



OUR COMMITMENT TO CORPORATE SUSTAINABILITY

Corporate Sustainability Statement

Bursa Malaysia is committed to upholding the tenets of corporate sustainability and to continue creating long-term value for all our stakeholders. By infusing the highest standards of corporate governance into our businesses and balancing good economic performance with responsible social and environmental performance, we aim to stand out as a model for responsible corporate behaviour for our marketplace. Through regular and comprehensive stakeholder engagement activities, we are ensuring that key sustainability issues are addressed so that our marketplace grows profitably in a responsible manner.

UPHOLDING GOOD MARKETPLACE PRACTICES

WALKING OUR TALK

Our statutory duty as a frontline regulator and market operator is to ensure the sustainability of our capital markets. We are committed to operating and maintaining a fair, transparent and orderly market with prudent risk management. We endeavour to build a market that is liquid, of high quality and integrity, as well as with competitive products and services, whilst developing an informed investing and trading community. By advocating corporate governance and sustainability best practices among public listed companies and implementing these throughout the length and breadth of our organisation, we have been diligent in ensuring that we ourselves “walk our talk”.

FOSTERING RESPONSIBLE CORPORATE PRACTICES

Over the course of 2013, we engaged in numerous strategic marketplace activities to reinforce the importance of sustainable practices. To promote corporate governance best practices among directors and practitioners, we issued the second edition of the Corporate Governance Guide - Towards Boardroom Excellence, and launched the Statement on Risk Management and Internal Control - Guidelines for Listed Issuers. We also conducted sustainability awareness and sustainability reporting sessions for directors and practitioners.



* This statement serves as an executive summary of Bursa Malaysia's sustainability undertakings in 2013. The finer details of our activities can be found in the standalone Bursa Malaysia Sustainability Report 2013 which is available on our website.

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BOLSTERING OUR MARKET ECOSYSTEM

We intensified efforts to improve our market's ecosystem by launching a new trading engine called Bursa Trade Securities 2 (BTS2) and introduced initiatives that promoted self-regulation among securities brokers such as the Green Lane Policy. We also amended certain rules to enhance existing products and services such as business trusts and Shari'ah-compliant stapled securities as well as enabled the introduction of new ones such as Exchange Traded Bonds & Sukuk and the Gold Futures Contract. We also enhanced Regulated Short Selling and Securities Borrowing and Lending to facilitate better price discovery. To continue building an informed investing and trading community and to enhance our marketplace reputation, we undertook initiatives such as Invest Malaysia, Invest ASEAN, the Palm and Lauric Oils Conference & Exhibition Price Outlook and the Workshop@Bursa. The CBRS Research Scheme and our Investor Relations newsletter, Bursa Bytes, too serve as opportune platforms to keep our audiences abreast of marketplace developments. The year saw us supporting industry initiatives such as the National Annual Corporate Report 2013 Awards, The Edge Billion Ringgit Club Award 2013, ACCA Malaysia Environmental & Social Reporting Awards 2013, the ACCA's Integrated Reporting Forum and the Star Outstanding Business Award 2013.

STRENGTHENING OUR SUSTAINABILITY FRAMEWORK

In strengthening our own sustainability practices, we continued to update our Legislation Compliance Register to include new laws and regulations including the Personal Data Protection Act 2010 as well as published our standalone Sustainability Report 2012. We also continued to educate our employees on the aspects and impact of both corruption and integrity as well as focused our efforts on strengthening our procurement processes.

DELIVERING IMPACTFUL COMMUNITY PROGRAMMES

Our role as an Exchange and catalyst for the marketplace has a duality which is our commitment to invest in and elevate the community we operate within. Our initiatives are primarily targeted at areas where we can make the greatest difference, such as in enhancing financial literacy and capital market awareness through education.



IN SUPPORT OF EDUCATIONAL EXCELLENCE

In 2013, we continued to contribute to youth development through providing educational opportunities such as training and internship programmes. We also took the opportunity to promote financial and risk management literacy among students from higher learning institutions by organising a derivatives trading game, collaborating with universities to provide students access to learning modules for derivatives and offering access to our Knowledge Centre. A total of 3,517 students came to visit the Exchange to learn about our business. In addition, we offered two scholarships to employees who qualified to pursue the Chartered Financial Analyst qualification and rewarded 46 children of our employees with Excellence Awards for their performance in major examinations.

LEVERAGING ON EMPLOYEE VOLUNTEERISM

Our foundation, Yayasan Bursa Malaysia, remains our primary vehicle for philanthropic and employee volunteering activities. In 2013, Yayasan Bursa Malaysia awarded scholarships valued at RM424,000 to eight high-performing students from challenging backgrounds. Employee volunteerism drives our community programmes and employee participation has risen in this area with a total of 3,937 hours volunteered for several good causes. Initiatives such as The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2013, the Great Cookout, the Kechara Soup Kitchen lunch project and the "I have a Wish – Back to School Project" for the Mah Meri Community, all reflect the passion and concern of our employees for the underprivileged and needy. Over the course of 2013, our people also visited selected RR2013 beneficiaries and critically-ill children at Hospital Kuala Lumpur, engaged with and made a cash donation to 33 poor and orphaned students of Sekolah Kebangsaan Cyberjaya 1, as well as played host at a "buka puasa (breaking of fast)" event for orphans.

