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Post-COVID-19 Impact on Business Environment and Sustainability Practices

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Abstract

After the cessation of restrictive lockdowns, the world affected badly by the COVID-19 pandemic, altering how people interact and work. The global economy faces new uncertainties, driving a push towards sustainability by considering internal and external factors. Achieving a sustainable environment requires integrating policies that connect the environment, economy, and society. This research is to understand the effect of good corporate governance and sustainable growth rate on sustainability reports, focusing on business and financial sectors globally. Using 15 indices that describe the overall corporate governance structure, the study evaluates how these mechanisms impact decision-making, compliance, and sustainability practices. The findings will provide insights into how companies can adapt to regulatory changes and sustain their cultural norms and priorities during and after crises as COVID-19.

1. Introduction

In the post-pandemic situation, most of the stakeholders expect organizations to increase the awareness and performance in corporate responsibilities and sustainability practices, including addressing global warming and human rights issues. The COVID-19 pandemic has disrupted traditional business operations, necessitating a revaluation of corporate governance and sustainability practices. This research the discovery of the impact of pre and post COVID-19 in the business environment, with a focus on business and financial sectors globally. It explores how good corporate governance and sustainable growth can enhance the quality of sustainability reports. By examining the integration of internal and external policies, the research aims to provide a framework for businesses to navigate crises and achieve long-term sustainability.

Corporate Governance

Corporate governance structure based on the company objectives refers to the rules, practices, and processes so as to monitor the performance of companies and attaining those objectives. The four concepts of corporate governance are accountability, responsibility, transparency, and fairness. Covid-19 had changed the economy, which impacted the four concepts of corporate governance of the basic objectives, rewriting policies and guidelines to fit the changes of doing business.

The Global Reporting Initiative (GRI) had developed and delivered sustainability reporting to produce the accountability mechanism for the companies should comply to responsible environmental conduct principles, social, economic and governance. [1]

COVID-19 has impacted virtually every aspect of our lifestyles. Regulator may worry this COVID-19 affect the corporate compliance. Mark Delgado, MitraTech's Managing Director of GRC, had put the necessary action into companies' compliance for the environmental, social issues. [2]

For example, working class people required to resume the work in office, that will restrict the freedom working from home. Businesses need to monitor working conditions in all areas.

Corporate Governance connected between the board, management, and shareholders and other stakeholders, for efficient, transparent and accountable decision making, which is a key tool for achieving those business goals, in account of internal control.

Corporate Compliance is to governance the required of regulation and legal in an organization. After corporate governance, compliance took place then, sustainability able to secure the company future.

Good Corporate Governance and Sustainability Growth Rates can help disclose good Sustainability Report (SR) with factors that shown the business how the progress business in performance and position with the influence of COVID-19 and crisis, will be an advantage for the analysis and regulator for necessary action.

The Covid Pandemic attacked businesses encountered unprecedented challenges and scrambled to respond to the impact of a global health event. Owing to the lack of transparency in information sharing, businesses were unprepared the coming risks and was therefore unable to develop a risk mitigation strategy.

Corporate Sustainability

Corporate sustainability is the ability to maintain practices in organizations. (Catlin, Luchs, & Phipps, 2017) (15) Corporate sustainability involves profitability, long term growth, innovation and creativity, balancing between the economic, social, and environmental. (Hansen & Schaltegger, 2016) [17]

Sustainability is the priority and to require the organization to balance their current needs for operating businesses without compromising the needs of future generations (Chakravorty & Hales, 2017) [142]. Sustainability to an organization focusing on its long-term survival.

The concept of Sustainability represented by an intersecting circle of economic, environmental and social. First, Economical sustainability was not in the business priority. If business is not profitable, it won't survive. Second, companies don't consider their social sustainability, such as their workers' rights and fair wages, without trust and confidant from the public and their market value is threatened and bad reputation. Third, environmental pillar which includes everything from production to supply chains, energy use, packaging, delivery and wastage.

The challenge with this is determining:

• The current and future needs.

• Period is to take into future generations.

• Who the sustainability should be for (e.g., the company, the country or the world).

Sustainability should be core to the strategy and operations of every business. There are three main challenges that hold companies back in a sustainability transformation: determining where to focus for the greatest impact, how to put the right transformation engine in place, and how to fund the journey.

Data Collection

Business sustainability implication was investigated and analysed from the collected data. A comprehensive literature review said to bridge the gap in understanding how covid-19 affected the businesses. First, the theoretical background and research was to introduce the concepts. Next section, the most important findings were the literature review presenting to support the theories. The review results in the context of a business transformation to comply sustainability of businesses. The discussion and conclusions mentioning at the end.

Type of Data: Both primary and secondary data

1. Primary Data: Surveys and interviews with key stakeholders, including business leaders, financial officers, and regulatory authorities globally.

2. Secondary Data: Analysis of sustainability reports, corporate governance records, and financial statements of businesses from various countries.

Sources: Business and financial institutions, regulatory bodies, academic journals, and industry reports.

Methodology

The COVID-19 pandemic has had far-reaching consequences on the global business landscape, there is a growing recognition that the path to recovery included in sustainable practices that can enable businesses to thrive in future challenges.

One key aspect of this evolving business environment is the impact on supply chain sustainability. The sudden and dramatic shifts in demand which forced businesses to rethink their strategies and prioritize resilience alongside sustainability. Post COVID-19, the lessons learned and explore how businesses can build more flexible and adaptable supply chains that can withstand unforeseeable risk in a more equitable and resilient manner.

As the business community navigates the uncharted waters of the post-COVID-19 landscape, the need for innovative and adaptable strategies that prioritize sustainability has never been more urgent. By learning from the lessons of the pandemic and embracing a more holistic approach to supply chain management, businesses can position themselves for long-term success and contribute to a more sustainable future.

This research is useful for the policymakers and businesses to understand how the crisis had impacted the world in terms of economic, environment, and social. Sustainability in businesses and others to move the same pace with obstruction. Businesses to review the policies to understand how the pandemic has impacted the dimensions of sustainability and possible mitigation strategies. Future research directions in the intersection of pandemic and sustainability dimensions to help future research.

Quantitative Analysis

1. Use surveys to collect data from a sample of business leaders and financial officers on their corporate governance practices and sustainability measures.

2. Use statistical tools to analyze the relationship between corporate governance indices and sustainability outcomes.

Qualitative Analysis

1. Conduct in-depth interviews with key stakeholders to gain insights into the practical challenges and strategies for implementing sustainability practices post-COVID-19

2. Use thematic analysis to identify common themes and patterns in the qualitative data

Analysis

1. Quantitative Analysis: Use the descriptive test and hypothesis t-test to identify the impact of corporate governance on sustainability practices

2. Qualitative Analysis: Perform content analysis of interview transcripts to extract key insights and recommendations

Conclusion

The study highlights the critical role of good corporate governance and sustainability practices in navigating the post-COVID-19 business environment. By adopting comprehensive governance mechanisms and compliance strategies, businesses can enhance their resilience and sustainability. The findings underscore the need for continuous adaptation and proactive planning to address crises and maintain long-term growth.

Hence, my research report is to:

1. To analyze the impact of COVID-19 on corporate governance practised in the business and financial sectors globally.

2. To evaluate the changes in sustainability practices due to post-COVID-19 regulatory requirements.

3. Assess the role of good corporate governance in enhancing sustainable growth in the post-pandemic business environment.

4. Identify efficacious compliance practices that support sustainability during crises.

2. Literature Review

The Covid-19 has led to lockdowns, reductions in consumption, the closure of communities, and the elimination of businesses [7]. Numerous economic experts see this pandemic as a metaphorical "black swan" event, "that is, a surprising, unpredictable event of great significance and severe consequences that dramatically changes the political and economic environment" [8] that may cause business failures. [9] [10]

Technology professionals refer to Covid-19 as a global disruption, created an opportunity or as a challenge to transform business models or implement new technology as a support for business processes. Walsh, 2020 [141] mentioned, COVID-19 affected all the world, even all types of businesses." Year 2020 had hit the record for the bankruptcies of many companies. [10] [14] "Things had changed in business, and the future is unpredictable" [11], "the uncertainty we're currently experiencing is not a tiger we can run from, adds Cochran" [13]. The high unpredictability of the business environment as well as the high malleability [12] demands for a strategy for change, whereby a renewal could be a viable option. The emergent risks knowing "black swan", and companies need to manage the risk management by focusing on sustainability as the priority.

"Failure to act on environmental, social or governance policies, led to losing business which was a high risk to company's operation referring to a new survey from accountancy and business advisory firm BDO.
Next 5 years showing the summarize as follows:

- **24% of respondents were 'high' risk of loosing business - or eligibility to bid for new business - if they failed to meet acceptable ESG standards**
- **7% was a 'very high' risk**
- **36% was low risk**
- **6% was zero risk.**

BDO LLP provides accountancy and business advisory and solutions, the headquarter in London and has a revenue of $10.3bn, emphasis the importance of ESG for businesses. The results are taken from a Census wide survey carried out for BDO among more than 500 middle market businesses with turnovers of between £10m - £300m per annum." [3]

“In Forbes, the article showing the business will fail over the next 10 years because of a lack of short-term and long-term planning. Most business failure is not the matter of startup and small businesses. Fifty percent companies which were around in 20 years ago in the Fortune 500, have closed and disappeared, and multinational companies’ life expectation is limited and shrinking. The planning for business in the forecasting and long run should be monitoring through the market situation, environment and governance, and the objectives to achieve the goals with the timeline.” [4]

“BBC Maestro, research has shown that about 20% of small businesses fail in the first year. Succeeding the end of second year, failure of 30% businesses, and this situation will continue until the fifth year.

Why do businesses fail?

Most failure of business caused by the uncertainty, and starting with the slowing business, cannot virtue the direction, or even lack of proper of business plan in operation and sustainability, and unknown for the business crisis.” [5]

The common reason why business fails and is increasing in unsustainability growth. To prevent failure, implement and maintain sustainability strategy in organization. Management and all stakeholders have the right mindset in terms of Sustainability. Before into sustainability, the enterprise risk management for the internal to fall into the right place, the sustainability will come into the final stage.

2.1 Impact of COVID-19 on corporate governance practices in the business and financial sectors globally

The Covid-19 pandemic had caused great impact around the world, in people's daily life and business landscape. During the outbreak, all businesses shut down, governments-imposed stay-at-home-orders or lockdowns, employees worked from home, meetings, and education were using online platforms, businesses are moving to digital, to prevent the viral infection and health care benefits. (O'Malley 2020) [32]

From the financial and economic aspects, economic consequences of the COVID-19 pandemic are affecting the banking industry, even though the crisis did not start as a financial, eventually the impact and linking to economy in suffering losses, and a range of changes. Financial impact is a big concern for banks around the world. "There was a hit in stock markets, causing the value of pensions or individual savings accounts by buying and selling shares in companies. Dow Jones Industrial Average and the Nikkei were affected by COVID-19 in the first months of the crisis. Even with the announcement of the first vaccine, FTSE is still in negative condition, only the Asian and US stock markets have recovered. The FTSE dropped 14.3% in 2020, its worst performance since 2008" (Jones et al. 2020) [33]

The World Bank has predicted that the global economy will shrink by 5.2% in 2020 and more than 60 million moved into extreme poverty owing to the COVID-19 (Reinhart and Reinhart 2020) [34] The world changed the lifestyles, political, environmental, and economic sustainable development. "In USA, first quarter of 2020, there was 4.8% decreased in GDP, in the second quarter increasing from 4.8% to 9.1% dropped of GDP after the global financial crisis of 2007–2009"(Hutt 2020) [35] In the G7 Economies, the only country least affected was Japanese stock exchange and the Japanese economy. (Horowitz 2020) [36]

“Westpac Banking Corporation has received an A$40 million penalty for charging advice fees to dead customers, bringing its total bill for “widespread compliance failures” to A$113 million.” [93] “The five biggest compliance failure fines of 2021. Deutsche Bank: $120m, NatWest: £264m, Credit Suisse: £147m, JPMorgan: $125m, ABN Amro: €480m.” [94]

“Watergate Scandal reported that several corporations and executive officers had misuse secret slush funds to make illegal political contributions. Wall Street Scandals - A spate of scandals relating to insider trading and security fraud in the 1980s served as the catalyst for the enactment of 1988.

Corporate Scandals - Echoing the earlier theme, a spate of scandals relating to accounting fraud in the early 2000s resulted in the enactment of the Sarbanes-Oxley Act (SOX).” [120]

Financial Crisis - Low interest rates and lax lending standards coupled with the creative use of subprime derivatives supercharged a housing bubble, which eventually led to the global financial crisis. The crisis caused the failures, which referring the history of Wall Street banks Lehman Brothers and Bear Stearns. Government bailout to salvage such as JPMorgan, Goldman Sachs and Bank of America.” [95]

Global financial Crisis (GFC) - market moral failures
Caused by lack of accountability and transparency

- **large corporate collapses and sovereign debt crises (government struggle to repay their borrowings)**
- **society expects greater disclosure of environment and social impact, as well as governance info**
- **social contract (between organisation & society) - community license to operate, society's high expectation from organisation**
- **increasing demand for accountability and transparency, impact on financial and national economies and ultimately on huge social consequences**

Causes of GFC:

- **High leverage, which was sustainable only under conditions of increasing asset prices and investor confidence**
- **inadequate governance, accountability and remuneration practices within financial institutions**
- **uncontrolled liquidness creation (global current account imbalances & willingness of surplus countries to invest in financial assets being created in deficit countries)**
- **growth of a largely unregulated 'shadow banking' sector and the constructions of complex financial instruments and techniques, which saw risk spread throughout the work and significant interdependencies created**
- **lack of public information about level and distribution of risk in the financial system.**

Chandler (2020) [37] reports that COVID-19 has impacted labour by 68% in just 2 weeks, which signifies the loss of many jobs and directly increases stress levels. Many companies laid off their employees, or forced their staff to take a furlough, and/or cut the employees' salaries and executive compensations. "In the UK, the unemployment rate increased to 10% during the COVID-19 recession. "(Rushe 2020) [39]. "45.7 million have filed for unemployment during the pandemic as of June 13, 2020, in the USA, which is greater than the combined population of 23 states" (Lambert 2020) [38].

Many governments are increasingly shifting towards securing order to create self-sufficient and self-sustaining economies. COVID-19 that border closures, lockdowns, and export restrictions obstructing supply chains, the companies must watch in domestic policies that focus on national security and self-sufficiency.

End of May 2020, lockdowns and stay-home-orders ended around the world, and economies and businesses reopened to 'new working normal'. While the world is changing, the re-framing of the business and corporate governance in the 'new working normal'. Companies develop sustainable businesses and corporate governance structures based on stakeholder theory.

“Businesses have had to manage dual economic and health crises, which have driven new employee and customer engagement protocols, remote working on an unprecedented scale, restructure of supply chains, and numerous bankruptcies.” [19]

Businesses adapted to rapidly changing circumstances due to expected economic recovery. Businesses must be ready for a downturn during any unforeseeable situation. Developments and the long-term risk management are to reduce the potential consequences and competitive positioning, cyber-attacks, catastrophic climate change and social responsibility by identifying, managing, and eliminating threats. At the same is survival and building resilience, to strengthen and constantly review risk mitigation strategies.

“Online Scathe No. 1 Cybercrime
The Singapore Police Force also reported cybercrime as a key concern, with 22,219 cases recorded in year 2020, had increased to 38 per cent from 16,117 case. Singapore is top victim in cybercrime, 81 per cents were online scam, 17 per cents were Computer Misuse Act offences and 2 per cents were cyber extortion cases.

CSA said there were 3,300 malicious command and control servers, more than a three-fold increase from 1,026 in 2020.

Companies are utilizing technology more frequent and efficient especially communication, but it has raised concerns about cybersecurity and the potential for digital fatigue. Several cyberattack vectors exist due to Work-from-home that increased dependence on home networks and personal devices.

Potentially easier and more efficacious social engineering attacks due to a dispersed onsite and offsite workforce. Limitation of Security Operations Centres (SOCs) in visibility which was designing to identify irregular behaviours due to the new work norms.” [97]

There were new types of ransomwares, which disrupted services and conducting Denial of Service Attacks, affected badly in the healthcare services and hospitals. [94] Cybersecurity leaders needed to monitor beyond compliance and shared risk within the

organization. Half of Australia's population has been involved in the cyber-attack on Medi Secure, company was unwilling to spend to find out exactly who had their data stolen and notify them. [96]

“Technological drivers are accelerating and disrupting the business landscape. The pandemic risk has created the business opportunity to tech businesses. The world has transformed the social and work interactions to digitalization, this crisis turned into the business opportunity in technology that unprecedented growth. The percentage demand of internet was increased by 30% in year 2020, and 20% increase in e-commerce.” [19]

Tech business increasing but had maximized another risk is cyber exposures and created complex and potentially less secure networks. “The Global Risks Report 2021 showing the top risk was failure of cybersecurity. In year 2020, globally news reported the increasing cyber-attacks on government agencies and companies, the COVID-19 crisis to infiltrate networks. The cyber-attacked was seen increasing from the year 2019 to year 2020.” [19]

This shift creates potential catastrophic risks that the hasty rush towards automation, due to the need for efficiency and reduced on-site labour, may expose businesses to unforeseeable financial and ethical risks particularly with more socially consumers and workforces concerned about job losses and willing to take their talents other sectors.

“Businesses are pressured by societal scrutiny of businesses practices, especially related to environmental, social and governance aspects of business performance and climate change. All these pressured reflected in the Global Risks Report are the main concern, which environmental risks dominate the high-likelihood, high-impact quadrant of the risk landscape.” [19]

“Most of the stakeholders expect firms to reflect their values. This fact became apparent as the pandemic’s long-term health, social and economic impacts manifested. For example, BLM protests the businesses stopped on social medial platforms, that affected the revenue and reputation risks, and others; and climate action.” [19]

Impact of COVID-19, businesses to reassess risk management strategies to improve in existing risk management frameworks and demonstrated the need for greater agility and adaptability. Business and financial sector strengthened their risk management practices by implementing risk assessment processes, enhancing business continuity plans, and diversifying their supply chains, increasing of cybersecurity, as remote work arrangements created new opportunities for cyberattacks.

Compliance relates to an organisation complying with regulations. Organisations need compliance policies, procedures, and codes of conduct to emphasize the importance of complying with applicable laws and regulations, and to explain what staff members must do to ensure compliance. Compliance policies explain roles and responsibilities, as well as the basic principles and values that underpin an organisation's compliance-management activities. Procedures outline the actions that must be taken and how decisions should be made to ensure compliance. Codes of conduct outline how staff should behave to ensure compliance.

Risk identification is an ongoing task which should be undertaken on a regular basis by the company. Risk identification broadly falls into three categories - non-analytical tools for identification, analytical tools for identification, and tools for the identification of emerging risks. Each of these categories are considered below in detail. it should be considered that no single approach should be adopted - a range of approaches are required, and different tools may appropriate for different types of risks. As such my recommendations will propose the use of a combination of tools.

Using a PEST or PESTEL analysis, to identify emerging risks, those with responsibility for risk management in an organisation must perform analysis of the macro environment in which the company exists.

Under the PESTEL analysis, the additional considerations of environmental (the physical environment of the company, from the office space to the location of the operations) and legal (the impact of changes in legislation on the company, and the opportunities that this presents).

The risk assessor should apply a SWOT analysis to identify the strengths and weaknesses of the company in that area, the opportunities and threats presented by that area. This will enable the company to identify appropriate control tools to be leveraged when that emerging risk becomes a principal risk due to a change in conditions.

The board undertake a dedicated day or risk identification using the SWIFT, and /or Delphi techniques which provide the outcomes from focus groups from throughout the business. The company's strategy should be identified for the boards further discussion using Delphi and SWIFT, and to perform a separate PEST and SWOT analysis of emerging risks, and ensure that the executive leadership are performing such analysis on an ongoing and regular basis.

The risk identification process should not be one-off event and should be practised regularly throughout the business at different business unit levels as well as at the risk or audit committee level. This is because risk is not static, and a company's risk profile will change.

“In the news of FTZ, there was a popular cryptocurrency trading site that gained popularity by hiring the famous public who were Steph Curry and Tom Brady to promote and appearing its commercials, has collapsed. In the past, how the Enron-style scheme lost billions of dollars overnight. FTX built the infrastructure to supply funds to Ukraine. Sam Bankman-fried donated 5million to Joe Biden in 2020, and 50million to politicians ahead of 2022 midterm election, in FTX was Ryan Salami donated 23million to Republican politicians to also gain political leverage for FTX. The main issue is that FTX was buying political influence and nobody was paying attention. It was obviously seen that human psychological factors that influence risk perception covered by the scam in how they put themselves in the public to impress public. Investor never goes into further to research the company, shareholders, management.” [87]

Factors affecting perception are One’s attitudes, motivations, expectations, behaviour and interests. The perception helps to define and understand who we are, where we’re headed and what we can do to be better, how to be more sensitive to people and your surroundings and build meaningful relationships at work.

Compliance is not mandatory and is good to develop in an organization, governance the set of rules/regulations for your industries. Most organization developed compliance is showing more success and longevity. Growing of the companies and the regulatory environment intensifies, increasing the role of compliance is intersected with risk management, to prevent violate the regulations which causing the severe financial penalties and damage reputation.

