

Our Stakeholders

As an Exchange, we are accountable to a large group of stakeholders. We seek to be transparent in our engagements with them in order to build relationships of trust that support our long-term value creation. In addition, we place significant emphasis on these stakeholder engagements to ensure that our business practices are aligned with their needs and expectations.

A comprehensive description of our stakeholder groups, engagements as well as conversations with them are detailed on pages 72 to 77 in our standalone Sustainability Report 2020 prepared in accordance with Global Reporting Initiative Standards: Core option. The following is a summary of our Stakeholder Groups:

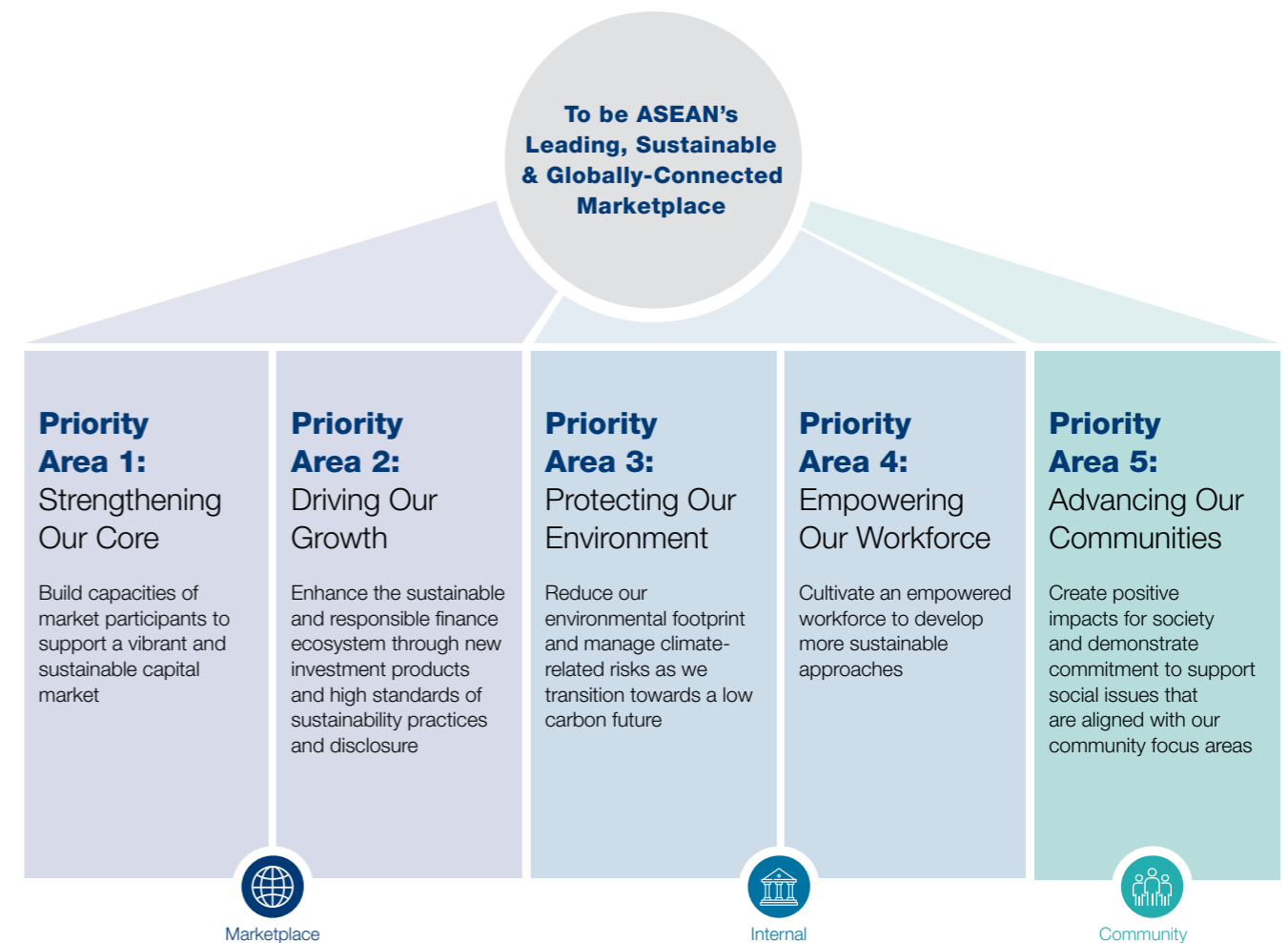


Our Approach to Sustainability and Material Matters

Our sustainability approach is shaped by our vision to be ASEAN's leading, sustainable and globally-connected marketplace.

