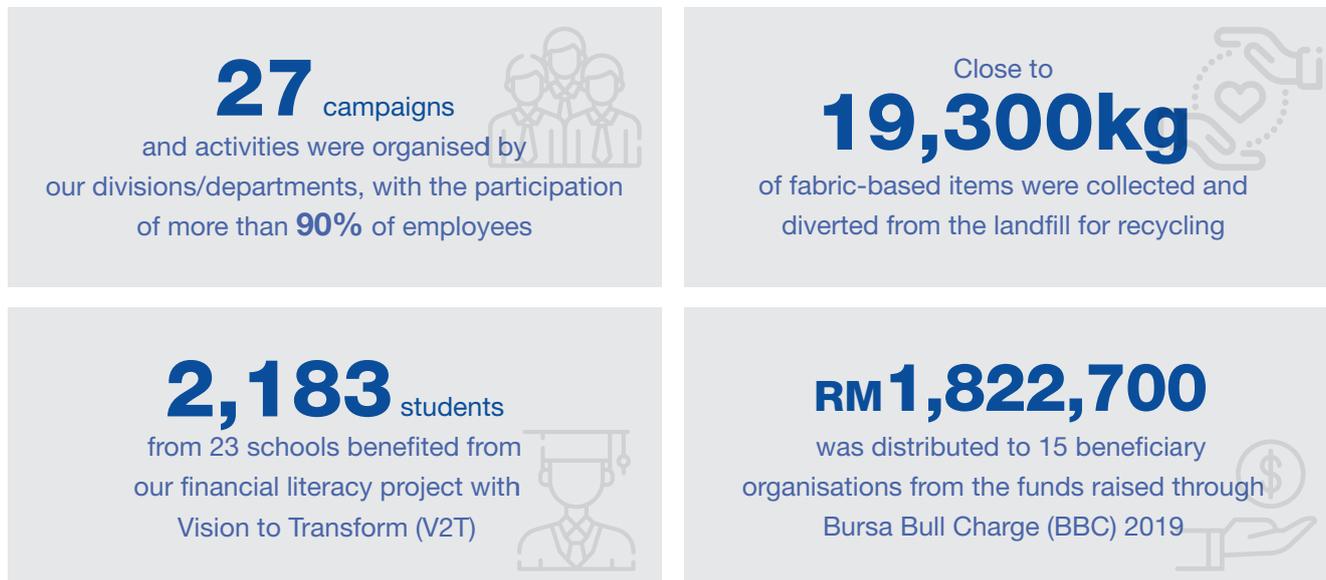


CREATING IMPACT THROUGH COMMUNITY INVESTMENT

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CREATING IMPACT THROUGH COMMUNITY INVESTMENT

2019 Key Highlights



As an exchange operator, we are committed to building a cohesive society in Malaysia and supporting inclusive and sustainable development for future generations. We also support community programmes that align with our values, particularly focusing on the thematic areas of education, financial literacy and environmental protection.

Our flagship programmes are primarily undertaken through our foundation, Yayasan Bursa Malaysia (YBM), which was established in 1998. YBM is governed by a Board of Governors which oversees and provides strategic input on our community investment initiatives.

We implement two types of programmes to meet our objectives for community investment:

Our Flagship Programmes	Empowering Our Employees To Lead Community Initiatives
<p>These annual programmes are the primary means by which we create value for society in the long-term, focusing in particular on education and environmental protection.</p>	<p>To instil a spirit of giving back among our employees, we empower them to donate their skills, resources and time to support the community in the areas of financial literacy and climate action.</p>

In addition, we organise activities on an ad-hoc basis, such as celebrations with underprivileged groups during festive seasons.

OUR FLAGSHIP PROGRAMMES

Bursa Bull Charge (BBC) 2019

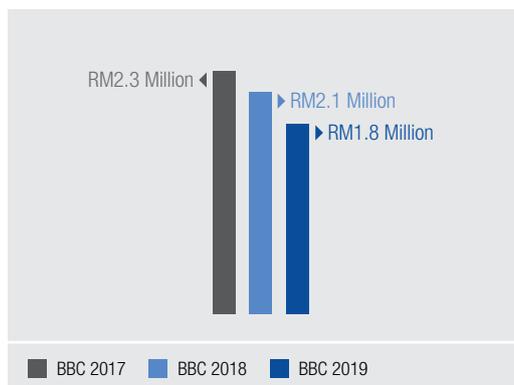
For the sixth year running, we organised our annual fundraising event – BBC 2019 – which provides a unique platform for the Malaysian capital market to provide its collective support to improve the lives of communities. This year, we saw the collective efforts of close to 100 corporations from the capital market market and industry in supporting over 1,300 runners to take part in the BBC 2019 and raise funds for the community. Our hope is for the BBC to contribute to sustainable development in Malaysia over the long-term.



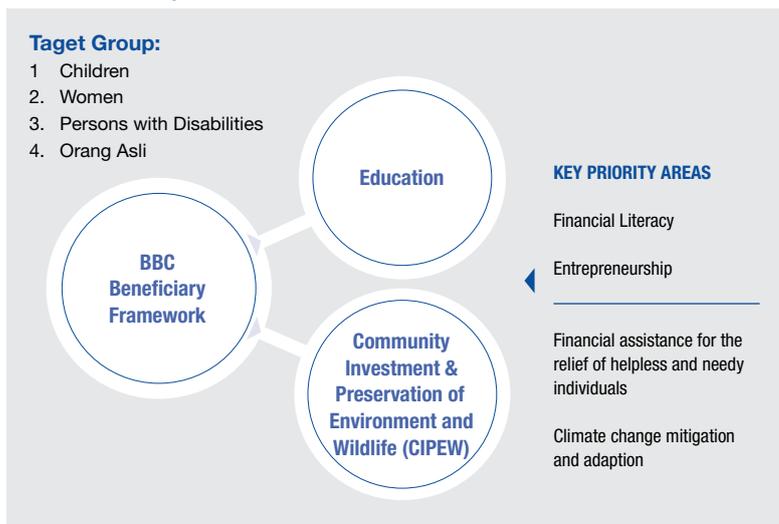
Over 1,300 runners from close to 100 corporations taking part in BBC 2019

Since inception, we have raised more than RM11.5 million to support a wide-range of community programmes.

Our Impact



BBC Beneficiary Framework



The funds raised were distributed in accordance with our BBC Beneficiary Framework, which was developed to provide a more structured approach to giving and to ensure that we achieve our intended objectives and impact.

We apply strict procedures to ensure the accountability of funds distributed, such as requiring beneficiaries to present progress reports and carrying out visits to their premises. Where the funded amount is above a prescribed threshold, we ensure that progress is shown before the amount is released.

CREATING IMPACT THROUGH COMMUNITY INVESTMENT

A full list of the 15 beneficiary organisations which received funds from the BBC 2019 can be found [here](#):

Under the Education category, the funds were used, among others, to provide training on entrepreneurship and financial literacy for underprivileged women, empower autistic persons with skills training in urban agriculture and empower orang asli with skills to enable them to seek and retain employment.

Under the CIPEW category, the funds were used, among others, to support fire prevention and forest rehabilitation through local community participation in peat swamps, to conserve hornbill nesting and feeding areas and to empower student leaders and mobilise school communities to lead conservation efforts.



