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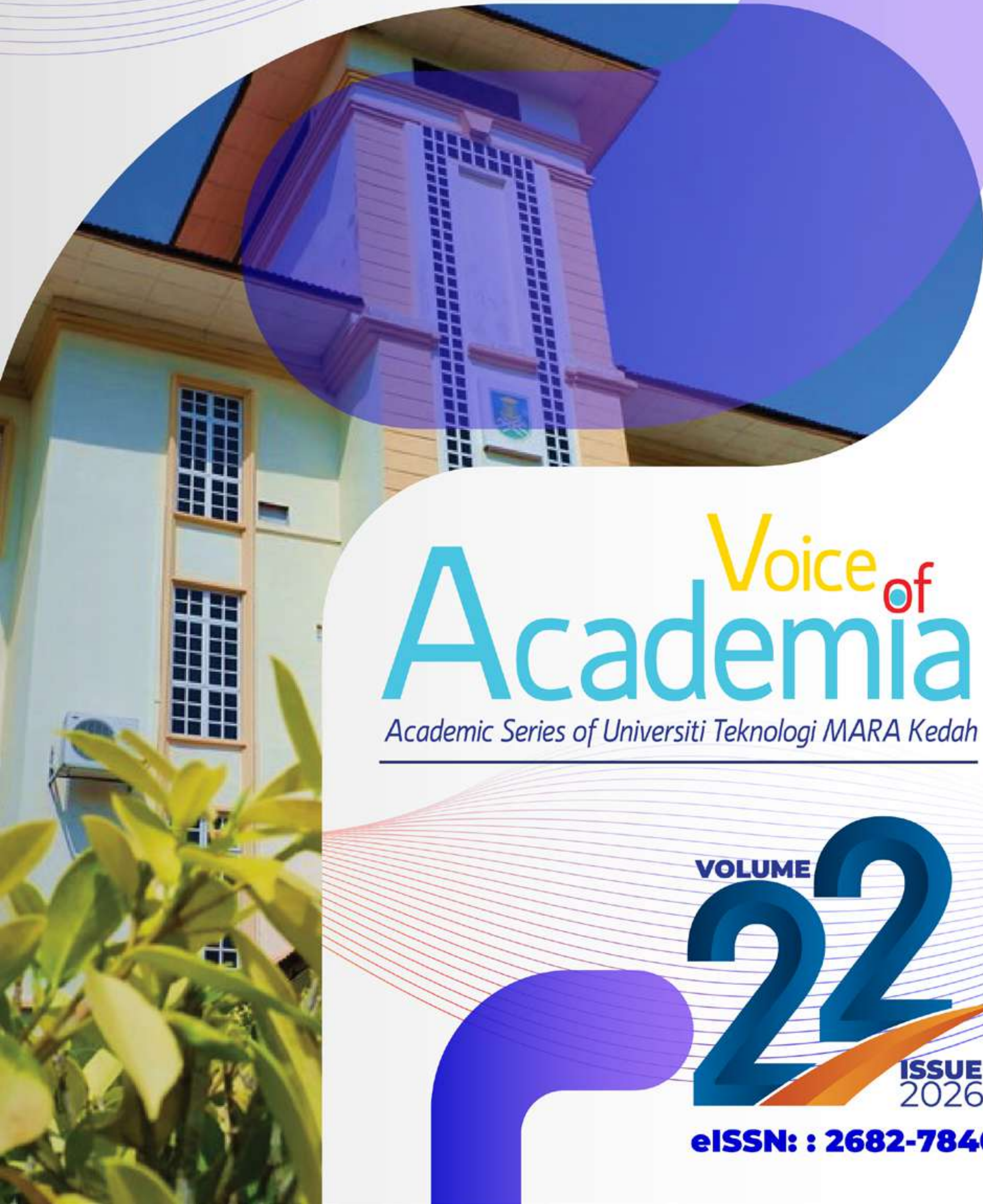

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Voice of Academia

Disclosure Of Corporate Risk Information: Evidence From Award-Winning Organizations In Malaysia