We aim to integrate a strong sustainability focus into our core business activities. To that end, we have established a Sustainability Policy which solidifies this commitment. In ensuring a clear framework for our sustainability-related priority areas and strategies across the organisation, we developed dedicated time-bound roadmaps guided by material sustainability issues for Bursa Malaysia and the capital market. Our sustainability strategies and efforts are also regularly benchmarked against best practices, frameworks and indices criteria, including the United Nations Sustainable Development Goals (SDGs). We are committed to do our part to support the achievement

of the SDGs by 2030 through our sustainability strategies and efforts. During the year under review, we developed a new Sustainability Roadmap (Roadmap) to replace our previous Sustainability Roadmap which expired at the end of 2020. The new Roadmap was developed after a careful review of outcomes from the materiality assessment exercise and engagements with key internal and external stakeholders. The new Roadmap outlines key sustainability strategies which we intend to work on until 2023 and is based on these five priority areas.



Our Approach to Sustainability and Material Matters

Sustainability Governance

Our Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of Bursa Malaysia and also embedded into our day-to-day operations. The Corporate Sustainability Committee (CSC) is set up to oversee the formulation, implementation and effective management of Bursa Malaysia's sustainability strategies.

The CSC comprises members who are key management personnel and is chaired by Bursa Malaysia's Chief Executive Officer (CEO). The development and implementation of sustainability strategies across our business are undertaken by the Group Sustainability and also other divisions/departments as may be relevant. The Group Sustainability is headed by the Director of Group Sustainability, who reports directly to the CEO.

Materiality Assessment 2020

In accordance with our strategic planning cycle, we conduct comprehensive materiality analyses every three years, to identify, understand and prioritise the economic, environmental and social issues that matter most to our business and stakeholders. Our materiality approach is a core component of our sustainability management process, which helps align our strategies, performance management and reporting with stakeholder expectations and our strategic objectives.

We also carry out an annual pulse check to ensure the issues identified reflect evolving stakeholder priorities and our impact creation potential, as well as to help us anticipate relevant megatrends.

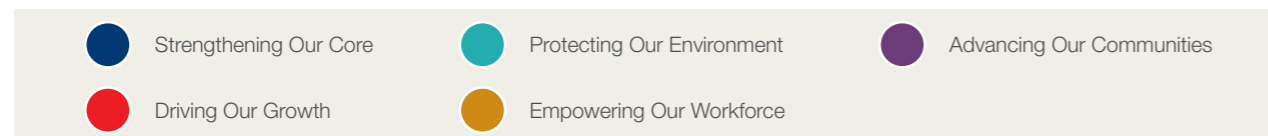
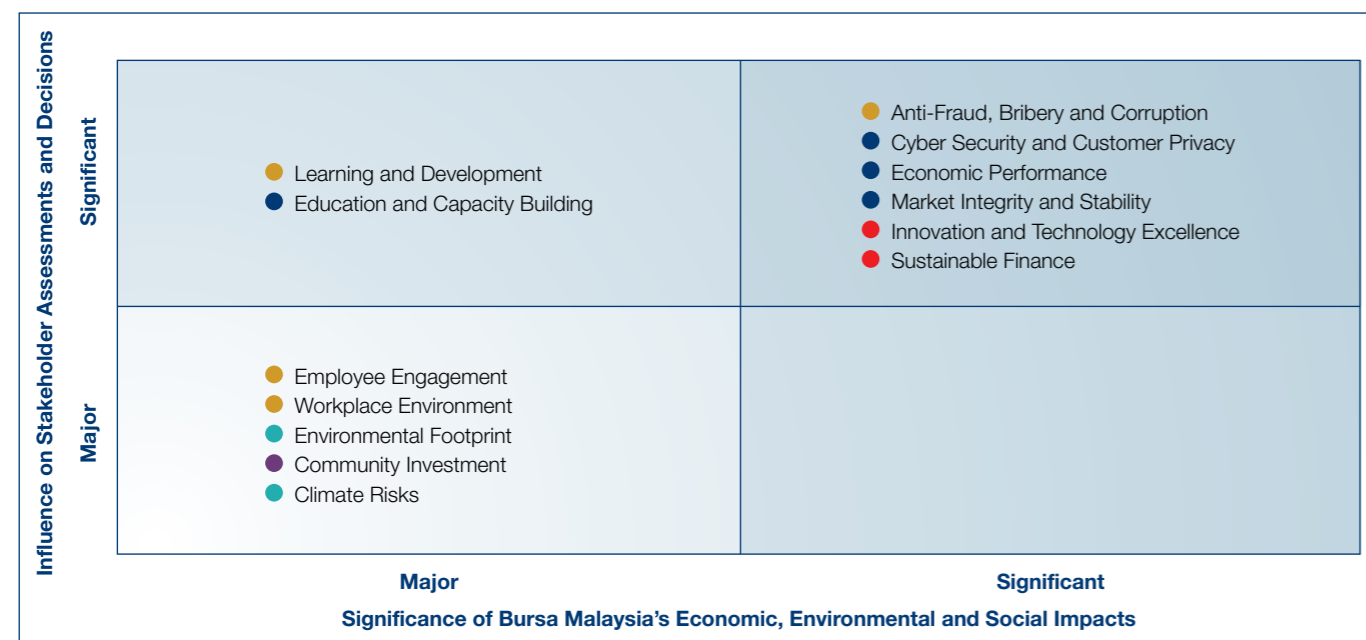
In 2020, we undertook a comprehensive assessment to identify our Material Matters. Our materiality assessment comprises the following activities:

