

PIVOTING INTO A MULTI-ASSET EXCHANGE

What's inside **OUR REPORT**



Online Integrated Annual Report 2022
 The entire suite of our Integrated Annual Report 2022 can be found online
https://bursa.listedcompany.com/iar_2022.html

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Refer to more information within this report or our Integrated Annual Report (IAR) 2022



Refer to more information online



Refer to our Sustainability Policy

A photograph of two men in business suits sitting at a desk. The man on the left, Datuk Muhamad Umar Swift, is pointing at a laptop screen. The man on the right, Tan Sri Abdul Wahid Omar, is looking at the screen. The background shows a modern office with large windows and a blue armchair.

DATUK MUHAMAD UMAR SWIFT
CHIEF EXECUTIVE OFFICER

A MESSAGE FROM
OUR CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

TAN SRI ABDUL WAHID OMAR
CHAIRMAN

Dear Stakeholders,

As the nation recovered from the global health crisis in 2022 and transitioned to the endemic phase, Bursa Malaysia took the opportunity to further its sustainability agenda and strengthen the environmental, social and governance (ESG) ecosystem. We took tangible steps towards advancing the sustainability practices and disclosures of Malaysian businesses, facilitating our nation's journey towards net zero greenhouse gas (GHG) emissions by as early as 2050, and strengthening the Social pillar within and beyond our organisation.

Enhanced Sustainability Reporting Framework

As a frontline regulator, we enhanced our Sustainability Reporting Framework in September 2022 with the aim of improving the availability, quality and comparability of ESG disclosures by public listed companies (PLCs). Key enhancements included requiring PLCs to report on a common set of prescribed sustainability matters as well as providing three years' worth of data for reported indicators. In terms of climate reporting, Main Market PLCs will be required to publish Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosures, while ACE Market PLCs will be required to disclose a basic transition plan towards a low-carbon economy.

Raising the Bar

To elevate ESG and other best practices, we implemented the Public Listed Companies Transformation (PLCT) Programme, whereby Guidebook 2 on 'Sustainable, Socially Responsible and Ethical PLCs' offers case studies and tools to businesses in embracing sound sustainability practices. Going forward, all PLCs will be rated against the FTSE4Good methodology to determine each company's ESG performance, as a way to nudge PLCs to improve over time, with the ESG rating insights and visibility.

Call to Action

Much of what we do at the Exchange is to advance the ESG agenda to increase the competitiveness and sustainability of our PLCs. We aim to entrench key businesses in our economy with sustainable practices, by greening our supply chains. This is supported by the launch of the voluntary carbon market, the Bursa Carbon Exchange (BCX). Serving as a platform for companies to offset their carbon emissions while supporting decarbonising projects, the BCX is catalytic and a call to action for PLCs to take climate action. The BCX will encourage the development of projects that generate carbon credits, and accelerate the transition to a low-carbon economy.

A Sustainable Future for All

The year under review saw us stepping up in our unique role as a market facilitator to benefit our society at large by introducing a securities donation scheme, Shares2share in November 2022. The initiative enables investors to donate listed securities they own, or proceeds from the sale of the listed securities, to nine selected charities. We believe the scheme will help channel funds sustainably to the communities in need.

Leading by Example

As both a frontline regulator and market operator, it is imperative that we walk the talk and lead by example on the sustainability front among corporates. We ensure that our approach to sustainability is holistic and encompasses initiatives that will contribute to a sustainable future for all.

This is reflected in the various sustainability initiatives implemented within the organisation and for the marketplace throughout 2022. Bursa Malaysia is committed to achieving net zero GHG emissions by 2050. To this end, we are pleased to share that in 2022, we have offset our operational emissions for the period from 1 January 2021 to 31 December 2021 through the purchase of carbon credits, thereby fulfilling our commitment of becoming carbon neutral by 2022.¹

We continued to demonstrate leadership through newly assumed leadership roles at World Wide Fund For Nature Malaysia (WWF-Malaysia) and the CEO Action Network (CAN), Malaysia's first sustainability-focused informal coalition of leading CEOs and senior corporate decision-makers.² This will enable us to further engage with external stakeholders and contribute to the sustainable development of the country.

In our organisation, we also enhanced measures to bolster our supply chain management by incorporating various ESG impacts, including human rights, in our pilot supplier assessment. Going forward, we hope to expand the assessment to a wider pool of our suppliers.

For our employees, we continued to promote a safe and inclusive work environment that supports career progression and gender equality. We also continued to instil the importance of sustainability through awareness programmes such as the Carbon Conscious Workplace programme to promote responsible consumption among the employees.

Going Forward

As a strong ESG proponent and thought leader, we will continue to champion responsible business conduct that encompasses People, Planet and Profit. We would like to thank PLCs that have embraced the sustainability agenda and the nation's sustainability goals.

We would also like to thank our business partners and relevant capital market stakeholders that we have been working closely with, to spur the development of a sustainable ecosystem. Last but not least, we wish to record our appreciation to our employees who have consistently contributed to our sustainability journey.

Thank you.



Tan Sri Abdul Wahid Omar
Chairman



Datuk Muhamad Umar Swift
Chief Executive Officer

Notes:

¹ Read more about our carbon neutral programme on page 60 of this report.

² In 2022, Tan Sri Abdul Wahid Omar was appointed as the Chairman of WWF-Malaysia, while Datuk Muhamad Umar Swift was appointed as the Chairperson of CAN.

2022 SUSTAINABILITY HIGHLIGHTS



Offset our operational greenhouse gas emissions from 1 January to 31 December 2021

Included in the FTSE4Good Bursa Malaysia Index for the ninth consecutive year



Included in the Bloomberg Gender Equality Index for the third consecutive year



Completed our first human rights impact assessment



Published five guidebooks under the Public Listed Companies Transformation Programme

Signed a Memorandum of Understanding with HSBC Amanah Malaysia Berhad and CIMB Group Holdings Berhad for the #financing4ESG initiative



Launched two new ESG themed indices: FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index and FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index

Announced the Enhanced Sustainability Reporting Requirements and issued the updated Sustainability Reporting Guide and Toolkits (3rd Edition)



Signed a Memorandum of Understanding with the London Stock Exchange Group to expand the calculation of ESG scores to all PLCs listed on the Main and ACE Markets



Held the inaugural The Edge ESG Awards with The Edge Communications Sdn Bhd and FTSE Russell to recognise companies that are ESG leaders in Malaysia



Announced the launch of the first Shariah-compliant carbon exchange in the world, Bursa Carbon Exchange

Launched the FTSE4Good Bursa Malaysia Index Futures contract



Launched the securities donation scheme, Shares2share



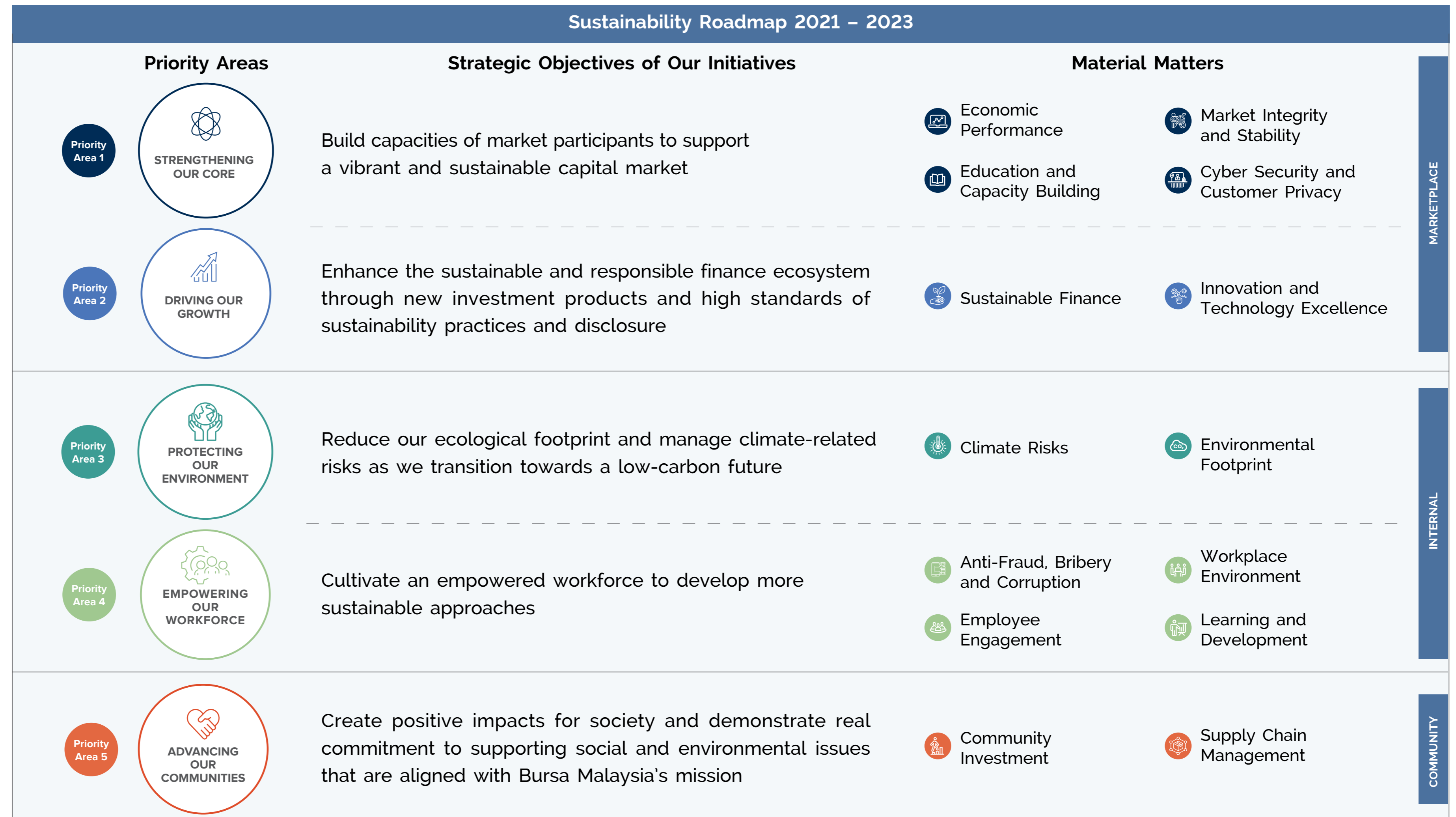
OUR SUSTAINABILITY APPROACH

Sustainability is an important part of the Exchange's agenda because of our responsibility to lead capital market participants in embracing sustainability. Thus, it is important for us to walk the talk, acting both as a role model and as a catalyst for elevating the sustainability practices of our listed issuers. To this end, we strive to continuously enhance our sustainability strategies and manage our impacts.

OUR SUSTAINABILITY STRATEGY

The importance of sustainability to our organisation is manifested in our Sustainability Roadmap 2021-2023 (Roadmap), which aims to future-proof the Exchange and help us reach our vision of becoming ASEAN's leading, sustainable and globally-connected marketplace. 'Embedding Sustainability in our Organisation and Marketplace' is one of the five Strategic Pillars under the Strategic Roadmap 2021-2023 which highlights, key areas of focus to help us achieve our vision.

Roadmap aims to further support this key area of growth. It comprises five priority areas that cut across our marketplace and internal practices, as well as the community in which we operate. These priority areas are supported by 25 initiatives, to be undertaken over a three-year period. Meanwhile, work is underway to outline the next phase of our sustainability strategy, which will commence in 2024. This next stage of our sustainability journey will take into account all that we have achieved thus far and further develop the maturity of our sustainability practices.

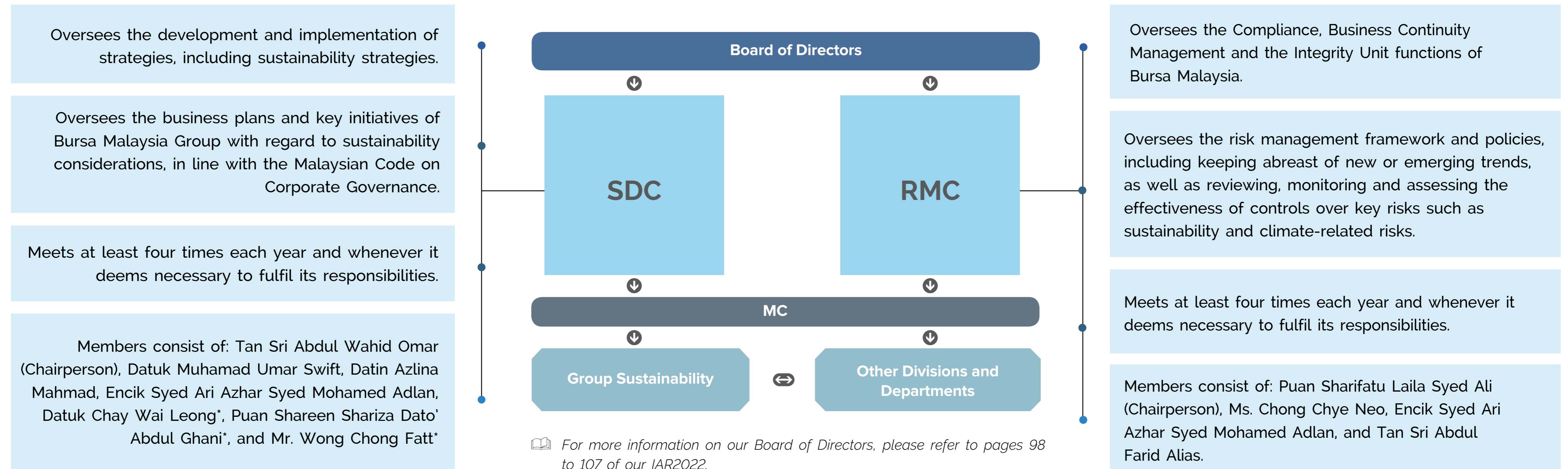


SUSTAINABILITY GOVERNANCE

Good governance is essential in ensuring that sustainability is integrated into our long-term growth strategy. As such, our Board of Directors has the responsibility to ensure that sustainability considerations are included in our decision-making process and strategy implementation. The Board is also responsible for ensuring that sustainability is embedded into our day-to-day operations.

Our sustainability-related matters are overseen by two specific Board committees, namely Sustainability and Development Committee (SDC) and Risk Management Committee (RMC). The SDC was established in place of the former Market and Development Committee in 2021, to further strengthen the framework for sustainability within the organization pursuant to the Malaysian Code on Corporate Governance (MCCG). To ensure the effectiveness of the SDC, the composition of the SDC includes independent members who are experts in sustainable development or sustainable finance.

Both the SDC and the RMC are supported by the Management Committee (MC), which consists of key senior management executives. The MC is led by the CEO and its role includes formulating and implementing the effective management of Bursa Malaysia's strategies, including those related 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 businesses. Group Sustainability is headed by the Director of Group Sustainability, who reports directly to the CEO.



Oversees the development and implementation of strategies, including sustainability strategies.

Oversees the business plans and key initiatives of Bursa Malaysia Group with regard to sustainability considerations, in line with the Malaysian Code on Corporate Governance.

Meets at least four times each year and whenever it deems necessary to fulfil its responsibilities.

Members consist of: Tan Sri Abdul Wahid Omar (Chairperson), Datuk Muhamad Umar Swift, Datin Azlina Mahmad, Encik Syed Ari Azhar Syed Mohamed Adlan, Datuk Chay Wai Leong*, Puan Shareen Shariza Dato' Abdul Ghani*, and Mr. Wong Chong Fatt*

Oversees the Compliance, Business Continuity Management and the Integrity Unit functions of Bursa Malaysia.

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.

Meets at least four times each year and whenever it deems necessary to fulfil its responsibilities.

Members consist of: Puan Sharifatu Laila Syed Ali (Chairperson), Ms. Chong Chye Neo, Encik Syed Ari Azhar Syed Mohamed Adlan, and Tan Sri Abdul Farid Alias.

* independent members

For more information on our SDC members, please refer to our website.

ASSESSMENT OF MATERIAL MATTERS

Materiality assessment is integral to our sustainability journey to allow us to identify the risks and opportunities of key sustainability issues. We hold an in-depth materiality assessment once every three years to identify sustainability issues that are most significant to us and to our stakeholders. In addition, it is vital for us to review our material matters periodically amid the rapidly evolving ESG landscape to ensure that they remain relevant to the emerging themes that are important to our stakeholder groups. As such, we validate our material matters once a year to confirm that they remain relevant and up to date. Our next comprehensive materiality assessment is due in 2023.

 Read more about our 2022 materiality assessment on pages 102 to 104 of this report.

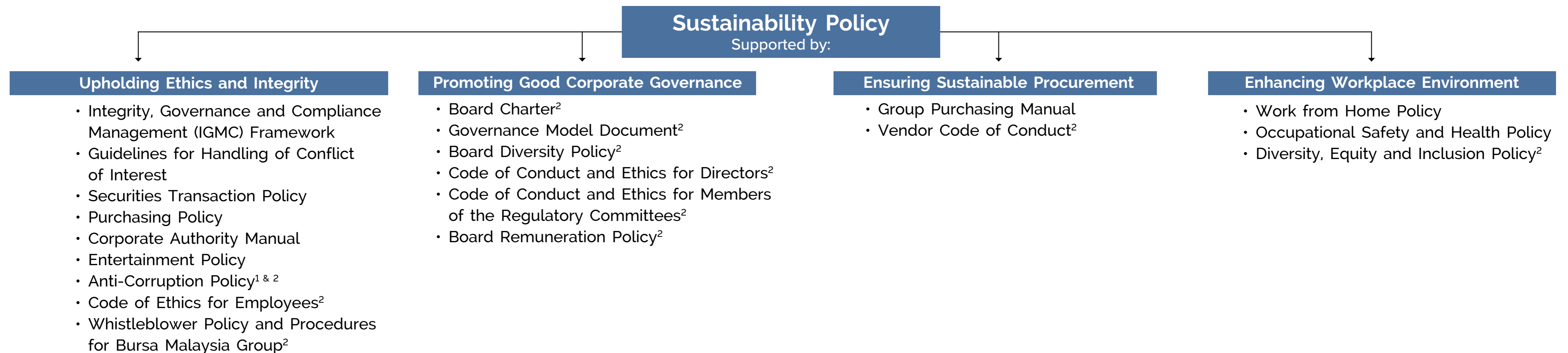
STAKEHOLDER ENGAGEMENTS

Our stakeholders comprise PLCs, issuers, potential PLCs and potential issuers; intermediaries; investors; shareholders; regulators and government agencies; industry associations, professional bodies and industry experts; analyst, rating agencies and index providers; employees; vendors and suppliers; as well as community groups. At Bursa Malaysia, we hold regular engagement sessions with our stakeholders through various platforms to identify their key concerns and understand how we can meet their needs. Stakeholder feedback also informs our approach to reporting and disclosure and underpins our materiality process.