ENSURING EFFECTIVE WORKPLACE PRACTICES

Here at Bursa Malaysia, our workplace or human capital focus is the most important driver for growth as we endeavour to become a high performance organisation or HPO. The culture that we are building is anchored on our 3D Values that aim to nurture an environment which is dynamic, driven and dependable. This will support the Exchange's ambition of becoming the preferred exchange in the region.

STRENGTHENING OUR PEOPLE CAPACITY

To strengthen our organisation's capacity, we continue to proactively deploy an internal talent review platform to identify top talent. The year saw us leveraging on our succession management framework to unearth top talent and chart out a succession plan for mission critical positions. In 2012, we reviewed and revised behavioural competencies focusing on the need for our employees to display the right behaviour in line with our aspiration of nurturing a HPO culture. In 2013, we mapped the behavioural competencies to various HR practices, which included but were not limited to succession management and performance management.

REWARDING PERFORMANCE

Bursa Malaysia advocates a total rewards management based on a "pay-for-performance" philosophy. Our employees are rewarded with a mix of short-term and long-term incentives that directly correlate to their performance. Non-monetary rewards such as performance recognition, work-life integration as well as professional development are also awarded.

To increase productivity and performance levels, we performed a salary benchmarking exercise against the market in 2013. To stay true to the pay-for-performance philosophy as well as to ensure complete meritocracy and impartiality, salary adjustments were made in consideration of the job size as well as the performance of the individual.

In 2013, the fixed staff cost to variable staff cost ratio was 3:1, with 75% of the spending on fixed costs such as, but not limited to, basic salary, statutory contributions and staff benefits. Our performance strategy has significantly improved, impacting upon employees in positive ways and contributing towards talent retention. As a result of this, 2013 saw us recording a lower attrition rate of 9.2% as compared to 13.5% in 2012.

INVESTING IN OUR EMPLOYEES

In 2013, we also made a RM1.6 million investment in employee development with the average number of learning days increasing from four in 2012 to five. Our development roadmap in 2013 was diversified in its approach. It not only focused on delivering leadership programmes but placed an emphasis on various certification courses to ensure employee knowledge and skills were aligned. A total of 39 in-house sessions and 192 external training programmes were implemented with employees cascading the lessons learnt down to their colleagues through knowledge sharing sessions.



ENGAGING OUR EMPLOYEES

We believe that an engaged workforce is vital if we are to sustain organisational growth and productivity. We are promoting this by reinforcing our 3D Values through a series of employee engagement programmes. The senior management team believes in leading by example and are doing their bit to lead their respective divisions to give back to society through a host of community initiatives. Via an annual employee engagement survey, our employees are given the opportunity to express their thoughts on several matters which affect them.

ENSURING A LEVEL PLAYING FIELD

As an equal opportunity employer, we are guided by the principles of meritocracy and fairness in making decisions with regard to employment, transfers, promotions and the professional development of our people. At end December 2013, our total staff strength stood at 614 employees, as compared to 584 employees previously. We had a healthy male to female employee ratio of 55:45 while on the Senior Management front, we achieved equal gender representation. In addition, we promoted 7% of our deserving and suitably qualified employees.

UNDERTAKING RESPONSIBLE ENVIRONMENTAL PRACTICES

EFFECTIVE CONSERVATION MEASURES

We are committed to minimising the impact of our operations on the environment through continuously improving our environmental performance. We actively monitor our operational carbon footprint, promote responsible usage of resources among our employees and stakeholders and educate them about the importance of environmental protection and impact of climate change. Our emphasis on expanding our e-Services initiatives such as eRights and eStatement are part of our efforts to move towards a paperless environment. We also undertook several energy saving initiatives which included replacing our fluorescent lighting with LED lights which helped reduce our electricity usage by 0.3% year-on-year. Our greenhouse gas (GHG) emission from electricity usage, business air travel and paper consumption, however, increased 0.2% in 2013.

Separately, we made some improvements to our workplace environment to further improve ventilation and air quality. To promote responsible usage of natural resources and environmental conservation among our employees, we screened several environmental-related documentaries.

MOVING FORWARD IN A SUSTAINABLE MANNER

As a regulator and a public-listed company, Bursa Malaysia is serious about setting exemplary standards and embedding responsible and sustainable practices into our total business operations and marketplace. We want to stand out as a model for responsible corporates and will endeavour to improve our corporate governance and sustainability practices as well as promote the same among our listed issuers. As we move forward, our stakeholders can rest assured that we will work to deliver tangible outcomes in the areas of the Marketplace, Community, Environment and Workplace. Only then can we truly create sustainable value and forge lasting ties with all our stakeholders.