Representatives from beneficiaries of BBC 2019 together with senior management from Bursa Malaysia

Sustainable Event Management

Apart from raising funds, we also aim to run BBC sustainably, minimising its impact on the environment while maximising its benefit to society. Every year, we seek to ensure that BBC remains a carbon-neutral event by measuring, reducing and offsetting our carbon emissions. Furthermore, we minimise our waste footprint by reducing the use of single-use plastic water bottles, using paper instead of plastic containers for food, providing recycling bins and encouraging runners to bring their own water bottles. We also aim to use BBC as a platform to raise awareness about sustainability, using social media to encourage runners to support the event's sustainability initiatives such as taking public transport to the event.

In addition, we included a category for para runners for inclusivity in 2018. This year, 24 para runners registered to take part and compete in the 1.5 km run alongside the CEO runners.

For more information on how we managed our environmental footprint for BBC 2019, refer to pages 65 to 66.

Financial Literacy Programme for Secondary School Students

We engaged V2T to conduct a financial literacy programme with funds from BBC 2018. This programme covered 2,183 students from 23 schools in the Klang Valley and Sarawak. Teachers from the schools involved were trained to teach students on the fundamentals of financial management. They were guided by a structured syllabus which included suggested activities and worksheets. The topics covered included setting budgets, tracking expenses, debt management, investment and introduction to entrepreneurship. V2T also facilitated a two-day financial literacy workshop with gamification for each school at the end of the programme to augment the learning experience of the students.



73 teachers trained



2,183 students impacted

The teachers involved gave the programme an average rating of 4.75 out of 5, while the students reported an average of 90.4% increase in knowledge on financial management after completing the syllabus.



The programme has helped me to be more aware of my money and I have also learnt how to multiply my wealth in the right way. I learnt about scams and investments and this is good for me because I will be able to differentiate now when an investment is too good to be true”

Sakita Abalia Lazarus,
Student, SMK Batu Muda



Prize Giving Ceremony for top performing schools

Yayasan Bursa Malaysia (YBM) Scholarship Programme

Since 2006, we have been providing full scholarships for students from underprivileged backgrounds to pursue undergraduate courses at selected local public universities. Recipients under 22 years of age from families with a gross household income of RM5,000 or less are selected on a competitive basis. This is part of our commitment to grow Malaysia’s high-calibre talent pool and support social mobility. Students pursuing Law, Finance, Accountancy and Economics are given priority as we aim to build a talent pipeline in relevant fields for Bursa Malaysia.

	2017	2018	2019
Number of scholars supported	19	19	18



This scholarship is very meaningful for me as it helped me to lift my financial burden. Now, I can become more focused on my studies because I no longer need to worry about my university fees. Besides, I also use this scholarship to pay for extra-curricular activities within my university such as Malaysian Business Students Summit 2020. I also plan to join more activities as I can gain more experiences and learn more.”

Som Chai A/L Som Chit,
YBM scholar



Som Chai A/L Som Chit, one of our scholars receiving the YBM scholarship from our CEO, Datuk Muhamad Umar Swift

CREATING IMPACT THROUGH COMMUNITY INVESTMENT

Yayasan Bursa Malaysia (YBM) Excellence and Merit Awards 2019

As part of our commitment to our staff, we also reward our employees' children (Bursa Kids)¹ who perform well in major public examinations (UPSR, PT3 or SPM exams). Now in its twelfth year, this initiative seeks to recognise, reward and encourage academic excellence among Bursa Kids.

Our Impact

Total amount awarded	RM7,800
Total number of recipients	17



I really appreciate the support Bursa provides to Bursa Kids. It motivates my kids to work hard. Now, only my youngest is left and he is also aiming to receive the award to finish his SPM”

Nor Jamisah Hassan,

Senior Manager

Post Trade, Core Solutions & Delivery,
Operations - Technology & Information Management



Jaclyn Heng Wei Yi, daughter of Heng Teck Heng, Vice President, Issuers receiving the YBM Excellence Award from our CEO, Datuk Muhamad Umar Swift

EMPOWERING OUR EMPLOYEES TO LEAD COMMUNITY INITIATIVES

This year, we added ‘Sustainability Leadership’ into our Corporate Scorecard as a mandatory Key Performance Indicator (KPI) for organisational development. Under this KPI, we required our divisions/departments to organise initiatives contributing to climate action and financial literacy. This move presented our divisions/departments with the opportunity to build on their capabilities in leadership and organisational development, while instilling a culture of giving back.

We are proud of the results of this new initiative, with 27 campaigns and activities organised by our divisions/departments, and participation by more than 90% of our employees.

Climate Action

Most of the initiatives organised by our employees centred on the themes of tree-planting, clean-ups and recycling, raising awareness and education, and promoting veganism.

Giving Old Clothes New Life

Studies show that Malaysians produce up to 2,000 tonnes of textile waste and other wearable products, representing 5% of solid waste ending up in the landfills. To reduce our own contribution to textile waste and raise awareness about the cause, our employee volunteers mobilised their colleagues, friends and family to collect fabrics for recycling this year. This initiative was organised by Bursa Malaysia and supported by our partners, namely Kloth Cares, Astro Awani, Life Line Clothing Malaysia and Selangor Youth Community.



In total, we collected close to 19,300 kg of fabric-based items for recycling.

Bursa Malaysia Fabric Bank placed at our premises as a permanent collection point for fabric recycling

¹ This year, we amended the eligibility criteria to include only employees from E3 and below (i.e. excluding senior management).

Other environmental initiatives included:

Initiatives
Tree-Planting Initiatives
Mudball Water Treatment Initiative
Plogging (Pick Up Trash While Exercising)
Sustainable Me (Be a Vegan) Initiative
Beach and Turtle Sanctuary Cleaning
Bursa Car-Free Friday Campaign
Trash 2 Treasure Recycling Campaign
World Elephant Day

Our Impact

280 trees were planted
(estimated to reduce 6,160kg of Greenhouse Gas (GHG) emissions per year²)

More than **1,200kg** of trash were collected and sorted, of which about 40% were recyclables

209 employees successfully completed a 'Be a Vegan' challenge, where they had to be vegan for a minimum of 16 days for 12 hours a day

419 children attended our environmental awareness and education sessions



Various clean-up initiatives were organised by our employee volunteers including a beach clean-up campaign and 'plogging' – or picking up trash while exercising – activity at Taman Lembah Kiara



Employee volunteers preparing for lake clean up at Tasik Medan Idaman Setapak using Effective Microorganism (EM) mudballs

² Based on an estimation by Environmental Resources Management (ERM), an environmental consultancy and partner for BBC 2019, a tree planted in humid tropical environment will absorb an average of 22kg of CO2 annually over 40 years.

CREATING IMPACT THROUGH COMMUNITY INVESTMENT

Financial Literacy

Our employees also participated in a number of programmes to promote financial literacy among women, children and underprivileged groups.

Bursa Malaysia Games Day

We organised Bursa Malaysia Games Day at eight schools in the Klang Valley, supported by more than 100 employee volunteers. The activity involved engaging students on financial literacy concepts through fun and interactive games developed by Bursa Malaysia employee volunteers.



