

Steady progress along ESG journey

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Malaysia's industries are forging a path towards incorporating ESG principles into strategies and operations.

MALAYSIA is slowly, but surely, forging ahead in the path towards a better tomorrow, as both the public and private sectors are making strides in integrating and implementing environmental, social and governance (ESG) principles within their strategies.

For starters, on the back of international reports accusing Malaysian companies of labour violations and export bans in recent years, the Government has taken a strong stance to eliminate forced labour in the country by 2030 with the launch of the five-year National Action Plan on Forced Labour (NAPFL), supported by the International Labour Organisation (ILO), in November 2021.

Not long after in March 2022, came the ratification of the ILO Protocol 2014 (ILO P29), which complements the ILO Convention on Forced Labour that was ratified in 1957. Malaysia also now has a seat as a member in the United Nations Human Rights Council (HRC) for the term 2022 to 2024.

There have also been improvements within local industries, such as the agricultural-commodity (agricommodity) sector – palm oil, rubber and timber as the top agricommodity exports, as well as cocoa, pepper, plant-based kenaf fibre, biomass and biofuel – via new policies and regulations, as well as on-the-ground changes in implementation to address ESG risks and concerns.

Of note is the launch of the National Agricommodity Policy (DAKN) 2030 earlier this year, with its five pillars of sustainability, productivity, value creation, market development and inclusiveness.

The policy will serve to ensure that the agricommodity sector continues to grow without compromising sustainability, said Plantation Industries and Commodities Minister Datuk Zuraida Kamaruddin at the recent Malaysia International Agricommodity Expo and Summit.

She added, “DAKN 2030 will also focus on priorities that involve the wellbeing of smallholders, the growth of entrepreneurs and the ability to deal with issues related to the development of the agricommodity sector.”
