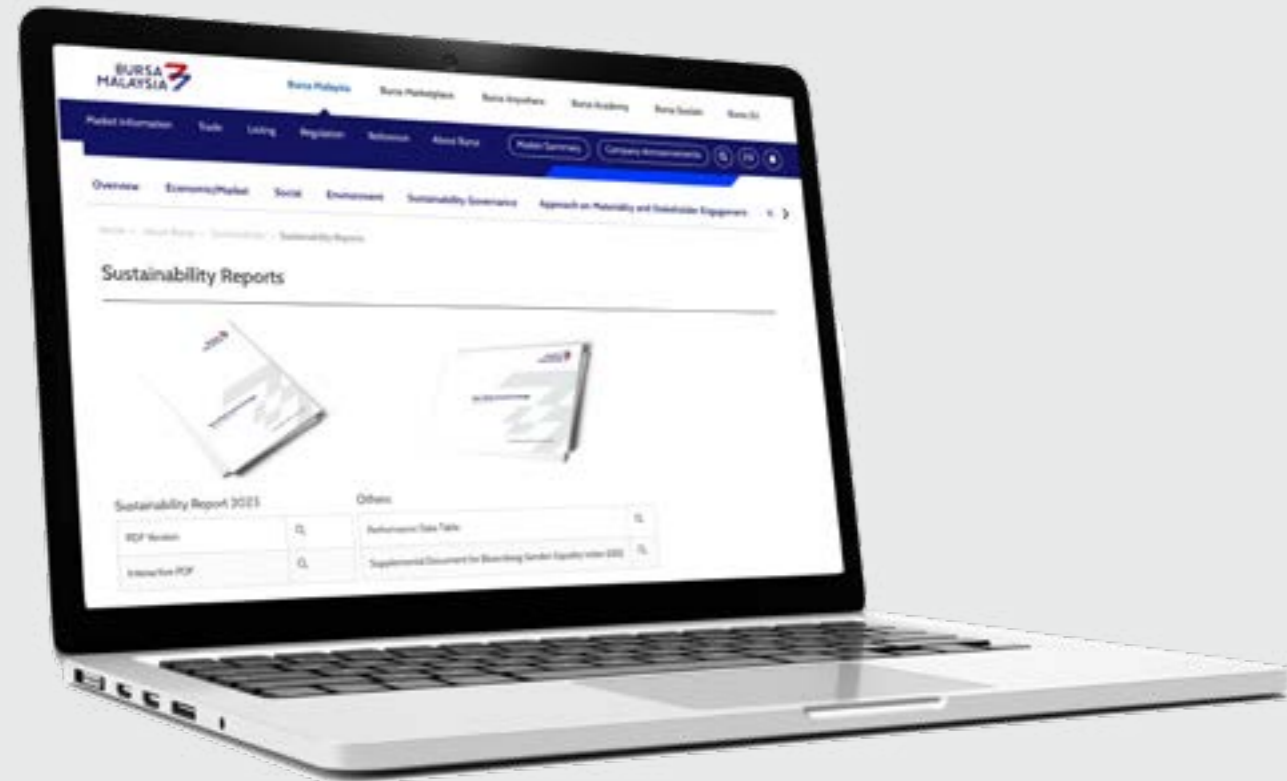


Your Multi-Asset Exchange

Sustainability Report 2023

Creating Opportunities, Growing Value

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Online Sustainability Report 2023

The entire suite of our Sustainability Report 2023 can be found online at https://bursa.listedcompany.com/sr_2023.html

Cross references



Tells you where you can find more information within the reports



Tells you where you can find more information online at https://bursa.listedcompany.com/sr_2023.html

About This Report

This is Bursa Malaysia's 13th stand-alone Sustainability Report (SR), dedicated to providing an update on our sustainability performance for each of our Material Matters. It is published alongside our Integrated Annual Report 2023 and is made available digitally for our stakeholders and the general public. Further details and information related to our sustainability approach are available on our corporate website.

Reporting Period, Scope and Boundaries

This report covers Bursa Malaysia's sustainability matters across all our entities and operations in Malaysia from 1 January 2023 to 31 December 2023, unless otherwise specified.

This report focuses on our progress against the commitments we have made in our Sustainability Policy, as well as the objectives set out in our Sustainability Roadmap 2021-2023, which are based on the 14 Material Matters that were updated in 2022 as a result of the Enhanced Sustainability Reporting Framework. These Material Matters were validated via an online survey and multiple stakeholder engagement sessions in 2023. Our Material Matters were clustered into 5 Priority Areas that guided the development of our Sustainability Roadmap 2021-2023 and formed the basis of our sustainability reporting.

Assurance

Internal Assurance:

To ensure the accuracy and integrity of our disclosures, this report has been reviewed by Bursa Malaysia's Internal Audit and has been approved by Bursa Malaysia's Audit Committee.

External Assurance:

As part of our continuous efforts to enhance our sustainability reporting, we have appointed BSI Services Malaysia Sdn Bhd (BSI), an independent verifier, to carry out a limited assurance exercise on selected indicators in this report.

Reporting Guidelines, Guiding Principles, Frameworks, Standards and Sustainability-related Indices

This report has been produced in compliance with the Main Market Listing Requirements (MMLR) and several international reporting guidelines, guiding principles, frameworks, standards and sustainability-related indices as follows:

• Global Goals

- United Nations Sustainable Development Goals (SDGs)

• Guiding Principles

- The Ten Principles of the United Nations Global Compact (UNGC)

• Reporting Frameworks

- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia
- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Accounting Standards Board (SASB) – Security & Commodity Exchanges
- World Federation of Exchanges (WFE) Sustainability Principles
- Task Force on Climate-related Financial Disclosures (TCFD)

• Sustainability-related Indices

To meet the evolving needs of our stakeholders, we constantly benchmark and assess our sustainability strategies and practices against relevant indices. We have been a constituent of the FTSE4Good Bursa Malaysia (F4GBM) Index since its launch in 2014 and the Bloomberg Gender-Equality Index (GEI) since 2020.

Board of Directors' Approval

The Board has validated the accuracy of the contents of this SR and believes that the SR contains a fair and factual account of Bursa Malaysia's performance for the year under review. The Board acknowledges its responsibility in ensuring the integrity of this SR through good governance practices and internal reporting procedures.

Forward-Looking Statements

This report contains forward-looking statements that are meant to provide our stakeholders with the opportunity to understand our opinions and plans in respect of the future. These statements should not be construed as absolute guarantees or predictions of Bursa Malaysia's future outcomes and readers are advised not to place undue reliance on them.

Feedback

We welcome feedback from our stakeholders as we continuously strive to better ourselves and contribute to a more sustainable future.

Any comments and queries may be addressed to:

Dr. Ahmad Hezri Adnan

Director, Group Sustainability, 10th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur, Malaysia.

Tel: 03-2034 7335

Fax: 03-2072 0350

Email: hezriadnan@bursamalaysia.com

A Message From Our **Chairman and Chief Executive Officer**

Datuk Muhamad Umar Swift
Chief Executive Officer

Tan Sri Abdul Wahid Omar
Chairman

Dear Stakeholders,

Responsible and sustainable business conduct is increasingly important in light of the societal challenges and environmental crises facing our world. The environmental situation has been particularly alarming, with year 2023 being the hottest year on record. This serves as an unsettling reminder that underscores the urgent need for collective action to address the profound impacts of climate change on lives, livelihoods and economies worldwide.



A Message From Our Chairman and Chief Executive Officer

As a fundamental pillar of the nation's capital market, Bursa Malaysia is committed to steering our public listed companies (PLCs) towards a future where sustainability is integral, not optional, in the course of their business. For us, sustainability is the cornerstone of long-term growth and competitiveness. Our role enables us to bring positive change, driven by the conviction that through collaborative efforts, innovative approaches and a steadfast focus on sustainability, we can forge a path to a future that promises economic progress alongside environmental and social integrity.

Bursa Malaysia, as the frontline market regulator and a proactive PLC, has been at the forefront in embedding sustainability. Our commitment is reflected in our past and current Sustainability Roadmaps. We recognise our responsibility to lead by example and strive to conduct our operations sustainably and facilitate our diverse market participants to do the same. These efforts will help contribute meaningfully to sustainable development in Malaysia.

Pioneering Sustainability Initiatives

Sustainability is woven into the very fabric of our activities and decisions. From proactively reducing emissions to fostering employee welfare and upholding ethical governance, we have seamlessly integrated Environmental, Social and Governance (ESG) principles into our processes, policies and strategies. This comprehensive approach supports the creation of enduring value for all our stakeholders.

Guiding the sustainability journey at Bursa Malaysia is a leadership deeply committed to these ideals. Our governance structure in this area is anchored by a Sustainability Development Committee (SDC) at Board level, supported by the Management Committee (MC) to ensure top-down leadership on sustainability. This commitment permeates through every division, championed by the appointment of 'Green Warriors' who encourage sustainability initiatives at all levels. Additionally, the Risk Management Committee (RMC) at Board level has now included sustainability risks to its remit to enhance our vigilance against potential threats while seizing opportunities for sustainable growth.

We are dedicated to embedding ESG practices within the marketplace, as we believe it will be a requirement for business competitiveness among our PLCs. Greater inclusion of our PLCs on internationally recognised indices such as the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index is a testament to our progress on this front. It is noteworthy that as at 14 December 2023, the number of constituents in the two aforementioned indices rose to 109 and 88, respectively. (End 2022: The index constituents stood at 98 and 79, respectively).

In June 2023, Bursa Malaysia together with the Securities Commission (SC) announced the introduction of a mandatory sustainability onboarding programme for directors under the Mandatory Accreditation Programme (MAP). This initiative aims to strengthen the ability of boards to effectively consider sustainability issues.

We have also launched numerous initiatives to promote the diversity agenda. In 2023, Bursa Malaysia was recognised as Asia's Leading Exchange in Gender Equality in Corporate Leadership, based on the Gender Equality in Corporate Leadership Asia 2023 Report by the United Nations Sustainable Stock Exchange (SSE) and the

International Finance Corporation. According to the Report, which analysed each Exchange's top 100 listed issuers by market capitalisation, Malaysia leads the region in terms of the proportion of women on Boards, with 26% of board seats held by women. Furthermore, 44% of the PLCs on Bursa Malaysia from the same category have exceeded the target or threshold of 30% female board members.

To assist PLCs in ESG reporting, we introduced an extensive array of tools to help listed issuers adopt the Enhanced ESG Reporting Framework that was unveiled in 2022. The tools made available in 2023 include the Illustrative Sustainability Report (ISR), the ESG Reporting Platform for streamlined sustainability data sharing, and the Sustainability Explainer Video Series, all in line with the Sustainability Reporting Guide and Toolkits (3rd Edition).

Furthermore, the Bursa Carbon Exchange (BCX), which launched its inaugural auction of carbon credits in March 2023 and commenced trading in September 2023, stands ready as an accessible platform for PLCs to mitigate some of their carbon emissions by purchasing carbon credits, which will in turn encourage investment in carbon reduction and reforestation projects. At the 28th United Nations Climate Change Conference of Parties (COP 28) held in Dubai near the end of 2023, the BCX inked a collaboration with Gold Standard, as well as a four-way collaboration with Sarawak Energy, Hydropower Sustainability Alliance and I-REC Standard Foundation. These collaborations are aimed at expanding our suite of high-quality carbon credits, and to explore supply and trade of renewable energy certificates that are aligned to globally-recognised standards.

Fostering Sustainable Mindsets and Practices

Transforming perspectives towards sustainability represents a significant yet rewarding challenge in our journey to build a more sustainable future. While the conversation around sustainability is gaining momentum, we acknowledge the journey towards fully integrating these practices within PLCs is ongoing. We remain committed to support our PLCs in their sustainability endeavours, aligned with our PLC Transformation Programme Guidebook 2: Being Sustainable, Socially Responsible and Ethical PLCs. In 2023, we continued to conduct many ESG-related workshops or webinars, tailored for board of directors as well as sustainability practitioners.

Our commitment to education and awareness has spurred a positive shift towards embracing and implementing sustainable practices across the board. Through our Bursa Sustain portal, we continue to curate different types of content that we consider useful for our market participants and that are freely accessible to the public. Here, visitors to the portal can learn about the latest trends, news and thought leaders in sustainability through various articles and videos. This includes our CEO2CEO video series, where we feature leading corporates and their CEOs, sharing their journey to sustainability and the challenges they have faced, while ensuring that the messages remain relatable.

The journey of data collection and sustainability reporting, while intricate, is essential for transparency and progress. As a market regulator, we periodically refine reporting frameworks and proposed methodologies, to uphold the highest standards of transparency and accuracy. Simultaneously, we empower our PLCs with the necessary tools and guidance to accurately report and benchmark their sustainability strength and impact.



A Message From Our Chairman and Chief Executive Officer

As the regulator, we underscore the importance of comprehensive sustainability reporting by PLCs. Starting from the year 2024 for the Main Market and from year 2025 for the ACE Market, it will be compulsory for PLCs to disclose their sustainability performance within the stipulated timelines. Furthermore, the introduction of the Centralised Sustainability Intelligence (CSI) Platform will facilitate PLCs, SMEs and other stakeholders in evaluating their environmental impact, sharing standardised ESG data and exploring new avenues for reducing their carbon footprint. We emphasise to PLCs and SMEs that sustainability is not optional, but essential for enduring success.

We will continue to emphasise the critical importance of collective action towards not only sustainability, but a Just Transition of the market towards Malaysia's Net Zero goal. The Exchange will facilitate this transition by engaging with stakeholders on the criticality of climate action and the pursuit of net zero emissions, while also taking into consideration the societal impact it may have on our communities.

Leading by Example

At the Exchange, we also recognise that we are in a position to be able to influence others via our own practices and actions. In this regard, we have continued to take active steps to reduce our Greenhouse Gas (GHG) emissions from operations via equipment optimisation and improved awareness among staff, resulting in a 12% reduction of our energy consumption.

We firmly believe that our employees all have a role to play in achieving our collective decarbonisation goals. Therefore, we have continued to engage our employees through the Carbon Conscious Workplace programme, an initiative that looks to educate and involve everyone at the Exchange. We do this by advocating our employees to integrate sustainable practices into both their professional and personal lives, through initiatives such as the Bursa Malaysia Waste Disposal and Recycling Guide as well as the Personal Net Zero GHG Emissions Guide, designed to inspire and facilitate individual contributions towards reducing our GHG emissions.

Furthermore, in exhibiting our commitment to climate action, Bursa Malaysia has also achieved carbon neutrality for the third consecutive year through the retirement of carbon credits. In 2023, we began the transition towards green energy by installing a rooftop solar photovoltaic system and the utilisation of Renewable Energy Certificates (RECs).

Recognising that we also need to bring others in our value chain on the sustainability journey, we conducted our inaugural Supplier Engagement Day in November 2023. The educative session that featured both speakers from Bursa Malaysia and other organisations, represents the start of many more engagement we will have with our

vendors, especially SMEs, to foster sustainable business practices. By championing these initiatives, we aim to cultivate a culture where sustainability is not just a goal but a shared responsibility, driving meaningful change and fostering a resilient, sustainable future for all.

Embracing Our Sustainability Journey Together

Sustainability is a path of continuous learning and growth for all of us. We recognise that our journey is influenced by a myriad of external factors, from market dynamics and regulatory shifts to global phenomena. This has taught us the importance of adaptability in our strategies, while remaining committed to our foundational principles and long-term aspirations.

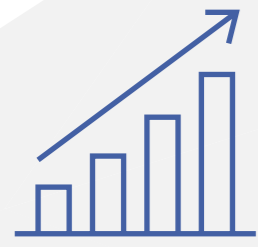
Sustainability requires a united effort. Since December 2022, Bursa Malaysia's CEO was appointed as Chairperson of the steering committee of the CEO Action Network (CAN), Malaysia's first sustainability-focused informal coalition of leading CEOs and senior corporate decision-makers. This, coupled with our other industry partnerships, for example our collaboration with the United Nations Global Compact Malaysia and Brunei (UNGCMYB) to address sustainability talent skill gaps among PLCs, has the potential to move the needle in corporate Malaysia by driving sustainable best practices.

Over the next few years, guided by our Sustainability Roadmap 2024-2026, we will intensify our efforts to support and upskill sustainability leaders in our PLCs, facilitate climate-related disclosures and green financing, and provide easy access to environmental solutions through our BCX. Through unwavering dedication, innovative approaches, and collective action, we will be steadfast in nurturing sustainability and competitiveness among our market participants.

Tan Sri Abdul Wahid Omar
Chairman

Datuk Muhamad Umar Swift
Chief Executive Officer

2023 Sustainability Highlights



Economic Value Distributed to Community Investment
RM2.5 million

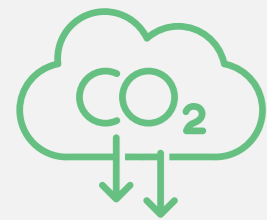


4th consecutive year in the **Bloomberg Gender-Equality Index (GEI)**



Total GHG emissions
3,633.72 tCO₂e
(with RECs)

109 Constituents for F4GBM Index*




Carbon Neutral for **3 years** in a row



Recycled **1,794** PET bottles and **344** aluminium cans

100% top management attended **anti-corruption** related training 

47.02% reduction in total general waste to landfill from 2022 

Reduced **energy consumption** by **12%** from 2022 



433 employees received OSH-related training



0.13 Lost Time Incident Rate (LTIR)



RM1,154,088 invested in employee learning and development



RM290,000 in scholarship awarded to **17** scholars



RM200,000 in sponsorships for 20 at-risk youths

165 Shares2share donations

Held **inaugural Supplier Engagement Day** with **56 attendees**

92.3% of vendors and suppliers engaged were **local** (2022: 87%)



1. Bursa Malaysia Derivatives Berhad: Exchange of the Year – Sustainability from the Asia Capital Market Awards 2023
2. Asia's Leading Exchange in Gender Equality in Corporate Leadership

* as of the press release dated 14 December 2023



In the Spotlight

ESG

Reporting Platform

On 4 December 2023, Bursa Malaysia Securities Berhad (Bursa Malaysia or the Exchange) launched the Bursa Malaysia ESG Reporting Platform (ESG Reporting Platform). This platform acts as a repository for disclosures conforming to the prescribed format mandated under Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (ACE LR) (collectively, "Listing Requirements"), which were introduced on 26 September 2022.

The ESG Reporting Platform is accessible to the registered listed issuers through the Bursa LINK system. This access will enable them to generate a summary performance table, which must then be disclosed in their respective Sustainability Statements. The performance table must include indicators and data pertinent to the listed issuer's material sustainability matters.

In conjunction with the introduction of the ESG Reporting Platform, the Exchange published user guides and videos to assist listed issuers navigate the ESG Reporting Platform's available functionalities.

"We are implementing the enhanced sustainability reporting requirements for Main Market and ACE Market listed issuers in a phased approach, accompanied by supporting user guides and illustrative toolkits, to provide listed issuers time to familiarise themselves with the respective requirements. We are pleased to see the enhanced disclosures being undertaken with noteworthy progress in sustainability-related practices and disclosures by many listed issuers even before the mandatory periods. This puts our listed issuers in good stead as Malaysia pushes the bar for more robust ESG disclosures over the next few years."

Julian Hashim
Chief Regulatory Officer,
Bursa Malaysia.



In the Spotlight

BCX Inaugural Auction and VCM Handbook



Bursa Carbon Exchange Successfully Completes Malaysia's Inaugural Carbon Auction

Bursa Carbon Exchange (BCX) successfully carried out the nation's inaugural carbon credit auction on 16 March 2023. The auction, which was carried out electronically, saw encouraging participation with 15 buyers from various industries purchasing a total of 150,000 Verra-registered carbon credits. With this key milestone, the auction facilitated the price-discovery of carbon credits from two new products offered by the BCX - the Global Technology-Based Carbon Contract (GTC) and the Global Nature-Based Plus Carbon Contract (GNC+). The GTC Contracts featured carbon credits from the Linshu Biogas Recovery and Power Generation Project in China. The project had benefits that align with the United Nations Sustainable Development Goals (SDGs), namely of generating clean energy (SDG 7), providing decent work (SDG 8) and addressing climate change by reducing fugitive methane emission leakage to the atmosphere (SDG 13). The GTC Contracts were oversubscribed and cleared at RM18.50 per Contract.

The GNC+ Contracts featured carbon credits from the Southern Cardamom Project, which is a REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project from Cambodia that comes with Climate, Community and Biodiversity (CCB) Standards that provides additional co-benefits, contributing to the livelihoods of local communities and biodiversity conservation in the Indo-Burma Biodiversity Hotspot. This GNC+ Contract fetched a clearing price of RM68.00 per Contract at the auction.

Both projects were carefully selected and curated to spur local interest in similar carbon offsetting project development. There was strong interest and healthy price signal by the domestic corporate sector, notably government-linked companies and financial institutions, which demonstrated their leadership in the budding voluntary carbon market (VCM) space in Malaysia.

The successful bidders at the auction were:





In the Spotlight

To ensure proper governance during price discovery, Bursa Malaysia did not participate in the bidding process but purchased carbon credits only at the auction clearing price. The carbon credits from both projects, were supplied by Vitol Asia Pte Ltd. By establishing a market-based price for carbon credits, the auction provides a clear signal to potential project proponents and developers on the economic viability of carbon credits. This will incentivise local project owners to develop carbon credit projects that can make a real impact in the fight against climate change.

This auction is the first step towards facilitating the acceleration of Corporate Malaysia's pivot towards a green economy and meeting global demands for a sustainable supply chain. Bursa Carbon Exchange will continue to expand its product offerings in the voluntary carbon credit market by accelerating the development of a healthy pipeline of carbon offset projects via a series of awareness and capacity building programmes drawing on the expertise of local and international VCM practitioners. The Exchange will also facilitate engagements between the public and private sectors towards developing conducive policies to support the emerging VCM industry and market.

Launch Of VCM Handbook

We have launched the national voluntary carbon market (VCM) handbook to guide local professionals and stakeholders in generating carbon credits that adhere to international standards. The VCM Handbook is a collaborative effort between the Exchange and Malaysian Green Technology and Climate Change Corporation (MGTC), which was initiated through a memorandum of collaboration (MOC) signed on 20 February 2023. The VCM Handbook was developed in consultation with The Ministry of Natural Resources, Environment and Climate Change (NRECC) (now Ministry of Natural Resources and Environmental Sustainability) and various ecosystem participants. The handbook was launched at the inaugural Malaysia Carbon Market Forum with the Bursa Malaysia's Chief Executive Officer Datuk Muhamad Umar Swift saying that as Malaysia shifts towards a lower carbon economy, the VCM handbook will assist entities keen on participating in carbon market project development and Malaysia's voluntary carbon market. The handbook defines the roles and functions of key entities in Malaysia's carbon market operations, serving as a reference point for market players.



Minister of the then Natural Resources, Environment and Climate Change Ministry (now Ministry of Natural Resources and Environmental Sustainability) at the launch of the VCM Handbook.