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ABSTRACT

Global crises heighten information asymmetry and intensify stakeholders' demand for decision-useful corporate risk disclosures. This study examines how Malaysian award-winning firms communicate corporate risk information by analysing the annual reports of publicly listed companies that won the 2021 National Annual Corporate Report Awards (NACRA). Using content analysis, we apply a 134-item Modified Corporate Risk Disclosure Index (MoCorDi), developed by integrating prior risk-disclosure indices with NACRA reporting criteria and grounded in the resource-based view. The results indicate that, on average, the sample discloses 83 of the 134 risk items (62%), suggesting that even firms recognised for reporting excellence provide only moderate coverage of risk information. The findings provide a benchmark for boards and preparers to strengthen the completeness and consistency of risk reporting, and offer evidence that can assist regulators and policymakers (e.g., the Securities Commission Malaysia) in refining guidance aimed at improving corporate preparedness for future pandemics and other systemic disruptions. MoCorDi also offers a practical tool for monitoring risk-disclosure practices across firms, sectors, and over time.

1. Introduction

Key organisations such as Bursa Malaysia, the Malaysian Institute of Accountants (MIA), and the Malaysian Institute of Certified Public Accountants (MICPA) partnered in 1990 to develop the National Annual Corporate Report Awards (NACRA), building on the earlier Malaysian Corporate Report Awards

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(MACRA) from 1985 and the National Annual Report Awards (NARA) from 1988 forming this distinguished programme (Joseph, 2010; MICPA, 2025). NACRA aims to promote excellence in corporate reporting and improve the quality, transparency, and accountability of annual reports among Malaysian firms (MIA, 2025). Research indicates that higher reporting quality and transparency in annual reports are positively associated with better stakeholder trust and improved perceptions of governance practices in Malaysia (Ibrahim et al., 2013; Manoharan et al., 2024). Studies of Malaysian PLCs show that enhanced disclosure, including financial, non-financial, and governance information, contributes to greater investor confidence and corporate reputation, underscoring the objectives of NACRA to strengthen corporate governance nationwide (Manoharan et al., 2024; Yusuf & Joseph, 2025).

Two primary criteria were used to determine whether award-winning companies had published high-quality corporate reports. The primary objectives of NACRA are to "encourage and recognize excellence in the presentation of financial and corporate information" and to "raise the bar for quality corporate reporting" (MICPA, 2021, p. 3). In addition, the eligibility and assessment criteria reflect key reporting qualities, including timeliness, relevance, faithful representation, comparability, understandability, materiality, accuracy, balance, and clarity. These qualities form the basis of corporate reporting, as outlined in established frameworks such as the Malaysian Accounting Standards Board's Conceptual Framework for Financial Reporting (MASB, 2018), the International Integrated Reporting Council's International Framework (IIRC, 2021), and the Global Reporting Initiative Standards (GRI, 2020).

To remain competitive in today's evolving business environment, NACRA regularly revises its guidelines. These revisions align annual reporting with global best practices and evolving stakeholder expectations, thereby helping Malaysian companies maintain international competitiveness. Although NACRA's primary objective is to promote high standards and accountability in corporate reporting, the 2020 edition introduced significant changes. Most notably, it implemented a new framework that classifies participants by market capitalization. This adjustment promotes more inclusive recognition through fairer evaluation of listed companies and creating a separate category for non-listed entities.

The COVID-19 pandemic had a major impact on Malaysia's economy and underscored the value of clear and thorough corporate reporting, as economic uncertainty increased demand for high-quality disclosures to support investor decision-making. During times of crisis, stakeholders such as investors and shareholders require accurate insights into a company's financial health, risks, and future outlook, making transparent reporting essential for well-informed decisions under uncertainty (Abd Rahman & Mohamad, 2023; Jamil & Hashim, 2021).

Supported by the Resource-Based View Theory (RBVT), the MoCorDi views corporate disclosures as reflections of a company's internal strengths and capabilities. It evaluates whether companies explain how they manage and safeguard these resources during times of risk, across areas such as finance, operations, empowerment, and strategy. RBVT suggests that these risk types represent weak points in valuable and hard-to-imitate resources. Furthermore, when companies provide more detailed disclosures, this signals better resource management and a stronger ability to maintain a competitive edge over time.

NACRA plays a crucial role in advancing best practices in corporate reporting by motivating companies to uphold strong transparency and accountability, while remaining responsive to market developments and growing stakeholder demands. This role becomes even more vital during times of crisis, when stakeholders depend on prompt and clear updates on business performance, uncertainty, and management responses. By formally acknowledging outstanding reporting, NACRA boosts the trustworthiness of corporate disclosures and strengthens the integrity of Malaysia's reporting environment, ultimately reinforcing investor confidence and corporate stability (Healy & Palepu, 2001; Linsley & Shrives, 2006).