- An internal review of our overall materiality methodology and 17 Material Matters from our 2019 Materiality Assessment
- Identification of a broad list of potential sustainability issues through a scan of globally recognised and investor-driven sustainability frameworks, international sustainability rankings and indices as well as a review of peer exchanges' sustainability disclosures
- An online survey to solicit feedback from external and internal stakeholders
- Focus group sessions with selected stakeholder groups and key opinion leaders
- Management discussion on the prioritisation of Material Matters

For more information on our materiality assessment, please refer Sustainability Report 2020 from pages 69 to 71.

BURSA MALAYSIA MATERIALITY MATRIX

A total of 13 Material Matters were identified and have been clustered into five Priority Areas that will form the basis of our Sustainability Roadmap 2021–2023 as well as the narratives of our Sustainability Report.



Our Approach to Sustainability and Material Matters

Our Approach to Managing Our Material Matters

Priority 1:

Strengthening Our Core

We operate and regulate a fully integrated exchange that offers a comprehensive range of exchange-related facilities and services. As a market operator, our core activity is to build a vibrant and sustainable capital market which is supported by system infrastructure that allows our operation to function without disruption. As a frontline regulator, we strive to create a more efficient and facilitative market ecosystem for all our market participants. Therefore, it is important for us to continue to strengthen our core so that we can deliver long-term value to our stakeholders.

Economic Performance

Our Approach

We employ various targeted approaches to ensure economic value is distributed proportionately for the specific stakeholder groups, namely shareholders, employees, community, suppliers and service providers, and government. We have a dividend policy where we commit to pay our shareholders an annual dividend of no less than 75% of our Profit After Tax, Zakat and Minority Interest (PATAMI). We have also pledged to contribute 1.0% of our Profit After Tax for 2020 towards community projects aimed at benefitting society. This is inclusive of the inaugural RM667,000 zakat contributed by Bursa Malaysia in 2020.

Our Key Progress

- Refer to Our Performance section in this report on page 7

Relevant Indicators

- RM377.7 million PATAMI, increased by 103.2% year-on-year
- 51.0 sen per share of total dividend payout for 2020, increased by 145% from the total dividend of 20.8 sen per share paid in 2019
- 88% of our suppliers were local vendors

Market Integrity and Stability

Our Approach

We are guided by our three-year Regulatory Plan as well as our statutory obligation to maintain a fair and orderly market and act in the public interest, having particular regard to the need for the protection of investors.