"With the increasing prominence on carbon offsets and carbon markets globally, it is imperative that Malaysia acts on the nation's untapped potential by developing its VCM ecosystem and implementing high-quality carbon projects."

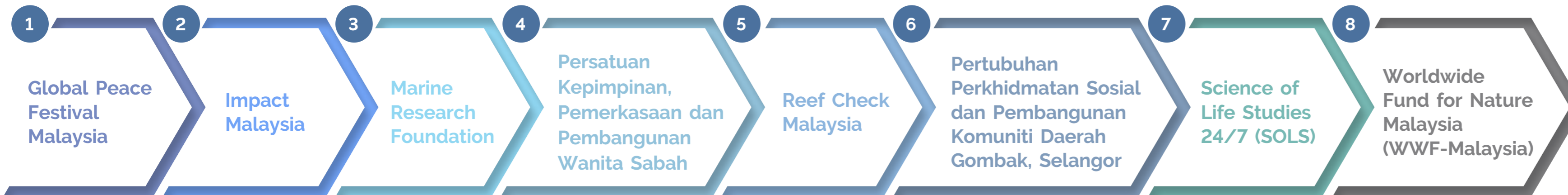
Nik Nazmi Nik Ahmad, Minister of Natural Resources and Environmental Sustainability, said in his keynote speech at the forum that VCMs can help host countries achieve their nationally determined contributions even if such sales are to corporate buyers outside of Malaysia. The forum was a platform for industry leaders and experts to share insights and experiences on key topics on VCM, promoting a culture of knowledge-sharing and collaboration on both the local and international stage.

In the Spotlight

Bursa Bull Charge 2023 (BBC2023)

Bursa Bull Charge (BBC) is Bursa Malaysia's annual corporate charity run. It aims to raise awareness on causes supported by Bursa Malaysia. In the past, BBC has promoted financial literacy and entrepreneurship, while helping to improve the lives of the underprivileged communities. For 2023, with the sub-theme of "Race to Net Zero", we focused on raising awareness on climate action, creating a bigger impact through climate action champions, NGOs and other organisations. On 8 October 2023, Bursa Malaysia held its 7th edition of the Bursa Bull Charge in the central business district of Kuala Lumpur. The flagship capital market charity run was graced by YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change (now Ministry of Natural Resources and Environmental Sustainability). Bursa Bull Charge 2023 garnered the support of over 100 organisations, and witnessed the participation of more than 1,000 runners. Runners were divided into two categories: the 15km CEO Run and the 5.0km Run. In addition, 20 students from the Bursa Young Investor Club (BYIC) also participated in the run, supported by 286 Bursa VIBE volunteers. Since its establishment in 2014, Bursa Bull Charge had attracted participation from more than 11,000 runners and raised funds of over RM15 million for more than 150 beneficiaries, supporting communities such as the Orang Asli, women (including single mothers), children and persons with disabilities.

The beneficiaries include:



As part of efforts to raise awareness and reduce our carbon footprint, the event day featured several recycling initiatives, including CelcomDigi's e-waste recycling booth, the KLEAN Reverse Vending Machine for recycling PET bottles and aluminium cans and the Net Zero Games booth. Other event highlights include Best Dressed runners, the Bursa Bull Dance competition and a riveting, facilitated percussion activity performed by The Colours of Sound together with some of the participants during the closing ceremony.

Aligned with our theme of climate action, we ensure that BBC2023 is a carbon-neutral event. An assessment was carried out with our carbon partner to measure our emissions. The assessment allows us to reduce and offset our emissions by purchasing certified carbon credits.*

BBC2023 amplifies the capital market's Corporate Social Responsibility (CSR) impact by primarily supporting charitable organisations that advocate climate action and environmental protection. This aligns well with Malaysia's commitment to the United Nations Sustainable Development Goals (SDG), particularly Goal 13 – Climate Action.

* Our emissions indicators for the event covers Scope 1 and Scope 3 Categories - Purchased Goods and Services, Upstream Transportation, Waste Generated and Employee Commute. Scope 2 is excluded from the event's calculations as we subscribed to Renewable Energy Certificates (RECs) for our overall Scope 2 in 2023

Bursa Bull Charge 2023 raised a total of RM1.5 million that will support eight new beneficiaries for climate action and environmental protection.



YB Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change of Malaysia, En. Syed Ari Azhar Syed Mohamed Adlan and Datuk Bazlan Osman (Bursa Malaysia board members) with Datuk Muhamad Umar Swift at the flagoff.

Sustainability Governance

Ensuring that sustainability is incorporated into our long term growth strategy requires effective governance. Consequently, it is the duty of our Board of Directors to ensure that sustainability factors are incorporated into the formulation of our strategies and the execution of our business plans.

Additionally, it is the responsibility of the Board to ensure that sustainability permeates our daily operations. The oversight of matters pertaining to sustainability is the responsibility of two distinct Board committees: the Sustainability and Development Committee (SDC) and the Risk Management Committee (RMC).

The SDC was established with the view to enhance the organisation's sustainability framework in accordance with the Malaysian Code of Corporate Governance (MCCG). To optimise the efficacy of the SDC, its membership includes autonomous specialists in the fields of sustainable finance or sustainable development. The Management Committee (MC) provides support for both the SDC and the RMC. The MC comprises critical senior management executives of Bursa Malaysia.

Under the direction of the CEO, the MC is tasked with developing and implementing strategies for Bursa Malaysia that are efficient to manage, including those pertaining to sustainability. At the operational level, Group Sustainability and other relevant divisions and departments are responsible for the development and implementation of sustainability strategies across all our enterprises. Group Sustainability is overseen by the Director of Group Sustainability, who reports directly to the CEO.

SDC MEMBERS



Tan Sri Abdul Wahid Omar

Datuk Muhamad Umar Swift

Encik Syed Ari Azhar Syed Mohamed Adlan

Ms. Chong Chye Neo

Datuk Chay Wai Leong

Puan Shareen Shariza Dato' Abdul Ghani

Mr. Wong Chong Fatt

Date of Appointment:
1 July 2020

Date of Appointment:
1 July 2020

Date of Appointment:
1 December 2020

Date of Appointment:
16 August 2023

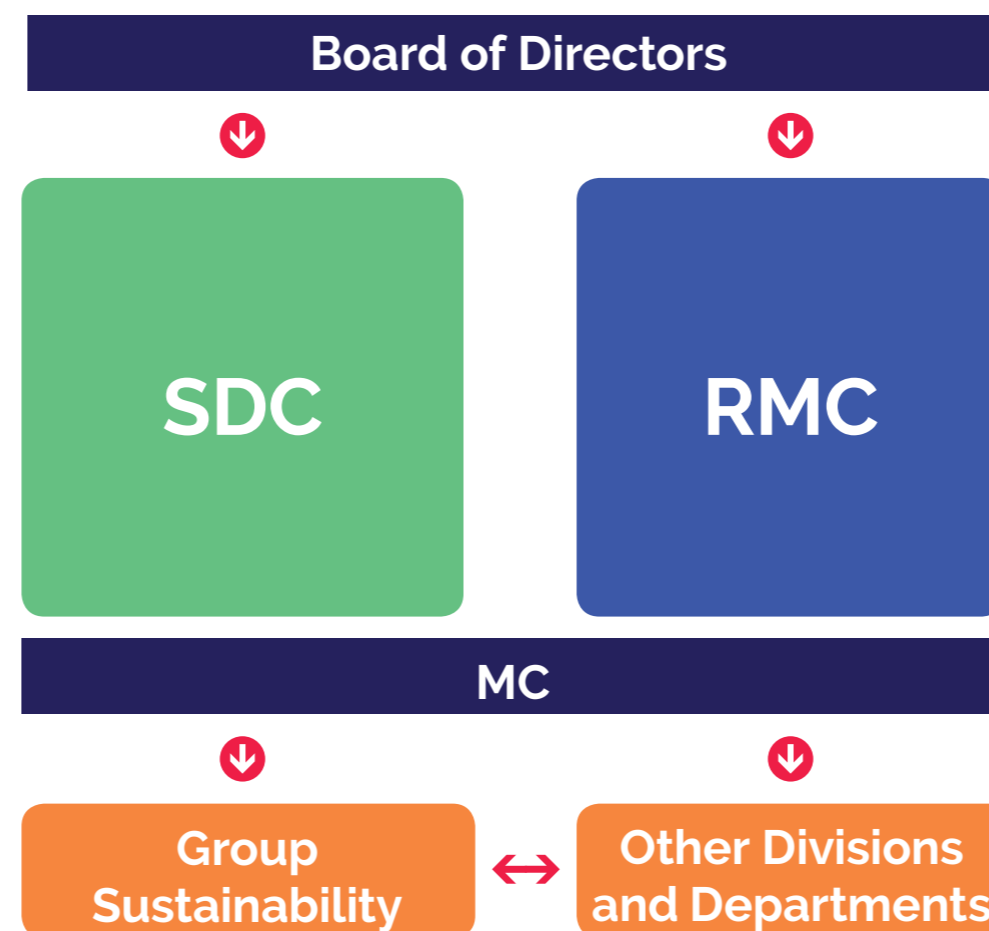
Date of Appointment:
1 May 2021

Date of Appointment:
1 October 2021

Date of Appointment:
1 July 2022

- Oversees the development and implementation of strategies, including sustainability strategies
- Oversees the business plans and key initiatives of Bursa Malaysia Group having regard to sustainability considerations, in line with the MCCG
- Meets at least four times each year and whenever it deems necessary to fulfil its responsibilities
- Members consist of:
Tan Sri Abdul Wahid Omar (Chairman), Datuk Muhamad Umar Swift, Encik Syed Ari Azhar Syed Mohamed Adlan, Ms. Chong Chye Neo, Datuk Chay Wai Leong*, Puan Shareen Shariza Dato' Abdul Ghani*, Mr. Wong Chong Fatt*

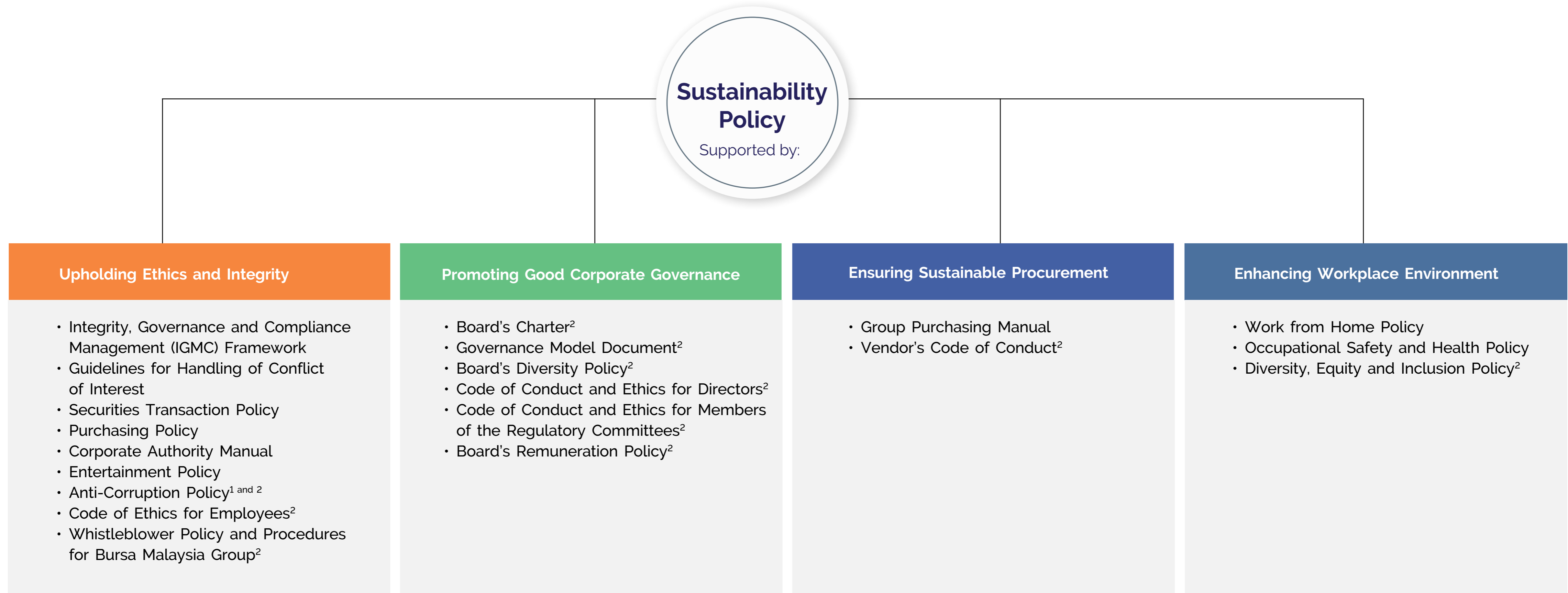
*independent member



- Oversees the risk management framework and policies, including keeping abreast of new or emerging trends, as well as reviewing, monitoring and assessing the effectiveness of controls over key risks such as sustainability and climate-related risks
- Oversees the Compliance, Business Continuity Management and Integrity Unit functions of Bursa Malaysia.
- Meets at least four times each year and whenever it deems necessary to fulfil its responsibilities
- Members consist of:
Encik Syed Ari Azhar Syed Mohamed Adlan (Chairman)
Tan Sri Abdul Farid Alias, Datin Azlina Mahmud, Ms. Tan Ler Chin

Sustainability Governance

As an ESG proponent, we constantly benchmark against industry and international best practices to further improve our sustainability practices. Our practices are mainly guided by the commitments we have made in our Sustainability Policy. We also have a set of robust policies that instil good business conduct, as listed below:



¹ Public version of the Anti-Fraud, Bribery and Corruption Policy and Guideline











² These policies are available on Bursa Malaysia's website

Note:
The list of policies above is not exhaustive

Stakeholder Engagement

Bursa Malaysia maintains consistent communication with its stakeholders through diverse channels to identify their primary concerns and gain insight into potential solutions. In addition to guiding our disclosure and reporting strategies, stakeholder feedback supports our materiality assessment.

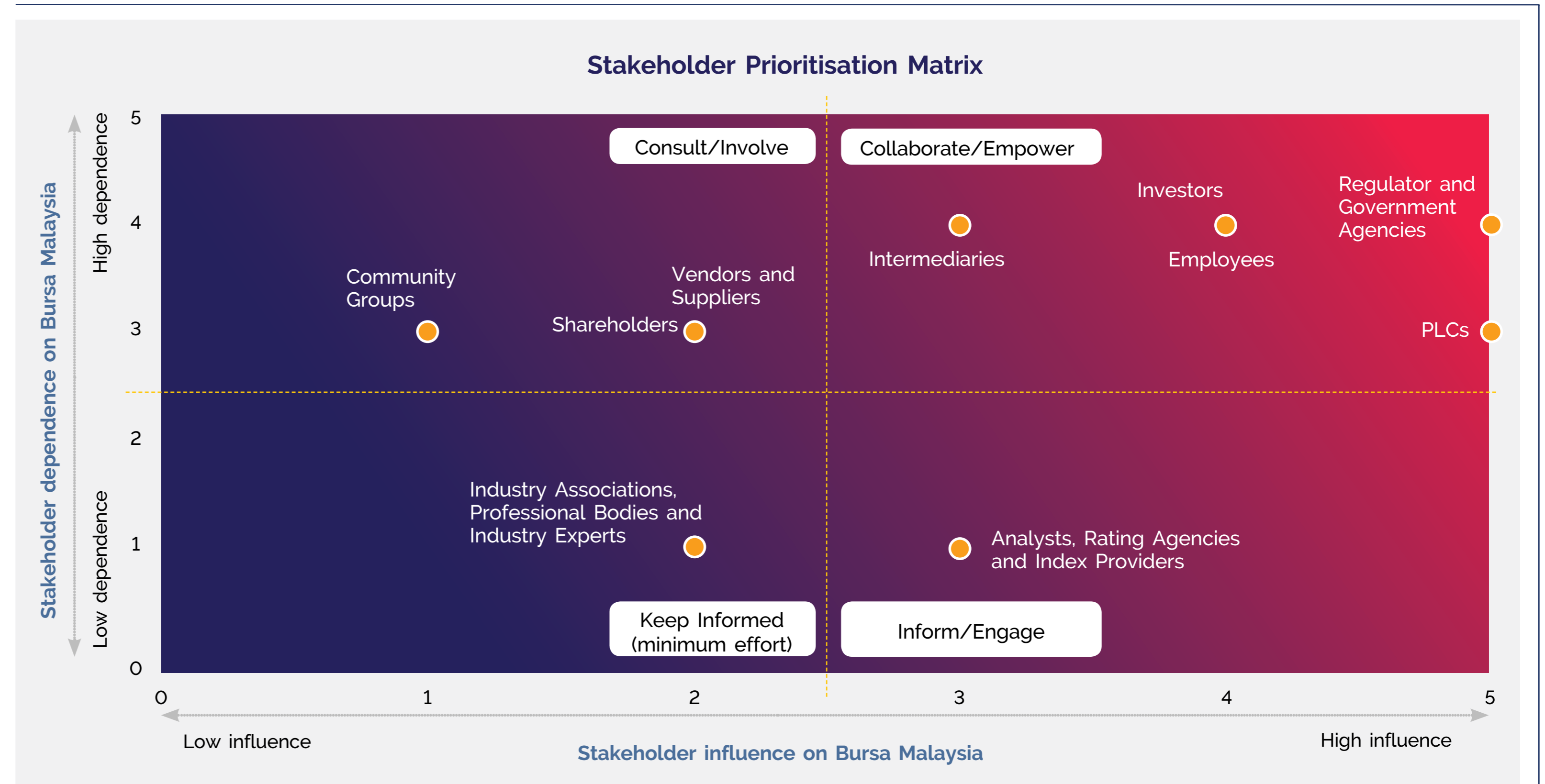
Our stakeholders:

-  Public Listed Companies (PLCs), Issuers, Potential PLCs, and Potential Issuers (including advisers and secretarial firms that act on their behalf)
-  Intermediaries (including brokers, clearing participants, authorised direct members and authorised depository agents)
-  Community groups (including non-profit organisations which are beneficiaries of our community investment initiatives)
-  Regulators and Government Agencies
-  Analysts, rating agencies and index providers
-  Vendors and Suppliers
-  Industry associations, professional bodies and industry experts
-  Shareholders
-  Employees
-  Investors

As we navigate the ever-evolving landscape of sustainability, stakeholder engagement remains the cornerstone of our journey. We recognise that our success is inextricably linked to the voices and perspectives of those who invest in our mission, rely on our services and share our vision for a more responsible future.

In 2023, we rolled out a materiality survey to all our internal and external stakeholders which received 579 responses as well as multiple internal sessions and three focus group discussions with our external stakeholders. The stakeholders were asked to assess the importance of Bursa Malaysia's 14 existing Material Matters and nine proposed refreshed materiality matters that reflect the feedback received during stakeholder engagement sessions.

From the assessment, we were able to assess the significance of each stakeholder group by determining their influence and dependency, which weightage was then reflected in the materiality matrix. The prioritisation of stakeholders is important as it indicates how significant a stakeholder group is to Bursa Malaysia, which would then allow us to understand how a sustainability matter may be material. The matrix below indicates that Bursa Malaysia needs to have especially robust engagements with about half of our stakeholders.



A stakeholder's position on the quadrant determines the level of engagement the company should pursue with them and the appropriate engagement strategies.

Stakeholder Engagement

Frequency Of Engagement

W Weekly
M Monthly
H Half-monthly
BW Bi-weekly
Q Quarterly

O Ongoing
N When Needed
B Bi-monthly
A Annually
HY Half-yearly

Stakeholders	Why They Matter	Their Key Needs and Expectations	Our Response	Level of Engagement	Engagement Platforms	Material Matters*
<p>Regulators and Government Agencies</p>	<p>By working closely with regulators and government agencies, we can better guide companies and help them with regulatory updates and issues that enable a transparent, fair and orderly market, as well as drive the development of a vibrant and competitive capital market.</p>	<ul style="list-style-type: none"> • Avoid duplication of work involving various regulatory breaches that Bursa is investigating • Ensure quality of PLC's corporate governance and sustainability practices or reporting • Ensure market development initiatives, products, services and regulatory framework governing the Malaysian capital market has the buy-in or relevant approvals from regulators and government agencies • Close regulatory gaps on supervision of intermediaries 	<ul style="list-style-type: none"> • Economic Performance, pages 23-24 • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Cyber Security And Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Innovation and Technology Excellence, pages 51-55 • Climate Risks, pages 57-64 • Environmental Footprint, pages 65-71 • Anti-Fraud, Bribery And Corruption, pages 73-75 	Collaborate/ Empower	<ul style="list-style-type: none"> N Briefings, engagements and consultative sessions N Meetings or discussions O Jointly organised events or working groups A Reports regarding capital market developments or compliance with statutory obligations such as Annual Regulatory Report O Participation in various committees or working groups such as the Joint Committee on Climate Change 	
<p>Public Listed Companies (PLCs), Issuers, potential PLCs and potential issuers</p>	<p>The activities and practices of the PLCs and listed issuers are central to creating a purpose-driven and high-performance market.</p>	<ul style="list-style-type: none"> • Continuous education and training, especially in corporate governance (CG) and sustainability • Protect themselves against the implications of investigations and potential enforcement actions • Stay informed of market development initiatives, regulatory policies and proposed changes to listing requirements 	<ul style="list-style-type: none"> • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Cyber Security and Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Climate Risks, pages 57-64 • Anti-Fraud, Bribery and Corruption, pages 73-75 	Collaborate/ Empower	<ul style="list-style-type: none"> O Meetings O Public or Industry Consultations O Focus Group Sessions or Dialogues N Engagements through emails, phone calls, surveys or other means O Circulars or directives N Communication Notes or Guides B Advocacy programmes and workshops O Promotional roadshows and seminars N Enquiries via Listing Advisory Portal O Bursa LINK O Site visits O Online platforms or websites 	

* for the definition of our Material Matters, please refer to page 20



Stakeholder Engagement

Frequency Of Engagement

- W Weekly
- M Monthly
- H Half-monthly
- BW Bi-weekly
- Q Quarterly
- O Ongoing
- N When Needed
- B Bi-monthly
- A Annually
- HY Half-yearly