Employee volunteers engaging with students through a variety of interactive games on financial literacy

Other initiatives included:

Initiatives
Financial Literacy Programme for Women
Mentor-Mentee Programme with the Less Fortunate

Celebrating the Festive Season with the Underprivileged Community



Distribution of food necessities to underprivileged Indian families for Deepavali in collaboration with Kechara Soup Kitchen



Iftar Perdana with students from a tahfiz school



Chinese New Year celebrations with persons with learning disabilities from United Voice, a self-advocacy group for the disabled community

Our Impact

8 schools
were engaged on financial literacy through Bursa Malaysia Games Day



65
underprivileged children were mentored by employee volunteers through a one-on-one mentorship programme



60 women
attended our financial literacy session on financial management and building self-confidence





ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

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ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

OUR APPROACH TO MATERIALITY

Materiality is a key principle that helps us to prioritise the matters that are of most importance to Bursa Malaysia, based on our significant economic, environmental and social impacts, and which substantively influence the assessments and decisions of our key stakeholders (Material Matters). Our Material Matters are also determined based on how they impact or are impacted by our value creation activities. Under the International Integrated Reporting Framework (<IR> Framework) by International Integrated Reporting Council (IIRC), value creation is described in the context of six forms of capitals: Financial Capital, Human Capital, Intellectual Capital, Manufacturing Capital, Social Capital, Natural Capital. For more information on how materiality guides our approach to integrated reporting, refer to our Integrated Annual Report 2019.

Materiality Review in 2019

In 2019, we built on our existing understanding of our Material Matters by undertaking a materiality review that consisted of an online survey with our internal and external stakeholders.

The results of the materiality review showed that the 17 material sustainability matters identified in 2018 through a comprehensive materiality assessment¹, were largely in line with stakeholder expectations. However, to better capture and articulate our priorities around innovation and technology, we combined the following Material Matters, 'Organisation Innovation' and 'Technology Excellence', to form the new Material Matter 'Innovation and Technology Excellence'. This also took into account developments around latest disruptive or innovative trends in technology, highlighted as a key issue by our stakeholders during the materiality review. In addition, we also added "Global Economic Performance and Outlook" as a new Material Matter. This reflects our recognition that global developments could have a significant impact on Malaysian economy, and thus it is important for us to build resilience and actively seek innovative solutions to navigate an uncertain business landscape. The boundary for each Material Matter was considered either within our own operations (i.e. internal) or across the markets (i.e. external), depending on the nature of the matter.

The resulting 17 Material Matters were then submitted to and approved by the Corporate Sustainability Committee (CSC) and the Board of Directors at the end of the review process, before being reflected in Bursa Malaysia's Integrated Report and Sustainability Report in 2019. As we update our Material Matters, we will also continue to improve our management approach to ensure that we are addressing them in a holistic and integrated manner.

Our Material Matters:

				
ENHANCING COMPETITIVENESS	ENSURING MARKET INTEGRITY AND STABILITY	FOSTERING A RESPONSIBLE MARKETPLACE	LEVERAGING ON TECHNOLOGY AND INNOVATION	BUILDING A HIGH-PERFORMANCE ORGANISATION
<ul style="list-style-type: none"> ▶ Market Competitiveness ▶ Economic Performance ▶ Global Economic Performance and Outlook 	<ul style="list-style-type: none"> ▶ Market Integrity and Stability (including Investor Confidence) ▶ Education and Advocacy ▶ Customer Privacy ▶ Collaboration and Engagement 	<ul style="list-style-type: none"> ▶ Responsible Investment, Products and Services ▶ ESG Reporting ▶ Anti-Fraud, Bribery and Corruption* ▶ Climate Change (Mitigation and Adaptation)* 	<ul style="list-style-type: none"> ▶ Innovation and Technology Excellence ▶ Cyber Security 	<ul style="list-style-type: none"> ▶ Employee Diversity, Inclusiveness and Equal Opportunity ▶ Workforce Learning and Development ▶ Occupational Health, Safety and Well-being ▶ Responsible Resource Management ▶ Anti-Fraud, Bribery and Corruption* ▶ Climate Change (Mitigation and Adaptation)*

¹ For more information on the materiality assessment undertaken in 2018 including our 2018 Material Matters Matrix, refer to our [Sustainability Report 2018](#).

* Indicates that the Material Matter is covered under more than one Priority Area.

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

Description of Our Material Matters

▶ ENHANCING COMPETITIVENESS 	
MARKET COMPETITIVENESS	Market Competitiveness is an important determinant of our ability to protect and grow businesses in the capital market. This Material Matter measures our ability to facilitate flow of funds between issuers and investors more effectively as well as support the national economy and agenda.
ECONOMIC PERFORMANCE	As a key economic powerhouse of the country, we facilitate capital formation and wealth creation in the markets. The revenue gained from our products and services is distributed to the wider economy in the form of wages, taxes, shareholder dividends, interests and community investment. Measuring our economic and operational performance is essential to understanding these impacts on relevant stakeholders. A good economic performance allows us to maintain our social licence to operate and contribute to the nation's sustainable development.
GLOBAL ECONOMIC PERFORMANCE AND OUTLOOK	Global economic outlook could have an effect on market performance and sentiment, Public Listed Companies' (PLCs) earnings and investor confidence. This Material Matter may have an impact on trading activities and affect the attractiveness of our marketplace as a whole. Therefore, it is important for us to build resilience to weather through any uncertainties in the business landscape and actively look for alternative and innovative ways to maintain our market competitiveness.
▶ ENSURING MARKET INTEGRITY AND STABILITY 	
MARKET INTEGRITY AND STABILITY (INCLUDES INVESTOR CONFIDENCE)	Market Integrity and Stability are key to ensuring the well-functioning and sustainability of our capital market. We achieve this by maintaining comprehensive and robust regulatory and market safeguard frameworks to govern our operations as well as relevant market participants in a fair, orderly and efficient manner. This is emphasised by inculcating a culture of corporate governance (CG) and sustainability to minimise risks and ensure sustainable value creation. This Material Matter protects the interests of investors and depositors, which is vital to gaining trust and encouraging participation and growth of markets that translate into economic growth and improved societal health.
EDUCATION AND ADVOCACY	Due to our unique position in the markets, we play a key role in engaging, educating and communicating key issues such as compliance and current trends emerging from the marketplace with internal and external stakeholders. Through education and advocacy programmes, businesses, employees and investors are able to develop a deeper understanding of economic, environmental, social and governance issues and possess the knowledge, skills, attitudes and values to make informed and responsible decisions for a sustainable future.
CUSTOMER PRIVACY	This Material Matter indicates the preservation and protection of the personal information that we and our third-party service providers collect and process for the purposes of transactions with us. Our initiatives on this Material Matter serve to protect our reputation as a trusted market operator. Addressing this Material Matter also prevents or mitigates our exposure to risks related to litigation, contingent liabilities and loss of revenue. Furthermore, actions to ensure Customer Privacy are a protection of fundamental freedoms in accordance with national legislation and international agreements.
COLLABORATION AND ENGAGEMENT	Our position in the capital market allows us to interact with a wide range of stakeholders. This gives us an added advantage to engage and work together to address particular market-related issues. The result is enhanced partnerships globally as well as between public, private and civil society. This Material Matter discloses the value of our communications and relationships with our stakeholders.