 Read more about our stakeholder engagement activities on pages 105 to 110 of this report.

BEST PRACTICES AND SUSTAINABILITY COMMITMENTS

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

Our Commitments

We have made the following commitments to uphold good sustainability practices through official pledges, membership and plans:

United Nations (UN) Sustainable Development Goals (SDGs)

The SDGs is a collection of 17 interlinked objectives designed in 2015 by the United Nations General Assembly to serve as a 'shared blueprint for peace and prosperity for people and the planet now and into the future'. We continue to demonstrate our commitment to play a key role in transforming the nation for the better, by mapping our contributions to the SDGs since 2017.

 Read more about our contribution on pages 119 to 121 of this report.

Achieving Net Zero Greenhouse Gas (GHG) Emissions by 2050

In 2021, Bursa Malaysia announced its ambitions to become carbon neutral by 2022 and achieve net zero GHG emissions by 2050 across its entire operations, in line with the global drive for decarbonisation. We are committed to managing our carbon footprint across our business activities, while reducing emissions towards achieving a net zero future. We also participate in the global campaigns 'Business Ambition for 1.5°C' and 'Race to Zero', to support the transition to a climate resilient and inclusive economy.

 Read more about our progress on pages 59 to 63 of this report.


Task Force on Climate-related Financial Disclosures (TCFD)

Bursa Malaysia has been an official supporter of the TCFD Recommendations since 2018, as part of its commitment to addressing climate change matters. Established by the Financial Stability Board, the TCFD Recommendations represent the first international industry-led initiative aimed at developing voluntary, consistent climate-related financial risk disclosures by companies, enabling them to provide information to their lenders, insurers, investors and other stakeholders.

 Read more about our progress on pages 54 to 58 of this report.


Women's Empowerment Principles (WEPs)

In 2019, Bursa Malaysia announced our support for the WEPs by committing to advance the gender equality agenda at the highest levels of the company and to work collaboratively in multistakeholder networks to foster business practices that empower women. The WEPs consist of a set of principles that guide businesses on promoting gender equality and women's empowerment at the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are aligned with international labour and human rights standards and acknowledge that businesses have a role in promoting gender equality and women's empowerment.

 For more information on the WEPs, please refer to <https://www.weps.org/about>.

The Ten Principles of the UN Global Compact (UNGC)

Since 2020, Bursa Malaysia has been committed to supporting the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption. This means making the UNGC and its principles part of Bursa Malaysia's strategy, culture and day-to-day operations, including engaging in collaborative projects that advance the broader development goals of the UN, especially the SDGs. As part of the key requirement of the UNGC to submit an annual Communication on Progress (COP) report, we have included a content index that updates our progress in implementing the Ten Principles into our sustainability reports since 2021.

 Read more about the Ten Principles of the UNGC Content Index on page 141 of this report.

CEO's Action Network (CAN) Level 3 Commitments

In 2021, Bursa Malaysia pledged to adopt the Level 3 Commitments, along with other members of CAN. The commitments include committing to measuring, reporting and setting public targets on how organisations contribute to achieving the 2030 UN SDGs; achieving net zero GHG emissions by 2050 and committing to developing and publishing a progressive roadmap by 2023, if not sooner; and committing to adopting the United Nations Guiding Principles on Business and Human Rights (UNGPs) within their organisations as well as supporting the adoption of the UNGPs throughout their value chain. CAN is the first sustainability-focused informal coalition of leading CEOs and senior decision makers in Malaysia. It was established in 2020 as a closed-door peer-to-peer informal network of CEOs and its members are from close to 50 leading businesses in Malaysia.

 For more information on the CAN, please refer to <https://www.ceoactionnetwork.com/general-8>

World Federation of Exchanges (WFE) Sustainability Principles

Bursa Malaysia has been a WFE member exchange since 1981. In 2015, we joined the Sustainability Working Group (SWG), which comprised representatives from a diverse array of global stock exchanges with a mandate to build consensus on the purpose, practicality, and materiality of Environmental, Social, and Governance (ESG) data. We have adopted and promoted the five WFE Sustainability Principles published in 2018.

 For more information on the WFE Sustainability Principles, please refer to <https://www.world-exchanges.org/our-work/articles/wfe-sustainability-principles>

 Read more about our contribution on page 140.

IN THE SPOTLIGHT

The year 2022 was a significant year of development for Bursa Malaysia on the sustainability front. We rolled out various impactful initiatives to bolster the capital market's Environment, Social and Governance (ESG) ecosystem and meet the needs of the investing community. This section highlights three key initiatives in 2022 that further contribute to the development of the ESG ecosystem.

ENHANCED SUSTAINABILITY REPORTING FRAMEWORK

The Exchange has been, and continues to be a strong proponent of the sustainability agenda through our roles as both market operator and regulator. As a frontline regulator, we drive the sustainability agenda via our Sustainability Reporting Framework, which provides Public Listed Companies (PLCs) with a strong foundation to anchor their sustainability practices and disclosures. To ensure continued utility and relevance, the Sustainability Reporting Framework, consisting of sustainability reporting-related Listing Requirements (LRs), the Sustainability Reporting Guide and the accompanying Toolkits, are updated on a periodic basis.

Following the launch of the Sustainability Reporting Framework in 2015, the Exchange has seen high compliance rates as well as improvements in the quality of sustainability disclosures over the years via our annual Sustainability

Disclosure Review (SDR) exercises. While the findings from the SDR exercises were generally positive, the Exchange also noted areas that needed further improvements. Specifically, there was a need to improve the availability, quality and comparability of sustainability disclosures across the PLCs.

At the same time, there were also extensive developments in the international and local sustainability reporting landscape. Most notably, we saw the formation of the International Sustainability Standards Board in 2021 with the mandate of developing a globally accepted set of sustainability reporting standards. Another notable example was the revision to the Global Reporting Initiative's (GRI) Universal Standards in 2021, which among others, fully reflected due diligence expectations for organisations in managing their sustainability impacts. This included aspects relating to human rights, as set forth in intergovernmental instruments by the United Nations (UN) and the Organisation for Economic Co-operation and Development (OECD). On the climate front, we saw the TCFD Recommendations grow in prominence as more countries introduced reporting requirements for their domestic organisations in alignment with the TCFD Recommendations.

Against this backdrop, we undertook an extensive public consultation exercise and launched our enhanced Sustainability Reporting Framework in September 2022 with the aim of elevating the sustainability practices and disclosures of our PLCs. In particular, Main Market PLCs will now be required to include the following disclosures in their Sustainability Statements:

- i) a common set of prescribed sustainability matters and indicators that are deemed material for all PLCs (Common Sustainability Matters)
- ii) climate-related disclosures that are aligned with TCFD Recommendations (TCFD-aligned Disclosures)
- iii) at least three financial years' data for each reported indicator, corresponding targets (if any) and a summary of such data and corresponding performance target(s) in a prescribed format (Enhanced Quantitative Information)
- iv) a statement on whether the Sustainability Statement has been reviewed internally by internal auditors or independently assured (Statement of Assurance)

The enhanced sustainability reporting requirements for Main Market PLCs will be implemented in a phased manner, beginning with the disclosures of the Common Sustainability Matters for financial year ending (FYE) on or after 31 December 2023, and culminating with the TCFD-aligned Disclosures for FYE on or after 31 December 2025.

Meanwhile, the sustainability reporting requirements for ACE Market PLCs have also been enhanced to align with those of the Main Market.¹ However, instead of publishing TCFD-aligned Disclosures like their Main Market counterparts, ACE Market PLCs will only need to disclose a basic transition plan² with regards to climate change reporting.

To aid PLCs in complying with the enhanced Main LR and ACE LR, as well as to produce better sustainability disclosures, the Exchange also issued the updated Sustainability Reporting Guide and Toolkits with the 3rd edition. These materials are accessible via the Bursa Sustain online portal <https://bursasustain.bursamalaysia.com/droplet-details/resources/sustainability-reporting-guide-3rd-edition>.

Given the rapid developments in the ESG landscape, we recognise the importance of ensuring that our PLCs continue to embed sound sustainability practices both within their operations as well as across their supply chains. To that end, the Exchange will continue conducting engagements and capacity-building activities to advocate better ESG practices and disclosures among our PLCs. Furthermore, the Exchange will continue to collaborate with capital market stakeholders such as the Securities Commission Malaysia (SC), Institutional Investors Council Malaysia (IICM), Minority Shareholders Watch Group (MSWG) and Institute of Corporate Directors Malaysia (ICDM) in championing better ESG practices among PLCs.

¹ This refers to the sustainability governance, scope of the Sustainability Statement and basis for the scope, materiality assessment and management of material sustainability matters.

² This refers to a plan to transition towards a low-carbon economy.

 The full Sustainability Reporting Framework is available on Bursa Malaysia's corporate website.



“The sheer scale of the sustainability reporting enhancements that we have introduced sends a clear signal of the expectations for PLCs to embed strong sustainability practices and disclosures. This high bar is underpinned by a multi-year, phased implementation approach to ensure a successful rollout.”

– **Julian M Hashim**
Chief Regulatory Officer



VOLUNTARY CARBON MARKET

The need to address global warming and climate change could not be more pressing than now, as extreme climate events intensify in most parts of the world. As the Exchange, we are aware of our unique role in driving change among PLCs to accelerate the transition towards a low-carbon economy.

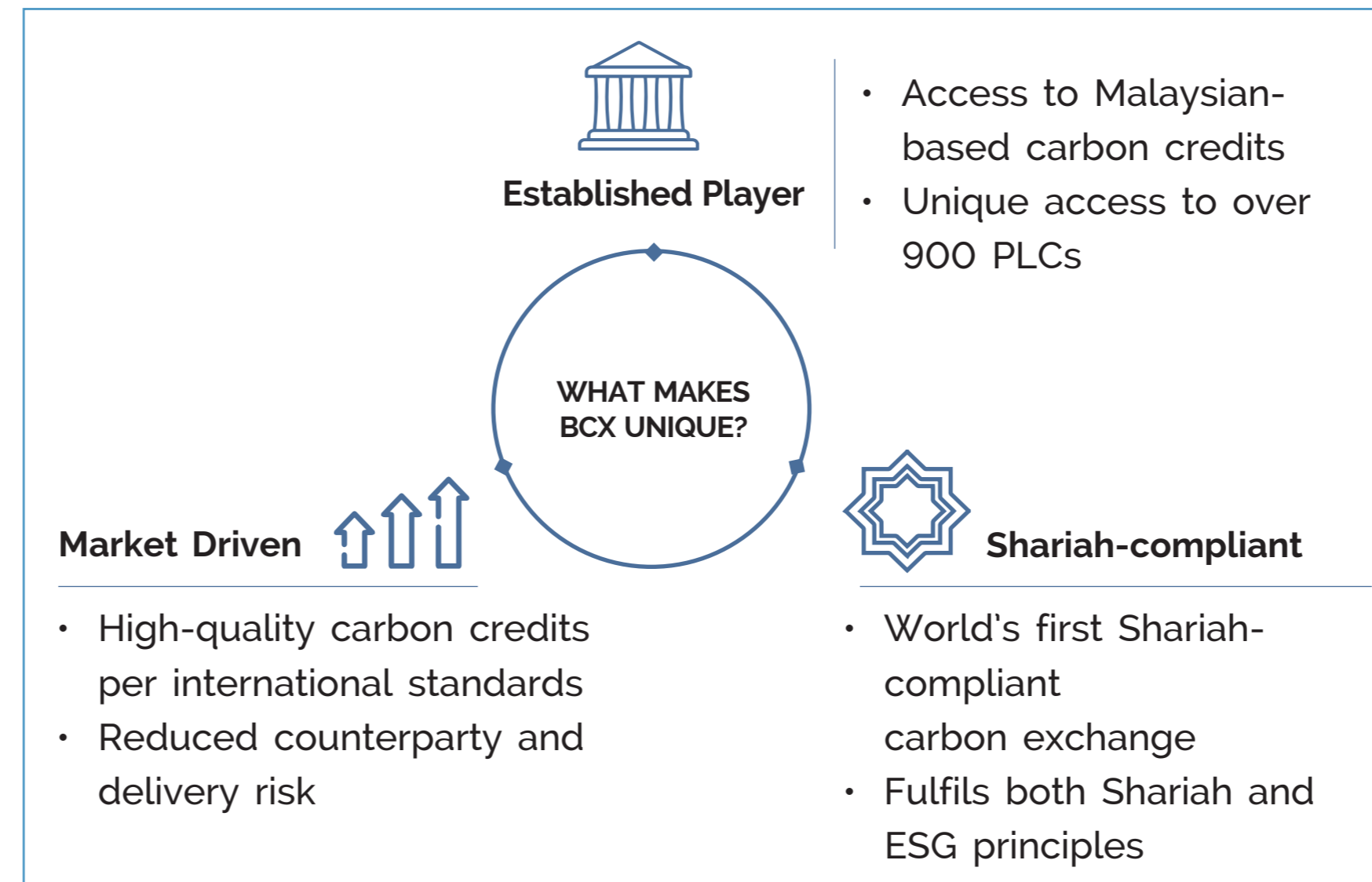
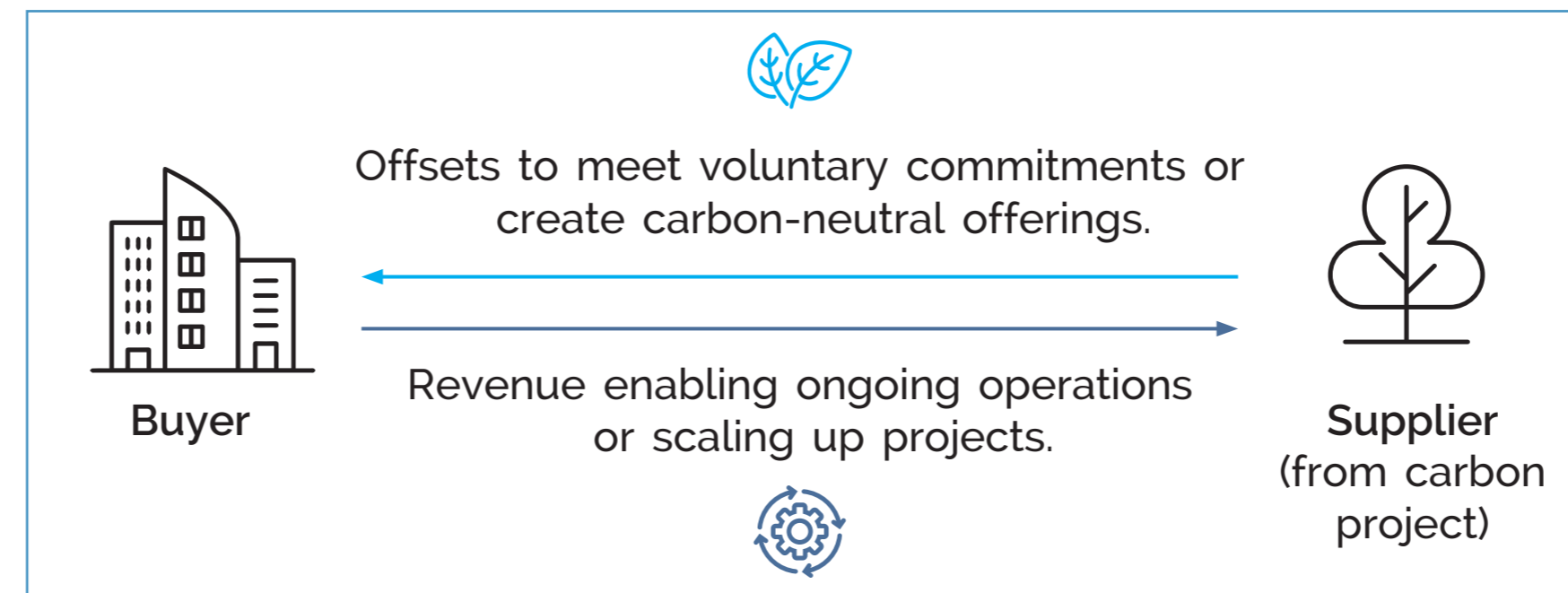
In December 2022, Bursa Malaysia launched the voluntary carbon market (VCM) exchange with the introduction of the Bursa Carbon Exchange (BCX). The launch of the BCX is part of the nation's commitment towards achieving net zero greenhouse gas (GHG) emissions as early as 2050. Launched to facilitate the trading of high-quality carbon credits via standardised carbon contracts, it is also in tandem with Bursa Malaysia's vision to become ASEAN's leading, sustainable and globally-connected marketplace. Additionally, it enables us to grow our suite of sustainability-themed products and services that create positive impacts for the planet and society.

The BCX is the world's first Shariah-compliant carbon exchange that enables corporates to take practical climate mitigation action through the trading of carbon credits from projects with measurable climate action outcomes that adhere to the international standards. As such, the BCX will catalyse green industries and accelerate our country's progress towards net zero GHG emissions by providing a platform to channel private financing to support climate-mitigating projects through the sales of verified carbon credits.

Going forward, Malaysia has a huge potential in providing carbon credits through both technology-based and nature-based solutions (NBS), given its forest coverage of 55% across the country. With this in mind, we will continue to facilitate the voluntary offsetting of carbon emissions by corporate organisations through our platform, while driving the development of domestic GHG reduction and removal solutions and projects in our joint efforts to combat climate change amid the increased global call for an accelerated transition to a low-carbon economy.

BURSA CARBON EXCHANGE

The BCX provides a rules-based and transparent approach for both buyers and sellers to transact standardised carbon contracts with underlying high-quality carbon credits and increases the accessibility and efficiency of the VCM to serve all stakeholders.



i On 12 May 2022, Bursa Malaysia signed an MOU with Verra to further strengthen the voluntary carbon market ecosystem in Malaysia. The Verified Carbon Standard, or better known as Verra, is a widely recognised standard in the voluntary carbon market, accounting for nearly 70% of voluntary carbon credit issuances globally.

“ With the launch of the BCX, we are taking a bold step towards creating a sustainable future for both our planet and our industries. The BCX not only provides organisations with the opportunity to offset carbon emissions, but also serves as a platform for innovation and progress in the fight against climate change. We are committed to driving positive change and making a lasting impact on the environment. **”**

– **Emilia Tee Yoke Hoong,**
Director of Group Sustainability

SECURITIES DONATION SCHEME

Bursa Malaysia fully recognises that the underprivileged and vulnerable segments of society must not be left behind. As we advance a multitude of initiatives that support the ESG agenda, we are mindful that doing good for people and planet is one of the core tenets of sustainability. This is why we have initiated a donation scheme that will enable investors to donate listed securities they own or proceeds from the sale of the listed securities to charities supported by Yayasan Bursa Malaysia (YBM).