Five Key Reasons for Compliance Failure in Organizations

1. **Leaders not fulfilling role**

- **Leaders are to commit to compliance for the organization to move in the right directions. When the commit to prioritize and enforce with compliance programs, the culture of transparency and responsibility will reflect the effectiveness of compliance. But when the leaders fail to perform compliance, fail to develop compliance and making right decisions will lead to many impact to organizations.**

2. **Risk Assessment Protocols ignored or neglected**

- **When moving into the new markets or to adopt a new business model, without proper risk assessment led to disaster in organizations to incur loss financial and to take risk in legal, reputational damage.**
- **In the market, the rules and regulations tends to change, industry standards and all these may cause a lot of issue to the organization.**

3. **Misaligned Compliance and Organizational Goals**

- **Goals are the outcomes you intend to achieve, whereas objectives are the specific actions and measurable steps that you need to take to achieve a goal. Goals and objectives work in tandem to be successful.**
- **Compliance is not integrating with business objectives; it creates more problem to compliance effectiveness and business performance. Strategies must always be aligned with compliance and organizational goal. Develop the compliance is better controlled internal and external, and also to balance the culture of organizational to set the objectives to achieve the goal.**

4. **Misguided Incentives**

- **Balancing incentives to encourage employees to perform more efficiently with compliance development to meet the performance and control requirements. If unfair treatment given, will lead to changing of staffs frequently and improper work performance and control.**

5. **Lack of a Compliance Culture**

- **Developed the compliance culture involves training, communication and clear demonstrations by leaders that compliance is the priority. Regular compliance assessments and feedback are also vital for strengthening organization culture.**

Governance: Common failure factors

- **Six categories (as per Hamilton & Micklethwait 2006) [171]:**
  1. **Poor strategic decisions**
     - **poor risk management - fail to understand business relevant business driver before embarking**
  2. **Greed and desire for power**
  3. **Overexpansion and ill-judged acquisitions - lack of management capacity, cultural difference**
  4. **Dominant CEOs - complacent board, not scrutinising CEO**
  5. **Failure of internal controls - complex org structure, poor management of operational risks**
  6. **Ineffective boards - board becomes financially obligated to management**

  - **Lamers 2009 [172]**
    - **cash flow to ensure viability of business**
  - **Cruver 2002 [173]**
    - **corporate culture**

Governance: Lessons from GFC / Corporate Governance Weakness (OECD) [150]

- **OECD 2010 [150] extract - Several failures and weaknesses have been apparent:**

- **Poor risk management**
- **Board weak monitoring activates - failed to establish metrics to monitor implementation, disclosures on risks**
- **insufficient accounting standards and regulatory requirements**
- **potential inadequacy in skills and competence of board members**
- **poor risk management related to complex financial statements - lack of expertise, independence of chair of the board, lack of understanding and ineffective risk management involving trading complex financial instruments**
- **wilful blindness - deliberate avoidance of facts**
    - **wilful ignorance**
    - **deliberate avoidance of facts**
    - **ignorance of act or omission**
    - **can have serious reputational and legal consequences**

  To avoid this approach, Sarbanes-Oxley regulations requires CEO and CFO to sign off on the financial accounts and certify the appropriateness of internal controls.
- **remuneration - excessive, no goal-congruency; not closely tied with risk strategy and risk appetite of the company**

Governance: Improving corporate governance

- **Two recommendations:**

- **more rigorous approach to risk management**
- **strong focus on ensuring an independent chair**

- **Risk management is to develop to maximising opportunity, minimise losses. It enables the board to determine appropriate insurance cover. The risk to be calculated and planned and monitored for regular monitoring by board and management. The goals to develop in risk management is to identify, analyse, evaluate, treat, monitor, communicate the information gathered for benefit of the company.**

- **Risk management has been defined as 'the culture, processes and structures which come together to optimise the management of potential opportunities and adverse effects' (Standards Australia 2004)**
- **OECD [150] identified the failure to properly identify and manage risk as being central to the GFC**
- **good risk control should give superior performance, but bad risk understanding & practices would result in financial disasters.**

- **Internal control and risk management**
- **Organisations have invested heavily in improving quality of internal control systems because:**
  - **good internal control is good business - ensures that operating, financial and compliance objectives are met**
  - **it is compelled to develop specific support for their certifications and assertions - increasing requirement to report on quality of internal control over financial reporting**
  - **provides reasonable assurance that entity is complying with applicable laws and regulations**

- **SOx require**
  - **necessity of documenting internal controls that affect financial information communicated to the public investors**
  - **annual report must contains an assessment of the effectiveness of the company's internal control structures and procedures for financial reporting (CEO and CFO to attest effectiveness)**

- **ASX Principle 7…requires organisations to 'recognise and manage risk'.**
  - **"A listed company should establish a sound risk management framework and periodically review the effectiveness of that framework". (ASX CGC 2014 p. 28)**

Conclusion

The revised on corporate governance are advisable, the fact is the pandemic has accelerated the evolution of corporate governance and to improve its future direction. COVID-19 crisis, two key takeaways would be: 1. Business to develop the sustainable and resilient management and governance systems, and 2. To shift focus from the shareholder to the stakeholder approach of the interest of a broader group.

2.2 Evaluate the Changes in Sustainability Practices Due to Post-COVID-19 Regulatory Requirements

Companies and governments addressed social and environmental challenges and mitigate vulnerability in the business. Corporate Social Responsibility (CSR) contributes to the "normalization, reinforcement, and reduction of economic inequalities in society" [45], and the pandemic raised alarm CSR considerations from both governments and market participants because of its exposure of major and broad vulnerabilities in the working environments of companies [46]. The priority of vulnerable parties is needed urgently due to increasingly the world was struggling.

The pandemic had affected globally in everyone lifestyle, working, health, and environment. The existing risks turned to the opportunity for companies and policy makers to analyzed the effectiveness of current mandatory Corporate Social Responsibility (CSR) approaches. Regulatory approaches to enable the plans and policies mitigate risks associated with the pandemic and other uncertainty. Companies to enhance their corporate strategy and restructure business plans and other proposals, to direct on building long-term resilience and organizational strategic agility [49][50][51]. Long-term, resilience assists companies to bridge the gap in systemic, whereas strategic agility to strengthen strategic commitments, and the ability to manage and improve to mitigate the unforeseeable pandemics.

Although worldwide control the social distancing, lockdown and no travelling no flight, the immediate effect without notice as it was an emergency alert, a various challenge of the threats affected by the pandemic. For example, a "pandemic emergency unemployment compensation" program implemented in the US under the Coronavirus Aide, Relief, and Economic Security Act 2020 [52], aiming to provide an extension to regular unemployment insurance benefits. In the UK, the Corporate Insolvency and Governance Act 2020 [53] made significant changes to UK insolvency law and introduced permanent measures such as restrictions on the Section 14 of the Corporate Insolvency and Governance Act 2020 [53], as well as urgent temporary measures in response to the pandemic such as the temporary suspicion of wrongful trading rules in

Section 12 of the Corporate Insolvency and Governance Act 2020. [53] Companies encountered the pressure to raise bank funding to handle COVID-19.
Owing to pandemic, global value chains are challenged for inconsistencies and absurdities [54]. Mandatory Corporate Social Responsibility (CSR) will help the transformation of CSR norms from a narrow philanthropic responsibility-centered CSR to better sustainability-motivated and strategy-driven. If safeguard stakeholder interests through business judgements becomes mandatory to avoid risk, companies will make well analyze informed decisions and develop their business activities in manageable, and well environment.

Legislative approach involved Corporate Sustainability Responsibility (CSR) to assign authority to directors and stakeholders in the organization uphold the responsibility even when they discharge their CSR duties, which is a key element to develop sustainable development [55]. Sustainability is comprehensive and incorporate the various aspects reorganize societies and economies globally, primarily in terms of economic, environmental, and social aspects that are complementary and interlinked [56]. It is "the result of the growing awareness of the global links between mounting environmental problems, socio-economic issues to do with poverty and inequality and concerns about a healthy future for humanity" [57]. The legislative approach to develop the decision-making process, as the internal management will cause the impact to the external market. [58]

Localized approaches are social distancing rules and the disruption of the international carriage of goods, in response to social and humanitarian crises. It delimited from international law or international recognized standards. Stakeholders pressure and Industries regulations that forcing business to comply to corporate law and corporate governance, to mitigate risks.

Regulatory approaches are to mitigate risks, to stop directors making irresponsible decisions that may lead to irreversible social or environmental damage. "Directors' making the decision in their discretion decidedly diminished by mandatory legal rules and to protecting stakeholders" [59]
In develop accountability companies and imposing sanctions for misconducts, directors to vigilantly manage risks and need to manage conflicting interests of various

shareholders. These preventative approaches through corporate law interlinked an internal influence on corporate behaviours and boards' decisions assist board members to maintain stability attention among effective involvement in ethical, and the independence of boards in making decisions. All these approaches involved legal risk management and restructure the corporate culture by imposing resilience or sustainable recovery as in times of uncertainty and adversity for success and wealth.

The pandemic Covid-19 emerged as the health pandemic, linked to economic crisis, which affected around the world. These economic crises unprecedented in modern history, and causing damage badly compared to the history international crises (Roubini, 2021; Djankov, Georgieva & Maemir, 2020) [40][41]

Effectiveness regulatory process, businesses need four essential competencies: independence, representativeness, expertise and operational capacity. Independence and representativeness enable the "openness and commitment to proper due process" that Mattli and Woods [44] argued the common interest regulation.

The COVID-19 pandemic impact on the global economy and society to accelerate the adoption of sustainability practices. In response to the pandemic, governments around the world have implemented new regulatory requirements related to sustainability business operations.

Governments are recognizing that the pandemic has highlighted the importance of protecting the environment by implementing new regulations to reduce pollution and conserve natural resources to save the earth. New regulations are forcing businesses to take a more proactive approach to environmental protection in sustainability.

For example, the European Union has adopted a new Green Deal that includes ambitious targets for reducing greenhouse gas emissions and increasing the use of renewable energy. [20]. The United States has also proposed a few new environmental regulations, including a Clean Energy Standard and a Carbon Tax [21].

Another important change in sustainability practices due to post-COVID-19 regulatory requirements is a greater emphasis on transparency and disclosure more information

about business sustainability performance and making it easier for consumers to access this information.
Example, the European Union has adopted a new Sustainable Finance Disclosure Regulation that requires financial institutions to disclose their exposure to climate-related risks.[22] The United States has also proposed a number of new regulations that would require businesses to disclose their greenhouse gas emissions and other sustainability metrics [23].

New regulations are increasing the pressure on businesses to improve their sustainability performance, to make informed decisions about the products and services. In addition to new regulatory requirements, governments are also implementing new incentives for businesses to adopt sustainability practices. These incentives include tax benefits, grants, and loans.

Example, the United States government has provided tax breaks to businesses that invest in renewable energy and energy efficiency [24]. The European Union has also provided grants and loans to businesses that are developing new sustainable technologies [25]. Singapore looks to become a green finance hub, the Government is pumping in $35 million to help those in the financial services sector pick up new skills to better serve sustainable financing demands in the region [26]. These new incentives are making it more affordable for businesses to invest in sustainability and helping to create a more level playing field for businesses into sustainability.

Governmental Orchestration of Business Conduct is to restructure the new global forms of governance, and accounting for the explosion of 'soft' regulations, such as private standards or schemes of certification since the late 1990s (Abbott and Snidal, 2009b)[46]. As various measures to lead public and private actors to engage in regulatory activities (Abbott and Snidal, 2009a) [45], this framework offers the distinction between two modes of orchestration: Directive orchestration involves the statutory rules, binding conditions on public benefits, and similar measures to steer regulatory standard setting in desired directions, while facilitative orchestration to enhance the development of desired forms of regulatory standard settings.

Second scenario to maintain the current level in the global regulatory landscape. To segregate the organization established the regulatory state in place in countries, distance from the political problems, within the specific bloc of states regulatory state not in place and to cross-bloc differences (Heims & Tomic, 2021) [43]. This segregation to put across the world, which the states have, through structures and practices, buffer filtration of the post-pandemic legacies for changes in the regulation.

Third scenarios are the possibility for global convergence of regulatory rules. First is to accelerate the involvement of global conjunction in worldwide standardization regulatory rules. This fact will imply a global strengthening in regulatory state with sets of standards and sustainability to mitigate risk. "The Power Transition Theory of Global Economic Governance (PTT-GEG) as an analytical framework for better understanding those consequences and more generally for understanding conflict and cooperation in the international political economy and in global market governance." (Lavenex et al., 2021) [42]

Conclusion

Sustainability practices are the main concern in the world. To encourage and support businesses to implement new regulatory in sustainability practices, governments around the world are complimented by new incentives for sustainability.

Governments were assisting, (a) manufacturing to reduce the wastage, and even recycling materials to adopt Circular Economy principles; (b) to move into bio-economy, and bio-based materials that to save the earth and climate issue; (c) legal in localized, and international authorities in legal risk management, and restructure the corporate culture by imposing resilience or sustainable recovery as in times of uncertainty and adversity for success and wealth; and (d) development of compact cities to promote to save the earth to reduce the consumption of petrol and gas.

Post covid-19, resilience is important in organizations and societies. It helps to put sustainability priority rather than profits or growth of businesses and national economies. Well, develop of sustainability and to bridge the gaps, the profits, and growth of business will fall in place to organization.

2.3 To assess the role of good corporate governance in enhancing sustainable growth in the post-pandemic business environment

Organization good corporate governance interlinked risk management by establishing clear roles and responsibility ensure in long-term sustainability and resilience, increase profits significantly, and optimize corporate value for shareholders and other stakeholders of an organization. Good corporate governance can increase the value of the company.

Good Corporate Governance is a system (input, process, output) and a set of rules governing the relationship between various interested parties (stakeholders), especially in the relationship between shareholders, the board of commissioners, and the board of directors to achieve company goals.

Howell and Sorour (2016) [60] raised "the organizational good performance depends the importance of implementing good practices." Thus, implementing good corporate governance principles will contribute to sustainable development of the business.

The literature on capitalism and business systems has emphasized the needful from globalization force the convergence of local governance practices toward the dominant international model (Cuervo, 2002; Mallin, 2002; Hansmann and Kraakman, 2004) [29][30][31], though some degree of divergence in other areas of governance. Governance practices are the result of both forces aimed at maximizing their efficiency, and legitimization effects out of path dependence (Gordon and Roe, 2004) [27]

From a corporate governance perspective, the failure to exploit opportunities can be as destructive as a failure to manage the risks associated with opportunities that are omitted. "The case of Kodak and the digital camera is a well documented example of a failure to exploit a valuable opportunity. [6]

During pandemic, companies faced unprecedented operational, financial, and reputational risks. Good corporate governance enables to navigate unprecedented operational, financial, and reputational risks, reduce disruptions, and emerge stronger.

Aras and Crowther (2008) [61] mentioned that corporate governance and corporate sustainability are connected and fundamental to the continuing operation of any corporation. According to Shrivastava & Addas (2014) [62], corporate governance itself can improvise high sustainability performance. Good corporate governance mechanism is important role in ensuring management practices aligning with the interest of all stakeholders. Business strategy and operations also required the sustainability considerations and integration of economic, social and environmental concerns of the stakeholders. (Morioka & de Carvalho, 2016) [63] Obviously, the corporate governance contributes financial performance, and sustainability (social and environmental) performance. (Dočekalová & Kocmanová, 2016) [64]

There has been an increment of rate and develop to achieve sustainability everywhere in the world. It is now a key concern in all government and non-governmental organizations. The completion of the business agenda to include the concept of "sustainability". (Williams, 2010) [65]

The maximizing of awareness and demands for business performance, the concept of "sustainability" has dramatic changed from a macro-environment into a mainstream business practice (Laine, 2010; Milne et al., 2009) [66][67]. The perspective in businesses well organized with sustainable development through better sustainability performance (Escrig-Olmedo et al., 2017) [68]. Organizations are forced by policy makers, investors, shareholders, and stakeholders to adopt sustainable practices (Morioka & de Carvalho, 2016) [63], that will strengthen their economic position in the long run.
Research studies focused on how corporate governance and sustainability perform important roles in firm' performance (Young, 2003; Tornyeva & Wereko, 2012; Makki et al., 2013; M. A. M. Makki & Lodhi, 2014) [69][70][71], while some studies focused on the result or affect of the sustainability disclosure on sustainability performance (Goyal et al., 2013; Hummel & Schlick, 2016 and Rezaee, 2016) [72][73][74]. However, the observed results of both types of researches are combined, conflicting and inconclusive. (Trumpp & Guenther, 2017) [75]

Considering the dispute results, the needful in deeper findings the conceptual framework in these relationships. Furthermore, the corporate governance research has ignored the impact of corporate governance on sustainability performance (Aras &

Crowther, 2008) [61] and the mediating role of sustainability performance on the corporate governance and its performance link (Galbreath, 2018) [76]. Intersected to understand the relationship between corporate governance, sustainability performance, and firm performance is very important, besides the bridges of the two kinds of literature, to improve the practices from updates requirements to the practitioners and policymakers.

Corporate governance and why it is important?

- **Nowadays in an organization is facing a problem or unclear in the stakeholders' (employees) accountability and responsibility in departmental and roles performed. Corporate governance is now to put across in the organisation to have clear roles and responsibilities.**

- **Corporate governance structure stated the rights and responsibilities to stakeholders in organization. This is also providing corporate governance structure that the company's mission, values, vision, which mission is to set the objectives together with the strategy, to give the direction to achieve goal to fulfil the organization vision. With the corporate governance developed with the objectives and keep an eye on fulfilment. (OECD) [150]**

- **Corporate governance is to develop to direct and control in businesses. (CFACG 1992, para 2.5) [132] It need arises when an individual, group or entity assumes responsibilities (as agents) to look after the rights and interest of other individuals, groups or entities (principals)**

- **Corporate governance is about control and direction of the way in which the actions and affairs of a company are undertaken.**
- **Formula: Governance = conformance + performance**

International approaches to corporate governance

- **Governance: global push for improvements**
- **Key factors driving better corporate governance internationally:**
  - **Globalisation is increasing competition due to the exposed**
  - **lower cost debt and equity finance as organization with high levels of good governance**
  - **information is public - performance results are readily available to the public**
  - **growing shareholder activism - due to demanding adequate financing of retirement and significant growth of small shareholder ownership demanding accountability**

Below the reference Authors and Frameworks:

- **Cadbury (1991) [133]**
- **Financial Aspects of Corporate Governance (CFACG1992) [132]**
- **Comply or explain: if not, why not**
- **Greenbury Committee (1995) [134]**
- **Transparency is to enforce related to director's remuneration**
- **Hampel's Report (CCG 1998) [135]**
- **Reviewed Cadbury and Greenbury committees' work**
- **Known as "Super code" and listing rules on the London Stock Exchange**
- **COSO (1985) [136]**
- **Sponsor the National Commission on Fraudulent Financial Reporting**
- **Internal Condor**
- **Sarbanes-Oxley Act (2002) [137]**
- **Some of the measures introduced are:**
  - **audit reform; audit partner's rotation every 5 consecutive years**
  - **corporate accountability - requirement for board to have an audit committee consists of independent board members ; CEO and CFO must certify F/S filed to SEC ; annual reports filed to SEC must include management responsibility statement.**

- **Ramsay Report (2001) [138]**

- **named after Ian Ramsay who chaired the committee that produced Ramsay Report (Ramsay 2001).**
- **examines the adequacy of Australian Legislative and professional requirements regarding independence of external auditors**
- **doesn't recommend a ban on provision of non-audit services to audit client but recommends disclosure requirements be enhanced.**

- **ASX Corporate Governance Principles (2002) [139]**

- **Australian Stock Exchange (ASX) principles of Good Corporate Governance and Best Practice Recommendations**
- **aimed to develop a principles-based framework for corporate governance applicable to listed companies**
- **ASX CGC 2014 - 3rd version that took effect from 1 July 2014**

- **Corporate Law Economic Reform Program Act 2004 Cwlth (CLERP 2004 (9))**

- **proposals for audit and financial reporting reform (independence requirements for auditors) and new financial reporting requirements (including CEO and CFO to make a declaration about the financial records and financial statements)**
- **Australian government**
- **audit reform:**
  - **oversight of auditors**
  - **AUASB became a Commonwealth statutory body**
  - **auditing standards is backed by law (under Corporation Act)**
- **financial reporting:**
  - **CEO and CFO to make written declaration on financial records (properly maintained) and financial statements (compliance to standards, true and fair view)**
  - **disclosure requirements on remuneration of directors and executives of listed companies**
- **OECD Principles (OECD 2015) [150]**
- **developed international best practice principle of governance**
- **first published in 1999, updated in 2004 after that in Sep 2015**
- **principles-based**

- **good practice guidelines**
- **written for governments (not companies)**
  - **Valuable in ensuring that corporate governance guidelines developed are consistent with the OECD principles. [150]**
- **recommended as minimum requirements for all countries with a stock market**
- **focuses on duties of board to shareholders and stakeholders**

➢ **UK FRC Governance Code (2014)**

- **Leadership Sec A, Effectiveness Sec B, Accountability Sec C, Remuneration Sec D Relations with shareholders Sec E provided the guide to effective board practice, based on:**
  - **accountability**
  - **transparency**
  - **probity (strong moral principle)**
  - **sustainable success**
  - **Rules versus principles**
  - **Alternatives may provide better governance**
  - **based in Anglo-American model - inconjuction with common law principles**
  - **written in the context that directors have direct duties to shareholders and a variety of other "derivative duties' to many other stakeholders.**
  - **comply or explain (if not complying, explain why not?)**

➢ **UK FRC Code (2014)**

- **Five main principles - Leadership, Effectiveness, Accountability, Remuneration and Relations with shareholders**
- **Section A: Leadership**
- **effective board which is collectively responsible for long-term success**
- **clear division of responsibilities**
- **no unfettered powers of decision**
- **NEDs (non-executive directors) should challenge & help develop strategy**
- **Section B: Effectiveness**
- **board & committees has the skills, experience, independence & knowledge**
- **appointment procedures - formal, rigorous and transparent**
- **allocate time to do responsibilities effectively**

- **induction to new board member and continuous update of skills and knowledge**
- **board is to be supplied with timely and quality information to act on duties**
- **directors should be submitted to re-election at regular intervals**
- **Section C: Accountability**
- **assessment of position - balanced and understandable**
- **sound risk assessment & effective internal control system**
- **formal and transparent process - corporate reporting and risk management , internal control systems**
- **Section D: Remuneration**
- **sufficient, not excessive**
- **performance-based (performance related elements are transparent, stretching & rigorously applied)**
- **No EDs (executive directors)**
- **formal and transparent procedures**
- **Section E: Relation with Shareholders**
- **dialogue on mutual understanding of objectives**
- **AGM to communicate w/ investors and encourage their participation**

➢ **ASX Principles and Recommendations: Broad Principles**

- **8 broad principles, supported by 29 recommendations**
- **recent changes were about : gender balance on the board of directors, membership recommendation for the remuneration committee**
- **"if not, why not!!! " (comply or explain)**

➢ **Corporate governance: Global system – Market Based**

- **Classification: market based:**
- **Strengths:**
  - **US, UK, Australia, New Zealand, South-Africa**
  - **Anglo-American / Anglo-Saxon approach - emphasis on completion & market processes**
  - **Shareholder approach (Dominant holders: institutional shareholders)**
  - **Outsider model**
  - **widespread / diverse ownership**
  - **focus on profits and property right (shareholder's interest)**

- **disclosure-based / stringent disclosure requirements**
- **emphasis on minority shareholder protection**
- **fluid capital investments in dynamic economy**
- **competitive performance**
- **lesser role for banks (equity finance is more important as means of developing companies)**
- **take-overs encouraged**
- **single board**
- **agency issues**
- **common law**

- **Weakness:**
  - **overly dominant and overpaid CEOs**
  - **weak board of directors**
  - **failed in reporting and transparency**
  - **looking for short-term investment only**

➢ **Corporate governance: Global system – Relationship based**

- **Classification: relationship based- Asian approaches:**
  - **essentially based on close relationships (family control) - with creditors, suppliers, regulators & state officials**
  - **state-owned companies - mostly listed companies are owned by State**
  - **most management teams include government officials**
  - **common problem: due to cohesive ownership of control, it allows influential shareholders to control entire network of companies, often concealing the true extent of their influence**
  - **prevalent company form in East Asia is - diversified conglomerate (controlled and managed by single extended family) ; collective ownership companies**
- **East Asia requires actions on several related fronts:**
  - **drive mechanism for more accountable and transparent operations**
  - **establishing viability and independence of regulatory institutions and agencies**
  - **more effective control and regulations of firms by external agencies**
  - **extending education. and training to develop an understanding of sound corporate governance practices**

- **Global awareness to importance of good governance is due to: general trend in society towards openness, transparency and disclosure, prosperity and well-being of economies, growth of international capital markets, increasing equities through huge growth of investment institutions, growing acceptance.**

- **Corporate governance objective to enforce to have clear and effective financial control structures within firms, developing external monitoring and control, improvement in the legal framework, regulatory and disclosure environment and updating and briefing procedures and issues.**

Justified good key performance is to fulfil the responsibilities by ensure the tasks or procedures are completed, and to be accountable for the tasks and procedures which were completed that are workable which required by the management.

