



PRIME MINISTER'S DEPARTMENT  
LEGAL AFFAIRS DIVISION

NATIONAL ACTION PLAN ON  
**BUSINESS +**  
**HUMAN RIGHTS**  
2025 – 2030





FIRST PRINTING, 2025

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## CONTENTS

Ministerial Foreword Malaysia's First National Action Plan on Business and Human Rights 2025-2030	5
Statement by the Director General of the Legal Affairs Division, Prime Minister's Department	7
Acknowledgments	9
Illustrating Recent Business and Human Rights Cases	11
A National Action Plan on Business and Human Rights is Essential to Meet Our Human Rights Obligations	14
Statement of Intent and Expectations of the Government of Malaysia Towards Businesses	16
Background and Context	18
Key Strategies and Five-Year Actions (2025-2030)	27
Thematic Priority 1: Governance	28
Thematic Priority 2: Labour	51
Thematic Priority 3: Environment	67
Implementation Approach and Monitoring, Evaluation, Training and Learning	88
Immediation Actions	92
Conclusion	93
Annexes	94

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# MALAYSIA'S NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS 2025 – 2030



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## MINISTERIAL FOREWORD

### Malaysia's First National Action Plan on Business and Human Rights 2025 – 2030



In today's evolving global landscape, the intersection of business and human rights has become an essential pillar of sustainable and ethical economic growth. As Malaysia continues to strengthen its position in the global economy, it is imperative that our businesses operate responsibly, ensuring that human rights are respected, protected, and upheld at every stage of economic activity.

The National Action Plan on Business and Human Rights (NAPBHR) 2025–2030 marks a significant milestone in our commitment to foster a business environment that is not only competitive but also grounded in principles of fairness, accountability and respect for human dignity. Developed in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the

NAPBHR underscores Malaysia's dedication to integrating human rights considerations into governance, labour, and environmental policies.

The NAPBHR identifies key areas for improvement and lays out concrete measures to enhance corporate accountability, promote sustainable business practices, and ensure access to remedy for those impacted by business-related human rights violations.

As we move forward, the success of the NAPBHR 2025–2030 will depend on collective action. The government will continue to play its role in strengthening laws, policies, and enforcement mechanisms, but true

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progress requires the commitment of all stakeholders. Businesses must integrate human rights due diligence into their operations, workers must be empowered to defend their rights, and civil society must continue to serve as a critical voice in shaping ethical business practices.

I extend my deepest appreciation to the Legal Affairs Division of the Prime Minister's Department (BHEUU, JPM), the Ministry of Human Resources (KESUMA), the Ministry of Natural Resources and Environmental Sustainability (NRES), the Human Rights Commission of Malaysia (SUHAKAM), the United Nations Development Programme (UNDP) and all other stakeholders who have contributed their expertise, time and dedication to the development of the NAPBHR.

As we embark on this transformative journey, let us remain steadfast in our commitment to economic progress that does not come at the expense of human dignity. It is only by ensuring that businesses operate with integrity and accountability that we can achieve a future where economic growth and human rights go hand in hand.

“

**Echoing the words of Nelson Mandela,**

***To deny people their human rights is to challenge their very humanity.*** ”

**YB Dato' Sri Azalina Othman Said**

Minister in the Prime Minister's Department  
(Law and Institutional Reform)

## STATEMENT BY THE DIRECTOR GENERAL OF THE LEGAL AFFAIRS DIVISION, PRIME MINISTER'S DEPARTMENT



*Assalamualaikum warahmatullahi wabarakatuh* and Greetings.

I am honoured to introduce the National Action Plan on Business and Human Rights 2025 – 2030, a significant milestone in Malaysia's commitment to integrating human rights considerations into business practices. The NAPBHR reflects the Malaysian Government's dedication to fostering responsible, sustainable, and ethical business conduct, ensuring that economic growth is pursued in a manner that respects and upholds human rights.

The development of the NAPBHR was a collaborative effort involving key stakeholders across various sectors. I extend my deepest appreciation to BHEUU, KESUMA, and NRES, and other

relevant parties who played an instrumental role in shaping the thematic priorities of the NAPBHR. Special recognition is also given to the Working Group on Business and Human Rights (BHRWG), comprising BHEUU, SUHAKAM, UNDP, and the respective lead agencies, for their unwavering commitment and invaluable contributions throughout this process.

Furthermore, the active participation of Non-Governmental Organisations (NGOs), Civil Society Organisations (CSOs), trade unions, industry representatives, and other key stakeholders has been crucial in ensuring that the NAPBHR is inclusive and comprehensive. Their insights, gathered through

consultations, discussions, and feedback sessions, have greatly enriched the development of the NAPBHR, ensuring that it is responsive to the challenges and needs of all affected communities.

Moving forward, the success of the NAPBHR will rely on continued collaboration and commitment from all stakeholders. Businesses, government agencies, civil society, and the public must work together to uphold the principles of human rights, promote corporate accountability, and ensure access to justice for those impacted by business activities. It is our collective responsibility to build a business environment that not only thrives economically but also fosters social progress and human dignity for present and future generations.

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**Moving forward, the success of the NAPBHR will rely on continued collaboration and commitment from all stakeholders.”**

**YBhg. Datuk Zamri Bin Misman**  
Director General, Legal Affairs Division  
Prime Minister’s Department

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## ACKNOWLEDGMENTS

This document represents Malaysia's first NAPBHR. It follows the launch of the National Baseline Assessment (NBA) on Business and Human Rights in August 2024. Stakeholder engagement sessions were conducted between August 2024 and March 2025 and a key component of the development phase was an online public consultation on the Zero Draft of the NAPBHR, facilitated via the BHEUU website from 7–28 February 2025.

BHEUU would like to extend our sincere acknowledgement and commendation on this landmark achievement after years of effort negotiating its contents, a daunting task given the range of stakeholders and parties involved. This is a momentous step forward in Malaysia's commitment to upholding and advancing human rights in the context of responsible business conduct.

The development of the NAPBHR 2025 - 2030 signifies a dedicated pursuit to integrate the UNGPs into the national framework. It reflects an aspiration of economic development and normative business conduct that respects and protects human rights and provides for effective remedy when abuses occur.

We are deeply grateful to Datuk Dr. Rose Lena Lazami for her invaluable guidance as the Advisor to the Working Group on Business and Human Rights. We extend our profound thanks to UNDP, which has played a key role in the development of this action plan, working diligently to ensure its alignment with international standards. We especially wish to acknowledge SUHAKAM for its foundational work, unwavering advocacy and crucial role in ensuring that human rights are consistently upheld in Malaysia.

This milestone would not have been possible without the collaborative spirit and valuable contributions of a wide array of stakeholders. We extend our sincere appreciation to our partners from KESUMA and NRES for their dedicated work throughout the development process. Your commitment to ensuring that the thematic priorities of labour and the environment were clearly articulated and aligned with the objectives of the NAPBHR has been indispensable. We also wish to acknowledge the Malaysian Anti-Corruption Commission (MACC) for their critical input in integrating anti-corruption and integrity measures into the NAPBHR framework, reinforcing the importance of ethical business conduct and good governance as essential components of responsible business practices.

Further, the active participation of CSOs, NGOs, businesses, and importantly, the communities whose voices and experiences have informed this action plan, has been vital. The extensive consultations, discussions and deliberations undoubtedly enriched the NAPBHR, ensuring its relevance and applicability to the Malaysian context.

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We look forward with optimism to the effective implementation of the NAPBHR 2025–2030 in collaboration with all of you and are hopeful that it will pave the way for enhanced corporate accountability, a greater respect for human rights across all business operations and supply chains, and continued contributions to the well-being of all individuals in Malaysia.

This action plan is not just a policy document, but a testament to Malaysia's dedication to responsible business conduct and the universal values of human rights. We offer our congratulations on this accomplishment.

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## CASE STUDIES:

### Illustrating recent business and human rights cases

#### Case 1

“I saw a red glow...I kept hearing things falling glass, stones, all crashing in. It started off with the explosion, then the windows started shaking violently.”<sup>1</sup>

In April 2025, an explosion caused by a gas pipeline leak in the residential area of Putra Heights, on the outskirts of Greater Kuala Lumpur, brought national attention to the importance of safety, transparency, and community protection in infrastructure management. The incident led to injuries, property damage, and the temporary evacuation of residents, prompting wide public reflection on how such risks are managed, especially in populated areas.

While the specific cause of the incident was under investigation, what clearly emerged was the need for stronger frameworks that protect communities from business-related human rights risks. The Putra Heights explosion underscores the relevance of Malaysia’s NAPBHR in advancing systemic improvements to prevent and manage such situations.

Many residents were unaware that a high-pressure gas transmission line ran beneath their neighbourhood, raising questions about access to critical safety information. The NAPBHR highlights the importance of the public’s right to know, particularly in relation to infrastructure that may affect their safety. This includes the transparent disclosure of pipeline routes, safety zones, and Environmental Impact Assessments (EIAs), made available in accessible formats. Ensuring that communities can make informed decisions helps foster trust and resilience.

The Putra Heights case also sheds light on the importance of conducting thorough human rights and environmental due diligence, especially for companies operating near or around residential areas. Regardless of the sector, businesses and contractors are expected to carry out comprehensive risk assessments, monitor ongoing safety standards, and report transparently to the relevant authorities. The NAPBHR supports mandatory due diligence practices that are independently verified and publicly disclosed, helping prevent incidents before they occur.

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<sup>1</sup> Quote from local resident Evian Wee, as reported by Huey Mun Leong and Danial Azhar for Reuters (2 April 2025). Article can be accessed here: <https://www.reuters.com/world/asia-pacific/huge-fire-petronas-gas-pipeline-malaysia-injures-33-2025-04-01/>.

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Feedback from affected communities also indicated that local voices were limited in decisions related to nearby infrastructure projects. The NAPBHR promotes meaningful engagement with communities - particularly when developments carry potential environmental or safety risks. Applying principles such as Free, Prior, and Informed Consent (FPIC) ensures that residents are adequately informed, consulted, and given the opportunity to raise concerns that should be seriously considered in decision-making processes.

Following the incident, there was some public uncertainty over the chain of accountability, available remedies, and how investigations would proceed. The NAPBHR calls for clear expectations on corporate and institutional accountability in such events, including timely public disclosure of findings, full cooperation with independent investigations, and accessible avenues for remedy and compensation. Establishing clear oversight mechanisms is essential to reinforce public confidence and ensure lessons are learned and acted upon.

The Putra Heights incident also brings into focus a broader governance consideration: the potential conflict of interest that arises when regulatory authorities are also stakeholders in the industries they oversee. This dual role can sometimes complicate impartial decision-making or lead to perceptions of regulatory bias. As part of the NAPBHR, strengthening institutional integrity, ensuring separation of functions, and improving corporate governance standards are vital to uphold public trust and align business practices with human rights obligations.

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## Case 2

The recent tragic express bus accident involving University Pendidikan Sultan Idris (UPSI) students has reignited national concern over safety standards in the public transportation sector and the accountability of service providers. As businesses entrusted with the safety and well-being of passengers, express bus operators must adhere to the highest standards of human rights due diligence to ensure safe transport and protect the right to life.

In response to such incidents, there is a call for the consideration of a Corporate Manslaughter Act, to ensure companies can be held criminally liable for fatalities caused by gross negligence or systemic safety failures. This legislative approach mirrors international legal developments in jurisdictions such as the United Kingdom, and aligns with the state duty to protect, and the corporate responsibility to respect, under the UNGPs.

The NAPBHR supports ongoing efforts to explore and develop a legal framework for corporate manslaughter in Malaysia. Such a framework would serve as a deterrent against corporate negligence, particularly in high-risk industries like transportation, construction, and manufacturing. The NAPBHR further urges for enhanced regulatory oversight, independent investigations into business-related fatalities, and access to effective remedies for victims and their families. These steps are crucial to ensuring that corporate entities are not only held to account after harm has occurred, but are also incentivised to implement robust human rights safeguards proactively.

Together, the Putra Heights gas explosion and the UPSI bus tragedy serve as reminders of the intersection between business operations, public safety, and human rights. They underscore the need for robust governance frameworks, corporate accountability, and the active participation of communities in shaping decisions that affect their lives. Malaysia's NAPBHR is uniquely positioned to drive these reforms forward building a safer, more transparent, and rights-respecting business environment for all.

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# A NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS IS ESSENTIAL TO MEET OUR HUMAN RIGHTS OBLIGATIONS

## Why implement a NAPBHR?

The Government acknowledges that a NAPBHR would only be as meaningful as its implementation – this will be actively driven in the next phase of the BHR agenda. The NAPBHR is essential in several ways:

- **Sets the tone and expectations** for BHR practitioners – from civil servants to corporate sustainability teams – to apply the UNGPs within the local context and mobilise both capacity and resources to drive implementation and action.
- **Enhances policy coherence and institutional clarity** by providing a unified national framework to coordinate policies across ministries and levels of government. It assigns responsibilities and enables better resource allocation, cross-agency communication, and inter-ministerial collaboration.
- **Identifies conceptual and material linkages** that enhance complementarity and supports the socialisation of a shared language of sustainability rooted in human rights.
- **Helps to build systemic confidence and reduces the trust deficit** through experimenting with bold policy measures and leveraging non-traditional alliances.
- **Strengthens Malaysia's international standing** as it demonstrates Malaysia's commitment to international human rights norms, boost its ESG ratings, and positions it as a responsible and attractive destination for ethical investment.

Malaysia's NAPBHR 2025 - 2030 therefore aspires to become a milestone in the Government's journey to strengthen its efforts, initiatives and practices in safeguarding human rights. It aims to fulfil the following:

- **Protect human and environmental rights** by enforcing measures to ensure businesses adopt human rights-based approaches in their activities, employment practices, and throughout their supply and recruitment chains, both domestically and abroad.
- **Promote business respect for human rights** by encouraging and incentivising businesses to ambitiously adopt policies and practices that align with international human, labour, and environmental rights standards, while leaving no businesses and no one behind.
- **Remediate human rights abuses** by ensuring that timely, transparent and effective grievance mechanisms are established and implemented addressing the harms caused by, or linked to, business activity.

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## What is the risk of inaction?