Launched in November 2022, the Shares2share scheme is the second such share donation initiative in Southeast Asia and it has the support of 15 participating organisations. The scheme's features include the following:

Donors can donate their securities via Bursa Anywhere mobile application, in board lots or odd lots and there is no limitation on the number of securities that can be donated.

All 15 participating organisations will waive their broking commission and their portion of the central depository system (CDS) transfer fee.

Bursa Malaysia will waive the clearing fees of 0.03% and its portion of the CDS transfer fee.

Listed securities, excluded from the scheme are stocks listed on the LEAP Market, delisted stocks, Structured Warrants, Leveraged and Inverse Exchange Traded Funds, non-equity securities and securities classified as PN17 or GN3 securities.

The waiver of the various transaction fees was designed to ensure that donated amounts can be maximised under this scheme.

Nine beneficiary charities were selected by YBM to participate in this scheme and were chosen based on their contributions to the UN SDGs, among other criteria. The charities are Cancer Research Malaysia, Hope Mission Welfare Society, Malaysian Relief Agency Foundation, Mercy Malaysia, National Cancer Society Malaysia, Persatuan Kebajikan Mental Selangor, The Pure Life Society, United Voice and Yayasan Orang Buta Malaysia.



Shares2share Launch

The 15 participating organisations that facilitate the transfer of the listed securities by the donors to Shares2share are:

1. Affin Hwang Investment Bank Bhd
2. AmlInvestment Bank Bhd
3. Apex Securities Bhd
4. BIMB Securities Sdn Bhd
5. CGS-CIMB Securities Malaysia Sdn Bhd
6. Hong Leong Investment Bank Bhd
7. Inter-Pacific Securities Sdn Bhd
8. KAF Equities Sdn Bhd
9. M & A Securities Sdn Bhd
10. Malacca Securities Sdn Bhd
11. Maybank Investment Bank Bhd
12. MIDF Amanah Investment Bank Bhd
13. Public Investment Bank Bhd
14. RHB Investment Bank Bhd
15. TA Securities Holdings Bhd

“Shares2share is another example of how we can use our unique role to positively impact society, by rallying market participants towards corporate social responsibility and providing an additional funding avenue for charitable organisations to help generate positive impact for society.”

– **Emilia Tee Yoke Hoong,**
Director of Group Sustainability



STRENGTHENING OUR CORE

**BURSA
MALAYSIA**

Strengthening Our Core

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We strive to provide a vibrant and resilient capital market through initiatives that strengthen the core of our business. This includes creating value for our stakeholders, ensuring market integrity and stability, and protecting the data privacy of our stakeholders. We also actively promote education and capacity building among our market participants so that they are equipped with the necessary knowledge to succeed in the ecosystem.

Supporting UN SDGs:



Economic Performance

WHY IT MATTERS

The private sector plays a critical role in driving economic growth. Companies and their business activities can increase the productive capacity of an economy, create jobs and drive technological innovation. As the national stock exchange of Malaysia, we are even more conscious of the role that we play as the performance of the stock market is often a reflection of the country's economic progress and may have an impact on investor confidence.

AT A GLANCE



Key Progress:

- Refer to Financial Review on page 62 to 63 of IAR 2022



Relevant Indicators:

- RM226.6 million Profit After Tax and Zakat, decreased 36.2% year-on-year
- RM214.5 million distributed as dividends to shareholders



OUR SUSTAINABILITY POLICY COMMITMENTS

- Adopt the principles of proportionality and transparency
- Provide inclusive and accessible market

OUR APPROACH

Our ability to generate and preserve value for our stakeholders is the parameter that we use to define our economic performance. As the frontline regulator and market operator, we have an even bigger role to help build the local economy. We serve a wide-ranging group of stakeholders through various approaches and channels, as specified below:

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.



For more information on the Group's Dividend Policy, please refer to our website.

EMPLOYEES

▶ In addition to creating value through competitive remuneration, we also create value by investing in their professional development. Simultaneously, we create a conducive and engaging workplace to help them realise their purpose and career goals.

SUPPLIERS

▶ We rely on third party products and services to ensure smooth daily operations and we create value for our suppliers through the procurement of products and services. We are aware of the importance of co-value creation and establishing strong relationships with suppliers. As such, we seek to further collaborate with our suppliers through strategic partnerships and programmes.



Read more about our supply chain management approach and initiatives on pages 96 to 97 of this report.

COMMUNITY

▶ One percent (1%) of our Profit After Tax has been pledged towards the funding of corporate social responsibility activities, and the funds will be channelled through our foundation, Yayasan Bursa Malaysia. These activities are aimed at creating a long-lasting, positive impact that will enrich our local communities.



Read more about our community investment approach and initiatives on pages 83 to 95 of this report.

GOVERNMENT

▶ We create value for the Government through the fulfilment of all our legal obligations and statutory duties, as well as our tax obligations. We are also active participants and supporters of government sustainability initiatives, including through the setting up of the voluntary carbon market, the Bursa Carbon Exchange.

OUR PROGRESS

Bursa Malaysia recorded a Profit After Tax and Zakat of RM226.6 million for the financial year ended 31 December 2022, a 36.2% reduction from the previous financial year. The decrease was mainly due to lower overall trading revenue contributions from the Securities Market, although it was partially offset by improved trading performance in the Derivatives Market and the Bursa Suq Al-Sila (BSAS) Islamic trading platform. Initial Public Offering (IPO) activities continued to strengthen in 2022 with 35 new listings, raising a total of RM3.5 billion. We have also implemented initiatives to further broaden our offerings towards our goal of becoming a sustainable and vibrant multi-asset Exchange with a diverse revenue stream.



Note: * The figures stated include committed amounts yet to be distributed.

📖 For more information on how we create value and our 2022 financial highlights, please refer to pages 34 to 42 of our IAR 2022.

MOVING FORWARD

We will continue implementing initiatives that will enhance our market competitiveness and our overall economic performance, which will in turn allow us to continue creating long-term economic value for our stakeholders, as well as contribute to the development of the Malaysian economy. As described above, our stakeholders have varied interests, and the value that we create must address the issues that are important to them. To do so, we will continue to drive sustainable growth within our organisation while continuing to identify the ways in which we can make a positive impact on the communities around us.

Market Integrity and Stability

WHY IT MATTERS

Ensuring market integrity and stability is vital for the sustainability of Bursa Malaysia as these lead to a market that is fair and efficient where participants can enjoy equal access and in an environment where price discovery and trading practices are conducted in a transparent manner. All of these have a ripple effect on the attractiveness of our market as they instil trust, lower systemic risk, and support capital raising activities.

AT A GLANCE



Key Progress:

- Refer to Marketplace Report: Fair and Orderly Markets on page 126 to 131 of IAR 2022



Relevant Indicators:

- Refer to the Performance Data Table in Appendices on page 142 of this report
- No suspension of counter/stock due to/related to erratic trading

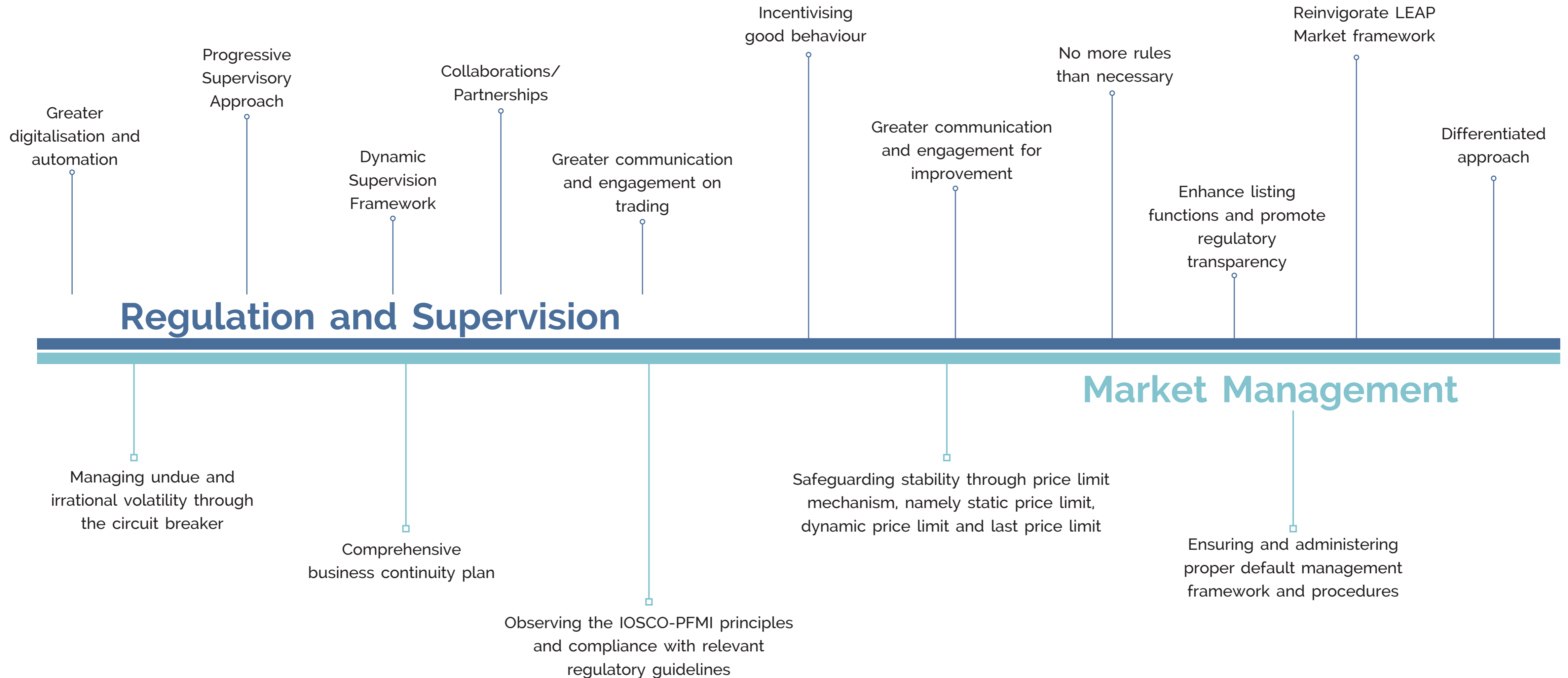


OUR SUSTAINABILITY POLICY COMMITMENTS

- Adopt the principles of proportionality and transparency
- Promote high business conduct among our intermediaries

OUR APPROACH

It is our duty as the frontline regulator and market operator to ensure a fair and orderly market in the trading of securities and derivatives, as well as protecting the interests of investors. We remain guided by our three-year Regulatory Plan and statutory obligations with the following principles.



OUR PROGRESS

Regulation and Supervision

We remain guided by a robust regulatory framework that provides the necessary rules and regulations for a fair and orderly market. Additionally, we engage with our intermediaries regularly, in particular on the adoption of principles and recommendations.

In 2022, we conducted a post implementation review to gauge the level of intermediaries' adoption of the principles and recommendations of the governance standards and best practices issued by Bursa Malaysia. The communication on "Governance Standards & Best Practices for POs and TPs" was issued in 2017 with the aim to strengthen governance practices. The review will facilitate regulatory intervention where necessary to promote sound governance practices.

For more information on our regulation and supervision, please refer to pages 126 to 131 of our IAR 2022.

Market 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. In 2022, we implemented educational initiatives and programmes and assessed the industry's understanding of the issues pertinent to Market Surveillance. We hosted the Market Inter Surveillance Group (MISG) for Derivatives and Equities Surveillance on 21 and 26 October 2022 respectively to provide latest updates pertaining to surveillance practices and concerns. In addition, we are improving our surveillance capabilities through an exercise to optimise our existing surveillance system alerts and have scheduled implementation in 2023.

Further to that, we have in place market management and control mechanisms, namely the dynamic price limit and the static price limit for all securities traded on Bursa Malaysia Securities, and the Circuit Breaker based on movement of the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI).

For more information on our surveillance initiatives, please refer to pages 128 to 129 of our IAR 2022

Trading Halt and Suspension

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 Main and ACE Market Listing Requirements and Paragraph 8.04 of the LEAP Market Listing Requirements. In 2022, there were 101 occasions of trading halts imposed arising from the announcements made by listed issuers. The average trading halt was one hour.



Julian M Hashim, our Chief Regulatory Officer, providing his opening remarks at the MISG event

MOVING FORWARD

We are committed to consistently reviewing, updating and strengthening our approach to regulation and market operations to ensure integrity and stability in the market. We will continue to fulfil our responsibility by putting in place effective processes and actions that are timely, fair, independent and transparent.

Education and Capacity Building

WHY IT MATTERS

Market participants are an integral part of our business ecosystem who can directly impact the effectiveness and resilience of the capital market. Thus, we invest in education and capacity building initiatives to increase their level of investment sophistication, build their capabilities, and ensure that they have sufficient knowledge and skill sets to navigate the capital market's complex ecosystem confidently. Our market participants are important resources necessary to our operational success and sustainability.

AT A GLANCE



Key Progress:

- Published five digital guidebooks under the Public Listed Companies Transformation Programme
- Launched the Bursa Research Incentive Scheme to address the lack of trading activity within the inactive and under researched stock segment
- Organised the second annual virtual Bursa Marketplace Fair
- Launched the #MyFirstTrade# campaign in conjunction with International Women's Day
- Hosted the Karnival Saham Bersama Bursa Malaysia with Yayasan Pahang to educate the public about the importance of investing early and responsibly in the stock market
- Organised the Bursa Investment Quiz Competition (BIQ) 2022
- Organised the Bursa Inter-Varsity Stock Challenge 2022
- Hosted the 33rd Annual Palm and Lauric Oils Price Outlook Conference and Exhibition (POC)
- Organised the inaugural East Malaysia Palm and Lauric Oils Price Outlook Conference and Exhibition (emPOC)
- Organised the 2nd Derivatives Virtual Trading Challenge (DVTC)



Relevant Indicators:

- 3,101 participants attended our advocacy programmes for PLCs
- 4,240 participants from Participating Organisations, Trading Participants, Clearing Participants and Non-Trading Clearing Participants attended our training sessions
- 172,024 participants attended our investor education programmes on securities, derivatives and Islamic capital markets
- Over 2,000 participants attended the second annual virtual Bursa Marketplace Fair
- 1,062 participants attended the six webinars targeted for women investors to address gender investing gap in the stock market
- 801 individuals attended the 'Karnival Saham Bersama Bursa Malaysia'
- 1,439 registered participants took part in the BIQ competition
- 1,185 individual participants, via 730 teams from eight universities across the nation competed in the Bursa Inter-Varsity Stock Challenge
- 873 delegates from 12 countries attended the physical Annual POC
- 360 delegates attended emPOC
- 4,467 participants with 158 university teams competed in the second DVTC
- Recorded 712,971 page views and 160,779 visitors on the Bursa Academy website
- Recorded 364,130 page views and 151,140 visitors on the Bursa Sustain website
- Completed 33 initiatives with 4,779 participants for our Bursa Young Investor Club
- Conducted 31 sessions of Sens-Ability programme and attended by 4,377 individuals



OUR SUSTAINABILITY POLICY COMMITMENTS

- Provide an inclusive and accessible market
- Advocate sustainability and facilitate capacity building
- Promote education for communities

OUR APPROACH

We design our education and capacity building initiatives to focus on the needs of each of our stakeholder groups. We couple this with research, including the analysis of market trends, the mapping of potential risk areas, data obtained from on and off-site monitoring, targeted stakeholder consultations and post-event analytics. By taking this approach, we ensure that our programmes remain topical and relevant to the unique needs of our stakeholders.

In addition, we work closely with industry partners, intermediaries and training providers to ensure that our programmes and initiatives meet the objectives outlined below. We also conduct our programmes in different languages where possible, namely in English, Bahasa Malaysia and Mandarin, to better cater to the needs of our ethnically diverse retail investors.



OUR PROGRESS

Last year saw us continuing to widen our reach to stakeholders through various initiatives, particularly through our digital platforms, to deliver our goal of educating and building awareness among our stakeholder groups. Our initiatives in 2022 were extensive, ranging from the publication of comprehensive guidebooks, consultations and briefings as well as trading challenges, to engaging and informing our stakeholders about capital market developments.

Public Listed Companies (PLCs)

In 2022, we continued to deliver various workshops and programmes aimed at raising the level of corporate governance and risk management among others. These are outlined in the following table:

Programmes	No. of Sessions	No. of Attendees
Raising the Standards of Board Governance: The Role of Company Secretaries	1	70
Bursa Malaysia Immersive Session: The Board "Agender"	4	114
Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	4	500
Thematic Index Seminars	2	185
TCFD 101 Training Workshop - Getting Started with Climate-Related Financial Reporting	1	439
TCFD 102 Training Workshop - Building Experience in Climate-Related Financial Reporting	1	448
Workshop on Climate Change for Directors and Senior Management of PLCs	3	83
Workshop on Climate Change for PLCs: Measuring and Managing GHG Emissions	4	60
TOTAL	20	1,899

We made a significant contribution to the development of Corporate Malaysia through the publication of five digital guidebooks under the Public Listed Companies Transformation (PLCT) Programme. We also organised dedicated webinars and panel discussions to educate the participating PLCs and promote the programme.

Programmes	No. of Sessions	No. of Attendees
PLCT Programme – Webinars	4	920
PLCT Programme – Panel Discussions	4	282
TOTAL	8	1,202



PLCT Programme

The PLCT Programme, which was launched in March 2022, aims to drive higher performance among our PLCs and thereby increase the attractiveness of the Malaysian market. Each of the five guidebooks contains best practices, guidance, case studies and useful tools to help PLCs reflect on and adopt the relevant best practices into their own businesses and operations. The guidebooks cover specific developmental pillars, and the entire set comprises the following:

Guidebook 1	Guidebook 2	Guidebook 3	Guidebook 4	Guidebook 5
Creating Purpose and Performance Driven PLCs	Sustainable, Socially Responsible and Ethical PLCs	Strengthening Stakeholder Management and Investor Relations	Being Digitally Enabled	Contributing Towards Nation Building
Launch date: 2 March 2022	Launch date: 10 June 2022	Launch date: 19 August 2022	Launch date: 5 December 2022	Launch date: 5 December 2022

Guidebook 2, in particular, provides PLCs with practical guidance on the key components of a well-defined ESG approach and how PLCs can define their strategy, initiatives and metrics for an improved impact. Collectively, the books help PLCs better position themselves locally, regionally and globally, while generating sustainable value for all stakeholders.

The next step forward under the PLCT programme is for the Exchange to continuously engage participating PLCs until the end of the programme in 2025, to identify and address gaps in performance. For example, we will conduct targeted webinars or workshops based on topics of interest or on the needs of participating PLCs.