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

▶ FOSTERING A RESPONSIBLE MARKETPLACE 	
RESPONSIBLE INVESTMENT, PRODUCTS AND SERVICES	Responsible Investment (RI) aims to incorporate Environmental, Social and Governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns. Sustainable products and services facilitate RI as they generate measurable social or environmental benefits alongside financial returns, creating long-term value for investors and society. Due to our position in the markets, and as the leading exchange in the Islamic capital market, we have the opportunity to play a key role in facilitating investors in making RI through mechanisms such as offerings of sustainable products and services. This enables us to foster sustainable development in the marketplace and within the organisation as well as strengthen our market competitiveness and attractiveness as a preferred destination for RI.
ESG REPORTING	As a PLC, reporting on sustainability or ESG performance involves reporting our intangible value drivers and other material organisational information to our stakeholders. This promotes greater accountability and transparency of the organisation. This Material Matter also impacts us in our capacity as a market operator and regulator. Through our policies and Listing Requirements (LR), we have an influence over the performance and transparency of our PLCs, and increasingly on the investment decisions of investors with a focus on sustainability. Strong ESG reporting drives better ESG practices as well as RI towards fostering sustainable development and the creation of a sustainable capital market.
ANTI-FRAUD, BRIBERY AND CORRUPTION	Companies tainted by allegations of fraud, bribery and corruption or any form of unethical business conduct are susceptible to implications that may affect their survival. Our role in regulating the Malaysian capital market exposes us to potential risk of fraud, bribery and corruption in our day-to-day dealings with stakeholders. To enable us to act with integrity and meet our duties and obligations, we must embrace ethical practices as part of our DNA. Similarly, our PLCs should also embrace ethical practices.
CLIMATE CHANGE (MITIGATION AND ADAPTATION)	While our direct environmental impact on climate change is relatively immaterial, we have a unique opportunity and a shared responsibility to address it collectively with our stakeholders particularly with respect to the wider capital market. We do this by facilitating market participants to reduce their exposure to climate-related risks and transition towards a low carbon economy. Risks brought about by climate change include value-chain risks (physical, prices, product) and external stakeholder risks (ratings, reputation, regulation). Addressing this Material Matter builds resilience and can protect the markets from climate-related risks. It also strengthens the quality of the markets and enables an organisation to capitalise on new market opportunities and explore new revenue streams.

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

▶ LEVERAGING ON TECHNOLOGY AND INNOVATION 	
INNOVATION AND TECHNOLOGY EXCELLENCE	Exchanges are valued for their ability to innovate to maximise efficient allocation of capital, enhance market inclusion as well as offer superior customer experience. To strengthen our competitiveness as a leading exchange in ASEAN, we foster innovation by undertaking research, development and deployment of ideas to deliver a quality, reliable, sustainable and resilient market. Further, the pace of innovation is becoming increasingly fast with new and emerging technologies such as artificial intelligence, the Internet of Things (IoT), blockchain and other disruptive technologies, which continue to change the business landscape. Harnessing the power of innovation and technological excellence can transform businesses and markets by attracting capital and talent, as well as driving economic growth, efficiency, and social value creation.
CYBER SECURITY	Global exchanges face increased risks associated with information technology. Our mission-critical computer systems handle a vast amount of data and information and therefore, may be susceptible to cyber threats, including computer crime, hacking, viruses or malware. Therefore, it is critical for us to manage cyber security and technology infrastructure services in order to ensure trading can be carried out without disruption. Managing this Material Matter will also enable us to protect our reputation as a trusted market operator and prevent or mitigate our exposure to risks relating to litigation, contingent liabilities and loss of revenue.
▶ BUILDING A HIGH-PERFORMANCE ORGANISATION 	
EMPLOYEE DIVERSITY, INCLUSIVENESS AND EQUAL OPPORTUNITY	As an employer, we are responsible to provide an inclusive and conducive workplace for all. This aids us in establishing our organisation as an employer of choice as well as recruiting and retaining talent towards becoming a High-Performance Organisation. This Material Matter demonstrates the equal treatment and opportunities for our employees regardless of their gender, age, ethnicity, sex, disability, religion, nationality, economic and other status. Equal opportunity in treatment or decision-making fosters inclusiveness and builds diversity within our organisation which in turn improves profits, innovation and impact.
WORKFORCE LEARNING AND DEVELOPMENT	As an employer and the only exchange in Malaysia, human capital and intellectual capital are crucial in ensuring effective and efficient delivery of our commitment and obligations in all our markets. This Material Matter is critical to us as it establishes us as an employer of choice that is able to recruit and retain talent towards becoming a High-Performance Organisation.
OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING	Our employees are entitled to work in an environment where risks to their health and safety are safeguarded, which we monitor and manage through our occupational safety and health codes. Employee well-being relates to the physical, mental and emotional wellness of employees, and are crucial to business sustainability as employees are in the first line of impact of any decision we make as an organisation.
RESPONSIBLE RESOURCE MANAGEMENT	Responsible Resource Management aims to utilise natural resources efficiently to meet current needs without compromising on future needs. It involves developing our ability as an organisation to protect, secure and make the most of key resources while reducing waste.

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Bursa Malaysia is committed to being accountable and responsive to our stakeholders' expectations and interests. We place a significant emphasis on consistent and transparent stakeholder engagement. Such engagements are crucial to help us identify and prioritise our Material Matters, develop our business plans, improve our performance, and guide our approach to reporting.

We have systematically prioritised our key stakeholders for engagement based on identifying the individuals, groups of individuals or organisations that impact or are impacted by our operations. The table below provides a summary of our engagement with key stakeholders in 2019. We engage all of our stakeholder groups on a regular basis.

Stakeholder Group	Engagement Method	Interests and Concerns	Our Response
PLCs or potential PLCs (including advisers and secretarial firms that act on their behalf)	<ul style="list-style-type: none"> Meetings Public/industry consultations Focus group sessions/dialogues Engagement through emails, phone calls, surveys or other means Circulars/directives Communication notes Advocacy programmes and workshops Promotional roadshows and seminars Enquiries via Listing Advisory Portal BursaLINK Site visits Our websites 	<ul style="list-style-type: none"> Our market development initiatives, regulatory policies and proposed changes to the LR Initial Listing Applications – Initial Public Offerings (IPO)/Reverse Take Overs (RTO) Additional Listing Applications – Additional issues of securities/secondary fundraising Clarification of obligations or application of the LR (e.g. amendments to or waiver of LR) Operational matters relating to the suitability of listing, admission process, clarification of LR in areas such as transactions and other corporate proposals Education/training/advocacy, especially on CG and sustainability FTSE4Good Bursa Malaysia (F4GBM) Index and related indices Other matters (e.g. regularisation proposals for PLCs with poor financial condition, complaints) 	<ul style="list-style-type: none"> Continued to adopt a robust consultative approach to ensure that our rules remained practical, relevant and proportionate Continued to provide advisory and timely support to PLCs on relevant enquiries Continued to engage and provide comprehensive and targeted advocacy and educational programmes to disseminate guidance and updates on key topics such as CG and sustainability