Failing to meaningfully implement the NAPBHR carries significant risks for the country's economy, reputation, and most important, all people living and working in Malaysia. Without a coherent national framework addressing business-related human rights concerns in its supply chains, Malaysia will remain vulnerable to domestic crises and external pressures. Key risks of maintaining the status quo include:

- **Forced labour sanctions and export restrictions:** Labour rights violations have already led to foreign sanctions. Without decisive action to eliminate forced labour, Malaysia risks broader sanctions or loss of preferential trade status. In practical terms, entire industries could see diminished demand as global buyers seek clean supply chains. This would undercut Malaysia's export-led growth and undermine the livelihoods of countless law-abiding businesses. Consequences extend beyond individual firms; they threaten Malaysia's image as a moderate nation and active member of the UN. Inaction would signal a toleration of exploitation.
- **Limited suppliers and contracted supply chains:** Supply chain management is inherently complex given that they are often deep and distributed, with nuances based on sector and location. A systemic shift away from standard industry practice requires clear and integrated directives to ensure that suppliers, especially Small and Medium Sized Enterprises (SMEs), are able to respond effectively to new requirements. Failing to have a unified approach that supports SMEs to align with buyer demand risks reducing and concentrating the supplier pool, ultimately increasing the costs of production. These costs often end up being borne by customers.
- **Reputational damage and loss of investor confidence:** In June 2024, the UN High Commissioner for Human Rights Volker Türk pointed out that Malaysia's foreign investment prospects are tied to its human rights performance, indicating that without improvements, the country could lose out on vital investments. Lacking a clear commitment to reform feeds a perception of risk that can drive investors and international partners away, harming Malaysia's sustainable development goals and tarnishes Malaysia's reputation as a trading partner.
- **ESG-linked trade barriers and exclusion from markets:** A prominent example is the European Union's Carbon Border Adjustment Mechanism (CBAM) that will impose costs on carbon-intensive imports. Alarmingly, it is projected to impact 75 per cent of Malaysia's exports to the EU, which accounts for eight per cent of Malaysia's total exports between 2021 and 2023.<sup>2</sup> Similarly, the EU and other developed markets are introducing due diligence laws to address deforestation, forced labour, and other human rights or environmental harms. The EU's Corporate Sustainability Due Diligence Directive (CS3D) will oblige large companies to

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<sup>2</sup> "75% of Malaysia's exports to EU impacted by carbon border adjustment mechanism – SC." Article can be accessed here: <https://www.thestar.com.my/business/business-news/2024/03/25/75-of-malaysia039s-exports-to-eu-impacted-by-carbon-border-adjustment-mechanism---sc>.

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identify and address human rights and environmental risks in their supply chain. Malaysian companies that cannot demonstrate compliance with these standards may find European buyers unwilling to source from them. In effect, Malaysia could be edged out of critical global value chains, not by formal sanctions, but by private sector decisions driven by foreign laws and consumer pressure.

- **Barriers to trade agreements and regional leadership:** Beyond market access issues, absence of state-led BHR reforms impair Malaysia's ability to negotiate trade agreements or lead on economic initiatives. Major trading partners increasingly embed human rights and sustainability clauses in trade deals and a failure to demonstrate such commitments can stall negotiations or invite stricter conditions. Regionally, as ASEAN economies develop their own BHR frameworks, Malaysia could lag behind peers in meeting new norms, potentially weakening its influence in bilateral and multilateral economic engagements.

## **STATEMENT OF INTENT AND EXPECTATIONS OF THE GOVERNMENT OF MALAYSIA TOWARDS BUSINESSES**

Malaysia remains steadfast in its commitment to address challenges related to the protection and fulfilment of human rights. The Government has ratified human rights instruments such as the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), Convention on the Rights of the Child (CRC) and Convention on the Rights of Persons with Disabilities (CRPD). These instruments have been domesticated and embedded into the legal and institutional framework in Malaysia and more is being done to improve how these instruments are applied.

Yet, the promotion and protection of human rights are not the sole responsibility of the Government. Businesses are equally integral to this effort, given the power and ability it has to influence the spaces in which human rights operate. Encouragingly, a growing number of businesses in Malaysia have begun internalising the UNGPs in some form, integrating human rights considerations into their policies and practices.

Recognising that the dynamic and evolving nature of the global business and human rights landscape requires resilience and agility, the Government underscores the urgency of strengthening access to effective remedies, both judicial and non-judicial, for those affected by adverse business impacts. The Government calls on businesses to establish accessible, credible and effective grievance mechanisms and to support communities in securing adequate and timely redress, while acknowledging that there will be difficult, but necessary, challenges to overcome.

While the actions in this plan are grounded in State-led mechanisms, businesses should not wait for new laws to be created or regulatory reforms to be initiated, as the effects of the contemporary sustainability regime will indeed come swiftly. The expectation is clear for businesses to take proactive steps to respect human rights as an essential element of responsible business conduct.

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In this view, the Government outlines the following expectations for all businesses operating in Malaysia, whether multinational corporations, large companies, or SMEs, as well as Malaysian businesses abroad:

- All businesses should have a **progressive policy that clearly articulates the company's commitments towards human rights**, responsible business conduct, and implementing human rights due diligence. The policy must be relevant to the company's own operations, supply chain and other business relationships and should be made publicly available.
- All businesses should **ensure its human rights and due diligence policies are embedded** into its core management systems and integrated across all its regular business processes, including governance, risk management, procurement and compliance.
- All businesses should ensure its **human rights policies and standards are extended to, and effectively communicated with, suppliers and other business relationships**. This forms part of contractual obligations and relationship management.
- All businesses should **establish and maintain an effective grievance mechanism** that is legitimate, accessible, predictable, equitable, transparent, and rights compatible. Such grievance mechanisms should foster trust, enable continuous learning and be designed through meaningful engagement with rightsholders and stakeholders. Confidentiality and non- retaliation protections must be guaranteed for grievance raisers.
- All businesses should **regularly undertake a scoping exercise**, in a phased manner, to (i) identify all areas of the business across its operations and relationships where human rights risks are most likely to be present and most significant and (ii) assess its involvement with the actual or potential adverse impacts identified. Special attention must be given to the impacts on vulnerable and marginalised individuals and communities.
- Upon identifying actual or potential adverse impacts, all businesses should **take appropriate actions to prevent and mitigate harm**. This includes developing and implementing plans to address human rights risks associated with their operations and relationships, and to provide or contribute to remediation where harm has occurred.
- All business should **establish mechanisms to monitor the effectiveness of their enterprise's due diligence efforts**. Lessons learned should be used to refine policies and improve practices continuously.

- All businesses should **communicate publicly and transparently on how they address human rights impacts**. While sensitive information must be handled with care, reporting must move beyond basic disclosures and provide substantive information, especially for public-listed companies in Malaysia which are already required to report on sustainability matters.
- Where businesses have caused or contributed to adverse human rights impacts, they must **take responsibility by providing or cooperating in remediation efforts in a timely and appropriate manner**.
- Large companies are strongly encouraged to **support SMEs to build their capabilities by providing financial support as well as regular and consistent human rights-based training in order to leave no business behind**.

## BACKGROUND AND CONTEXT

In recent years, corporate responsibility has taken many forms. From *corporate social responsibility (CSR) and corporate sustainability*, derived from the 2030 Agenda, *Environment, Social, and Governance (ESG)* has taken root to describe and categorise elements of social risk to business. This demonstrates familiarity with the idea of corporate duty of care, enhanced now to include the concept of *business and human rights (BHR)*.

### Are ESG and BHR two sides of the same coin?

While these terms operate in the same space, it is important to clarify key distinctions:

ESG framework	BHR framework
Prescribes good practices aligned with the sustainability agenda	Reaffirms fundamental rights and accessible pathways to justice
Employs business or market-based language and approaches	Employs human rights-based language and approaches
Enhances corporate responsibility	Advances corporate accountability
Describes the risks to profit	Describes the risks to people

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ESG in practice is an exercise in compliance, making it business-centric, modelled for companies with complex and extensive global supply chains. To complement this, the application of BHR principles requires an active focus on material elements such as timely and effective remedies – an increasingly vital component of accountable business practice.

BHR is also wide-ranging and crosscutting in nature, even emphasising extraterritorial responsibilities for companies with operations abroad. In the pursuit of doing no harm, BHR looks at countering potential abuses of human rights and further underscores access to justice when abuses occur.

## **The global standard for responsible business**

BHR can be traced back as early as the 1970s, through the United Nations' efforts on the activities of transnational corporations. Four decades later, the UN Human Rights Council (UNHRC) unanimously endorsed the UNGPs in 2011, guidance grounded in the “Protect, Respect, Remedy” framework: (i) the State's duty to protect, (ii) the corporate responsibility to respect, and (iii) access to remedy.<sup>3</sup>

The UNGPs are the most authoritative and widely adopted set of principles for responsible business conduct, the result of tripartite reflections amongst States, businesses and CSOs. While the principles are not legally binding, they aim to reinforce and strengthen existing international obligations. The UNGPs have been widely embraced today given increasing international pressure, bringing industries together on common issues to encourage better human rights performance. Yet, key challenges remain in the holistic implementation and localisation of the principles.

A cohesive approach to improving corporate conduct also leverages the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines) and the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). These instruments complement the UNGPs by providing more detailed, actionable standards that enhance coherence and applicability across different sectors.

The OECD Guidelines, with their emphasis on risk-based due diligence and corporate accountability across global value chains, support the implementation of Pillar Two on corporate responsibility by offering sector-specific expectations and dispute resolution mechanisms. Meanwhile, the MNE Declaration - the only global instrument on responsible business

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<sup>3</sup> Office of the United Nations High Commissioner for Human Rights (2011). Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework. Retrieved from: [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

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conduct developed and adopted by the representatives of governments, employer groups and worker organisations - brings a strong labour rights focus, grounding business responsibility in international labour standards and promoting decent work, non-discrimination, freedom of association and collective bargaining, and social dialogue that are critical elements in Malaysia's labour-intensive economy. Together, these instruments operationalise the UNGPs' normative framework, enabling governments and businesses to translate high-level commitments into policy and practice.

The Association of Southeast Asian Nations (ASEAN) as well as the ASEAN Intergovernmental Commission on Human Rights (AICHR) have been instrumental in promoting regional approaches to BHR. ASEAN has initiated numerous activities centring BHR, organising multistakeholder engagements to gather and share country experiences and best practices. Notable efforts include the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers as well as the proposed ASEAN Declaration on the Right to a Safe, Clean, Healthy and Sustainable Environment, which lays the foundation for the region's recognition of environmental rights and its substantive and procedural impacts on human rights.

Domestically, the Federal Constitution serves as the cornerstone of human rights protection in Malaysia, outlining fundamental liberties and ensuring that every citizen enjoys these rights under the rule of law. Enshrined in Part II of the Constitution, these fundamental liberties provide a legal framework to protect individuals' dignity, equality and freedom. Human rights provisions in the Federal Constitution related to business and human rights are:

### **1. Equality Before the Law**

The Constitution guarantees that all persons are equal before the law and entitled to equal protection. Discrimination is prohibited on grounds of religion, race, descent, place of birth or gender, ensuring fairness and justice for all Malaysians.

### **2. Freedom of Speech, Assembly and Association**

Citizens have the right to express their opinions, assemble peacefully and form associations. While these rights are subject to limitations in the interest of national security, public order or morality, the Constitution provides a basis for the exercise of civil liberties.

### **3. Right to Life and Personal Liberty**

This safeguards an individual's right to life and liberty, stipulating that no person shall be deprived of these rights except in accordance with the law.

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## Development of the NAPBHR in Malaysia

The implementation of the BHR framework in Malaysia has been a gradual, but collaborative, effort. Initiated in 2010, SUHAKAM hosted a series of roundtable discussions to address deepening human rights issues in the logging and plantation sectors. The Commission consequently launched a strategic framework for the development of an action plan on BHR in 2015, identifying several industries where adverse business-related human rights impacts were evident. The Government had then yet to establish a governance structure and mechanism to drive the BHR agenda at the national level.

The region, too, considered BHR advocacy a crucial component of its agenda. In 2016, AICHR was actively promoting the idea of member states having national action plans on BHR. Thailand, being one of the key driving forces in the region on BHR, conducted consultations and organised meetings to develop its own action plan, some of which were mobilised by civil society. By October 2019, Thailand became the first Southeast Asian country to adopt a NAPBHR for a period of three years until 2022; the country has since published their second action plan.

While there was no specific action plan on BHR at the time this discourse was burgeoning, Malaysia developed a National Human Rights Action Plan (NHRAP) that highlighted key economic and social issues, indirectly including elements of BHR.

After continued engagement with key stakeholders, the late Datuk Liew Vui Keong, then Minister in the Prime Minister's Department (Law), announced the Government's intention to develop the NAPBHR during a national high-level dialogue on BHR in 2019. BHEUU was mandated to operationalise the NAPBHR's development.

The process of developing Malaysia's first NAPBHR is aligned with the five-step process encouraged by the UN Working Group on Business and Human Rights (UNWG). A National Steering Committee on the NAPBHR chaired by the Minister in the Prime Minister's Department (Law) was established, meeting for the first time on 6 July 2021. The Steering Committee comprises three Technical Committees led by ministry or agency representatives for each of the identified thematic focus areas, namely:

### **1. Governance:**

BHEUU, supported by the Malaysian Anti-Corruption Commission (MACC).

### **2. Labour:**

Ministry of Human Resources

### **3. Environment:**

Ministry of Natural Resources and Environmental Sustainability

The Government also formed the BHRWG to commence its work to implement the Government's commitment. BHEUU organised Malaysia's first and second national conferences on BHR in 2021 and 2023, which served to inform BHR stakeholders of progress and challenges thus far.



Meeting of the Working Group on BHR, 15 February 2023.

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## **State of BHR implementation: A National Baseline Assessment on Business and Human Rights (12 August 2024)**

Between July 2022 and June 2023, a comprehensive NBA was conducted to ensure that the overall scope and parameters of the envisioned action plan were well understood. The assessment consolidated data and feedback from ministries and agencies (including state governments), regulatory bodies, industry associations and businesses, CSOs, human and environmental rights defenders as well as vulnerable communities on topical and critical issues of business and human rights. The assessment also mapped out the current level of implementation of the UNGPs and importantly, highlighted key gaps to be addressed. The final report was published in August 2024 after a substantial national review.

The NBA encompassed the overarching themes of governance, labour, and the environment, but also included an additional “special issues” chapter to highlight key areas of particular significance. This chapter raised issues related to gender, children’s rights and digital rights as well as matters linked to Indigenous Peoples, refugees and asylum-seekers, Strategic Litigation Against Public Participation (SLAPP) and extraterritorial obligations.

Governance, as one of the key thematic priorities, explored fundamental issues that continue to place a burden on the foundations of the rule of law and principles of democracy, namely, bribery and corruption. The assessment also identified the need to address matters such as access to information and personal data privacy and security; procurement, investment and tax; diversity, equity, and inclusion; and enforcement of business-related human rights standards in governance.

Recommended measures highlighted the need to make human rights justiciable in Malaysia through the re-examination of domestic laws, strengthening mandates and law enforcement related to corruption, implementing core commitments on tax reform and access to information and ensuring businesses raise ambitions on gender equality and human rights due diligence.

The labour chapter identified four priority areas addressing issues related to forced labour, child labour, fair recruitment and decent work challenges, particularly for migrant workers and their employers; freedom of association and collective bargaining; efforts to extend social protection to vulnerable groups and the informal sector; and increasing access to effective grievance mechanisms and remedies. Often most widely reported, labour challenges are a key feature of the human rights landscape and have demonstrated the effectiveness of tripartite and tripartite-plus solutions involving the government, businesses and trade unions or worker organisations, as well as civil society, when applied.