Our Key Progress

- Announced a set of relief measures targeted at our public listed companies (PLCs) to help lessen the financial and compliance burdens and provide greater flexibility in navigating the challenges posed by the COVID-19 pandemic
- Incorporated a wholly-owned subsidiary - Bursa Malaysia Regulation Sdn Bhd (Bursa Regulation) to assume the regulatory functions undertaken by Bursa Malaysia and its subsidiaries
- Introduced temporary revisions to existing market management and control mechanisms as a response to volatile market conditions
- Provided additional flexibilities to help intermediaries manage the challenging operating conditions
- Provide support to intermediaries to ensure no disruption to their services during the pandemic

Relevant Indicators

- 98.7% of submissions of financial information by PLCs received on time
- Only six PLCs had deviation of more than 10% between the unaudited and audited results based on fiscal year end
- 50 media queries issued on media articles
- 196 queries issued on corporate announcements
- 2.7% of PLCs were classified as financially distressed

Our Approach to Sustainability and Material Matters

Education and Capacity Building

Our Approach

We adopt a stakeholder-centric approach to help shape our education and capacity building strategies. In addition, we collaborate with various industry partners, our intermediaries and training providers to design appropriate programmes and initiatives that meet our strategic objectives. As technology continues to grow at a rapid pace, we also aim to leverage on digital tools to deliver our education content and programmes.

Our Key Progress

- Launched Bursa Academy, a content-rich e-learning website to facilitate financial literacy and investment learning for the public
- Issued the Intermediaries' Communication on Supervision of Trading 2.0 and Intermediaries' Communication on Remuneration Practice
- Launched the Equality for Equity Campaign to raise awareness on gender investing gap in the Malaysian equity market, in conjunction with Ring the Bell for Gender-Equality
- Organised Ring the Bell for Financial Literacy
- Was the exclusive event partner of the Securities Commission Malaysia's (SC) InvestSmart Fest 2020
- Established two more Bursa Young Investor Club (BYIC) chapters at Swinburne University of Technology (Sarawak campus) and University Sains Islam Malaysia
- Moved all education and capacity building initiatives to virtual mode

Relevant Indicators

- 1,690 participants attended our advocacy programmes for PLCs
- 827 participants from Participating Organisations (POs) and Trading Participants (TPs) attended our training sessions
- 253,518 participants attended our investor education programmes on Securities, Derivatives and Islamic Capital Markets
- 844,496 registered users for BursaMKTPCLC and 36,671 registered users for Mirror, Learn & Trade
- 93,019 visitors accessed Bursa Academy website
- 26 BYICs across Malaysia comprising 2,118 student members

Cyber Security and Customer Privacy

Our Approach

Cyber security threats and attempted attacks at our perimeter network were effectively mitigated and contained by the various security controls and solutions that are in place. Bursa Malaysia continues to remain proactive and vigilant and to ensure the overall robustness and effective controls on cyber resilience. A Technology and Cyber Security Committee (TCC) was established in 2019 to oversee all technology and cyber security related functions of Bursa Malaysia and ensure a more coordinated approach in preventing and mitigating our cyber risk. We also continue to improve the resilience of our technology infrastructures, support continuous training and upskilling of our IT personnel, while raising awareness among employees on cyber security issues.

Our Key Progress

- Information Security Management System for all our Priority 1 services has been extended to ensure ISO 27001 certification to all critical systems
- Remained vigilant and conducted regular assessment to identify and detect any potential security threats. In 2020, we adopted the Unified End Point Management Solution to manage all mobile devices within the organisation
- Carried out continuous awareness programmes and issued regular email communications to educate our employees on cyber security matters

Relevant Indicators

- No material breaches or substantiated complaints concerning cyber security and customer privacy. We continue to remain vigilant in this area

Our Approach to Sustainability and Material Matters

Priority 2:

Driving Our Growth

The pursuit of growth is a crucial component for the survival of every business. It drives better business performance that can lead to greater profitability, improved resiliency to competition and higher preparedness to embrace change. We constantly keep abreast of emerging trends in the market to identify new growth frontiers. At the same time, we continue to enhance our capabilities so that we can be ever-ready to respond to new opportunities that arise.

Sustainable Finance

Our Approach

We adopt a multifaceted approach to advance the sustainable finance agenda. In general, our approach focuses on three key areas:

- **Facilitating sustainable and responsible investment products and services**
This includes alignment between Shariah and environmental, social and governance (ESG) investing, supporting ESG investments, facilitation of microfinancing to underbanked communities and promotion of the LEAP Market.
- **Enhancing corporate governance and sustainability practices and disclosures**
We employ a comprehensive approach in strengthening the corporate governance and sustainability practices and disclosures of our PLCs that includes providing a reporting framework, undertaking disclosure review and education.
- **Participation in relevant committees, working groups and events**
We actively participate in various working groups and committees that enable us to work closely with other financial market regulators, peer exchanges around the world and other sustainability proponents in steering the capital markets along more sustainable paths. We also actively engage our stakeholders for consultation and feedback.