Bursa Research Incentive Scheme (RISE)

Bursa RISE was launched on 28 March 2022 to address the lack of trading activity within the inactive and under researched stock segment. Bursa RISE complements and supports the PLCT programme by boosting the corporate profile of participating companies through research coverage and marketing activities. Bursa RISE also contains investor relations and public relations components, supporting the efforts of participating PLCs to better engage with their stakeholders, shareholders, the investment community, the media and the general public. The stock prices of the 60 participating PLCs had risen by an average of 8.5% by the end of the year despite the overall negative market sentiment.

Intermediaries

Various engagement sessions were held in 2022 for our intermediaries, namely Participating Organisations (POs), Trading Participants (TPs), Clearing Participants (CPs), Non-Trading Clearing Participants (NTCPs), Authorised Depository Agents (ADAs) and Authorised Direct Members (ADMs). The aim of these sessions was to raise awareness on various regulatory and operational issues, as well as other topics related to the capital market. The following table provides an overview of these sessions.

Programmes	No. of Sessions	No. of Attendees
Trading Practices and Business Conduct Webinars	8	798
Workshop on Governance and Risk Management for Senior Management of Intermediaries	1	100
Strategies for Risk and Money Management in Stock Investing	15	1,489
Webinar for Dealer Representative (DRs)/Registered Representatives (RRs) on Financial Crime and Market Misconduct	1	500
Webinar for Heads of Operations/Dealing/Compliance/Futures on Fundamentals of Digital Assets and Blockchain and Securities Post-Trade Market Practices	1	296
Webinar for DRs/RRs on Applying Economic Indicators and Identifying Growth Companies	1	701
Workshop on cyber security for Directors and Senior Management of Intermediaries	1	128
Governance and Risk Management	1	100
Addressing And Responding to Growing and More Complex Threat of cyber security	1	128
TOTAL	30	4,240

Investors

Our educational and capacity building programmes were tailored for a diverse range of investors, offering webinars aimed at beginners to advanced investors. We leveraged on our digital platforms to communicate information and awareness about investing in the capital market, as well as to further educate investors on the investment products and services available at Bursa Malaysia. Our priority was to ensure that investors were able to make well-informed decisions that suited their risk appetite and investment needs.

These programmes were designed for the three markets, namely the Securities, Derivatives and Islamic Equities markets. They also took on various forms – from webinars to gamification and experiential learning sessions, taking into consideration factors such as the targeted demographics and accessibility.

Focus Area **Securities Market**

We delivered various webinar sessions to investors to enhance their knowledge and understanding of the equities market. The programmes were divided into distinct categories corresponding to the investment experience and knowledge level of the investors, as summarised in the table below.

Market	Target investors	No. of Sessions	No. of Attendees
Equities	Beginners	40	13,689
	Intermediate	20	8,500
	Advanced	15	6,951
TOTAL		75	29,140

Bursa Marketplace Fair

Our second annual virtual Bursa Marketplace Fair was held in July 2022 to help new and existing investors gain greater insights into the capital market. The fair focused on four community segments: beginner investors, seasoned investors, female investors as well as millennial investors. Equal emphasis was placed on conventional and Shariah-compliant investing in both the equities and derivatives markets. Senior representatives from Main Market-listed companies also participated in the fair, sharing their corporate growth plans and strategies with participants.



A total of 15 organisations and regulatory bodies participated in the fair to showcase their products and services. We also promoted Bursa Academy, Bursa Marketplace and Bursa Anywhere to the participants to learn more about Bursa Malaysia’s offerings. Over 2,000 virtual participants from across the country attended the fair.

#MyFirstTrade# Campaign

Bursa Malaysia launched the #MyFirstTrade# campaign in March 2022 in conjunction with International Women’s Day and Ring the Bell for Gender Equality ceremony. The campaign invited female investors to share their inspirational first-time trading experiences to encourage more women to begin their investing journey in the market. These stories were featured on the Equality4Equity page on Bursa Marketplace as well as our social media platforms as part of our efforts to increase women participation in our marketplace. Bursa Malaysia and participating brokers also waived their respective portion of the CDS account opening fees for the first 4,000 women who opened new accounts via Bursa Anywhere for the duration of the campaign.

In November 2022, we continued the Equality4Equity campaign to address gender investing gap in the stock market by conducting six webinars for women investors, which attracted 1,062 participants. We also organised a “What Inspires You to Invest” video contest for female participants, who submitted 11 motivational videos that were later shared on the Equality4Equity website.

Karnival Saham bersama Bursa Malaysia

Karnival Saham bersama Bursa Malaysia, held jointly with Yayasan Pahang, was aimed at educating the public about the importance of investing early and responsibly in the stock market. Themed ‘Labur Hari Ini Untuk Mampan Masa Hadapan’, the one-day event comprised various financial talks and activities for the entire family, such as games and food trucks. The carnival that was held on 3 September 2022 attracted 801 individuals.



Lucky Draw Announcements by Ms. Emilia Tee Yoke Hoong, Director of Group Sustainability



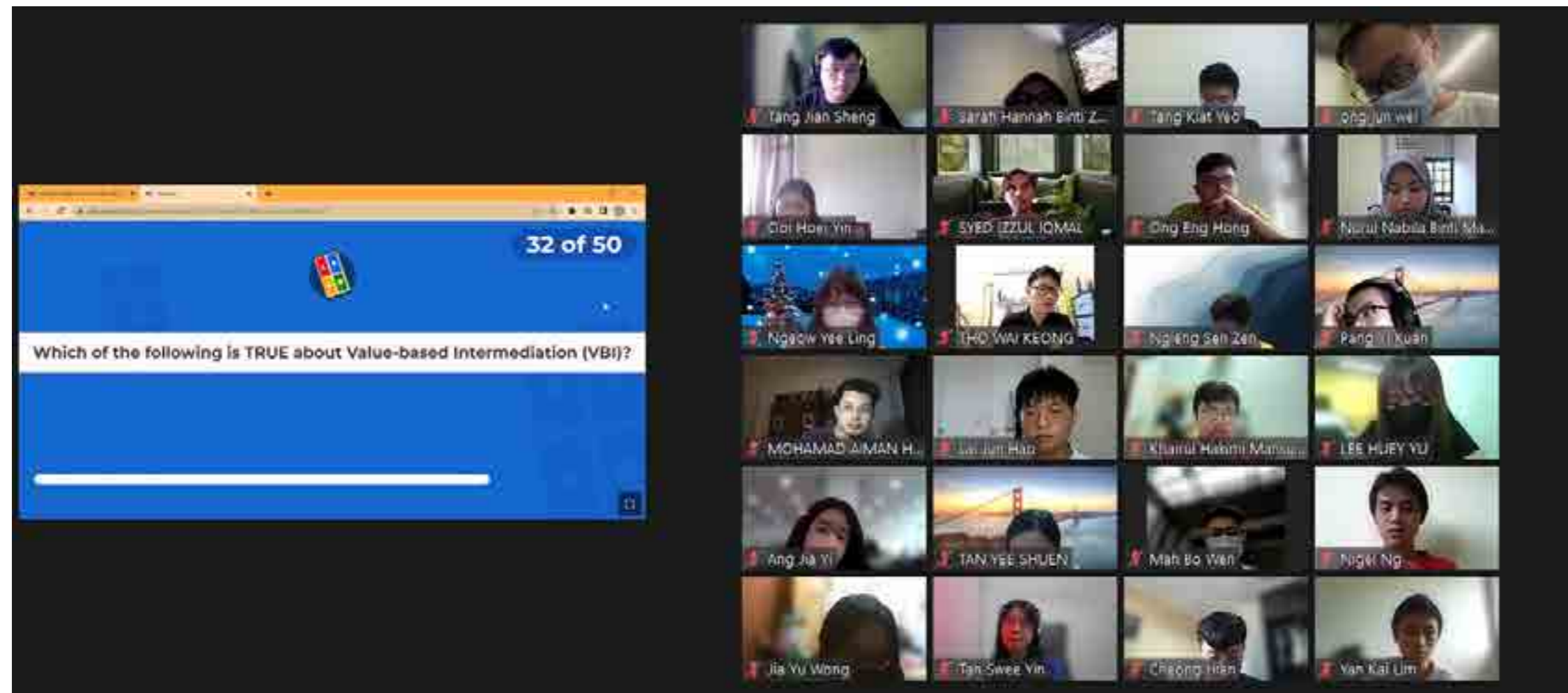
The launch of Karnival Saham bersama Bursa Malaysia

Bursa Investment Quiz (BIQ) Competition 2022

The BIQ Competition 2022, held between October and November of 2022, was a nationwide investment quiz designed to improve investment literacy among youths in Malaysia. It was conducted virtually via the Zoom and Kahoot! platforms in collaboration with sponsoring partners, namely, AmlInvestment Bank Berhad, CGS-CIMB Securities Sdn Bhd, Hong Leong Investment Bank Berhad, Public Investment Bank Berhad and the Securities Industry Dispute Resolution Centre (SIDREC). An open competition, BIQ targeted several key objectives:



The BIQ Competition 2022 targeted Malaysian youths between the ages of 18 and 25 and saw a total of 1,439 registered participants.



The Grand Finale of Bursa Investment Quiz 2022

Bursa Inter-Varsity Stock Challenge 2022

The Bursa Inter-Varsity Stock Challenge 2022 was a competition opened only to college and university students in Malaysia who were enrolled in participating universities. The objective of the Bursa Inter-Varsity Stock Challenge was to create investment awareness and provide students with a simulated trading experience. The competition ran from August to November 2022 during which time participants traded eligible securities in an environment that simulated pricing movements in real-time.

Each participating team was allocated a virtual startup capital of RM100,000 and required to perform virtual trades using the simulator hosted on the Bursa Academy website. Guidance and mentoring were provided by Bursa Inter-Varsity Stock Challenge partner brokers, namely AmlInvestment Bank Berhad, CGS-CIMB Securities Sdn Bhd, Public Investment Bank Berhad and RHB Investment Bank Berhad. The partner brokers provided participants with access to all relevant research reports and analytics, in addition to coaching the participants on trading strategies.

For the finale, shortlisted participants presented their investing principles and strategies to a panel of judges. The competition saw the participation of 1,185 individuals and 730 teams from eight universities across the nation.



Winners of the Bursa Inter-Varsity Stock Challenge 2022

Focus Area

Derivatives Market

Given the complexity of derivatives, we continued to engage investors with specially designed programmes to increase awareness and educate on the advantages of trading in this market. Simulated workshops were also conducted to increase the understanding of risk management and hedging using derivatives. The table below provides a breakdown of the sessions held in 2022.

Market	Target investors	No. of Sessions	No. of Attendees
Derivatives	Beginners	36	4,613
	Intermediate	17	5,036
TOTAL		53	9,649

We organised more than 60 events in 2022 and attracted close to 30,000 participants, with the intent to educate the targeted investors on the derivatives products we offer. These included our annual flagship event, the Annual Palm and Lauric Oils Price Outlook Conference and Exhibition and the inaugural East Malaysia Palm and Lauric Oils Price Outlook Conference and Exhibition.

Annual Palm and Lauric Oils Price Outlook Conference and Exhibition (POC)

The 33rd POC was held from 7 to 9 March 2022. The event provided valuable networking opportunities for participants and served as a forum to deliberate on topics surrounding the supply and demand of major edible oils, the industry’s most pressing issues, market trends and trade possibilities. It was also the key platform for Bursa Malaysia Derivatives (BMD) to promote its star product, the Crude Palm Oil Futures (FCPO) contract, to international participants and institutional users and to facilitate business matching between players in the edible oils business. Although Malaysia’s international borders were closed to most travellers, the event attracted 873 delegates from 12 countries, demonstrating the strong demand for information on palm oil prices and industry development from market participants.

East Malaysia Palm and Lauric Oils Price Outlook Conference and Exhibition (emPOC)

Our inaugural emPOC2022 was held from 12 to 13 October 2022 with the aim of bringing the East Malaysia palm oil industry to the global stage. It provided visibility to ongoing sustainability and conservation efforts in Sabah and Sarawak. It also served as a platform to upskill palm oil players in East Malaysia by providing necessary education on price risk management.

The event attracted 360 delegates and feedback from industry players was encouraging. Additionally, emPOC2022 was endorsed by Sabah and Sarawak state governments as an initiative that supported the growth of the East Malaysia palm oil industry.



Panel Discussion during the emPOC2022

Derivatives Virtual Trading Challenge (DVTC)

Bursa Malaysia’s second DVTC ran from September to December 2022, with the aim of raising awareness and interest in the Malaysian derivatives market among millennial investors and undergraduates. The competition, a form of experiential learning, provided essential knowledge for new traders to begin trading derivatives instruments. Participants competed in a simulated environment that mirrored the live futures markets via the BursaMKTPLC Derivatives Trading Simulator. This year, the campaign was divided into two categories: individual for public retail investors, and university team for university students. Given the lack of understanding among university students, we held familiarisation sessions via webinars, and campus tours conducted in partnership with Bursa Young Investor Club. A total of 4,467 participants, with 158 university teams competed in the event in 2022. 66% of registered participants were new to derivatives instruments at the point of participation.

Focus Area

Islamic Capital Market

The programmes under Islamic Capital Market were aimed at promoting and educating investors on Shariah-compliant investment products and services, as well as the general concept of Shariah investing. Besides the series of webinars, initiatives were conducted by leveraging on the Bursa Academy platform and partnerships with Islamic brokers to conduct sessions under the Shariah Investing Retail Programmes. The following table provides a breakdown of the sessions held for our retail investor segments.

Programmes	No. of Sessions	No. of Attendees
Islamic Equities Webinars under Bursa Academy	30	12,157
Invest Shariah Seminar/Workshop/Webinar Series	273	121,078
TOTAL	303	133,235

Investment Clubs

The Bursa Young Investor Club (BYIC) is our flagship investment club, aimed at educating undergraduate students at local universities on investments on Bursa Malaysia. We have established 28 clubs in universities across the nation since launching this initiative in 2014. In 2022, we completed 33 initiatives with 4,779 participants.

Digital Platforms

Bursa Academy

Bursa Malaysia leverages the use of digital technology to effectively reach large segments of the population and promote financial inclusion through its e-learning platform, Bursa Academy. Launched in June 2020, the e-learning platform, which combines an informal learning experience with a comprehensive overview of the capital market, allows users to access the portal anytime and anywhere, enabling self-paced learning experience. The platform's content is suitable for all levels of investors and has been designed to complement other educational initiatives to form a comprehensive educational programme that boosts Malaysia's financial and investment literacy. Bursa Academy holds a vast repository of information covering key aspects of the capital market in three major languages: English, Bahasa Malaysia and Mandarin.

	2020	2021	2022
No. of page views	398,722	796,284	712,971
No. of visitors	93,019	186,406	160,779

Bursa Sustain

Bursa Sustain is an online information repository designed to support the efforts of PLCs and other stakeholders to improve their corporate governance, sustainability performance and investment practices. The website continued to gain traction in 2022, recording 364,130 page views from 151,140 visitors as compared against 221,047 page views from 80,727 visitors in the previous year. Growth in interest was driven by our efforts to enhance content across the three pillars.

	2020	2021	2022
No. of page views	144,146	221,047	364,130
No. of visitors	46,849	80,727	151,140

Community Groups

Sens-Ability

Our flagship CSR programme, Sens-Ability, is aimed at improving the financial and investment literacy levels of the general public. A total of 31 sessions attended by 4,377 individuals were held in 2022, targeting individuals from non-governmental organisations, universities and PLCs, among others. Sens-Ability is conducted virtually for free and any individual can attend the sessions. We also conduct private sessions upon request.

Sens-Ability Content

01 Personal Finance

focusing on personal money management, budgeting and savings.

02 Financial Frauds and Scams

to educate the general public on frauds and scams by sharing information such as fraud statistics, types of scams and warning signs.

03 Investing Insights

to create awareness about investments on Bursa Malaysia and how individuals can invest to grow their wealth over time.

MOVING FORWARD

Providing education and building capacity to our stakeholders is a key focus area for Bursa Malaysia, and important for securing the long-term sustainability of our capital market. We will continue to drive further improvements across the Malaysian capital market ecosystem through education by delivering structured and targeted programmes. For the immediate future, one of our key priorities is to support the PLCT programme and ensure that participating PLCs receive the education and training they need to meet their transformational goals. Our approach in this area is comprehensive, focusing on all key developmental pillars, and particularly on ESG issues which are relatively new to Malaysia. The next year will also see the launch of the Futures Trading Apprenticeship programme, which will be instrumental in further boosting participation in the derivatives market. This will be a key priority for us, as interest in derivatives trading continues to lag relative to securities trading.

Cyber Security and **Customer Privacy**

WHY IT MATTERS

As an exchange, we process a huge amount of information and data every day. As such, we continually strive to safeguard and protect the privacy of our customer data. We are committed to ensuring a strong cyber security system and safeguarding all information and data including our IT systems, networks and applications against cyber threats.

AT A GLANCE



Key Progress:

- Completed the recertification audit for ISO27001 for Information Security Management System
- Continued to raise awareness on cyber security among our employees and intermediaries
- Continued to strengthen security controls and processes



Relevant Indicator:

- No material breaches or substantiated complaints concerning cyber security or customer privacy were reported in 2022



OUR SUSTAINABILITY POLICY COMMITMENTS

- Provide secure, reliable and resilient systems

OUR APPROACH

We continue to employ a comprehensive approach to protecting the personal data of our stakeholders. In 2022, we remained vigilant against cyber threats through an enhanced cyber security system and awareness programmes and initiatives.

Safeguarding our cyber security system and managing customer privacy

We monitor, manage and track the cyber security health of Bursa Malaysia as part of our daily standard practice. In addition, we equip our system with a data leakage prevention system. We also undertake incident response and internal drill exercises to identify and address potential gaps. Beyond that, we ensure that our business processes are in line with recognised standards by striving to maintain an independent external audit certification for ISO27001 Information Security Management System.

Furthermore, various incident responses and internal drill exercises are conducted to identify and address potential gaps. We remain guided by our Cyber Security Strategy Roadmap 2020-2023, which aims to enhance our cyber security controls amid rapidly evolving cyber security threats.

Bursa Malaysia's technology, cyber security and customer privacy management are governed by the Technology and Cybersecurity Committee (TCC). Established in 2019 by the Board of Directors, the TCC ensures that Bursa Malaysia continuously prevents and mitigates cyber risks through a holistic approach.

Strengthening our intermediaries' system

We continue to engage and educate our intermediaries to effectively respond to cyber threats by supervising their cyber security measures and organising educational and engagement programmes, including the issuance of industry communications (ICON). Our efforts will further strengthen the cyber security systems of our intermediaries, whose business conduct and self-regulation practices have achieved a satisfactory standard.