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However, urgent reforms are to be considered to meet policy and implementation shortfalls in order to improve labour market functioning, address human and labour rights issues along supply chains, and support all sizes of enterprises to ensure they are able to implement policies and good practices. These include harmonising federal and state legislation in alignment with international labour standards, introducing human rights due diligence guidance and assessments, and strengthening judicial and non-judicial grievance mechanisms.

The third theme on the environment examined five areas linking environmental and human rights, namely, environmental governance and accountability; sustainable forest management and biodiversity; pollution, waste management and plastic circularity; climate change; and environmental justice. Adding this crucial environmental lens to the BHR agenda contributes to holistic solutions in addressing “triple planetary crisis” within the local context.

Key recommendations underscored measures that enhance business action towards Malaysia’s Net Zero and biodiversity targets, and improve frameworks related to environmental justice and the rights of Indigenous Peoples. Two important components of environmental justice linked to BHR are effective FPIC protocols and anti-SLAPP legislation.

### **Zero Draft of the National Action Plan on Business and Human Rights (February 2025)**

Building upon the findings from the baseline assessment and further interministerial engagements, the Government had taken a significant step forward by publishing the Zero Draft of the NAPBHR in February 2025. The draft integrates insights gathered from consultations involving government agencies, civil society, businesses, trade unions and academia and outlined Malaysia’s proposed strategies to implement the UNGPs, structured around the three pillars.

The publication of the draft also served to solicit public feedback through a three-week online submission exercise that enabled members of the public to review the proposed framework of the document and share comments, concerns and recommendations. The feedback received served as critical input to refine and strengthen the final version of the action plan, ensuring that as much as possible, it is responsive to material challenges, sensitive to intersectional issues and heightened obligations to safeguard rights, and representative of the diverse perspectives across Malaysian society.

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In total, 29 organisations or individuals had officially submitted inputs on the draft NAPBHR and this was followed by 24 formal meetings, consultations or discussions that were organised between August 2024 and March 2025 on the development of the final NAPBHR (refer to Annexes i and ii).

### **Malaysia's strategic approach to its first NAPBHR**

The development of this first NAPBHR is based on a strong foundation that was solidified through the governance framework. The framework underscores the tripartite role of the Government, the national human rights institution, and BHR experts – in this case, enabling close coordination between BHEUU, SUHAKAM and UNDP. Community-based strategies (as part of broader human rights-based approaches) were incorporated in the design process, with the research, drafting, and development of the NBA conducted by civil society experts on human rights, labour and the environment, respectively.<sup>4</sup> The next phase of the development of the action plan, which led to the published draft, referred directly to this assessment.

In responding to the inputs of various stakeholders, other strategies were employed to finalise the action plan:

- Managing the limitations and overall scope of the action plan was critical while striving to identify widespread and systemic human rights concerns. Urgent issues that were previously raised under the “special issues” chapter are now embedded in the main thematic text. This is to ensure that the NAPBHR balances the breadth and depth of actions and outputs.
- The NAPBHR is guided by the objective that aspirational goals should also be immediately actionable by introducing targeted interventions and where necessary, assessing their feasibility. Reporting these findings, despite the outcomes, promotes an action plan that limits “check-the-box” mentality and focuses on a longer-term vision for the BHR agenda.
- It is also important that the monitoring and evaluation, as well as reporting, process is simple and straightforward while avoiding excessive administrative and operational hurdles. For instance, the reporting requirements under the NAPBHR should not create additional burdens on already inundated focal

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<sup>4</sup> The NBA was developed by a team of experts led by Edmund Bon Tai Soon, with the chapters written by Dr. Tricia Yeoh Su-Wern and Alissa Marianne Rode (Governance), Dr. Andika Ab. Wahab (Labour), Ili Nadiah Dzulfakar (Environment) and Jacqueline Hannah Albert and Umavathni Vathanaganthan (Special Issues).

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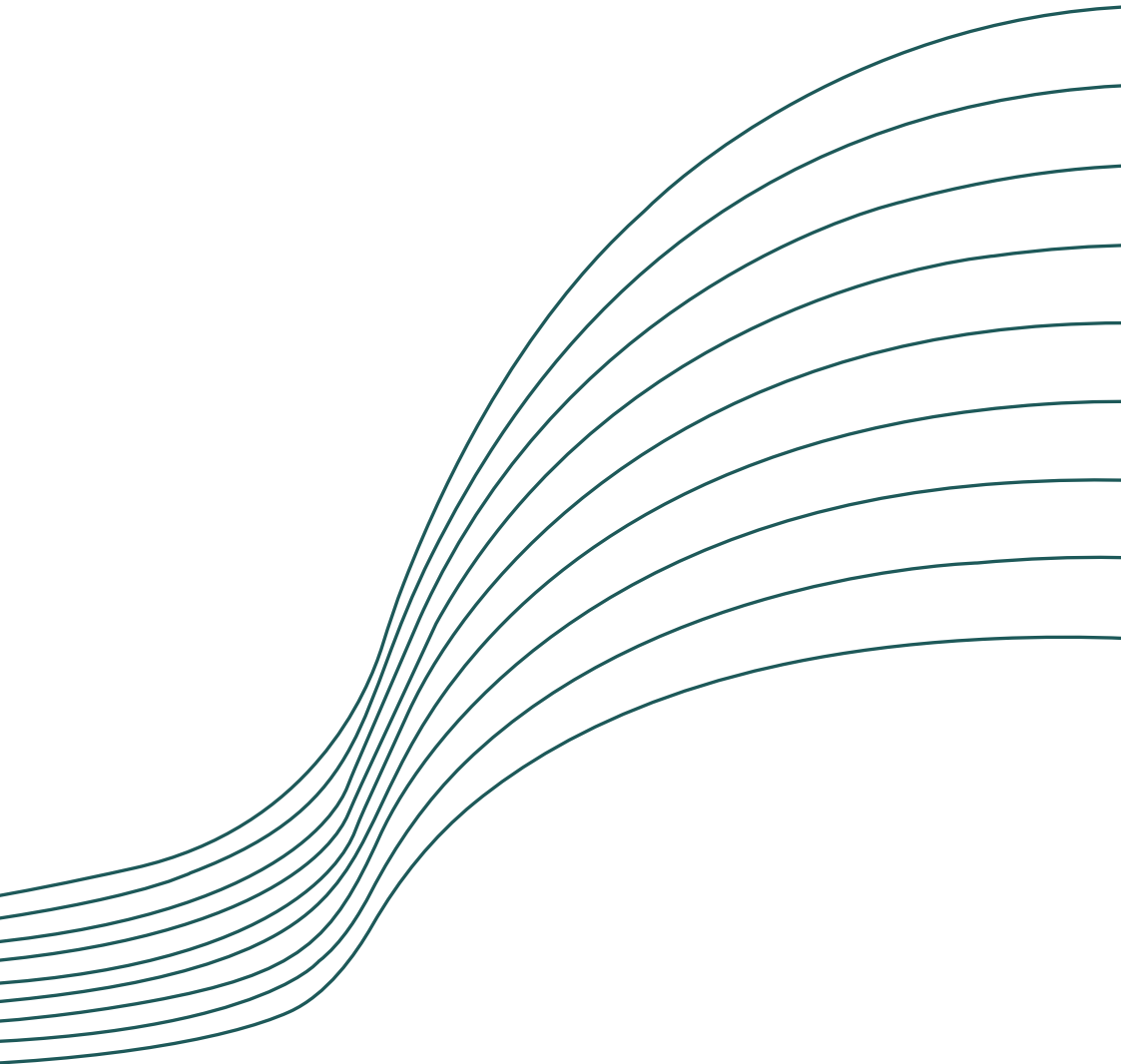
points. One way the plan approaches this is by exploring alignment with reporting requirements under the Universal Periodic Review and other existing mechanisms.

The NAPBHR recognises the various challenges faced by different BHR actors in relation to the fulfilment of human rights. Borrowing from due diligence literature, a genuine effort in line with responsible business conduct refers to proactive, ongoing, and rights-respecting processes that can demonstrate corporate accountability to workers, communities, and society. Substantive, continuous, transparent and stakeholder-informed efforts help the Government to understand and address inherent challenges, and also the ways in which good corporate behaviour can be recognised, celebrated and incentivised.

In the long term, the objective is not merely compliance but tangible improvements in human rights conditions as the root causes – and not the symptoms – are addressed. **Ultimately, the Malaysian action plan is pursuing a strategy of “shared responsibility, shared accountability” in respecting human dignity and meeting the country’s human rights obligations.**

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# KEY STRATEGIES AND FIVE-YEAR ACTIONS (2025 – 2030)



THEMATIC PRIORITY 1  
**GOVERNANCE**



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## THEMATIC PRIORITY 1: GOVERNANCE

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### UNGP Pillar 1

#### **The State Duty to Protect Human Rights**

Governance plays a central role in the delivery of fundamental rights through the management of structural relationships between rights-related laws, policies, regulations, enforcement measures and norms. Good governance from a rights perspective is thus a result of meaningful, cohesive and equitable policy- and decision-making.

The Government of Malaysia affirms its human rights obligations and its responsibility to ensure that businesses respect human rights, in line with the international human rights and labour standards to which Malaysia is a party, as well as relevant domestic laws and policies. These obligations are grounded in Malaysia's participation in key international conventions and treaties, including those under the United Nations and the ILO. The Government recognises the importance of continually strengthening its human rights framework and is committed to reviewing the status of core international instruments, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR), with a view to possible accession. In addition, Malaysia is currently studying the possibility of withdrawing its remaining reservations to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on the Rights of the Child (CRC), and the Convention on the Rights of Persons with Disabilities (CRPD).

Among existing action and strategic plans already in place, the Government is set to launch the National Environmental, Social and Governance Strategic Plan (NESP), which complements the National Sustainability Strategic Framework. The NESP aims to guide businesses, especially SMEs, towards ESG and sustainability compliance. The NAPBHR will harmonise its efforts with these ongoing plans to ensure overall policy coherence.

The Government is looking towards strengthening national laws to align with its human rights ambitions by conducting further assessments, consultations and capacity building initiatives. Enhancing business and human rights literacy supports the process of exploring the feasibility of updating or repealing specific domestic laws that impede upon human rights protection in the context of business activity.

## FOUNDATIONAL

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.1</b>	Conduct a legal review of the challenges and advantages of any revisions, updates or repeals related to the Official Secrets Act 1972 and Section 203A of the Penal Code that may compromise protections in the context of business-related human rights abuses.	<ul style="list-style-type: none"> <li>Evidence, legal insights and recommendations are developed for specific revisions and/or updates to the Official Secrets Act 1972 and Section 203A of the Penal Code.</li> </ul>	Chief Government Security Officer Minister's Department (CGSO); BHEUU, JPM; Criminal Law Reform Committee (CLRC)
<b>G1.2</b>	Conduct an assessment on removing the reservations to CEDAW, CRC and CRPD.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed on the effects and potential outcomes of removing the existing reservations to the conventions, which include an examination of constitutional gaps as well as the social norms that underpin related laws.</li> </ul>	Ministry of Women, Family and Community Development (KPWKM); Ministry of Foreign Affairs (MOFA)

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.3	Review the legal and constitutional gaps related to the Child Act 2001 [Act 611] and the Persons with Disabilities Act 2008 [Act 685] in alignment with the CRC and the CRPD, especially on protection against discrimination, right to education and birth registration.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed to guide further alignment with international standards and best practices.</li> <li>Policymaking is guided by an improved understanding of the constitutional gaps as well as the social norms that underpin these laws.</li> </ul>	KPWKM
G1.4	Conduct an assessment related to the enactment of an Anti-Discrimination Against Women Act in alignment with CEDAW.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed on the effects and potential outcomes of enacting an Anti- Discrimination Against Women Act.</li> <li>The assessment demonstrates how the State and private sector's obligations under CEDAW are domesticated (including access to remedy) and ensures that equality in the workplace is a matter justiciable in the courts.</li> </ul>	KPWKM

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.5	Establish an Office of the Ombudsman Malaysia.	<ul style="list-style-type: none"> <li>• The establishment of an Office of the Ombudsman Malaysia through the enactment and mandate of an Ombudsman Act, which covers four main elements:</li> <li>• Maladministration</li> <li>• Misconduct amongst</li> <li>• Enforcement Agencies</li> <li>• Whistleblower protection</li> <li>• Freedom of information</li> </ul>	BHEUU
G1.6	Amend the SUHAKAM Act to enhance the Commission's mandate and include provisions to ensure sufficient human and technical resources.	<ul style="list-style-type: none"> <li>• SUHAKAM is empowered by binding investigatory, adjudicative and mediation authority and is provided sufficient resources to address inquiries and cases related to BHR within a stipulated timeframe.</li> <li>• Inclusion of permanent seats for vulnerable groups that contributes to strengthening the role of the Commission.</li> </ul>	BHEUU; SUHAKAM

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.7	Establish a permanent and independent body to oversee appointments to anti-corruption and oversight institutions.	<ul style="list-style-type: none"> <li>• A mandated body to oversee appointments, such as a parliamentary select committee, is established that is permanent, independent and provided with sufficient resources to perform their functions effectively.</li> </ul>	Parliament of Malaysia
G1.8	Study the need for a Supply Chain Act in Malaysia.	<ul style="list-style-type: none"> <li>• Completion of a baseline study on existing supply chain regulations in Malaysia.</li> <li>• Identification of legal and policy gaps in current Malaysian laws related to supply chain transparency and accountability.</li> <li>• Inter-agency working group or task force established to coordinate the study.</li> </ul>	BHEUU; KPDN, MITI; NRES

On good governance and corporate accountability, bribery and corruption remain major hindrances to a rights-based governance framework by weakening law enforcement and undermining institutions. This erodes public trust in the rule of law and distorts public spending, signalling to rightsholders that acute power differences are at play, leaving them vulnerable to well-resourced public institutions, individuals and business actors. Ultimately, the erosion of good governance not only raises the cost of doing business but also impairs the state’s ability to fulfil its human rights obligations.

The Government’s comprehensive plans to uphold the principles of the rule of law, improve good governance and create a clean business environment is championed in the National Anti-Corruption Plan (2019 – 2023) (NACP) and more recently, in the NACP’s successor, the National Anti-Corruption Strategy (2024 – 2028) (NACS). To this end, the objective of the NAPBHR is to reinforce these international and national commitments to good governance efforts.