Responsibility refers to the duties and tasks assigned to an individual or a team, while accountability refers to the obligation to answer for one's actions, decisions, and outcomes. Responsibility can be shared, while accountability cannot.

Being responsible indicates that an individual is part of the cause of an issue or accomplishment, while being accountable means to accept the consequences of that action.

Accountability is concerned with the consequences of someone's actions, rather than their initial duty to carry these actions out. Being held accountable is personal and individual, meaning it cannot be shared and belongs to only one person, while responsibility can be shared and divided among team members, collectively working towards a goal.

Conclusion

In the wake of the COVID-19 pandemic, the importance of good corporate governance practices, companies can navigate the challenges of the post-pandemic business environment, mitigate risks, make informed decisions, and accelerate sustainable growth.

2.4 To identify effective compliance practices that support sustainability during crisis

TIME World's Most Sustainable Companies

Search in table

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Rank	Company name	Headquarters	Website	Industry	Score
1	Schneider Electric	France	www.se.com	IT, Tech & Software	88.86
2	NEC Corp	Japan	www.nec.com	IT, Tech & Software	85.71
3	Moncler	Italy	www.moncler.com	Retail, Wholesale & Consumer Goods	85.66
4	Brambles	Australia	www.brambles.com	Transportation, Logistics & Aviation	82.98
5	Illumina	United States	www.illumina.com	Chemicals, Drugs & Biotechnology	82.63
6	SGS	Switzerland	www.sgs.com	Professional Services & Consulting	81.96
7	Sanofi	France	www.sanofi.com	Chemicals, Drugs & Biotechnology	81.22
8	NRI	Japan	www.nri.com	Professional Services & Consulting	81.03
9	Telefónica	Spain	www.telefonica.com	Telecommunication	81.02
10	Cigna	United States	www.thecignagroup.com	Banking, Insurance & Financial Services	80.52

"TIME and data firm Statista implemented the program to measure the world most sustainable companies. In the report, those companies at the top of the list have signed and developed the climate programs which was reported, from the Science Based Targets initiative and CDP (formerly the Carbon Disclosure Project). TIME and Statista further described how the process to implemented, what is the measurement, what is the important issue to reduce or the ground they are looking at, example the energy consumption relative to company size, emissions reductions in 2021 and 2022 (the most recent years fully reported). With all these reported, but it seems like the reviewing must be revised as the global warming and climate change are increasing. [98][128]

Organizations throughout the world are now making huge investments in compliance, ethics and fraud prevention, launching their compliance programs, building risk management systems, rolling out comprehensive mandatory trainings and communication plans, designing and distributing compliance standards and procedures, and engaging their employees through so called tone from the top.

Corporate governance is the lead indicator of internal risk control, while risk management is a key component of internal control. Risk management can enhance the governance level to achieve their responsibilities. Indeed, a good and successful business performance is depending on an effective internal risk control (Lipworth, 1997) [77]. A good corporate governance and sustainability, risk management is to stabilise, maintain, and increase the growth of the organization could gain a competitive advantage, and enhance its shareholder value for the survival. This is also supported by Knight (2006) [78] who stated that corporate governance is considered as the pillars hold an organization to achieve the strategic objective, while risk management ensures enterprise resilience.

Almost all of the countries have introduced their corporate governance codes and risk management initiatives. Board of directors are the key responsible in the risk management and corporate governance.

Risk management is linked to the success and survival of firms (Mateescu et al., 2016) [79] to react adequately to the complexity of the risk landscape. The top agenda for firm survival has become the long-term objectives. Successful firms addressing risk is crucial in exploring opportunities for firm survival (Crouhy et al., 2006) [80].

Most listed firms had taken the corporate governance compliance in mandatory (Tan and Tan, 2004) [81]. The global financial crisis had caused the failure of corporate governance and lesson learned to the firms. In order to achieve the firm competitive and stakeholder value, the corporate governance is required at all levels of the organization (Omolade and Tony, 2014) [82]. The corporate governance development, stringent regulatory requirements and the effective risk management are stressing on the firms to emphasize governance, risk management and compliance.

Business risk versus governance risk • Business risk is the possibility a company will have lower than expected profits or experience a loss rather than taking a profit.

Business risk is often broken down into the following categories: 1) Reputational risk: the risk of loss in customer loyalty or support due to an event that has damaged the company's reputation, 2) Competition risk: the risk that business performance will be affected by the actions of the company's competitors. Year 2012, the RIM (the manufacturer of the BlackBerry) and Nokia, who failed to anticipate new entrants and product categories in the smartphone market and were caught flatfooted by Apple's iPhone and Samsung's Galaxy phones. [85]

Business environment risk that the business environment in which the company operates will change significantly. This issue may be due to political factors, regulatory factors, economic factors, social and environmental factors or technological factors.

Liquidity risk that the company will have sufficient cash to settle all of its liabilities on time, and to make sure that the cashflow well-managed to meet deadline for operation.

Governance risk associated with the following:
– Structure – from boards and steering groups to business models and policy frameworks.
– Processes – from new product processes and communication channels to operations, strategic planning and risk appetite.
– Information – from financial performance and audit reporting to management, risk and compliance reporting
– People and culture – from leadership at the top to accountability and transparency throughout the organization, including relationships with regulators

What areas should be covered in a cybersecurity policy?

The cybersecurity policy should tell employees and other authorised users of the company's technology the requirements for protecting that technology, and the information it contains from a cyberattack. The policy consisted of three parts:

- **Physical security explained that it is important the security to safeguard the asset, examples, locking doors, surveillance, alarms etc.**
- **Human Resource management explained the company's handbook, policies in terms of duty and responsibilities, and accountability to company's assets and job being assigned. Examples, daily activities – security in terms of password, keeping**

confidential certain information, the use of the internet, the use of memory sticks etc. Some organizations go as far as restricting access to the internet and sealing the ports of computers for UBS devices to stop viruses and malware from being introduced into their systems.

- **Hardware and software. Technical consulting required for the policy to get independent advice on the recommendations of management in this area.**

How do people-related controls help to prevent cyber risk events?

- **People-related controls, such as recruitment controls, HR policies and procedures and training help to prevent a range of cyber risk events, include:**
  - **succumbing to a 'phishing attack' by inadvertently clicking on spam emails.**
  - **sharing passwords.**
  - **loosing confidential information.**
  - **criminal activities, such as data theft.**
  - **unauthorised use of Information Technology equipment and networks; and**
  - **cyberbullying or harassment**

- **In the twenty-first century, cyber risk events are not always technical in nature (such as hacking, system failures and so on. With the growth of the internet, cloud computing and social media, new types of cyber risks are emerging. Many of these risks have a human element that requires the use of people-related controls.**

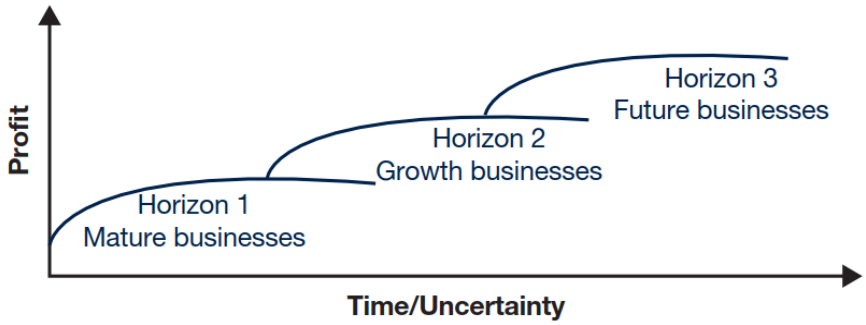
- **Recent global cyber-attacks have highlighted the importance of cyber security risk management for board directors. Companies no longer have a choice as to whether they militate against cyber-attacks. In the future, this issue should be an important part of their risk management process. Countries are starting to look at whether they need to regulate with respect to cyber security.**

The strategic management of an established business requires a mix of developing new capabilities while maintaining the core established business.

- **IBM proposed the 'emerging business organisation' concept in which leaders are responsible for managing the business with a view to optimising profit in the mature part of the business, expanding the growth part of the business, and achieving milestones in the future part of the business.**
- **business innovation is one of the most difficult tasks for leaders and managers**
- **it is the basis of the future of the business and must be a key focus.**

Source: C O'Reilly, J Harreld & M Tushman, 2009, Organizational Ambidexterity: IBM and Emerging Business Opportunities. [144[

IBM's emerging business organisation (EBO) model



Focus	Defend and increase the profitability of existing businesses	Resources to expand and build new businesses	Discover options and place selected bets on emerging opportunities
Outputs	Annual budgets and operating plans	Investments, business plans for growth	Market insight data, initial project plans
Key success factors	Cost, efficiency, customer intimacy, incremental innovation	Customer acquisition, speed, execution, flexiblity	Learning, adaptation, risk taking, business model innovation
Metrics	Profit, margins, costs	Market share, growth	Milestones

- **tension between management of an established business, based on responsiveness to customers, development of strategic capabilities and considered investment, and responsiveness to potential threats from disruptive innovators. Christensen (1997)**
- **Christensen argued that established businesses failed to recognise disruption, because it did not initially target the organisation's mainstream customers, and delay to respond, is linked to the declining performance and to failure.**

- **Christensen and Raynor (2003) [146] [147] stated: With resource allocation processes designed and perfected to support sustaining innovations, they are constitutionally unable to respond … Disruption has a paralyzing effect on industry leaders.**
- **most businesses do identify and successfully counter disruption (King & Baatartogtok 2015) [143]**
- **The analysis has been complicated by the way the term 'disruption' has evolved to refer to innovations**
- **According to Christensen's model, disruptive threats do not at first target an established business's key market segments.**
- **Leaders and managers may not perceive the new entrant as a legitimate threat. Thus, the emerging threat is not recognised until it is become a significant threat.**
- **Once recognised, the need for leaders and managers to maintain and grow the returns from the existing business constrains their ability to shift focus and dedicate resources and capabilities towards addressing the growing disruptive threat.**
- **Depending on the nature of the disruptive innovation the organisation may lack the resources and capabilities to adopt it.**
- **E.g. taxi industry is Australia has been highly regulated and could not legally respond to many features of Uber's service. By the time regulation was loosened, Uber had established a strong market presence.**
- **King and Baatartogtok 2015 [143] cited that suggested management will nearly always respond in a way that matches capabilities: those with the capabilities to adopt or compete with disruptive innovations do so, while those without will focus on maximising returns as they prepare to exit the disrupted market.**
- **Any new competitive threat should be approached in a systematic way:**
  - **Analyse the value to the organisation of defeating the competitive threat — and thus determine whether to compete or plan to exit the market.**
  - **Determine how existing capabilities can be used — addressing the threat, but could also shift focus to a new market/expanding into other areas.**
  - **Where practical, collaborate with other companies — there may be an opportunity to work with a potential new competitor for mutual benefit (King & Baatartogtok 2015) [143]**

Compliance needs to monitor and updated as a continuous, organizational process and not a reactive response. Compliance and risk should go hand in hand, organizations should consider implementing a governance, risk management and compliance (GRC) program to help improve information sharing among the three disciplines.

Threats to compliance with fundamental principles

a. Self-interest threat—the threat that a financial or other interest will inappropriately influence a professional accountant's judgment or behaviour.

b. Self-review threat—the threat that a professional accountant will not appropriately evaluate the results of a previous judgment made; or an activity performed by the accountant, or by another individual in the accountant's firm or employing organization, on which the accountant will rely when forming a judgment as part of performing a current activity.

c. Advocacy threat—the threat that a professional accountant will promote a client's or employing organization's position to the point that the accountant's objectivity is compromised.

d. Familiarity threat—the threat that due to a long or close relationship with a client or employing organization, a professional accountant will be too sympathetic to their interests or too accepting of their work; and

e. Intimidation threat—this may be obstructed of being impartial, and also to separate the personal to act objectively as attempts to exercise undue influence over the professional accountant

World Economic Forum titled "Cybersecurity Leadership Principles: During the COVID-19 Pandemic to prepare for the future crisis," [86]

Business is connected to the Internet, the higher risk is facing the threats attack systems and networks. Internet connectivity is an essential element of most business, and the needs to ensure fundamental control and security to protect networks systems in an organization.

- **The five proposed principles to balance short-term goals with medium to long-term.**
  1. **Foster a culture of Cyber Resilience**
  - **"The digital ecosystem are moving in the market and now being a dynamic environment, cyber threats tendency will increase before the regulations developed. The pandemic is a lesson to the world that it is important to give the priority to response to the unforeseen crisis, so as the business to continue operation and recovery activities. They need to strengthen their employee's cyber resilient behaviour in term of training and updating the latest regulations." [129]**
  - **Leaders' decision always impact organization with risk, to minimize risk by tightening cybersecurity. The stakeholders in organization need to fulfil the duty in accountability and responsibility. Security leaders need to help employees stay secure by regularly training them to identify phishing attempts, scammers, online credit card frauds, and proactively educating them about new techniques arising during crisis. [129]**
  2. **Focus the security on organization's assets and services**
  - **"Cybersecurity leadership should have a systemic and holistic view of their critical applications, services, assets and suppliers to determine the potential consequences of a crisis to their employees, revenue, customers and continuity of important services." [129]**
  - **"For securing remote connectivity, organizations need to implement layered defence preventing data leakage and detecting suspicious activity from remotely connected." [129]**
  3. **Balance Risk-Informed Decisions During and Beyond the Crisis**
  - **"The business risk tends to have significant changed; the leadership needs to manage their risk by getting the most updated information for the relevant**

decision. The rising of new technology and application in the market, it is wise to getting the suitable for the organization and consideration for other sector maybe affected as the operation is continuity." [129]

- **"Hackers can proactively identify and exploit the exploit the weakest links in a value chain, and hence it's imperative to adopt no-trust approach to secure supply." [129]**

4. **Update and practise he response and continuity plan.**

- **The business continuity program and crisis management are the important component to organization. Organization should focus on business more in terms of operation only after the priority of analyzing and to mitigate risk developed and managed. [129]**
- **"As digitalization continues to accelerate, managing cyber risk should adapt with speed and agility to align effectively with risk appetite and strategic business priorities." [129]**

5. **Strengthen Ecosystem-wide Collaboration**

- **"Private and public-sector leadership should cooperate and ensure participation in initiatives to secure ecosystem against existing cyber threats. It is important the business with stakeholders to be agreed to implement cybersecurity controls for the regulatory alignment." [129]**

➢ **Technology is a vital and integral part of businesses. It supports many aspects of the business and its operations e.g. the robotic automation in a manufacturing plant. Technology also automates control activities in 2 different in partially or wholly e.g. three-way to suit to operate in an integrated ERP system supporting the procurement and payables. [129]**

➢ **The business required the business purpose of the system to be automated business controls are vary and are designed. Information Technology application controls comprise:**

- **Completeness checks - controls that ensure all records were processed before completion.**
- **Validity checks - controls that ensure only valid data is input or processed.**
- **Identification - controls that ensure all users are uniquely and irrefutably identified.**

- **Authentication - controls that provide an authentication mechanism in the application system.**
- **Authorization - controls that ensure only approved business users have access to the application system.**
- **Input controls - controls that ensure data integrity fed from upstream sources into the application system.**
- **Forensic controls - control that ensure data is scientifically correct and mathematically correct based on inputs and outputs.**

- **Principle 11 of the COSO Framework specifically addresses the requirements for organisation to establish technology controls. The key points of focus relating to this principle are:**
  a. **Understanding to depend on between the usage of technology in business processes and technology in security controls.**
  b. **To select and develop the technology infrastructure for the controlling activities, that are designed and develop to conform the completeness, accuracy, and availability of technology processing.**
  c. **To make the right choice to select and develop the control activities that are designed and implemented to restrict technology access rights to authorised users and commensurate with their job responsibilities and to protect the entity's assets from external threats.**
  d. **Selecting and developing control activities over the acquisition, development, and maintenance of technology and its infrastructure to achieve business structure.**

- **"The organization had some of the controls are business-related (e.g. segregation of duties or governance arrangements), and others are involved in technical issues (e.g., system software controls and network software controls) and relate to the underlying infrastructure. General controls form the Information Technology control environment." [130]**

- **"Technology general controls over the acquisition and development of technology is necessary to ensure that automated controls work properly when first developed and implemented. Some basic control requirements in systems development and acquisition:" [130]**

- **Requirements should be documented, and what is the achievement and how is measured. [130]**
- **A formal process for the design in the system to make sure is done according to the requirements. [130]**
- **System development is structured that the approval completed in the finished products with the input of requirements and control. [130]**
- **Testing is required to ensure that system is working as required, and that the system had completed the intended functionality has been provided. [130]**
- **The maintenance processes to ensure the changes in application systems to have a consistent of control. [130]**

➢ **The automated controls are properly implemented, technology general controls help ensure its continued operation. Given the broad range of possible changes in the use of technology likely to continue in the future, the organization needs to monitor these changes, assess and respond to the new risks.**

Social & environmental responsibility and its relevance to governance:

- **Sustainable development - Brundtland Report [145]**
  Ensuring the needs of today's world are met while at the same time ensuring that business or individual are able to survive from the reserve or contingency plan in terms of needs. (WCED 1987 p. 16) [140]
- **from the report Our Common Future (WCED 1987) [140], also known as the Brundtland Report chaired by Gro Harlem Brundtland, then the Norwegian prime minister.**

There are 3 main pillars of sustainability: Environmental, Social, Economic. Corporate accountability is evidence by CSR or sustainability reporting. Involves measuring and reporting on economic, environmental, social and governance aspects, processes of an organisation, synonymous with other terms: triple bottom line reporting, sustainability reporting, widely used guidelines for sustainability reporting : Global Reporting Initiative Fulfilled.

Environmental sustainability concerned and care to enforce the necessary to save the earth and human life. The key environmental sustainability issues are climate change which is intensive emission of carbon dioxide and greenhouse gases resulting from use of fossil fuels, waste which is by-product of production that cannot be reprocessed, pollution which is introduction of substances or contaminants into the natural environment, biodiversity that refers to 'variety of life on Earth', when business affects one element of an ecosystem.

Corporation's responsibility is to employees, customers, the supply chain and the community. The key social issues: a) Child labour, b) Ethical trading: includes operating in markets with integrity and legality, c) Supply chain management: company's accountability not only for their own activities but also to suppliers.
Refer the WACOSS Principles for social sustainability, equity, diversity, quality of life, inter-connectedness, democracy and governance.

Economic sustainability is the corporation's impact on economic conditions of both stakeholders and economic system at local, national and global level,

- **In the case of an activity, organization is still able to operate in the best resources. We live in a market-based capitalistic society.**

Key economic issues: long-term viability of business; managing business for longer terms - myopic decision-making and institutional failure; stability of the economic system; corporate behaviour plays a large role; transparency; openness and authenticity about a corporations operations and strategy.

Integrated Reporting from International Integrated Reporting Council was created in Aug 2010 as a joint initiative of Prince Accounting for Sustainability Project and GRI (IIRC2010).
Integrated reporting provides a broader accountability of an organisation’s resources and relationships than does financial reporting, by requiring a consideration of all resources and relationships (including social and environmental) that impact the value creation activities of the organisation. International Integrated Reporting Council a concise user-oriented corporate report, which captures description of company's business in long term.

Corporate Social Responsibility (CSR) Reporting is a process whereby an organisation to submit the report which included everyday activities. It also presents organisation's values and governance model and demonstrates the link between its strategy and its commitment to a sustainable global economy.

- **became widespread in the early 1990s**
- **intrinsic element of integrated reporting**
- **Meeting the needs of today while ensuring future generations can meet their own needs as well**
- **it is driven by regulation**
- **it involves reports highlighting social and environmental performance**
- **it illustrates the importance of an understanding of principles of governance for accountants**

Corporate Social Responsibility (CSR) reporting allows users to identify, assess and manage risks, to provides greater transparency regarding company's impact on and commitment to social, ecological and governance environments. This is an effective tool in shaping public's perception of company's commitment.

Corporate Social Responsibility (CSR) Reporting is the drivers of increased business accountability.