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This emphasis is consistent with accounting research that highlights the value of risk disclosure in helping stakeholders assess a company's risk exposure, value, and long-term potential (Abraham et al., 2012; Miihkinen, 2013). During disruptive events, such disclosures become even more essential, giving investors the information needed to evaluate future performance and understand how businesses protect key assets through oversight, internal controls, and strategic planning (Elshandidy & Shrives, 2016). From the lens of Resource-Based View Theory (RBVT), risk disclosures also signal how internal resources and capabilities are being used. By sharing how they manage financial, operational, strategic, and empowerment risks, companies show how they safeguard, leverage, and adapt their most valuable and hard-to-imitate assets during uncertain times (Barney, 1991; Teece et al., 1997; Wernerfelt, 1984).

The remainder of this paper is organized as follows. Section 2 reviews the literature on corporate risk disclosure (CRD). Section 3 describes the methodology. Section 4 presents and discusses the results. Section 5 concludes and outlines directions for future research.

2. Literature Review

2.1 The Emergence of CRD

In reaction to significant accounting scandals and recessions, regulators and standard-setting organizations have intensified their focus on improving the quality of CRD (Elshandidy et al., 2018; Ibrahim et al., 2019; Linsley & Shrives, 2006; Ntim et al., 2013). This emphasis has led to the development of several tools and recommendations to enhance the transparency and comparability of risk-related information (Almania, 2019; Matuszak & Różańska, 2021). In 1997, the U.S. Securities and Exchange Commission issued Financial Reporting Release No. 48 to address market risk, which was subsequently expanded to encompass broader company risks. The International Accounting Standards Board (IASB) similarly developed rules, including IAS 30, IAS 32, IFRS 7, and IFRS 9, to direct financial risk reporting (Ibrahim et al., 2019). The IFRS Foundation has recently been urged to develop non-financial reporting standards to address increasing stakeholder expectations (Adams & Abhayawansa, 2022). In South Africa, corporate governance reforms from King I to King IV, alongside international frameworks like the Global Reporting Initiative and the International Integrated Reporting Council, have facilitated the advancement of Corporate Responsibility Disclosures through governance, sustainability, and integrated reporting (King Committee, 2002, 2016; Ntim et al., 2013).

Despite these developments, the quality of CRD remains uneven. Research shows considerable variation across companies and countries (Elshandidy et al., 2018), partly due to varying definitions and measurement approaches to CRD. Some studies assume that higher disclosure levels indicate better quality, but this may be misleading and may not reflect the actual usefulness of the information (Al Lawati et al., 2021; Elzahar & Hussainey, 2012; Salem et al., 2019). Beretta and Bozzolan (2004), on the other hand, argue that quality is multi-faceted and should be based on common standards for what constitutes as clear, trustworthy, and comparable risk information.

These concerns are increasingly relevant as risk reporting takes a more central role in corporate accountability. In an unpredictable and fast-moving business world, stakeholders demand greater transparency about the risks companies face and how these might impact future performance (Linsley & Shrives, 2005). Risk disclosure is now recognized as a vital part of corporate reporting, showcasing a company's ability to identify, track, and manage risk.

2.2 CRD in Malaysia

Malaysia's CRD system is shaped by laws, listing rules, accounting standards, and corporate governance guidelines. The Financial Reporting Act 1997 and Bursa Malaysia's listing requirements form

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the foundation by requiring public companies to include key information in their annual reports (Amran & Ahmad, 2009). To build market confidence, regulatory bodies like the Malaysian Accounting Standards Board and the Securities Commission encourage companies to provide more detailed disclosures about significant risks that could impact performance or influence investor decisions (Amran & Ahmad, 2009). The Malaysian Code of Corporate Governance (MCCG) reinforces this by making boards responsible for overseeing risk management and promoting practices like forming risk committees and establishing strong internal controls to ensure accurate and reliable reporting.