## ANTI-BRIBERY AND - CORRUPTION

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.9</b>	Reinforce the implementation of the United Nations Convention against Corruption (UNCAC), especially on anti-corruption policies and practices.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed that define entry points to accelerate the implementation of key provision under UNCAC, reinforcing corporate or private sector governance as a key component of state-based anti-corruption measures.</li> </ul>	Malaysian Anti-Corruption Commission (MACC)
<b>G1.10</b>	Identify measures to improve Malaysia's ranking in the Corruption Perceptions Index (CPI) by Transparency International.	<ul style="list-style-type: none"> <li>Key measures are implemented that contribute to Malaysia's CPI ranking by 2033.</li> </ul>	MACC
<b>G1.11</b>	Expedite the enactment of a Freedom of Information Act (FOIA).	<ul style="list-style-type: none"> <li>Enactment of a FOIA that specifically protects the right to access human rights-related and environmental information.</li> </ul>	BHEUU
<b>G1.12</b>	Initiate adequate capacity building and training for Government officials on the FOIA post hoc.	<ul style="list-style-type: none"> <li>FOIA trainings are conducted for ministries and agencies (both federal and state), with clear learning outcomes.</li> <li>Public officials demonstrate application, transform the law into practice, and contribute to institutional change.</li> </ul>	BHEUU

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.13</b>	Establish an independent Freedom of Information (FOI) oversight body.	<ul style="list-style-type: none"> <li>An FOI oversight body is established and operationalised through the mandate of the FOIA that demonstrates enhanced measures related to public access to information.</li> </ul>	BHEUU
<b>G1.14</b>	Assess the implementation of the Personal Data Protection (Amendment) Act 2024.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed related to mandatory appointment of a Data Protection Officer (DPO), compulsory data breach notifications, and improved data portability rights.</li> </ul>	Ministry of Digital, Department of Personal Data Protection
<b>G1.15</b>	Introduce data management and treatment guidelines for Government agencies.	<ul style="list-style-type: none"> <li>Introduction of a Data Leakage Protection System, which includes data management and treatment guidelines.</li> <li>These tools demonstrate the prevention of data leakages and reinforce privacy measures for data related to children, young people and other marginalised communities.</li> </ul>	CGSO

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.16</b>	Develop guidelines on cross-border data transfers to ensure the protection of personal data.	<ul style="list-style-type: none"> <li>A guideline is developed and socialised that comprehensively considers social risks related to international data transfers and compels uptake by businesses.</li> </ul>	Ministry of Digital, Department of Personal Data Protection
<b>G1.17</b>	Review and strengthen the Communications and Multimedia Act 1998 [Act 588] and Online Safety Act 2025.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed related to children's digital rights and online protection.</li> <li>Laws are strengthened by modernising the crime of child sexual exploitation and abuse, reinforcing corporate accountability for mitigating online risks and embedding safety by design.</li> </ul>	Ministry of Communications
<b>G1.18</b>	Review and strengthen the Consumer Protection Act 1999 [Act 599].	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed to bring the law up to date in the context of the right to safe goods (especially for children and young consumers), accessibility to product or service information and the right to seek redress in unfair commercial practices.</li> </ul>	Ministry of Domestic Trade and Cost of Living

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.19	Promote inclusive and sustainable urban development by institutionalising effective Social Impact Assessments (SIAs) to protect public purpose lands and green spaces in urban settings.	<ul style="list-style-type: none"> <li>• Evidence, insights and recommendations are developed to guide measures that underscore transparency in public land management and establishes clear carrying capacity limits for cities.</li> </ul> <p>Effectiveness of SIAs is improved grounded in the</p> <ul style="list-style-type: none"> <li>• right to information and meaningful engagement with affected communities, enabling informed participation in decision-making processes.</li> </ul>	Ministry of Housing and Local Government; Local authorities (PBT)

Another area to be strengthened is the governance of procurement procedures to safeguard the use of public funds against corruption leakages as well as to underscore human rights-based approaches across procurement stages. Given international public scrutiny on matters of human rights, especially in relation to multilateral Free Trade Agreements (FTAs) negotiations, Malaysia is taking this opportunity to socialise a rights approach with both the public and private sectors.

## PROCUREMENT, INVESTMENT AND TAX

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.20	Establish clear regulations governing public procurement activities.	<ul style="list-style-type: none"> <li>• Enactment of a Government Procurement Act that applies to all public procurement processes.</li> <li>• Laws are clarified on the protection of human, labour, children's, and environmental rights throughout procurement processes.</li> </ul>	Ministry of Finance (MOF)
G1.21	Expand the digitalisation of public procurement systems.	<ul style="list-style-type: none"> <li>• E-procurement systems are enhanced to minimise human discretion and improve procurement monitoring.</li> </ul>	Ministry of Finance (MOF)
G1.22	Develop guidance on business and human rights-related clauses for all free trade agreements.	<ul style="list-style-type: none"> <li>• Guidance is developed that reinforces Malaysia's position on human rights by aligning with international human, labour, and environmental rights standards when negotiating trade agreements.</li> <li>• Stakeholder engagement is institutionalised and the conduct of ex-ante and ex-post impact assessments of international investment agreements in the context of human, labour and environmental rights, and climate change is encouraged.</li> </ul>	Ministry of Investment, Trade and Industry (MITI); BHEUU

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.23</b>	Assess the implementation of the 15% global minimum tax (GMT) as recommended under Pillar 2 of the OECD Two-Pillar Solution.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed on the state of corporate compliance with the 15% GMT regulation.</li> </ul>	MOF; Inland Revenue Board of Malaysia (IRBM)
<b>G1.24</b>	Assess the implementation of the Tax Corporate Governance Framework (TCGF).	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed on implementation gaps related to the TCGF and the promotion of good tax governance practices.</li> </ul>	MOF; IRBM

While reservations remain on CEDAW, Malaysia should foundationally review policy areas where non-discrimination and equality standards fall short, to be in line with the constitutional right of equal protection under the law.

## DIVERSITY, EQUITY AND INCLUSION (DEI)

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.25	Implement gender-responsive budget-tagging among ministries and agencies.	<ul style="list-style-type: none"> <li>Percentage of national budget that is tagged for gender responsiveness.</li> </ul>	MOF; KPWKM
G1.26	Implement interventions supporting care work, family-friendly and inclusive policies in the workplace for both the public and private sectors.	<ul style="list-style-type: none"> <li>Guidelines are developed on establishing inclusive policies related to breastfeeding support, affordable and quality childcare, flexible working arrangements, maternity and paternity leave, protections against all forms of discrimination, and structured accommodations for persons with disabilities.</li> <li>Evidence, insights and recommendations related to the adoption of care work, family-friendly and inclusive policies are used to guide policymaking, starting with the public sector.</li> </ul>	KPWKM; MOHR; PSD
G1.27	Strengthen existing mechanisms to increase women's participation in the boardroom and workforce.	<ul style="list-style-type: none"> <li>Gender-sensitive policies are revised or introduced to promote women's participation in the boardroom and workforce environment, and digital safety.</li> </ul> <p>The ambition for women's participation on boards is raised and target increased for Public Listed Companies (PLCs).</p>	Bursa Malaysia; Securities Commission Malaysia; KPWKM

Enforcing human rights obligations is complicated in the absence of a comprehensive and common legal definition of human rights in Malaysia. As espoused in the baseline assessment, the current application of human rights in the judicial system relies primarily on legal precedence and common law, rather than clear standards governed by a well-defined statutory framework. This allows for the legal “contextualisation” of human rights in Malaysia that often runs counter to international standards from both a public and private perspective.

This definitional vacuum also contributes to a corporate law regime that is not presently designed to address human rights abuses as an urgent matter, rather, is contingent on corporate good faith and compliance to minimum requirements. To review levels of implementation of human rights through enforcement, the Government is therefore focusing on improving government coordination.

## HUMAN RIGHTS OBLIGATIONS

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G1.28	Assess and map out coordination gaps and areas of overlapping jurisdiction between ministries, and federal and state governments or agencies.	<ul style="list-style-type: none"> <li>Recommendations are proposed to improve coordination and resolve jurisdictional issues and weak enforcement of laws related to labour, social protection, climate change and environment, and digital safety.</li> </ul>	BHEUU; related sectoral agencies, State Governments

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.29</b>	Deliver BHR education and capacity building for state government agencies and businesses to improve enforcement.	<ul style="list-style-type: none"> <li>• Coverage of capacity building sessions successfully conducted at the state level for both the public and private sectors.</li> <li>• Scope of BHR issues covered affecting key stakeholders including women, children and youth, older persons, persons with disabilities, Indigenous Peoples, migrant populations, asylum-seekers, refugees, stateless communities, undocumented groups, and other marginalised communities.</li> </ul>	BHEUU; SUHAKAM; related federal agencies; State Governments
<b>G1.30</b>	Assess the feasibility of the adoption of mandatory human rights and environmental due diligence (mHREDD) by businesses of different sectors and sizes and clarify how due diligence is applied.	<ul style="list-style-type: none"> <li>• Evidence, insights and recommendations are developed on the applicability of mHREDD using a phased approach, starting with high-risk sectors (i.e. energy, carbon and extractives, agrobusiness and plantations, mining, construction and manufacturing) then extending to all sectors.</li> </ul>	BHEUU

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G1.31</b>	Institutionalise human rights as a key requirement for banks, investment firms, lenders and other financial institutions through the implementation of HREDD.	<ul style="list-style-type: none"> <li>• Inclusion of HREDD requirements in the regulatory framework for the financial sector.</li> <li>• HREDD guidelines for financial institutions are developed and disseminated.</li> </ul>	MOF; BNM
<b>G1.32</b>	Develop a governmental monitoring and evaluation mechanism to track business implementation of human rights regulations and assess regulatory effectiveness.	<ul style="list-style-type: none"> <li>• Governance framework established as a basis of the monitoring and evaluation mechanism.</li> <li>• Mechanism rolled out using a targeted and phased approach.</li> </ul>	BHEUU

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## UNGP Pillar 2

### The Corporate Responsibility to Respect Human Rights

Businesses should not wait for legislation to be enacted or amended before taking meaningful steps to cultivate a respect for human rights. In this spirit, it is important for businesses, especially large companies with extensive supply chains, to reflect on their material contributions towards the protection of human rights beyond public statements or codes of conduct.

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No.	Action
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<b>G2.1</b>	Adopt robust human, labour, children's, and environmental rights policies aligned to international standards with transparent and effective budgets for implementation throughout the company's entire supply chain.
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<b>G2.2</b>	Conduct regular, transparent and genuine HREDD assessments on own operations and across the supply chain to ensure that the company does not cause or contribute to, and is not linked to, adverse impacts on human, labour and children's rights.
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<b>G2.3</b>	Support under-resourced companies and SMEs in the company's supply chain by providing training, capacity building and funding for them to comply with international human rights standards and good practices in governance-related human rights matters. Such support may include practical workshops, seminars and hands-on training on HREDD, ethical labour practices, children's rights, environmental sustainability and corporate accountability. Companies should facilitate access to financing, grants and low-interest loans that can enable small businesses to invest in compliance measures, strengthen their human rights policies and implement sustainable business practices.
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<b>G2.4</b>	Allocate an adequate budget for a specialised team to conduct integrated sustainability and human rights compliance across all departments and commit to an annual plan for continuous improvement of standards.
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No.	Action
G2.5	Whether mandatory or discretionary, report on the company's efforts to ensure corporate accountability to human rights, including the implementation of HREDD and steps taken to identify, prevent, mitigate and cease adverse impacts on human rights.
G2.6	Embed and implement due diligence as it pertains to children's rights.
G2.7	Include as part of the company's code of ethics and conduct, the duty of directors to assess and consider key human rights concerns when making decisions on the business operations of the organisation at every stage.
G2.8	Where industry or sectoral standards on governance-related human rights issues are unclear, work towards establishing good practice standards in cooperation with trade associations and business chambers of commerce.
G2.9	Investors, development banks and lending institutions should define high-risk activities involving human rights risks and strongly encourage companies or project proponents to conduct HREDD and risk assessments before they invest in, or provide financing to, these enterprises.
G2.10	Support the efforts and initiatives by the Government and regulators to elevate the standards of doing business in Malaysia, specifically by demonstrating that business operations are free from adverse impacts on human rights.
G2.11	Set targets and increase training among the board of directors, management, and employees of the company on the responsibility to respect human rights (including labour and children's rights) and support awareness-raising programmes for consumers, contractors, suppliers and communities.

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## UNGP Pillar 3

### Access to Remedy

Good governance in the context of business and human rights is dependent on accessibility to justice and remedies. As part of their duty to address business-related human rights abuse that has occurred within their jurisdiction, the Government's role is to enforce and facilitate measures that have strong reparative components that include the ways in which survivors or victims are compensated proportionate to the human rights violation. To achieve this, the Government and businesses should work together to prioritise improving and strengthening these mechanisms.

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G3.1	Study the weaknesses of, and address the gaps related to, State and non-State grievance mechanisms.	<ul style="list-style-type: none"><li>• Evidence, insights and recommendations are developed to address the gaps in existing grievance mechanisms.</li><li>• Develop best practice guidance in consultation with affected communities on effective, timely, and accessible grievance mechanisms and disseminate widely.</li></ul>	BHEUU
G3.2	Establish a Human Rights Tribunal dedicated to human rights adjudication.	<ul style="list-style-type: none"><li>• The formation of a Human Rights Tribunal in Malaysia through the enactment and mandate of a Human Rights Tribunal Act, which has assessed and determined, in a holistic manner, the mechanism for the implementation of this new office which includes jurisdictional scope and invested powers.</li></ul>	BHEUU

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G3.3</b>	Increase the availability of mobile courts as an additional mechanism to oversee legal disputes for communities living in the interior.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed to support the establishment of additional mobile courts.</li> <li>Information on accessing mobile courts is disseminated among at-risk communities, ensuring the active participation of women, children and young people, older persons, persons with disabilities and Indigenous Peoples in the legal process.</li> </ul>	Chief Registrar of the Federal Court
<b>G3.4</b>	Establish and implement a government-funded mechanism to enable the provision of legal representation to those who cannot afford it.	<ul style="list-style-type: none"> <li>The formation of a Public Defender's (PD) Office through legal mandate, which has assessed and determined, in a holistic manner, the mechanism for the implementation of this new office.</li> <li>Provisions are extended under the National Legal Aid Foundation (<i>Yayasan Bantuan Guaman Kebangsaan</i> [YBGK]) scheme and the Government's existing legal aid mechanisms for non-Malaysians.</li> </ul>	BHEUU; Bar Council; Legal Aid Department (JBG)

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G3.5</b>	Expedite the proposed reforms to the Whistleblower Protection Act 2010 [Act 711].	<ul style="list-style-type: none"> <li>• Amendments to the Act will be done in three (3) phases, focusing on human and labour rights, and protecting those who report any unjustified treatment and any facts concerning offences established in accordance with UNCAC Convention (Article 33) in good faith and on reasonable grounds to the competent authorities.</li> <li>• Awareness sessions, roadshows and public engagements are conducted continuously to ensure understanding amongst stakeholders.</li> </ul>	BHEUU
<b>G3.6</b>	Introduce effective mediation and reconciliation as forms of alternative dispute resolution (ADR) mechanisms through the use of experts for business-related human rights cases.	<ul style="list-style-type: none"> <li>• Formal mediation and reconciliation framework on BHR cases established and rolled out based on international best practices.</li> <li>• Increase in BHR cases resolved through the expert-led ADR mechanism.</li> </ul>	BHEUU; Asian International Arbitration Centre (AIAC); <i>Pusat Mediasi Madani</i> (PMM)

