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Embracing Social Responsibility for Sustainable Growth

In today's rapidly evolving business landscape, companies are increasingly recognising the importance of Environmental, Social and Governance (ESG). This involves fostering a corporate culture that [places emphasis on certain elements within the "Social" pillar of ESG](#), including Health and Safety, Labour Standards, Employee Benefits as well as Diversity and Inclusion. These pillars not only contribute to a thriving workforce but also establish a strong foundation for sustainable growth and enduring long-term success for organisations.

Health and Safety

Ensuring employee's health and safety is crucial for a productive workplace. Employers must establish a safe environment by implementing preventive measures, adhering to safety protocols, providing training, and conducting risk assessments. ISO 45001 is an international standard for occupational safety and health (OSH) management, emphasising the importance of OSH for employee well-being and business performance. Integrating OSH into ESG frameworks promotes sustainable and responsible operations. OSH certifications are periodically renewed to stay aligned with industry standards.

In Malaysia, the government has made substantial efforts to enforce robust health and safety regulations, ensuring that businesses prioritise employee welfare and maintain a conducive work atmosphere. To further enhance OSH system in our country, the Government launched the National Occupational Safety and Health Master Plan 2021-2025 (OSHMP25) which focuses on inculcating the values of "Inclusive OSH" - togetherness and commitment to garner collective participation towards the achievement of national goals and subsequently reinforcing the formation of "safe and healthy work culture" among employers and employees. This new plan represents a continuation of efforts to proliferate these values, emphasising their significance in enhancing the occupational safety and health system.

Labour Standards

Labour standards encompass a wide range of factors, including fair wages, reasonable working hours, and protection against discrimination and exploitation. Adhering to labour standards not only safeguards the rights of employees but also fosters trust, loyalty and job satisfaction. Malaysia, as a member of the International Labour Organization (ILO), has taken significant strides in upholding labour standards. Through legislation and proactive engagement with workers' unions and employers' associations, the country has made significant progress in ensuring fair employment practices and promoting decent working environment for all.

Moreover, Malaysia has taken concrete steps to enhance labour standards. The implementation of the minimum wage order since May 1, 2022, has set a monthly minimum wage of RM1,500 for all sectors, regardless of region, for employers with five or more employees. In addition to that, the weekly working hours in Malaysia have been reduced from 48 to 45 hours effective September 1, 2022, following amendments to the Employment Act 1955 which aims to safeguard the welfare of workers, in line with the International Labour Organisation (ILO) Convention.

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Employee Benefits

Comprehensive employee benefits play a vital role in attracting and retaining top talent while fostering a healthy work-life balance. Benefits such as healthcare coverage, paid leave, retirement plans, and professional development opportunities demonstrate an organisation's commitment to its employees' overall well-being and growth. Malaysia has recognised the importance of providing reasonable employee benefits and has implemented various schemes and regulations to ensure workers are adequately supported. These include Employees Provident Fund (EPF) which enables employees to save for retirement, as well as the Social Security Organisation (SOCSO) which provides social protection against accidents and disabilities.

Diversity and Inclusion

Diversity and inclusion have become imperative for organisations seeking to harness the full potential of their workforce. Embracing diverse perspectives, experiences, and backgrounds fosters innovation, creativity, and adaptability. Companies that prioritise diversity and inclusion create an environment where every employee feels valued and empowered. Malaysia, with its rich multicultural heritage, serves as an exemplar in embracing diversity and inclusion.

Furthermore, some Malaysian companies are actively adjusting their workplace environment and policies to address the changing cultural landscape, and taking proactive steps to eradicate gender bias, bridge generational gaps, and foster fair and unbiased practices that benefit every individual within their organisations. [Studies show that Malaysia has the highest percentage of women board members in Asia at 26%](#), surpassing the global average of 19.7%. However, while this figure falls short of the desired 30% target, it signifies commendable progress in this area.

Promoting ESG is a collective effort

Malaysia has garnered significant media attention due to numerous cases exposing social and forced labour issues in various industries, including agriculture (specifically plantation work), construction, manufacturing, and domestic work. These sectors have been subject to investigations and reports that shed light on labour exploitation, human rights abuses, and violations of worker rights. We opine that the progress in the social aspect of ESG cannot solely rely on the efforts of the government. Rather, the responsibility to drive positive change in social sustainability practices requires a collective effort from governments, companies and individuals. By working together, we can create a more sustainable, equitable, and responsible future for both present and future generations.

In conclusion, promoting social responsibility can bolster a company's reputation and brand value. When a company demonstrates a commitment towards social issues and adopts socially responsible practices, it establishes trust and credibility with its stakeholders, which include customers, investors, and employees. In addition to that, addressing social issues proactively can help companies prevent or minimise adverse events that could result in reputational damage, legal complications, or operational disruptions.

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