Our Key Progress

- Organised the Shariah Investing Virtual Conference 2020 and Shariah Investing Dialogue Series 2020
- Continued to create awareness and provide guidance to SMEs on the benefits of listing on the LEAP Market and the listing process
- Completed ESG Artificial Intelligence Proof-of-Concept (AI PoC) which aimed to fill a market need for easily accessible ESG data and information to support investment decisions, monitoring, research, or product development by market participants
- Signed a memorandum of understanding with UN Global Compact Malaysia and Brunei to collaborate on several areas to advance the corporate sustainability agenda
- Took active roles in global workstreams to contribute to relevant documents that support the development of the sustainable finance ecosystem, as well as participated in several events to drive thought leadership conversations in sustainable finance
- Continued to conduct various advocacy programmes in the areas of corporate governance and sustainability for directors, practitioners and company secretaries
- Launched the Sustainability Healthcheck, a free self-assessment tool designed to help PLCs diagnose where they are on their sustainability journey, as part of our continuous enhancements to BURSASUSTAIN

Relevant Indicators

- 75 FTSE4Good Bursa Malaysia (F4GBM) Index constituents (increased from 69 in 2019) of which, 54 are Shariah-compliant
- 26 one-on-one engagements with PLCs on F4GBM Index
- RM1.7 billion disbursed by Amanah Ikhtiar Malaysia (AIM) to the community through Bursa Suq Al-Sila' (BSAS) (down from RM2.6 billion in 2019)
- RM2.0 billion financing by cooperatives on BSAS (up from RM0.8 billion in 2019)
- 86 cooperatives trading on BSAS (increased from 62 in 2019)
- 34 listed companies on LEAP Market (increased from 28 in 2019)
- 7 Malaysian PLCs recognised as being among the Top 20 ASEAN PLCs in the ASEAN CG Scorecard Awards 2019
- Improved average CG score for the Top 100 Malaysian PLCs from 80.4 in 2015 to 98.4 in 2019 in the Malaysia-ASEAN CG Scorecard by MSWG
- Recorded average compliance levels of 93% and average quality scores of 68% across 300 sampled PLCs in the sustainability disclosure review 2020
- 144,146 page views on BURSASUSTAIN (increased from 121,174 in 2019); and 46,849 visitors on BURSASUSTAIN (increased from 44,618 in 2019)

Our Approach to Sustainability and Material Matters

Innovation and Technology Excellence

Our Approach

Innovation and technology represent vital components in Bursa Malaysia's new three-year Strategic Roadmap.

Further, we have also developed a Technology Roadmap that outlines key initiatives and provides clear guidance and principles to ensure our technology infrastructure is designed to provide the balance required for availability, security, flexibility and manageability to meet the current and future business and technological needs.

Our Key Progress

- Completed the Cloud-based Analytics Dashboard PoC and Bonds on Blockchain PoC
- Launched the "InvestHack" hackathon event in partnership with CGS-CIMB Securities Sdn Bhd, to develop innovative solutions and offerings that could enhance retail investor participation in the marketplace
- Continued to ensure system availability and improved resiliency by undertaking a systems refresh exercise such as Equity Post Trade Technology Refresh and Bursa Trade Securities2 Technology Refresh
- Enhanced customer digital experience by releasing additional features for Bursa Anywhere mobile app that aimed to help depositors better manage their CDS accounts remotely
- Carried out initiatives that aimed to improve operational efficiency, such as:
 - process automation and workflow project
 - enhancement on the onboarding process for our market participants
 - enable digital submission of draft information memoranda and online applications for admission of sponsors and advisers for the ACE and LEAP Markets via Bursa LINK
 - adoption of Enterprise Data Management Framework
 - enhancement of our Derivatives Clearing and Settlement system to cater to the re-launch of the FMG5 revised settlement method

Relevant Indicators

- 138,622 registered Bursa Anywhere users

Priority 3:

Protecting Our Environment

The destruction of the natural environment often can be catastrophic and have far reaching consequences to our health and societal wellbeing. In our view, organisations should continuously evaluate their impacts to ensure a mutually productive relationship with the natural environment. Every step we take towards a greener future can help to preserve the planet for future generations.

Climate Risks

Our Approach

In setting an example as a PLC, we became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018. As a frontline regulator, we actively engage on platforms such as the Joint Committee on Climate Change (JC3) of which Bursa Malaysia is Chair of its Sub-Committee 2 on Governance and Disclosure, to maximise reach and impact. Additionally, we play facilitative and supportive roles to PLCs via bespoke advocacy programmes.