Safeguarding Central Depository System (CDS) Information

We are committed to fulfilling our statutory duty of protecting depositors' information against any unauthorised access, alteration, disclosure or dissemination. We comply with the Securities Industry (Central Depositories) Act 1991 (SICDA) and have implemented the following measures that are in accordance with the requirements of Section 42 of SICDA to safeguard and protect our CDS account holders' data and privacy:

Access to CDS information by Bursa Malaysia Depository is governed by user access guidelines and is restricted to authorised personnel only.

All outgoing emails from Bursa Malaysia Depository containing CDS information must be verified and approved prior to release.

Electronic statements or notices sent via email to depositors are password protected.

OUR PROGRESS

Information Security Management System (ISMS)

We constantly ensure the resilience of our protection against cyber threats by striving to align our security system to meet the high standards required by ISO27001 for ISMS. In 2022, we once again completed the re-certification audit for all critical services and achieved our aim of implementing adequate and appropriate information security measures as set out by the ISO requirements.

Increasing Awareness

We continue to raise awareness on cyber security among our employees through various programmes. In 2022, we conducted two social engineering tests to assess and improve the cyber security awareness of the organisation and have included "Cyber Security at Workplace" in our mandatory e-learning module as part of the new employee induction training. We also conducted several cyber security awareness sessions for our board of directors and employees to enhance their knowledge on emerging trends of cyber threats.

Programme	Session	Date	Target Audience
Emerging Cyber Security Trends and Cyber Threats in Capital Market	2	15 and 22 September 2022	Employees
Building Over-the-Horizon Defensive Capabilities in Mitigating Cyber Threats	2	20 and 30 September 2022	Employees
The Art of Cyber Defense	1	31 October 2022	Board of Directors

On the intermediaries' front, we issued a set of good practices guidelines in October 2022 based on best market and industry practices to allow intermediaries to adopt or prioritise best practice approaches to strengthen their cyber resilience. While the guidelines are not mandatory, they supplement the existing rules and requirements to enhance the intermediaries' practices.

Continuous Enhancement of Our Security Systems

We constantly look out for gaps and identify areas in our cyber security system that need to be enhanced to remain vigilant against cyber threats. In 2022, we undertook several initiatives to strengthen our security controls and processes, such as:

- Zero-Trust Network VPN project to enhance Bursa Malaysia's internal and external security posture by securing remote access connectivity from an external network into Bursa Malaysia's environment.
- Continuous Breach and Attack Simulation (BAS) project to further improve our cyber security posture by continuously assessing Bursa Malaysia's security control and overall security health.
- Data Leakage Preventions (DLP) initiative to enhance Bursa Malaysia'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 2022. We continued to remain vigilant in this area.

MOVING FORWARD

We will remain vigilant and highly committed to upholding strong information and data protection to mitigate cyber threats, which can impact our operations internally as well as the wider capital market. We will continue to put in place a robust cyber security system to mitigate disruptions to our operations and detect and deter potential cyber attacks. We will also step up on awareness programmes on cyber threats and conduct periodic communication for our employees in 2023 to further strengthen our cyber security resilience.

DRIVING OUR GROWTH

PRIORITY
AREA 2

Driving Our Growth

Sustainable Finance	37
Innovation and Technology Excellence	48

We are committed to growing responsibly by leveraging on innovation, technology and trends that shape the sustainable finance ecosystem to meet the needs of the capital market. Driving sustainable growth will help us build a resilient ecosystem that will create value for all.

Supporting UN SDGs:



Sustainable Finance

WHY IT MATTERS

There has been a steady gathering of momentum with respect to the development of sustainable finance in both the Islamic and conventional capital markets. This comes as a result of growing global interest in values-based investing, which has in turn called for the development of a more robust and vibrant sustainable and responsible investment (SRI) ecosystem that puts sustainable finance at the forefront.

In support of this objective, Bursa Malaysia has introduced new measures to enhance the environmental, social and governance (ESG) performance of our PLCs and further our commitment towards developing Shariah-compliant investing. As an exchange and an ESG proponent, we are focused on expanding the capabilities of the capital market ecosystem and launching new ESG-aligned products and services to unlock opportunities while generating long-lasting positive impacts for society and the environment.

AT A GLANCE



Key Progress:

- Continued to conduct engagement with our stakeholders on Shariah-compliant investments
- Continued to develop new Shariah-compliant SRI instruments to meet investor demands
- Launched two new ESG-themed indices: the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS)
- Signed a Memorandum of Understanding (MOU) with HSBC Amanah Malaysia Berhad and CIMB Group Holdings Berhad under the #financingESG initiative
- Signed an MOU with the London Stock Exchange Group to expand the calculation of ESG scores to all PLCs listed on the Main and ACE Markets
- Held the inaugural The Edge ESG Awards together with the The Edge Communications Sdn Bhd and FTSE Russell to honour the PLCs with the best ESG performance track record
- Signed an MOU with the Malaysian Palm Oil Certification Council to share information and knowledge, including exploring opportunities to develop and promote sustainability-related initiatives in the palm oil industry
- Launched the F4GBM Index Futures contract that tracks sustainability screened constituents based on the FTSE4Good index series
- Launched Bursa Carbon Exchange, the world's first Shariah-compliant carbon exchange that enables companies to list and trade voluntary carbon credits
- Launched the enhanced Sustainability Reporting Framework to elevate the sustainability practices and disclosures of our PLCs
- Continued to contribute towards global and domestic sustainability initiatives by being an active participant of various platforms



Relevant Indicators:

- Recorded an increase in the number of F4GBM Index constituents from 80 in 2021 to 98 in 2022, where 79 of them were Shariah-compliant and had been included in the F4GBMS Index
- Five newly listed SMEs in the LEAP Market
- RM2.8 billion disbursed by Amanah Ikhtiar Malaysia to the community through Bursa Suq Al-Sila' (BSAS) (up from RM1.4 billion in 2021)
- RM21.3 billion financing by cooperatives on BSAS (up from RM5.2 billion in 2021)
- 117 cooperatives trading on BSAS (increased from 101 in 2021)
- Improved average CG score for the Top 100 Malaysian PLCs from 101.7 in 2021 to 104.6 in 2022 in the Malaysian-ASEAN CG Scorecard by the Minority Shareholder Watch Group
- 30 out of the 48 Practices under the latest Malaysian Code of Corporate Governance with an adoption level of at least 90% were observed under the CG Monitor Report 2022



OUR SUSTAINABILITY POLICY COMMITMENTS

- Facilitate sustainable finance products
- Enhance availability of decision useful ESG information
- Promote adoption of good environmental practices among our Listed Issuers

OUR APPROACH

Our approach to sustainable finance takes on a multifaceted approach centred on three key areas:

Facilitating SRI products and services:
Enable and encourage sustainable investments through SRI products and services

Enhancing corporate governance (CG) and sustainability practices and disclosures:
Inculcate good CG and sustainability practices and disclosures by our PLCs

Participating in relevant committees, working groups and events:
Contribute to the active development of sustainable finance ecosystem through collaborations and leading the sustainable finance dialogue

1 FACILITATING SRI PRODUCTS AND SERVICES

OUR APPROACH

Alignment between Shariah and ESG

Values-based ESG and Shariah-compliant investing share similar objectives and goals that prioritise sustainable value creation. Our sustainable finance advocacy initiatives therefore, promote both Shariah-compliant securities as well as securities listed under the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index to retail and institutional investors via Bursa Malaysia-*i*. The platform serves as our fully integrated Shariah-compliant securities exchange platform and functions as a space for thought leadership to broadcast best practices and ideas related to Shariah-compliant investing.

Supporting these efforts is our Shariah Equity Market Strategy that aims to strengthen our visibility and leadership in the Islamic capital market through the development of innovative products and services that are aligned with Islamic and ESG principles. These programmes aim to spur greater growth and diversity of Islamic market participants and strengthen our capital market. Our programmes are aligned according to four focus areas:

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 on 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 on 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 visibility of the Islamic capital market space, boost segmental growth and attract greater investor participation.



FTSE4Good Bursa Malaysia Index (F4GBM)

The F4GBM Index is designed to measure the performance of Malaysian companies demonstrating specific ESG practices. Transparent management and clearly defined ESG criteria make the F4GBM Index a suitable tool to be used by a wide variety of market participants when creating or assessing ESG investment products. The F4GBM Index can be used in four main ways to support ESG investments:

- Financial products – as tools in the creation of index-tracking investments, financial instruments or fund products focused on ESG investment.
- Research – to identify companies with specific ESG practices.
- Reference – as a transparent and evolving global ESG standard against which companies can assess their progress and achievement.
- Benchmarking – as a benchmark index to track the performance of ESG investment portfolios.

The use of the F4GBM Index to steer investment flows provides clear incentives for companies to improve ESG performance and deliver outcomes sought by the investment community at large. In this respect, we continued to conduct one-on-one engagements with PLCs to promote the F4GBM Index.

Supporting ESG Investments

We support the growth of ESG investments through various strategies, making use of the methodology that underpins the FTSE4Good Bursa Malaysia (F4GBM) Index. Our 2022 efforts were focused on further developing the foundation for a holistic financial and investment ecosystem which enables other ecosystem players to collaborate towards sustainable finance and investments. To support our strategies, we held sustainability workshops and engaged with different market participants to help them understand the F4GBM inclusion criteria.

We collaborate with various stakeholders to further expand on our ESG-themed products and services, including working with banks for them to offer sustainability financing to PLCs making the ESG transition. We continuously seek to uncover opportunities to implement new initiatives and develop new tools to improve access to quality ESG data to meet the growing demand for reliable ESG information and to support investment processes and decision making. This is in line with the Exchange's mission of 'creating opportunities, growing value'.

Promoting the LEAP Market

Small and medium enterprises (SMEs) make up more than 90% of Malaysia's total business establishments and contribute to almost 40% of the country's annual Gross Domestic Product (GDP). Given its vital role in national economic growth, we acknowledge that supporting sustainable SME development will strengthen the national economy and financial system. We support the development of SMEs through the LEAP Market, which is an adviser-driven market which functions as a fundraising and investment platform exclusive to SMEs. In addition, we regularly engage with SMEs to raise awareness about the advantages of

listing on the LEAP Market and collaborate with government agencies and industry players. We also provide guidance and advice on the listing process to prospective SMEs.

Promoting Sustainability in Derivative Products

As an ESG proponent, we leverage on our derivatives market to advocate for sustainable agricultural practices in the palm oil supply chain. Bursa Malaysia Derivatives (BMD) requires sellers of Crude Palm Oil Futures (FCPO) and East Malaysian Palm Oil Futures (FEPO) to submit traceability documents when delivering crude palm oil (CPO) to Exchange-approved port tank installations. Physical delivery pursuant to a FCPO contract must be sourced from Palm Oil Mills that also fulfil requirements under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. These initiatives help to establish the provenance of the commodity to promote greater transparency and good agricultural practices which in turn fosters the development of sustainable practices in the palm oil supply chain.

Facilitation of Microfinancing to Underbanked Communities

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

Supporting the Nation's Transition to Low-Carbon Economy

We support Malaysia's climate goals for 2050 through the establishment of a voluntary carbon market, which can facilitate financing of projects and solutions that reduce, remove or avoid greenhouse gas (GHG) emissions.

OUR PROGRESS

Alignment Between Shariah and ESG

Engagement with Stakeholders

We conducted one-on-one engagements and roundtable sessions with potential ETF product issuers, market participants and institutional investors, including Government-linked Investment Companies (GLICs) to encourage and support the issuance of SRI-related investment instruments.

Sustainable and Responsible ETF

As part of our efforts to build and drive awareness about SRI, we organised a Roundtable Session on SRI ETFs in 2022 to facilitate discussion on the challenges in the ETF market. The session, a collaborative industry dialogue, was also aimed at gaining greater support from GLICs, including the Employees Provident Fund (EPF), Permodalan Nasional Berhad (PNB), Kumpulan Wang Persaraan (KWAP), Khazanah Nasional Berhad (KNB), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH) and Urusharta Jamaah Sdn Bhd (UJSB) to participate in this market segment.

Other than the GLICs, the event was also well attended by the representatives of key stakeholders, namely the Ministry of Finance, Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC), as well as three potential SRI ETF issuers: BIMB Investment Management Berhad, Value Partners Asset Management Malaysia Sdn Bhd and Kenanga Investors Berhad. Following the conclusion of the Roundtable Session, we held follow-up engagement sessions with the GLICs and ETF issuers to discuss potential issuance and listing of Shariah-compliant SRI-related ETFs and other investment assets in 2023.



Roundtable Session on SRI ETFs on 2 August 2022 at Le Meridien Hotel, Kuala Lumpur



Introduction of New Guidelines for Islamic Capital Market Products and Services (ICMPS)

The SC issued new guidelines for ICMPS which is the primary point of reference for all ICM products and services. The Guidelines introduced a new chapter dedicated to waqf as part of its aim to deepen and broaden the country's ICM offerings. This is an important development as it points to waqf as an important part of the SC's plan to harness Islamic social finance for SRI initiatives.

With this new addition, the expanded Waqf-Featured Fund Framework (WQ-FF Framework) now applies to listed funds such as Islamic REITs and Islamic ETFs. This will in turn give product issuers and investors greater options in terms of investing in products that allocate all or part of their returns towards socially impactful activities via waqf.

Developing New Shariah-compliant SRI Investment Instruments

The Exchange will continue its efforts to develop new Shariah-compliant SRI investment instruments to meet investor demands. This effectively broadens the range of sustainable products and creates a more facilitative and sustainable Shariah-compliant trading and investing ecosystem.

Series of Dialogue Sessions on Shariah-compliant Investment

It is important for us to keep the dialogue on Shariah-compliant investing current in order to obtain greater buy-in and participation from all market participants. These dialogue sessions are aimed at sharing information, building awareness and garnering support from key market players. Key events included:

- ***Invest Shariah Dialogue (ISD) 2022 Series***

On 13 April 2022, ISD 2022 was held in partnership with the Association of Shariah Advisors in Islamic Finance (ASAS) and Islamic Banking and Finance Institute Malaysia (IBFIM). Themed "Millenials & Gen Z: Embracing the Future of Investing", the Islamic finance thought leadership event discussed the impact of the next generation of investors on Islamic fintech and sustainable value creation. The ISD 2022 Series was a continuation of previous initiatives in 2021 and served as a platform for subject matter experts to discuss latest trends and topics, as well as Shariah-related concerns focusing on the Islamic capital market.

- ***Invest Shariah Industry Dialogue (ISID) 2022***

Bursa Malaysia organised ISID 2022, "Empowering the Halal Industry in the Islamic capital market", in partnership with the SC and Halal Development Corporation, to build awareness among industry players and potential companies on the methods and benefits of raising Shariah-compliant funds via the capital market through listing on Bursa Malaysia.

- ***Invest Shariah Corporate Conversation (ISCC) 2022 Series***

Bursa Malaysia continued its effort on institutional investors by organising two ISCC 2022 Series for institutional investors to further highlight the resilience and strength of Shariah-compliant investment assets:

- ***ISCC 2022 – Series 1***

This was held on 20 January 2022 in partnership with CGS-CIMB Securities. Themed "Every Dark Cloud Has a Silver Lining – Shariah Perspective", the event aimed to provide market and sectoral outlook and insights, as well as to showcase Shariah Public Listed Companies' performance and strategies to facilitate investors in making better investment decisions.

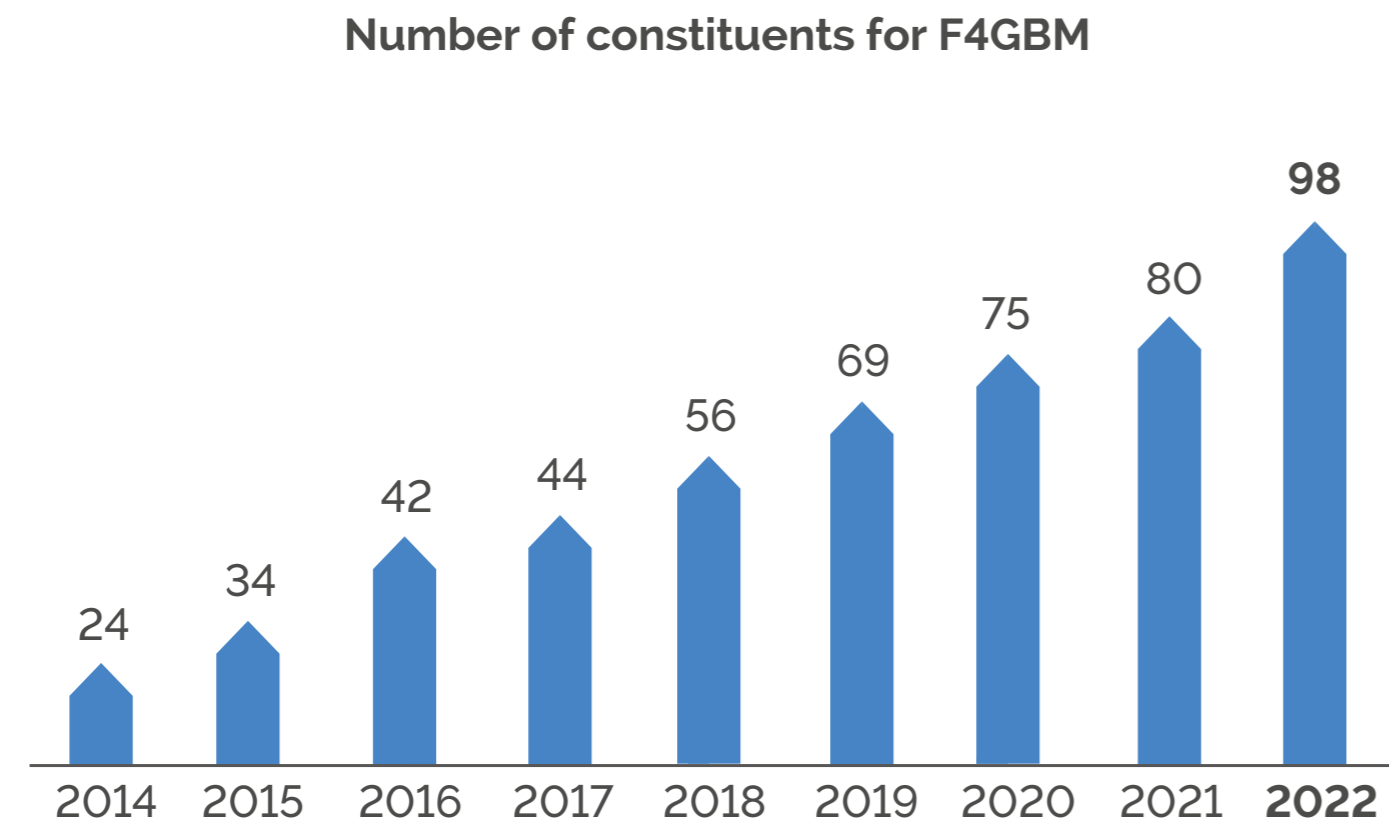
- ***ISCC 2022 – Series 2***

This was held on 29 March 2022 in partnership with Maybank Investment Bank. Themed "Islamic Investment Options", the event aimed to provide opportunities for investors to explore Islamic investment options beyond traditional investments.

