



## **SUSTAINABILITY POLICY**

**SUS/POL/001 -2019**

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## 1. OBJECTIVE

The purpose of this Policy is to provide guidance on how to conduct our business responsibly so that we create long-term value for our stakeholders and improve our long-term performance and resilience, towards being ASEAN's leading, sustainable and globally-connected marketplace. It is to reaffirm the strategic importance of sustainability to the organisation and the capital market.

## 2. PRINCIPLES

This Policy is underpinned by our vision<sup>1</sup> and mission<sup>2</sup> and reinforces our commitments -

- as a Partner Exchange of the **Sustainable Exchanges Initiative (SSE)**, to promote sustainability in our markets, in particular, to promote long term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on our exchange.
- as a member of the **World Federation of Exchanges (WFE)**, to promote the **WFE Sustainability Principles**, in promoting the development of a sustainable financial system, thereby contributing to Malaysia's efforts to achieve the United Nations **Sustainable Development Goals (SDGs)** and the **Paris Agreement** to limit global temperature rise to well below 2 degrees Celsius.
- as a participant of **United Nations Global Compact (UNGC)** and supporter of the **Ten Principles of Global Compact** that cover environment, labour, human rights and anti-corruption.
- as a supporter of the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** established by the Financial Stability Board (TCFD Recommendations).
- as a supporter of the **Women's Empowerment Principles** which are the result of collaboration between the UN Global Compact and UN Women, and are adapted from the Calvert Women's Principles.

## 3. GOVERNANCE

This Policy is a matter reserved for the Board of Directors with the Chief Executive Officer (CEO) being responsible for overall compliance. The Executive Committee chaired by the CEO of Bursa Malaysia group will oversee the implementation, compliance with and review of this Policy.

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<sup>1</sup> Vision: To be ASEAN's leading, sustainable and globally-connected marketplace.

<sup>2</sup> Mission: Creating Opportunities, Growing Value

#### **4. SUSTAINABILITY COMMITMENTS**

We set out below, the commitments to help operationalise or give effect to the value creation and objectives as set out above. These commitments serve to underscore our behaviour and conduct, including our planning, risk management, compliance and communication strategies, action plans and activities and are grouped under three pillars -

- Economic/Market
- Environment
- Social

These commitments supplement the existing policies of Bursa Malaysia that already contain relevant requirements that relate to sustainability.

##### **4.1 ECONOMIC/MARKET**

As a market operator and front-line regulator, we have an influence over the capital market and the economic well-being of our market participants. We view it as our responsibility to elevate the standards of sustainability in the marketplace, for the benefit of the organisation, all stakeholders and the nation. Therefore, bearing in mind our unique position as a regulator, market operator and influencer we aim to -

- (a) Adopt the principles of proportionality, transparency and consultation in regulating our markets and market participants to maintain an orderly and fair market.
- (b) Provide secure, reliable and resilient systems to ensure the efficient and proper functioning of the markets and excellent customer experience.
- (c) Promote the enhanced availability of investor-relevant, decision-useful information that includes Environmental, Social & Governance (ESG) information in accordance with relevant globally accepted disclosure standards, and in so doing, encourage the adoption of sustainability best practices among our listed issuers.
- (d) Proactively develop the market by, among others -
  - (i) providing an inclusive market and easily accessible market for a variety of entities to raise funds, including small and medium-sized enterprises (SMEs); and
  - (ii) Introducing, facilitating or promoting innovative and diverse products and services or frameworks including products, services or frameworks to advance the sustainable finance agenda, such as green, social and sustainability bonds or sukuk or sustainable and responsible equity or derivatives products and services.
- (e) Leverage systems and infrastructure to mainstream sustainability products, solutions and initiatives
- (f) Undertake programmes and initiatives to encourage responsible consumption and production among our listed issuers.
- (g) Promote high business conduct among our intermediaries.
- (h) Advocate sustainability and facilitate capacity building for relevant stakeholders (such as the issuers, investors and intermediaries) to improve market quality, integrity and

stability which, in turn, create a more conducive capital market ecosystem for long term value creation.

#### **4.2 ENVIRONMENT**

In doing our part to protect the environment and conserve biodiversity, apart from complying with environmental legal and regulatory requirements, we aim to -

- (a) Consider sustainability risks and opportunities, including climate-related risks and opportunities as part of our governance, risk management and strategic and financial planning framework.
- (b) Integrate practices that embrace responsible energy and resource management in daily operations, including prioritising the use of green technologies, adopting carbon reduction strategies and promoting good environmental practices across the supply chain, where practicable.
- (c) Inculcate behaviour that supports the building of environmentally sustainable practices among our employees.
- (d) Disclose environmental data, performance and targets, in accordance with relevant globally accepted disclosure frameworks.
- (e) Promote the adoption of good environmental practices including the TCFD Recommendations among our listed issuers and raise awareness of the TCFD Recommendations among our investors.

#### **4.3 SOCIAL**

As a market operator and regulator, we have many stakeholders that range from our regulators, employees and persons we regulate to our customers, suppliers, business partners and the communities we support.

With the above in mind, apart from complying with human rights and labour, legal and regulatory requirements, we aim to -

- (a) Act ethically and with integrity in all our business dealings and relationships with our stakeholders.
- (b) Provide an environment free of discrimination and harassment for our employees, where all individuals are treated with respect and dignity, can contribute fully, and have equal opportunities.
- (c) Respect internationally recognised human rights as relevant to our business and operations and continuing to uphold the freedom of association and the effective recognition of the right to collective bargaining as stipulated under the International Labour Organisation conventions.
- (d) Provide and maintain a safe and healthy work environment for our employees. We will not tolerate any threats or acts of violence towards any of our employees, whether it is from another employee, customer, regulated person or any other person.

Sustainability

- (e) Nurture a sustainable High-Performance Organisation, which embraces the Bursa values (Building Relationships, United to Achieve, Responsibility, Simplicity and Agility) and prioritises integrity, inclusivity, diversity and continuous learning.
- (f) Develop our employees and provide an environment for them to be more innovative and able to realise their full potential.
- (g) Develop deep sustainability know-how and competency across the organisation to expedite our progress and strengthen our processes and practices as well as our sustainability reporting journey.
- (h) Implement policies and programmes to attract and retain talent.
- (i) Promote integrity and the protection of human rights across the supply chain.
- (j) Undertake programmes to promote gender equality in the workplace, marketplace and community, based on the Women's Empowerment Principles.
- (k) Promote education for communities, especially the underserved, to improve their livelihoods.