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Method	Interests and Concerns	Our Response
Investors	<ul style="list-style-type: none"> • Meetings • Public consultations • Focus group sessions/ dialogues • Engagement through emails, phone calls, surveys or other means • Local and overseas conferences (e.g. Invest Malaysia), advocacy programmes and workshops • Promotional roadshows, seminars, workshops and webinars • Our various digital touchpoints (websites, mobile apps) • Social media platforms (e.g. Twitter, Facebook, Instagram) 	<ul style="list-style-type: none"> • Our market development initiatives, regulatory policies and issues in the market ecosystem • Our products and services such as securities, derivatives and Islamic products • Profiling of our PLCs, including their financial and non-financial performance (e.g. CG and sustainability) • Interest in or demand for our proposed market initiatives and products • Our regulatory policies and rule changes • Financial literacy and investor education • Other matters (e.g. customer service and complaints) 	<ul style="list-style-type: none"> • Focused on boosting our market liquidity, velocity and trading flexibility through more facilitative market frameworks or ecosystems and building our listing pipeline and product offerings • Continued to reach out to existing and new investors through seminars, workshops and roadshows, and also introduced various investor educational programmes and initiatives • Continued to increase the number of constituents of F4GBM Index to help investors to identify PLCs with strong CG and sustainability practices • Continued to enhance the quality of PLCs, including their CG and sustainability-related disclosures

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Method	Interests and Concerns	Our Response
<p>Intermediaries (including brokers, Clearing Participants and authorised depository agents)</p>	<ul style="list-style-type: none"> • Meetings/visits • Public/industry consultations • Focus group sessions/dialogues • Securities Market Operations Committee (SMOC), Derivatives Market Operations Committee (DMOC), Technical Working Group (TWG) comprising members from the stockbroking industry/derivatives/broking community/custodian banks • Engagement through emails, phone calls, surveys or other means • Circulars/directives • Communication notes • Advocacy programmes and workshops • Promotional roadshows and seminars • Our websites • Bursa Malaysia Computer Emergency Response Team (BM-CERT) • Cyber Security Awareness Programme (external) 	<ul style="list-style-type: none"> • Our market development initiatives, regulatory policies and proposed rule changes (e.g. trading systems and business rules) • Our product development and offerings • Clarification of obligations or application of the business rules (e.g. modification or waiver of business rules) • Operational matters or concerns relating to participant conduct, trading, supervision and market surveillance • Education/training/advocacy/awareness campaigns • Enhancement to risk management practices of clearing houses • Industry-wide business continuity testing to test readiness of Bursa Malaysia and market participants to resume operations • Default drill exercise to test default management procedures and their readiness. • Other matters (e.g. complaints) 	<ul style="list-style-type: none"> • Ensured operational aspects of the industry were implemented smoothly and in a timely manner • Resolved matters raised promptly to meet stakeholders' expectations • Issued consultation papers and undertook other formal and informal consultations on proposed new rules, products and services and moved towards less prescriptive forms of regulation • Facilitated market development towards addressing issues from the industry such as the perception of over regulation and market efficiency • Conducted advocacy, engagement and assistance to elevate compliance and improve intermediaries' understanding of matters pertaining to participants' obligations, front-office supervision, trading, business conduct and cyber security

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Method	Interests and Concerns	Our Response
Regulators and Government Agencies	<ul style="list-style-type: none"> Briefings, engagements and consultative sessions Meetings/discussions Jointly organised events Reports regarding capital market developments or compliance with statutory obligations (e.g. Annual Regulatory Report) Participation in various government related committees or working groups (e.g. Joint Committee on Climate Change (JC3), Corporate Integrity System Malaysia (CISM) Roundtable, National Special Committee on Corporate Governance and Economic Action Council) 	<ul style="list-style-type: none"> Economic and investment landscape and policies in Malaysia Market development initiatives, products, services and regulatory framework governing the Malaysian capital market (e.g. proposed rule changes) Our product development and offerings Status updates on supervision and surveillance of capital market trading activities and conduct of PLCs PLCs' CG and sustainability practices and reporting Compliance with our statutory duties and obligations Tax and incentives which affect the capital market and market participants Interpretation of laws/ legislations/guidelines 	<ul style="list-style-type: none"> Continued to engage closely with regulators and the Malaysian Government on our potential market development and regulatory initiatives to ensure continued growth, vibrancy and competitiveness of the capital market Executed supervision, market monitoring and pre-emptive measures in an efficient manner, reporting in a timely manner Collaborated with the regulators and the Malaysian Government to roll out CG and sustainability initiatives and events for the capital market
Employees	<ul style="list-style-type: none"> Meetings and feedback sessions Training and engagement sessions on various topics (e.g. cyber security) Employee Portal and Staff Zone Bursa@Work emails Other employee engagement Activities (e.g. festive celebrations) Community events (e.g. Bursa Bull Charge (BBC)) 	<ul style="list-style-type: none"> Our performance and growth strategies Training and development Performance evaluation and management Staff remuneration and benefits Employee safety, health and well-being Ethics and sustainability 	<ul style="list-style-type: none"> Provided updates on the company's business performance, growth strategies, change in policies and procedures Offered various training programmes to ensure employees' learning needs were addressed, and that they were well-equipped to perform their jobs Strengthened performance management framework to ensure we continued to attract and retain talent Provided guidance and support to business units to carry out their sustainability and community programmes

ASSESSMENT OF MATERIAL MATTERS AND STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Method	Interests and Concerns	Our Response
<p>Bursa Malaysia's shareholders and analysts</p>	<ul style="list-style-type: none"> • Annual Reports • Annual General Meetings • Half-yearly analyst and media briefings • Meetings • Circulars • Our websites 	<ul style="list-style-type: none"> • Financial performance • Strategies for growth • Operating landscape • Costs • Dividend policy • Share schemes • Sustainability strategy • Governance and leadership 	<ul style="list-style-type: none"> • Reviewed and developed holistic corporate growth strategies • Remained vigilant and prudent with corporate expenditure • Ongoing benchmarking and evaluation to ensure we remained competitive • Adhered to due governance processes and regulatory/reporting requirements
<p>Industry associations, professional bodies and industry experts</p>	<ul style="list-style-type: none"> • Meetings • Public consultations • Focus group sessions/dialogues • Engagements through emails, phone calls or other means • Joint committees/task force with the industry (e.g. SMOC) • Collaborations to promote Initial Public Offerings (IPOs) through seminars and promotional events 	<ul style="list-style-type: none"> • Interest in and demand for our proposed market development initiatives and products • Our regulatory policies and rule changes • PLCs' CG and sustainability practices and disclosures • Collaboration on events and initiatives 	<ul style="list-style-type: none"> • Continued engagement on our market development initiatives or market issues and regulatory framework, including liberalisation to ensure continued growth, vibrancy and competitiveness of the capital market • Continued to offer guidance and training to PLCs on CG and sustainability practices and disclosures
<p>Community groups (including non-profit organisations which are beneficiaries of our community initiatives)</p>	<ul style="list-style-type: none"> • Flagship community programmes (e.g. BBC) • Employee volunteering • Meetings or engagement via phone calls, emails/ letters • Our websites 	<ul style="list-style-type: none"> • Progress and impact of community programmes (e.g. BBC, Yayasan Bursa Malaysia's (YBM) scholarships) • Collaboration on events and initiatives 	<ul style="list-style-type: none"> • Added 'Sustainability Leadership' as a mandatory Key Performance Indicator (KPI) for organisational development, requiring employees to lead community initiatives which contributed to climate action and financial literacy • Continued our flagship programmes (e.g. BBC, YBM Scholarship Programme and other volunteering initiatives)