Supporting ESG Investments

Increasing F4GBM Constituents

The number of F4GBM Index constituents rose to 98 in 2022, representing an increase of 22.5% from 80 constituents in 2021. Of the 98 constituents, 79 were also Shariah compliant.



F4GBM Index Constituents 2022



Shariah-compliant



Shariah non-compliant

ESG Thematic Index Developments

Bursa Malaysia launched two new ESG-themed indices with FTSE Russell: the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS). The difference between the two indices is that the FBM100LC tracks constituents in the FTSE Bursa Malaysia (FBM) Top 100 Index, while the FBM100LS are selected from constituents of the FBM Top 100 Index that are Shariah-compliant, as defined under the SC's Shariah Advisory Council screening methodology.

Both indices track constituents in the FTSE Bursa Malaysia Top 100 Index that have recognised sustainability practices and low-carbon characteristics. The indices exclude PLCs based on product and conduct-related benchmarks. The index aims to achieve at index-level, a 30% reduction in Carbon Emissions Intensity, 30% reduction in Fossil Fuel Reserves Intensity and 20% uplift in ESG performance.

Expanding ESG Data Usage to Financial Institutions

Seven years after Bursa Malaysia launched the F4GBM Index, we took another big step forward to accelerate PLCs' ESG adoption and set the foundation to develop an ecosystem for sustainable finance and investments.

We signed an MOU with HSBC Amanah Malaysia Berhad and CIMB Group Holdings Berhad on 8 February 2022 and 12 May 2022, respectively, under the #financing4ESG initiative established in 2021. This brings the total number of banks under this initiative to four. In 2022, we worked together with the four banks to identify and engage shortlisted PLCs, identifying gaps in their ESG practices based on their F4GBM ESG scores. The banks would then present sustainability-linked financial products and solutions aligned to the FTSE4Good scoring model and datasets for eligible PLCs.



Bursa Malaysia signing an MOU with CIMB on #financing4ESG to accelerate ESG adoption among Malaysian PLCs

Expanding the FTSE4Good ESG Ratings Assessment Universe

FTSE Russell's ESG scores and data model allow investors to understand a company's exposure to ESG issues at a granular level and according to a clear hierarchy. The ESG scores can be used as the building blocks for integration of ESG into investments in a variety of ways, including active portfolio management, benchmark design and company engagement.

Cognisant of the value in the availability of ESG scores for the broader universe of Malaysian PLCs to the investment community, Bursa Malaysia signed an MOU with the London Stock Exchange Group in 2022 to expand the calculation of ESG scores to all PLCs listed on the Main and ACE Markets. Previously, ESG scores were only provided for PLCs that were part of the FBM EMAS Index, accounting for approximately 30% of total Malaysian PLCs.

The MOU also contained a provision for the collaboration on ESG education initiatives, sustainable supply chain finance and transitioning financing workflows to support financial institutions, as well as plans to launch an ESG corporate reporting solution aligned with the recommendations of the TCFD.

Honouring Best Performing ESG PLCs

Giving Malaysian PLCs a platform and opportunity to profile their ESG performance to ESG-conscious investors, the Exchange together with The Edge Communications Sdn Bhd and FTSE Russell, held the inaugural The Edge ESG Awards in 2022. The awards recognised PLCs based on their ESG scores. The aim of the awards was to further boost the profile of nominated PLCs and to encourage improved ESG practices and disclosures by other PLCs. For the full list of winners, please refer to <https://esgawards.theedgemarkets.com/winner>

Promoting the LEAP Market

In 2022, the LEAP Market had five newly listed SMEs. The decline in the LEAP Market listings for the year was due to the anticipation of the launching of the LEAP Transfer Framework from the market. With the Transfer Framework in place, it will encourage more SMEs to tap the capital market knowing there is a clear path to 'graduate' to the ACE market.

	2020	2021	2022
New Listings	19	30	35
LEAP	7	12	5

Promoting Sustainability in Derivative Products

Enhancing the Sustainability of Our Derivatives Products

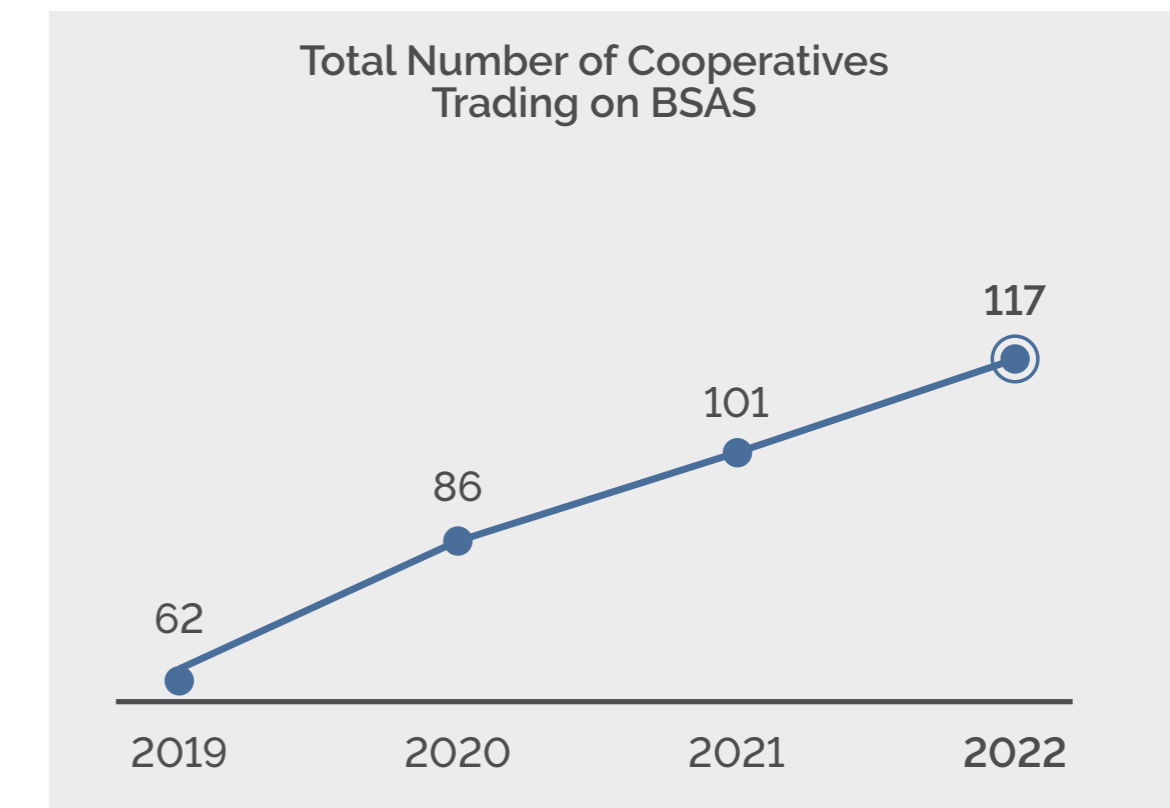
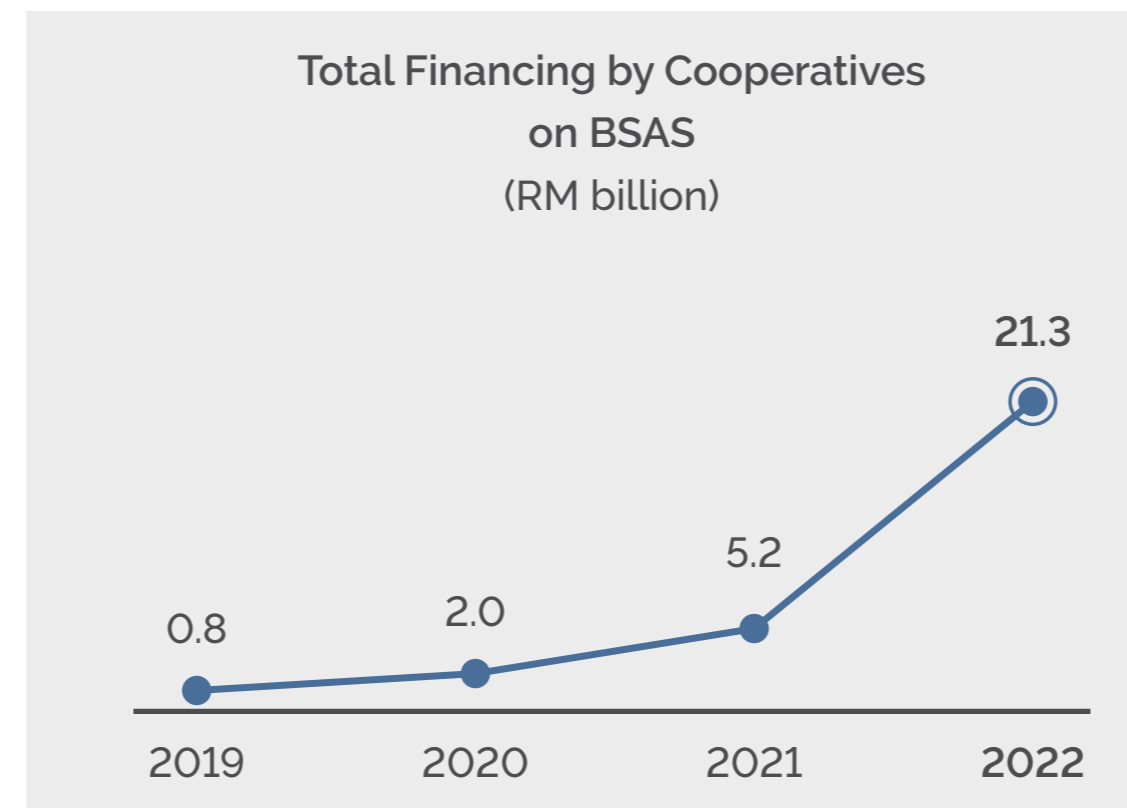
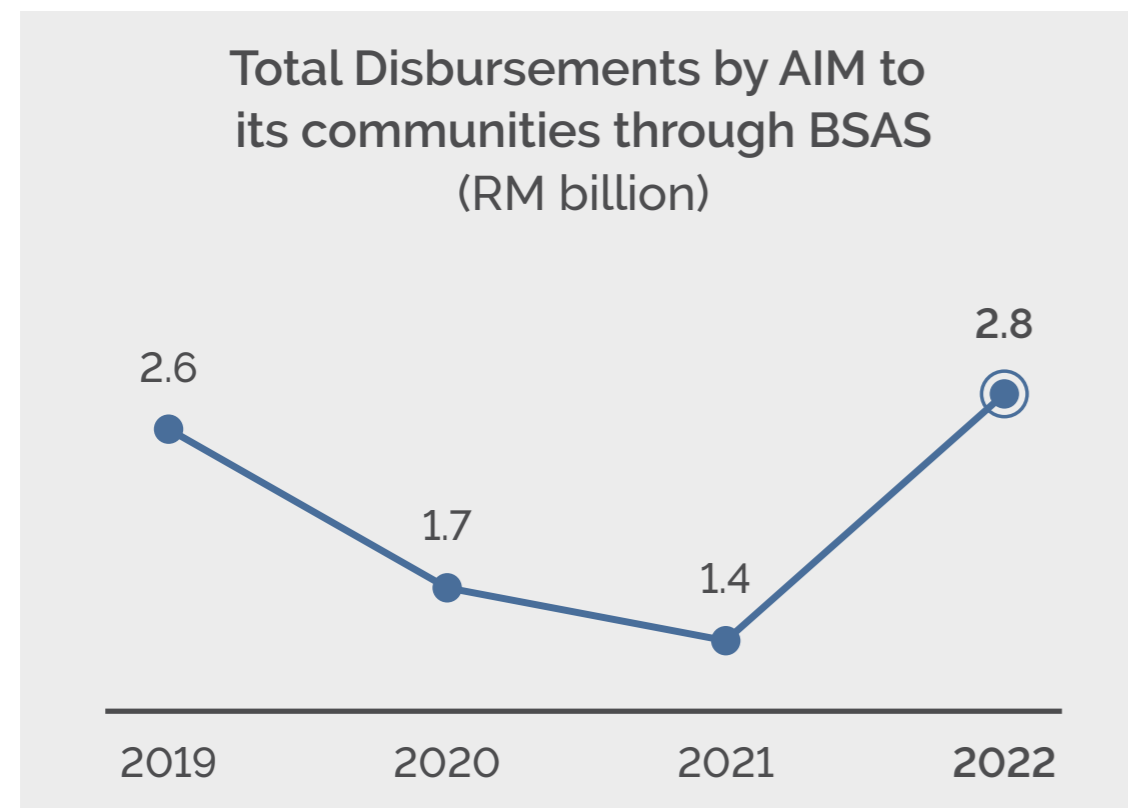
The Exchange signed an MOU with the Malaysian Palm Oil Certification Council (MPOCC) to share information and knowledge, including exploring opportunities to develop and promote sustainability-related initiatives in the palm oil industry. This was part of our efforts to drive sustainable development in the palm oil supply chain, and enhance the overall competitiveness and appeal of Malaysian palm oil to importing countries. In addition, Bursa Malaysia was admitted as an Affiliate Member to the Roundtable on Sustainable Palm Oil (RSPO), which will boost our profile as a sustainability-focused exchange, and give us a voice in the sustainable development of the palm oil industry.

Launch of FTSE4Good Bursa Malaysia Index Futures (F4GM)

The Exchange launched the F4GM contract on 12 December 2022, which tracks sustainability-screened constituents based on the FTSE Russell's FTSE4Good index series, as part of our overall efforts to diversify our product offerings and strengthen our ESG-focused offerings. This contract will aid price discovery of ESG assets and is aimed at institutional investors with an ESG mandate. By leveraging on the FTSE4Good Index, we aim to further bolster Bursa Malaysia's position as an ESG-focused exchange and attract more SRI funds to our marketplace.

Facilitation of Microfinancing to Underbanked Communities

As of December 2022, BSAS had supported 117 cooperative societies and government agencies in facilitating Shariah-compliant Commodity Murabahah financing transactions, as compared to 101 in 2021. Organisations such as Amanah Ikhtiar Malaysia (AIM) and KOPERASI YAPEIM, STIMA SACCO (a foreign cooperative society), have actively utilised BSAS services to serve and provide for their underbanked clients with Shariah-compliant financing through Commodity Murabahah with BSAS. AIM alone disbursed RM2.8 billion of Shariah-compliant financing to the community through BSAS, up from RM1.4 billion in 2021, while total Shariah-compliant financing by cooperatives as a whole increased to RM21.3 billion, increasing significantly from RM5.2 billion in the previous year.



Supporting the Nation's Transition to Low-Carbon Economy

In December 2022, Bursa Malaysia launched the Bursa Carbon Exchange (BCX), Malaysia's first voluntary carbon market. The BCX enables companies to list and trade voluntary carbon credits. Companies will be able to purchase carbon credits to offset their carbon emissions and meet their climate goals. As the world's first Shariah-compliant carbon exchange market, the BCX helps to widen the range of ESG investing options available.

[Read more about the BCX on page 12 of this report.](#)

MOVING FORWARD

The Exchange will continue to work on further improving the ESG ecosystem to make Bursa Malaysia a centre for SRI and sustainability-themed assets. We will continue to provide better access to sustainable assets and solutions to meet the demands of SRI investors and capital market stakeholders. In practice, this means effecting a greater alignment between Shariah investing and SRI through the development of new investment instruments that better cater to the Shariah and SRI needs of our investors. In the near-term, we will focus on fully developing waqf-feature products, which was added in the ICMPS. In addition, we will also be looking at ways to create a more facilitative Shariah-compliant trading and investing ecosystem to further drive interest in the area from investors seeking Shariah-compliant solutions as well as investors with SRI mandates.

High quality ESG disclosures with data and technology will be another area of focus for us in the coming years. We are in the process of building a central ESG disclosure platform which will allow all PLCs to report not only mandatory ESG disclosures required under our Listing Requirements, but also aligned to relevant standards such as TCFD.

Lastly, we will intensify our role as an advocate and leader in the ESG space by taking a more proactive role in the committees in which we participate. This applies especially to the palm oil sector as the commodity plays a vital role in our derivatives market. Where possible, we will, individually and in collaboration with our partners, play a role as an active advocate of sustainability and CG.

2 ENHANCING CORPORATE GOVERNANCE (CG) AND SUSTAINABILITY PRACTICES AND DISCLOSURES

OUR APPROACH

Bursa Malaysia is a strong advocate of ESG in the capital market. We deliver initiatives to strengthen the CG and sustainability practices and disclosures of our PLCs holistically by creating and maintaining a robust reporting framework and conducting education initiatives.

Sustainability Reporting Framework

We develop ESG-related listing requirements and guides that are regularly updated and are comparable to or are on par with international standards. Since establishing our Sustainability Reporting Framework in 2015 for the Main and ACE Markets, our PLCs have published sustainability statements within their annual reports or as standalone reports. Furthermore, Main and ACE Market PLCs are also required to report on their adherence to the recommended practices set out in the Malaysian Code on Corporate Governance (MCCG).

Education

We organise advocacy programmes on relevant CG and sustainability topics. Selected webinar recordings and training materials can be found on our Bursa Sustain platform, a one-stop online knowledge repository launched in 2018 containing up-to-date content on CG, sustainability and responsible investment.

OUR PROGRESS

Enhanced Sustainability Reporting Framework

We launched our enhanced sustainability reporting requirements in the Main and ACE Market LR in September 2022 with the aim of elevating the sustainability practices and disclosures of our PLCs.

[Read more about our the Enhanced Sustainability Reporting Framework on pages 10 to 11 of this report.](#)

Education

In 2022, we organised advocacy programmes covering various topics including the role of company secretaries in improving board governance, gender diversity on boards, as well as climate change and TCFD reporting workshops. Training materials and recordings of the TCFD reporting workshops were subsequently made available on Bursa Sustain.

[Read more about our education and advocacy programmes for PLCs on page 24 of this report.](#)

PLC ACHIEVEMENTS IN CORPORATE GOVERNANCE

Malaysia-ASEAN CG Scorecard

The 2021 average CG Score for the Top 100 Malaysian PLCs was 104.60 points. We continued to observe an uptrend in the ASEAN CG Scorecard published by MSWG, which signals the continuous commitment towards improvement in CG practices by our Top 100 PLCs.