The reporting is showing:

1. **climate change:**

- **companies released emission in the atmosphere without direct cost implications**
- **treated atmosphere as free good**
- **introduction of carbon taxes and emission-trading schemes**

2. **Global Financial Crisis (GFC):**

- **large corporate collapses and sovereign debt crises**
- **society expects greater disclosure of environment and social impact, as well as governance info**
- **social contract - community license to operate, society's high expectation from organisation**

- **increasing demand for accountability and transparency, impact on financial and national economies and ultimately on huge social consequences**
  Major contributing factors:
  i. **High leverage, which was sustainable only under conditions of increasing asset prices and investor confidence**
  ii. **inadequate governance, accountability and remuneration practices in financial institutions**
  iii. **uncontrolled liquidity creation**
  iv. **growth of a largely unregulated 'shadow banking' sector**
  v. **lack of public information about level and distribution of risk in the financial system**

3. Incentives tied to maximising value of organisation and shareholder's wealth

- **Preferential activities in ethical basis in companies that demonstrate social and environmental responsibility**
- **Brand & reputation**
- **Risk management**

4. Corporate identity and accountability

- **organisation do not have inherent right to resources, society determines who shall have access**
- **acceptance by corporate officials of a social responsibility other than making money**
- **organisations (public or private) earn their right to operate in the community**
- **shareholder primacy perspective vs. social contract**
- **ASX Corporate Governance Council recommendation 7.4 - requires risks and how they manage these risks.**
- **focus should not be only on shareholder's financial return but also taking into account business' environmental and social impact.**
- **Corporation Act s.181(1)**

5. externalities

- **ethically motivated to desire to be transparent about various aspects of company's performance**
- **to protect or enhance shareholder value**

- **government's intervention - placing costs on the us of resources that might otherwise go unrecorded**

➢ **CSR reporting served the purpose of the incentives tied to maximising the value of organisation from World Business council for sustainable development (WBCSD)**
  - **improves corporate reputation**
  - **companies that demonstrable social and environmental responsible activities (Socially Responsible Investing [SRI])**
  - **brand and public support**
  - **risk management - transparent reporting**
  - **increasing consideration of risks associated with climate change in investment decisions**
  - **Direct cost: clean up order, levies and remediation expenses**
  - **Indirect cost: loss of business to increased risk, high insurance and financing cost, waste production, treatment and disposal**

➢ **CSR reporting also benefit the external in relationship between CSR and corporate cost of capital. Cost of capital benefits to enhance the disclosure gains investor's trust and confidence and increased inflow at least 3 channels:**
  i. **signalling the quality of the company > social and environmental value creation**
  ii. **expanding a company's relevant disclosures to support**
  iii. **reducing the uncertainty in assessing the company's performance**

➢ **Externalities and potential government intervention**

- **An externality can be defined as an impact that an entity has on parties that are external to the organisation where such external parties did not agree or take part in the actions causing, or the decisions leading to, the cost or benefit.**
- **CSR report should include externalities in measures of performance**
- **Traditional financial reporting does not recognise costs or benefits of externalities**
- **public assets such as air and water treated as 'free goods'**
- **Government intervention can be employed as means of placing costs on the use of resources that might go otherwise unrecorded**
- **For many organisations, negative externalities might include:**

- **emissions into the atmosphere with implications for climate change (this would impact on many stakeholders, including the environment and future generations);**
- **waste emitted into waterways with implications for water life and drinking water quality (this would impact on local communities, the environment and potentially future generations);**
- **production of goods that create waste that goes to landfill, thereby using land that might potentially be used for other, more productive purposes (stakeholders affected here would include local communities, the environment and future generations); and**
- **the retrenchment of staff, thereby causing social costs inclusive of welfare payments paid by government (stakeholders affected here would include the former employees, their families, local communities and government)**

- **Positive externalities could include the creation of products or services that have widespread social benefits. For example, an organisation might breed endangered species and release these to the environment.**
- **Improved analyst's forecasts as CSR information affects capital financial performance (Dhaliwal et al 2012) [148] Improved general perception of the governance environments. it becomes effective tool in shaping public perception of company's commitment to sustainability and delivering positive social impact.**

Directors should, therefore, be permitted to take into consideration a wider range of stakeholders than just the shareholders. The shareholder primacy approach is increasingly being challenged by corporations' non-financial and indirect financial impact on society, including global warming, corporate environmental catastrophes and human tragedies such as asbestos-related diseases.

Drivers of increased business accountability

- **climate change**
- **companies released emission in the atmosphere without direct cost implications**
- **treated atmosphere as free good**
- **introduction of carbon taxes and emission-trading schemes (reduce emission level to reduce the taxes they have to pay)**

- **Global financial crisis (GFC) in market ethical failures**

- **Causing by lack of accountability and transparency**
  - **large corporate collapses and sovereign debt crises (government struggle to repay their borrowings)**
  - **society expects greater disclosure of environment and social impact, as well as governance info**
  - **social contract (between organisation & society) - community license to operate, society's high expectation from organisation**
  - **increasing demand for accountability and transparency, impact on financial and national economies and ultimately on huge social consequences**
- **Causes of GFC:**
  - **High leverage, which was sustainable only under conditions of increasing asset prices and investor confidence**
  - **inadequate governance, accountability and remuneration practices in financial institutions**
  - **uncontrolled liquidity creation (global current account imbalances & willingness of surplus contries to invest in financial assets being created in deficit countries)**
  - **growth of a largely unregulated 'shadow banking' sector and the constructions of complex financial instruments and techniques which saw risk spread throughout the work and significant interdependencies created**
  - **lack of public information about level and distribution of risk in the financial system. (Davis 2011) [149]**

- **Incentives tried to maximising value of organization and shareholder's wealth**

- **World Business council for sustainable development (WBCSD)**
  - **corporate reputation is essential to economic survival (affect r/s with key stakeholders that help org to survive & prosper)**

- **World Business council for sustainable development**

- **an impact to company's profitability**
  - **revenue effects associated with market growth or change in customer's preference for environmentally sustainable products or method**
  - **clean-up costs or fines for non-compliance with environmental regulation**
  - **insurance cover incorporating environmental risk**

  - **R&D programs to stay ahead of environmental regulations**
- **impact of environmental issues to Statement of Financial Position (Balance sheet)**
  - **impairments in the value of land due to contamination**
  - **changes on NRV of stock related to consumer preference for environmentally harmless products**
  - **plant-write-offs as a result of changes to clean production capacity**
  - **liabilities (through remediation requirements)**

➢ **Preferential cash flow**

- **More investors are seeking to invest on an ethical basis in companies that demonstrate social & environmental responsibility in their activities.**
- **Australia: Social responsible investing (SRI) has continued to grow since the late 1990s.**
- **Investors would prefer cash now.**

➢ **Brand & reputation**

- **Social & environmental performance can affect to maintain consumer & public support.**
  - **Nike, GAP, Reebook, H&M: News about their suppliers' use of child labour & poor working conditions but developing countries attracted increasing negative media attention. Islam & Deegan 2008: rebuilding lost legitimacy. (what's the action taken regarding that)**
- **Blue-chip companies (Visa & Unilever) [151]: Creating new markets in the developing world by closely aligning social causes with their overarching corporate strategies**

➢ **Risk management**

- **CSR is important in the provision of information for risk management purposes. It helps management to better understand the nature & likelihood of these risks.**
- **Easily quantified risk - helps with negotiation of lower insurance premiums & lower financing costs**
  - **Direct cost: clean up order, levies and remediation expenses**
  - **Indirect cost: loss of business to increased risk, high insurance and financing cost, waste production, treatment**

- **reducing risk is an additional economic incentive for transparent reporting (insurance coverage of environmental risks can be a major cost)**
  Therefore, reducing such risks, showing how these risks are being identified & managed by reporting on non-financial performance, can reduce financing expenses

➢ **External benefits (Relationship between CSR and Corporate Cost of Capital)**

- **Cost of Capital Benefits**
  - **Voluntary Disclosure (Verrecchia 1983; Healy & Palepu 1993) [152] [153] - a consequence of the enhanced disclosures is that investors' trust and confidence are increased, and an increase in inflow of financial capital will occur, which has the potential to lower the capital cost (cost that a company has to pay to its providers of financial capital, both shareholders and debt holders)**
- **CSR reporting can contribute to lowering the cost of capital through at least three channels:**
  1. Signalling the quality of the company CSR reporting requires a clear vision and commitment to social and environmental value creation activities and helps to identify risks and opportunities in the business.
  2. Expanding a company's relevant disclosures to support stakeholder decision-making.
  3. Reducing the uncertainty in assessing the company's performance.

- **Improved Analysis Forecast**
  Dhaliwal et al. (2012) [146] - CSR information affects the capital market through a major information intermediary, the financial analysis who make buy or sell recommendations on individual stocks. They observe it results in increasing in analyst coverage and improved prediction of a company's future financial performance.
- **Improved General Perception of the Company**
  provides greater transparency regarding a company's impact on and commitment to, the social, ecological and governance environments. it becomes effective tool in shaping public perception of company's commitment to sustainability and delivering positive social impact

- **Corporate identity and accountability (branding & charge higher price)**
- **Perceptions of corporate responsibilities & accountabilities determine to whom they report information, how they report it, why they report it.**
- **Claimants having rights & stakeholders with interests:**
  Responsibility to make sure the business is profitable and free from deception or fraud (Friedman 1962, p.133) [154]
- **If organisations embrace social responsibilities, he further stated:**
  Few trends could so thoroughly undermine fundamentally subversive doctrine. (Friedman 1962, p.133) [154]
- **But organisations earn their right to operate in the community. hence the organisations must not just focus on maximizing the welfare of one stakeholder group (shareholders) to the possible detriment of others.**
- **Society: it determines whether an org shall have access to natural resources, whether and how it is permitted to hire employees and dispose waste products. For community to allow org to continue to exist, the benefit generated by an organisation must be perceived to exceed their costs to society.**
- **McKinsey's report on sustainability and resource productivity (2014) [155]: argue that business leaders should move with the times and response to the critical environment and social issues of the day as part of good business practice**

- **Shareholder Primary Perspective vs Social Contract**
  Focusing only on shareholders' financial return (short-term) ≠ Concept of sustainable development (long-term, future)

- **ASX Corporate Governance Council recommendation 7.4 - sustainability risks and how they manage these risks. The focus should not be only on shareholder's financial return but also taking into the account business environmental and social impact. Refer to Corporation Act s.181(1) stated that strategies employed bu an organization need to be in the best interests of the organization.**

- **Externalities (you don't pay anything = free)**
- **Problem and Cause is born outside – causing, or the decision leading to, the cost or benefit**
- **Eg: Air = free good, no internal cost, pollution no external costs**
  Making vaccines that help prevent the spread of infections
  Toll-road (internal cost!)
- **ethically motivated to desire to be transparent about various aspects of company's performance**
- **enhance shareholder value**
- **government's intervention - can be unrecorded.**

- **CSR report should include externalities in measures of performance.**
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  - **the retrenchment of staff, thereby causing social costs inclusive of welfare payments paid by government (stakeholders affected here would include the former employees, their families, local communities and government).**
- **Positive externalities could include the creation of products or services that have widespread social benefits. For example, an organisation might breed endangered species and release these to the environment.**

Environmental Uncertainty

- **monitor the external environment for changes that could affect the strategy or interfere with its successful implementation.**
- **due to the rapid pace of change by technology and the complex interactions between the components of the highly connected and interdependent global market.**
- **Strategy is formulated and implemented over time periods that will almost certainly involve changes in the organisation's environment.**
- **Some of these can be identified and managed through risk-management processes, but other changes are unpredictable and can significantly impact on the appropriateness of an organisation's strategy.**
- **i.e. the bushfire crisis in the Australian summer of 2019–20. Tourism operators may have contingency plans in place for natural disasters, but the strategy of most would not have allowed for the scale of fires that meant many tourism destinations were closed for extended periods. Following the fires, many faced elevated rebuilding costs to meet contemporary building standards and insurers also increased premiums dramatically if they assessed the future risk substantially higher than in the past.**
- **Such dramatic changes may require the organisation to change its strategy.**
- **Usually changes in the business environment will not lead to changes in the strategy, but rather to changes in how it is implemented.**
- **The strategy itself may change in the next cycle of the strategy process if the environmental change is permanent.**
- **Regulatory conditions are another example of environmental uncertainty.**
- **In 2019, the US significantly changed its trade terms with various major trading partners. The introduction of carbon pricing — a market-based approach to encourage organisations to reduce greenhouse gas emissions — in various markets has also been unpredictable. Management needs to be alert to environmental changes and adjust the implementation plan accordingly.**

Sustainable value innovation focuses on creating new markets through business model innovation that enables an organisation to create value for customers and society while reducing both economic and environmental costs.

Dynamic capabilities

- **attempt to act as a buffer between the organisation's resources and the fast-changing business environment. Dynamic capabilities emphasise on the resource development and renewal and sustain a firm's competitive advantage.**

- **Both routine and dynamic capabilities may be strategic capabilities. "Teece et al. 1997[156], defined dynamic capabilities as 'the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments."**

- **Organisations use their resources (tangible, intangible, human) to adapt, be flexible, to react by: developing dynamic capabilities, firms can respond to fast-moving, competitive and turbulent business environments (Easterby-Smith et al. 2009 and Eisenhardt & Martin 2000, in Mansour et al. 2019) [157][158] and exhibit faster research and development and innovation. (Babelyte-Labanuske & Nedzinkas 2017 in Mansour et al. 2019) [159]**

- **Dynamic capabilities have been found to be crucial in responding the context of environmental dynamism (Girod & Whittington 2017 in Mansour et al. 2019) [160] and equally that when the environment requires organisations' capabilities to survive and grow those organisations develop their capabilities rapidly. (Ruiz-Ortega & Patta-Requena 2013 in Mansour et al 2019) [161]**

- **Example, when countries began imposing shutdowns affecting businesses and geographical regions to try to contain the spread of the COVID-19 virus, those organisations with dynamic capabilities were better positioned to find ways to continue operating (being able to continue operations with employees working from home), whereas those with an over-reliance on routines had little way to respond.**

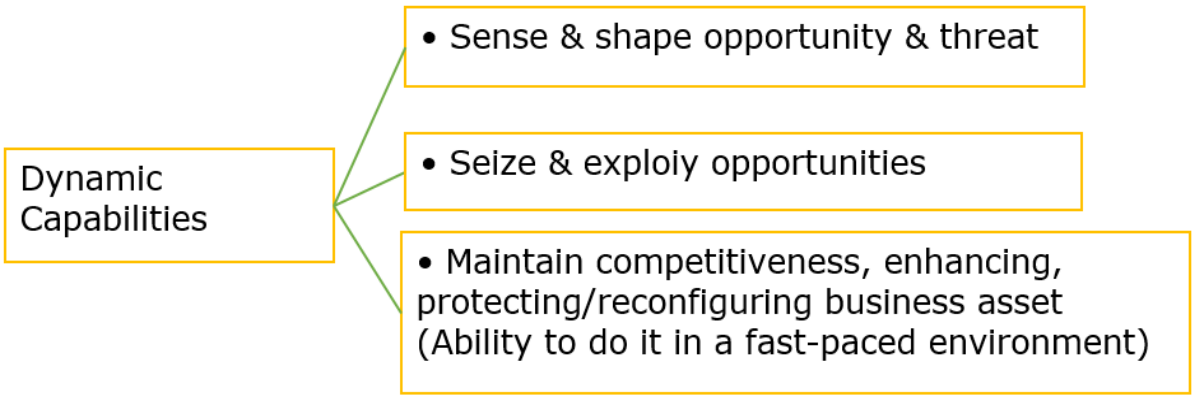
- **Opens the opportunity to incorporate managerial action into discussions of the sources of competitive advantage.**

- **Ongoing collaboration with customers allows companies to reconfigure existing resources and develop dynamic capabilities in response to customer needs and suggestions.**

WHY CONSIDER DYNAMIC CAPABILITIES?

1. Industry competitiveness is higher than before

2. Fast-changing business environment (consumer needs changing)



- **Closely related to the development of dynamic capabilities**

- **7-S framework: Aligning core concepts around shared values.**

- **The changes required to align those aspects and the specific tasks to achieve the strategy were described in terms of change management and project management approaches.**

- **A new model of organisation seeks to achieve a culture that is always responsive and ready to change and that can adapt its operations and processes quickly to changing circumstances, opportunities and threats.**

- **refer to organisations that can change quickly to respond to changes in the external environment, market changes, technology changes or changes by competitors.**

- **Contrasts with the traditional view of an organisation as a 'machine' that operates based on structural hierarchies, linear planning and established processes (Aghina et al. 2018) [162]**

- **While traditional organisations have many benefits (as described in the discussion of capability as routine, above), their strengths of stability, control and process optimisation are arguably less suited to the increasingly dynamic nature of the context in which they operate.**



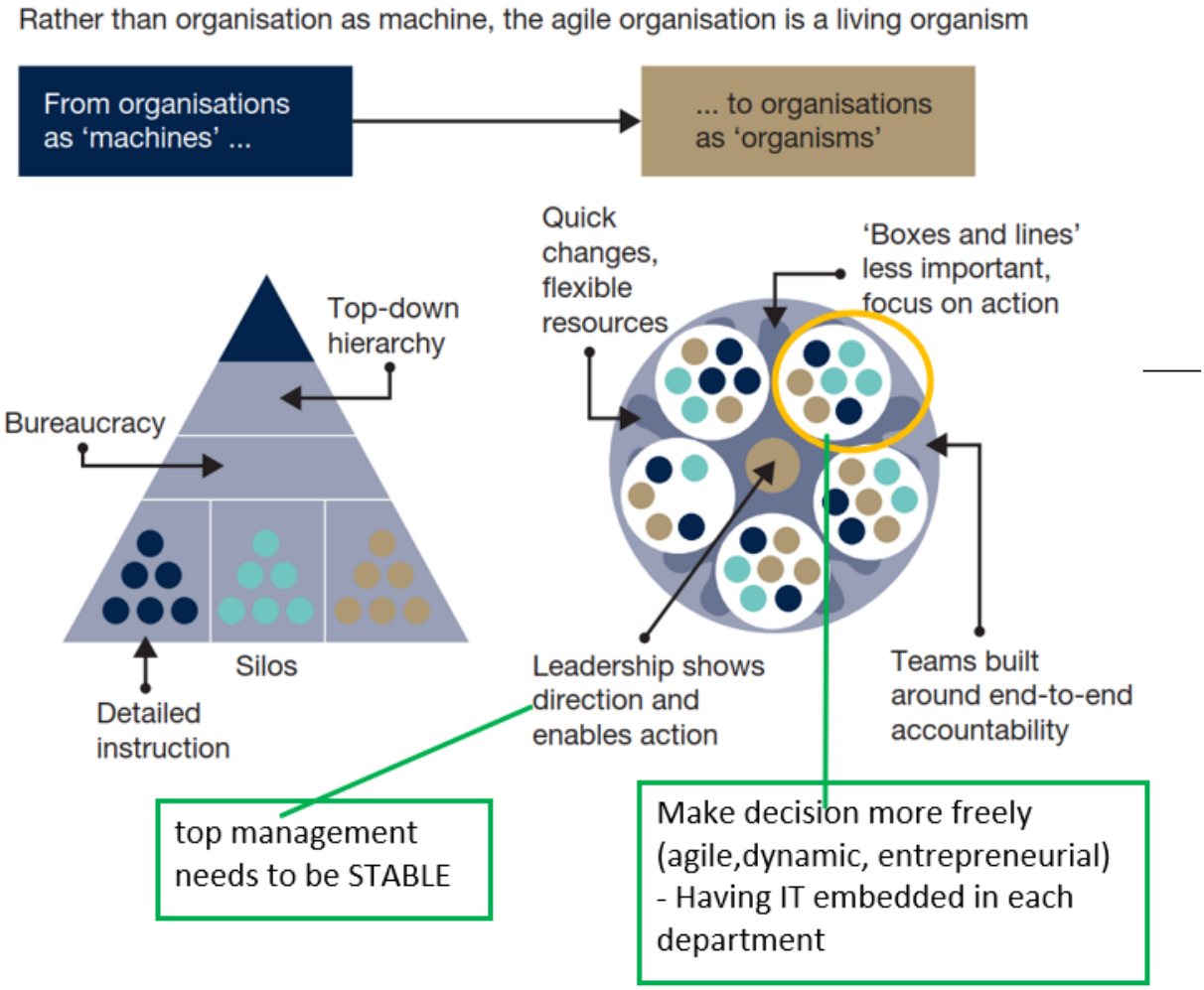
- **The agile business model gives an organisation the ability to efficiently and rapidly reconfigure its strategy, structure, people, technology and processes to respond to opportunities to create or protect value.**

- **In a business environment characterised by fast and constant change, instability and increasing levels of uncertainty, the ability to adapt quickly to changing circumstances is a source of competitive advantage over traditional organisations.**

- **While the adaptability of agile organisations is a clear strength, an agile organisation can only succeed if that adaptability is balanced by a degree of stability.**

- **Successful agile organisations ensure enough elements of the organisation evolve slowly so they provide a stable central structure around which other aspects can change quickly.**

Mechanic vs Organic system



Research suggests agile organisations outperform conventional organisations in terms of organisational health (linked to long-term performance), customer centricity, revenue growth, workforce engagement, speed to market and cost efficiency. (Aghina et al. 2018) [162]

- **A McKinsey survey found three-quarters of respondents rated transforming to an agile organisation as a top three priority.**

- **Efforts to transform were, predictably, most advanced in industries with rapidly changing environments such as communications, financial services and media (Salo 2017). 81% reported increased overall performance on financial and non-financial measures. (Salo 2017) [163]**

- **McKinsey research (Salo 2017) [163] found agile organisations or agile units within organisations strongly outperform traditional organisations in terms of alignment to strategy, shared purpose and entrepreneurialism.**

	Trademark		Organisational-agility practices[1]
Strategy	North Star embodied across the organisation		• Shared purpose and vision • Sensing and seizing opportunities • Flexible resource allocation • Actionable strategic guidance
Structure	Network of empowered teams		• Clear, flat structure • Clear accountable roles • Hands-on governance • Robust communities of practice • Active partnerships and ecosystem • Open physical and virtual environment • Fit-for-purpose accountable cells
Process	Rapid decision and learning cycles		• Rapid iteration and experimentation • Standardised ways of working • Performance orientation • Information transparency • Continuous learning • Action-oriented decision making
People	Dynamic people model that ignites passion		• Cohesive community • Shared and servant leadership • Entrepreneurial drive • Role mobility
Technology	Next-generation enabling technology		• Evolving technology architecture, Systems, and tools • Next-generation technology development and delivery practices

Environmental dynamism requires organisations to adapt traditional models of strategy development and implementation to create a strategic process in which they demonstrate innovative behaviour to create new opportunities, accept higher levels of risk and implement entrepreneurial actions. (Dess & Lumpkin 2005) [164]

An entrepreneurial orientation involves behaviours aligned to the continual identification and generation of new business, which will create and sustain a competitive advantage. (Wiklund & Shepherd 2003) [165]

- **Entrepreneurial organisations aim to be first to market with product and service innovations.**

- **Ability of an organisation to adopt an entrepreneurial orientation is dependent on the organisation's resources and capabilities.**
- **Availability of technological and marketing capabilities has a positive influence on entrepreneurial orientation.**
- **More resources an organisation commands, the more likely it will develop the innovative, proactive and risk-taking behaviours that define the entrepreneurial orientation. (Ruiz-Ortega & Parra-Requena 2013) [166]**

Three key dimensions of an entrepreneurial orientation: (Hughes & Morgan 2007; Hakala 2011) [167] [168]: 1) Innovativeness, 2) Proactiveness, 3) Risk taking

Conclusion

"Compliance is an ongoing process to ensure the firm is in a state of being in accordance with established rules and regulations" (Moeller, 2011) [83]. To meet these stringent requirements, many firms implement a risk management program to conform to corporate governance requirements.