Stakeholders	Why They Matter	Their Key Needs and Expectations	Our Response	Level of Engagement	Engagement Platforms	Material Matters*
 Employees	<p>Employees are the backbone of our organisation and growth. They drive and shape our purpose-driven culture change to align our core values with business strategies.</p>	<ul style="list-style-type: none"> • Receive relevant and timely information in a structured manner • Keep up to date on key strategic plans and way forward • Constant engagement to ensure contribution and added value 	<ul style="list-style-type: none"> • Economic Performance, pages 23-24 • Market Integrity and Stability, pages 25-26 • Cyber Security and Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Innovation and Technology Excellence, pages 51-52 • Climate Risks, pages 57-64 • Environmental Footprint, pages 65-71 • Anti-Fraud, Bribery and Corruption, pages 73-75 • Workplace Environment, pages 76-79 • Employee Engagement, pages 80-81 • Learning and Development, pages 82-84 • Community Investment, pages 86-93 	Collaborate/ Empower	<ul style="list-style-type: none"> O Meetings and town halls (held virtually) with feedback sessions O Training and engagement sessions on various topics such as cyber security and social engineering tests O MY1818 O Bursa@Work emails O Other employee engagements O MSTeams (#Apacerita) O Activities such as festive celebrations O Bursa VIBE 	
 Investors	<p>The priorities and perspectives of investors strongly shape Malaysia's capital market landscape as well as the growth of our PLCs and the Malaysian economy.</p>	<ul style="list-style-type: none"> • Stay informed of market development initiatives, regulatory policies and proposed changes to listing requirements • Manage and mitigate liquidity risk for existing and new products • Improve the availability of products available for trading • Enhance literacy in derivative products 	<ul style="list-style-type: none"> • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Cyber Security and Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Climate Risks, pages 57-64 • Anti-Fraud, Bribery and Corruption, pages 73-75 	Collaborate/ Empower	<ul style="list-style-type: none"> O Meetings O Public consultations O Focus group sessions or dialogues N Engagements through emails, phone calls, surveys or other means M Local and overseas conferences such as Invest Malaysia (IM) O Advocacy programmes and workshops O Our various digital touchpoints such as website and mobile applications W Social media platforms and channels such as Twitter, Facebook, Instagram and Telegram 	

* for the definition of our Material Matters, please refer to page 20



Stakeholder Engagement

Frequency Of Engagement

W Weekly
 M Monthly
 H Half-monthly
 BW Bi-weekly
 Q Quarterly
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 N When Needed
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Stakeholders	Why They Matter	Their Key Needs and Expectations	Our Response	Level of Engagement	Engagement Platforms	Material Matters*
<p>Intermediaries</p>	Responsible conduct by intermediaries is crucial in ensuring investor protection and the orderliness of the market whilst building the resilience of our business.	<ul style="list-style-type: none"> Remain informed and stay ahead of global and regional developments Being consulted for feedback, support and participation of initiatives or projects, developments and other key matters Protection against the implications of investigations and potential enforcement actions Keep the industry associations abreast of recent developments, initiatives, project launched or implemented and other key matters Ways to increase the number of market participants in the Derivatives Market through the intermediaries (TPs) 	<ul style="list-style-type: none"> Market Integrity and Stability, pages 25-26 Education and Capacity Building, pages 27-37 Cyber Security and Customer Privacy, pages 38-39 Sustainable Finance, pages 41-50 Climate Risks, pages 57-64 Anti-Fraud, Bribery and Corruption, pages 73-75 	Collaborate/ Empower	<ul style="list-style-type: none"> Q Meetings or visits N Public or industry consultations Q Focus group sessions or dialogues BW Engagements through emails, phone calls, surveys or other means O Securities Market Consultative Panel (SMCP) Meetings (SMCP comprises members from the stockbroking industry) O Circulars or directives O Communication Notes A Advocacy or education programmes and workshops O Promotional roadshows and seminars O Our website O Bursa Malaysia Computer Emergency Response Team 	
<p>Vendors and Suppliers</p>	Our activities and operations depend on the products and services delivered by our vendors and suppliers, whose resources, materials and expertise improve our ability to meet our value-creation objectives.	<ul style="list-style-type: none"> Malaysia's specifications and requirements Best value for vendors, suppliers and Bursa Malaysia 	<ul style="list-style-type: none"> Economic Performance, pages 23-24 Anti-Fraud, Bribery and Corruption, pages 73-75 Supply Chain Management, pages 94-96 	Consult/ Involve	<ul style="list-style-type: none"> O Meetings or Presentations O Engagements through emails, phone calls O Communication through tender notice, request for proposal and request for quotation O Site visits O Our website O Tender briefings 	





* for the definition of our Material Matters, please refer to page 20

Stakeholder Engagement

Frequency Of Engagement

W Weekly
M Monthly
H Half-monthly
BW Bi-weekly
Q Quarterly

O Ongoing
N When Needed
B Bi-monthly
A Annually
HY Half-yearly

Stakeholders	Why They Matter	Their Key Needs and Expectations	Our Response	Level of Engagement	Engagement Platforms	Material Matters*
 <p>Shareholders</p>	Shareholders and Analysts provide strategic recommendations that contribute to the overall growth of Bursa Malaysia and the Malaysian capital markets.	<ul style="list-style-type: none"> • Continuous flow of information to shareholders • Bursa Malaysia's value creation initiatives meet investors' expectations 	<ul style="list-style-type: none"> • Economic Performance, pages 23-24 • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Cyber Security and Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Innovation and Technology Excellence, pages 51-55 • Climate Risks, pages 57-64 • Environmental Footprint, pages 65-71 • Anti-Fraud, Bribery and Corruption, pages 73-75 • Workplace Environment, pages 76-79 • Employee Engagement, pages 80-81 • Learning and Development, pages 82-84 • Community Investment, pages 86-93 • Supply Chain Management, pages 94-96 	Consult/ Involve	<ul style="list-style-type: none"> A Annual Reports A Annual General Meetings O Meetings O Circulars O Our website O Investor Relations Portal 	
 <p>Community Groups</p>	Community engagement is an effective way to understand the needs of society at large and allows us to contribute to Malaysia's developments in an inspiring and meaningful manner.	<ul style="list-style-type: none"> • Adequate funding and support for social programmes benefiting the marginalised communities • Support for basic education and technology for bottom 40% or B40 children and families • Avoid duplication of support by funders for the same communities 	<ul style="list-style-type: none"> • Economic Performance, pages 23-24 • Education and Capacity Building, pages 27-37 • Anti-Fraud, Bribery and Corruption, pages 73-75 • Community Investment, pages 86-93 	Consult/ Involve	<ul style="list-style-type: none"> O Meetings O Engagements via phone calls, emails or letters O Our website O Trainings or webinars O Programmes, events, relief and initiatives O Scholarships O Donations O Volunteering activities 	

* for the definition of our Material Matters, please refer to page 20

Stakeholder Engagement

Frequency Of Engagement

- W Weekly
- M Monthly
- H Half-monthly
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- A Annually
- HY Half-yearly

Stakeholders	Why They Matter	Their Key Needs and Expectations	Our Response	Level of Engagement	Engagement Platforms	Material Matters*
<p>Analysts, Rating Agencies and Index Providers</p>	Analysts, rating agencies and index providers provide strategic recommendations that contribute to the overall growth of Bursa Malaysia and the Malaysian capital markets.	<ul style="list-style-type: none"> • Continuous flow of information to analysts, rating agencies and index providers • Bursa Malaysia's strategic direction and management guidance on operational outlook 	<ul style="list-style-type: none"> • Economic Performance, pages 23-24 • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Cyber Security and Customer Privacy, pages 38-39 • Sustainable Finance, pages 41-50 • Innovation and Technology Excellence, pages 51-55 • Climate Risks, pages 57-64 • Environmental Footprint, pages 65-71 • Anti-Fraud, Bribery and Corruption, pages 73-75 • Workplace Environment, pages 76-79 • Employee Engagement, pages 80-81 • Learning and Development, pages 82-84 • Community Investment, pages 86-93 • Supply Chain Management, pages 94-96 	Inform/Engage	<ul style="list-style-type: none"> A Annual Reports HY Half-yearly analyst and media briefings O Meetings O Circulars O Our website O Investor Relations Portal 	
<p>Industry Associations, Professional Bodies and Industry Experts</p>	They play an important role in providing a collective voice for the industry, guiding Bursa Malaysia on industry trends, innovation, public policy and other key matters.	<ul style="list-style-type: none"> • Keeping the industry associations abreast of recent developments, initiatives, projects launched or implemented and other key matters • Actively provide feedback on regulatory policies and rule amendments introduced by Bursa Malaysia • Enhance knowledge and understanding of Derivatives Market • Building in-depth knowledge and sophisticated understanding of utilising derivative instruments for risk management 	<ul style="list-style-type: none"> • Market Integrity and Stability, pages 25-26 • Education and Capacity Building, pages 27-37 • Sustainable Finance, pages 41-50 • Innovation and Technology Excellence, pages 51-55 • Climate Risks, pages 57-64 	Keep Informed	<ul style="list-style-type: none"> O Meetings O Public consultations O Focus group sessions or dialogues O Engagements through emails, phone calls O Joint committees or task forces with the industry such as SMOC O Collaborations with Islamic finance industry partners to organise Shariah Investing events 	

* for the definition of our Material Matters, please refer to page 20

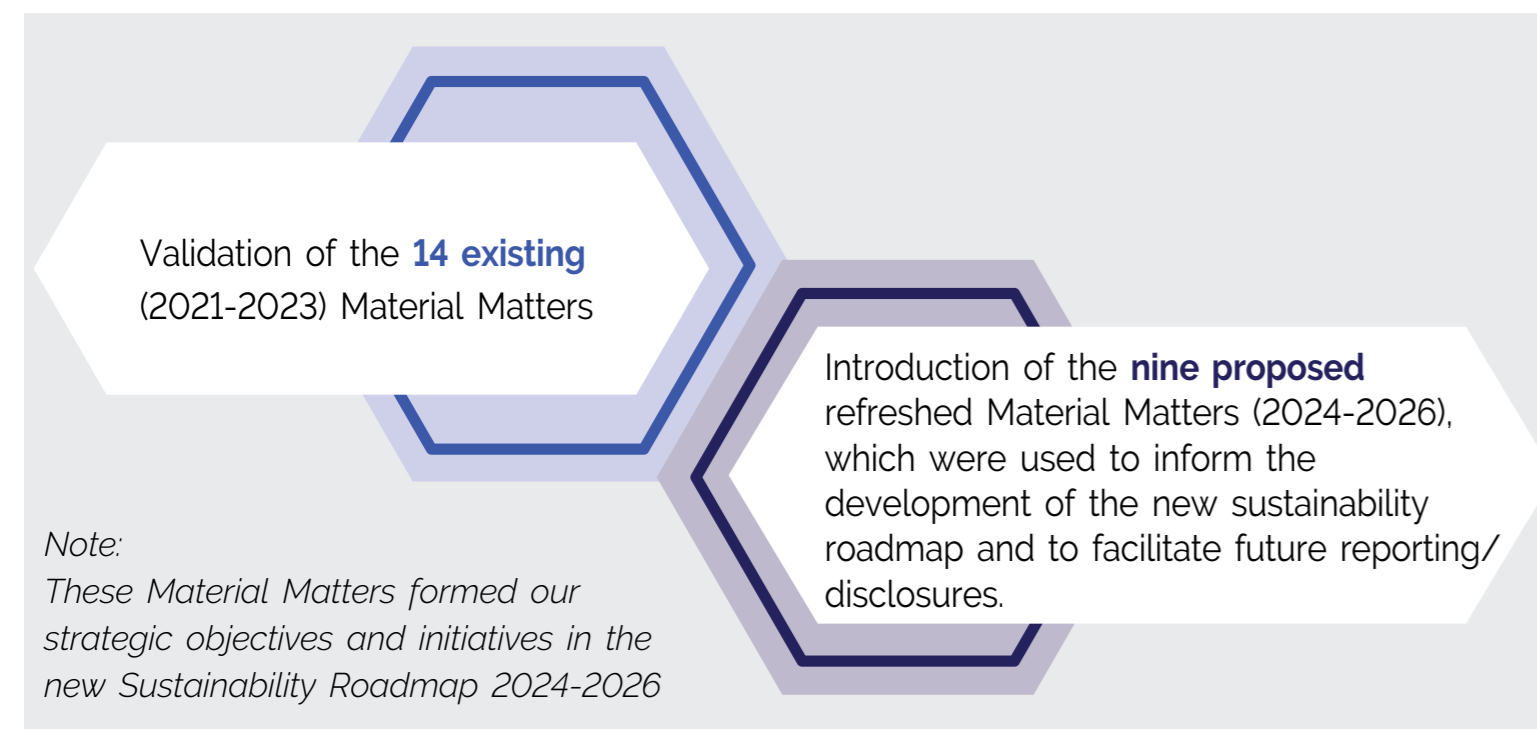
Materiality Assessment

Our Material Matters have been used in the development of our Sustainability Roadmaps and the scope of our sustainability reports. Material Matters are reviewed once a year through a limited scale materiality assessment and once every three years in a full-scale exercise.

In 2023, Bursa Malaysia undertook a materiality assessment exercise that involved the participation of over 2,600 internal and external stakeholders via an online survey and multiple engagement sessions.

As we approach the final year of our 2021-2023 Sustainability Roadmap, we are taking a critical look at our progress and refining our focus for the future. This year, we undertook a comprehensive validation process of our 14 existing Material Matters. This crucial exercise informed the preparation of both our Integrated Annual Report (IAR) 2023 and Sustainability Report (SR) 2023, ensuring that we remain accountable to our stakeholders and continue to prioritise the issues that matter most.

We recognise that FY2023 represented a pivotal moment in our sustainability journey. To effectively chart our course forward, we needed a deep understanding of the evolving landscape and the emerging priorities of our stakeholders. Therefore, we had structured this year's materiality survey into two parts:



Based on the exercise, we concluded that all our existing 14 Material Matters are aligned with our strategic priorities and stakeholders expectations.

In addition to that, the existing 14 Material Matters have been condensed into nine refreshed ones, for easier navigation within the four sustainability domains, namely Economic, Environment, Social and Governance (EESG).

Materiality Matrix

The outcome of the survey was plotted on a materiality matrix in accordance with the degree of materiality and the relative relevance of the Material Matters. This was done in order to identify the priority of the Material Matters. The results of the survey, in addition to the materiality matrix, were validated by the Management Committee (MC) and the Sustainability and Development Committee (SDC) prior to the Board of Directors giving its approval.

Based on the materiality matrix, six Material Matters, namely Cyber Security and Customer Privacy, Anti-Fraud, Bribery and Corruption, Market Integrity and Stability, Sustainable Finance, Economic Performance, and Innovation and Technology Excellence are the most highly critical on the influence on stakeholder assessments and decisions and their significance of Bursa Malaysia's Economic, Environmental and Social Impact.

Every Material Matter had a substantial impact of over 70% on the evaluation and choices of stakeholders.

In general, comparable trends were noted between the years 2022 and 2023, with only minimal fluctuations in all aspects compared to the preceding year.

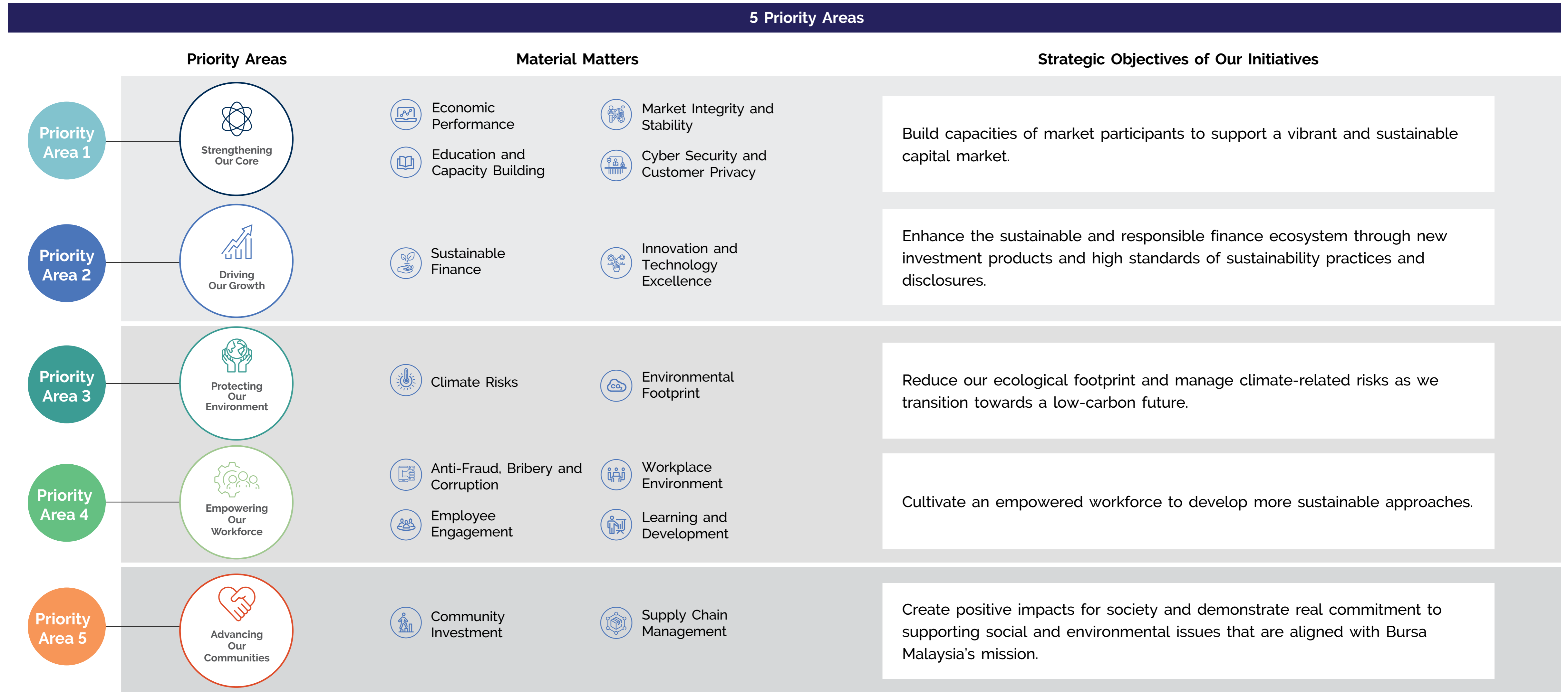
We will outline our management strategy for all 14 Material Matters that have been allocated to the five priority areas in subsequent pages.

Influence on Stakeholder Assessments and Decisions	Highly Critical	<ul style="list-style-type: none"> ● Workplace Environment ● Education and Capacity Building 	<ul style="list-style-type: none"> ● Cyber Security and Customer Privacy ● Anti-Fraud, Bribery and Corruption ● Market Integrity and Stability ● Sustainable Finance ● Economic Performance ● Innovation and Technology Excellence 	
	Critical	<ul style="list-style-type: none"> ● Employee Engagement ● Climate Risks ● Environmental Footprint ● Learning and Development 	<ul style="list-style-type: none"> ● Community Investment ● Supply Chain Management 	
	Moderate			
		Moderate	Critical	Highly Critical
Significance of Bursa Malaysia's Economic, Environmental and Social Impacts				

- Strengthening Our Core
- Driving Our Growth
- Empowering Our Workforce
- Advancing Our Communities
- Protecting Our Environment

Materiality Assessment

The Material Matters are then mapped into our 5 Priority Areas as follows:





Materiality Assessment

Descriptions of the material topics which are mapped under each Priority Area are provided below:

<p>Strengthening Our Core Priority Area 1</p> <p>Economic Performance Bursa Malaysia's impacts on the economic conditions of its stakeholders and the wider economy. This includes the economic value generated and distributed by Bursa Malaysia.</p> <p>Market Integrity and Stability Bursa Malaysia's efforts to maintain a comprehensive and robust regulatory and market safeguard frameworks to govern its operations and relevant market participants in a fair, orderly and efficient manner.</p> <p>Education and Capacity Building Bursa Malaysia's efforts to raise standards among its public listed companies and market intermediaries as well as its investor education efforts.</p> <p>Cyber Security and Customer Privacy Bursa Malaysia's efforts to protect the confidentiality and integrity of information and transactions relating to its business, operations, customers, strategic partners and all third parties.</p>	<p>Driving Our Growth Priority Area 2</p> <p>Sustainable Finance Bursa Malaysia's efforts to support sustainable development and integration of sustainable and responsible principles in its marketplace. This includes promoting effective environmental, social and governance (ESG) disclosures and developing sustainability focused investment products.</p> <p>Innovation and Technology Excellence Bursa Malaysia's innovation and digitalisation initiatives to unlock new capabilities or opportunities and to increase the efficiency and effectiveness of its operations.</p>	<p>Empowering Our Workforce Priority Area 4</p> <p>Anti-Fraud, Bribery and Corruption Bursa Malaysia's efforts to uphold high standards of integrity, governance and responsible business practices. This includes policies, procedures and initiatives to build awareness and prevent corruption within Bursa Malaysia.</p> <p>Workplace Environment Bursa Malaysia's efforts to create a positive workplace environment that reflects its values. This includes promoting diversity and inclusion, providing a safe and healthy work environment, upholding human rights and observing good labour practices and standards.</p> <p>Employee Engagement Efforts to connect with Bursa Malaysia's employees to create an engaged organisation. Employee engagement strategies can help improve productivity, reduce employee turnover, attract talent and help improve personnel performance.</p> <p>Learning and Development Bursa Malaysia's education and training activities that enhance employees' knowledge, skills and competencies to achieve better work performance and support employees' future growth.</p>
	<p>Protecting Our Environment Priority Area 3</p> <p>Climate Risks Bursa Malaysia's efforts to identify climate-related risks and opportunities over short, medium and long term that could be significant for Bursa Malaysia.</p> <p>Environmental Footprint Bursa Malaysia's efforts to reduce its environmental footprint and manage emissions resulting from its business activities. This includes energy consumption, water usage, waste management, recycling activities and other potential initiatives.</p>	<p>Advancing Our Communities Priority Area 5</p> <p>Community Investment Bursa Malaysia's corporate social responsibility initiatives, namely donations and sponsorships of activities and programmes for communities under the focus areas of environmental protection, financial literacy and poverty alleviation, including scholarships for the underprivileged.</p> <p>Supply Chain Management Bursa Malaysia's supply chain activities that lead to value creation for the stakeholders. It covers the entire material and information flow, leading to the delivery of a product or service. It includes activities such as sourcing, procurement, vendor management, logistics and customer service.</p>



1

- 23 Economic Performance
- 25 Market Integrity and Stability
- 27 Education and Capacity Building
- 38 Cyber Security and Customer Privacy

Strengthening Our Core

GRI 3-3, 201-1, 418-1



Economic Performance

Why It Matters

The economic performance of companies plays a pivotal role in shaping the overall well-being of the economy. Through their business activities, companies wield the power to foster economic growth by creating positive impacts. This influence manifests in various ways, including the provision of job opportunities that enhance livelihoods, the contribution of tax payments that facilitate improved infrastructure and public services, and the offering of products and services that enrich the community.

We recognise the direct influence of our activities on the broader economy, acknowledging the value we bring to our stakeholders. This value is evident in the form of dividends, job creation and tax contributions. Furthermore, we understand that our economic performance holds the potential to significantly influence investors' confidence collectively. As we strive for sustainable practices, we remain committed to positively shaping economic outcomes, fostering growth, and contributing to the overall prosperity of our stakeholders and the wider community.

Our Approach

EMPLOYEES



We are fully invested in the professional development of our employees and pay attention to creating a conducive and engaging workplace to ensure optimum performance.

SHAREHOLDERS



We create value for our shareholders in the form of dividends, and this is governed by the Group's Dividend Policy. The policy commits the Group to paying no less than 75% of our Profit After Tax and Minority Interest (PATAMI), and we have, in practice, regularly paid out more than the 75% minimum threshold.