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>G3.7</b>	Facilitate businesses to establish, or improve existing, internal and external operational grievance mechanisms (OGM) that promote effectiveness, transparency and responsiveness, and are accessible to all stakeholders.	<ul style="list-style-type: none"> <li>Guidance is developed on effective OGM and other non-State based grievance mechanisms that considers operational gaps and challenges.</li> <li>Businesses are convened to share best practices and provide sector-based support in promoting OGM that is accessible by all employees, workers, suppliers, consumers, CSOs, Human Rights Defenders (HRDs), and rightsholders to seek effective remedies against business-related human rights abuses.</li> </ul>	Ministry of Domestic Trade and Costs of Living <i>(Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup [KPDN])</i>
<b>G3.8</b>	Study the use of Strategic Litigation Against Public Participation (SLAPP) by the State and businesses as it relates to BHR concerns.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed on the methods and technical approaches adopted by plaintiffs using the courts and law enforcement authorities to impede access to justice for survivors and victims of business-related human rights abuses.</li> </ul>	BHEUU

No.	Action	Output Indicator(s)	Collaborative Partner(s)
G3.9	In the context of SLAPP, reverse the legal burden of proof from those affected to the State and business for BHR-related litigation and enhance the range of defences available to defendants.	<ul style="list-style-type: none"> <li>• Enactment of Anti-SLAPP legislation that underscores the rights of affected communities and ensures mechanisms for robust discovery.</li> <li>• The specific experience of Indigenous Peoples is recognised in SLAPP-related legislation, pertaining the use and ownership of native ancestral lands.</li> </ul> <p>The legal framework is</p> <ul style="list-style-type: none"> <li>• extended to include all communities affected by corporate harms, including farmers and small-scale fishers.</li> </ul>	BHEUU
G3.10	Assess the application of the rights and responsibilities enshrined in the UN Declaration on the General Assembly Resolution 31/32 on Protecting Human Rights Defenders, whether in reference to an individual, groups or organs of society, addressing economic, social and cultural rights.	<ul style="list-style-type: none"> <li>• Evidence, insights and recommendations are developed that informs policymaking in line with the Declaration.</li> </ul>	BHEUU; MOFA; PMM

THEMATIC PRIORITY 2  
**LABOUR**



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## THEMATIC PRIORITY 2: LABOUR

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### UNGP Pillar 1

#### **The State Duty to Protect Human Rights**

In Malaysia, fundamental rights at work are impeded by numerous challenges, including allegations of modern slavery, encompassing incidences of forced labour, child labour and other forms of labour exploitation. Labour issues continue to highlight the critical intersection between business activity and human rights, revealing the complexities of balancing economic growth with ethical labour practices.

As Malaysia sets its sights on high-income status by 2028, the country has attracted both domestic and foreign investments, making it a vital hub for industries such as manufacturing, agriculture and construction. However, the country's rapid economic expansion has exposed significant challenges in ensuring fair and ethical treatment of workers. These challenges are particularly pronounced in labour-intensive sectors that rely heavily on a mix of local and migrant workers, and also include sectors that employ gig and informal workers. Coupled with inadequate intersectional social protection and underutilised trade union mechanisms, labour remains a critical and urgent area of improvement under business and human rights.

The Government has implemented various initiatives under KESUMA to address labour issues and promote fair and ethical working conditions. This is evidenced by the establishment of strategic frameworks such as the National Action Plan on Forced Labour (NAPFL) 2021-2025 that underscores Malaysia's commitment to eliminate the use of forced labour in any and all forms by 2030, aligning with international standards such as the ILO Forced Labour Convention, 1930 (No. 29) and the Protocol of 2014 to the Forced Labour Convention, 1930 (PO29). Malaysia, a member of the ILO since 1957, has ratified a total of 19 ILO conventions and one protocol, with 15 currently in force. Although not legally binding, the non-ratification of international labour standards may still be used by Member States as a reference for policy, legislation, and practice.

## FOUNDATIONAL

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L1.1	Conduct a study that addresses the gaps between labour laws and national policies, and international labour standards including challenges faced by the government and businesses on ratifying international conventions.	<p>Provide evidence, insights and recommendations on Conventions below:</p> <ul style="list-style-type: none"> <li>i. C87 - ILO Freedom of Association &amp; Protection of the Right to Organize Convention, 1948;</li> <li>ii. C97 - ILO Migration for Employment Convention (Revised), 1949;</li> <li>iii. C189 - ILO Domestic Workers Convention, 2011;</li> <li>iv. C190 - ILO Violence and Harassment Convention, 2019;</li> <li>v. ICESCR.</li> </ul>	KESUMA

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L1.2	Align the Employment Act 1955 [Act 265], the Sabah Labour Ordinance [Cap 67] and the Labour Ordinance Sarawak [Cap 76] on the issue of forced labour, consistent with ILO Protocol of 2014 to the Forced Labour Convention, 1930 (No. 29).	<ul style="list-style-type: none"> <li>• Multistakeholder consultations are organised to support the legislative harmonisation process.</li> <li>• Legal provisions are revised or introduced that ensure all three labour laws equally address the prevention and protection against forced labour and the provision of remedy.</li> </ul>	KESUMA; State governments and agencies
L1.3	Enhance protection of the rights of workers, including the participation of workers in trade unions, to guarantee decent work, social protection, training opportunities and job security in the Just Energy Transition.	<ul style="list-style-type: none"> <li>• Tripartite dialogues are convened to address human and labour rights challenges related to the Just Energy Transition.</li> <li>• Revisions to labour rights protection frameworks are proposed that consider transition-related impacts.</li> </ul>	KESUMA; Ministry of Energy Transition and Water Transformation (PETRA); energy sector; trade unions
L1.4	Streamline case management in the Industrial Court.	<ul style="list-style-type: none"> <li>• Average case disposal time in the Industrial Court is reduced, with updated case management protocols and procedures adopted that are informed by challenges faced by vulnerable groups including migrant communities.</li> <li>• Digital tools are utilised to enable cross-border litigation as necessary.</li> </ul>	KESUMA

While such labour reforms are actively underway, still more needs to be done in strengthening policy and importantly, enforcing the legal system with respect to forced labour, child labour, and other forms of labour exploitation.

## FORCED LABOUR, CHILD LABOUR, AND OTHER FORMS OF LABOUR EXPLOITATION

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L1.5</b>	Enhance the enforcement of all relevant provisions on forced labour, child labour and other forms of labour exploitation based on the ILO Indicators of Forced Labour.	<ul style="list-style-type: none"> <li>• Number of trained labour inspectors increased, especially in sectors employing migrant workers and other groups vulnerable to forced labour and child labour.</li> <li>• Revisions to labour rights protection frameworks are proposed that consider the challenges of enforcement related to domestic work.</li> <li>• List of blacklisted agencies is updated and published frequently.</li> </ul>	KESUMA
<b>L1.6</b>	Strengthen the implementation of national laws related to public housing and migrant workers' accommodations, such as the Workers' Minimum Standards of Housing and Amenities Act 1990 [Act 446] and relevant provisions under the Local Government Act 1976 [Act 171].	<ul style="list-style-type: none"> <li>• Operational relationships between federal and state agencies and local authorities are effectively aligned through enforcement operations, compliance reviews or joint inspections.</li> <li>• Evidence, insights and recommendations are developed based on a survey on Standard Operating Procedures (SOPs).</li> </ul>	KESUMA ; KPKT; State governments or authorities

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L1.7	Address the implementation gaps related to recruitment agencies' processes and prohibit the charging of recruitment fees or related costs to migrant workers in line with ILO standards.	<ul style="list-style-type: none"> <li>• Enforcement actions are taken against agencies violating recruitment regulations.</li> <li>• Up-to-date guidance on the Employer Pays Principle and zero-cost policy is developed for recruitment agencies (and their business partners) and workers.</li> </ul>	KESUMA
L1.8	Review bilateral agreements or Memorandums of Understanding (MOUs) with countries of origin to include enhanced provisions related to the rights, benefits, and welfare of migrant workers and ensure responsiveness to labour market requirements.	<ul style="list-style-type: none"> <li>• Increase the number of multistakeholder consultations informing bilateral negotiations, ensuring the inclusion of CSOs and workers' rights advocates.</li> <li>• Summary of signed MOUs are published for existing and new agreements.</li> </ul>	KESUMA

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L1.9</b>	Facilitate documentation for children of migrant workers whether through facilitating safe access to birth registration processes or a joint documentation exercise with the relevant diplomatic missions for undocumented children.	<ul style="list-style-type: none"> <li>• Policies or procedures are adopted that enable safe and non-discriminatory access to documentation services for migrant children.</li> <li>• Number of migrant families assisted in safely accessing national birth registration services for their children.</li> </ul>	MOHA; National Registration Department

Labour reform remains inadequate without strengthened and forward-looking social protection measures that focus on addressing key vulnerabilities at the source, in line with a life-cycle approach that is both inclusive of all types of workers and comprehensive in terms of coverage.

## SOCIAL PROTECTION AND RIGHT OF ASSOCIATION AND COLLECTIVE BARGAINING

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L1.10</b>	Strengthen social security initiatives for all workers and make self-employment insurance schemes mandatory through automatic subscriptions for workers in the informal or gig sector.	<ul style="list-style-type: none"> <li>• Increased number of informal or gig workers contributing to the Employees Provident Fund (EPF) and enrolled in a self-employed scheme under Social Security Organization (SOCSO).</li> </ul>	KESUMA

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L1.11	Enhance the protection of gig workers from unfair labour practices, through the enactment and implementation of a Gig Workers Bill.	<ul style="list-style-type: none"> <li>• Legal or regulatory reform measures are enacted to address labour vulnerabilities of gig workers.</li> <li>• Basic worker rights are secured in the form of social security benefits such as health insurance and retirement plans, work injury compensation, the right to unionise and collectively bargain and anti-discrimination protections.</li> </ul>	KESUMA
L1.12	Promote equitable access to employment for vulnerable workers including women, persons with disabilities and older persons.	<ul style="list-style-type: none"> <li>• Engagement sessions with vulnerable workers are organised to identify targeted solutions that increase their access to a living wage, non-discriminatory career promotions and other work benefits.</li> </ul>	KESUMA; KPWKM
L1.13	Provide financial and technical support for the professionalisation of trade unions.	<ul style="list-style-type: none"> <li>• Number of trade unions receiving financial and technical support to enhance their skillsets for them to represent their members more effectively.</li> </ul>	KESUMA

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## UNGP Pillar 2

### The Corporate Responsibility to Respect Human Rights

Global movements on the corporate sustainability and responsibility agenda are progressively requiring businesses to ensure that a rights-based framework is an active component of their decision-making. Businesses are compelled to disclose their human and environmental rights due diligence processes, with regulations introduced in a phased approach to ease the pressures of this market shift across global supply chains.

Overcoming implementation challenges would enable businesses to reap the inherent long-term benefits of responsible business conduct by remaining competitive and profitable. To achieve this, businesses should proactively work with the Government to put these systems in place.

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<b>L2.1</b>	Establish clear, transparent and justiciable policies and internal operating procedures centred on human rights and backed by a credible complaints mechanism.
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<b>L2.2</b>	Conduct regular, genuine, effective, gender-responsive and transparent due diligence assessments to identify, prevent and mitigate the negative impacts of exploitative labour practices related to recruitment and employment, business operations, and supply chains. Businesses should ensure that a comprehensive management approach is developed to mainstream the practice of due diligence and human rights-based risk assessments within the company.
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<b>L2.3</b>	Collaborate with partners and suppliers to demonstrate adherence to international human rights standards. Businesses should establish contractual obligations with suppliers and business partners on human rights matters, and if they are found to have violated such standards, remedial or punitive actions should be taken. There must be a hierarchy of responses from the least to harshest actions, depending on the severity of the violations and facts of each case. Only as a last resort should businesses cut ties and contractual relationships with suppliers or business partners, in order to limit isolating small businesses that lack sufficient resources to operationalise these frameworks in the first place.
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<b>L2.4</b>	“Know and show” human rights and fair recruitment due diligence processes through regular reporting and communications. Not only should companies gather and disclose information for the benefit of their boards, investors and consumers, but they should also ensure
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that company reports reflect actual practices on the ground. This may be done by assurance, audit and verification exercises conducted by trusted social auditors, assurance service providers and human rights organisations.

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**L2.5** Adopt fair recruitment practices expected by the global marketplace in line with the ILO General principles and operational guidelines for fair recruitment and Definition of recruitment fees and related costs. Responsibilities of businesses in this respect include not charging recruitment fees or related costs to migrant workers; engaging only with licenced and compliant recruitment agencies; providing workers with written contracts; ensuring decent living and working conditions; and overall complying with labour laws and international labour standards.

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**L2.6** Adopt good labour practices expected by the global marketplace including standards set by the ILO, IOM and UNICEF. Companies are encouraged to join industry- or sector-specific collectives or associations that proactively subscribe to international human rights standards and provide certification or support services to their members to achieve those standards.

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**L2.7** Cooperate with private sector-led sustainability compliance initiatives and mechanisms on labour standards and allow regular and independent audits to be conducted by certified auditors or NGOs.

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**L2.8** Take proactive steps to prohibit and prevent child labour, particularly for companies operating in high-risk industries.

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**L2.9** Promote the implementation of the minimum wage and encourage the provision of a living wage - in line with international guidance by ILO - as a matter of corporate responsibility and commitment, alongside family-friendly policies and other employment benefits (including annual and medical leave, health coverage, and employment injury insurance) among the company's suppliers and business partners.

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**L2.10** Do not retain migrant workers' passports, contracts or other identity documents, and respect their freedom to leave, change employment or to return to their countries of origin.

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**L2.11** Promote the meaningful and active participation of workers, trade union representatives, and civil society actors in social dialogue, company-led sustainability initiatives, multistakeholder engagements, and social audits. Their selection should be conducted through transparent and fair processes to ensure credibility and effectiveness. Businesses must also safeguard against any form of reprisals for their participation.

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**L2.12** Demonstrate that no restrictions, penalties, sanctions or any other forms of retaliation or reprisal are imposed on or taken against workers for joining and participating in a trade union of their choice. This means genuinely safeguarding workers' fundamental right to freely associate and organise without fear of discrimination, harassment or unfair treatment by employers.

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**L2.13** Promote fair, transparent, legitimate, and impartial grievance and remediation policies and mechanisms to receive and act on labour-related complaints and grievances. These policies and mechanisms should be accessible to external parties, including individuals, business partners, governmental institutions, worker representatives, trade unions or worker organisations and CSOs. There should be complete and regular disclosures of the grievances raised with specific updates on actions taken.

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## UNGP Pillar 3

### Access to Remedy

Both governments and businesses play crucial roles in ensuring access to remedies, enabling victims of labour rights violations to seek and obtain redress, and reinforcing accountability and fair treatment. Governments are responsible for establishing judicial, administrative, and legislative remedies, including, among others, labour inspection, conciliation, mediation and arbitration. For forced labour survivors, comprehensive remedies beyond the courts include protection, recovery, and rehabilitation.<sup>5</sup> Businesses are encouraged to implement workplace-level grievance mechanisms as well as social dialogue mechanisms.