Our commitment to considering climate risks and opportunities and promoting good environmental practices among our PLCs are embedded in our Sustainability Policy, which is available on our website.

Our Key Progress

- Joined the United Nations Sustainable Stock Exchanges Advisory Group on Climate Disclosure, a new workstream launched in 2020 that aims to support exchanges in developing best practice guidance for issuers on climate-related disclosures
- Undertook an assessment of climate-related disclosures across a sample of financial institutions operating in Malaysia as part of the members of Sub-Committee 2 on Governance and Disclosure of the JC3
- Conducted a Sustainability Thematic Workshop on Climate Change: Practical Steps in Measuring and Managing Greenhouse Gas (GHG) Emissions for PLCs
- Embarked on a systematic process to identify the steps required towards full-adoption of the recommendations of the TCFD

Relevant Indicators

- None

Our Approach to Sustainability and Material Matters

Environmental Footprint

Our Approach

We continually assess our GHG emissions, energy efficiency and water usage. We also measure the amount of hazardous and non-hazardous waste generated as well as paper and fabric-based items recycled at our office.

We also apply the precautionary principle as defined in the GRI Standards and the Ten Principles of United Nations Global Compact to identify potential environmental impacts, appropriate preventive actions and cost-effective measures to mitigate negative impacts on the environment and human health. Through our Vendor Code of Conduct, we also encourage our vendors to operate in an environmentally responsible manner.

Our Key Progress

- Implemented several energy saving measures over the last three years to improve our building energy efficiency
- Explored the feasibility of installing solar photovoltaic (PV) system at our building rooftop space

Relevant Indicators

- Negligible reduction (0.1%) in total GHG emissions in 2020 compared to 2019 (approximately 11% reduction since 2017)
- 0.23MWh/m² in building energy intensity
- 7,170kg of paper and 2,522kg fabric-based items recycled

Priority 4:

Empowering Our Workforce

Creating a strong, ethical and empowered workforce is a top priority for Bursa Malaysia. Our employees represent our most valuable asset and make up the backbone of our organisation. They play a vital role in contributing towards our business success and our ability to create stakeholder value. We firmly believe in investing in our employees through progressive measures that can help nurture individual growth and integrate employees into our overall strategic vision and mission.

Anti-Fraud, Bribery and Corruption

Our Approach

We adopt a zero-tolerance approach towards fraud, bribery and corruption. We ensure that we are in compliance with all relevant laws, including anti-corruption laws, and we treat any allegation of such a conduct very seriously. Our Board maintains oversight of our approach to managing fraud, bribery and corruption risks.

Internally, we also employ the Three Lines of Defense model and have a comprehensive framework for managing fraud, bribery and corruption, including a Whistleblower Policy and Procedures to provide an avenue for employees or any external party to report any breach or suspected breach of any law or regulation.

Our Key Progress

- Enhanced our Anti-Fraud, Bribery and Corruption Policy and Guidelines, Code of Ethics for Bursa Malaysia Group, Code of Conduct and Ethics for Directors, and Whistleblower Policy and Procedures
- Developed the Bursa Malaysia Organisational Anti-Corruption Plan (OACP) which outlines a comprehensive programme to strengthen governance, integrity and anti-corruption controls within Bursa Malaysia for the next three years
- Established a dedicated Integrity and Governance Unit (IGU) to strengthen our integrity and anti-corruption management system
- Introduced a Vendor Code of Conduct to communicate Bursa Malaysia's policies and expectations to all existing and prospective vendors
- Revised our Purchasing Policy to align the existing processes with the current needs of Bursa Malaysia and introduce automation into our purchasing processes

Relevant Indicators

- 99% of employees received the training on the corporate liability provision under section 17A of MACC Act 2009 and the Bursa Malaysia Anti-Fraud, Bribery and Corruption Policy and Guidelines

Our Approach to Sustainability and Material Matters

 Workplace Environment
Our Approach

The wellbeing of our workplace environment is anchored on three key tenets:

- **Diversity and Inclusion**

We strive to be an equal opportunity employer for all and we are committed to developing a diverse and inclusive workforce that reflects the multicultural society in Malaysia. Our commitment towards diversity and inclusion is also covered in our Board Diversity Policy comprised within our Board Charter. We embrace all forms of diversity with a particular focus on gender equality. We are a signatory of the Women's Empowerment Principles which reinforces our commitments to strengthening gender equality in the workplace as well as the markets and the community.