GRI

CONTENT INDEX

GRI Standard	Disclosure	Page number (s) or Comments	
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	Organisation Profile		
	102-1	Name of the organization	page 8
	102-2	Activities, brands, products, and services	pages 8 to 9
	102-3	Location of headquarters	Kuala Lumpur, Malaysia
	102-4	Location of operations	Malaysia
	102-5	Ownership and legal form	page 8
	102-6	Markets served	pages 8 to 9
	102-7	Scale of the organization	refer to pages 7 to 8 Integrated Annual Report 2019
	102-8	Information on employees and other workers	pages 56 to 57
	102-9	Supply chain	page 62
	102-10	Significant changes to the organization and its supply chain	page 1
	102-11	Precautionary Principle or approach	Bursa Malaysia applies the Precautionary Principle whenever assessing potential environmental risks, in order to avoid both known and unforeseen negative impacts on the environment.
	102-12	External initiatives	pages 23 to 24, 28, 39 to 43, 46, 55, 61
	102-13	Membership of associations	We hold memberships in various international and local organisations, including in those with a focus on sustainability. This enable us to remain up-to-date on the latest developments relevant to our industry. Our memberships include: Asian and Oceanian Stock Exchanges Federation (AOSEF), Asia-Pacific Central Securities Depository Group (ACG), Association of National Numbering Agencies (ANNA), Futures Industry Association (FIA), International Organization of Securities Commissions (IOSCO), The Organization of Islamic Cooperation (OIC) Exchanges Forum (OIC Exchanges Forum), Sustainable Stock Exchanges (SSE) Initiative, World Federation of Exchanges (WFE), Intermarket Surveillance Group (ISG), World Islamic Economic Forum (WIEF)
	Strategy		
	102-14	Statement from senior decision-maker	pages 2 to 4
	102-15	Key impacts, risks, and opportunities	pages 72 to 80
	Ethics and Integrity		
	102-16	Values, principles, standards and norms of behavior	refer to inside cover of the Integrated Annual Report 2019
102-17	Mechanisms for advice and concerns about ethics	page 54	
Governance			
102-18	Governance structure	refer to page 39 of the Integrated Annual Report 2019	

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GRI Standard	Disclosure	Page number (s) or Comments
GENERAL DISCLOSURES		
Stakeholder Engagement		
102-40	List of stakeholder groups	pages 76 to 80
102-41	Collective bargaining agreements	page 60
102-42	Identifying and selecting stakeholders	page 76
102-43	Approach to stakeholder engagement	pages 76 to 80
102-44	Key topics and concerns raised	pages 76 to 80
Reporting Practice		
102-45	Entities included in the consolidated financial statements	page 1
102-46	Defining report content and topic Boundaries	Inside cover, pages 1, 73 to 75
102-47	List of material topics	pages 73 to 75
102-48	Restatements of information	page 1
102-49	Changes in reporting	page 1
102-50	Reporting period	page 1
102-51	Date of most recent report	page 1
102-52	Reporting cycle	page 1
102-53	Contact point for questions regarding the report	page 1
102-54	Claims of reporting in accordance with the GRI Standards	Inside cover
102-55	GRI Content Index	pages 81 to 86
102-56	External assurance	The data included in this report has undergone a rigorous review as part of the internal assurance process conducted by our internal audit team and reviewed by Bursa Malaysia's Audit Committee. The objective of this approach is to ensure accuracy and integrity of the data disclosed. We aim to obtain external assurance of our Sustainability Report in the coming years.

GRI Standard	Disclosure	Page number (s) or Comments	
TOPIC-SPECIFIC DISCLOSURES: MATERIAL MATTERS			
▶ ENHANCING COMPETITIVENESS 			
Market Competitiveness			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 17, 73
	103-2	The management approach and its components	pages 17 to 28
	103-3	Evaluation of the management approach	page 28
Non-GRI	Non-GRI	Market capitalisation and average daily trading (ADV) values	page 19
Non-GRI	Non-GRI	Number of new listings	page 20
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 17, 73; also refer to pages 34 to 36 of the Integrated Annual Report 2019
	103-2	The management approach and its components	page 18; also refer to pages 9, 33 of the Integrated Annual Report 2019
	103-3	Evaluation of the management approach	page 28; also refer to page 25 of the Integrated Annual Report 2019
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	refer to page 7 of the Integrated Annual Report 2019
Global Economic Performance and Outlook			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 17, 73; also refer to pages 34 to 36 of the Integrated Annual Report 2019
	103-2	The management approach and its components	page 18; also refer to pages 9, 33 of the Integrated Annual Report 2019
	103-3	Evaluation of the management approach	page 28; also refer to page 25 of the Integrated Annual Report
Non-GRI	Non-GRI	Comparative performance on ASEAN Indices	page 19
Non-GRI	Non-GRI	ADV from foreign institutional investors	page 19
▶ ENSURING MARKET INTEGRITY AND STABILITY 			
Ensuring Market Integrity and Stability (including Investor Confidence)			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 30, 73
	103-2	The management approach and its components	pages 30 to 36
	103-3	Evaluation of the management approach	page 36
Non-GRI	Non-GRI	Corporate governance performance of listed issuers (Minority Shareholder Watchdog Group's (MSWG)'s Malaysia – ASEAN CG Transparency Index Score)	page 40
Non-GRI	Non-GRI	Sustainability performance of listed issuers (Average compliance with Bursa Malaysia's Sustainability Reporting Requirements)	page 40

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GRI Standard		Disclosure	Page number (s) or Comments
Education and Advocacy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 73
	103-2	The management approach and its components	pages 24 to 25, 40 to 43
	103-3	Evaluation of the management approach	pages 28, 46
Non-GRI	Non-GRI	Members of the public engaged and educated	page 38
Non-GRI	Non-GRI	Number of Participants for advocacy programmes on corporate governance and sustainability programmes	page 41
Non-GRI	Non-GRI	Total number of page views/visitors for BURSASUSTAIN	page 42
G4 Sector Disclosures: Financial Services	Former FS16	Initiatives to enhance financial literacy by type of beneficiary	pages 66, 70
Customer Privacy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 73
	103-2	The management approach and its components	pages 35 to 36
	103-3	Evaluation of the management approach	pages 35 to 36
GRI 413: A1:F159 Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 36
Collaboration and Engagement			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 73
	103-2	The management approach and its components	pages 20 to 28
	103-3	Evaluation of the management approach	page 28
Non-GRI	Non-GRI	Number of one-on-one engagements with PLCs on F4GBM Index	page 46
► FOSTERING A RESPONSIBLE MARKETPLACE			
			
Responsible Investment, Products and Services			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 43, 74
	103-2	The management approach and its components	pages 43 to 46
	103-3	Evaluation of the management approach	page 46
Non-GRI	Non-GRI	Number of Shariah-compliant securities listed and traded on Bursa Malaysia	page 44
Non-GRI	Non-GRI	Number of companies listed on LEAP Market	page 46
Non-GRI	Non-GRI	Number of F4GBM Index constituents	page 45
Environmental, Social and Governance (ESG) Reporting			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 38, 74
	103-2	The management approach and its components	pages 38 to 43
	103-3	Evaluation of the management approach	page 46
Non-GRI	Non-GRI	Average compliance level and quality score of Malaysian PLCs for sustainability reporting	page 40