Together, these strategies promote a comprehensive approach to remedying labour concerns, ensuring both state and corporate actors are accountable for protecting labour rights. These efforts not only address immediate grievances but also helps to prevent future violations. Whether business or State-led, complaint and corrective measures must be easily available, accessible, transparent, equitable, predictable, legitimate, rights-compatible, timely, and adaptable to ensure they are effective and meaningful for all affected parties. To be context-sensitive, remedies should also be culturally appropriate as well as confidential to protect vulnerable complainants.

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L3.1	Clarify the law to ensure that State-led judicial and non-judicial complaint and grievance mechanisms can act on grievances from all workers, irrespective of nationality or legal status.	<ul style="list-style-type: none"><li>Procedural laws (e.g. Employment Act 1955, Industrial Relations Act 1967) are reviewed to reflect that all workers including migrant workers, seeking redress for workplace grievances are able to easily access these mechanisms through the Department of Labour or the Department of Industrial Relations.</li><li>The right to access remedy is further strengthened through the provision of the right to stay and work in Malaysia during the complaints process as well as interpretation services to support access to due process.</li></ul>	KESUMA

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<sup>5</sup> ILO Recommendation 203 on Supplementary Measures for the Effective Suppression of Forced Labour, 2014.

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L3.2</b>	Establish an industry-based funding mechanism for purposes of worker remediation in cases of violations of the ILO Indicators of Forced Labour.	<ul style="list-style-type: none"> <li>• Tripartite engagement sessions are convened to develop and pilot a sectoral compensation scheme for high-risk sectors.</li> </ul>	KESUMA business association; trade unions
<b>L3.3</b>	Enhance the capacity of State grievance-handlers to effectively mediate and address grievances received from workers, including migrant workers and young workers and children.	<ul style="list-style-type: none"> <li>• Increased number of effective trainings at the state level on mediating and addressing worker grievances, with clear learning outcomes.</li> </ul>	KESUMA; State authorities
<b>L3.4</b>	Publish labour rights grievances received by State-led judicial and non-judicial mechanisms on a regular basis.	<ul style="list-style-type: none"> <li>• A database of grievances and their outcomes is developed and publicised and made easily accessible.</li> <li>• Information is updated regularly and the data disaggregated by key labour factors such as gender, age, nationality, and employment status.</li> </ul>	KESUMA

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L3.5</b>	Produce national guidelines containing a common standard to be met for the remediation of worker grievances concerning the types of labour rights violations.	<ul style="list-style-type: none"> <li>Standard guidelines are developed, applicable to all sectors, in line with international standards.</li> <li>The national guidelines developed are disseminated widely among workers in all sectors.</li> </ul>	KESUMA; business associations; trade unions
<b>L3.6</b>	Internalise, operationalise or enhance grievance mechanisms and continuously monitor and evaluate these mechanisms for effectiveness.	<ul style="list-style-type: none"> <li>Effective training on grievance mechanisms and UNGPs' criteria for effectiveness are conducted, with clear learning outcomes.</li> <li>Grievance mechanisms are improved, aligned and comply with the UNGPs.</li> </ul>	Department of Labour ( <i>Jabatan Tenaga Kerja</i> [JTK]); Industrial Relations Department ( <i>Jabatan Perhubungan Perusahaan</i> [JPP]); SUHAKAM; businesses

No.	Action	Output Indicator(s)	Collaborative Partner(s)
L3.7	Establish grievance mechanisms with the active participation of workers, centring gender and diversity in the formation of grievance committees or departments and related remediation processes.	<ul style="list-style-type: none"> <li>Grievance mechanisms are established or revised to include workers in the design and application.</li> <li>Adequate and up-to-date anti-discrimination and gender sensitivity training for all personnel are conducted, especially those handling grievances and remediation processes.</li> <li>Independent, gender-sensitive investigations of violations are provided, addressing gender-linked power imbalances during dispute resolution processes.</li> </ul>	Businesses
L3.8	Submit to audits, as part of regular audit and certification exercises (e.g. Responsible Business Alliance, Fair Labor Association) to assess the effectiveness of in-house and company-led grievance mechanisms.	<ul style="list-style-type: none"> <li>Grievance mechanisms are improved, aligned and comply with the UNGPs' criteria for effectiveness.</li> </ul>	Businesses
L3.9	Demonstrate industry or sector-wide collaboration (e.g. Roundtable on Sustainable Palm Oil and Malaysian Sustainable Palm Oil in the palm oil sector) emphasising multistakeholder or joint initiatives based on conformity to human and labour rights standards.	<ul style="list-style-type: none"> <li>Industry or sector collaborations on human rights matters (especially access to remedy) that involve workers and other key stakeholders are organised and the information related to the outcomes shared publicly.</li> </ul>	Businesses

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>L3.10</b>	Ensure that grievance mechanisms, whistleblower protections, and remediation procedures are not only documented but also fully operational and accessible in practice to all affected stakeholders.	<ul style="list-style-type: none"> <li>Codes of conduct, policies, performance standards, operating procedures, agreements with suppliers and business partners and other such internal or external documents reflect effective grievance mechanisms.</li> </ul>	Businesses
<b>L3.11</b>	Launch nationwide worker socialisation and engagement programmes that aim at building worker confidence and trust and encourage the use of non-State and non-judicial grievance mechanisms.	<ul style="list-style-type: none"> <li>Engagement programmes are organised across Malaysia, starting with high-risk sectors.</li> <li>Engagement programmes have considered specific invisible barriers faced by women, migrant workers, persons with disabilities, young workers and children and other vulnerable communities including language, norms, cultural traditions, and social or gender-linked vulnerabilities.</li> </ul>	KESUMA; State agencies; businesses; IGOs
<b>L3.12</b>	Increase social support and interventions for vulnerable migrant and refugee workers, including young workers and children, experiencing domestic violence and labour exploitation.	<ul style="list-style-type: none"> <li>Access to social support in the form of counselling, legal aid and shelter is increased among migrant and refugee workers, as well as young workers and children.</li> </ul>	KESUMA; State agencies; businesses; IGOs; labour and children's rights advocates

THEMATIC PRIORITY 3  
**ENVIRONMENT**



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## THEMATIC PRIORITY 3: ENVIRONMENT

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### UNGP Pillar 1

#### The State Duty to Protect Human Rights

Recognised as one of the world's 17 megadiverse countries, Malaysia's biological diversity spans terrestrial and marine and coastal habitats, including one the largest tropical continental shelf areas.<sup>6</sup> The country's natural ecosystem provides ecological and cultural services that remain essential today, prompting the Government to strengthen its commitment to the national biodiversity conservation agenda.

Challenging this effort is Malaysia's growth trajectory, requiring a careful balance between economic progress and its trade-offs – accelerated ecological degradation and deepened social inequity. Malaysia's reliance on land- and water-intensive industries reflect unsustainable economic practices that complicate ecological interventions. With Malaysia's environment at risk of deforestation, air and water pollution and land degradation, it continues to bear the heavy costs of climate change. Specifically, these climate impacts reinforce vulnerabilities faced by Indigenous and local communities, women, children, and other marginalised groups.

The existing business paradigm that continues to provide products and services based on models of extraction and ecological supply chains have fundamental and long-term effects on both substantive and procedural rights by externalising the social, health and environmental impacts onto society.<sup>7</sup>

These deep linkages between environmental health and production and trade are thus further emphasised with the introduction of the Right to a Clean, Healthy and Sustainable Environment (R2HE), adopted by the UN General Assembly in 2022. The R2HE resolution, alongside normative frameworks such as the UNGPs, 2030 Global Biodiversity Framework, United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the legally binding Paris Agreement, serve to guide actions by States and businesses, but must be accompanied by legal codifications at the national level to be fully and meaningfully realised. A foundational approach is critical to acknowledge the increased protections needed to meet these targets.

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<sup>6</sup> Ministry of Natural Resources and Environmental Sustainability (2023). National Policy on Biological Diversity 2022-2030. Retrieved from <https://www.mybis.gov.my/pb/5710>.

<sup>7</sup> Special Rapporteur on the human right to a clean, healthy and sustainable environment (2024). Policy Brief No. 6: Prioritizing Profits over People and Planet: The Devastating Impacts of Large Businesses on the Right to a Clean, Healthy and Sustainable Environment. Retrieved from <https://www.ohchr.org/en/documents/policybriefs/policy-brief-no-6-prioritizing-profits-over-people-and-planet-devastating>.

## FOUNDATIONAL

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.1</b>	Facilitate multistakeholder dialogue and negotiations on the inclusion of the environment in the Malaysian Constitution and ensuring the Constitutional protection of environmental rights.	<ul style="list-style-type: none"> <li>• Multistakeholder dialogues and policy consultations are conducted to advance the decision-making process on the constitutional Right to a Clean, Healthy and Sustainable Environment.</li> <li>• A legal framework is developed that proposes the constitutional recognition of environmental rights in line with developments in ASEAN and Malaysia's regional position and in response to the SDGs.</li> </ul>	BHEUU; NRES; MOFA
<b>E1.2</b>	Review and address normative gaps in the existing environmental legal framework (e.g. lack of legally binding obligations on corporate environmental due diligence).	<ul style="list-style-type: none"> <li>• Evidence, insights and recommendations and provide proposed updates or amendments to environmental laws in line with international standards.</li> <li>• Legal reform on environmental rights is underpinned by a participatory and inclusive climate governance approach.</li> </ul>	NRES

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.3</b>	Introduce provisions for legal reforms to ensure transparency, accountability and compliance in meeting Net Zero 2050 ambitions (e.g. mandatory corporate climate disclosures, carbon pricing mechanisms).	<ul style="list-style-type: none"> <li>• New or amended laws or regulations are introduced to further support enforcement efforts in meeting Net Zero targets, particularly in the context of corporate compliance.</li> <li>• Reform measures are enhanced that define emission reduction pathways and quantify the emissions reduction potential for each mitigation measure.</li> </ul>	NRES
<b>E1.4</b>	Develop child-sensitive, gender-responsive and disability-inclusive measures to advance the human rights of children to a healthy environment.	<ul style="list-style-type: none"> <li>• Policies and programmes are developed or enhanced to integrate child-sensitive, gender-responsive, and disability-inclusive environmental protections.</li> </ul>	KPWKM; NRES
<b>E1.5</b>	Strengthen national water management policies by integrating environmental protection and human rights-based approaches, particularly in areas where improvements are needed.	<ul style="list-style-type: none"> <li>• Recommendations are proposed to embed human and environmental rights protection in the National Water Policy 2024 and Water Sector Transformation 2040 initiative.</li> <li>• Emphasis on sustainability is strengthened by underscoring community participation in water governance, especially in the context of water-intensive industries.</li> </ul>	PETRA

The first priority concerns environmental rights governance and accountability, emphasising that environmental rights are not presently justiciable under Malaysian law. The Environmental Quality Act 1974 (EQA) is referred to as the main legislation related to the prevention, abatement, and control of pollution and the enhancement of the environment in Malaysia. However, as it is presently not linked to environmental rights and climate justice, other measures must be put in place to account for environmental rights governance.

## ENVIRONMENTAL RIGHTS GOVERNANCE AND ACCOUNTABILITY

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.6</b>	Introduce and apply the polluter pays principle (PPP) <sup>8</sup> as an effective deterrent for business misconduct.	<ul style="list-style-type: none"> <li>Regulatory instruments and enforcement measures are implemented that clearly apply the PPP, including imposing substantial fines, environmental taxes, or remediation orders on polluting businesses.</li> </ul>	NRES; MOF; KPDN (SSM); KPKT
<b>E1.7</b>	Socialise the precautionary principle <sup>9</sup> among businesses.	<ul style="list-style-type: none"> <li>Up-to-date information and guidance on the precautionary principle is developed and disseminated widely among businesses.</li> </ul>	NRES; MOF; KPDN (SSM); KPKT

<sup>8</sup> Policy Brief #31, International Institute for Sustainable Development. Access here: <https://www.iisd.org/system/files/2022-02/still-one-earth-polluter-pays-principle.pdf>

<sup>9</sup> The Precautionary Principle, International Institute for Sustainable Development. Access here: <https://www.iisd.org/articles/deep-dive/precautionary-principle>

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.8</b>	Conduct a study to introduce anti-greenwashing legislation and enhance consumer protection.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations related to the adoption of anti-greenwashing legislation are used to guide policymaking and legal measures, integrating corporate penalties and legal liabilities as well as consumer protection mechanisms.</li> </ul>	NRES; KPDN; IGOs
<b>E1.9</b>	Review the application of EIAs and assess its effectiveness in environmental protection in both urban and rural settings.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed to inform continuous improvements to the EIA process through procedural, methodological, and technical approaches.</li> </ul>	NRES; KPDN; IGOs
<b>E1.10</b>	Provide free and easy public access to EIA reports and supporting documentation before development projects begin, in both urban and rural settings.	<ul style="list-style-type: none"> <li>Establish a centralised, free and publicly accessible Document Retrieval System with alternative retrieval mechanisms, ensuring that information is easily consumed and available in both English and Bahasa Malaysia.</li> <li>EIA reports are published an appropriate amount of time prior to the start of projects to enable meaningful community deliberation and updated or revised EIA reports are made available during an appeals process to prevent procedural manipulation.</li> </ul>	Department of Environment (DOE); businesses; CSOs; IGOs;

No.	Action	Output Indicator(s)	Collaborative Partner(s)
		<ul style="list-style-type: none"> <li>Businesses effectively demonstrate through documented effort that they have exhausted all means to ensure communities have received EIA reports, understand them, and have responded freely and collectively.</li> </ul>	Department of Environment (DOE); businesses; CSOs; IGOs;
<b>E1.11</b>	Build the capacity of the DOE and other relevant federal and state agencies and departments by providing effective human, technical and financial resources.	<ul style="list-style-type: none"> <li>Implementation budgets and capacity building measures are increased at the state-level to ensure functions are performed effectively.</li> </ul>	NRES
<b>E1.12</b>	Assess how businesses integrate comprehensive human rights and environmental impact assessments into energy transition projects.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendation are developed that highlight implementation gaps and key areas of focus for the energy sector and are used to guide policy amendments.</li> </ul>	NRES; PETRA; Ministry of Economy; CSOs

National efforts to protect biological diversity and forest ecosystem services require continuous support and political commitment from a wide range of stakeholders, particularly at the state level, to enhance sustainable forest management. Under the second priority area, this is illustrated by strengthening frameworks related to forest management as well as biodiversity in water and on land.