In Malaysia, CRD is typically classified into two main types: mandatory (regulated) and voluntary (non-voluntary) disclosures. Regulated disclosures refer to risk-related information that companies are legally required to disclose, usually following specific guidelines for content and format (Al-Shammari & Al-Sultan, 2010). On the other hand, voluntary disclosures are additional details companies choose to share to reduce information gaps and provide stakeholders a clearer picture of their risk landscape, responses, and outlook (Al-Shammari & Al-Sultan, 2010). These voluntary disclosures are especially valuable during uncertain times, as they allow firms to explain how they identify emerging risks, prioritize responses, and build resilience. As such, CRD in Malaysia reflects both compliance with minimum legal requirements and the extent to which companies go beyond compliance to offer stakeholders meaningful insights for informed decision-making (Al-Shammari & Al-Sultan, 2010; Amran & Ahmad, 2009).

2.3 Resource-Based View Theory

The resource-based view theory (RBVT), first introduced by Wernerfelt (1984), explains why some companies outperform others by focusing on their internal resources. Barney (1991) later built on this idea, suggesting that firms gain a competitive edge when they possess resources that are valuable, rare, difficult to imitate, and non-substitutable. However, maintaining that advantage over time also depends on how well a company can protect and leverage those resources in a constantly changing environment (Barney, 1991; Wernerfelt, 1984).

CRD is closely aligned with this theory. CRD helps to bridge the information gap between company leaders and investors by offering insights into uncertainties that could affect a firm’s resources, operations, and overall strategy (Healy & Palepu, 2001). As the business landscape becomes more complex and fast-moving, the need for transparent risk reporting increases, making CRD an essential part of good governance and accountability (Linsley & Shrives, 2006). This need becomes even more pressing during times of disruption, when stakeholders demand clear, reliable information about potential risks and how management plans to respond to them (Elshandidy et al., 2018; Ibrahim et al., 2019).

When MoCorDi is used alongside the Resource-Based View Theory (RBVT), CRD is seen as more than just a mere compliance exercise. Instead, it becomes a way for companies to demonstrate their ability to recognize threats to their key resources and use their strengths to respond to those threats. A more detailed MoCorDi profile suggests stronger resource management capabilities, as it not only outlines the risks it faces but also explains how its governance, control systems, and strategic decisions work together to protect what matters most and ensure operational continuity (Beretta & Bozzolan, 2004; Linsley & Shrives, 2006). RBVT adds depth to this view by connecting the disclosed information to the unique internal resources that help explain why some companies perform better than others (Barney, 1991; Wernerfelt, 1984).

The MoCorDi breaks CRD into several key areas typically found in annual reports such as financial, operational, market, and strategic risks. Financial risks include things like liquidity challenges, credit risk, market fluctuations, and capital structure decisions. Operational risks deal with the reliability of internal processes, systems, supply chain management, and business continuity. Empowerment risks focus on human-related factors such as leadership strength, company culture, and the ability to execute plans. Strategic risks are associated with market position, investment choices, industry changes, and long-term

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goals. When viewed through the RBVT lens, these categories highlight how companies explain the threats to their core resources and outline the steps they are taking to manage these risks through sound governance and effective strategy (Barney, 1991; Linsley & Shrives, 2006).

3. Methodology

This research examined the annual reports of the seven 2021 NACRA award winners to evaluate the level of CRDs among publicly listed companies in Malaysia. The selected method, content analysis, was chosen for its accuracy, practicality, and ease of execution. The study was performed in September 2024.

The research used the MoCorDi to assess CRD. This meticulously designed index helps firms to track and evaluate business strategies. This corresponds with the study's aim. The development of MoCorDi followed six structured steps, grounded in established CRD procedures and previous studies. The following stages are outlined below:

1. The identification of basic CRD items
2. The reference to previous studies
3. The modification of the index by the addition of the National Annual Corporate Report Awards NACRA 2021 criteria.
4. Removal / Addition of CRD items by comparing basic and actual CRD items disclosed in the annual reports of 2021 NACRA winners.
5. Validation of items by experienced scholars and industrial practitioners
6. Preparation of the final version of MoCorDi

The final MoCorDi categories are 1) Financial Risk - 6 items; 2) Operational Risk - 34 items; 3) Empowerment Risk - 2 items; 4) Information processing and technology risk – 10 items; 5) Strategic risk – 23 items; 6) Physical risk – 1 item; 7) Business continuity and disaster recovery – 2 items; 8) Market risks– 9 items; 9) Credit risk – 9 items; 10) Internal environment – 10 items; 11) Risk response – 2 items; 12) Control activities – 3 items; 13) Liquidity – 14 items; 14) Capital – 5 items; 15) COVID-19 pandemic resurgence – 2 items; and 16) Geopolitical risk – 2 items. To guarantee the instrument's reliability in this investigation, rigorous procedures were implemented, including index development strategies by professional researchers in disclosure studies, such as Joseph et al. (2021, 2023). To ensure credibility, the assessment of company risk information was conducted by subject-matter experts in Step 5 of the index development process.