COMMUNITY



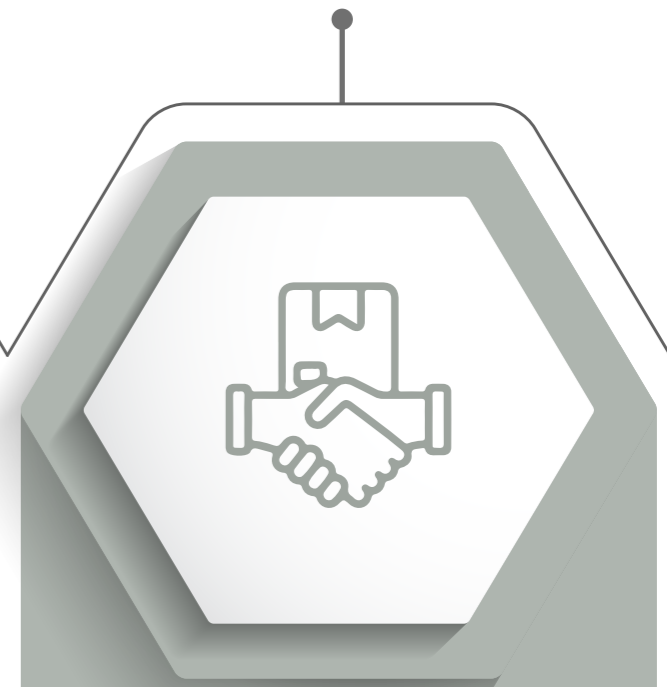
We pledge to channel one per cent (1%) of our Profit After Tax (PAT) towards the funding of corporate social responsibility activities through our foundation, Yayasan Bursa Malaysia. These activities are to generate sustainable positive impacts to contribute to a thriving community.

GOVERNMENT



We observe both legal and statutory obligations such as tax payments, and actively support the government's initiatives to drive Malaysia's transition to a low-carbon economy through initiatives such as the Bursa Carbon Exchange (BCX), the nation's first voluntary carbon market.

SUPPLIERS




We recognise the crucial role of suppliers and vendors in our supply chain, as we rely on their products and services to ensure the smooth operation of our business. We create value for our suppliers by procuring their products and services and we will continue collaborating with them to strengthen our partnerships.

Economic Performance

Our Progress

Bursa Malaysia recorded a Profit after Tax, Minority Interest and Zakat (PATAMI) of RM252.4 million for the financial year ended 31 December 2023 (FY2023), an 11.4% increase from the RM226.6 million reported in the previous financial year ended 31 December 2022 (FY2022). The growth in PATAMI is attributed to higher operating revenue by 1.3% to RM592.8 million from RM585.3 million in FY2022. In FY2023, the Exchange successfully raised RM3.6 billion from new listings compared to RM3.5 billion for FY2022, bringing our IPO market capitalisation to RM13.6 billion, surpassing last year's total of RM11.2 billion. These developments highlight the market's capability to adapt and thrive, solidifying the Exchange's role as a viable platform for fundraising and investing needs.

 For more information on how we create value please refer to pages 36 to 39 and our 2023 financial highlights, please refer to pages 10 to 11 of our IAR 2023

Economic value generated

Operating Revenue
RM592.8 million



Other Income
RM23.7 million



Economic value distributed

Shareholders RM234.7 million	Taxes RM69.3 million
Employees RM168.6 million	Retained Earnings RM16.8 million
Community Investment RM2.5 million	Business and Operations RM124.6 million

Moving Forward

Our commitment revolves around continuously bolstering our market competitiveness, aiming to create enduring economic value for our stakeholders and play a pivotal role in the advancement of the Malaysian economy. Our focus remains on propelling sustainable growth, refining our range of products and services to cater to the varied needs of investors, and harnessing innovation and technological prowess. We are dedicated to maintaining a fair and orderly market, directing investments towards education and capacity building, with the overarching goal of elevating the standards of our capital market and fostering a financially literate community.

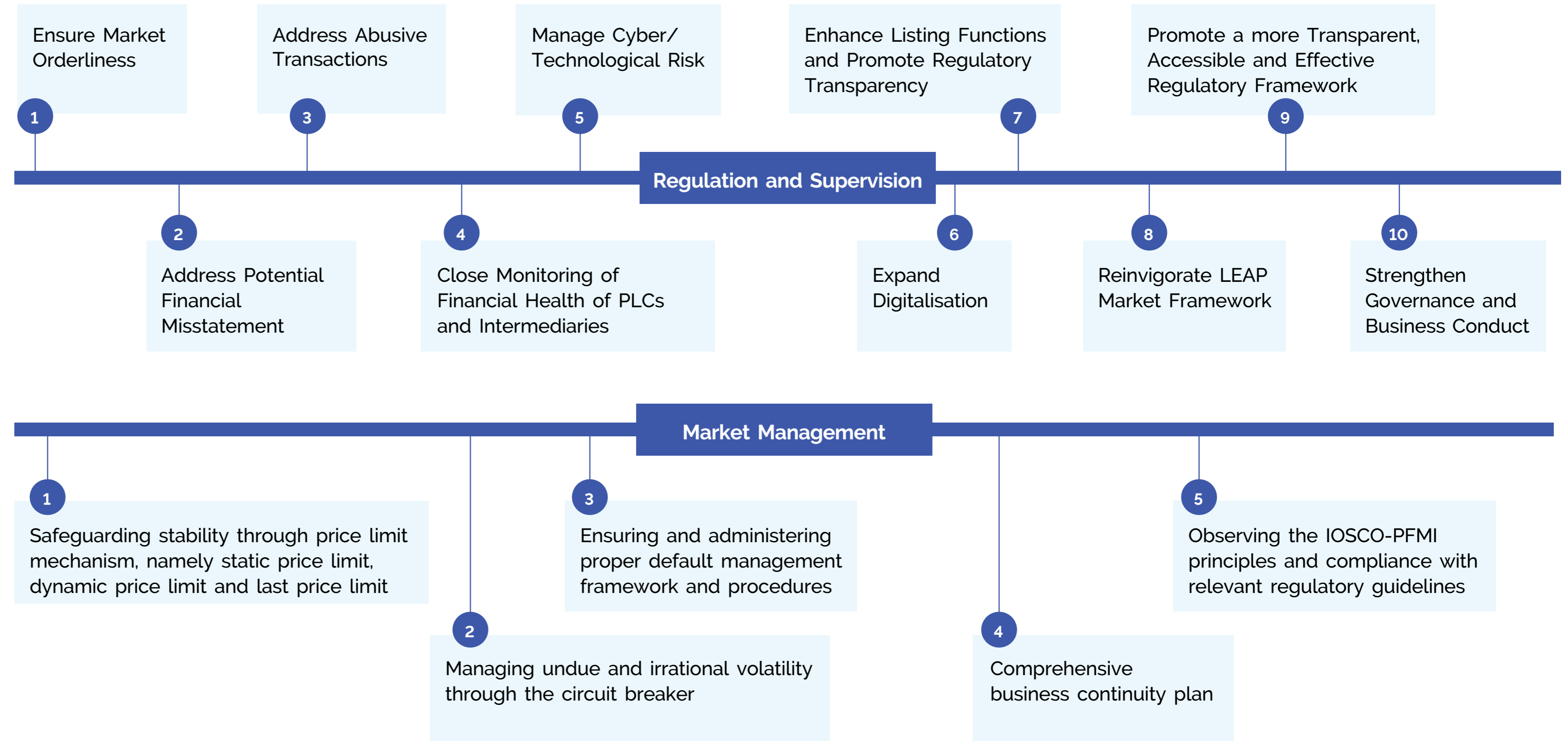
Market Integrity and Stability

Why It Matters

As a market operator and frontline market regulator, Bursa Malaysia strives to uphold market integrity and stability by improving its regulation, supervision and market management activities. Market integrity and stability are integral to the sustainability of the Exchange as they promote trust, foster a fair and orderly market, lower systemic risk and support capital-raising activities. They also promote transparency and enable efficient price discovery, apart from ensuring equal access to the market for all participants.

Our Approach

As the frontline regulator and market operator, we have the responsibility to ensure a fair and orderly market in the trading of securities and derivatives, along with safeguarding the interests of investors. We are guided by a three-year Regulatory Plan as well as statutory obligations with the following key focus areas:



Market Integrity and Stability

Our Progress

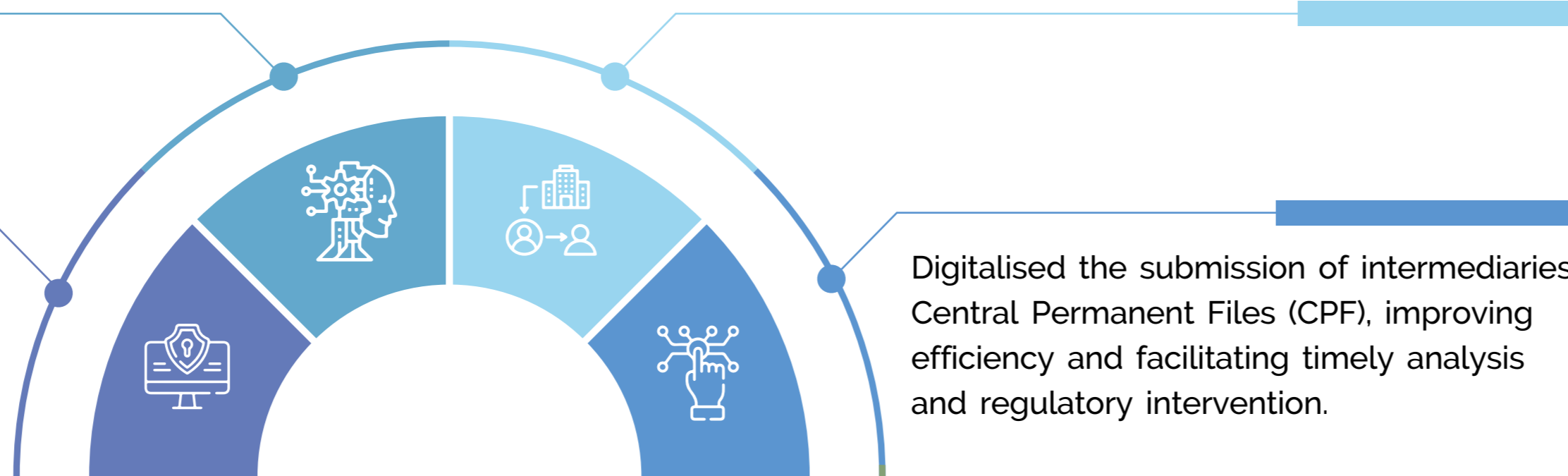
Regulation and Supervision

We have in place a robust regulatory framework that sets out the necessary rules and regulations for a fair and orderly market. We also pay particular attention to our intermediaries that ensure they are maintaining satisfactory standards of business conduct and self-regulation. In 2023, we updated our Compliance Guidelines and Listing Requirements in addition to implementing various initiatives to enhance supervision and self-regulation:

Issued Intermediaries Communications on Best Practices for Order Management Systems and Recommended Practices for Artificial Intelligence to promote reliability and responsible use of technology.

Established the Integrated Brokers Dashboard to provide a comprehensive snapshot of intermediaries, aiding risk-based supervision and resource allocation.

Enhanced cybersecurity inspection programmes to ensure intermediaries maintain robust frameworks, effectively managing cyber risks and addressing incidents.



Digitalised the submission of intermediaries' Central Permanent Files (CPF), improving efficiency and facilitating timely analysis and regulatory intervention.

Trading Halts and Suspensions

Bursa Malaysia may, at any time, halt the trading of any listed securities upon the listed issuer releasing material announcement, pursuant to Paragraph/Rule 16.04 of the MMLR and ACE LR and Rule 8.04 of the LEAP Market Listing Requirements. The number of trading halts (Jan to Dec 2023) was 70 and the average duration of each trading halt for releasing material announcement was one hour. In 2023, we did not suspend any counter/stock due to/related to volatility or erratic trading.

Marketplace Management Measures Implemented

We conduct real-time monitoring of trading activities in both the securities and derivatives markets. To ensure that trading in the marketplace remains fair and orderly, we have in place proper measures to address any detected abusive or irregular trading, or unusual market activity (UMA). To further strengthen our detection capabilities, we have introduced new automated alerts to detect disruptive algorithmic trading and manipulative trading activities. We also undertake initiatives towards the continuous education of the industry on enhancing self-regulation through E-Learning Modules and a dialogue session with senior board members of participating organisations (POs) and trading participants (TPs).

In 2023, we rolled out the Market Surveillance E-Learning Modules for Equities and Derivatives, which are designed to provide a structured learning experience to improve and facilitate the users understanding of irregular trades and/or orders that can affect the orderliness of the marketplace. Phase 1 was for the equities market, while phase 2 for derivatives market will be launched by early 2024.

We also hosted the Market Surveillance Industry Dialogue on 26 September 2023 for both Equities and Derivatives Surveillance. The dialogue session was attended by the Chairman of the Board and the Audit Committee and served to enhance their understanding of the roles and expectations of directors in improving POs/TPs' surveillance and monitoring activities.

Moving Forward

We will continue to update and strengthen our approach to regulation and market operations to safeguard a fair and orderly market. To ensure smooth functioning of the capital market, we will strive to provide timely, fair, independent and transparent processes and actions that are effective.

Education and Capacity Building

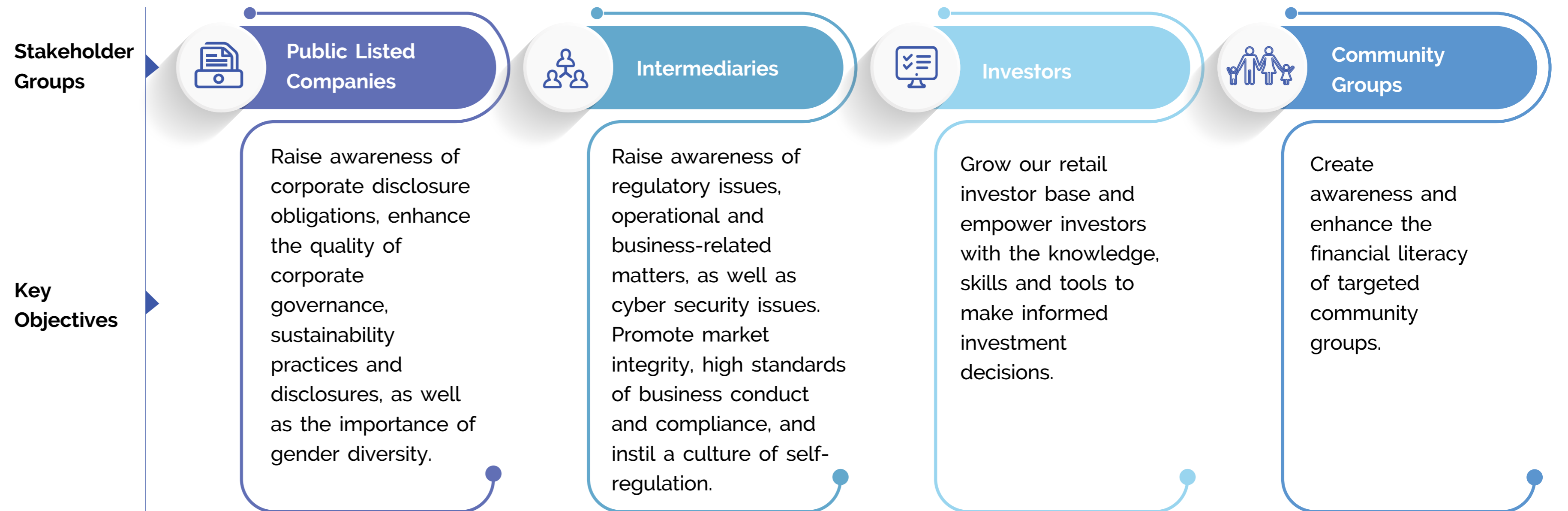
Why It Matters

Market participants play a vital role in our business ecosystem, directly influencing the efficiency and resilience of the capital market. Education, enhancing their capabilities, and providing them with the necessary knowledge and skills to navigate the intricate landscape of the capital market with confidence. Recognising their significance as essential resources for our operational success and sustainability, we prioritise initiatives that empower and support our valued market participants.

Our Approach

Our education and capacity-building initiatives are thoughtfully designed to address the specific requirements of each stakeholder group. This involves integrating thorough research, including market trend analysis, identification of potential risk areas, data gathered from on and off-site monitoring, targeted stakeholder consultations and post-event analytics. This comprehensive approach ensures that our programmes remain current and pertinent to the distinctive needs of our stakeholders.

Furthermore, we collaborate closely with industry partners, intermediaries and training providers to align our programmes and initiatives with the defined objectives. To enhance accessibility and inclusivity, we conduct our programmes in multiple languages, specifically in English, Bahasa Malaysia and Mandarin. This linguistic diversity aims to better accommodate the needs of our ethnically diverse retail investors.



Education and Capacity Building

Public Listed Companies (PLCs)

In 2023, we conducted various advocacy sessions, workshops and leadership programmes that were aimed at elevating the disclosure standards and practices of PLCs.

Programmes	No. of Sessions	No. of Attendees
IR4U webinars	6	700
Raising the Standards of Board Governance: The Role of Company Secretaries	3	172
Bursa Malaysia Immersive Session: Board "Agender"	2	52
Board Governance: Conflict of Interest (COI) and Governance of COI	4	128
Management of Cyber Risks	2	362
Workshop on Climate Change	6	83
FTSE4Good ESG Assessment Webinar	2	338

We made a significant contribution to the development of Corporate Malaysia through the publication of five digital guidebooks in 2022 under the Public Listed Companies Transformation (PLCT) Programme. In 2023, dedicated webinars and physical or hybrid events were held to educate and support the participating PLCs in their transformational journey.

No. of Sessions	Programmes	No. of Attendees
15	PLCT Programme Education Sessions (Hybrid event/physical event/webinars)	~2,300

In addition to that, we launched the following initiatives:

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving Forward
Bursa Research Incentive Scheme (Bursa RISE) to Enhance PLCs Visibility	The Bursa RISE programme was launched in March 2022 to support the Public Listed Companies Transformation Programme by enhancing the corporate profile of participating PLCs and ultimately improving their trading velocity. The programme also includes the Investor Relations (IR) and Public Relations (PR) Incentive Programme which provides participating PLCs with more effective IR and PR support to help them better engage with their stakeholders.	A total of 60 PLCs participated in the Bursa RISE Programme. By the end of 2023, the average velocity of the 60 participating PLCs was 10.1% higher than the overall market velocity.	Renewal of Bursa RISE programme which is set to come to an end in June 2024.
Bursa Digital Research (BDR): Enhancing the Information Landscape	Our team continued to leverage digital channels including, our Bursa Digital Research (BDR) platform, which was launched in 2021, and social media to promote alternative products and support marketing efforts with market insights.	The content offerings were enhanced through the introduction of key economic data and earnings calendar. We also introduced new market content in the form of videos, with analysts sharing their views and opinions on the PLCs covered under the Bursa RISE programme.	Digital Research +: promoting our capital market to the foreign investors through sharing of market insights and analysis to international channels, such as Factset, a foreign broker platform.
Elevating Investor Relations (IR) into a More Strategic Role	With the cessation of the Malaysian Investor Relations Association in July 2023, we stepped up our advocacy role in developing and enhancing the investor relations capabilities of PLCs by launching the IR4U programme.	The programme consists of a webinar series promoting IR practices and market knowledge sharing and articles from IR practitioners discussing the key aspects of an IR programme for PLCs. We also launched our Fundamentals of Investor Relations manual, introducing an updated IR practice to meet the evolving investors' demand, as well as the Applications of Investor Relations workbook to assist PLCs to set up their IR capabilities.	Expansion of IR4U programme: elevating IR into a more strategic role by introducing new elements, including roundtable discussions between local and foreign IR practitioners, and a guide on sector-based key ratios that investors pay attention to.

Education and Capacity Building

Intermediaries

We organised a series of engagement sessions that were also educational for our intermediaries, especially Participating Organisations (POs), Trading Participants (TPs), Clearing Participants (CPs), Non-Trading Clearing Participants (NTCPs), Authorised Depository Agents (ADAs) and Authorised Direct Members (ADMs). The objective was to enhance the participants' awareness on key issues that are related to regulations, operations and the capital market.

In the year under review, we rolled out several interactive programmes to further raise awareness:

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving Forward
Broker and Salesforce Competition Programme	Competition campaign to reward participating brokers and their salesforce to increase new accounts acquisition and trading of shares and products listed on Bursa.	The year-long competition was completed in December 2023 and a total of 70 individuals and seven broker level winners will be awarded to the salesforce and brokers respectively.	
Dealer's Representatives (DRs) License Liberalisation	Bursa extended the framework of DRs, allowing them to expand their scope of activities and roles beyond just dealing in securities. DRs who meet certain requirements can apply for additional licenses to engage in a variety of activities, such as investment advice, financial planning, restricted dealing in unit trusts and dealing in private retirement schemes.	The new framework was approved by the SC and took effect on 14 April 2023. This framework will provide DRs greater flexibility to develop their careers and meet the evolving needs of investors.	
Educational Engagement Programmes	We strive to elevate industry participants' knowledge on a variety of topics through engagement and briefing sessions. We also provide updates and raise awareness for the POs, ADAs, ADMs, TPs, CPs, TCPs, NTCPs, Brokers Associations, Remisiers Associations, the Dealer's Representatives of the POs, the Registered Representatives of the TPs, and the Securities Commission, on Market Operations' latest developments, initiatives and projects launched or implemented.	<p>Seven engagement and briefing sessions on the topics below were conducted for market participants through webinars:</p> <ul style="list-style-type: none"> • New Motivation & Direction • Looking Back the Future, A Personal Journey of Triumph and Turbulence in the Capital Markets • The Explorer's Mindset • The Fundamentals of Corporate Finance • What is ETF and How to Invest In ETF? • e-Invoice • Investment Scams and How to Identify Investment Scams 	We will continue to identify and craft topics to share with market participants.

We will continue to collaborate with professional bodies and/or industry subject matter experts to carry out advocacy programmes for intermediaries and their registered persons in the areas of trading practices, governance, risk management and cybersecurity as well as in a variety of topics so that the market participants are informed and stay ahead of global and regional developments.

Programmes	No. of Sessions	No. of Attendees
Trading Practices and Business Conduct	8	899
Momentum Investing	10	1,100
Understanding Cyber Security	1	130
Market Operations Education Programme	3	1,130
Governance and Risk Management	1	138

Education and Capacity Building

Investors

Securities Market

We customise our educational and capacity building initiatives to cater to a diverse spectrum of investors. This includes offering webinars tailored for both beginners and advanced investors. We share information and awareness about investing in the capital market through our digital platforms, which also inform investors of our investment products and services. The aim is to educate investors about the array of investment products and services we offer, enabling them to make well-informed decisions that are aligned with their risk appetite and investment needs.