## SUSTAINABLE FOREST MANAGEMENT AND LAND AND MARINE BIODIVERSITY

No.	Action	Output Indicator(s)	Collaborative Partner(s)
E1.13	Strengthen commitments that reinforce the pledge to maintain at least 50 per cent of Malaysia's land mass under forest and tree cover.	<ul style="list-style-type: none"> <li>• Interagency or cross sectoral coordination mechanisms are formalised, with budgets allocated or access to financial mechanisms increased.</li> <li>• New or revised policy instruments are implemented and enforced to protect forests and maintain tree cover, including at the state level.</li> <li>• Coverage (in hectares) of forested land secured through policies, gazettelement, or legal protections.</li> </ul>	NRES; IGOs

No.	Action	Output Indicator(s)	Collaborative Partner(s)
E1.14	Advance efforts to transform industrial fisheries and prevent harmful impacts of business activities on small-scale fishers and fish workers in the context of climate change.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed that highlight policy gaps and operational challenges and inform reform measures for equitable fisheries management.</li> <li>Participatory approaches are applied and institutionalised, directly involving fisherfolk and fish workers.</li> </ul>	(KPKM); Department of Fisheries Malaysia (DOF); IGOs; CSOs

Developments related to pollution, waste management and plastic circularity – components of the third priority area – also help to ground complementary actions by federal and state governments.

## POLLUTION, WASTE MANAGEMENT AND PLASTIC CIRCULARITY

No.	Action	Output Indicator(s)	Collaborative Partner(s)
E1.15	Develop standards of conduct related to the full lifecycle of plastics and its impact on environmental and human rights.	<ul style="list-style-type: none"> <li>Comprehensive and standard guidelines are developed, applicable to all sectors, in line with international standards on plastic pollution and plastic waste management.</li> <li>Guidelines and other information materials are disseminated widely, tailored by type of business.</li> </ul>	NRES; CSOs; IGOs
E1.16	Produce and socialise BHR knowledge materials for the fisheries sector.	<ul style="list-style-type: none"> <li>Develop communications and knowledge materials, with community participation, about the effects of pollution on the marine environment caused by business activities and make it accessible to fisherfolk and other affected communities.</li> <li>BHR trainings on marine pollution for authorities are conducted with clear learning outcomes.</li> </ul>	KPKM; DOF; State agencies; IGOs; CSOs

To guide Malaysia's climate change governance, the Government established the National Steering Committee on Climate Change and the Malaysia Climate Change Action Council. These institutions also function to operationalise the National Policy on Climate Change (NPCC), the principal framework addressing climate change matters.

Under this fourth priority area outlined in the baseline assessment, and with the expected Climate Change Bill, actions will focus on operationalising climate solutions, underscoring a harmonised institutional approach.

## CLIMATE CHANGE GOVERNANCE

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.17</b>	Swiftly implement and operationalise the Climate Change Act.	<ul style="list-style-type: none"> <li>• Regulations, guidelines, institutional frameworks, and other policy instruments are enacted to support enforcement of the Climate Change Act, recognising the special contexts of Sabah and Sarawak.</li> <li>• Implementation measures are demonstrated to be holistic, inclusive and based on collaborative and participatory approaches; encompassing end-to-end strategies from national target setting, establishing the governance structure through the formation of a regulatory entity, financial provisioning, and reporting and monitoring.</li> </ul>	<p>NRES; State governments and agencies; IGOs; CSOs</p>

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.18</b>	Identify and address regulatory gaps to ensure that all necessary and non-retrogressive measures are in place to prevent, reduce and control climate change and pollution, and ensure the conservation of biodiversity and ecosystem restoration.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed that effect amendments to regulations, institutional frameworks, guidelines and other policy instruments and support enforcement related to climate change, pollution, biodiversity protection and ecosystem restoration.</li> </ul>	NRES; PETRA; State governments and agencies; IGOs; CSOs
<b>E1.19</b>	Enhance access to information on climate change and the interlinkages with human rights.	<ul style="list-style-type: none"> <li>Develop communications and knowledge materials (or other types of media) by collecting accurate, evidence-based information on high-carbon emitting business activities and the impacts of these activities on human rights in the context of climate change.</li> <li>Information materials are disseminated widely to all stakeholders, including at the state level.</li> </ul>	NRES; PETRA; State governments and agencies; IGOs; CSOs

Regulatory developments should consistently and comprehensively centre communities in order to reflect human rights-based approaches. The fifth priority area focuses on embedding environmental justice within these institutional frameworks, namely through reaffirming Malaysia's commitment to international standards related to the rights of Indigenous Peoples and environmental human rights defenders, and anti-SLAPP strategies.

## ENVIRONMENTAL JUSTICE

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.20</b>	Implement the UNDRIP within Malaysia's current legislative and policy framework.	<ul style="list-style-type: none"> <li>Regulations, institutional frameworks and other policy and programmes are implemented to support enforcement of UNDRIP, recognising the special contexts of Sabah and Sarawak.</li> <li>Guidelines and protocols are developed, accompanied by trainings, on the application of UNDRIP in policy and decision-making.</li> <li>Indigenous representatives are formally included in the implementation process at both federal and state levels.</li> </ul>	Ministry of Rural and Regional Development (KKDW); JAKOA; SUHAKAM; related State agencies; IGOs; CSOs; Environmental and Human Rights Defenders (EHRDs)
<b>E1.21</b>	Conduct a feasibility study on the ratification of the Tribal Peoples Convention, 1989 (No. 169) of the ILO.	<ul style="list-style-type: none"> <li>Evidence, insights and recommendations are developed that define entry points towards the ratification Convention.</li> <li>Policy reforms and institutional measures are undertaken in alignment with SUHAKAM's National Inquiry into the Land Rights of Indigenous Peoples in Malaysia (2013) report.</li> <li>Indigenous representatives are formally included in the policy process at both federal and state levels.</li> </ul>	KKDW; SUHAKAM; related State agencies; IGOs; CSOs; EHRDs

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E1.22</b>	Develop a standard of conduct on FPIC and prior and effective consultations in collaboration with communities, CSOs and state authorities.	<ul style="list-style-type: none"> <li>• Comprehensive, robust and standardised national guidelines on FPIC and prior and effective consultations are developed, applicable to all sectors, and clearly stipulate access to grievance mechanisms and remedy.</li> <li>• FPIC guidelines and other related information materials, accompanied by awareness trainings, are disseminated widely among businesses, communities and all stakeholders.</li> </ul>	KKDW; SUHAKAM; related State agencies; IGOs; CSOs; EHRDs
<b>E1.23</b>	Develop a voluntary Community Engagement Protocol or Native Engagement Plan on FPIC.	<ul style="list-style-type: none"> <li>• Community workshops are organised to co-design a voluntary Community Engagement Protocol or Native Engagement Plan on FPIC.</li> <li>• Protocols, plans and any other related information materials, accompanied by awareness trainings, are disseminated widely among businesses, communities and all stakeholders.</li> </ul>	KKDW; SUHAKAM; related State agencies; IGOs; CSOs; EHRDs
<b>E1.24</b>	Provision of enhanced human rights-based training for public legal practitioners and mediators.	<ul style="list-style-type: none"> <li>• Adequate and up-to-date human rights-based training, grounded in the UNGPs and other international guidance, are conducted for public legal practitioners and mediators.</li> </ul>	SUHAKAM; Bar Council; IGOs; CSO; EHRDs

No.	Action	Output Indicator(s)	Collaborative Partner(s)
		<ul style="list-style-type: none"> <li>• Trainings conducted underscore key concepts of Indigenous customary rights and reconciliatory approaches in the context of the overextension of legal and non-legal industry mechanisms against communities.</li> </ul>	
<b>E1.25</b>	Ensure the meaningful participation of EHRDs in Just Transition policy development.	<ul style="list-style-type: none"> <li>• Formal mechanisms or platforms are created for EHRDs to participate in Just Transition decision-making processes.</li> <li>• Stakeholder engagement dialogues, forums or workshops are held, centring EHRDs and communities.</li> <li>• Federal or state-level policy drafts are publicly disclosed for comments and feedback from EHRDs and the general public.</li> </ul>	NRES; PETRA; Ministry of Economy; SUHAKAM; CSOs; EHRDs
<b>E1.26</b>	Ensure thorough investigations are conducted where reprisals against human rights defenders are found.	<ul style="list-style-type: none"> <li>• Coordination meetings are held between SUHAKAM, civil society, and enforcement agencies on protection mechanisms.</li> <li>• Number of investigation reports completed and submitted to the relevant authorities.</li> </ul>	SUHAKAM; IGOs

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## UNGP Pillar 2

### The Corporate Responsibility to Respect Human Rights

Business action on environmental rights begins with ESG sustainability, which encompasses, among others, the adoption of global market-driven frameworks related to biodiversity and climate change. However, leading approaches promoting nature and climate-related financial disclosure instruments and carbon trading mechanisms have been criticised by CSOs, EHRDs and rightsholders as exercises in corporate greenwashing based on how these measures have been applied.

Many existing environmental and human rights concerns remain unaddressed, including voluntary reporting structures that rely on companies' own narratives of environmental and human rights harms that have taken place within their operations, widespread tokenism in the participation of Indigenous Peoples and local communities, and funding pathways that compromise the ability of duty bearers to ensure companies are materially liable and accountable for these abuses.

As such, within the business and human rights ecosystem, it is crucial that corporate accountability measures are grounded in fundamental human rights-driven strategies, emphasising the risks to people. Of particular risk is the management of regulatory compliance that often falls short of expectations, whether domestically or by international standards.

#### FOUNDATIONAL

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No.	Action
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<b>E2.1</b>	Expressly define and incorporate environmental and human rights within company operations. Businesses should adopt an environmental and human rights charter that is aligned with international standards and best practice, approved and acknowledged by their highest management and guided by the most up-to-date expert advice and analyses. The charter should also set clear expectations for all employees, business partners and other parties relevant to the business.
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<b>E2.2</b>	Adopt holistic policies that commit businesses towards mitigating greenhouse gas emissions (GHG) and addressing climate-related human rights risks and impacts. Such policies should be drafted with the input of all stakeholders, centred around affected communities, and be made publicly available.
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**E2.3** Refine procurement policies to emphasise climate and environmental dimensions and the need for effective due diligence. Businesses' procurement practices should be aligned with recognised international benchmarks to ensure consistency and credibility. Periodic policy revisions are equally crucial and must be conducted to ensure procurement practices stay relevant and contribute positively to equity and sustainability objectives.

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**E2.4** Strengthen and improve voluntary carbon emissions disclosure mechanisms as part of the transition to a mandatory framework. Carbon emissions disclosures will only be effective if there is a standardised and uniform framework for measuring emissions which can be independently audited and verified. Studies on the market response to disclosures and voluntary or mandatory measures would be highly beneficial to improve such market mechanisms.

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**E2.5** Publicly disclose carbon emissions information in full to enable a meaningful examination of compliance to national regulations and targets. Disclosures should reflect the realities on the ground as far as possible, complete with key operational challenges, linkages to potential and actual harms to communities and outcomes on corporate responses.

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**E2.6** Review and update environmental standards on the worst polluting industries in line with the latest guidelines by the World Health Organization (WHO) and other expert bodies. These standards should be made legally binding, time-bound and enforceable, with a clear definition of worst polluting industries. Further, a review should prompt improvements to the First Schedule and Second Schedule of the EQA.

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**E2.7** Identify, prevent, mitigate and account for how the company addresses actual and potential adverse climate change-related impacts on vulnerable groups, including those resulting from production-related and consumption-related activities and those connected to their value chains and global operations.

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A meaningful business and human rights framework is one that is grounded in the explicit recognition and respect for the rights of EHRDs and Indigenous Peoples. This translates to understanding how business activities (and the impacts of those activities) socially, economically and culturally affect these communities and what should be done to respect these environmental and human rights boundaries.

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## COMMUNITY-CENTRED STRATEGIES

No.	Action
<b>E2.8</b>	Publicly commit to recognising and respecting the human rights of EHRDs and Indigenous Peoples, whether Malaysian law provides for those rights or otherwise, and act consistently with these corporate commitments. Due diligence including environmental, social, cultural, and other related human rights impact assessments should be regularly conducted and integrated internally at all working levels. FPIC principles should also be met fully by exceeding the minimum requirements to ensure that any deficits in the process do not create further harm to communities directly or by creating an incomplete picture of potential harms.
<b>E2.9</b>	Investors should require the companies they invest in to conduct and act on due diligence assessments. Where this is not the case, engage with their clients to adopt and implement due diligence and obligate that impacted communities be kept informed on any progress or developments in all phases and over the entire cycle from start to end.
<b>E2.10</b>	Meaningfully include Indigenous communities in the FPIC process by consulting and partnering with them on the due diligence process. Companies should actively seek their comments and verify results from due diligence and impact assessments, incorporate community-level information pathways, and work in partnership with Indigenous CSOs. Special attention should be given to Indigenous women, youth and children.
<b>E2.11</b>	Increase staff capacity and improve human rights-related competencies in implementing participatory decision-making, especially related to EIAs and compensation mechanisms. When engaging with communities, companies should identify and select local intermediaries who understand local customs, norms and languages. In all circumstances, companies should consider community engagement protocols and the local management system autonomously developed and employed by local communities.

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The rise of greenwashing risks, and in time, related regulations and legislation, should compel businesses to proactively take steps to prevent the misrepresentation of environmental efforts in their corporate communications, reporting and disclosures.

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## ANTI-GREENWASHING AND CLIMATE WASHING

No.	Action
<b>E2.12</b>	Strengthen supply chain management processes to achieve sustainability. An integral component of sustainability interventions is understanding and acknowledging the breadth of human rights risks linked to climate change and environmental impacts across the entire supply chain. Businesses must have clear methods for data collection and evaluation to enhance transparency and accuracy. This also involves disclosing their direct and indirect emissions i.e., Scopes 1, 2, and 3.
<b>E2.13</b>	Ensure effective communications by regularly sharing both company achievements and areas where improvements are urgent and necessary with their stakeholders, especially rightsholders. This approach aims to centre and empower communities, foster mutual trust and pave the way for meaningful and constructive feedback that introduces reciprocal benefits by limiting risk factors.
<b>E2.14</b>	Apply third-party verification and assurance measures for company disclosures including engaging with NGOs or CSOs. Collaborative engagements with sustainability initiatives and trade associations are encouraged. This supports businesses to diversify ways to achieve improved environmental and human rights governance based on industry experience and learnings of effective (and ineffective) measures, enhancing cost efficiency.

## UNGP Pillar 3

### Access to Remedy

The provision of remedies at the intersection of environmental and human rights abuses remains elusive given that rightsholders are often sidelined in the corporate agenda. Receiving proportional compensation or reparations for business-related violations are an exception as communities are forced to navigate a host of financial, legal and social barriers. Holding businesses accountable requires legislation that is better equipped at ensuring access to effective remedy, which includes the provision of a range of material and symbolic redress.

While not a substitute for legal action or accountability, effective grievance mechanisms are a crucial pathway to justice for communities seeking environmental compensation from adverse and harmful corporate activities. Comprehensive redress systems signal to rightsholders, consumers and other stakeholders that a business is serious about corporate responsibility and finding genuine ways to centre communities.