GRI Standard	Disclosure	Page number (s) or Comments	
Anti-Fraud, Bribery and Corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 38, 52, 74
	103-2	The management approach and its components	pages 38 to 42, 52 to 53
	103-3	Evaluation of the management approach	pages 46, 62
GRI 205: Anti-Corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	page 55
	205-3	Confirmed incidents of corruption and actions taken	page 55
Climate Change (Mitigation and Adaptation)			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 38, 52, 74
	103-2	The management approach and its components	pages 42, 60 to 62
	103-3	Evaluation of the management approach	pages 46, 62
GRI 302: Energy 2016	302-1	Energy consumption within the organization	page 61
	302-4	Reduction of energy consumption	page 61
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	page 61
	305-2	Energy indirect (Scope 2) GHG emissions	page 61
	305-3	Other indirect (Scope 3) GHG emissions	page 61
	305-5	Reduction of GHG emissions	page 61
► LEVERAGING ON TECHNOLOGY AND INNOVATION			
Innovation and Technology Excellence			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 48, 75
	103-2	The management approach and its components	pages 48 to 50
	103-3	Evaluation of the management approach	page 50
Non-GRI	Non-GRI	Number of registered users on BursaMKTPLC	page 25
Non-GRI	Non-GRI	Disruptions with technology operations leading to business interruptions	page 35
Cyber Security			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 50, 75
	103-2	The management approach and its components	page 50
	103-3	Evaluation of the management approach	page 50
Non-GRI	Non-GRI	Initiatives to strengthen cyber security	page 50



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GRI Standard		Disclosure	Page number (s) or Comments
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ABBREVIATION

ADV	- Average Daily Value	GHG	- Greenhouse Gas	PO	- Participating Organisation
BMD	- Bursa Malaysia Derivatives Berhad	GRI	- Global Reporting Initiative	REIT	- Real Estate Investment Trust
BMDC	- Bursa Malaysia Derivatives Clearing Berhad	IDSS	- Intraday Short Selling	SC	- Securities Commission Malaysia
BSAS	- Bursa Suq Al-Sila'	IPO	- Initial Public Offering	SDG	- Sustainable Development Goal
CDS	- Central Depository System	KPI	- Key Performance Indicator	SICDA	- Securities Industry (Central Depositories) Act 1991
CG	- Corporate Governance	LEAP	- Leading Entrepreneur Accelerator Platform	SME	- Small and Medium Enterprise
CISM	- Corporate Integrity System Malaysia	LR	- Listing Requirements	SPAC	- Special Purpose Acquisition Company
CP	- Clearing Participants	MACC	- Malaysian Anti-Corruption Commission	SW	- Structured Warrant
ESG	- Environmental, Social and Governance	MCCG	- Malaysian Code on Corporate Governance	TCFD	- Taskforce on Climate-related Financial Disclosures
ETBS	- Exchange-Traded Bonds and Sukuk	NACP	- National Anti-Corruption Plan 2019-2023	TP	- Trading Participant
ETF	- Exchange Traded Funds	OACP	- Organisational Anti-Corruption Plan	UN	- United Nations
F4GBM Index	- FTSE4Good Bursa Malaysia Index	PFMI	- Principles for Financial Market Infrastructure	WEPS	- Women's Empowerment Principles
FBMKLCI	- FTSE Bursa Malaysia KLCI	PLC	- Public Listed Company		
FCPO	- Crude Palm Oil Futures				

GLOSSARY

A

ACE Market

The ACE Market is an alternative market for companies that are at growth stage and have business prospects. It replaced the formerly known MESDAQ (Malaysian Exchange of Securities Dealing and Automated Quotation) Market in 2009. The ACE Market is viewed as the ideal market for high growth companies with a limited track record and other companies looking to raise additional capital by taking their companies public through a listing exercise.

B

Bursa Malaysia-i

A fully integrated Islamic securities trading platform with a comprehensive range of Shariah-compliant exchange-related facilities including listing, trading, clearing, settlement and depository services.

BursaMKTPLC

An online platform that provides investors and traders with the information they need to conduct analysis, investing and trading.

Bursa Suq Al-Sila' (BSAS)

A Shariah-compliant commodity trading platform dedicated to facilitate Islamic liquidity management and financing by Islamic Financial Institutions (IFI). BSAS is the world's first which aims to provide industry players with a regulated framework with defined codes of conduct governing commodity trade in support of Islamic interbank placement, client deposit taking, financing, profit rate swap and cross currency swap, as well as sukuk issuances using the concept of Murabahah and Tawarruq. It undertakes contracts in various currencies to facilitate cross-border trades between IFIs and commodity players worldwide.

BURSASUSTAIN

A one-stop repository of information for corporate governance, sustainability, and responsible investment.

C

Capital

The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organisation

Central Depository System (CDS)

The CDS is a system that is fully owned and operated by Bursa Malaysia Depository Sdn Bhd (formerly known as Malaysian Central Depository Sdn Bhd), a wholly owned subsidiary of Bursa Malaysia Berhad.

Investors can use the CDS to transfer securities from one CDS account to another, provided the transfers are within the reasons approved by Bursa Malaysia Depository Sdn Bhd. Other transactions that depositors can perform via the CDS are registering of bank account information, updating of account particulars, reactivation of dormant CDS account, reactivation of inactive CDS account, deposit of share certificate, withdrawal of shares of delisted company and closing of CDS account.

Clearing Participant (CP)

A participant as defined in the Capital Markets and Services Act 2007, in relation to the Clearing House.

Closed-End Fund

A closed-end fund involves a listed company which invests in shares of other companies. A closed-end fund company has a fixed number of shares in issue at any point of time, the price of which will fluctuate according to net asset value and market forces.

Corporate Liability Provision

This is a new provision following new section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which is expected to come into force on 1 June 2020. The new Corporate Liability Provision states that a commercial organisation commits an offence if any individual associated with the organisation commits a corrupt act to obtain or retain business or an advantage for the commercial organisation. Commercial organisations can raise a defence if they can show that they have 'adequate procedures' in place.

D

Derivatives

A derivative is a security with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its value is determined by changes in the underlying asset. Derivative products available on Bursa Malaysia Derivatives are equity, interest rates, bond, agricultural commodity (crude palm oil and palm kernel), metal commodities (gold and tin) futures and options.

E**Equities**

An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. A person holding such an ownership in the company does not enjoy the highest claim on the company's earnings. Instead, an equity holder's claim is subordinated to creditor's claims, and the equity holder will only enjoy distributions from earnings after these higher priority claims are satisfied.

Exchange Traded Funds (ETF)

An open-ended investment fund listed and traded on a stock exchange. ETF combines the features of an index fund and a stock. The liquidity of an ETF reflects the liquidity of the underlying basket of shares. Generally, there are three types of ETFs: equity ETFs, fixed income ETFs and commodity ETFs. These ETFs consist of baskets of stocks, bonds or commodities based on an index which instantly offers broad diversification and avert the risk involved in owning stock of a single company. ETFs are listed and traded on a stock exchange. With units in an ETF, investors can gain exposure to a geographical region, market, industry or sector, commodity such as gold or oil or even a specific investment style such as growth or value.