In 2023, we continued developing programmes based on factors such as targeted demographics and accessibility for the Securities, Derivatives and Islamic Equities markets. They included webinars, gamification and experiential learning sessions.

Market	Target Investors	No. of Sessions	No. of Attendees
Equities	Future Investors	20	5,061
	Beginners	77	16,437
	Intermediate/ Existing Investors	15	23,025
Total		191	44,523

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
Bursa In-Depth Equity Analysis Research Competition (Bursa IDEA)	<p>Bursa IDEA aimed to stimulate research interest and nurture research skills, while promoting a deeper understanding of the financial landscape among the public. It served as a platform for up-and-coming researchers, analysts and market enthusiasts to showcase their prowess in equity analysis and report writing. This aligns with Bursa Malaysia's efforts in nurturing talent and fostering growth in the capital market.</p> <p>Participants of the competition were invited to submit a research report on the theme 'Market Trends and Sector Analysis', covering topics related to the equity market and economic factors which may affect market trends. Participants could also include research on sectoral trends and analysis.</p>	The month-long competition which started on 9 October 2023 was open to all Malaysians aged 18 years and above. A total of RM10,000 of cash prizes was awarded to the top five winners from 96 participants.	
Bursa Mirror, Learn and Trade (MLT) Campaign 2023	The MLT Platform is a free interactive digital education platform where young investors can mirror and learn the trades of the country's leading capital market analysts. We conducted a CopyTrade Contest at the MLT platform from October 2023 to December 2023 where we onboarded eight analysts from different participating organisations to join us in this campaign.	The three-month contest recognised the top three analysts, three analysts chosen by the people, and the top 13 investors among all the participants.	



Education and Capacity Building

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
<p>Targeted Webinar Series for Loss Making Investors in Collaboration with Broker</p>	<p>We collaborated with brokers to engage with their loss-making investors to empower them to transform their portfolio from losses to profits and build a sustainable portfolio that can withstand the test of time. Indirectly, this will encourage the loss-making investors to continue to trade in the market and avoid the pitfalls or mistakes they had previously made.</p>	<p>The webinar held on 22 November 2023 and 6 December 2023 attracted 209 and 244 participants respectively.</p>	
<p>Retail Market Survey and Thematic Paper 2023</p>	<p>In 2023, Bursa Malaysia conducted a Retail Market Survey to assess the sociodemographic characteristics, market knowledge, and investing behaviours of retail investors and non-investors nationwide. The initiative aimed to:</p> <p>Establish Key Strategic Focus: Identify barriers faced by retail investors, promote financial inclusion, and make investing more accessible.</p> <p>Industry Reference and Guide: Provide valuable insights to refine product offerings for industry participants based on investor needs and preferences.</p> <p>Capital Market Literacy: Disseminate a thematic paper to enhance investment literacy and overall market knowledge, fostering long-term positive impacts on sustainability and attracting new investors.</p>	<p>We collected feedback from a sample size of 3,027 individuals across Malaysia to provide insights on the retail investment market.</p>	<p>In the upcoming year, we plan to organise a workshop involving brokers. The aim is to identify topics of interest within the industry and incorporate them into our survey questions. Bursa will carry out the survey and release a thematic paper. By incorporating feedback from brokers on topics of interest, the survey results can serve as a valuable resource for them in formulating their business plans.</p>

Education and Capacity Building

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
<p>Retail Workshop Series and Event in Collaboration with Industry Partners</p>	<p>We held workshops in collaboration with industry partners to educate retail investors and keep them abreast of the latest investment trends.</p> <p>Invest Shariah seminars were held in collaboration with renowned industry speakers and training providers on Shariah investing.</p> <p>Participated in the annual Minggu Saham Amanah Malaysia 2023 in Bertam, Penang, as part of the financial education exhibitors to inculcate savings and investment habits among visitors at the exhibition. We took this opportunity to promote our product, Burmon Trader, during the event.</p>	<p>More than 9,500 participants attended 55 workshops.</p> <p>A total of 109 Invest Shariah workshops were held with over 20,000 participants.</p> <p>Attracted 834 new players to the Burmon Trader platform.</p>	
<p>Bursa Malaysia's Knowledge Centre Open Day</p>	<p>This inaugural event was organised to create awareness among the public on the services available at Bursa Malaysia's Knowledge Centre.</p>	<p>Attended by the youth, the investor community and the general public.</p>	
<p>Bursa Investment Challenge</p>	<p>This inaugural event was a nationwide quiz that challenged secondary school students in Malaysia on financial and investment literacy.</p>	<p>Attracted 1,162 secondary school students from 128 schools.</p>	
<p>Grand Finale of the Bursa Inter-Varsity Stock Challenge</p>	<p>A stock trading competition that ran from 7 August to 27 October 2023, the event was designed to challenge university students to achieve a portfolio with good returns through trading and investing. At the Grand Finale of the Bursa Inter-Varsity Stock Challenge, finalist teams presented their investing principles and strategies to a panel of judges where their strategies are evaluated.</p>	<p>20 top finalist teams from 10 universities participated in the Grand Finale of the Bursa Inter-Varsity Stock Challenge.</p>	
<p>Bursa Investment Quiz</p>	<p>A nationwide investment quiz to challenge investment literacy among youths aged 18 to 25 in Malaysia.</p>	<p>631 youths participated in the Bursa Investment Quiz.</p>	
<p>InvestSmart Fest 2023</p>	<p>Held in both Kuala Lumpur and Penang, Bursa Malaysia partnered with the SC in this flagship event to educate the public on a range of investment-related topics.</p>	<p>Attended by the youth, the investor community and the general public.</p>	



Education and Capacity Building

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
<p>Pahang Stock Investment Seminar</p>	<p>Partnered with Yayasan Sultan Abdullah (YASA) of Pahang for the Stock Investment Seminar #PAHANGNEXTWEALTH to improve financial literacy and stock investment knowledge among the people of Pahang.</p>	<p>Attended by the youth, the investor community and the general public.</p>	
<p>Karnival Saham Bersama Bursa Malaysia</p>	<p>Organised 'Karnival Saham Bersama Bursa Malaysia' with Universiti Malaysia Terengganu themed 'Labur Hari Ini Untuk Mampan Masa Hadapan' to educate the public about financial literacy and investing early, responsibly and confidently in the stock market.</p>	<p>Attended by 1,289 participants, more than the target of 1,000 people.</p>	
<p>Bursa Marketplace Fair</p>	<p>Organised the Bursa Marketplace Fair, a financial investment fair targeting retail investors, on 5 August 2023 in Johor Bahru to educate investors more about investment in the equity and derivatives market in general.</p> <p>There were also children's activities, seminars by renowned speakers and industry experts, and presentation by selected PLCs held at the event.</p>	<p>The event was supported by exhibition booths by broker partners, regulators and PLCs.</p>	
<p>Bursa Beginnings Programme (Burmon Trader)</p>	<p>Launched at the Bursa Marketplace Fair and was played more than 600 times within two weeks of the launch. The Burmon Trader is a gamification module targeted at children aged between 8 and 14, who wish to seek financial knowledge and the fundamentals of investing in the stock market.</p>	<p>Since its launch, the Burmon Trader game has been played more than 5,000 times. We have continuously promoted this game via digital marketing efforts and parent-child financial literacy workshops. The workshop held on 25 November 2023 received an overwhelming response, with 196 parent-child registrants within four days.</p>	<p>We aim to extend the outreach programme to schools and to develop more features on the Burmon Trader such as versus mode gameplay and to enhance the user interface and user experience of the gameplay.</p>

Education and Capacity Building

Derivatives Market

Bursa Malaysia Derivatives is active in organising programmes and events that educate investors about the derivatives market, enabling them to navigate the market's complexities. Our initiatives, which include simulated workshops, are aimed at increasing the understanding of risk management and hedging using derivatives.

In 2023, we organised:

Market	Target Investors	No. of Sessions	No. of Attendees
Derivatives	Beginners	7	1,148
	Intermediate	30	9,890
Total		37	11,038

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2023)	<p>Hosted the 34th edition of Bursa Malaysia Derivatives' flagship event, the POC2023, from 6 to 8 March 2023 in Kuala Lumpur.</p> <p>The POC2023 served as a platform for industry players to exchange ideas and gain a dynamic understanding of the latest commodities market trends and challenges. The knowledge gained will enable global market players to make strategic decisions and capitalise on emerging opportunities for sustainable and profitable growth.</p>	Attended by 1,974 participants.	
Derivatives Virtual Trading Challenge (DVTC)	<p>Held the third annual nationwide DVTC from 1 August to 30 August 2023 to the interest of millennials and undergraduates in the Malaysian derivatives market by offering a unique hands-on learning experience in derivatives trading.</p> <p>This event served as an experiential learning tool that allows investors, particularly newcomers, to enhance their trading skills within a secure and an immersive environment. Such a learning experience will prove invaluable when they venture into the live trading market.</p>	Attended by 4,515 participants.	We will continue organising the Derivatives Virtual Trading Challenge (DVTC) in 2024.



Education and Capacity Building

Initiatives	Descriptions	Performance/Outcome/Progress of the Initiatives	Moving forward (if any)
<p>East Malaysia Palm & Lauric Oils Price Conference & Exhibition 2023 (emPOC)</p>	<p>Organised the second emPOC2023 in Kuching, Sarawak, from 4 to 5 September 2023.</p> <p>The emPOC 2023 provided valuable knowledge sharing on the East Malaysia palm oil industry, offering insights into the global edible oils market while updating participants on latest developments in deforestation regulations and the industry's progress towards carbon emissions reduction.</p>	<p>Attended by 417 participants.</p>	
<p>Futures Trading Apprenticeship Programme (FTAP)</p>	<p>Launched the Futures Trading Apprenticeship Programme (FTAP), an immersive educational initiative designed to nurture and equip aspiring traders to master foundational skills needed to succeed as full-time derivatives traders.</p> <p>This programme provided 12-days of in-person training, including a two-day classroom session focused on understanding the concepts of derivatives trading. This was followed by a 10-day experiential session at the Bursa Trading Arcade located on the premises of Bursa Malaysia. The FTAP underscores the Exchange's commitment to expand the derivatives space through various initiatives, one of which is to grow the pool of adept derivatives traders.</p> <p>Milestone achieved: A total of 28 apprentices successfully completed the programme for the first intake.</p>	<p>Received 378 applications, whereby 30 individuals were selected for the programme and 28 of them completed the apprenticeship.</p>	<p>There will be a total of nine intakes for the FTAP and eight more intakes from 2024 to 2026.</p>

Education and Capacity Building

Islamic Capital Market

We have in place initiatives that aim to increase the awareness of investors on Shariah-compliant investment products and services. These include webinars and initiatives that are carried out through the Bursa Academy platform and collaborations with Islamic brokers to hold various enriching sessions under the Shariah Investing Retail Programmes.

Market	Target Investors	No. of Sessions	No. of Attendees
Islamic Equities	Beginners	10	2,324
	Intermediate	6	1,381
TOTAL		16	3,705

Investment Clubs

As our flagship investment club, the Bursa Young Investor Club (BYIC) aims to educate undergraduates at local universities on investments in Bursa Malaysia. Since its establishment in 2014, we have developed 33 clubs as of 2023. In the year under review, we implemented **33 initiatives with 5,061 participants.**

	2021	2022	2023
Bursa Academy No. of page views:	796,284	712,971	1,124,533
Bursa Academy No. of visitors:	186,406	160,779	222,991

Bursa Academy

Digitalisation and information technology play a key role in enabling us to advocate financial inclusion to the wider segments of society. This is done through our e-learning platform, Bursa Academy, which offers a holistic understanding of the capital market through informal learning experience. Launched in June 2020, the platform allows users to access the portal at their convenience for a self-paced learning experience. The content caters to investors of all levels and is designed to complement other educational initiatives, contributing to a comprehensive educational programme that enhances financial and investment literacy in Malaysia. Bursa Academy features an extensive repository of information that covers the important areas of the capital market in English, Bahasa Malaysia and Mandarin.



Joint-venture of BYIC committees from Raffles University and University of Nottingham for stock simulation game

Education and Capacity Building

Bursa Sustain

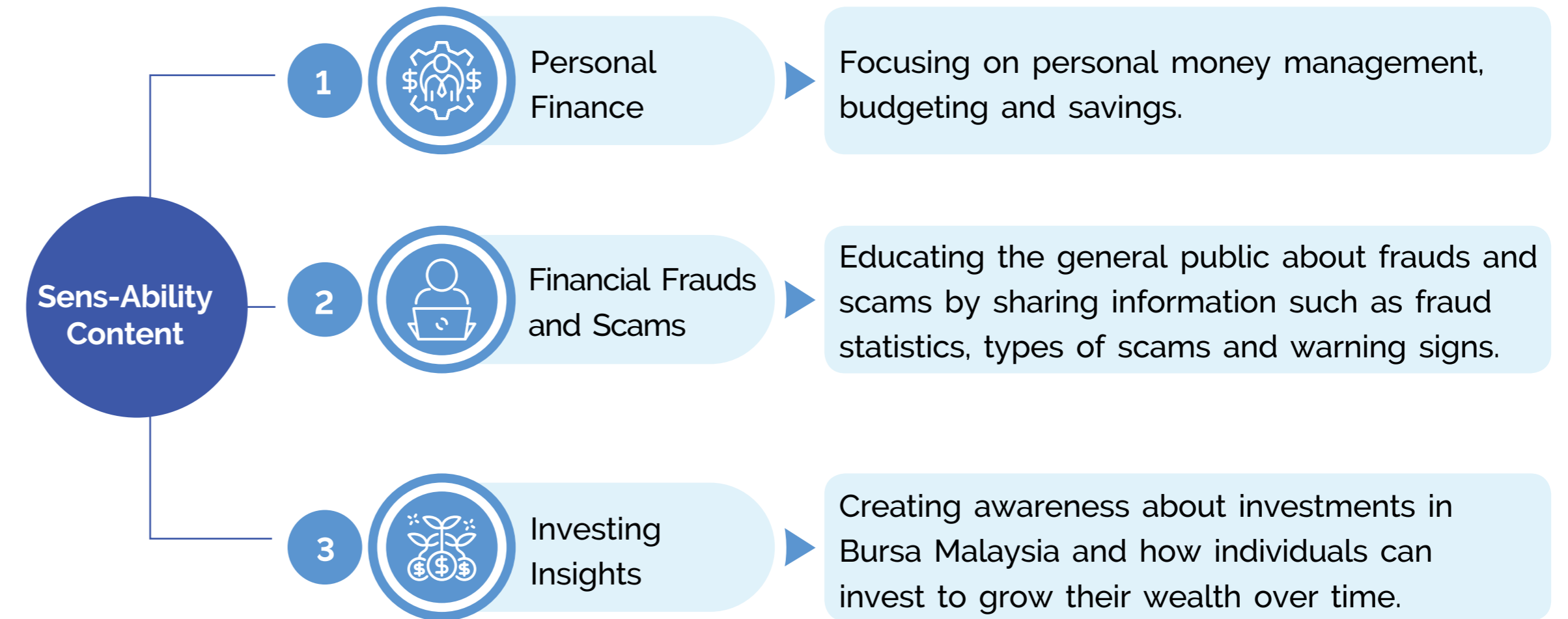
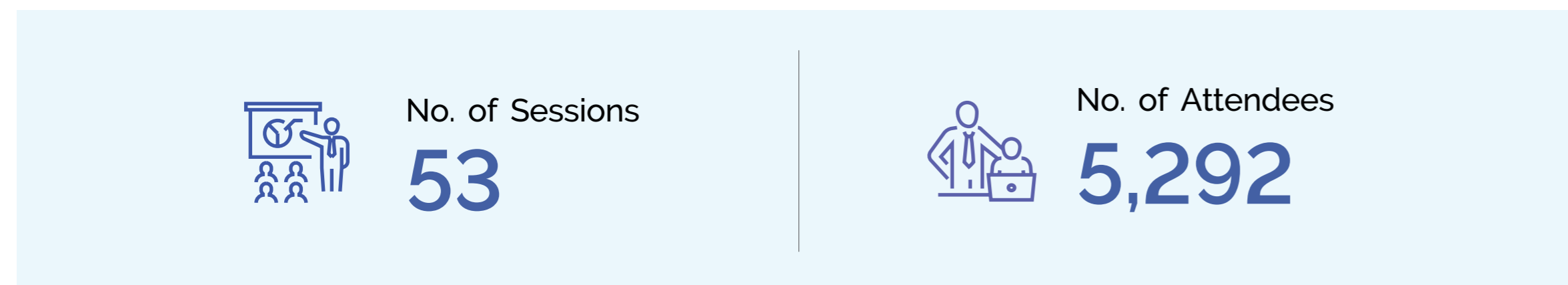
Bursa Sustain serves as an online information repository that was developed to help PLCs and various other stakeholders in enhancing their corporate governance, sustainability performance and investment practices. In 2023, the number of visitors and page views rose by 47% and 51% respectively against 2022, which was attributable to our continuous efforts in enriching the content across the three pillars.

	2021	2022	2023
BURSASUSTAIN No. of page views	221,047	364,130	549,018
BURSASUSTAIN No. of visitors	80,727	151,140	222,145

Community Groups/Public Education

Sens-Ability

Sens-Ability is our flagship CSR programme, which aims to enhance the general public's financial and investment literacy levels. In 2023, we continued holding engagement sessions virtually free of charge, targeting individuals from non-governmental organisations, universities and PLCs, among others. The sessions are also open to the public. Further to that, private sessions are available upon request.



Moving Forward

In our capacity as both a market operator and regulator, Bursa Malaysia places a significant emphasis on education. Our commitment involves actively contributing to the ongoing enhancement of the Malaysian capital market ecosystem through educational initiatives. We are dedicated to adapting our programmes to align with the changing needs and expectations of stakeholders. Furthermore, we anticipate a steady rise in the number of visitors to our digital touchpoints, driven by continuous content development and heightened visibility of our information portals.

Cyber Security and Customer Privacy

Why It Matters

The legacy of the COVID-19 pandemic, which created a monumental shift in how and where people worked, has turbo boosted digital adoption across all industries. This naturally exposes business organisations to higher risks of cyber security threats and breaches of data privacy. At Bursa Malaysia, our business operations require us to manage a huge amount of information and data every day. As such, we continually strive to safeguard and protect the privacy of our customer data by ensuring our IT systems, networks, applications and data are adequately protected against cyber threats and malfunctions.

Our Approach

We manage our exposure to cyber threats through a holistic and proactive approach that helps us to meet the expectations of our stakeholders in the protection of their personal data. In 2023, we remained vigilant in strengthening our cyber security systems, posture and safeguarding data privacy.

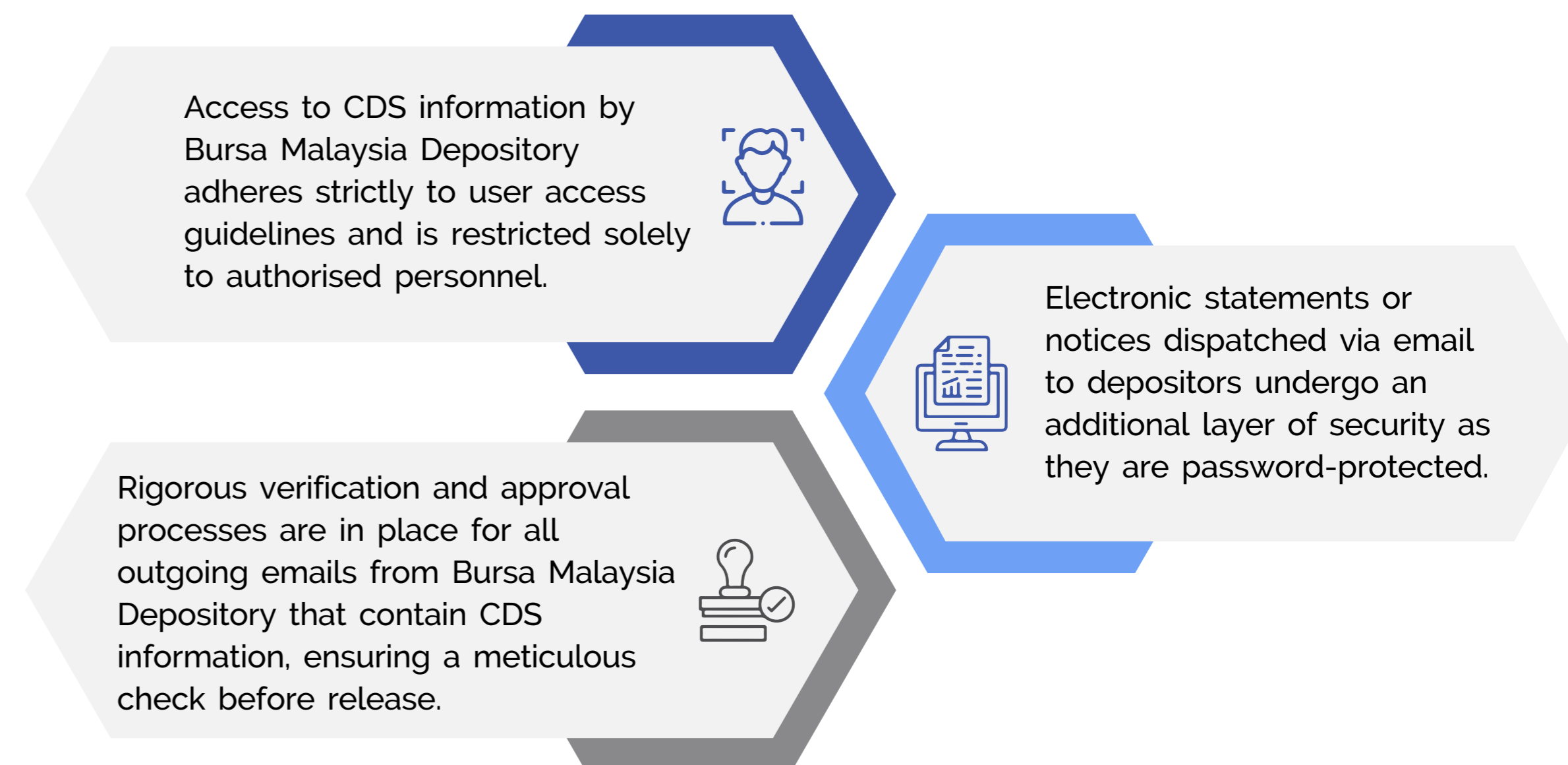
Safeguarding Our Cyber Security Systems and Managing Customer Privacy

As a standard practice, we monitor, manage and track the cyber security health of Bursa Malaysia on a daily basis. To ensure our business processes are in line with recognised standards, we strive to maintain an independent external audit certification for ISO 27001 Information Security Management System. Additionally, we have in place a data leakage prevention system and we continuously undertake vulnerability assessment and penetration testing on all critical and public-facing applications and systems. We also undertake incident response internal drill exercises to identify and address potential gaps.