No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E3.1</b>	Establish a specialised body such as the National Green Tribunal (NGT) in India or the Land and Environment Court of New South Wales in Australia, tasked with adjudicating environment-based litigation and capable of delivering time-sensitive decisions.	<ul style="list-style-type: none"> <li>An environmental adjudication body, such as a tribunal, is legally established that has the required mandate, functions, expertise and experience to promote rightsholders' ability to hold business accountable for environmental rights harms.</li> <li>The institutional mechanism enables effective ADR pathways on environmental disputes; specialised responses and accessible procedures for women, youth, and children; provisions for legal aid for communities who cannot afford or access legal resources; access to independent or technical experts; and the use of local languages of members of the impacted community.</li> </ul>	BHEUU; NRES; SUHAKAM; AIAC; JBG; Bar Council

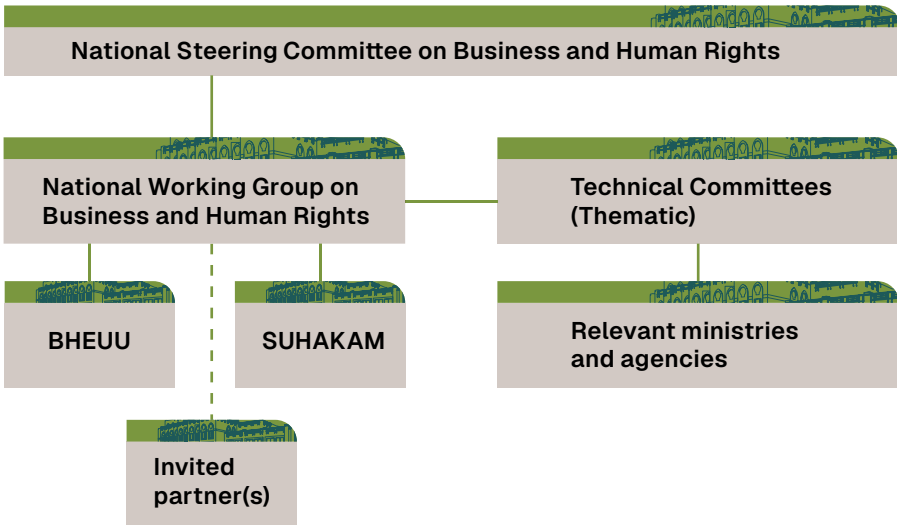
No.	Action	Output Indicator(s)	Collaborative Partner(s)
<b>E3.2</b>	Enhance legal aid provisions and special arrangements for counsel for communities needing to access strategic litigation and targeted advocacy to seek redress through the courts.	<ul style="list-style-type: none"> <li>Increased legal aid support to communities through strengthened legal aid mechanisms.</li> <li>Improved awareness of legal aid resources among communities, community representatives and EHRDs.</li> </ul>	BHEUU; NRES; SUHAKAM; JBG; Bar Council
<b>E3.3</b>	Establish and incorporate a State-based grievance mechanism that is supervised by trusted human rights bodies or coalitions and normalises third- party verifications.	<ul style="list-style-type: none"> <li>A comprehensive and robust State-based grievance mechanism is created together with communities and mandated for inclusion at the project design stage for all proposed development projects based on international best practice.</li> </ul>	NRES; IGOs; CSOs; businesses
<b>E3.4</b>	Establish or enhance business-led non-judicial and routinised grievance mechanisms, with a specific focus on addressing environmental human rights matters.	<ul style="list-style-type: none"> <li>Comprehensive and robust corporate grievance mechanisms are developed that are accessible, accountable, transparent, adaptive and proactive, with a specific focus on addressing environmental human rights matters.</li> </ul>	Businesses

# IMPLEMENTATION APPROACH AND MONITORING, EVALUATION, TRAINING AND LEARNING

## Implementation approach

The successful implementation of this action plan leverages the strengths of the existing governance framework on BHR, comprising:

- (i) A National Steering Committee, chaired by the Minister in the Prime Minister’s Department (Law and Institutional Reform);
- (ii) The BHRWG, comprising BHEUU, SUHAKAM and invited partner(s); and
- (iii) The technical committees, led by the thematic Ministries or agencies.



As the penholder, BHEUU (through the BHRWG) implements the NAPBHR under the guidance of the Chair of the National Steering Committee on Business and Human Rights and supported by the Technical Committees led by the relevant ministries or agencies of each thematic priority. These Technical Committees comprise stakeholders identified by the ministries or agencies themselves, and their implementation strategies are grounded in existing masterplans, action plans and mechanisms. This ensures, as much as possible, the harmonisation and alignment of approaches.

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The collective function of this mechanism also includes:

- Driving the implementation phase of the NAPBHR at the federal and state levels;
- Supporting the national mainstreaming of the principles outlined in the NAPBHR;
- Convening stakeholders for dialogues, forums, and workshops, promoting a whole-of-society approach;
- Promoting and incentivising business success aligned with responsible business conduct;
- Mobilising the Monitoring, Evaluation, Training and Learning mechanism.

### **Monitoring, Evaluation, Training and Learning**

As an immediate next step, the BHRWG will initiate the design and development of a stakeholder- based framework and mechanism to track progress on BHR action over the next five years. This involves several key steps:

#### **1. Developing the Terms of Reference and forming a dedicated Multistakeholder Monitoring, Evaluation, Training and Learning Group on Business and Human Rights**

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The establishment of a multistakeholder, independent and standing monitoring group - formally created with clear criteria - is essential to oversee the implementation of the NAPBHR to enhance the legitimacy, effectiveness and inclusiveness of this process. In order to clearly articulate the functions and role of such a group, a Terms of Reference will be developed.

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## National Working Group on Business and Human Rights

## Multistakeholder Monitoring, Evaluation, Training and Learning Group on Business and Human Rights

## Representatives of stakeholder groups may be a combination of:

- Academia
- Associations (employers/workers/communities)
- Businesses/business groups
- Civil society representatives
- Human rights advocates/defenders
- Legal practitioners
- Representatives of vulnerable or affected groups
- Thematic experts/advocates
- Other relevant stakeholders

This may include a set of duties such as recommending matters and issues related to BHR for the consideration of the BHRWG; identifying solutions to address implementation challenges; and reviewing, assessing, and providing implementation oversight. However, the functions of the group may go beyond tracking and oversight to support internal and external learning as well as awareness raising.

Government alone cannot evaluate its own performance; a multistakeholder group acts as a check and balance that is both grounded in rights and realities. Businesses understand operational challenges, civil society observes community impacts, while affected groups offer lived experience. Involving diverse stakeholders can build confidence in both the plan and the institutions implementing it, and importantly, promote the principle of meaningful collaboration and shared responsibility through dialogue and consensus on normative best practices.

## 2. Supporting the multistakeholder monitoring group to design a monitoring, evaluation, training and learning (METL) framework and reporting plan

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A key task of the monitoring group is to design a monitoring, evaluation, training and learning framework that governs oversight functions. The framework should not be complex or intimidating, emphasising instead the use of existing mechanisms such as the UPR reporting process. The aim of monitoring and evaluation is to measure results and overall impacts while identifying problems early, but it must do so without burdening the system; this improves agility and quality and promotes sustainability.

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The monitoring group will also be required to develop the necessary operational procedures and identify a regular NAPBHR monitoring and reporting cycle. This enables timely feedback on implementation progress and maintains overall momentum to meet the NAPBHR targets. Importantly, the group is expected to promote continuous learning and improvement by reviewing what is working and what is not, recommending adjustments to the NAPBHR as necessary.

### **3. Communicating impacts and lessons widely, in interesting ways**

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The development phase of the NAPBHR has illustrated the importance of not only sharing progress widely, but communicating impacts and lessons in engaging, novel ways. Storytelling and narrative-building enables positive advocacy, helping to shift normative perceptions from obligation to opportunity. These communication strategies can provide insights that are either stakeholder-based or issue-based, while continuing to invite collaboration and expand audience interest. Strategies include:

- Shaping key messages that promote cooperation;
- Giving a voice to underreported BHR issues;
- Developing thematic briefs for awareness raising; and
- Engaging new audiences.

Spotlighting examples of best corporate practices and progress, and celebrating successful initiatives grounded in the NAPBHR can also reinforce the idea of the “race to the top”, signalling a positive and necessary departure from the status quo. The goal goes beyond simply informing stakeholders, but to inspire action, change norms, and build a shared culture of respect for human rights in business.

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## IMMEDIATE ACTIONS

These three key strategies will pave the way for immediate actions that can be spearheaded by the BHRWG and monitored by the Multistakeholder Monitoring, Evaluation, Training and Learning Group on Business and Human Rights. These actions include, but are not limited to, the following:

- 1) The Steering Committee and Technical Committees established will remain to oversee the implementation of the NAPBHR;
- 2) The BHR Working Group will remain to chart the implementation framework for the NAPBHR;
- 3) The establishment of the Multistakeholder Monitoring, Evaluation, Training and Learning Group on Business and Human Rights;
- 4) All stakeholders will be consulted on implementation mechanism especially on “low hanging fruits”;
- 5) State actors will be consulted through the Technical Committees to undertake implementation;
- 6) The BHRWG will establish a standard document for self-assessment by businesses;
- 7) Businesses will be consulted based on industries to assess their readiness to implement the NAPBHR and where they are currently;
- 8) Training and hand-holding sessions will be conducted to introduce business and human rights principles and the NAPBHR, as well as to harmonise BHR and ESG frameworks;
- 9) Establish a Human Rights Tribunal to look into Human Rights violations especially BHR related cases;
- 10) Conduct training sessions and capacity building for domestic lawyers and legal practitioners on access to remedy for BHR and SLAPP cases;
- 11) Study the feasibility of introducing a Supply Chain Act for Malaysia.

These actions should commence within one year of the launch of the NAPBHR by the BHRWG.

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## CONCLUSION

The development of Malaysia's first NAPBHR, despite the challenges, is only the start of the process – what comes next will be demanding, but crucial.

The aim of the Government is to ensure that the most critical BHR matters, demonstrating widespread and systemic harms, are fundamentally addressed in the next five years. The BHRWG continues to invite advocacy on business and human rights, including on issues that are not expressly communicated in this plan, and welcome all stakeholders to work through these actions with us through innovative collaborations and new alliances.

The implementation phase will see the community of BHR practitioners created through this process engaging more deeply to meet specific goals and ensure positive, lasting impacts on the rights ecosystem. The BHRWG strives for community participation and partnership, an approach that serves as a foundation for the BHR agenda, underscoring Malaysia's commitment to upholding human rights in the context of corporate accountability and centring rightsholders in the pursuit of genuine sustainability.



## ANNEXES

### i. List of organisations and individuals who provided feedback and comments on the Zero Draft of the NAPBHR

No.	Name of organisation/individual
1	Bar Council Human Rights Committee (BCHPC)
2	Centre to Combat Corruption and Cronyism (C4)
3	Childline Foundation
4	CSO Platform for Reform
5	Earthworm Foundation
6	Human Rights Coalition's People Positive Palm project of The Consumer Goods Forum
7	Human Rights Watch
8	Individual (Private)
9	Individual (Private)
10	Individual (Business)
11	Individual (Business)
12	Individual (Business)
13	Individual (Indigenous organisation)
14	Individual (Social Performance and Human Rights for Business Practitioners)
15	Institute of Corporate Directors Malaysia (ICDM)
16	International Labour Organization (ILO)
17	Klima Action Malaysia (KAMY)
18	Kuala Lumpur Residents Action for Sustainable Development (KLRA+SD)
19	Malaysian Employers Federation (MEF)
20	Multinational company
21	MY Voice Project (represented by Social Accountability International, Proforest, The Centre for Child Rights and Business and Our Journey)
22	Our Journey
23	Pusat KOMAS
24	Sarawak Dayak Iban Association (SADIA)
25	SAVE Rivers, Keruan Organisation and The Borneo Project (Joint Submission)
26	Sustainable Development Network Malaysia (SUSDEN Malaysia)
27	WWF-Malaysia
28	UNICEF
29	UN Special Rapporteur on the promotion and protection of human rights in the context of climate change

**Note:**

The organisations and individuals named in this list have contributed valuable written feedback on the Zero Draft of the National Action Plan on Business and Human Rights through the public consultation process (online survey or via email). While their inputs have informed the development of this document, their participation does not imply full endorsement of the final content. Not all views or recommendations provided may have been incorporated, and inclusion in the consultation process should not be interpreted as agreement with the final and published NAPBHR 2025–2030.

**ii. List of meetings and consultations between August 2024 – March 2025**

Date	Title of meeting, consultation or workshop
15 August 2024	BHRWG Meeting on the Workplan for the development of the NAPBHR
3 September 2024	Internal thematic briefing on the development of the NAPBHR – led by BHEUU (Governance)
4 September 2024	Internal thematic briefing on the development of the NAPBHR – led by KESUMA (Labour)
4 September 2024	Internal thematic briefing on the development of the NAPBHR – led by NRES (Environment)
12 September 2024	Interagency review session on the draft NAPBHR (Labour)
13 September 2024	Interagency review session on the draft NAPBHR (Governance)
9 October 2024	Interagency review session on the draft NAPBHR (Environment)
14–15 October 2024	Multistakeholder consultation on the NAPBHR for State agencies, businesses and CSOs (Kota Kinabalu, Sabah)
18 November 2024	First consultative meeting of the Legal Affairs Division, Prime Minister’s Department, Lead Ministries and UN Agencies on the NAPBHR
19 November 2024	Multistakeholder consultation on the NAPBHR for State agencies, businesses and CSOs (Northern region)
16 December 2024	BHRWG discussion on the 2025 Workplan
16 January 2025	Multistakeholder consultation on the NAPBHR for businesses and CSOs on Environment (Southern region)
22 January 2025	Multistakeholder consultation on the NAPBHR for businesses and CSOs on Labour (Southern region)
27 January 2025	Meeting with Bursa Malaysia on NAPBHR collaboration
6 February 2025	Online meeting with the Swiss-Malaysian Chamber of Commerce
18 February 2025	Consultation with the Malaysian Employers Federation (MEF)

No.	Name of organisation/individual
27 February 2025	Sharing session between the ILO and BHEUU on the NAPBHR
28 February 2025	Closed online roundtable with businesses on the NAPBHR
4 March 2025	Multistakeholder consultation on the NAPBHR for ministries and agencies, businesses and CSOs (Central)
5–6 March 2025	BHRWG review and drafting workshop
6 March 2025	Consultation with Dr. Pichamon Yeophantong, Vice-Chairperson of the UN Working Group on Business and Human Rights
7 March 2025	Working Group Committee Meeting No. 1/2025
10 March 2025	UNICEF Young people-led roundtable on Business and Human Rights
24 March 2025	IOM-ILO Consultation with CSOs on the NAPBHR

**Note:**

While inputs from the meetings or sessions outlined have informed the development of this document, the participation of these stakeholders does not imply full endorsement of the final content. Not all views or recommendations provided may have been incorporated, and inclusion in the consultation process should not be interpreted as agreement with the final and published NAPBHR 2025–2030.





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