F**FTSE4Good Bursa Malaysia (F4GBM) Index**

F4GBM Index measures the Environmental, Social and Governance (ESG) performance of public listed companies (PLCs) and was launched in December 2014. As at December 2018, a total of 56 constituents comprising PLCs from across the small, medium and large market capitalisation segments are in the F4GBM Index. The constituents are drawn from companies on the FTSE Bursa Malaysia Emas Index and are reviewed every June and December against international benchmarks developed in collaboration with FTSE Russell.

G**Global Reporting Initiative (GRI) Standards**

The GRI standards are the first global standards for sustainability. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.

Green Lane Policy

Green Lane policy for the equities and derivatives markets allows brokers which have been assessed to have good conduct and are familiar with the relevant regulatory requirements to commence their activities through notification to (as opposed to seeking approval from) Bursa Malaysia. The policy shortens the time to market for equities and derivatives brokers to commence their new activities which include the opening of new branches, commencement of discretionary trading, proprietary trading, margin financing and dual licensed activities.

Green Lane Policy for listed companies relating to circulars is a differentiated approach adopted in Bursa Malaysia's review of draft circulars submitted by listed companies. This is premised on the listed companies standard of corporate governance conduct and disclosure practices. The policy is an incentive granted to listed companies which have been assessed to have good corporate governance and disclosure practices thus accorded certain privileges which, among others, facilitated faster issuance of circulars to shareholders and hence, expedites completion of corporate proposals.

I**Integrated Reporting Framework**

The International Integrated Reporting Council's Integrated Reporting (<IR>) Framework was designed to improve disclosure of financial and non-financial performance, while enhancing the way organisations articulate and report on value creation. The <IR> Framework was issued in 2013.

Intraday Short Selling (IDSS)

Under the IDSS framework, investors will be able to sell securities first and buy the securities later within the trading day itself. IDSS can be carried out on a selected list of eligible securities.

IPO

Initial Public Offering is when shares of an unlisted company are offered to the public on a recognised stock exchange for the first time. The shares then become publicly traded.

GLOSSARY

L**Leading Entrepreneur Accelerator Platform (LEAP) Market**

The LEAP Market is an alternative market for SMEs and companies to raise funds. It brings together potential SMEs and companies, intermediaries and qualified sophisticated investors onto a single platform to create a conducive marketplace for fund raising.

Listing Requirements (LR)

The criteria required to list and maintain a listing status on Bursa Malaysia's markets.

M**Main Market**

The Main Market provides an avenue for companies to raise funds and is mainly populated by established and large companies.

Malaysian Code of Corporate Governance (MCCG)

The MCCG introduced in 2000 has been a significant tool for corporate governance reform, and has influenced corporate governance practices of companies positively. The MCCG reflects global principles and internationally recognised practices of corporate governance which are above and beyond the minimum required by statute, regulations or those prescribed by Bursa Malaysia. In 2017, the MCCG, which supercedes its earlier edition, takes on a new approach to promote greater internalisation of corporate governance culture.

Market Surveillance System (MSS)

The MSS is a system that facilitates real-time and post-trade monitoring and analysis of both equities and derivatives trading activities as well as facilitates the detection of a wide range of possible market misconduct on real-time basis.

Material Matters

Material Matters refer to matters that are of most importance to Bursa Malaysia, based on our significant economic, environmental, and social impacts and which substantively influence the assessments and decisions of our key stakeholders. They are also determined based on how they impact or are impacted by our value creation activities. Further details can be found on page 72 of this report.

Murabahah

An Islamic financing structure. Murabahah refers to a sale contract with a disclosure of the asset cost price and profit margin to the buyer.

O**On-Market Transactions (OMT)**

OMT are transactions made through the Automated Trading System and they exclude Direct Business Transactions and On-Market Married Transactions.

P**Participating Organisation**

A company which carries on the business of dealing in securities pursuant to the Rules of the Exchange.

R**Real Estate Investment Trust (REITs)**

REITs is a fund or a trust that owns and manages income-producing commercial real estate (such as shopping complexes, hospitals, plantations, industrial properties, hotels and office blocks). A management company for a REITs is permitted to deduct distribution paid to its shareholders from its corporate taxable income. However, to enjoy this tax-free status, the REITs must have most of its assets and income tied to the real estate and distribute at least 90% of its total income to investors/unit holders annually. REITs that are listed on a stock exchange trade just like stocks.

Responsible Investment (RI)

RI is an approach to investing that aims to incorporate environmental, social and governance factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

S**Shares**

A share is a security which represents a portion of the owner's capital in a business. Shareholders are the owners of the business and share the success or failure of the business. (Shares are also commonly referred to as stock).

Structured Warrants

Structured warrants are proprietary instruments issued by a third-party issuer, namely an eligible broker or financial institution that give holders the right, but not the obligation, to buy or sell the underlying instrument in the future for a fixed price. Essentially, one makes a 'reservation' to buy or sell a pre-determined number of the underlying instrument at a certain price in the future when investing in a structured warrant. Structured warrants can be issued over an underlying asset such as equity, ETF, index or a basket of stocks.

Sustainability Reporting Framework

The Sustainability Reporting Framework comprises amendments to the listing requirements where PLCs are required to disclose a narrative statement on the management of material economic, environmental and social (EES) risks and opportunities in their annual reports. The Sustainability Framework also include the issuance of the Bursa Malaysia Sustainability Reporting Guide and Six Toolkits to aid PLCs in embedding and reporting on sustainability practices.

Sustainable Development Goals (SDGs)

The United Nations (UN) SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity as well as peace and justice

Sustainable Stock Exchanges (SSE) Initiative

The SSE Initiative is a peer-to-peer learning platform for exchanges, in collaboration with investors, regulators, and companies, to explore how corporate transparency and performance on ESG issues can be enhanced and to further encourage the uptake of sustainable investment. The SSE is a project of the UN, co-organised by the UN Conference on Trade and Development, the UN Global Compact, the UN Environment Programme Finance Initiative and the UN-supported Principles for Responsible Investment.

T**Tawarruq**

An Islamic financing structure. A Tawarruq involves purchasing a commodity on a deferred price either in the form of musawamah or murabahah, later selling it to a third party with the objective of obtaining cash.

The Taskforce on Climate-related Financial Disclosures (TCFD)

The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors.

Trading Participant

A company which carries on the business of dealing in derivatives pursuant to the Rules of the Exchange.

V**Value**

Value is not created by or within organisation alone. It is influenced by the external environment, created through relationships with stakeholders and dependent on various resources

W**Warrants**

Company warrants are issued by the company and give the holder the right, but not an obligation, to subscribe for new ordinary shares at a specified price during a specified period of time. Warrants have a maturity date (up to 10 years) after which they expire and are worthless unless the holder exercise to subscribe for the new shares before the maturity date.

The World Federation of Exchanges (WFE)

Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents over 200 market infrastructure providers, including standalone central counterparty clearers (CCPs) that are not part of exchange groups. Of its members, 37% are in Asia-Pacific, 43% in EMEA and 21% in the Americas. WFE exchanges are home to nearly 45,000 listed companies, and the market capitalisation of these entities is over \$82.5 trillion; around \$81.8 trillion (EOB) in trading annually passes through the infrastructures WFE members safeguard (at end 2017).

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