Successful organization consists of ethics, integrity, accountability, and a strong leadership of a culture of compliance. To maximize shareholder value, return on investment and driving revenue through develop and maintain effective compliance program. A culture of reasonable ethics and compliance certainly takes time to develop to meet level of ethical standards and compliance. All stakeholders must be aware of the requirements and their impact on a culture of compliance.

To build the effective compliance program, the organizations need to meet a wide variety of regulations, and standards. The compliance principles with more impressive words said by (W. C. Stone) [86] could hardly be found: "Brave to say no and accept the truth and reality. Do the right things. Living your life with integrity."

3. Limitations and future research directions

As with all the research, there are limitations in terms of sustainability items which businesses should focus on for the business to contribute to involve in the environmental to save the earth, and the contingency plan of business for the involvement of sustainable in business and environmental.

At the same time, most of the organizations or individuals are not clear in the sustainability in business and environmental. Almost all are thinking about to apply the membership or licensing for green or environmental or even to attend the training to understand the sustainability. Knowing and understanding of sustainability without the enforcement procedure to move to direction in sustainable, which result showing in the financial performance changes.

Reduction global warming and climate change, the greenhouse gas emissions in oil and gas to generate electricity and power need to be reviewed to net zero emission technology to replace by wind and solar power. Transportation is another major problem in consumption of petrol and diesel to reduce using the solar energy.

There are some questions, how many of us are willingly to involve with this evolution and started implementing the new processes? It maybe not all willing to involve. After the research and gathering the information extract in website, we maybe thinking there is still a gap to bridge between business and paperless office printing.

“The past year there was challenged as companies navigated repercussions of the global pandemic, new hybrid work models, inflation, other crisis. Above all, Information Technology leaders learned there is an obvious need for their companies to develop mobile technology, Information Technology and security solutions to help enterprises remain safe, competitive and in sync with customers' ever-changing behaviours.” [111]

“CIOs faced mounting pressures as they worked to drive sustainable business growth and strategically enforce digital transformation this year, all while determining where budgets will lie in 2023. This is significantly evolving the role as CIOs now have to keep in mind shadow coding, code injection from other sources and monitoring applications to track data usage, battery usage and the overall behaviour of any device to identify trends and anomalies.” [111]

“Additionally, security threats made headlines this year with internal, intangible infrastructures as the main target.” [111]

Bigger Roles for AI in Retail and Healthcare
“Expect mobile technology and AI to play bigger roles in-store to keep the shopping experience seamless for consumers in 2023. Companies start to rephrase their problems into a prediction, the problems will leverage AI. Some companies have explored leveraging computer vision and the use of cameras inside retail stores to learn about consumer behaviour and offer smart checkout options.” [111]

“Focus on Recruitment, Sustainability and Reputation” [111]
“Finally, Information Technology departments are working to reduce corporate e-waste footprints and easily integrate green Information Technology solutions that help keep their technology and devices resilient.” [111]

“With the right technologies and expertise, they can build on their already significant tech investments to expand their capabilities and fully realize the benefits of their investment.” [111]

The disruptive as follows: [101]

- **Environmental stress such as high heat is affecting the coral reefs in losing their colourful algae and turn white, more easily die. [101]**
- **Reshaping forest ecosystems needed as more trees are dying from drought. [101]**
- **Stormy weathers are growing more destructive and heavily rain, that causing more damage. [101]**

4. Methodology

Case 1

Recent global cyber-attacks have highlighted the importance of cyber security risk management for board directors. Companies no longer have a choice as to whether they mitigate against cyber-attacks. In future, this should be an important part of their risk management process. Countries are starting to look at whether they need to regulate with respect to cyber security.

Compliance needs to monitor and updated continuous, organizational process. Compliance and risk are interlinked, organizations should consider implementing a governance, risk management and compliance (GRC) program to help improve information sharing among the three disciplines.

In World Economic Forum titled Cybersecurity Leadership that COVID-19 pandemic had let the world to learn the important of preparation or contingency plan for unpredicted crisis, there are five proposed principles to manage the short-term, medium and long-term.

i. Foster a culture of Cyber Resilience

With the digital ecosystem being a dynamic environment, cyber threats often evolve before regulations. During the crisis, priority needed to react on risk may cause the business continuity and recovery activities. Stakeholders need to be informed and continuous training in cyber resilient.

Accountability and responsibility to organization from employees to keep the organization stays away all risks. Security leaders need to help employees stay secure by regularly training them to identify phishing attempts, scammers, online credit card frauds, and proactively educating them about new techniques arising during the pandemic.

ii. Focus on Protecting the Organization's Critical Assets and Services

Cybersecurity leadership develop a systemic and holistic view of their critical applications, services, assets and suppliers to determine potential consequences of a crisis to their employees, revenue, customers and continuity of important services. To

maintain strong cyber secure by keeping an inventory of critical digital assets to ensure updated in market.

For securing remote connectivity, organizations need to implement layered defence for preventing data leakage and detecting suspicious activity from remotely connected endpoints.

iii. Balancing in Risk-Informed Decisions During and Beyond the Crisis

The changes of business risk that the leadership needs to balance their risk-informed decisions for post-covid times in the long run. The new applications developed to handle the changing market, which some have failed to resolve configuration issues or bugs in the applications.

Hackers can proactively identify and exploit weakest links in a value chain, and hence it's imperative to adopt no-trust approach to secure supply chains.

iv. Updating and revised the policy align with latest regulations and continuity plans in business

Business continuity program and risk management are a key component. Organizations that focus only on analysing and mitigating risk cannot handle sudden crisis very well. Pandemic is crisis to business and is important to build team with a detailed plan to orient individuals with diverse roles.

As digitalization is increasing in market, to manage cyber risk efficiency and effective align with risk appetite and strategic business priorities.

v. Strengthen Ecosystem-wide Collaboration

Private and public-sector leadership should collaborate and ensure participation in initiatives to secure ecosystem against existing and emerging cyber threats. Business stakeholders to develop cybersecurity controls for encouraging third-party regulatory.

Organization is unable to expect the cybersecurity leadership to have faultless security in today's context. The risk management together with compliance to develop and secure business are able to minimize the fraud and cyber risk.

Cyber security leaders should be able to articulate how it benefits the business as a whole, it should help the organisation align cyber security strategy with the

organisational strategy. In short, the security should come to cyber security and actual business value. A good cyber security leader must be able to bridge the gap in all areas including stakeholders to understand the pros and cons in cyber security.

When I joined Huntington Search Partners which was head hunter agency, I happened to speak to a colleague, she was scam over the phone and lost almost SGD45k from her bank account. This was due to she was not aware of the phone asking to do part time job using computer connected to internet. The pay-out was attractive and the effort of the job is simple. She took out this part time job but never expect was a scam and she lost all her money in the bank, and the bank gave her a call that asking her to stop what she was doing in the computer as someone has been transferring out her money in the account. Then she realized it was too late.

The security in the company was for organisation and not knowing the organisation goal. The organisation goal needs the employees to get more candidates for the market job vacancies which will increase the sales target. Cyber security was not done completely details as the business was most of time on the phone and all the updates of the scam and even news to the staffs to alert them and to setup some security in the phone system not only the computer. I believe if the communication was good enough, and the risk management and compliance should link together to safeguard internal operation. After this instance, this colleague started to change her behaviour during office hours to low morale and attitude, slowly she was asked to resign due to her poor performance.

Case 2

Singapore is fast moving and competitive society. I have been studying and working in finance industries for many years. Being able to study and knowledge are for myself, how to make full use of what I have studied and knowledge to transmission to organizations, this idea is a very challenging part.

The communication skill is very important, and understand how every department process, gap and control. As GRC leader must be skilful so as to spot the gap and to close the gap.

In Huntington group, I understand from the administration of getting the unnecessary receipts in photocopy and filing too tedious and wastepaper. After discussion with the management, I have written the finance policies, indicated the internal control and to set up the system, which do not need any paper copies below certain amount. All the soft copies will be saved in the system.

Knowledge of the compliance, the different organization adopting the appropriate structures, policies, and procedures. Once the understanding and requirement to assign the head of department for the procedure including the internal control for which department, the head of department will have to assign the subordinate to be responsible to process and get work done and report needed so as the head of department will be accountable for his/her department in ERM. Whoever owns the KPI, is accountable and responsible for work done and reported to the management.

Hierarchy objectives divided into Corporate/Strategics Objectives, Department/Functional Objectives, Portfolio separation to Projects and Operation. Risk Assessment is defined from top to bottom. Manage the risk and fulfil the objectives is from bottom to top. Hierarchies of risk that affect each level objectives in the hierarchy is called enterprise risk management. Setting this hierarchy is tough as the communication skill and handle human feeling tactfully.

Case 3

All employees should make every effort to comply with internal organizational policies, external laws and regulations, but that does not mean that each employee has equal responsibility. In particular, line managers are responsible for ensuring that appropriate incentives are in place to ensure compliance and that their staff have the training and support they need to behave in a compliant manner. An organization's board has responsibility for overseeing the operation of the compliance management framework, supported by the compliance function where present.

If an employee behaves in a non-compliant manner, it is often not their fault. Non-compliance is usually the result of ineffective management or weak organizational compliance-management arrangements.

Organization culture is very important. Culture is a combination of value, attitudes, and behaviours demonstrated by a company activities and relations with stakeholders. The

board has a role in ensuring that a business is sustainable in long run and embedding the desired culture. Risk culture can cause failure. Behavioural risks such as poor employee conduct, criminal activities or negligence can have a variety of adverse implication of potential financial losses due to fraud, legal and regulatory compliance breaches that could lead to lengthy court cases. Recently, I was handling a case in Thailand, the company has been making a loss, and the main shareholder had been injecting USD8 million for the past few years, observing the organization culture, and also how the financial performance, researching the employed CEO history, which helps to finalize everything successful.

Case 4

To have a better strategic and risk management decision, at the same time the improvement of governance and internal control, the organization needs to know their risk appetite, and risk tolerance.

Risk appetite, support risk management decisions, risk governance and internal control activities, and strategic decision-making better to strike the balance. Better risk management decisions mean that an organization can allocate its resources more effectively i.e., more resources can be allocated to risks exceeding the appetite or falling too far short of it. It can also help to improve buy-in for risk management activities because it highlights the negative consequences for not maintaining appropriate levels of exposure and provides a clear benchmark for risk reducing and risk increasing activities, to prevent excessive risk-taking and control.

The concepts of risk tolerance and risk capacity are sometimes used instead of, or to add extra dimensions to, the risk appetite framework. Risk tolerance is often confused with risk appetite, where the focus is on the acceptability of risk but rather, it complements risk appetite. It can be used to set tolerance limits for specific categories of risk (e.g health and safety) or for metrics, such as risk, control and performance indicators (e.g., staff turnover, customer complaints).

Risk capacity denotes the maximum enterprise-wide level of risk an organization can be exposed to before risking its long-term financial viability. A key determinant of an organization's risk capacity is the strength of its balance sheet - organizations with large reserves or low levels of debt, can take more risks.

Risk-management and corporate governance are linked to each other. Operating environment in the organization is using the effective risk-management to support strategy development, to develop strategies that are appropriate to the risk preferences of its stakeholders and the opportunities and threats. Management needs to set up a company's strategy. Under the UK Code, board should not delegate all management responsibility to the executive directors.

Organization's purposes are vision, mission, strategic goals and governance framework, including risk management, is very important to be clear and understood so to focus efforts and resources to achieve the purpose successfully in the long run. Clarification of purpose, employees know what they are working towards, investors know what they are investing in and boards and management know how to focus their resources and manage their risks.

Risks and issues are relatively easy to differential understood it to help to manage effectively, from this understanding the possibility of opportunities may be able to exploit to benefit. It is important that understanding of how risks, issues, and opportunities might affect your operations in different ways, and adopt suitable strategies to deal with them.

Few years in the past which I was working in KIB, and there was one year, we had an event to invite customers/guests to open field lunch. There was a risk that according to the weather prediction, there will be slight rain, to eliminate the risk such as to have a tentage, provide the well design printed company logo raincoat.

An issue on event day, it starts to rain. I had enacted a contingency plan which is to move the customers / guests to Tentage, and to serve a nice cocktail and a live band to ease the wet weather feeling.

An opportunity is on the event day, we started to set up a booth to sell the design umbrella and raincoats, this will promote company branding, which was good reputation to the public, and 50% of the sales from the booth will donate to the charity. This uncertainty ended was a benefit to the company reputation and increasing the sales for that year.

In the past 10 years when I was working in insurance sector, as head of finance, accountability and responsibility in yearly budget. In the process of budget, kick off

from the budget in revenue to get the risk appetite, and at the same time some customers reducing the premium affected the reduction the brokerage earned whether to accept the customer renewal insurance using the sensitivity analysis, so as for the overall risk tolerance. Next step is to budget in expenses, we will have the buffer for the tolerance, max level for appetite that company can accept. For the Finance Institute, the risk management is ongoing process, and updating regulations, reading news, etc, help to understand and foresee things more broadly.

Case 5

The risk culture of an organisation is a subset of its wider organisational culture. Risk culture can relate to many different types of behaviour and attitude in relation to risk-taking and risk management, including:

• the level of risk-taking that is considered to be desirable (high or low).

• how different types of risk are perceived and whether they are considered to be high or low, or good or bad.

• the level of risk control that is considered to be desirable (high or low).

• why risk management is perceived to be necessary, such as whether it is seen as value enhancing or simply a box ticking compliance exercise.

• whether or not risk compliance and risk governance are viewed as important activities.

• the general importance attached to risk management and risk-management goals;

• the level of awareness that an organisation's employees have about the risks to which it is exposed.

• how employees respond to policies and procedures (whether they are seen as helpful or unnecessary red tape).

• whether risk events are perceived as learning opportunities or an opportunity to blame others; and

• whether employees are prepared to report risk events and control weaknesses.

Risk culture and appetite are related concepts. The risk culture of an organisation can have a significant influence on its appetite for risk, and the risk appetite is often a reflection of the organisation's risk culture. Risk cultures characterised by high levels of risk aversion will tend to set low levels of risk appetite and vice versa

Climate change presents financial risks which can impact organisations through the transition to a lower-carbon economy, it is the expectation from certain regulators that organisations will form a strategic response to the financial risks arising from climate change to ensure financial stability now and in the long run.

All employees should comply with internal organisational policies, external laws and regulations, each employee has different responsibility in designation. In particular, line managers are responsible for ensuring that appropriate incentives are in place to ensure compliance and that their staff have the training and support they need to behave in a compliant manner. An organisation's board has responsibility for overseeing the operation of the whole compliance management framework, supported by the compliance function where present. If an employee behaves in a non-compliant manner, it is often not their fault. Non-compliance is usually the result of ineffective management or weak organisational compliance-management arrangements.

Risk-management involves a variety of individuals, functions and committees. As with other areas, such as health and safety, it is tempting to conclude that risk-management is everyone's responsibility. This is mostly true. However, this is an overly simplistic view as different individuals, functions and committees will have different types and degrees of responsibility.

In an organisation, employing of the right person with right attitudes are very important as this will affect the culture which lead to risk in certain area. In the year 2011, the new Human Resource Manager lodged a report in the printer toner was utilised so quickly and the missing of the excess toner, and the cost of per toner was almost SGD400. I did observe the office culture, employees' behaviour, to have accurate in my analysis. Using the strategic cost management method to analyse in the past 3 years usage by the number of staffs and copies of papers printed to confirm the stolen. In the end, this exposed the Information Technology Officer who was reporting to Human Resource Manager, admitted and was asked to leave. This Information Technology officer was previously employed by the previous Human Resource Manager,

the Information Technology officer created politics and was a friend of the previous Human Resource. He had been portrait himself from rich family, and always bought expensive items to the previous Human Resource Manager and CEO.

Risk perception is important in health and risk communication. Risk perception may affect justification to make decision depending on the given situation.

Case 6

Refer to Aegon sells insurance e-broker Futuready Thailand - Reinsurance News [28]

“28th of November, The Huntington Group, a Singapore-based private equity firm, announced its decision to acquire the insurance broker from Aegon. Financial terms of the transaction were not disclosed.” [28]

Refer to Indonesian Insurtech firm Futuready officially shuts down (techinasia.com) [28]

“Indonesian Insurtech company Futuready had officially shut down, according to a memo on the landing page of its website. The company has not yet disclosed any reason for ceasing its operation.” [28]

However, in November 2022, Aegon sold the operations of Futuready Thailand to The Huntington Group, a private equity firm based in Singapore.”

Organization’s leaders to design and implementing effective risk management frameworks. They can delegate the responsible to all the head of department to complete the standard set in the effective risk management frameworks, but are accountability the outcome. Leaders must communicate the importance of operating an effective framework and support this operation through their own actions.

In today’s business environment, effective corporate governance is important in order to have strong corporate governance to prevent corruption, costly scandals, organizational failure and even systemic breakdowns that damage the interests of all stakeholder groups. International regulations and standards on corporate governance help to promote sustainable economic growth on a global level, ensuring that

stakeholders are treated fairly and that organizations have cost-effective access to global capital markets.

Good governance will be able to access to global capital without limited, and also ensure the long-term sustainability of an organization, where value – for example, profits, surpluses, environmental protection or some other social benefit – is generated through the making use of opportunities that contribute to the organization's mission from the risk.

Sustainability is constructed the principle of the 'triple bottom line': the idea that an organization should balance each of the following elements equally, is not only maximize the wealth.

1. People: labour practices / regulations providing to prevent poverty, safety and employment rights.

2. Planet: to prevent the damage of the global and local environment by the organization and its activities; and

3. Profit: delivering long-term economic value for all stakeholders

A set of ethical values and develop a code of ethics have to be part of the organization's business practices so an ethical culture is created. Business ethics, sustainability and corporate social responsibility should all be linked with the strategy of the organization.

If an organization gets its governance right then it reaps the benefits of success. To ensure that this is happening an organization should define what its critical success factors are so these can be measured. This will usually be done as part of the strategic planning process.

The board on its responsibilities about corporate social responsibility, sustainability and business ethics. Boards are required to consider in their decision making the sustainability of their organization and plan for the longer term. Taking the consideration when the weaknesses is addressed and performance needs to evalue through director development programs and enhancing their governance processes.

When I was dealing with the Thailand [28] and Indonesia [28] insurance companies, I have served on Boards and in my opinion dysfunctional Boards come from one or more of four key areas

1. **Lack of clear and agreed vision/objectives of an organization – having a clear understanding of an organizations vision, goals and objectives are crucial to all having a common agreement on how the future looks.**
2. **Board/Director Experience – Board members need to be experienced in corporate governance, show a commitment as to the immediate past and future direction of a performing Board on their election and to be ready to contribute.**
3. **Size and complexity mismatch – Governance should grow with an organization's size and complexity.**
4. **Self-interest (parochial or financial or other). Many people get involved in Board or corporate governance for their own personal interest, some for example are philanthropic and wanting to help society in a field of interest they have; some choose a field where they might gain work or personal benefits; others use their roles inappropriately for personal gain.**
   Currently Futuready Insurance Broker in Thailand, Johnson Oh, director had took over the operation from Aegon since November 2022.

Case 7

A leadership style behaviour in directing, motivating, and managing their teams. The effectiveness of a leadership style is impact on the leader style in personality, values, skills, and experiences. It also determines how leaders develop their strategy, implement plans and respond to changes while managing stakeholders' expectations and their team's well-being. [88][89][90][91][92]

Leaders are able to categorize their current leadership style, recognizing effectiveness. Or how their employees see them by the feedback is easy way to know your leadership style. This enables to ensure how to improve your style's characteristics within your day-to-day responsibilities as a leader.

As a team leader, you will face many difficulties. Either it will be your team members' problem or your work problems. At every level, nature will test your leadership development qualities.

We have long practiced collaborative problem solving in various business, which is not common for projects, are essentially collaborative endeavours, and needs final the aim of the project.

My career working in finance and business analytics in many years. From finance to data insurance policy to analytic projects, the well results from effective teamwork and the not a good scenarios that arise intractable and uncooperative.

When I was in a consulting engagement with unfriendly individual, Tom, who unwilling to cooperate with the consulting team. Tom had developed the system in data extraction and transformation process imbued with a significant amount of business logic and was unwilling to share it with our team. However, our task is to understand and refine process was central to the success of the engagement.

Our brokers unable to authority over Tom, and his immediate supervisor is unable to control the situation. Meetings were scheduled, Tom share his code would be just general insurance code only.

I had an idea to treat Tom as a hostage taker and utilized the detective's Behavioural Change Stairway Model (BCSM) to negotiate.

The model, depicted below, is the five steps: -

Active listening
By starting the conversation with general questions and paraphrasing, and understanding the other party is facing and his thoughts. Through the conversation to identify his emotions expressed and to ease his worries and uncertainty with solutions and praise his existing talent helped in the work.