The Technology and Cyber Security Committee, which was established in 2019 by the Board of Directors, has oversight of Bursa Malaysia's technology and cyber security-related functions, including customer privacy management. This is to ensure that we employ a coordinated and holistic approach to preventing and mitigating cyber risk. We are also guided by our Cyber Security Strategy Roadmap 2020–2023 which is aimed at enhancing our cyber security controls in line with evolving cyber security threats.

Securing Central Depository System (CDS) Information

We have an unwavering commitment to fulfilling our statutory obligation to safeguard depositors' information and ensuring protection against any unauthorised access, alteration, disclosure or dissemination. In adherence to the Securities Industry (Central Depositories) Act 1991 (SICDA), we have implemented the following measures in accordance with the requirements of Section 42 of SICDA to preserve and uphold the privacy and data integrity of our CDS account holders:



Cyber Security and Customer Privacy

Our Progress

Information Security Management System (ISMS)

To ensure resilient protection against cyber threats, we strive to align our security system with the standards required by ISO 27001 for ISMS. In 2023, we completed the re-certification audit for all critical services and achieved the intended outcome of ensuring adequate and appropriate information security measures were implemented in accordance with the ISO requirements.

Increasing Awareness

We constantly raise awareness on cyber security among our employees and our intermediaries through various programmes. In 2023, we carried out three social engineering tests and three Cyber Security Awareness Programmes to elevate and educate Bursa Malaysia employees on cyber security matters as well as issuing proactive advisory notes to promote cyber security awareness among our employees and intermediaries.

Continuous Enhancement of Our Security Systems

To stay vigilant and mitigate against evolving cyber security threats, we are constantly on the lookout for areas that we can further enhance the overall control of our systems. In 2023, we undertook several initiatives to strengthen our security controls and processes. These included, among others:

1 Bug Bounty programme initiative to proactively identify weaknesses and discover vulnerabilities in Bursa's public-facing websites.

2 Continuation of the Automation/Robotic Process Automation (RPA) Identity and Access Management (IAM) Phase 2 initiative to improve the provisioning of user accounts and privilege access.

3 Self-Service Source Code Scanning Solution initiated to assist developers in the identification and remediation of source code related vulnerabilities at the early stage of the development lifecycle.

4 Application Programming Interface (API) Security Solution for web applications to mitigate API-related attacks used by various applications to enable access and connectivity via the web and mobile applications.

5 Conducted vulnerability assessment and penetration testing on all critical and public-facing applications and systems as part of our annual cyber resiliency programme.

6 Data leakage prevention (DLP) to enhance Bursa's capability in detecting and protecting confidential information from data leakage.

Material Breaches or Complaints

There were no material breaches or substantiated complaints concerning cyber security or customer privacy in 2023. We continue to remain vigilant in this area.

Moving Forward

With the threats of cyber attacks ever present, we remain vigilant and highly committed to protecting our systems and organisation to mitigate threats that can impact the organisation and affect the wider capital market. Ensuring that our operations remain undisrupted through robust monitoring and driving awareness collectively among all relevant stakeholders will be key to maintaining our strength in detecting and deterring potential cyber threats.



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Driving Our Growth



GRI 3-3



Sustainable Finance

Why It Matters

With the increasing demand for value-based investing, there is a heightened necessity to cultivate a strong and dynamic ecosystem for sustainable and responsible investment (SRI) that emphasises sustainable finance. This is crucial to align with the growing momentum in the development of sustainable finance across both Islamic and conventional capital markets.

In response to the growing need for an SRI ecosystem, Bursa Malaysia has consistently implemented various measures to improve the environmental, social and governance (ESG) performance of our PLCs. This is in tandem with our commitment to advancing Shariah-compliant investing in our effort to enhance the capabilities of the capital market ecosystem. We are also dedicated to introducing new products and services aligned with ESG principles to tap into opportunities and create long-term value for people and the planet.

Our Approach

In addressing sustainable finance, we are guided by three core areas:



1 Facilitating SRI Products and Services

Our Approach

Alignment between Shariah and ESG

Values-based ESG investing, aligned with Shariah principles, share a common focus on sustainable value creation. Our advocacy initiatives in sustainable finance are aimed at supporting both Shariah-compliant securities and those listed under the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index, reaching out to retail and institutional investors through Bursa Malaysia-*i*. This platform, functioning as our fully integrated Shariah-compliant securities exchange, offers a comprehensive range of exchange-related products and services including listing, trading, clearing, settlement and depository services, leveraging the existing Bursa Malaysia infrastructure. We also incentivise brokers to publish their investment strategies in navigating the Shariah Equity Market, designed to enhance our presence and leadership in the Islamic capital market.

Sustainable Finance

We foster the growth and diversity among Islamic market participants through four focus areas which we believe will ultimately contribute to the increased strength and resilience of our capital market:

Focus Area 1

Product and Service Innovation – We are focused on expanding Shariah-compliant product offerings through innovation, and we are responding to market demands for new products and services that are aligned with Shariah and ESG values.

Focus Area 2

Ecosystem Development – We build new relevant frameworks while leveraging the existing ones to enhance our Shariah-compliant offerings. We work together with industry and key stakeholders to develop a conducive Shariah investing ecosystem.

Focus Area 3

Market Access and Connectivity – We leverage Islamic fintech to enable issuers and intermediaries to effectively and efficiently provide improved accessibility to their clients and investors.

Focus Area 4

Investor Development – We drive thought leadership in the Islamic capital market and function as an advocate for Shariah-compliant SRI to increase the visibility of the Islamic capital market space, boost segmental growth and attract greater investor participation.

FTSE4Good Bursa Malaysia (F4GBM) Index

The F4GBM Index is crafted to assess the performance of Malaysian companies that exhibit distinct environmental, social, and governance (ESG) practices. With its transparent management and well-defined ESG criteria, the F4GBM Index becomes a valuable tool for a diverse range of market participants involved in creating or evaluating ESG investment products. This index can be effectively utilised in four primary ways to bolster ESG investments:

- **Financial Products:** Serving as a foundation for constructing index-tracking investments, financial instruments or fund products focused on ESG investment.
- **Research:** Identifying companies with specific ESG practices, facilitating informed decision-making.
- **Reference:** Functioning as a transparent and dynamic global ESG standard against which companies can measure their progress and accomplishments.
- **Benchmarking:** Acting as a benchmark index to monitor the performance of ESG investment portfolios.

By employing the F4GBM Index to guide investment flows, clear incentives are created for companies to enhance their ESG performance, aligning with the expectations of the broader investment community. In this context, ongoing one-on-one engagements with public listed companies (PLCs) are conducted to promote the adoption of the F4GBM Index.

Supporting ESG Investments

We are committed to fostering ESG investments, utilising the framework of the FTSE4Good Bursa Malaysia (F4GBM) Index as our foundation. In line with this commitment, we organise sustainability workshops and engage with diverse market participants, ensuring clarity on the F4GBM inclusion standards. Our collaborations extend to partnering with stakeholders to enhance our ESG product and service offerings. For instance, we work alongside banks to facilitate sustainability financing for PLCs transitioning towards ESG compliance. Constantly innovating, we aim to introduce new tools and initiatives that enhance access to reliable ESG data, addressing the escalating need for credible ESG insights and bolstering informed investment decisions. These endeavours resonate with the Exchange's mission: 'Creating Opportunities, Growing Value'.

Promoting the LEAP Market

Small and medium enterprises (SMEs) constitute over 95% of Malaysia's business entities and contribute close to 40% of its annual gross domestic product (GDP). Recognising their pivotal role in the nation's economic framework, we emphasise the importance of bolstering sustainable growth within this sector to fortify both the economy and financial infrastructure. To this end, we champion the advancement of SMEs via the LEAP Market. This adviser-driven platform serves as a dedicated fundraising and investment avenue tailored for SMEs. We actively engage with SMEs, highlighting the benefits of joining the LEAP Market, and fostering partnerships with governmental bodies and industry stakeholders. Furthermore, we offer comprehensive guidance to potential SMEs navigating the listing process.

Promoting Sustainability in Derivative Products

Bursa Malaysia Derivatives (BMD) champions sustainable practices within the Malaysian palm oil industry. BMD mandates sellers of Crude Palm Oil Futures (FCPO) and East Malaysia Crude Palm Oil (FEPO) to provide traceability documentation when delivering crude palm oil (CPO) to designated port tank facilities. For FCPO/FEPO physical deliveries, the source must align with the standards of the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme at the palm oil mills. These measures enhance transparency and traceability, ensuring ethical agricultural practices within the palm oil sector.

Sustainable Finance

Facilitation of Microfinancing to Underbanked Communities

Bursa Suq Al-Sila' (BSAS), our commodity Murabahah platform, creates opportunities for entities such as Amanah Ikhtiar Malaysia and cooperative societies participating in BSAS to offer and provide Shariah-compliant and cost-effective financing and ArRahnu Tawarruq facilities to underbanked segments of the community.

Supporting the Nation's Transition to a Low-Carbon Economy

In support of Malaysia's climate goals for 2050, Bursa Carbon Exchange (BCX), the world's first Shariah-compliant voluntary carbon exchange, commenced continuous trading and facilitation of off-market transactions of carbon credits on 25 September 2023, after a successful price discovery auction on 16 March 2023. BCX is designed to meet market participants' environmental, social and governance (ESG) Shariah-compliance needs by providing access for corporates to trade high-quality carbon credits.

Our Progress

Alignment between Shariah and ESG

Enhanced Main Market Listing Requirements to Facilitate the Offering of Listed REITs and ETFs with Waqf Features

Bursa Malaysia's Main Market Listing Requirements were enhanced to facilitate the offering of listed Real Estate Investment Trusts (REITs) and Exchange-Traded Funds (ETFs) with waqf features. The enhancements were announced on 27 March 2023 and took effect on 3 April 2023. It complements the Guidelines on Islamic Capital Market Products and Services (ICMPS Guideline) issued by the Securities Commission Malaysia (SC) in November 2022 which expands the Waqf-Featured Fund Framework (WQ-FF Framework) to listed Islamic funds such as REITs and ETFs. The WQ-FF Framework was introduced in November 2020, initially applicable only for unit trusts and wholesale funds, to enable the growth of the Islamic social finance segment and signifies waqf as an important enabler in harnessing the value proposition of Islamic social finance for Sustainable and Responsible Investment (SRI) initiatives.

Following the enhancements, Bursa Malaysia issued Frequently Asked Questions on Waqf and Real Estate Investment Trusts (REIT) and ETFs with Waqf Features on 12 May 2023, to provide clarity and quick answers to common questions from the public in relation to the listed REITs and ETFs with waqf features.

Series of Dialogue Sessions on Shariah-compliant Investment

Bursa Malaysia continues to undertake a range of initiatives that demonstrate our dedication to fostering awareness, education and participation in Shariah-compliant investment products, contributing to the overall development of a thriving Islamic finance ecosystem.

Trade Shariah Series 2023

We further extended Bursa Malaysia's outreach through this series, conducting seminars across various locations to educate investors on Shariah-compliant investment products such as *i*-ETFs, *i*-REITs and *i*-Derivatives. Four successful sessions were organised from January to December 2023, aligning with the Exchange's ongoing commitment to enhance stakeholder knowledge and capabilities in navigating the complex landscape of the capital market.

Invest Shariah Industry Dialogue 2023

Held on 19 January 2023, in collaboration with the Securities Commission Malaysia (SC), Malaysia Digital Economy Corporation (MDEC), and Unit Peneraju Agenda Bumiputera, the dialogue served as a mini-conference aimed at highlighting the value proposition of capital market fundraising through listing on Bursa Malaysia. The event, attended by 121 participants, particularly focused on engaging leaders in the rapidly growing Islamic fintech sector, which sees 33% of the world's Islamic financial technology companies headquartered in Malaysia.



Sustainable Finance

Engage Shariah Series 2023

Two seminars were held under this series, highlighting Hibah for CDS Account services, and were conducted in collaboration with trust companies. The initiative aimed to increase stakeholder knowledge and capabilities in navigating the complex landscape of the capital market.



Trade Shariah Campaign 2023: Trade for Lebaran Campaign

Taking place from 3 April to 3 July 2023, this campaign aimed to raise awareness and promote the trading of *i*-REITs and *i*-ETFs. Despite an overall decline in accounts traded during the campaign period, the number of accounts traded in *i*-ETFs exceeded those in conventional ETFs.

Shariah-compliant Investment Products Survey 2023

Bursa Malaysia initiated the survey which ran from 30 October to 30 November 2023, to seek public feedback on its Shariah-compliant investment products. With 1,118 respondents, the survey demonstrates the Exchange's dedication to learning more about what the public thinks of our Shariah-compliant products and services to enhance our offerings.

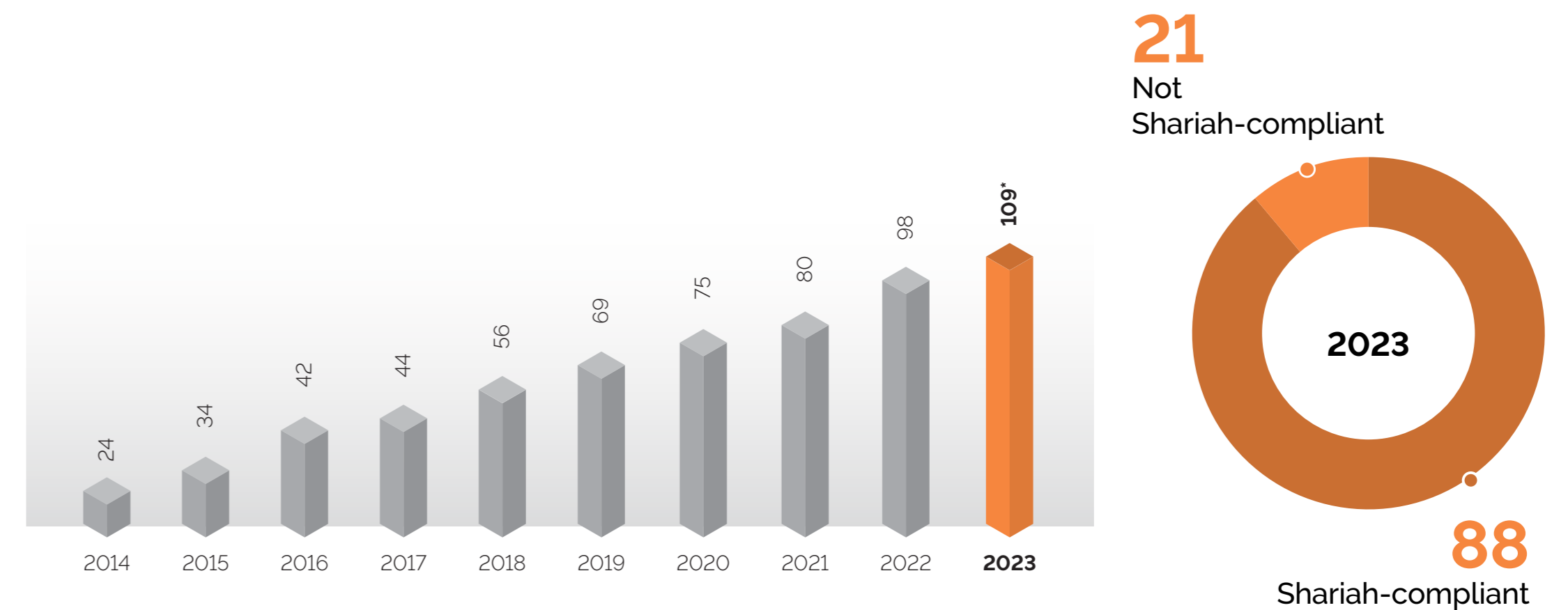
Shariah Equity Market Highlights

The monthly publication serves as a bite-sized informational tool to increase awareness of Malaysia's Shariah equity market and Shariah-compliant investment products. The publication is distributed through email and is also available on Bursa Malaysia's official social media pages such as Facebook, X (Twitter), LinkedIn and Telegram. This initiative is aligned with Bursa Malaysia's ongoing efforts to enhance stakeholder knowledge and capabilities in navigating the complex landscape of the capital market.

Supporting ESG Investments

Increasing F4GBM Constituents

The number of F4GBM Index constituents rose to 109 in 2023, representing an increase of 11.2% from 98 constituents in 2022. Of the 109 constituents, 88 were also Shariah-compliant.



Note:

* as of the press release dated 14 December 2023

Sustainable Finance

Promoting the LEAP Market

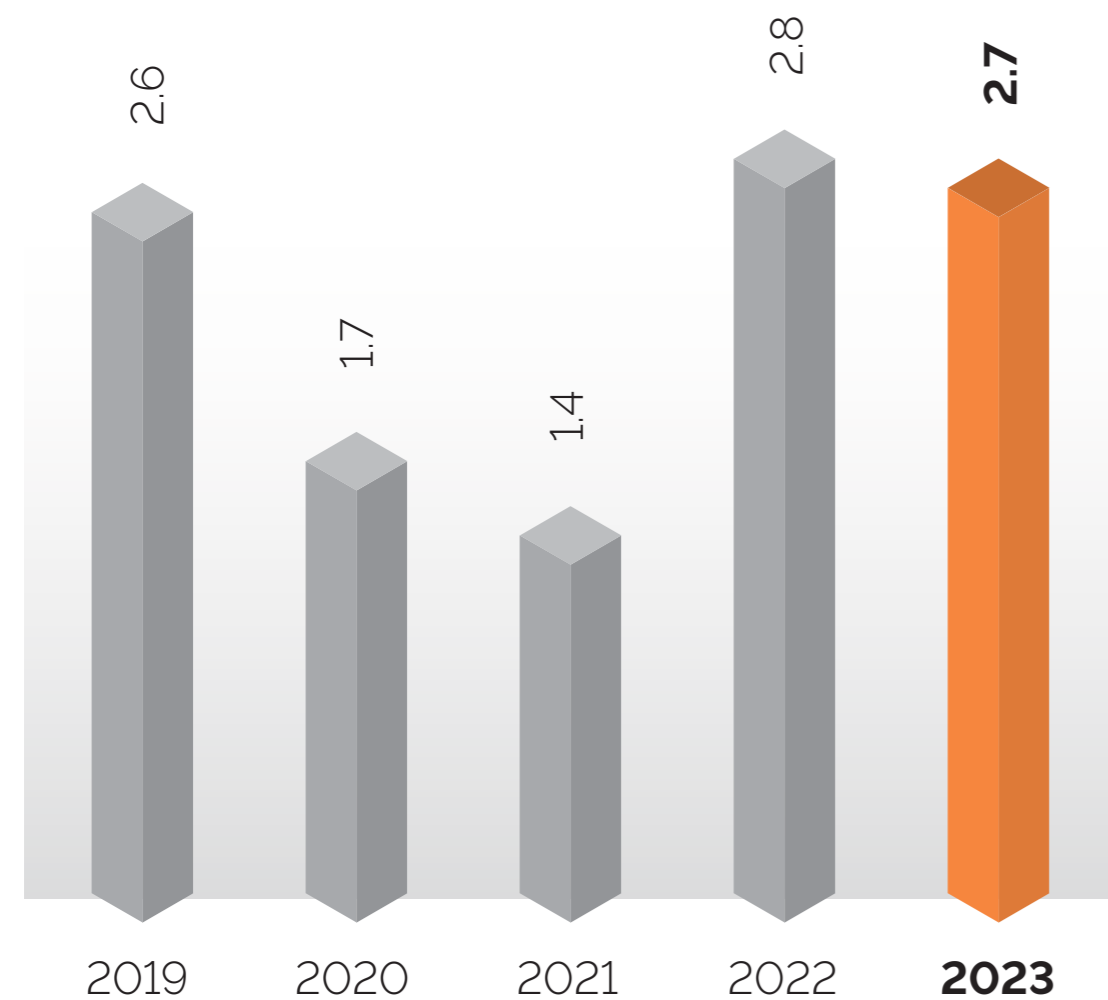
In our effort to promote the LEAP Market, we also launched the LEAP Market Transfer Framework, which came into effect on 1 April 2023, to allow eligible LEAP Market PLCs to graduate to the ACE Market. The introduction of the framework opens opportunities for SMEs to have greater access to the capital market through a bigger pool of investors to meet their funding needs and provide a clearer roadmap for LEAP Market PLCs aiming to list on the ACE Market.

In tandem with the LEAP Market Transfer Framework, we also progressively expanded the roles of eligible Approved Advisers in the ACE Market (Recognised Approved Advisers), taking into account the listing experience they gained from the LEAP Market, the advisory role they played and their familiarity with the transfer applicants. These enhancements will facilitate capacity building of the Recognised Approved Advisers, particularly with respect to applications for a transfer of listing to the ACE Market and certain simple and straightforward corporate proposals.

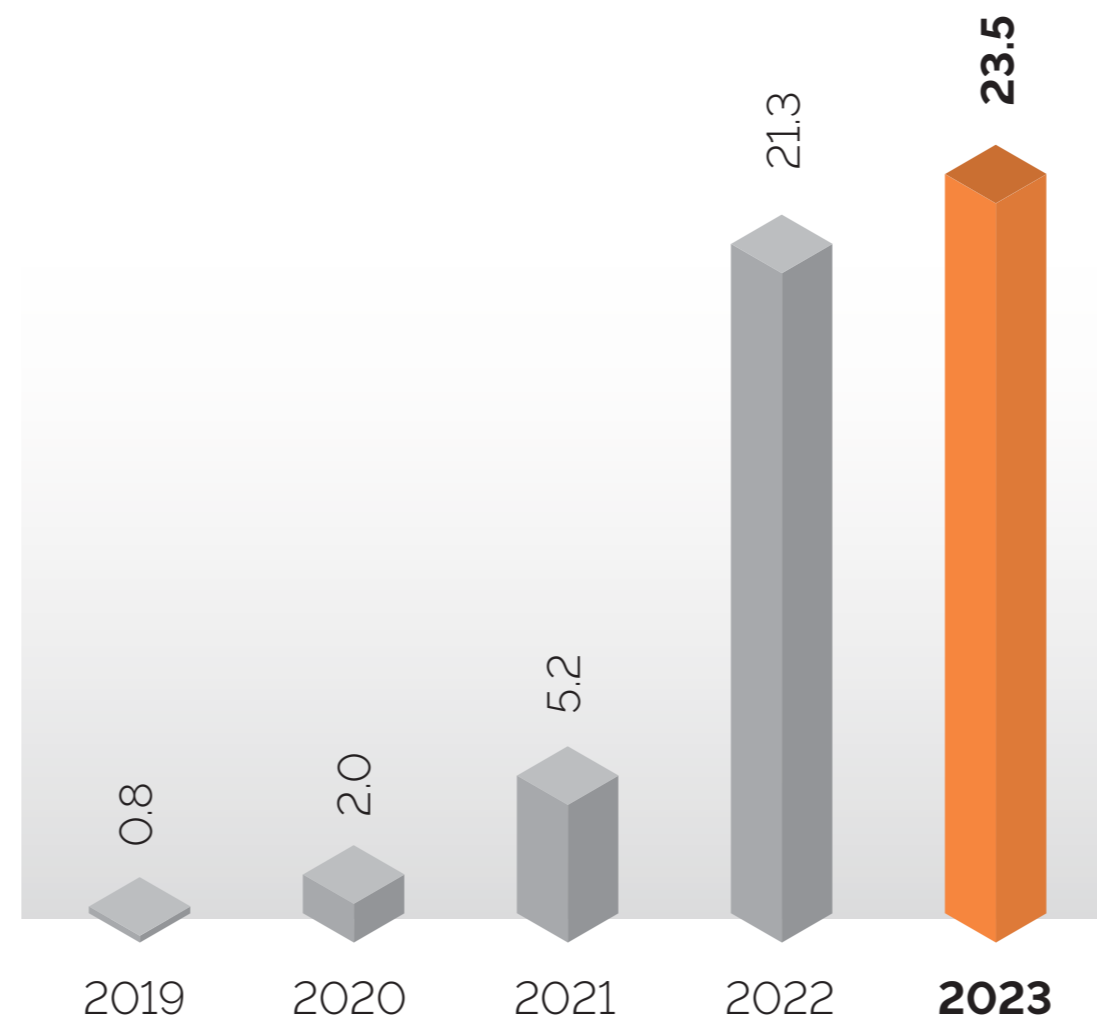
Facilitation of Microfinancing to Underbanked Communities

Since BSAS was established in 2009, it has supported over 100 Non-Bank Financial Institutions (NBFIs) including Islamic micro-financing companies, cooperative societies and ArRahnu/Islamic pawnbroking entities. In August 2023, we admitted our first cooperative member from Singapore, namely the Singapore Malay Teachers' Co-Operative Limited. This development is important as it will enable the provision of Islamic microfinance facilities as an alternative for local communities in a foreign country, and BSAS will continue to look towards foreign expansion to support more foreign Islamic microfinance companies.