The CG Monitor Report 2022 (based on the MCCG 2021)

A general trend of high adherence to the various Practices and Intended Outcomes as detailed within the latest MCCG was observed. Of the 48 Practices, 30 had adoption levels of at least 90%.

MOVING FORWARD

Given the rapid developments in the CG and sustainability landscape, we recognise the importance of ensuring that our PLCs continue to embed sound ESG practices both within their operations as well as across their supply chains. To that end, the Exchange will continue conducting engagements and capacity building activities in advocating better CG and sustainability practices and disclosures among our PLCs.

Furthermore, the Exchange will continue to collaborate with capital market stakeholders such as the SC, Institutional Investors Council Malaysia, MSWG and the Institute of Corporate Directors Malaysia in championing better CG and sustainability practices among PLCs.

3 PARTICIPATING IN RELEVANT COMMITTEES, WORKING GROUPS AND EVENTS

OUR APPROACH

We participate actively in various working groups and committees, which allows us to work together with other financial market regulators, peer exchanges around the world and other sustainability proponents to place capital markets along more sustainable pathways. These include the following:

Joint Committee on Climate Change (JC3)

A committee co-chaired by the SC and Bank Negara Malaysia to propel financial institutions towards a low-carbon economy.

Our Participation:

- Chair and Secretariat of Sub-Committee on Governance and Disclosure
- Member of Sub-Committee on Bridging Data Gaps

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 corporate governance.

Our Participation:

- Member of the CG Council

UN Sustainable Stock Exchanges (SSE) Initiative

A global peer-to-peer learning platform to drive corporate transparency in ESG and sustainable investment.

Our Participation:

- Official Supporter
- Member of the Advisory Group on Climate Disclosure guidance
- Member of the SSE Gender Equality Advisory Group
- Member of the SSE Comment Group on Net Zero

World Federation Exchanges (WFE)

A global industry association for exchanges and clearing houses.

Our Participation:

- Member of the Sustainability Working Group

UN SSE Derivatives Exchange Network

A global network for peer derivatives exchanges to promote ESG products in the derivatives sector.

Our Participation:

- Founding member

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.

Our Participation:

- Chairperson of Steering Committee
- Member of Workstream #2 on Awareness and Capacity Building

Corporate Integrity System Malaysia (CISM) Roundtable

An initiative to create a business environment that is transparent, fair and corruption-free through the enhancement of corporate governance and business ethics.

Our Participation:

- Member of the Roundtable

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.

Our Participation:

- Strategic partner

OUR PROGRESS

The last year saw the Exchange continue to contribute towards global and domestic initiatives by being an active participant in various platforms. We contributed feedback and important input on matters involving capital market development, such as on regulatory frameworks and standards, as well as guidance on capital market issues.

SSE Initiative

As an official supporter of the SSE Initiative, Bursa Malaysia participated in the SSE Comment Group on net zero, contributing to the development of the Target Setting Guidance for Exchanges under the net zero Financial Service Providers Alliance.

Events

The Exchange is committed to playing its part in developing a sustainable finance ecosystem, and leveraging on all opportunities to be a vocal advocate for this objective. We therefore, participated in key events, on both the domestic and international stage, that promoted thought leadership conversations on issues of sustainability or ESG. Our message was typically delivered by our most senior leaders to further reinforce the importance that Bursa Malaysia places on sustainability and ESG matters.

[Read more about the events and initiatives that we participated on pages 154 to 155 of this report.](#)

MOVING FORWARD

As the market operator and frontline regulator, we play a distinct leadership role and will continue to do our part in driving corporate sustainability and the sustainable finance agenda through active collaborations with other key capital market stakeholders. The next year will see us play a more proactive role in the committees in which we participate and step up on efforts to take on leadership roles when they present themselves.

Innovation and Technology Excellence

WHY IT MATTERS

As emerging technologies continue to disrupt various industries including capital markets, adopting the latest technology is no longer “a nice to have” but a business imperative. It enables business organisations to unlock new opportunities and achieve long-term growth. We are cognisant of the growth of financial technology (fintech) such as artificial intelligence (AI), robotic process automation, blockchain as well as cloud computing, and the need to leverage on innovation and technology to improve our offerings and delivery to our stakeholders. As such, we will continue to seek fresh and innovative solutions to remain competitive and relevant as our industry continues to evolve and grow.

AT A GLANCE



Key Progress:

- Introduced a new feature, electronic dividend reinvestment plan (eDRP) to allow Bursa Anywhere users to subscribe to Dividend Reinvestment Plan electronically
- Enhanced our system connectivity through Electronic File Information Exchange to encourage the submission of Central Depository System transaction forms and reports electronically
- Implemented initiatives to improve operational efficiency and resilience through various initiatives, such as Bursa Wide Area Network technology refresh, systems enhancement and upgrade, automation of regression test, and enterprise data platform modernisation project
- Launched the Market Sentiment Analyser to provide scoring to the market and stock sentiment on Bursa Marketplace
- Completed the Retail Customer Experience Analytics PoC that was aimed at bringing us closer to our customers



Relevant Indicators:

- Between 5% and 12% of Dividend Reinvestment Plan subscriptions were submitted electronically via Bursa Anywhere by shareholders of the PLCs that have used our eDRP service
- 15,695 unique users have used the Market Sentiment Analyser tool on Bursa Marketplace



OUR SUSTAINABILITY POLICY COMMITMENTS

- Promote education for communities
- Promote gender equality
- Promote the adoption of good environmental practices among our PLCs

OUR APPROACH

In our Strategic Roadmap 2021-2023, Technology, Data and Innovation are among the key enablers that we have identified to provide the necessary capabilities for us to act on our core strategies. Under this Strategic Roadmap, we strive to develop new products and services as well as enhance our market ecosystem in order to respond to changing market needs.

Our approach on innovation and technology excellence is premised on our overarching Technology Roadmap, a holistic framework that comprises short and long-term initiatives, systems and infrastructure demands, including fintech such as AI, robotic process automation, blockchain and cloud computing. The roadmap will guide us in strengthening our core infrastructure systems and applications through investing in technology upgrades and developing internal fintech capabilities to align with the industry's technological development.

We will continue to conduct Proof-of-Concept (PoC) in various areas, which includes, among others, testing the potential technology that is capable of supporting our growth expansion in the future. We will also continue to enhance our data sets and develop fresh solutions for the industry through strategic partnerships and collaborations.

OUR PROGRESS

Technology Excellence

Modernising Business Process and Service Delivery

Bursa Anywhere – Electronic Dividend Reinvestment Plan (eDRP)

The Bursa Anywhere (BA) mobile application was enhanced with a new feature, the eDRP on 21 March 2022, to allow BA users to subscribe to the DRP electronically.

Following the launch of the enhanced feature, between 5% to 12% of DRP subscriptions were submitted electronically via the mobile application by shareholders of the PLCs that had used our eDRP service. We first introduced the mobile application in 2019 and have progressively enhanced it with more features to better provide our investors with best quality interface and user experience. We will continue to enhance our customer experience journey through a phased implementation approach to improve the BA mobile application.

Digitisation of CDS Form Submission

On 27 June 2022, we enhanced the existing system connectivity with the Authorised Depository Agents (ADAs), namely Electronic File Information Exchange (eFIX) to encourage the submission of Central Depository System (CDS) transaction forms and reports electronically. This enhancement ensures a more cost-effective and time-convenient method for the ADAs compared to the conventional method of physically delivering the CDS forms and reports to Bursa Malaysia Depository.

One of the ADAs had successfully implemented the digitisation of CDS account opening forms on 30 June 2022. Nine ADAs are currently assessing their technical readiness prior to applying to submit their CDS forms digitally. Following that, we will continue to promote and encourage ADAs and Authorised Direct Members (ADMs) to adopt the digital platform for CDS form submission to enhance operational efficiency and embrace technological advancement.

Improving Operational Efficiency and Resiliency

Bursa Wide Area Network (WAN) Technology Refresh

This initiative was implemented to upgrade Bursa Wide Area Network (WAN) for better availability, while enhancing performance reliability and stability of the network. The refresh was also aimed to ensure the technology stack was up-to-date for network implementation.

System Enhancement and Upgrade

In 2022, we undertook several systems improvement initiatives to ensure their availability and reliability, as well as to increase the ability to withstand disruptions. These included among others, the improvements to the Equity Post Trade (EPT) system, Data Centre and Disaster Recovery (DR) Centre.

To better support the new way of working and increase workplace productivity, we also deployed several cloud-based services and collaboration tools, such as Office 365 and SharePoint to improve the accessibility, availability and security of our workplace systems.

Automation of Regression Test

We reduced the testing duration and minimised human intervention on the Bursa Trade Securities2 (BTS2) and Bursa Suq Al-Sila' (BSAS) Trading Platforms by deploying regression test automation capabilities to both systems. This helped to accelerate the testing process time which in turn ensured high-availability and reliability of the systems.

Enterprise Data Platform Modernisation (EDPM) Project

In 2022, we embarked on a project to upgrade our organisation's data platform into a new, modernised, cloud-based environment with data management, advanced analytics and self-service capabilities. This was part of a longer term exercise to move Bursa Malaysia towards a data driven organisation. The modernisation platform will enable Bursa Malaysia to:

- operationalise and automate data management and data governance capabilities to ensure the integrity and the security of the data
- obtain a scalable data warehouse, enabling us to obtain new data sources in multiple formats in the future and overcome the size and format restrictions of our existing data warehouse
- have more transparency, security, governance controls and documentation for Bursa Malaysia's data
- access advanced analytics tools and modules such as machine learning and AI capabilities
- have organisation-wide access to interactive dashboards and visualisation tools, with a self-service functionality

Innovation

Market Sentiment Analyser tool on BursaMKTPLC

On 29 August 2022, we launched the Market Sentiment Analyser, a newly developed tool on BursaMKTPLC to give scoring to the market and stock sentiment. Leveraging on AI and Machine Learning Capabilities, the tool crawls and analyses targeted mediums like news media websites and forums and tabulates results if the sentiment is negative, neutral or positive. As of 31 December 2022, a total of 15,695 unique users had used the tool.

PoC – Retail Analytics

On 8 November 2022, we announced the successful completion of the Retail Customer Experience (CX) Analytics Proof-of-Concept (PoC), a data-driven analytics project piloted on the Exchange's Cloud and AI platform that was aimed at bringing us closer to our customers. The PoC was undertaken in collaboration with four Participating Organisations (POs), namely Hong Leong Investment Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malacca Securities Sdn Bhd and RHB Investment Bank Berhad

The basis for the PoC was to better understand retail investor behaviours given the significant increase in retail trade participation during the pandemic. By leveraging on the POs' expertise and experience as well as the in-depth industry-wide datasets, we developed a machine learning model built on our AI and Cloud platforms to provide insights that could be used to create customised initiatives to better facilitate the retail investor journey in terms of trading support strategies or improving financial literacy. With the completion of the PoC, we have moved closer to turning this solution into a market-ready product. We will continue working with the participating POs to improve and refine the solution.

MOVING FORWARD

Looking ahead, we will be focusing more on improving the customer journey by creating new touchpoints or enhancing existing ones that our customers interact with daily. For instance, we encourage the depositors to sign up for Electronic CDS Statements which are not only timely and convenient but also generate lower carbon footprint. In addition, we will be introducing the Bursa Malaysia Customer Portal to serve as a one-stop platform for investors, PLCs, brokers, issuers and information vendors.

In terms of new platforms, we will be rolling out a digital research crowdsourcing platform that aims to narrow the information gap in the investing community, as well as a digital platform to enhance our salesforce capabilities. Lastly, we will be exploring the concept of fractional trading to improve financial empowerment for investors.

PRIORITY
AREA 3

PROTECTING OUR ENVIRONMENT



Protecting Our Environment

Climate Risks	54
Environmental Footprint	59

As a strong ESG proponent, we have a duty to lead PLCs by walking the talk in protecting our environment. We have taken strategic measures to effectively manage our resource consumption and reduce our carbon footprint. We have also identified climate risks and opportunities to ensure our business can adapt to climate change in the long term. Going forward, we will intensify our environmental initiatives to further deepen our commitment towards net zero greenhouse gas (GHG) emissions by 2050.

Supporting UN SDGs:



CLIMATE RISKS

WHY IT MATTERS

Extreme weather events are getting more rampant due to climate change, and these conditions have affected business activities, as well as supply chains. As such, more business organisations have incorporated climate-related risks into their business risks and strategies. As a frontline regulator, we recognise our duty to help PLCs build and improve their climate resilience. This includes providing the appropriate platforms and guidance to PLCs to adopt climate risk, apart from bolstering our own climate action to accelerate the transition towards a low-carbon and climate resilient future. It is also important for us to demonstrate how we can effectively manage our own climate-related risks and opportunities.

AT A GLANCE



Key Progress:

- Completed the assessment to determine our climate-related risks and opportunities with the guidance of a climate risk consultant



Relevant Indicator:

- NIL



OUR SUSTAINABILITY POLICY COMMITMENTS

- Consider climate-related risks and opportunities

OUR APPROACH



In identifying, mitigating and managing climate-related risks, we remain guided by the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which we became an official supporter of in 2018. We are also committed to achieving net zero greenhouse gas (GHG) emissions by 2050.


OUR PROGRESS

As part of our efforts to strengthen our climate-related practices, we embarked on an exercise in 2021 to better align our processes and disclosures with the core elements of the TCFD recommendations.

RECOMMENDED DISCLOSURES	OUR APPROACH	OUR PROGRESS						
GOVERNANCE								
<p>Board's oversight of climate-related risks and opportunities (CROs)</p>	<p>Our Board of Directors is ultimately the key decision-making authority on all sustainability-related matters, including climate risks and opportunities. The Board strives to ensure climate-related considerations, where appropriate, are integrated into business plans and department performance scorecards of relevant departments.</p> <p>Our CEO updates the Board at each Board Meeting of the progress and key milestones with respect to our climate aspirations and plans.</p> <p>To ensure sufficient focus on climate-related and other sustainability issues, we have dedicated board-level committees to support our Board. Both committees meet at least four times each year.</p> <table border="1" data-bbox="503 1103 2125 1427"> <thead> <tr> <th></th> <th>Relevant Focus Area</th> </tr> </thead> <tbody> <tr> <td>Risk Management Committee (RMC)</td> <td>Review, monitor and assess the effectiveness of the Group's implementation of risk treatment or mitigation action plan(s) for the management and control of the key risks, including cyber risk and resilience as well as sustainability and climate-related risks. The committee also reviews and is kept updated of any new or emerging trends of sustainability and climate-related risks and other threats.</td> </tr> <tr> <td>Sustainability and Development Committee (SDC)</td> <td>Review and guide sustainability-related strategies, programmes and plans, including climate-related efforts.</td> </tr> </tbody> </table> <p>Our Risk and Compliance updates the RMC on progress with respect to TCFD implementation as well as our carbon emissions footprint on a quarterly basis. On the other hand, relevant business units will seek feedback and guidance, where required, from SDC on sustainability implementation efforts.</p>		Relevant Focus Area	Risk Management Committee (RMC)	Review, monitor and assess the effectiveness of the Group's implementation of risk treatment or mitigation action plan(s) for the management and control of the key risks, including cyber risk and resilience as well as sustainability and climate-related risks. The committee also reviews and is kept updated of any new or emerging trends of sustainability and climate-related risks and other threats.	Sustainability and Development Committee (SDC)	Review and guide sustainability-related strategies, programmes and plans, including climate-related efforts.	<p>Risk and Compliance provides quarterly updates to the RMC on sustainability-related risks which includes measuring and tracking Bursa Malaysia's carbon footprint (i.e. Scope 1, 2 and 3 emissions) as part of our key risk indicators. This is directly related to our efforts to achieve carbon neutrality and transition towards net zero GHG emissions.</p>
	Relevant Focus Area							
Risk Management Committee (RMC)	Review, monitor and assess the effectiveness of the Group's implementation of risk treatment or mitigation action plan(s) for the management and control of the key risks, including cyber risk and resilience as well as sustainability and climate-related risks. The committee also reviews and is kept updated of any new or emerging trends of sustainability and climate-related risks and other threats.							
Sustainability and Development Committee (SDC)	Review and guide sustainability-related strategies, programmes and plans, including climate-related efforts.							