With this in mind, I invited Tom to lunch at an expensive restaurant hoping that would encourage him to spend an hour with me. It did. We met, and after casual talk, I gently asked him about his reluctance to work with us and then actively listened. He explained that he had been with the company for ten years, and he was afraid that if our firm automated the work he was doing, he would be out of a job and he is also sole bread winner in his family.

Empathy

Second step to convey empathy, is genuine expression of interest in understanding of the perceptions and feelings of other side.

This was easy. In fact, it would have been difficult not to empathize with Tom's perceived dilemma. Through the conversation, I showed to him that I was interested in his problem and wanted to offer whatever help if possible.

Rapport

Concentration of listening and empathy are increasingly Tom's trust. This trust is able to assist the conversation more effectively to positively situation in common ground.

Amazing the little information can turn the situation in positive. Understanding Tom's problem, reflecting that I cared, and was ready to pivot the conversation toward our shared interests. As we continued to talk, Tom shared that he did not want to obstruct our project but was afraid of what would happen if he did not.

Influence

Trust has established, then following to make suggestions and explore potential solutions while being mindful of the alternatives available to their counterpart.

Once Tom signalled, he was willing to work with us, I was able to explore options that might be appealing to him. I requested him to propose ideas were appealing, and discussing the merits of his ideas.

Behavioural change

The last step is depending on how well the first four steps were executed. Proposed solutions are chosen that lead to the desired behavioural change.

After exploring several options, we settled on pulling Tom closely into the project so that he would be intimately familiar with the data system that we were building. Tom felt happy and good in a position to be an expert on the new system, to make sure the security of the job he desired.

Lunch was good and well, but the important question after all, negotiated agreements are only the main intention.

Later that afternoon, my team received the full code set and table extracts from Tom. We were ready to carry on work with what being provided. Our team was happy, the brokers were happy, and, most importantly, we made Tom who became an expert on the new data system.

Useful tools
There is a situation where you are facing the difficulties to get the individual to cooperate, using the BCSM for building and strengthening relationships. While I using the BSCM to deal with.

Leaders are the image to their organization. Lacking emotional intelligence, it could have more far-reaching consequences, resulting in employee engagement and a higher turnover rate in staff.

Good teamwork is making the trip to success in effective and efficient. Organization needs a good team to perform with good skills and communicate clearly.

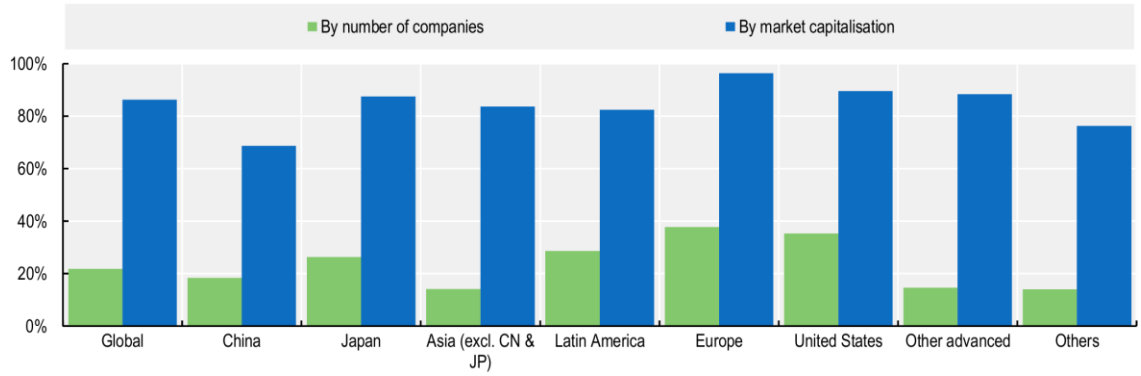
Case 8

Refer to Global Corporate Sustainability Report 2024 | OECD [122]

“43970 listed companies in global with a total market capitalisation of USD 98 trillion, Total market capitalisation of USD 98 trillion, listed companies 43970, almost 9600 disclosed sustainability-related information in 2022 and 2023 (Figure 8.1). 86% of global market capitalisation disclosed the sustainability-related information. Market capitalisation, listed state-owned enterprises 479 represented 98%, and 441 disclosed sustainability-related information in 2022.” [122]

Figure 8.1. Listed companies in 2022 to disclose sustainability-related information [122]

The market capitalisation disclose sustainable-related information globally was 86%



Source: OECD Corporate Sustainability dataset, LSEG, Bloomberg. See Annex A for details.

"The market capitalisation disclosed the sustainability information in year 2022 were 78% to 91%. This was the largest compared to the extractives and minerals processing, food and beverage." [122]

"By different industry, the market capitalisation disclosed the sustainability information in 2022, ranged from 78% to 91%. The largest share is extractives and minerals processing companies, and food and beverage companies, in which 91% and 90% (Figure 8.2, Panel B)." [122]

"The share of sustainability-related disclosure sustainability information by industry and region. The People's Republic of China (China) companies representing 98% of the financial sector's, 75% in the United States and 76% in Latin America." [122]

Figure 8.2. Companies disclosing sustainability information by industry

The disclosure of sustainability-related information varies across industries, especially in China [123]

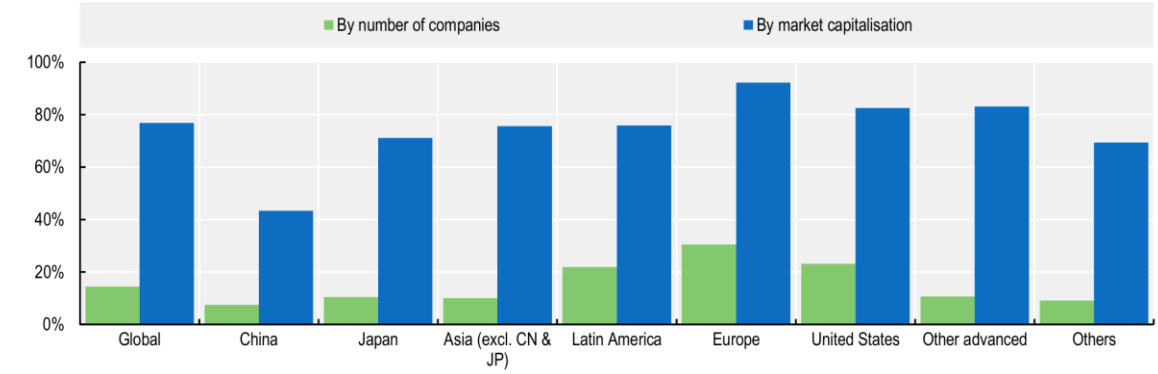
By market capitalisation *(in per cent)*	Global	China	Japan	Asia (excl. CN & JP)	Latin America	Europe	United States	Other advanced	Others
Consumer Goods	87	52	83	78	88	99	90	80	56
Extractives & Minerals Processing	91	82	90	88	88	98	94	90	91
Financials	84	98	95	86	76	96	75	92	64
Food & Beverage	90	83	83	84	89	97	96	90	72
Health Care	87	62	89	70	76	98	90	84	32
Infrastructure	82	68	81	82	77	90	90	81	64
Renewable Resources & Alternative Energy	82	77	86	77	84	96	92	20	52
Resource Transformation	80	51	88	76	89	97	90	93	48
Services	78	32	79	69	66	95	82	82	18
Technology & Communications	89	52	86	91	87	96	94	84	79
Transportation	87	69	95	85	76	97	89	94	67

Source: OECD Corporate Sustainability dataset, LSEG, Bloomberg. See Annex A for details.

Accelerating in climate changes, regulatory action and public awareness in recent years. This fact has generated a greater interest by investors in companies' GHG emissions. First step to reduce GHG emissions that requires an accurate measuring, reporting and tracking system from the activities carried out by the company (scope 1), energy consumption was classified indirect (scope 2) and emissions generated in the supply chain or by financial institutions (scope 3).

Market capitalisation disclosed scope 1 and scope 2 represented 6308 (77%) companies disclosed scope 1 and scope 2 GHG emissions in 2022, 43% of companies in China to 92% in Europe (Figure 8.3).

Figure 8.3. [121]



Source: OECD Corporate Sustainability dataset, LSEG, Bloomberg. See Annex A for details.

Market capitalisation (85%), the extractives and minerals processing is the industry with the highest share of companies disclosing scope 1 and 2 GHG emissions, in Europe (97%) and in China (55%).

Refer How Singapore's publicly-listed companies performed in 2022 | Singapore Business Review (sbr.com.sg)

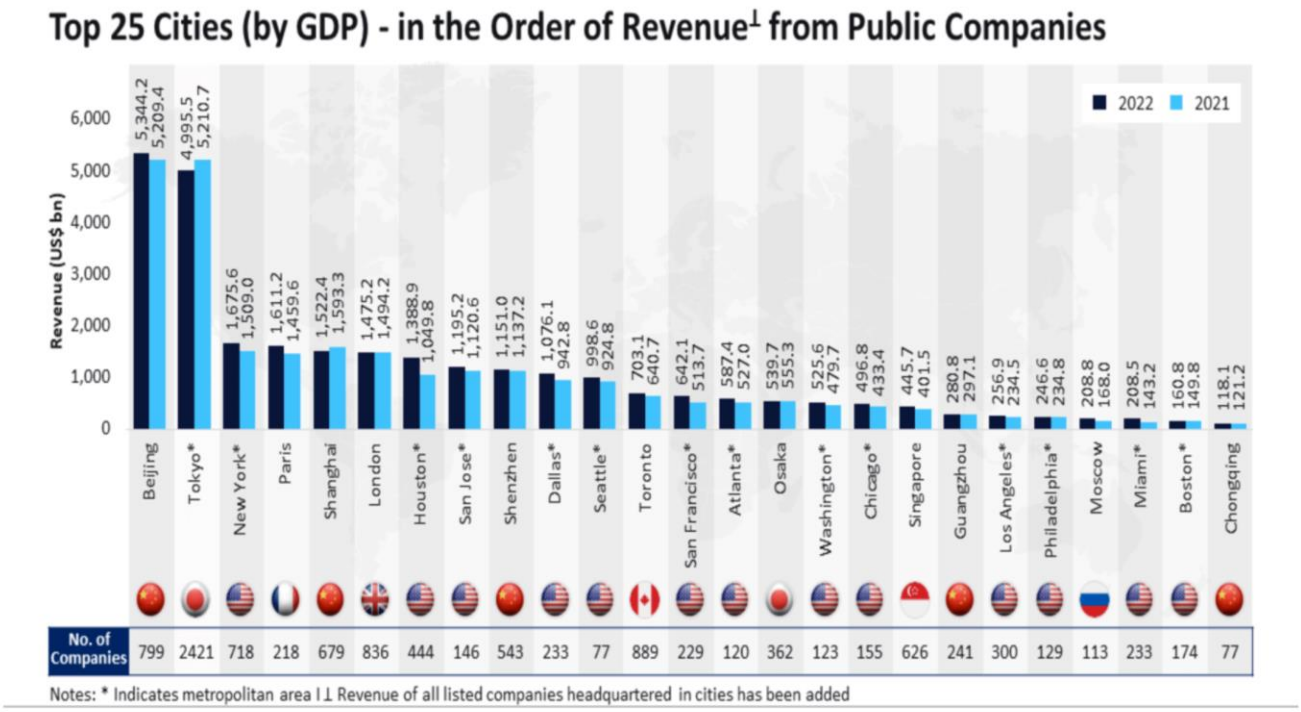


Chart from GlobalData

In 2022, Singapore's publicly-listed companies performed:-

There were 626 publicly listed companies. Global Data's figures, Singapore's publicly-listed companies also performed better in 2022 in revenue terms. In 2021, Singapore's companies recorded a US$401.5b revenue.

Case 9

Refer SGX Second Half FY2024 Results SGX Group Financial Results / https://investorrelations.sgx.com/static-files/

	2024	2023	Remarks
Net profit	**316,220**	**285,935**	**refer to SGX page 11 of 27 , Point 7**
Total assets	**3,984,962**	**3,781,339**	**refer to SGX page 13 of 27 , Point 9**

Return of Assets (ROA)	**0.079**	**0.076**	
Current Assets	**2,247,017**	**2,179,476**	**refer to SGX page 13 of 27 , Point 9**
Current Liabilities	**1,238,479**	**1,638,347**	**refer to SGX page 13 of 27 , Point 9**
Liquidity Ratio	**2**	**1**	
Company Size	**1166**	**1123**	**refer to SGX page 5 of 27**
SRD	**73**	**49**	**e6c33418-2bd2-43cd-ba0e-c38ce0529838 (sgx.com)**

Company performance is monitoring by the profitability ratio in relation to sales, total assets. The high level of profitability (return on assets) in the company will increase the competitiveness among companies. High profits will further increase the company's opportunity to disclose the sustainability report because they have more funds to carry out corporate governance.

Sustainability report is to measure, disclosing and accountability efforts of the organization's performance in using the objectives to achieve goals for sustainable development to stakeholders both internal and external to the company. Liquidity is a ratio that measures companies are able to pay its maturing obligations, and the current assets are able to pay the current liabilities.

Research on sustainability reports is starting to develop, indicating that SGX is starting to do sustainability reports

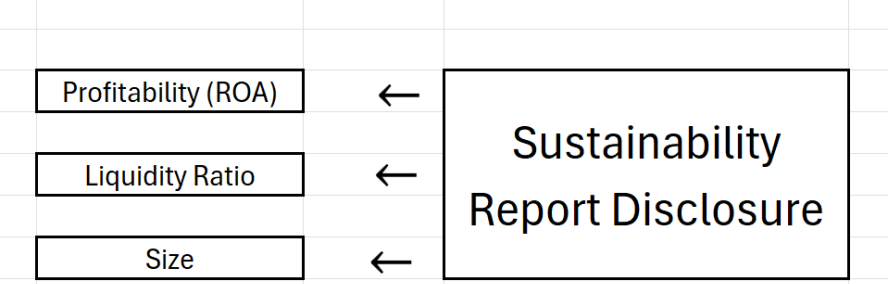


TABLE 1 : THE THEORETICAL MODEL

Table 1. Operational Variables and Measurement Scale

Variables	**Definitions and Measurements**
Sustainability report disclosures (SRD)	**SRD based on the Global Reporting Initiative Standards which consists of 77 disclosure**
items	**Sustainability Report, which consists of 3 topics, including 13 items on economic topics, 30 items on environmental topics and 34**
items	**on social topics.**
	SRD = Number of Items Disclosed / 77
Profitability (ROA)	**Profitability of the company is measured using Return on Assets (ROA). Computed by dividing net income with average of total assets.**
Liquidity Ratio	**Liquidity of the company is measured using Current Ratio (CR). Computed by dividing current assets with current liabilities.**
Company size (SIZE)	**The size is measured using the natural logarithm of total assets of the company in end of year.**

H1: Profitability affects sustainability report disclosures

H2: Liquidity affects sustainability report disclosures

H3: Company size affects sustainability report disclosures

DATA ANALYSIS AND HYPOTHESIS TESTING Descriptive Test.

Based on the results, the descriptive statistics shown in Table 2 were obtained.

Variable	MEAN	MEDIAN	MAXIMUM	MINIMUM	STANDARD DERVIATION
Return of Assets	0.0775	0.0775	0.079	0.076	0.999811113
Liquidity ratio	1.572313	1.572313	2	1	0.75
Headcount	1144.5	1144.5	1166	1123	575.25
Sustainability Report Development	38.5	38.5	73	49	19.25

The descriptive statistics of the data is shown. It can be seen that the SRD has the average of 38.5%. This value shows that on average, the SRD of the sample companies is still very low a 38.5%. ROA on average has a value of 0.0775 or 7.75% this means that the effectiveness of the use of assets in generating profits is quite good, which is already above 5%. Liquidity on average of 1.57231 or 15.7231% that the positive effect on the sustainability report disclosures.

Table 3. Results of hypothesis test:-

Variable	COEFFICIENT	Prob
SRD	0.5	0.0565
ROA	12.90078856	0.5596
CR	0.477004323	0.0556
HEADCOUNT	0.502621232	0.0563

The hypothesis test (the t-test) indicate that profitability (ROA) has a significance level of 0.5596, which is greater than 0.05 which profitability does not have significant effect on SRD, so hypothesis 1 (H1) is rejected. Furthermore, liquidity (CR) no significance effect of 0.0556, which is greater than 0.05 that liquidity has no significant effect on SRD, so Hypothesis 2 (H2) is rejected. The company headcount has no significance effect.

Discussion

The results of hypothesis test in table 3 above, shows that the influence between the independent variables on the dependent variable is as follows: Profitability (ROA) no significant effect on SRD.

The possibilities may be happened, when profitability is high, increasing the costs, may not be disclosed in the SDR. The decrease in profits, reducing social activities and focus on maximizing profits may also occur, thus causing less social and environmental information to be disclosed..

Liquidity ratio has no significant on SRD. Liquidity not affecting the practice of sustainability report disclosure because creditors focus more on financial performance than additional information on social and environmental activities through sustainability reports. The results shown that the size of the company was not affecting the SRD.

My observation is that the awakened and the born believers are mostly business leaders from India and China that with large agribusinesses and large rural areas. Leaders from Southeast Asian nations including Singapore, may not have experienced environmental degradation first-hand, but are willing to act and successful in doing so.

Case 10

Global warming and Climate are reciprocal, and they are different.

- **Climate change**

“Climate change due to the environment polluted causing the changes of temperature affecting the planet.”[105]

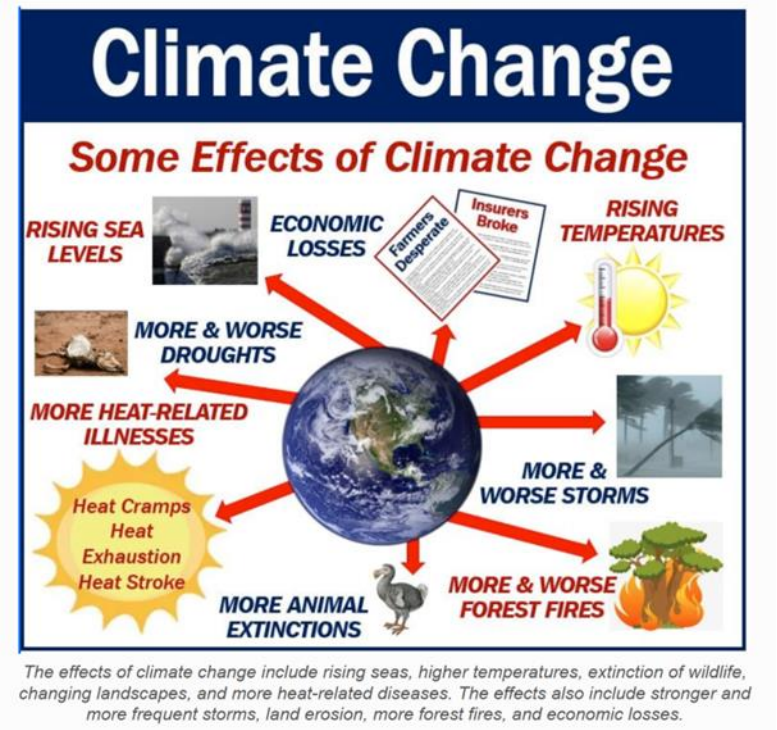
“If, on the other hand, long-term, average global temperature rose, it would be both a climate change and global warming matter.” [105]

- **Global warming**

“Global warming in the planet are affecting by the increasing of temperature.” [105]

“Generally, the global warming is intersecting climate change. However, climate change may also include declining temperatures, severe droughts, changes in weather.” [105]

“If there are increasing of hurricanes each year across the world, this is a climate change feature. Which is not classified as global warming feature, although it could be the caused of global warming.” [105]



The effects of climate change include rising seas, higher temperatures, extinction of wildlife, changing landscapes, and more heat-related diseases. The effects also include stronger and more frequent storms, land erosion, more forest fires, and economic losses.

