

12 FEBRUARY 2025

Malaysia's National Action Plan on Business and Human Rights

It is the State's duty to protect human rights, but businesses also have a responsibility to respect them¹. The concept of Business and Human Rights (BHR) complements the ESG framework by reinforcing its core human rights foundation and promoting accountable business practices.

The Malaysian Government has recently unveiled the Zero Draft of the National Action Plan on Business and Human Rights (NAPBHR) for 2025-2030. The Zero Draft is open for public feedback until 28 February 2025².

“[B]usinesses can contribute meaningfully by providing feedback on the Zero Draft [and] aligning their ESG and sustainability strategies with the recommended measures.”



Objectives of the NAPBHR

The Zero Draft states the following aims of the NAPBHR:

- *Protect human and environmental rights* by enforcing measures to ensure businesses adopt human rights-based approaches in their activities and throughout their supply 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 rights standards, ensuring that no businesses and no individual is left behind; and
- *Remediate human rights abuses* by establishing and implementing timely, transparent and effective grievance mechanisms to address harms caused by or linked to business activities.

Proposed Outline of the NAPBHR

The NAPBHR will provide key strategies and a five-year plan covering governance, labour, the environment, special issues, and a compilation of actions. The NAPBHR will also outline an implementation plan, a monitoring and evaluation strategy, and an assessment template.



[1] Guiding Principles on Business and Human Rights
https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

[2] Zero Draft of the National Action Plan on Business and Human Rights (NAPBHR) (2025-2030)
<https://www.bheuu.gov.my/en/orang-awam/napbhr>

Presently, the Zero Draft not only sets out actions to be taken by the Government but also recommends various measures to be taken by businesses under each thematic priority as part of their corporate responsibility to respect human rights. Summarily:

- *Governance*: Businesses are recommended to proactively integrate human rights into their operations instead of waiting for legal mandates, such as by implementing robust human rights policies, conducting due diligence on supply chains, supporting SMEs, enhancing ESG measures, strengthening anti-corruption efforts, and ensuring transparent reporting. Allocating resources for compliance, ethical decision-making, and human rights training are also essential.
- *Social*: To align with global labour standards and remain competitive, aside from clear human rights policies and regular human rights due diligence, businesses should align with international labour standards (ILO, IOM, UNICEF), prohibit child labour, uphold fair wages, protect gig workers, involve unions in decision-making, safeguard workers' rights to unionise, and develop effective grievance mechanisms. Supplier oversight is also critical.
- *Environment*: In respect of corporate responsibility for environmental rights, the recommended measures aim to embed environmental and human rights commitments into their core policies relating to climate change, strengthen accountability to prevent greenwashing, engage indigenous communities and environmental defenders, and ensure credible climate risk reporting.



Other issues of special focus suggested in the Zero Draft given their urgency and importance include children's rights, fisheries and marine resources, digital rights, the rights of refugees and asylum-seekers, consumer protections, and urban development, including the use of public-purpose lands.

A Call to Action

As the NAPBHR will set the course for the next five years, businesses can contribute meaningfully by providing feedback on the Zero Draft, in particular on the various measures which will impact them. Submissions can be made via the website or by returning the prescribed form to napbhr@bheuu.gov.my.

Beyond engagement, the Zero Draft also offers businesses a head start in aligning their ESG and sustainability strategies with the recommended measures. For further details, please visit: <https://www.bheuu.gov.my/en/orang-awam/napbhr>.

If you have any query, please contact the author, **Tan Hooi Ping** (hpt@lh-ag.com), Partner in the ESG and Sustainability Practice.

Partners in the ESG & Sustainability Practice



HOI JACK S'NG

Partner
Dispute Resolution |
Regulatory & Compliance
E: hjs@lh-ag.com

TAN HOOI PING

Partner
Employment & Industrial
Relations
E: hpt@lh-ag.com

JOYCE ONG KAR YEE

Partner
Projects, Energy &
Infrastructure | Corporate |
Regulatory & Compliance
E: oky@lh-ag.com

NURUL AISYAH HASSAN

Partner
Employment & Industrial
Relations
E: nah@lh-ag.com