- **Health and Safety**

We have an Occupational Safety and Health (OSH) Committee which comprises members from the management team and our workforce. We are committed to creating an enabling environment for employees to embrace an active and healthy lifestyle. We have also implemented several safety and security measures to protect our employees from any external security risks.

- **Good Labour Practices**


Our commitment to uphold fair labour practices and protection of human rights is embedded within our Sustainability Policy and Employee Code of Ethics. We also acknowledge our employees' rights to freedom of association and collective bargaining. Thus, we have recognised the National Union of Commercial Workers since 1990 to represent our non-executive employees.

Our Key Progress

- Included into the 2020 Bloomberg Gender-Equality Index which recognises companies that are committed to advancing women's equality and high-level transparency in gender reporting
- Implemented flexible working hours to provide employees more control over their time schedule
- Implemented several measures to protect our employees and minimise exposure risks to COVID-19
- Completed a comprehensive review of our OSH management systems which covered the state of safety, ergonomics and hygiene in the workplace

Relevant Indicators

- 44.4% of our senior leadership roles held by women
- 1:1 for Male and Female Pay Ratio
- 7.6% of female employees promoted and 6.0% male employees promoted
- 5.1% turnover rate for female employees and 4.1% turnover rate for male employees
- 61% of our non-executive employees were union members as at 31 December 2020

 Employee Engagement
Our Approach

Our employee engagement approach is centred on four key objectives:

- Ensuring alignment of internal culture with BURSA values
- Promoting social connectedness and sense of belonging
- Encouraging open and transparent communication
- Building a culture of recognition


Our Key Progress

- Rolled out an organisational-wide culture programme to create measurable and sustainable improvements
- Carried out a series of employee engagement surveys throughout the year to gain insights into our employees' perceptions and attitudes towards their respective departments and overall work culture
- Organised several town hall sessions to engage our employees on important company updates and strategic issues that help the organisation succeed
- Continued to reward our employees' children who have excelled in major public examinations

Relevant Indicators

- 39% improvement in overall sentiment when compared against our baseline assessment established from our first survey

Our Approach to Sustainability and Material Matters

 Learning and Development
Our Approach

We adopt the 70-20-10 model for learning and development. In addition to that, each employee is required to submit an individual development plan or training action plan which is further embedded into their individual performance scorecards. We also leverage on both physical and digital channels to deliver our learning and development programmes.

Our Key Progress

- Enhanced GO1, our e-learning platform by expanding our content library, enabling more customisation options for in-house e-courses development, providing on-the-spot online technical support for system administrators, improving search capabilities, and built-in algorithm to allow personalised recommendations of e-courses
- Delivered training programmes as per Learning Plan for 2020


Relevant Indicators

- 20,610 total training hours
- RM1,371,826 invested in the learning and development of employees

Priority 5:

Advancing Our Communities

We are connected in one way or another. We recognise we all have a role to play in securing a sustainable future for everyone on the planet. To us, advancing our communities helps to create a sense of shared progress.

 Community Investments
Our Approach

To ensure our community investment efforts deliver impacts to their full potential, we adopt the following key approaches:

- Develop targeted long-term programmes that are aligned with the identified strategic priorities of Bursa Malaysia
- Seek out partnership opportunities to scale-up efforts and implement solutions towards common goals
- Continuously improve existing mechanisms and processes to enhance capacities and efficiencies in delivering sustainable impacts

Our Key Progress

- Developed 2021–2023 Corporate Social Responsibility (CSR) Plan that will shape our priorities and efforts for the next three years
- Donated RM737,000 as our COVID-19 community response, which was focused on supporting those least able to cope, especially communities that were disproportionately affected by the pandemic
- Entered into a strategic collaboration with Creador Foundation to drive financial literacy awareness
- Launched a fundraising campaign together with six participating brokers to support awareness creation among underprivileged women from B40 communities on the importance of early detection and screening of breast cancer

Relevant Indicators

- 11 COVID-19 designated hospitals received medical equipment donated by Bursa Malaysia
- More than 7,000 individuals from B40 communities received sustenance donated by Bursa Malaysia
- 21 scholars supported under Yayasan Bursa Malaysia Scholarship Programme
- RM219,240 raised during the fundraising campaign for breast cancer