Global warming and climate change are intersected, that encompass the rising average temperature, natural disasters, and a range of other impacts. Global average temperature had increase to 1.5 °C by 2100. The global warming is increasing four times faster than the rest of the planet, that affected reducing critical ice habitat and it disrupts the flow of the jet stream, creating more unpredictable weather. Increasing of temperature led to moisture in the atmosphere causing floods, hurricanes, and even stormy weather in snow, etc. [100]

Limitation of 1.5 degrees Celsius due to global warming to be safe from Intergovernmental Panel for Climate Change (IPCC). 195 countries had signed in the Paris agreement to set the target zero carbon by mid-21st century. [99]

“In December 2019, the European Commission presented the European Green Deal, its flagship plan that aims to make Europe climate neutral. Europe climate neutral is now into binding EU legislation through the European Climate Law.” [99]

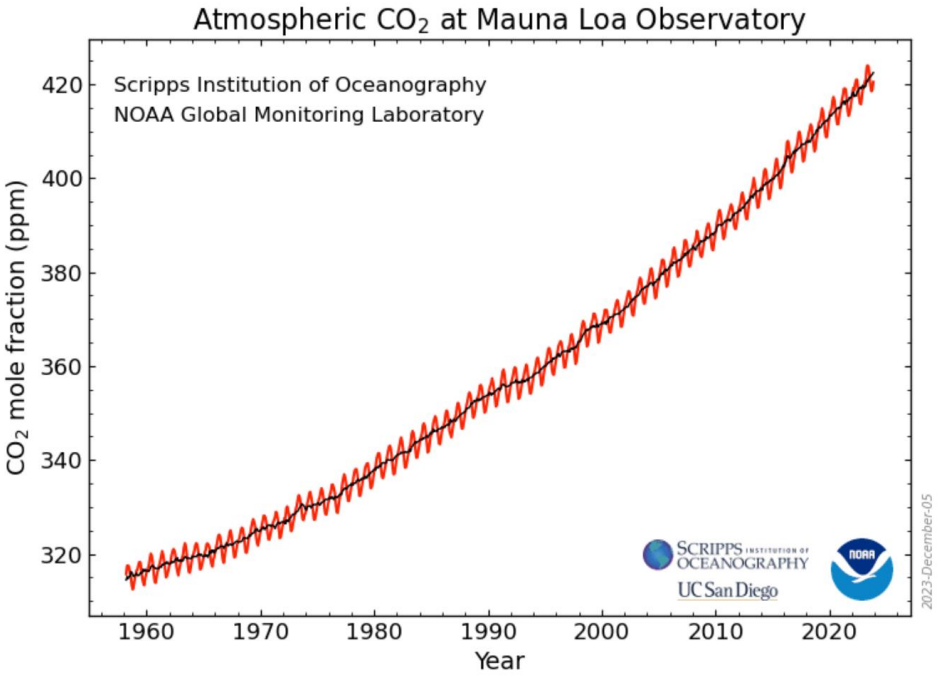
Climate change and global warming are causing many issues and problems of lifestyle, from deforestation and biodiversity loss to wastage by many factors as a role in the exacerbation of the environment. [115]

1. Global Warmings

"Year 2023 the weather temperature arose that was the hottest in the past records and carbon dioxide (CO2) levels increasing, with global average temperatures increased by 1.46 degree celsius above pre-industrial levels and 0.13 degree celsius higher than the average for year 2016, currently the warmest calendar year on record." [115]

"After being consistently around 280 parts per million (ppm) for almost 6,000 years of human civilisation, CO2 levels in the atmosphere are at the high of 420 ppm which was the highest compare to the history. National Oceanic and Atmospheric Administration (NOAA) Administrator Rick Spinrad mentioned the increment from burning fossil fuels for transportation and electricity, deforestation, agriculture and a range of material."[115]

The environment is facing the biggest problems in sun's heat, leading to global warming. [115]



Monthly mean carbon dioxide (CO2) measured at Mauna Loa Observatory, Hawaii. Image: Global Monitoring Laboratory

“Emissions of greenhouse gases affecting global temperatures, that causing catastrophic events.” [115]

“The climate crisis is flooding with occurring more intense and frequent. It is useless to cease the greenhouse gas emission now as the effect of rising temperature will continue. The immediate of invest in renewable energy sources and other sectors to look into to minimize the damages.” [115]

2. Poor Governance

“British economist Nicholas Stern and Professor Keen mentioned that the world would reach at 4°C a tipping point when the impacts of climate change become so catastrophic is too late to reverse. “This climate crisis is biggest multiple market failures in history” that remain largely true. Human polluted and putting the pressure on to the planet, and the planet taking the burden of emissions costs.” [115]

“Organization was told to look into the policy due to climate change and global warming to develop the technology in low-carbon.” [115]

Effectiveness to cut emissions immediately, governments must enforce to adopt policies causing the market failure, and the reduction of low carbon energy by increment tax, and to increase funding for green innovation. [115]

“Carbon tax is currently enforced in 27 countries around the world. 2019, OECD [150] Tax Energy Use report mentioned the current tax structures are unable to justify and adequately aligned with the pollution profile of energy sources. OECD[150] suggests that carbon taxes are insufficient to balance on coal production, although result to be effective for the electricity industry.” [115]

“United Nations Framework Convention on Climate Change (UNFCCC) mentioned that the action needed to be taken seriously from countries to reduce greenhouse gas emissions significantly due to the global temperature. ” [115]

3. Food Waste

“Food estimated are loss that contributed approximately one-quarter to greenhouse gas emissions.”[115]

“Food production contributed estimation of one-quarter of global greenhouse gas emissions. Food waste and loss occurs from the retail and consumer.” [115]

“At the retail, amount of food wasted because of health reasons; in fact, more than 50% of all produce thrown away because of the packaging to be sold to consumers, this amounts to about 60 million tons of fruits.” [115]



Food production accounts for around one-quarter – 26% – of global greenhouse gas emissions. Our World in Data

4. Biodiversity Loss

“Year 2020, WWF reported that the population sizes of wildlife experienced a decline of an average of 68% in the history.” [115]

5. Plastic Pollution

“In history record, the annual production of plastic had increased to 419 million tons and exacerbating plastic waste.” [115]



The world generates 300 million tonnes of plastic waste on average each year.

“Science journal mentioned Nature determined that currently the estimation of 14 million tons of plastic are thrown to the oceans every year, harming wildlife habitats. If we include microplastics into this, the cumulative amount of plastic in the ocean pile-up million tons by 2040.” [115]

“National Geographic reported that 91% of all plastic that has produced, is not recyclable, this is reflecting to cause more damage and problems to environmental.” [115]

6. Deforestation

Hourly there are trees cut down in forests the size of 300 football fields. The cutting of trees in the forest, and soon the planet might have leftover 10% of forest by end of year 2030. The forest may disappear in less than 100 years the continuity deforestation. [115]

“Certain countries experienced the highest levels of deforestation. The world’s largest rainforest about three million species of plants and animals are destroyed. Despite efforts to protect forest land from deforestation” [115]



The world has been chopping down 10 million hectares of trees every year to make space to grow crops and livestock, and to produce materials such as paper.

“One of environmental problem is the agriculture which is the leading cause of deforestation. Raising livestock or to plant crops for sales, such as palm oil, coconut, sugar cane, fruits.” [115]

7. Air Pollution

Air pollution is causing another problem

“Data from the World Health Organization (WHO) shown that the numbers of people die from air pollution had gone up to twice yearly.” [115]

“Year 2023, air pollution in Southeast Asia, is the most polluted areas in the world. Human life spans had been shortened due to the environment air polluted. Research is shown a series of factors, including a lack of adequate infrastructure and funding for the high levels of pollution in countries. Life lost globally due to air pollution, the air quality is not in standard measurement that causing unhealthy air to environment, all these are lacking of the development of adequate policies.” [115]

“In Europe, a recent report by the European Environment Agency (EEA) showed that more than half a million people living in the European Union died from health issues directly linked to toxic pollutants exposure in 2021.” [115]

8. Melting Ice and Sea Level Rise

“The climate crisis is creating the sea levels are rising quickly that also result of increasing temperatures on Earth, and decreasing of existing ice is melting.” [115]

“Now the biggest problem to the environment, temperature had increased compared to the past years during this summer, this had triggered the ice from Greenland to melt rapidly that loss of 60 billion tons of ice. With this loss of ice which is melting to flow to global sea that the level is rising.” [115]

At this moment, the Antarctic continent contributed estimation of 1 millimetre per year which is equal to one third of the annual global temperature to increase and sea level rise. Year 2023 data shown, the continent has lost approximately 7.5 trillion tons of ice since 1997. The Canadian Ice Service reported the global temperature increase rapidly this time, part of the reason is happening in Canada the Arctic that ice melting its area.” [115]



Antarctica has lost approximately 7.5 trillion tons of ice since 1997

9. Ocean Acidification

Global temperature rise had affect the planet, and drastically causing the ocean acidification. The ocean absorbed estimation 30% of carbon dioxide which is from the earth atmosphere. As the higher concentration of carbon emission is released that was created from human activities such as burning fossil fuels, deforestation, food wastage.

This is causing the effects of global warming and climate change and is a cycled into the sea." [115]

The ocean is getting acidity because of the pH scale and is a significant impact to the ocean. Ocean acidification has devastating affecting the marine ecosystems and species, its food webs, and provoke irreversible changes. [115]

Now the ocean is facing the problem of acidification from environmental that the coral bleaching and subsequent coral reef loss. This is a phenomenon that occurs when rising ocean temperatures disrupt the symbiotic relationship between the reefs and algae that living with, driving away the algae and causing coral reefs to lose their natural vibrant colours. Some scientists reported the coral reefs are facing the risk of being completely wiped. [115]

10. Agriculture

The global food system, part of it is the agriculture. Deforestation is to letting the space for agriculture. The world agriculture that 60% is cattle ranching, and 24% meat consumption. [115]

Agriculture needed a vast amount of land, and also consumes a vast amount from freshwater resources." [115]

Scientists and environmentalists have continuously reported that we need to revise the current food system, to develop to a more plant-based diet would dramatically reduce the carbon footprint of the conventional agriculture industry. [115]

11. Food and Water Insecurity

"Rising temperatures, climate change affecting the farming practices that lead to increasing water and food insecurity." [115]

There are more than 68 billion tonnes of soil yearly which gradually destroy and is more faster than naturally replenish. Laden with biocides and fertiliser, soil is landed in waterways where it contaminates drinking water and protected areas downstream. [115]

The problem is the soil lack of root and mycelium system that hold firmly, when the strong wind blew the soil that was also polluted the environment, and the wind stopped then the soil will be in the ocean. The soil lack of the surface nutrients (e.g. fertilizer), the internal of soil is physical destructive and prolong leads to soil compaction, loss of fertility. All these cycles occurred due to deforestation. [115]

"With the global population increasing and is expected to reach the estimation of 9 billion by mid-century, this increased will lead to the global food demand to increase estimation by 70% in year 2050. Now the another problem arise is 820 million people in global have sufficient food to consume. 115]

The UN secretary-general António Guterres mentioned immediate action must be taken due to the global warming and climate change that causing problems everywhere and global food security emergency will impact the world to survive. Food system to be reviewed globally and encourage the sustainability of farming practice immediately. [115]

Water is important the planet. Water security is another issue that only one third of water is freshwater, and two third is tucked away in frozen glaciers or unavailable for the usage. All these will result that lack of access water to billion of people worldwide and some will face the water shortage. [115]

12. Fast Fashion and Textile Waste

Fashion and clothing had seen in the demand globally. The rising of fashion that contributed 10% of carbon emission to environment by the fashion industry. Fashion production is gradually added the pressure to greenhouse gas emission, Both the aviation and shipping sectors combined with fashion production, contributed 20% of global wastewater, or estimation of 93 billion cubic metres from textile dyeing. [115]



Of the 100 billion garments produced each year, 92 million tonnes end up in landfills.

“While these are some of the biggest environmental problems plaguing our planet, there are many more that have not been mentioned, including overfishing, urban sprawl, toxic superfund sites and land.” [115]

13. Fishing

“Over three billion people around the world rely on fish as their primary source of food comsumption.” [115]

“Most people consume approximately twice as much food as they did 50 years ago and there are four times as many people on earth.” [115]

“Overfishing comes with detrimental effects on the environment, including increased algae in the water, destruction of fishing communities, ocean littering as well as extremely high rates of biodiversity.” [115]

14. Cobalt Mining

“Cobalt mining, however, is associated with dangerous workers’ exploitation and other serious environmental.” [115]

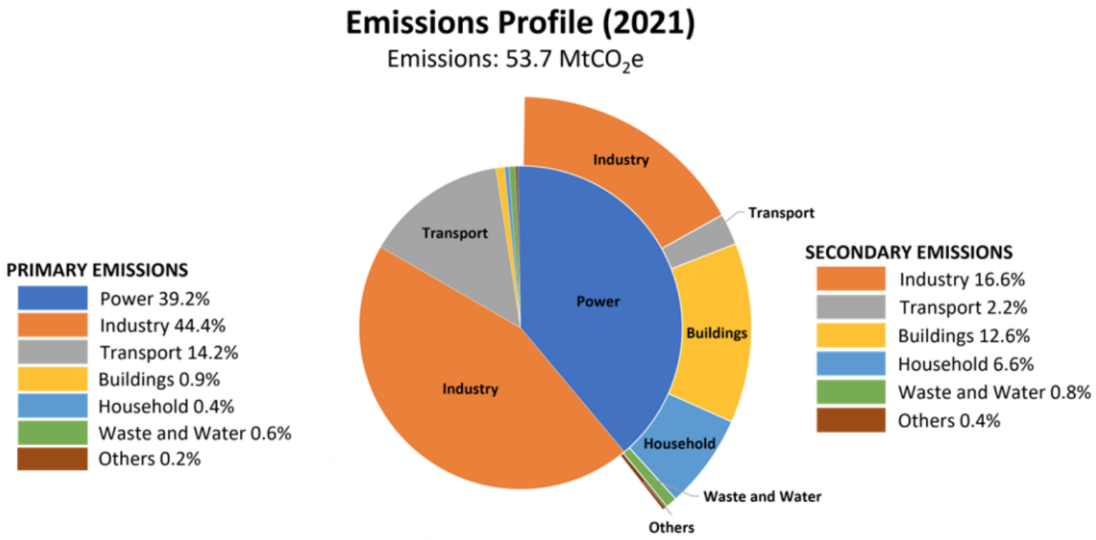
15. Soil Degradation

The United Nations mentioned about planet's soil is degraded estimation of two fifith (2/5). Soil degradation is losing the natural fertility organic, that affect the changes in its structural condition." [115]

Globally total of 155 countries/territories in terms of CO2 emissions per capita in 2021, Singapore ranked 21st having the highest per capita emissions.

Alert of climate change is now a challenge requires global to response to act challenges and constraints. Singapore is facing difficulties without Greenland and limited resources, full of building as a city state, but are committed to contribute to fight against climate.

Emissions Profile



The emissions profile above excludes estimated hydrofluorocarbons (HFCs) emissions of around 4.0 $MtCO_2e$ from the Refrigeration and Air-conditioning (RAC) sector in 2021. When more robust estimates are established, the national emissions profile will be updated in accordance with the United Nations Framework Convention on Climate Change (UNFCCC) and Intergovernmental Panel on Climate Change (IPCC) guidelines on continual improvement of national GHG inventories.

"Singapore performs well in terms of carbon intensity globally (136th of 155 countries/territories for CO2 emissions per dollar GDP PPP in 2021, with the 1st having the highest carbon intensity)." [117]

“In the eye of environment, paper production contributed to the environment of deforestation, usage of enormous amounts of energy and water as well as air pollution and waste.” [103]

“The environmental effects of paper production include deforestation, the use of enormous amounts of energy and water as well as air pollution.” [103]

1 kilo of paper needs 2-3 times its weight in trees. Top 3 countries produced paper between 200 and 250 kilos of paper every year countries.
China 117,000,000 tons
United States 66,000,000 tons
Japan 23,000,000 tons

“Paper comes from Tree. In this century, the information technology is advancing the process of work to be done, worldwide is looking into the paperless. It is going to take time to get rid the habit the usage of paper.” [103]

“From our newspapers to our paper wrappings, paper is still everywhere and most of them are ending up in our landfills.” [103]

“To produce paper takes twice the energy used to produce a plastic bag. Everything takes energy to produce.” [103]

“Facts about Paper and Paper Waste”: - [103]

- **“minimum 199 tons of paper has already been produced (paper production in 15 seconds).” [103]**
- **“2,700 liters of water is used to make 1 tonne of paper (average for the European industry).” [103]**
- **“1 sheet of paper requires 2 to 13 liters of water (depending on the mill).” [103]**
- **“93% of paper produced from tree.” [103]**
- **“50% of waste from organization.” [103]**
- **“Packaging contributed to the trash.” [103]**
- **Paper estimated of 26% of landfill waste and 33% of municipal waste.” [103]**

“Paper Waste, deforestation is the primary effect of our mindless use of paper.” [103]

“Paper waste is polluted the environment that causing the climate change. In 2020, estimated producing 500,000,000 tons of paper and paperboard annually.” [103]

“For the past 4.5 billion years, Earth has gone through many ice ages and periods of tropical climate. Since the Industrial Revolution, average temperatures have risen marginally.” [105]

“According to Britain’s Met Office, atmospheric carbon dioxide levels have risen. This is an unprecedented rise in at least 800,000 years.”]105]

“There is warming throughout the entire climate system, which is known as global warming.” [105]

Paper Statistics 2023:
Paper usage in number is staggering, and there is report showing the highest usage of paper is United States in worldwide. Yearly the record showing over 24 billion newspapers, 350 million magazines, that accounting for 4% of all the world’s energy use.” [119]
2023 General Statistics and Facts About Paper (Consumption & Production)
Global paper use paper products in the US reached 208 million exceed 300 million metric tons per year.

“Global Paper Consumption Statistics” [119]

Year	**Paper Consumption in (million metric tons)**
2010	**250**
2015	**275**
2020	**300**
2025	**325 (Projected)**

The Global warming and climate change had impact the environment and ocean temperature rising, and sea level to rise, reduction of ice started to melt which flowing to the sea, and increasing of the concentration of greenhouse gas. [106]

The world is concentrating the earning for organization especially the paper industry that reporting the production had reach the level of more than $400 billion. In United States had reported the highest business was the leading of producer and consumer of paper. Paper industry is the 4th largest had contributed to the greenhouse gas, and the worst is most of produced unable to recycle. As paper and paperboard packaging continue to involve the packaging materials market, estimation of 38% of the share the need with no choice, but giving a details thought that the sea level is rising and soon the world will face the drowning in the sea. Over 400 million metric tons of paper produced annually, paper and paperboard consumption figure of 150 kilograms. [106]

"Paper Usage in Offices calculating in average": - [106]

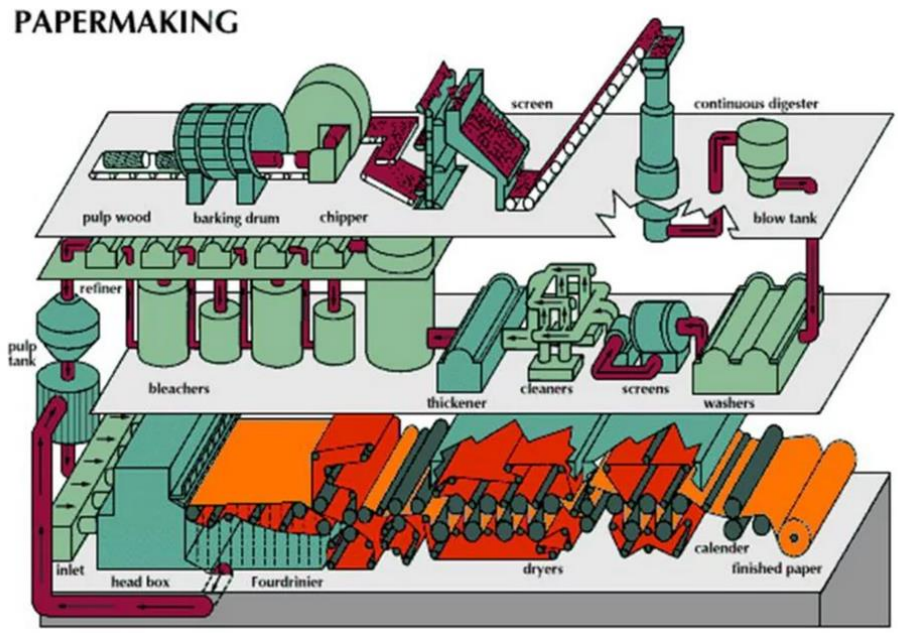
- **"Globally, usage 10,000 sheets of paper per year." [106]**
- **"Reported average office worker uses 10,000 sheets of paper each year." [106]**
- **"1.5 pounds of paper usage daily." [106]**

Paper usage in different settings

- **The average office worker uses 10,000 sheets of paper per year.**
- **The average student will use about 26,000 sheets of paper**
- **an average of 50 pages an hour. A single lawyer can generate 20,000 to 10,000 printed pages per year for legal documents**
- **Education - A school uses an average of 2,000 sheets per day, giving you 320,000 pages when you compute an annual number.**

"To produce the standard A4 paper of 8,333 sheets is average of a single tree estimate 40 feet tall and 6-8 inches in diameter." [109]

Tree Type	Average Paper Yield
Pine	80,500 sheets
Oak	60,300 sheets
Spruce	75,200 sheets



“Understanding the relationship between tree size and paper yield, and how our paper consumption impacts the environment.” [109]

“Average Paper from a Tree: 10,000 sheets from a standard pine tree.” [109]



“In an average office, the annual paper consumption is equivalent to one tree.” [109]

“Specifically, it takes 15 trees to produce coated magazine paper and 12 trees for newspaper production.” [109]

“Paper usage has grown by an astonishing 400% in the last 40 years.” [109]

Estimated two million trees being cut down daily, total of four billion trees annually.