RECOMMENDED DISCLOSURES	OUR APPROACH	OUR PROGRESS
GOVERNANCE (Continued)		
<p>Management's role in assessing and managing CROs</p>	<p>Our Management Committee (MC), chaired by the CEO, oversees the implementation efforts of sustainability and climate-related strategies and plans. On a quarterly basis, Group Sustainability updates the MC on the progress made with respect to strategies identified under the Sustainability Roadmap, which includes climate-related plans and programmes.</p> <p>Our Project Governance and Implementation Committee (PGIC), also chaired by the CEO, monitors progress and achievements of all strategic projects, including climate-related initiatives on a monthly basis.</p>	<p>Group Sustainability and Risk and Compliance had jointly completed the assessment, with the guidance of the climate risk consultant, to determine the CROs to Bursa Malaysia's current business model and enable alignment with the TCFD recommendations. This represents the first time Bursa Malaysia has undertaken such exercise to quantify the potential impact of climate-related risks on the revenue and this assessment served as the base for the team to replicate and enhance the assessment in the future.</p>
STRATEGY		
<p>CROs identified over the short-, medium- and long-term</p>	<p>As a supporter of the TCFD recommendations, we are committed to considering CROs as outlined in our Sustainability Policy and aim to have a full adoption of the TCFD recommendations.</p> <p>We recognise that the securities market is our business area that is most exposed to CROs. This is mainly due to diversity of the PLCs in terms of their sectors, which implies that Bursa Malaysia is indirectly exposed to the same CROs of our collective PLCs. As a result, CROs that have a bearing on the competitiveness of our PLCs will also have a knock-on effect on Bursa Malaysia. Thus, we consider CROs that have a cross-cutting impact across our PLCs especially the impact of policy, legal and market risks on business competitiveness and attractiveness of PLCs to investors.</p> <p>Within the derivatives market, CROs impacting the whole palm oil sector in Malaysia (rather than individual parts of the palm oil value chain) are taken into consideration. In addition, we consider potential implications resulting from physical risks driven by climate change on our derivatives market.</p> <p>We also take into account CROs that could have an impact on trading activities in our marketplace, namely factors that could influence the overall activity of investors on our exchange. As the momentum for sustainable finance gathers pace, we also analyse investor interest in environmental, social and governance (ESG) and green-related products such as green Exchange Traded Funds (ETFs), equities, indices and bonds.</p> <p>We are cognisant of the potential impacts of physical risks on Malaysian businesses, especially under warmer climate scenarios. Some of the key risks we identified are influenced by warmer temperatures, more intense precipitations, sea level rise and changes in monsoons.</p> <p>We assess the CROs across each of the defined time horizons:</p> <p>Present - up to 2 years Short-term - from 2 to 5 years Medium-term - from 5 to 10 years Long-term - over 20 years</p>	<p>By working with the climate risk consultant, Bursa Malaysia has undertaken a climate-related risk assessment which not only integrated climate scenario analysis but also put a financial value on the potential impact from risks and opportunities.</p> <p>The timeframe for this exercise was in most cases a 10-year period between 2022 - 2032, and for CROs that are expected to materialise or have the greatest impact beyond this timeframe, a longer-term period was considered. The assessment also provided potential mitigation actions that could be undertaken to manage the climate related risks.</p>

RECOMMENDED DISCLOSURES	OUR APPROACH	OUR PROGRESS
STRATEGY (Continued)		
<p>Impact of CROs on business strategy and financial planning</p>	<p>As a facilitator of investment products, we recognise the growing demand for ESG and climate sensitive investment products. We have identified ESG-themed investment products and carbon markets as key growth areas for the Exchange.</p> <p>The Exchange is also committed to reducing GHG emissions from its operational activities in order to transition to become a net zero GHG emissions exchange by 2050.</p>	<p>We launched two new climate-themed indices under the FTSE Bursa Malaysia Index Series:</p> <ul style="list-style-type: none"> (i) FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) (ii) FTSE Bursa Malaysia Top 100 ESG Low Carbon Shariah Select Index (FBM100LS) <p> <i>Read more about the climate-themed indices on page 42 of this report.</i></p> <p>To support the nation's drive towards a net zero GHG emissions future, we launched Bursa Carbon Exchange (BCX) to provide a transparent and efficient mechanism to access high quality carbon credits.</p> <p> <i>Read more about the BCX on page 12 of this report.</i></p> <p>In 2022, we factored in the necessary financial resources in our budgetary planning to support our climate-related effort. This included allocation for the following key initiatives:</p> <ul style="list-style-type: none"> (i) Purchase of high-quality carbon credits to support our carbon neutrality aspirations (ii) Engagement of an independent advisor to support feasibility assessment and vendor evaluation for rooftop solar PV projects (iii) Engagement of a climate risk consultant to undertake climate risk assessment for the Exchange (iv) Setting-up of Bursa Carbon Exchange (v) Deployment of food waste system at our canteen to convert food waste into compost (vi) Implementation of the Carbon Conscious Workplace programme to drive awareness among our employees

RECOMMENDED DISCLOSURES	OUR APPROACH	OUR PROGRESS
RISK MANAGEMENT		
Processes for identifying and assessing climate related risks	<p>The identification of CROs involved hosting an initial workshop and interviews with key stakeholders from Bursa Malaysia as well as undertaking desk-based research to develop a thorough understanding of Bursa Malaysia's operating structure, the relevance of climate change to stock exchanges, and the sectoral composition of PLCs and commodities being traded on the Exchange.</p> <p>We review CROs across the different important areas of Bursa Malaysia's value chain to ensure financial health and business continuity for the Exchange:</p> <ul style="list-style-type: none"> (i) Upstream – Exposure of outsourcing partners and vendors to CROs (ii) Operations – Potential impacts of CROs on valuation of assets owned by Bursa Malaysia and accessibility of the office by our employees (iii) Downstream – Potential impact of CROs on main revenue generating activities for Bursa Malaysia, namely the trading fees from the securities and derivatives markets. Given the climate-related nature of the analysis, we focus on those sectors and activities that are most carbon intensive and exposed to climate-related risks. For derivatives, we focus on palm oil given that it is the most traded commodity on the Exchange. 	We will continue to enhance our disclosures with more granular information on our climate risk management approach on the identified CROs in the future and update the RMC bi-annually on the progress of the climate-related risk initiatives and any new developments locally or globally with regards to climate-related risks.
METRICS AND TARGETS		
Metrics used to assess CROs	In addition to GHG emission footprint, we will identify suitable climate-related metrics that are linked to our identified CROs once they are formalised and integrated into our overall risk management approach.	
Reporting GHG emissions according to Scopes 1, 2 and 3	 <i>Read more about our GHG emissions on page 60 of this report.</i>	
Targets used to manage climate-related risks and opportunities	We have committed to setting science-based emissions reduction targets in accordance with Science Based Targets initiative's (SBTi) criteria and recommendations.	

MOVING FORWARD

In managing our climate-related risks, we will continue to intensify our climate action by taking appropriate measures such as conducting climate scenarios and assessing potential implications on our business model. We will also continue working closely with key capital market stakeholders and suppliers to move towards a low-carbon economy in addition to identifying emerging and relevant climate change drivers and trends. Beyond that, we aim to improve our climate-related reporting by including disclosures such as identified climate risks according to TCFD recommendations and risk tolerance levels.

ENVIRONMENTAL FOOTPRINT

WHY IT MATTERS

With extreme weather events intensifying globally due to climate change, business organisations need to take immediate action to manage their environmental footprint. Companies can play a key role in improving environmental health amid rising population, urbanisation and rapid economic development by managing their resource consumption. Lack of environmental management may lead to negative environmental and social impacts, and may disrupt business operations and economic growth. Bursa Malaysia is mindful of its environmental footprint and has taken strategic steps to reduce and minimise the environmental impact of its operations.



OUR SUSTAINABILITY POLICY COMMITMENTS

- Embrace responsible energy and resource management in daily operations
- Inculcate environmentally sustainable practices among our employees
- Disclose environmental data, performance and targets

AT A GLANCE



Key Progress:

- Achieved carbon neutrality by fully offsetting all operational GHG emissions for the period of 1 January to 31 December 2021 through the purchase of carbon credits
- Enhanced our monitoring practices and implemented initiatives to reduce our energy consumption and emissions
- Introduced the second phase of the Carbon Conscious Workplace Programme, aimed at creating a zero-waste office culture
- Launched the Bursa Malaysia Waste Disposal and Recycling Guide, as well as Personal Net-Zero Emissions Guide to help our employees in adopting a sustainability lifestyle
- Identified two new waste streams, namely plastic and metal or glass
- Installed a composting machine to collect and process the food waste from our cafeteria



Relevant Indicators:

- 8,944.47 tCO₂e GHG emissions (up from 7,587.69 tCO₂e in 2021)
- 9,252.26 MWh of energy consumption (up from 8,990 MWh in 2021)
- 467,008 kg general waste was generated and sent to landfill (up from 364,632 kg)
- 3,595 kg of fabric collected
- 11,725 kg of paper recycled
- 61,463 m³ of water consumed
- 1,191 kg of food waste avoided being sent to the landfill
- No confirmed incidents, non-monetary sanctions or cases that were brought to our attention for non-compliance with environmental laws and regulations

OUR APPROACH

We take responsibility for the environmental impacts directly or indirectly generated by our business activities and office facilities. Our approach is underpinned by our climate commitment to achieving carbon neutrality by 2022 and net zero GHG emissions by 2050. We focus our approach on two key areas:

Reducing energy consumption

This includes our building energy-saving initiatives and exploring renewable energy sources.

Promoting responsible consumption

This encourages consumption that minimises the impact on the environment among our employees. For instance, by using resources more efficiently and reducing waste to landfills.

Our environmental management strategies, initiatives and programmes are led by Administration and Facilities Management. Supported by Group Sustainability, the department ensures that strategic measures are taken to reduce Bursa Malaysia's environmental footprint. We also apply the Ten Principles of United Nations Global Compact (UNGC) and the precautionary principles defined in the GRI Standards to identify potential negative environmental impacts, preventive actions and cost-effective measures within our business to mitigate and reduce our negative impacts on the environment and human health.

OUR PROGRESS

Achieved Carbon Neutrality

Bursa Malaysia is committed to reducing our emissions footprint by setting science-based reduction targets in accordance with the Science Based Targets Initiative's criteria and recommendations in the near term. In 2022, we purchased 7,588 tCO₂e of carbon credits to support projects that are certified sequestered outside of our value chain for the purpose of fully offsetting our operational GHG emissions for the period 1 January 2021 to 31 December 2021. By doing so, we fulfilled our commitment to becoming carbon neutral by 2022². However, we are mindful of the ongoing developments of the standard for carbon neutrality¹ and the increasing demand for higher quality carbon credits. Until such standard is developed and adopted, our approach to achieving carbon neutrality is by actively reducing our emissions footprint and investing in verified and high quality carbon offset projects for our residual emissions. We are committed to maintaining the carbon neutrality status and aim to obtain certification to further substantiate our claim in the future.

¹ The International Standards Organisations (ISO) is currently at the final consultation stages of its ISO 14068 standard for carbon neutrality and it is expected to be published towards the end of 2023 or early 2024.

² Bursa Malaysia purchases carbon credits to offset our emissions. The process starts by first assessing total emissions for a given year and subsequently purchasing the equivalent amount in carbon credits the following year. As such, the actual offset of emissions for a given year always takes place the following year. We first purchased carbon credits in 2022 to offset our total emissions in 2021, thus making Bursa Malaysia a carbon neutral company for the first time in 2022.

Bursa Malaysia's Carbon Footprint


We continue to measure, monitor and report on our GHG emissions. As a result of an increase in energy consumption, our carbon emissions footprint for 2022 increased by 17.88 % from the previous year. This was largely contributed by the return to normalcy of our operations and our ongoing office interior fit-out project. We also adopted a more conservative approach, by changing the grid emission factor source from the International Energy Agency (IEA) to the one published by the Energy Commission of Malaysia, which has a higher value.

Total Emissions³

		2020	2021	2022
		6,317.25 tCO ₂ e	7,587.69 tCO ₂ e	8,944.47 tCO₂e
	Type	2022 Emissions (tCO ₂ e)		%
Scope 1	Owned transport	11.51		0.13
	Fuel combustion	11.62		0.13
	Fugitive emissions	171.60		1.91
Scope 2	Purchased electricity (location and market based ⁴)	7,216.77		80.24
Scope 3	Employee commuting	751.28		8.40
	Working from home	425.08		4.73
	Waste disposal	202.74		2.25
	Business travel	123.28		1.38
	Paper consumption	21.23		0.24
	Water consumption	9.16		0.10

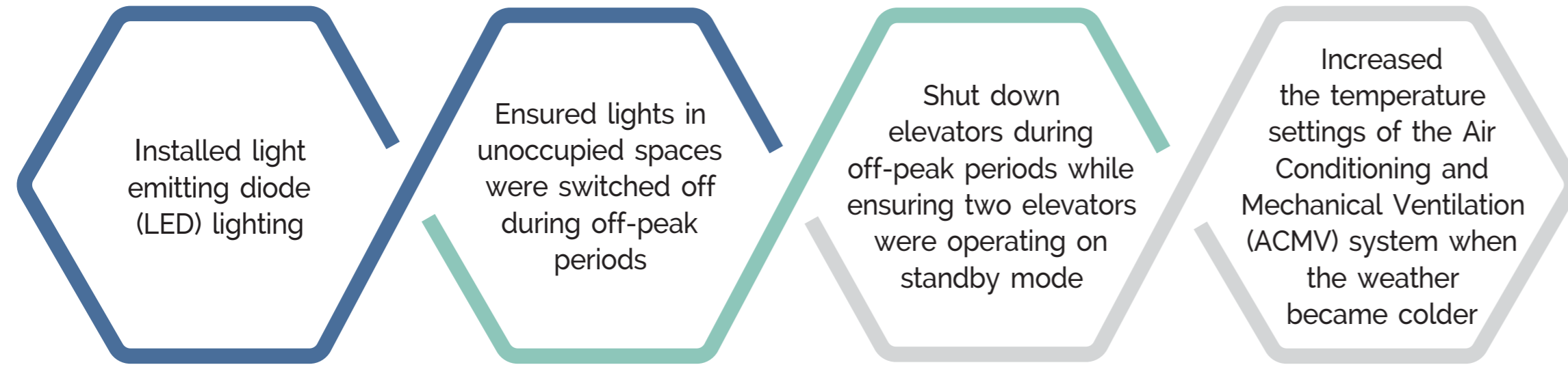
³ Excluding our LFX office as we operate with a small team from shared office space. The figures, if included, will likely be immaterial.

⁴ As we only purchase electricity from one source, which is Tenaga Nasional Berhad, both location-based and market-based computations of our scope 2 emissions are the same.

 For more information on our assumptions and calculation approach, please turn to page 153 of this report.

Reducing Energy Consumption

In line with the climate commitments we made the previous year, we continued to enhance our monitoring practices and implemented the following initiatives to reduce our energy consumption and emissions:



In addition to the above, we installed motion sensor lights on the newly renovated floors as part of the office interior fit-out project. We are in the midst of procuring rooftop solar panels and the installation is targeted to be completed by 2023.

Energy Consumption

We experienced a slight increase in our electricity consumption in 2022, mainly due to the expansion of the office interior fit-out project and the increased number of physical events that took place as we entered the 'Transition to Endemic' phase.

2020	2021	2022
9,090.29 MWh	8,990.12 MWh	9,252.26 MWh

Breakdown of Our Electricity Consumption:

Main building	72.46%
Annex building	19.92%
Disaster Recovery Centre	7.62%

Energy Intensity:

2020	2021	2022
0.21 MWh/m ²	0.21 MWh/m ²	0.21 MWh/m ²

Note: We have restated the figures for the year 2020 and 2021 to reflect the validated the amounts.

Promoting Responsible Consumption

Carbon Conscious Workplace Programme

We rolled out the Carbon Conscious Workplace Programme in 2021, which focuses on raising awareness through the Climate Explainer Series, 'Ask Burmy'. The series was aimed at promoting a better understanding of climate change through explanations of climate-related terminology. In 2022, we completed another two episodes on carbon pricing mechanism and net zero GHG emissions target.

We equate better understanding with more or easier buy-ins. As the level of understanding and interest among our employees increased, we introduced the second phase of the Carbon Conscious Workplace Programme, aimed at creating a zero-waste office culture. Under the second phase, we organised a series of webinars and workshops, together with activities to encourage and inspire behavioural change. We also collaborated with several organisations, such as Tzu Chi Foundation Malaysia, Zero Waste Malaysia, EARTH and KLEAN to educate and drive awareness among our employees on the proper disposal of waste.



Various activities conducted throughout the year to create a zero-waste culture

Through the activities, we aimed to reduce our general waste to landfill and increase the rate of recycling in our office. To support this, we also initiated a process to gradually remove individual desk bins and provide more recycling bins in the office common areas. During the process, we identified two new waste streams, namely plastic and metal or glass, and began recycling the items, along with paper and fabric, in a systematic manner.

Our general waste to landfill recorded a slight increase in 2022 as a result of the ongoing office interior fit-out project and the increased number of physical events that took place in our office. We will continue with awareness programmes and activities to generate more positive outcome for our general waste to landfill and recycling items.

General Waste to Landfill:

2020	2021	2022
552,410 kg	364,632 kg	467,008 kg

Recycling Items:

	2020	2021	2022
Fabric	2,522 kg	1,264 kg	3,595 kg*
Plastic	-	-	30 kg
Metal or Glass	-	-	360 kg

* The fabric collected included items from employee households and the wider community as our fabric bin is accessible by the public

The programme was further supported by individual sustainability KPIs. Participation in these activities was recorded as a component in the KPIs in determining the final score. To better guide our employees in recycling, we issued the Bursa Malaysia Waste Disposal and Recycling Guide and a self-assessment test to gauge the level of understanding of our resource consumption among the employees. More than 90% of our employees took and passed the self-assessment test.

Bursa Malaysia Waste Disposal and Recycling Guide

Developed to provide practical tips and necessary resources to educate employees about recycling and the proper way of segregating waste in the office. The guide covers six items, namely paper, plastic, metal or glass, batteries, electronic waste and fabric or clothes.

Personal Net Zero GHG Emissions Guide

Aimed at inspiring employees to take individual action to reduce carbon emissions and embrace sustainability as a way of living. The guide provides practical and useful tips on how to live a low-carbon lifestyle in six selected areas: transportation, flight, energy consumption, diet, shopping and waste. It also features employees who have demonstrated exemplary practices and can serve as role models for those who wish to embark on a similar journey.



Paper Recycling

We continued to implement initiatives to reduce our paper consumption and instil awareness among employees. As part of the office interior fit-out project, we issued specific communications to departmental representatives about paper recycling procedures for departments moving into newly refurbished offices. We also leveraged the group-wide Carbon Conscious Workplace Programme to drive paper recycling. This included reassigning the placement of paper recycling bins by ensuring that there is one designated paper recycling bin serving each floor. Furthermore, we published the Bursa Malaysia Waste Disposal and Recycling Guide in which paper recycling was one of the key focus areas. The guide contains extensive information on paper recycling, ranging from the type of paper that can be recycled to the value it generates from recycling.

On the digitalisation and workflow automation front, we introduced DocuSign to replace the printing and physical signing of documents and agreements.

In 2022, we recorded a significant increase in paper recycling. This was largely contributed by the move-out cleaning undertaken by those departments and divisions that were moving to newly refurbished office floors.

Paper Recycled:

2020	2021	2022
7,170 kg	6,590 kg	11,725 kg

Channelling the proceeds from our recycling materials to charity

We channelled the proceeds from the recycling materials to Tzu Chi Foundation Malaysia as a donation, to further support their humanitarian and environmental protection work. We have channelled a total of RM4,817.10 since the collaboration started in August 2022.

Water Consumption

In 2022, we installed sensors on water taps in selected toilets as part of the office interior fit-out project to conserve water. However, there was an increase in our water consumption, largely attributed to the same circumstances as energy consumption.

2020	2021	2022
60,901 m ³	51,324 m ³	61,463 m³

Note: We have restated the figures for the year 2020 and 2021 to reflect the validated the amounts.

Food Waste Collection and Composting

This is a pilot project under our flagship CSR programme, re.Food. The composting machine stationed at Bursa Malaysia since October 2022, was on a rental basis to process the food waste from our cafeteria. The composts produced from the food waste will be donated to B40 community gardens across the Klang Valley.

	Total weight of food waste avoided to landfill (kg)	Total weight of compost generated and donated (kg)
2022	1,191	232.5

 For more information on our re.Food programme, please turn to page 85.

Compliance with Environmental Laws and Regulations

We are committed to complying with all relevant environmental laws and regulations in Malaysia. In 2022, there were no confirmed incidents, non-monetary sanctions or cases that were brought to our attention for non-compliance with environmental laws and regulations.

MOVING FORWARD

We will improve our GHG emissions approach and step up mitigation measures to further reduce and minimise our environmental footprint by putting in place tangible initiatives. These will include obtaining carbon neutrality certification, conducting Scope 3 baselining, setting science-based targets, and installing rooftop solar panels. We will also continue creating awareness among employees through environmental awareness activities. Apart from these initiatives, the completion of the office interior fit-out project will help to reduce our electricity and water consumption in the long term.