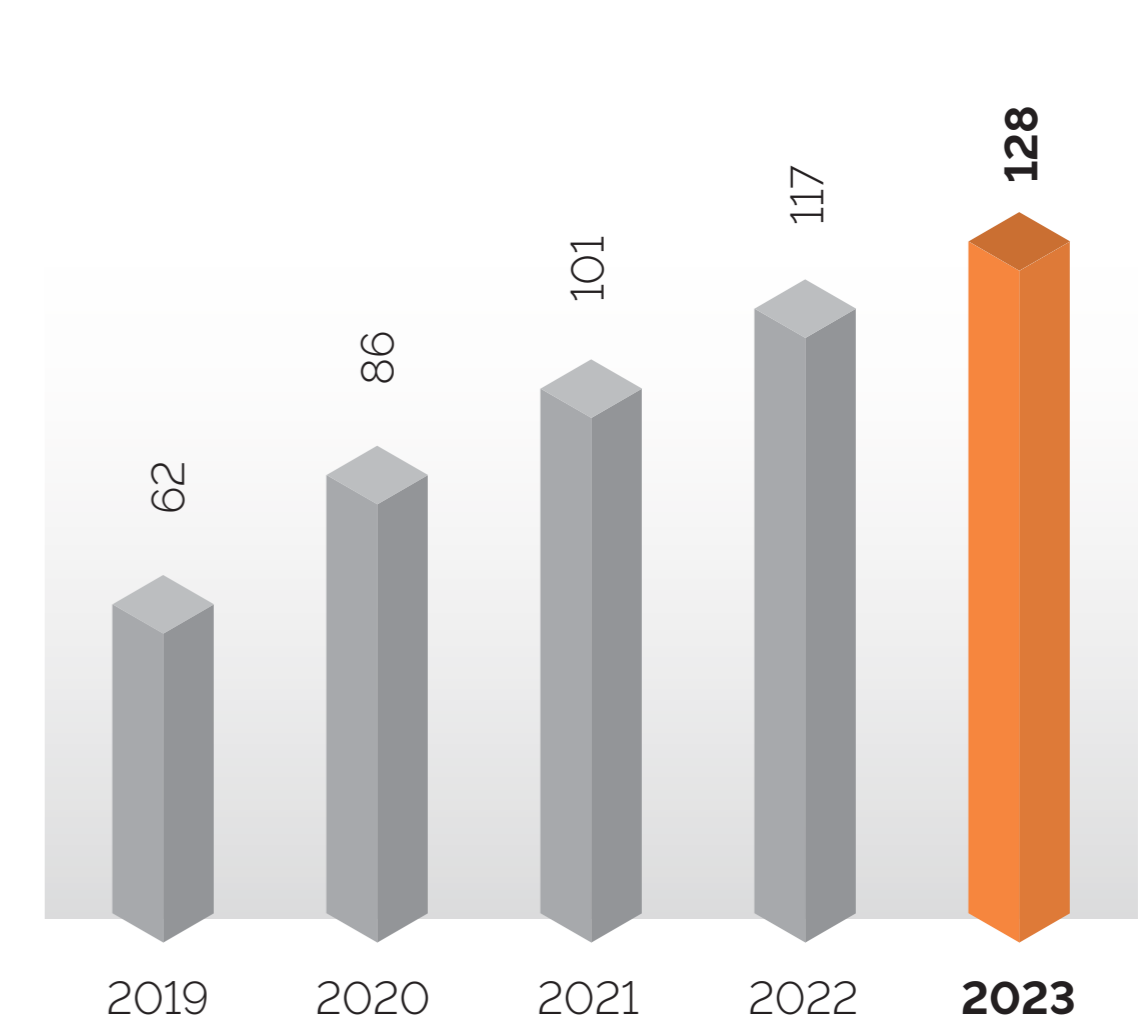
Total Disbursements by AIM to its communities through BSAS (RM bil)



Total Financing by Cooperatives on BSAS (RM bil)



Total Number of Cooperatives Trading on BSAS







Sustainable Finance

Supporting the Nation's Transition to a Low-Carbon Economy

In 2023, we achieved significant milestones in advancing the Voluntary Carbon Market (VCM) through several initiatives. The key highlight was the operationalisation of the Bursa Carbon Exchange's (BCX) trading platform on 25 September 2023. This innovative platform allows suppliers and buyers to engage in continuous trading in carbon credits and facilitates off-market transactions of carbon credits with enhanced transparency, supporting the nation's efforts to transition to a low-carbon economy.

A significant precursor to BCX's trading platform's operationalisation was the inaugural auction of carbon credits on 16 March 2023. Fourteen successful bidders comprising Malaysian companies from various sectors, particularly the financial sector, participated in the auction, thus aligning with the international narrative which emphasises the influential role of financial institutions in driving the climate change agenda. During the first two days of trading, a total of 16,500 tonnes of Verra-registered carbon credits were successfully transacted.

Complementing the BCX, we have also forged new partnerships and organised various engagement sessions to foster the development of the VCM ecosystem and to provide thought leadership:

<p>20 February</p> 	<p>5 October</p> 	<p>13 October</p> <p>To kickstart carbon projects within Malaysia, we successfully engaged with the Ministry of Finance regarding a tax deduction proposal that was announced in Budget 2024. Under this tax deduction scheme, companies will be able to claim up to RM300,000 for expenses on carbon projects' development and Measurement, Reporting and Verification (MRV) by offsetting the carbon projects' cost against the revenue from the sales of Malaysian carbon credits traded on the BCX trading platform. The application period for the scheme is from 1 January 2024 to 31 December 2026.</p>	<p>4 December</p> <p>During the 28th Conference of Parties to the UN Framework Convention on Climate Change (COP28) in Dubai, we signed:</p> 	
<p>Signed a Memorandum of Collaboration (MOC) with the Malaysian Green Technology and Climate Change Corporation (MGTC) and Bursa Malaysia to build and promote the VCM ecosystem in Malaysia.</p>	<p>Hosted the first Malaysia Carbon Market Forum with a focus on knowledge sharing. Renowned organisations, including the International Emissions Trading Association (IETA) and Verra, contributed valuable insights. The VCM Handbook was launched on this day by YB Nik Nazmi Nik Ahmad, the then Minister of Natural Resources, Environment and Climate Change (the ministry is known as the Ministry of Natural Resources and Environmental Sustainability).</p>	<p>A Memorandum of Understanding (MOU) with Gold Standard, which enables BCX to offer Gold Standard-certified carbon credits from global and domestic projects, promoting the adoption of high-quality carbon credits.</p>	<p>An MOC with Sarawak Energy Berhad, Hydropower Sustainability Alliance and I-REC Standard Foundation to explore the supply and trade of hydropower renewable energy certificates (RECs) from Sarawak Energy using the I-REC Standard, promoting hydropower with sustainability certification from the Hydropower Sustainability Alliance.</p>	



Sustainable Finance

Bursa Malaysia also engaged in several thought leadership groups in the carbon market community as highlighted in the table below.

Members of	Since	Status	Purpose of Collaboration
Since 2022			
REDD+ Finance Framework Advisory Committee (RFFAC)	December 2022	Ongoing	The Malaysia Forest Fund is a government agency under the Ministry of Natural Resources and Environmental Sustainability tasked to support the National REDD Plus Strategy and oversee the implementation of the Forest Conservation Certificates and Forest Carbon Offsets. These are key tools in meeting the government's goal of maintaining 50% forest cover (as per our national commitment in the Paris Agreement).
World Bank Partnership for Market Implementation on Carbon Market Instrument (PMI-CPI)	December 2022	Ongoing	This initiative is by the Ministry of Finance (MoF) and the World Bank to study the implementation of carbon tax in the country. The study will conclude by 2025.
World Economic Forum (WEF) Community Report	December 2022	Completed August 2023, Guidance launched on 12 September 2023	WEF collaborated with Khazanah Research Institute and Accenture to develop a paper focusing on Malaysia's energy transition and the investments needed to unlock this opportunity. We were invited to be part of this working group to provide our views.
UN Sustainable Stock Exchanges Advisory Group on Carbon Market	End of 2022	Ongoing	The advisory group was formed in November 2022 and co-chaired by Bursa Malaysia and the Egyptian Exchange to develop a Carbon Market Guidance for exchanges.
Since 2023			
International Emissions Trading Association (IETA)	April 2023	Ongoing	Headquartered in Geneva, the association covers topics on compliance and the VCM. We participated in multiple working groups (e.g. VCM, Article 6.4), international, physical meetings and panel discussions.
National Steering Committee on Climate Change	May 2023	Ongoing	Chaired by the Deputy Secretary General of the then Ministry of Natural Resources, Environment and Climate Change (NRECC), which is now the Ministry of Natural Resources and Environmental Sustainability (MNRES).
COP28 Advisory Panel	May 2023	Completed December 2023	Organised by the then Ministry of Natural Resources, Environment and Climate Change (NRECC), and chaired by the Minister, YB Nik Nazmi Nik Ahmad.
Nationally Determined Contribution (NDC) Roadmap, Long-Term Low Emissions Development Strategy (LT LEDS)	June 2023	Ongoing	To develop the NDC Roadmap as a pathway to NDC achievement by 2030 and to formulate and communicate Malaysia's long-term low greenhouse gas emissions development strategies (LT-LEDS) for the national pathway to net zero by 2050.
Malaysia Petroleum Resources Corporation (MPRC) Technical Committee on the National Oil and Gas Services and Equipment (OGSE) Sustainability Roadmap	September 2023	Ongoing	To contribute to MPRC's National OGSE Sustainability Roadmap (NOS-R).
International Institute for the Unification of Private Law (UNIDROIT) Working Group	October 2023	Ongoing	The project is to prepare an international instrument guiding the legal nature of voluntary carbon credits.
National Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) Taskforce	October 2023	Ongoing	To facilitate mutual knowledge sharing that could help prepare Malaysia to meet international airlines' CORSIA commitments.
Ministry of International Trade's Indo-Pacific Economic Framework for Prosperity (IPEF) Working Group	2023	Ongoing	The IPEF is an economic initiative launched by the US involving 14 partner countries in the Indo-Pacific region. Engagements started in December 2022.

Sustainable Finance

Moving Forward

1 Introduction of New Products

Through offering sustainable products, we aspire for BCX to be a one-stop Shariah-compliant environmental exchange and we will be offering renewable energy certificates (RECs) by the third quarter of 2024 to expand our range of environmental product offerings to corporates.

2 Introduction of New Standards

For BCX, post the signing of MOU and MOC at COP28, we plan to accept carbon credits from projects registered with Gold Standard and our RECs offered will be compliant with the I-REC Standard Foundation.

3 Education and Capacity Building

We continue to hold capacity building sessions for our SRI products. To address the lack of awareness and knowledge which are required for the development of a vibrant VCM ecosystem, we will continue to conduct awareness and engagement sessions, sectoral workshops, roundtables for industries, business communities, and state and federal government bodies.

4 Build Strategic Partnerships

We will continue to foster meaningful partnerships to support our sustainable products and services. BCX will continue to collaborate with strategic partners to develop the local VCM ecosystem and enhance our environmental product offerings. This includes collaborations to scale carbon projects in support of our National Energy Transition Roadmap and the country's net zero aspirations by 2050.

2 Enhancing Corporate Governance and Sustainable Practices and Disclosures

Our Approach

As a strong ESG proponent, we walk the talk by implementing initiatives that will enable PLCs to enhance corporate governance (CG) and sustainability practices and disclosures. Our efforts include having in place a robust sustainability framework and rolling out educational initiatives.

Sustainability Reporting Framework

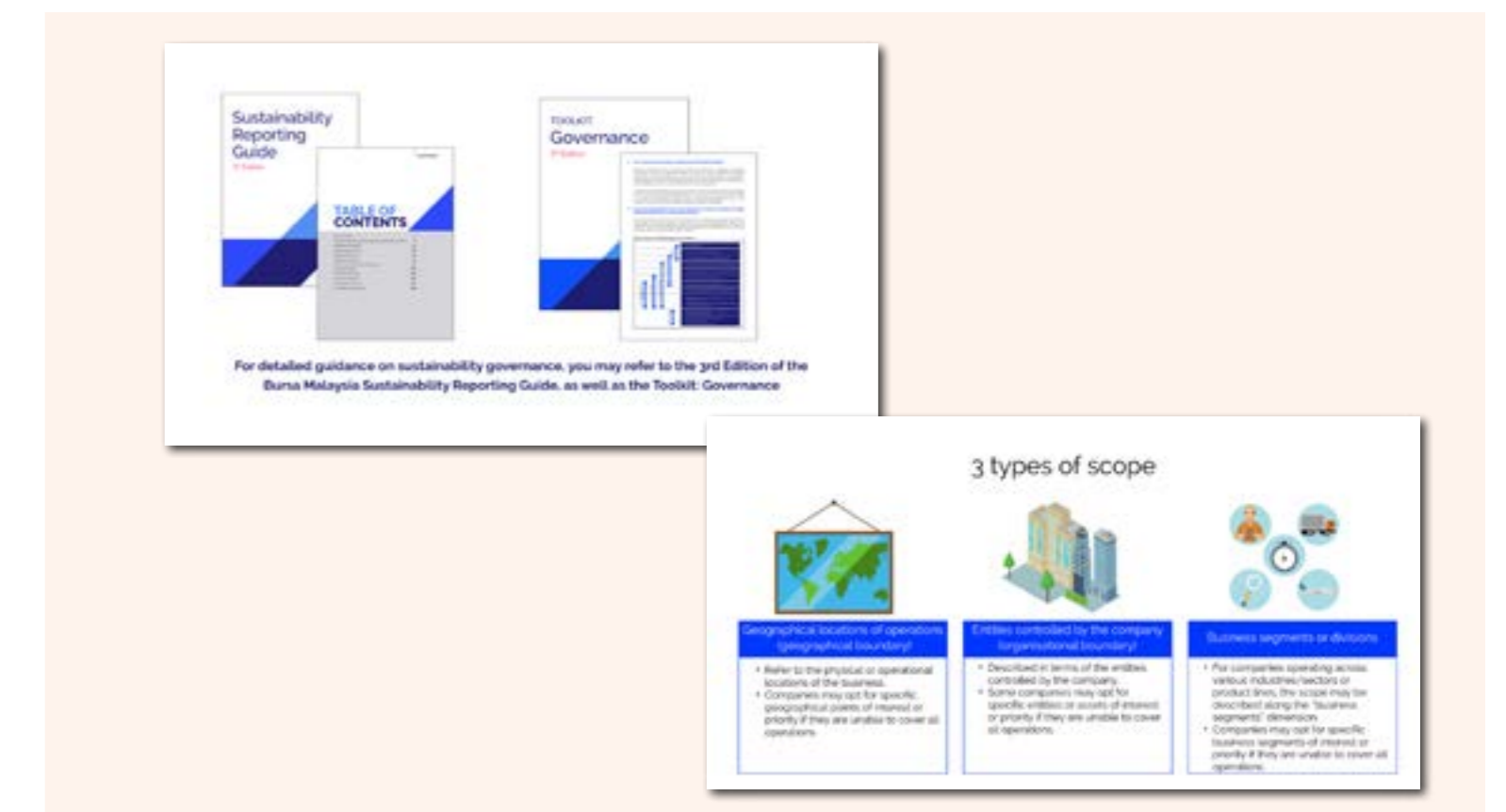
We consistently enhance and update our ESG-related listing requirements and guides to align with international standards. Our Sustainability Reporting Framework (SRF), introduced in 2015 for the Main and ACE Markets, mandates PLCs to incorporate sustainability statements either within their annual reports or as standalone reports. The SRF was enhanced in 2022 to further elevate the sustainability practices and disclosures of PLCs and now includes a common set of prescribed sustainability matters and indicators. It also calls for Main Market issuers to make climate change-related disclosures. In tandem with this enhanced SRF, we issued a Sustainability Reporting Guide and Toolkits (3rd Edition) to provide practical and useful guidance to PLCs on how to embed sustainability in their organisations, comply with the enhancements and produce quality disclosures.

Education

We recorded webinars and training materials from these programmes are available on our Bursa Sustain platform. Launched in 2018, this online knowledge repository serves as a one-stop resource, providing current content on CG, sustainability and responsible investment.

Our Progress

Guiding our Public Listed Companies



In 2023, Bursa Malaysia introduced the Illustrative Sustainability Reporting Guide (ISR) to visually conceptualise enhanced sustainability disclosure requirements, aiding PLCs in independent reporting and reducing reliance on external consultants. The ISR demonstrates the flow, conciseness, and readability of recommendations within each section of the Sustainability Statement/Report. It cross-references international sustainability reporting frameworks, ensuring better comprehension.

In addition to the ISR, we also launched a Sustainability Explainer Video Series. The video series, based on content from the Sustainability Reporting Guide and Toolkits (3rd edition), reflects Bursa Malaysia's commitment to supporting PLCs in effectively navigating the complexities of the ESG landscape.



Sustainable Finance

Mandatory Accreditation Programme (MAP) Part II on Sustainability for Directors

As part of our focus on supporting sustainability-conscious and effective leadership of PLCs, the Exchange together with the SC launched MAP Part II on sustainability for directors of PLCs on 6 June 2023. This was aimed at providing the necessary support and resources to assist our PLC directors in fostering sustainable growth within their organisations to ensure long-term value creation for their stakeholders.

This will facilitate the effective discharge of their roles, particularly in setting the listed issuer's sustainability strategies, priorities and targets. This is important as effective integration and implementation of sustainability practices start at the top. Additionally, enhancing PLC directors' sustainability knowledge will allow them to facilitate their companies' compliance with the enhanced MMLR and ACE LR that were announced in September 2022.

Malaysian Board & Senior Management Remuneration Practices Report

Additionally, Bursa Malaysia, in collaboration with the Institute of Corporate Directors Malaysia (ICDM) and WTW, has launched the Malaysian Board & Senior Management Remuneration Practices Report. This report analyses data from 176 of Malaysia's top 300 PLCs, aiming to understand prevailing industry practices, remuneration levels and the quality of disclosure. The report is publicly accessible on Bursa Sustain.

Mandatory Women Participation for Board Members of Listed Companies

Bursa Malaysia through the Listing Requirements also mandates PLCs to have at least one woman director on their boards from 1 September 2022 for large capital companies and 1 June 2023 for other listed companies.

Education

We organised advocacy sessions that covered topics such as conflicts of interest and the management of cyber risk.

Corporate Governance Scores

CG Watch 2023

On 13 December 2023, the Asian Corporate Governance Association released the 11th biennial CG Watch report, in collaboration with CLSA, on the CG and ESG performance for 12 markets in the APAC region. Malaysia maintained fifth place with its score improving two points from 59.5 points in 2020 to 61.5 points in 2023.

Moving Forward

We will continue to emphasise and champion the integration of ESG practices within the operations and supply chains of our PLCs. In pursuit of this objective, the Exchange is committed to ongoing engagements and capacity-building activities, promoting improved CG and sustainability practices and disclosures among PLCs.

Additionally, collaborative efforts will persist as the Exchange works closely with key capital market stakeholders, including the SC the Institutional Investors Council Malaysia, the Minority Shareholder Watch Group (MSWG), and the ICDM. Together, these partnerships aim to boost the standards of CG and sustainability practices within the PLC community.

Sustainable Finance

3 Participation in Relevant Committees, Working Groups and Events

Our Approach

We engage actively in multiple working groups and committees, fostering collaboration with fellow financial market regulators, global peer exchanges and other advocates for sustainability. This collective effort aims to steer capital markets toward more sustainable trajectories. Our active participation in the following exemplifies our commitment to collaborative endeavours:

Working Groups and Committees	Our Participation
<p>ASEAN Exchanges A collaboration among the exchanges in the ASEAN countries with the objectives of promoting greater integration of the ASEAN capital markets, enhancing the visibility of ASEAN as an asset class and strengthening ASEAN as an attractive investment destination for both ASEAN and global investors.</p>	<ul style="list-style-type: none"> Member of the ESG Working Group
<p>UN Sustainable Stock Exchanges (SSE) Initiative A global peer-to-peer learning platform to drive corporate transparency in ESG and sustainable investment.</p>	<ul style="list-style-type: none"> Official Supporter Co-Chair of the Advisory Group on Carbon Markets Member of the UN SSE Net Zero Comment Group
<p>World Federation of Exchanges (WFE) A global industry association for exchanges and clearing houses.</p>	<ul style="list-style-type: none"> Member of the Sustainability Working Group
<p>UN SSE Derivatives Exchange Network A global network for peer derivatives exchanges to promote ESG products in the derivatives sector.</p>	<ul style="list-style-type: none"> Founding member
<p>Advisory Committee on Sustainability Reporting (ACSR) The SC, with the endorsement from the Ministry of Finance, has set up a national-level ACSR to develop Malaysia's National Sustainable Reporting Framework (NSRF) to support the implementation of the IFRS Sustainability Disclosure Standards (ISSB Standards).</p>	<ul style="list-style-type: none"> Chair of the sub-committee responsible for disclosure requirements
<p>JC3 A committee co-chaired by the SC and Bank Negara Malaysia to propel financial institutions towards a low-carbon economy.</p>	<ul style="list-style-type: none"> Chair and Secretariat of the Sub-Committee on Governance and Disclosure Member of the Sub-Committee on Bridging Data Gaps
<p>Corporate Governance Council (CG Council) A council chaired by the SC to coordinate and align initiatives among members of the council and relevant stakeholders to drive good CG.</p>	<ul style="list-style-type: none"> Member of the CG Council

Working Groups and Committees	Our Participation
<p>CEO Action Network (CAN) A peer-to-peer informal network of CEOs of leading Malaysian businesses that focuses on sustainability advocacy, capacity building, action and performance.</p>	<ul style="list-style-type: none"> Chairperson of the Steering Committee Member of Workstream #2 on Awareness and Capacity Building Member of Workstream #3 on Diversity, Equity and Inclusion
<p>Corporate Integrity System Malaysia (CISM) - Corporate Integrity Roundtable (RTD) Established in 2010 with the aim of fostering and promoting ethical and corruption-free values in the business community in Malaysia as well as supporting integrity initiatives in the community.</p>	<ul style="list-style-type: none"> Member of the Roundtable
<p>30% Club Malaysia The Malaysian chapter is part of the 30% Club global campaign led by chairs and CEOs taking action to increase gender diversity at board and executive committee levels.</p>	<ul style="list-style-type: none"> Strategic partner

Our Progress

In the year under review, we boosted our participation in domestic and international groups even further, focusing on topics like climate disclosures and CG.