Refer: [110]

“Office printing statistics showing the numbers were increase very fast which mean the wastage at the same time is occurring.” [110]

“1. A survey uncovered a generational that revenue in the US printing industry was expected to decrease by 14.4% in 2020, owing to the COVID-19 pandemic.” [110]

“2. Business is growing number of magazines, newspapers, book publishers, and databases.” [110]

“3. An average employee or worker prints 10,000 pages in a year.” [110]
“This typically amounts to 27 pages every day. 17% of these papers are not used at all. Additionally, 10,000 printed had increased by 21%. [110]

“4. The third biggest business expense after rent and payroll (and other business utilities) is printing.” [110]

“Printing costs can’t find their way into the document storage, and 3% of all the papers are misplaced in files.” [110]

“Sixty-five percent of the documents that are printed are not used the same day, according to a study by the National Association of Office Workers.” [110]

“5. Annual 100 pounds of waste generated by laser printers.” [110]
“6. 10-30% of potential savings are missed while ignoring printing costs.” [110]
“Almost 30% of companies concentrate on their financial waste and adopt print management solutions to reduce the waste generated by print.” [110]

“7. Every one copy now requires four prints.” [110]
“8. Gap Intelligence reports 60,000+ different supplies.” [110]
“9. Xerox manages 2 billion monthly for the printing usage.” [110]

“10. The reduction as following: -

“25-60% reduction in hardware costs” [110]

“10-15% reduction in the output waste” [110]

Using the above research: -

Paper Usage calculating in average in Office: -

- **Usage 10,000 sheets of paper per employees per year**
- **Weight of usage 547.5 pounds that 21% is wastage**
- **Total 180 pounds of paper each year.**

Refer SGX Second Half FY2024 Results SGX Group Financial Results / https://investorrelations.sgx.com/static-files/

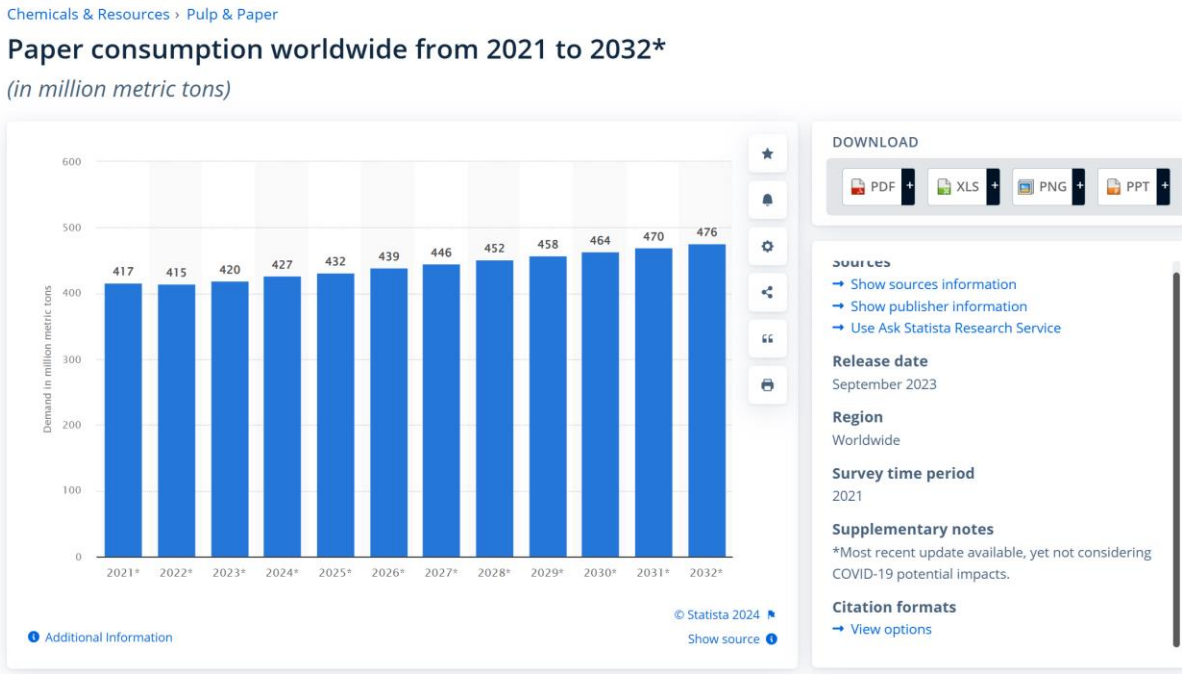
	2024	2023	Remarks
Net profit	**316,220**	**285,935**	**refer to SGX page 11 of 27 , Point 7**
Total assets	**3,984,962**	**3,781,339**	**refer to SGX page 13 of 27 , Point 9**
Return of Assets (ROA)	**0.079**	**0.076**	
Current Assets	**2,247,017**	**2,179,476**	**refer to SGX page 13 of 27 , Point 9**
Current Liabilities	**1,238,479**	**1,638,347**	**refer to SGX page 13 of 27 , Point 9**
Liquidity Ratio	**2**	**1**	
Company Size	**1166**	**1123**	**refer to SGX page 5 of 27**
SRD	**73**	**49**	**e6c33418-2bd2-43cd-ba0e-c38ce0529838 (sgx.com)**

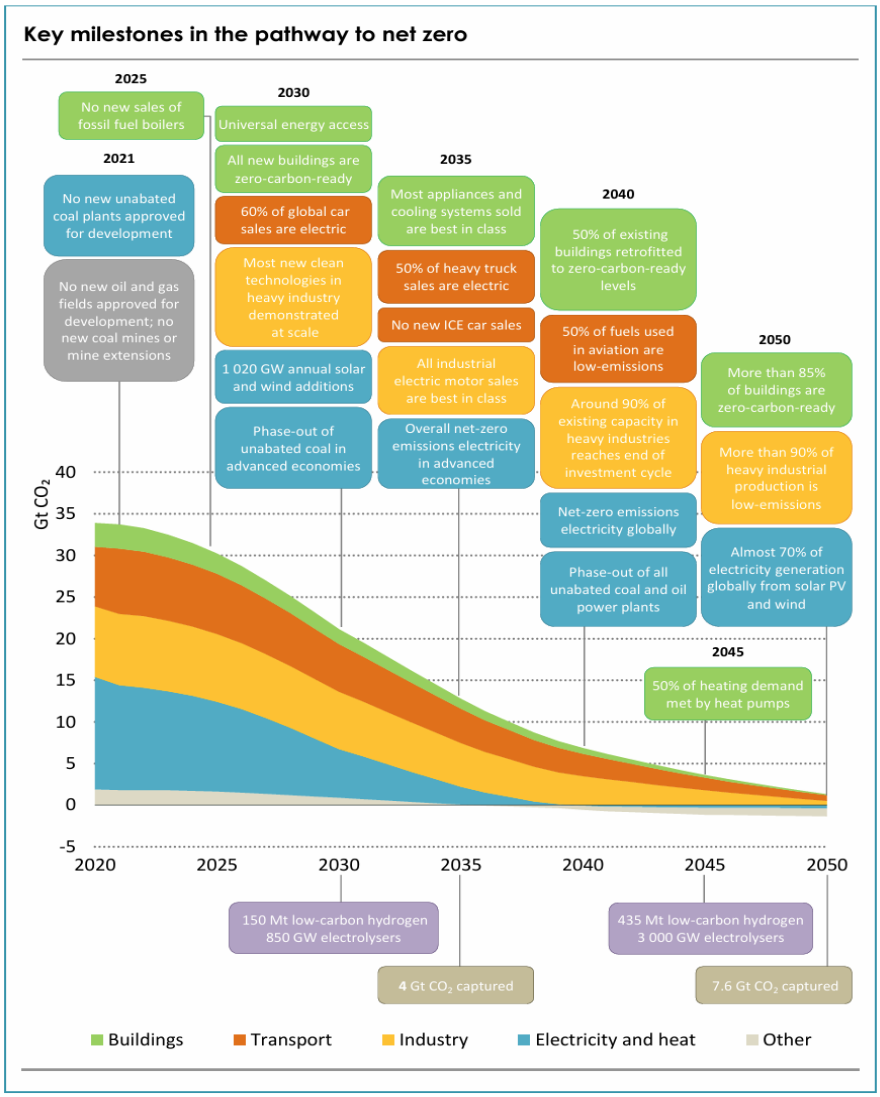
“Printing of 10,000 equal to 30 reams of paper or 150 bounds of paper. If each employee printed just one less page per day, that would save over 9,000 sheets of paper per person per year. In terms of trees, that would be the savings of approximately 45 trees per person per year.” [110]

	Year 2024	**Year 2023**
Company Size	**1166**	**1123**
10,000 pages per employee	**11,660,000**	**11.230.000**
$725 per 10,000 pages	**$845,350**	**$814,175**
Total trees	**52,470**	**50,535**

Compare the previous hypothesis, and from the above information, how many trees had destroyed, how much cost can be saved by reducing the usage of paper.

In the eye of environment, paper contributed almost 13/50 total waste at landfills. [103]





"EVs leaps from 160 gigawatt hours (GWh) today to 6 600 GWh in 2030 – the equivalent of adding almost 20 gigafactories each year for the next ten years. And the required roll-out of hydrogen and CCUS after 2030 means laying the groundwork now: annual investment in CO2 pipelines and hydrogen enabling infrastructure increases from USD 1 billion today to around USD 40 billion in 2030." [114]

Conclusion

“Global businesses are moving to digitalized world, the concept of paperless environment to save the earth. Currently, most of the industries in education, corporate, food business, etc., have been depending on the printing industry to get the needful to our development. As the earth is badly polluted causing the global warming and climate change, the advancement in technology is developed to able to save the earth in paperless. Educational material from textbook to digital, office contract documents to digital, other business to reduce the stationery to digital, and digital had establish net zero carbon footprint in the market.” [124]

Paper in productivity and profits: -
“In Forbes, managing paper was costly and wastage of $8 billion in United States yearly.” [131]

Technology had program management software enable to manage the documents in the system instead of hardcopy, is more efficiency and productivity that reduce the cost of handling documents. There have been proven majority of companies developed the digital workflow more simplifies work.” [124]

Digital in workplace increased efficiency and effective in manhour. Benefit of paperless which most organizations would like to develop digital. The benefits of going paperless are obvious, and most organizations want to convert to digital technology. There is always hesitation from organization, to develop digitalize to transform from document in hardcopy, that may be long process or complication due to lack of the knowledge. [124]

The following for smooth transition:

1. Organizing the files, before the digital documents proceed. Templates file to create for the recording to easy accessing. [124]

2. Existing files to convert from hardcopy to softcopy by scanning into system for safekeeping. [124]

Now we should ask ourselves, Is the world prepare to go paperless printing? Or future entirely paperless? Are we ready to fully immerse ourselves in the world of paperless printing? Absolutely is No.

Office print is the core of business transformation by year 2025 and is not paperless but is to reduce paper known as paper lite. Business printing has been very normal and common in the past, recent years is reducing within internal and external of an organization. Now business printing promoting the recycle paper to less cost and less waste for better environment.

Query is: how many of organizations will participate with this evolution and started implementing the new processes? Well, not all of us. In the market showing the numbers that have gathered from the research, there is still a gap to be bridged between businesses and paperless and office printing.

Employee Habits and Their Financial Impact
Employees are not taking the printing paper which is an issue that caused the environment and cost to organization. A survey was done that 1 in 4 support cases and tickets are printing related. There are 15% of organizations are escalating to provide the first level of support, affecting the cost per ticket. The average Information Technology team spends at least 15% of their time responding to printing-related tasks. [118]

Behavioural Economics and Workforce Management
Understanding the behavioural economics in terms of printing, to able enlighten the awareness of the impact of paper wastage, and also ineffective work involving more manhour.

Excessive Printing caused badly to Environmental
Financial costs are a concern in an organization in terms of cashflow, the environmental impact of excessive printing is affecting the environment seriously in global warming and climate change. Production and disposal of paper contributed to deforestation and an increased carbon footprint.

Printing Costs
Printing is still required in certain business operations in regards to regulations involved. As for internal documents and marketing materials, others are trying to minimize it by using digital. Nowadays people are revealing the business managing but forgotten the cost to able reduce to save the earth is printing costs.

Percentage of Companies Not Tracking Costs

There were some survey done in the market, 90% of companies do not monitor the printing costs incurred that involved in ink, toner, and paper, all these are the costs to the company.

Document Costs as a Share of Revenue

In the market survey, the cost of printing relates to others cost incurred, are 5% to 15% of a company's annual revenue. Since the cost of printing is reflecting the burden to organization in financial, the task to develop digital is more positive to management.

Additional Insights

Lack of tracking in expenses can lead to financial waste, affecting the company's bottom line.

Information Technology Department Involvement: An average Information Technology department spends 15% of its time on printing issues, which is a hidden cost many organizations overlook MarcoNet.com.

Industry-Specific Printing Costs

The printing industry is slowly to shrink in the market. And slowly will decline usage of print and documents in future. Currently, the approach is printing and printer consumables to reduce the operating costs and to bring down the usage of paper will contribute to environment greener.

A smart and intelligent print management had a solution which is the only way for an organizations in the print strategy to save money and more effective. After all, by 2025, we will seamlessly integrate office print into the business with the latest and best automation tools.

Compliance is to be monitored as a continuously, which is included in an organizational process to act proactively. Compliance and risk are interlinked, that organizations should consider develop the governance, risk management and compliance (GRC) program.

The security in the company was for organisation and not knowing the organisation goal. The organisation goal needs the employees to get more candidates for the market job vacancies which will increase the sales target. Cyber security was not done completely details as the business was most of time on the phone and all the updates of

the scam and even news to the staffs to alert them and to setup some security in the phone system not only the computer. I believe if the communication was good enough, and the risk management and compliance should link together to safeguard internal operation. After this instance, this colleague started to change her behaviour during office hours to low morale and attitude, slowly she was asked to resign due to her poor performance.

“Important to know:” [127]

- **“Protect your business” [127]**
- **“return on investment could be significant, helping you avoid waste, fraud, abuse, discrimination, and other practices that disrupt operations and put your company at risk” [127]**
- **“improves communication between leadership and staff.. company may miss out new regulations OR AWARE importance, and you cannot held responsible for rules and regulations” [127]**
- **“managing risk and reassessment” [127]**
- **“event that your organization faces a lawsuit, the corporate compliance program may able to present in court” [127]**
- **“In the report from Rutgers School of Law mentioned, an organization that has made a robust effort to prevent and detect violations of the law by its employees and others acting for it will be served in court to fulfil the process than one that was indifferent to complying with the law.” [127]**
- **“recognize and report illegal” [127]**
- **“Maintaining compliance to achieve goals and grow faster as you do not have unnecessary obstruction” [127]**

Organization’s leaders to develop effective risk management frameworks. Delegation of the responsible to all the head of department to complete the standard set in the effective risk management frameworks, and the accountability the outcome still fall to leaders. Leaders must communicate the importance of operating an effective framework and support this operation through their own performance.

“Businesses are required to conduct anti-money laundering risk assessments of Money Laundering, Terrorist Financing and Transfer of Funds.” [126]

“Optimistic view, risk assessment could help a business to:” [126]

- **“use a risk-based approach to identifying and preventing money laundering” [126]**
- **“understand the risks associated with various business relationships and commercial activities” [126]**
- **“create policies, procedures, and controls that actively reduce the risk of financial crime” [126]**
- **“make more informed decisions about employees and clients” [126]**
- **“identify transactions and relationships that involve an at-risk or sanctioned country” [126]**
- **“Evaluate risk reduction measures” [126]**

Ultimately, an AML checks risk assessment assist the businesses to minimize the risk of money laundering and terrorist financing. It plays a crucial role in meeting regulatory requirements for ongoing customer due diligence.

Research has found that senior leaders believe their organizations’ investment in traditional talent development programs fails to develop the organizational skills and capabilities their organization requires. (Moldoveanu & Narayandas 2019) [169]

- **While financial analysis and strategy development are critical skills for managers, it is the ability to combine these skills with interpersonal skills (communication, persuasion and collaboration skills) that distinguishes the successful leaders of present and future organizations.**
- **Individuals and organizations need to focus on development that:**
  - **teaches people effective interpersonal skills**
  - **integrates interpersonal skills with technical skills**
- **teaches and enables individuals to apply this ‘classroom’ development to the real world — to the work they do (Moldoveanu and Narayandas 2019) [169]**
- **Moldoveanu and Narayandas suggested that customizable learning that can be accessed from within the organization (including online access) supported by interactivity and online social platforms/discussion groups may help effectively address the gap between the acquisition of skills and the application of those skills. (ongoing)**

- **Designing learning materials in a granular, modular and easily consumable format, and combining them with robust assessment of learning outcomes, supports this approach.**
- **An array of 'micro credentials', based on carefully curated modular content, may then replace traditional qualifications such as the multi-year MBA as the most desirable development approach for individuals and organizations.**
- **Complementing the approach described above with personal coaching and tuition for the development of the most affective aspects of leadership, communication and motivation provides for a comprehensive approach.**
- **This coaching and tuition can take place face-to-face or online taking advantage of sophisticated technologies such as eye-tracking and facial expression analysis in order to overcome the limitations that have until now constrained tele-coaching.**

Formal leadership development is highly valuable to aspiring and practicing leaders and managers.

- **Informal approaches to development are important and offer ways to network and to stay abreast of developments in a more immediate way than formal development programs allow.**
- **Hoffman, Yeh and Casnocha (2019) [170] emphasized the importance for leaders to learn from interactions and one-on-one discussions with members of their professional networks.**
- **They refer to the collective knowledge of these networks of people as network intelligence.**
- **Not only the most conventionally successful people in a person's network that can help a person develop; everyone has experiences and perspectives that help build understanding.**
- **An organizational leader or a person with ambitions to take on informal or formal leadership roles should as much as possible ensure they interact with, ask questions or and listen to people throughout their organization and organization in their business ecosystem.**
- **will build a true understanding of how the organization works and how the people in it relate to each other and the organization's vision, values and strategy.**
- **encourage two-way communication, promoting the role of network intelligence and knowledge sharing at all levels of the organization.**

- **Learning from network intelligence is not a substitute for learning from formal education, but nor does formal education provide the everyday development and building of knowledge and skills that is available from interactions with other people.**

In short, organizational values are about having an effective organizational structure, organizational processes and culture, and understanding the changes in business environment that affect the organization.



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"Most people who wear a gimmick sell a gimmick." Yes. That's generally true in day to day stuff as well. Anyone "peacocking" always sends up yellow flags. Ignore them at your own peril.

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- YouTube - FTX Disaster - 7 Unbelievable Bankruptcy Discoveries
- A complete failure of corporate control
- No proper records and documents, records often deleted
- Poor cash management
- FTX never had board meeting
"And people literally, literally were turning a blind eye to it when you look at the people that were with him."
Duffy claimed a former executive of the Commodity Futures Trading Commission (CTFC) was closely aligned with Bankman-Fried, and that a former top congressional Republican was tied to him in a consulting-related manner.
Duffy later added that another premonition of his came true in regard to Bankman-Fried — and that it was not one he hoped would.
Bankman-Fried had been portrait himself very good, and people tend to trust him, no details of research was done.

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Accounting boards, bodies, organisations and legislation

Frameworks		
Abbreviation	***Key Term / Concept***	***Definition / Description***
AASB	**Australian Accounting Standard Board**	**Develops accounting standards, Reports to FRC** **To develop a conceptual framework for the purpose of evaluating proposed accounting standard and international standards** **>>**
AUASB	**Auditing and Assurance Standards Board**	**Develops auditing standards, Reports to FRC** **Responsible for monitoring and maintaining auditing and assurance standards** **>>**
APESB	**Accounting Professional and Ethical Standards Board**	**• Sets accounting professional standards.** **• Established on 4 Nov 2005 by CPA Au and CAANZ (previously ICAA) ; CPA, CAANZ and IPA (previously Nat'l Institute of Accountants) are all members of APESB.** **• Comprises : Technical board (8 members, 2 from CPA AU) and a secretariat. Reps from public sector, corporate sector, audit profession, academia & general public** **>>**
APESB 320	**Quality Control for firms**	**Sets out rules and quality control for accounting firm - Page 36 book** **>>**
ASIC	**Australian Securities & investments Commission**	
ASX	**Australian Securities Exchange**	

ASA	**Australian Shareholders' Associations**	**Striving for improvements in the corporate governance >>**
APRA	**Australian Prudential Regulation Authority**	
ACNC	**Australian Charities and Not-for-Profits Commission**	
Blue Book	**Blue Book (IFSA 2009)**	**Provides a strong self regulatory approach for Australian financial sector >>**
Cwlth	**Cooperate Law as in Australian Corporations Act2001**	**Framework of regulations within which companies must operates * Defines company directors' duties and reporting obligations at the annual meeting of shareholders * Sets out the rights of shareholders relative to creditors and other stakeholders * Considers corporation as a separate legal person or the purpose of the law - Autonomous entity * Limited liability * Freedom to directors to govern by pursuing the best interest of the corporation >>**
CAMAC 2009	**Corporations and Markets Advisory Committee**	**Reported on Diversity on boards of directors >>**
CAMAC 2011	**Corporations and Markets Advisory Committee**	**A board-ranging report into executive remuneration in Australia >>**
CalPERS	**California Public Employees' Retirement System**	**Extremely large institutional investors that invest the pension funds and health benefit**

		for Californian public employee. **>>**
Cadbury	**Cadbury Committee**	**established by London Stock Change with accountants, industry and financial professionals** **>>**
COSO	**The Committee of Sponsoring Organisations of the Treadway Commission**	**Sponsor the National Commission on Fraudulent Financial Reporting** **>>**
EPAs	**Environmental Protection Agencies**	**Focus on Environment**
ERF	**Emission Reduction Fund**	**Australian Government 2015 provided incentive for businesses across the economy to reduce emissions** **>>**
FCA	**Federal Court of Australia**	
FTSE 350	**FTSE 350 companies**	**Largest companies listed on London Stock Exchange** **>>**
FSB	**Financial Stability Board**	**Established under the auspices of G20nations.** **Published "Principles for sound compensation practice** **>>**
FRC	**Financial Reporting Council**	**Direct responsible for monitoring the effectiveness of auditors' independence** **>>**
GN1	**Guidance Statement**	**Issues by the Institute of Chartered Accountant in Australia and CPA** **For the assistance of members in business and are advisory**

IFAC	**International Federation of Accountants**	**Issued the code of ethics for professional accountant 2015** **Responsible for ethical issues** **Issued standard requirements for ongoing professional development** **>>**
IESBA	**International Ethics Standards Board for Accountants**	**Develop and issues the Code of Ethics for Professional Accountants** **>>**
ICAEW	**The Institute of Chartered Accountant in England and Wales**	**Developed a framework for reporting with integrity** **>>**
IntOSAI	**International Organisation of Supreme Audit Institution**	
IFSA	**Investment and Financial Services Association**	
ISC	**Institutional Shareholders' Committee**	**Renamed IIC (Institutional Investors Committee** **Brings large institutional investors together to exchange views and coordinate activities to improve corporate governance and investment landscape** **>>**
IPCC	**Intergovernmental Panel on Climate Changes**	**Produced detailed methodological guidance for reporting on greenhouse gas emission** **>>**
NGER Act	**National Greenhouse and Energy Reporting 2007**	**National framework for reporting and dissemination of information about greenhouse emission, greenhouse gas project and energy use** **In Australia, Large businesses has thresholds**

		on their emission and greenhouse gas >>
NASDAQ	**National Association of Securities Dealers Automated Quotations**	
NZSA	**New Zealand Shareholders' Association**	
OECD	**Organisation of Economic Co-operation and Development**	**Focus on Economic >>**
OPEC	**Organisation of Petroleum Exporting Countries**	
PAIB	**Professional Accountants in Business Committee**	**Provides Leadership & guidance to accountant in business sectors >>**
RBA	**the Reserve Bank of Australia**	**Body corporate charged by Australian GovernmentEnsures:• monetary and banking policy of the bank is directed to the greatest advantage of the people of Australia• stability of the currency of Australia• Maintenance of full employment• economic prosperity • welfare of the people of Australia>>**
RIAA	**Responsible Investment Association Australasia**	**Responsible investment annual survey**
SFASS	**Statement of Financial Advisory Service Standard**	**ASP 12 : has to followed by financial advisors >>**
SRI	**Social Reporting Investing**	**In Australia**
UNEP	**United Nation Environmental Programme**	**Focus on Environment >>**

UNFCCC	**United Nations Framework Convention on Climate Change**	**The UNFCCC established an institutional framework at the international level within which countries were to begin reducing emissions (known as 'mitigation') and adapting to the effects of climate change (known as 'adaptation').** **>>**
WACOSS	**Western Australia Council of Social Services**	**Developed a Social Sustainability Assessment Framework in September 2008** **Educational tool that enables organisations to understand how services and programs contribute to social sustainability by facilitating discussion and enhancing the understanding and awareness of a project.** **• 5 Principles : equity , diversity , quality of life, inter-connecters, democracy and governance** **>>**
WTO	**the World Trade Organisation**	**Focus on Economic** **>>**