Moving Forward

We will continue our leadership role in contributing to the advancement of corporate sustainability and the sustainable finance agenda through strategic collaborations and partnerships with key stakeholders in the capital market. The next year will see us play a more proactive role in the committees in which we participate and step up efforts to take on leadership roles when they present themselves.

Innovation and Technology Excellence

Why It Matters

Adapting to rapidly evolving innovation and technology developments is vital for the long-term growth of any organisation. The ability to pivot, adopt and adapt will enable the unlocking of potential opportunities and meeting of consumer demands. We recognise that our industry will continue to grow according to demands for fresh and better solutions, enabled by fintech such as artificial intelligence (AI), robotic process automation, blockchain and cloud computing. To ensure we remain competitive and relevant, we will continue to strengthen our core capabilities and explore innovative solutions to meet the needs of capital market stakeholders.

Our Approach

Technology, Data and Innovation are among the enablers in our three-year Strategic Roadmap 2021-2023 to enable us to develop new solutions, platforms and tools that support the markets' needs.

We are also guided by Bursa Malaysia's Technology Roadmap, which covers a mixture of short- and long-term initiatives, systems and infrastructure needs, as well as the aforementioned fintech areas. This helps ensure that we are investing in technology upgrades for greater resilience and efficiency of core infrastructure systems and applications, as well as building of internal capabilities in fintech, in line with developments of technology in the industry. Our approach includes running several Proof of Concepts (PoCs) in various areas over the last couple of years. The PoCs, among others, are to test the potential technology that can be used to support our growth expansion in the future. Our approach also includes building strategic partnerships to enhance our data sets and develop fresh solutions for the industry.

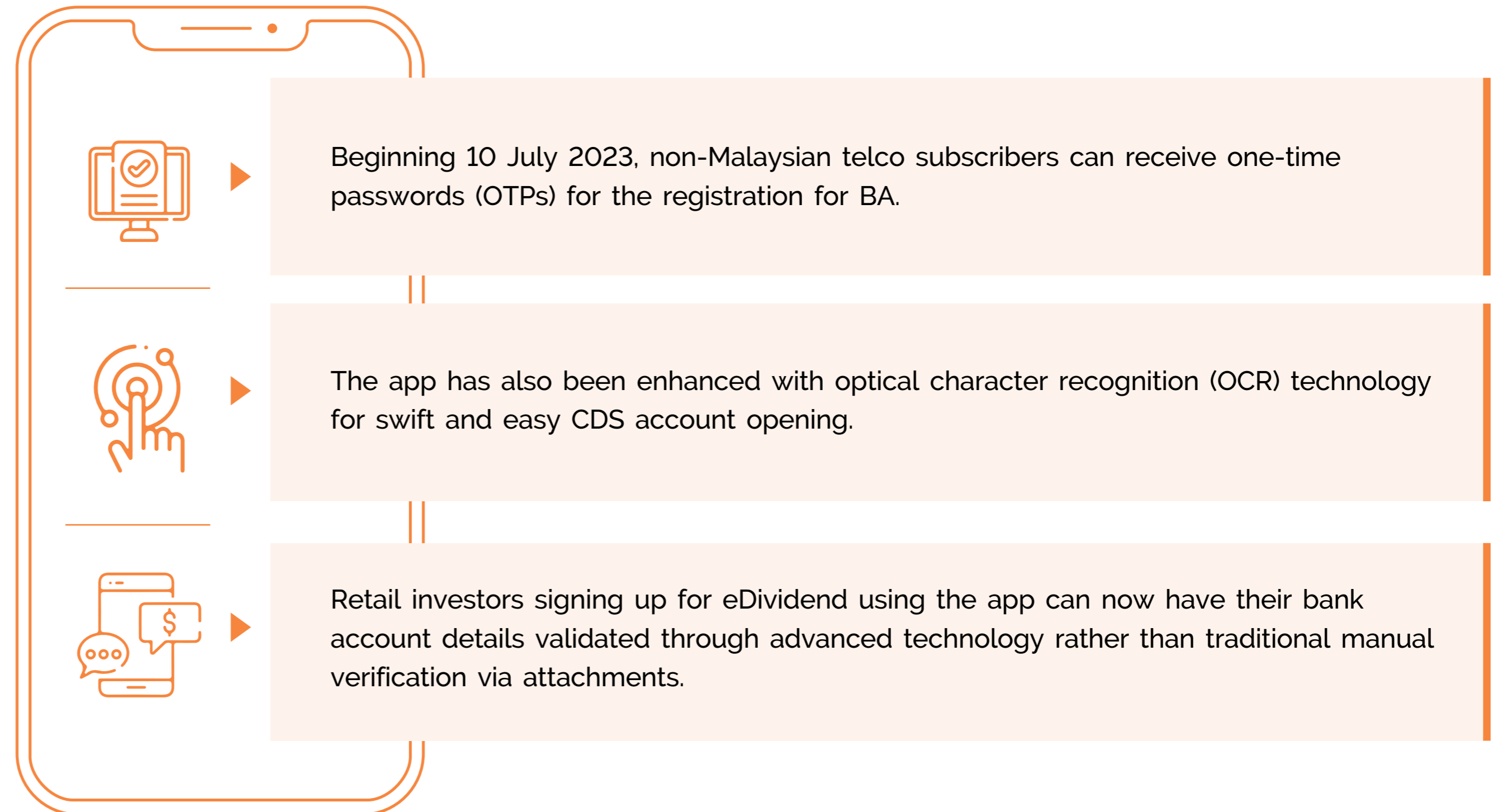
Our Progress

Technology Excellence

We continuously upgrade and employ technology and processes in various areas to improve efficiency, facilitate better service to our customers and intermediaries and to improve overall resilience.

Enhancing Bursa Anywhere

We continued to enhance our Bursa Anywhere (BA) mobile application in 2023 to further demonstrate our commitment to delivering efficiency. BA, which was launched in 2019, has been upgraded continuously to enable retail investors to better manage their Central Depository System (CDS) accounts through their mobile devices.



Innovation and Technology Excellence

Improving Operational Efficiency and Resiliency

The table below provides a summary of technology upgrades implemented in 2023, all of which were designed to further improve operational efficiency and resiliency:

	Goal	Outcome
Network Refresh Load Balancer	To bring the technology stack up to date for better availability and performance.	Secures sustainable performance, reliability and stability of the Bursa WAN Server Load Balancer with new and improved capabilities to support Bursa Malaysia's critical applications.
Multiple Windows Server Upgrade	To bring the technology stack up to date for better availability and performance.	Latest version of Windows Operating System (OS) and Database to mitigate security risks and ensure continuous support for the identified Windows-based applications.
Installation of Network Time Protocol (NTP)	To improve the resiliency, stability and availability of the IT infrastructure by having server redundancy for the NTP.	Ensures sustainable performance, reliability and stability of the Network Time Server in synchronising the computer clock time sources within all systems and applications within Bursa Malaysia.
Enterprise Service Management (ESM) System Migration	To centralise all related IT Service Management services under a single solution for better performance, reliability, and stability.	Secures sustainable performance, reliability and stability through new features offered by the newly migrated ESM system.
Cloud Applications Migration for Corporate Announcement Browser (CAB) and Corporate Announcement Gateway (CAG)	To improve the system availability and system scalability by leveraging the cloud-native services.	Reduced system downtime and improved system availability of CAG and CAB applications.
Revamp Event Capacity and Performance	To upgrade the Enterprise Management and Monitoring System (EMMS) for better performance, reliability and stability.	Secures sustainable performance, reliability, and stability through new and improved features and capability of the latest EMMS version.
Application Performance Monitoring Implementation	To improve application monitoring and support capabilities.	Detect and resolve issues faster, improve system monitoring and alerting, and have better insights into application performance during issue investigation.

Innovation and Technology Excellence

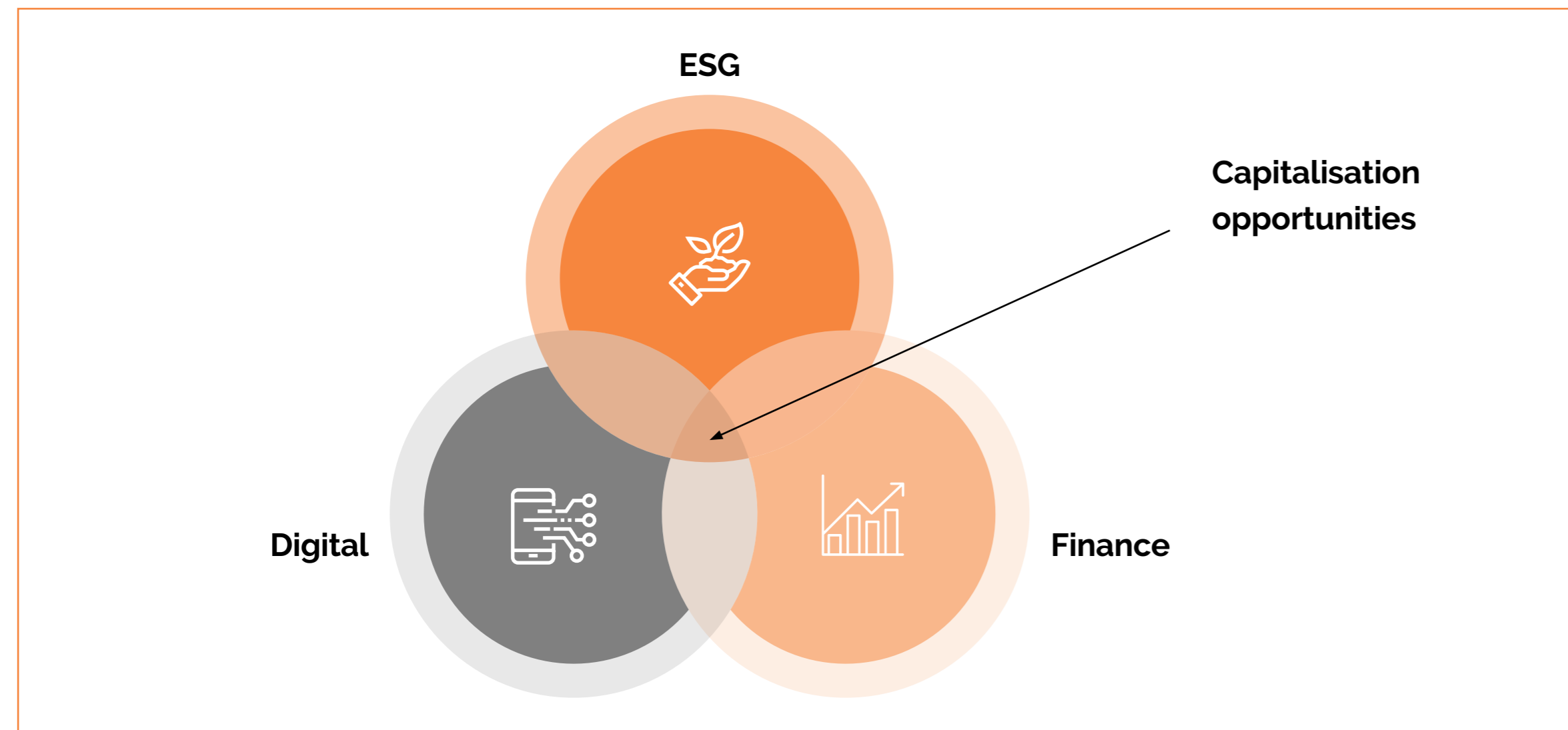
Innovation

Enterprise Data Platform (EDP)

Our Enterprise Data Platform (EDP), which has been implemented, is set to take over the reins from our longstanding data platform, the Management Information System (MIS). This new centralised platform promises not only enhanced data governance, storage and processing capabilities but also integrates sophisticated front-end AI functionalities.

With the EDP as our foundation, we are poised to unveil a suite of innovative financial data solutions. Our vision extends beyond products as we plan to expand into untapped territories, leveraging data streams from platforms like Bursa Carbon Exchange, among other nascent digital asset classes.

We also recognise that there is a lack of convergence between ESG, digital, and finance, with Bursa standing uniquely at the intersection. This strategic position not only offers us an opportunity to capitalise and grow non-organically but also to carve a formidable niche within. To harness this potential, we are actively scouting collaborations with ESG and digital pioneers. These alliances aim to fortify our product suite, ensuring that we remain at the forefront of innovation and service excellence.



Data Repository Expansion

Pursuant to the MoU signed between Bursa Malaysia and Suruhanjaya Syarikat Malaysia (SSM), Bursa has established a strategic partnership, aimed at unlocking novel commercial opportunities by bringing together private companies' data from SSM and capital market data from Bursa. In line with our objective to acquire non-capital market related datasets to expand our data repository, Bursa Malaysia has also inked a strategic data exchange agreement with the Department of Statistics Malaysia (DOSM) to obtain macroeconomic data in order to identify key trends and insights that will help to further develop the capital market. Through such collaborations, Bursa will be able to enhance and complement capital market datasets, creating a unique and comprehensive database with the potential to accelerate and facilitate the development of new in-depth, meaningful analytics and solutions for the fundraising community in the capital market.

The Centralised Sustainability Intelligence Platform

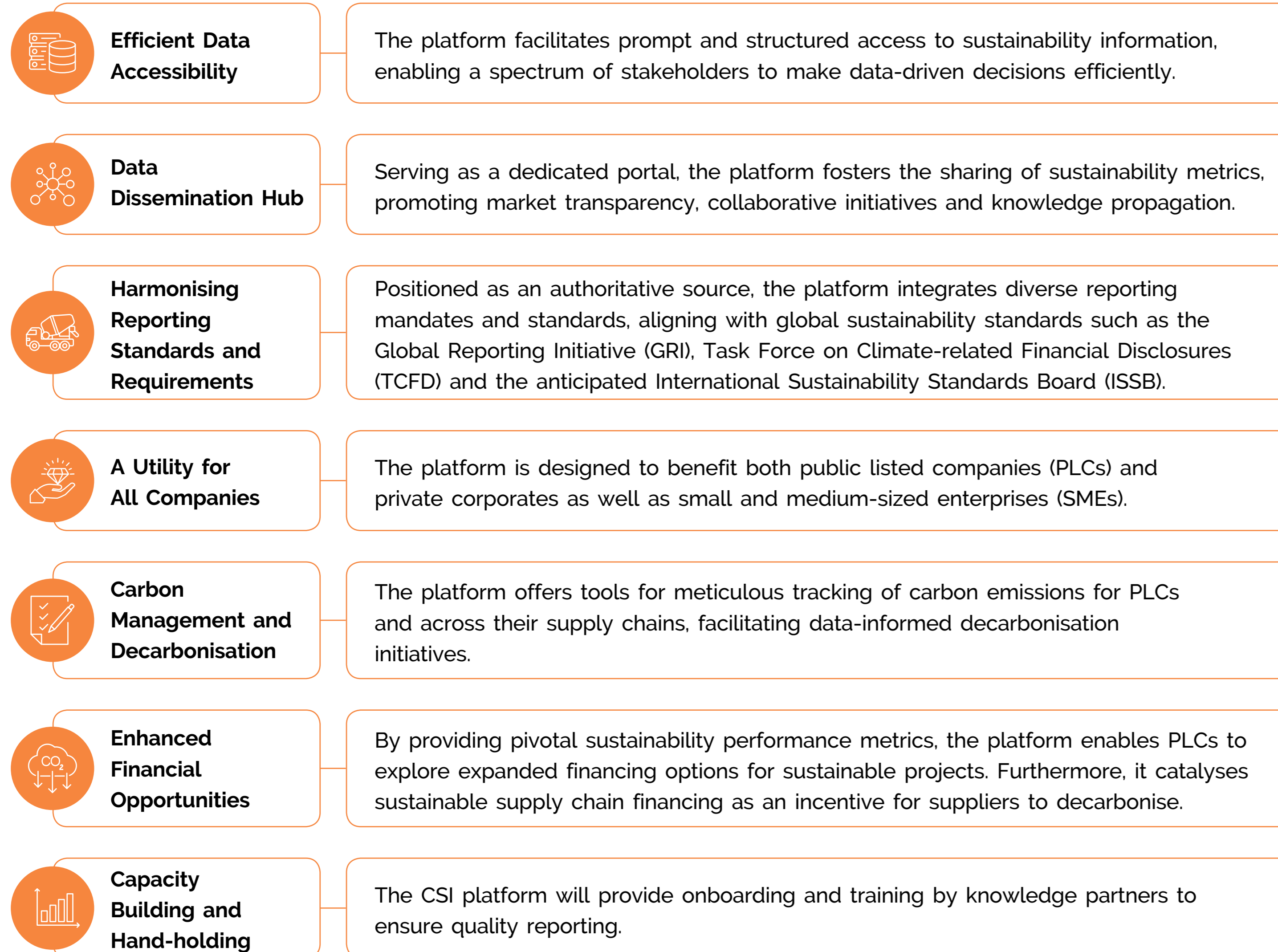
Bursa Malaysia has initiated a strategic partnership with the London Stock Exchange Group (LSEG) to collaboratively design and implement the Centralised Sustainability Intelligence (CSI) platform. This partnership aims to ensure the platform's adherence and compatibility with ESG disclosure standards prevalent in advanced economies, to expedite the adoption and integration of ESG practices among businesses in Malaysia.

The CSI platform embodies a pivotal strategic vision: to navigate Malaysian enterprises, regardless of scale, towards sustainable operational frameworks. This trajectory promises better access to sustainable capital, augmented enterprise valuation and a reinforced position within global supply chains.

Bursa has also organised a regulators' roundtable, where policymakers such as BNM, SC, the Ministry of Investment, Trade and Industry and the Ministry of Economy collectively agree to leverage the CSI platform to align and facilitate their reporting requirements. Meanwhile, the collaboration between the CSI platform and JC3's Greening Value Chain programme will utilise the CSI platform as JC3's reporting and monitoring tool, facilitating a seamless green transition for Malaysian companies, enabling greater access to green capital, improved valuation and providing a competitive advantage for companies in global supply chains.

Innovation and Technology Excellence

Key value proposition of the CSI platform:



BR Capital

Bursa Malaysia RAM Capital Sdn Bhd (BR Capital), jointly owned by Bursa Malaysia and RAM Holdings Bhd, is a collaborative effort to develop and operate a debt fundraising platform for small to mid-sized companies. The BR Capital debt fundraising platform was launched on 22 December 2023 after receiving the SC's approval-in-principle earlier in the year, recognising BR Capital as a Recognised Market Operator under the SC's Guidelines.

The platform serves as an alternative fund-raising avenue for listed and unlisted small to mid-sized companies with fundraising goals of at least RM5 million. Through this platform, participating companies can raise funds by issuing credit-rated investment notes with a minimum tenure of one year. BR Capital thus serves as a new fundraising channel for participating companies, giving them access to a new pool of capital beyond traditional wholesale markets while providing investors with opportunities to diversify their portfolios.

The platform will be developed in phases, with features launched progressively. The platform is currently in its initial roll-out phase, with its onboarding open to a select group of prospective issuers and investors. In a later phase, the platform will be made publicly available, and a secondary market will be developed for it.

BR Capital plays a vital role in our evolution towards becoming a multi-asset exchange and in our strategy to enhance Bursa Malaysia's market ecosystem and diversify market participation. The platform will also play a role in forwarding Malaysia's national goal of strengthening small to mid-sized companies by providing them with a new avenue to seek financing.



Innovation and Technology Excellence

Expanding Our Distribution Channels via Digital Platforms



Bursa Malaysia Berhad, TNG Digital Sdn Bhd and Affin Hwang Investment Bank Berhad signed a Memorandum of Collaboration on 10 October 2023 to broaden share trading services via a digital wallet.

This initiative is part of our ongoing efforts to democratise investment opportunities and promote financial inclusion, while reducing fragmentation and bridging the gap between the stock market and a new generation of investors to grow and add value to the capital market ecosystem. It is also anticipated to increase overall retail investor participation and enhance the visibility of stock market investment products, including Exchange-Traded Funds (ETFs).

Moving Forward

As we chart our path ahead, our commitment remains steadfast: to refine our customer touchpoints continually. This means both innovating new avenues and enhancing existing ones. One of our pioneering ventures is the exploration of Fractional Trading via a proof of concept. We will be inviting brokers in the first quarter of 2024 to test out fractional shares trading in a controlled sandbox environment. The results and findings from the sandbox will provide valuable insights for the brokers to determine the value proposition of fractional shares offerings.

Phase 1 of MyBursa was launched on 16 January 2024, along with the REACH platform. MyBursa is a one-stop platform catering to five target segments, namely investors, PLCs, brokers, issuers and information vendors. Through MyBursa, users will receive access to market information, services and solutions in one place. Ultimately, MyBursa will consolidate Bursa Malaysia's digital ecosystem and integrate the various platforms – Bursa Marketplace, Bursa Anywhere, Bursa Academy, Bursa Sustain – into one. In the first phase of MyBursa, investors will have access to market data and information, an enhanced stock screener and heatmap features, and a new user interface with improved user experience. Meanwhile, the Bursa REACH platform allows Dealer Representatives (DRs) to share their model portfolios, highlight their return-generating strategies and share their investment insights to the retail public. Existing investors can easily connect with their DRs and gain instant access to their DRs' portfolio holdings. Potential and new investors can also reach out to the DRs to start their trading journey and set up their trading accounts.

In the same vein, towards our effort to further develop the capital market by providing greater access for investor participation in a wider range of investments, Bursa Gold Dinar (BGD) was also launched on 16 January 2024. BGD is a Shariah-compliant gold trading platform, providing investors with digital convenience to invest in physical gold through a mobile app. It is available to Malaysians and those residing in Malaysia who meet the eligibility criteria, offering them a trusted and secure gold investment opportunity. In line with making investing more accessible, BGD offers extended trading hours to 11:50 p.m., seven days a week, with an investment entry-level as low as RM10. Investors will also have the option to transfer gold and redeem every 4.25g of gold owned into a physical, custom-designed coin delivered to them.