A score of "1" was assigned for each disclosed risk item, and a score of “0” for non-disclosure. This methodology aligns with MoCorDi's goal of evaluating the level of CRD (Joseph & Taplin, 2011). An unweighted index was used, since prior research indicated no substantial difference between weighted and unweighted outcomes (Joseph & Taplin, 2011). Furthermore, the unweighted index reduces subjectivity in the study (Wallace & Naser, 1995).

To determine the extent of CRDs in annual reports of Malaysian publicly listed companies, the scores were calculated as follows:

$$MoCorDi = (\sum t = 1Xij) / nj$$

Where:
MoCorDi: Modified Corporate Risk Disclosure Index
nj: Number of Corporate Risk items expected for the company, nj ≤ 134 items
Xij: “1” if the company disclosed CRD items and “0” if otherwise

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4. Results and Discussions

The following sections address the findings of the significance of CRD in the annual reports of Malaysian publicly listed companies. The general and specific categories of MoCorDi are used to structure the results.

Descriptive Results for the Extent of the CRD

Table 1 presents the descriptive data about the extent of CRD. On average, the NACRA winners disclosed 83 of 134 items (62% of the total) under the MoCorDi index. This signifies a moderate level of transparency. Table 2 indicates that the maximum number of disclosed items was 108 out of 134 (81%), whilst the minimum was 52 out of 134 (39%).

Table 1. Descriptive Results for the Extent of CRD

Dependent variable	Minimum	Maximum	Mean	Standard Deviation
CRD (Number of items)	52	108	83	16.28

Table 2 displays the disclosure index results for each NACRA 2021 award winner. Four companies attained a "Good" level of disclosure, as shown in Table 3. The remaining three companies acheived an "Outstanding" level of disclosure. The findings indicate that the NACRA competition, held anually by the MIA, MICPA, and Bursa Malaysia Berhad, has successfully fostered excellence in the presentation of financial and corporate information. It has further supports initiatives to enhance corporate governance standards. NACRA has established itself as a benchmark for fair, transparent, and informative reporting among Malaysian enterprises.

Table 2. Disclosure Index Results for NACRA 2021 Award Winners

NACRA 2021 award winners	Disclosure Index (%)
Axiata Group Berhad	56
Fraser & Neave Holdings Bhd	69
Nestlé (Malaysia) Berhad	39
Petronas Gas Berhad	62
Sime Darby Property Berhad	68
Sunway Berhad	81
Telekom Malaysia Berhad	56

Financial Risk

Financial risk, a component of business risk, refers to the potential for adverse financial outcomes, including income loss or capital depletion, resulting from external and/or internal factors affecting financial operations (Popova et al., 2021). It arises from fluctuations in interest rates, market volatility, credit defaults, and liquidity issues. Businesses are required to disclose a broad spectrum of financial risks, including vulnerability to commodity price volatility, foreign exchange fluctuations, and bankruptcy risk.

Sunway Bhd, for example, has a financial risk management policy to ensure the availability of sufficient financial resources to support the Group's business operations and manage interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk, and market risk.

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Effective financial risk disclosure enhances transparency and enables stakeholders to evaluate the company's risk management strategies and overall economic health. A well-organized disclosure may clarify the company's approach to identifying, measuring, and mitigating these risks.

Table 3 presents the frequency of financial risk disclosure. This category had an average frequency of 40% across six items. Table 3 also demonstrates that the Commodity Risk and Cost of Capital (MoCorDi 3 and 6) had the lowest frequency (14%). Only one of the seven award-winning companies included this information in their annual reports. Furthermore, 29% of companies disclosed going concern issues (MoCorDi 5), with two of the seven award-winning companies disclosing it.

Table 3. Frequency of Financial Risk

MoCorDi	Items	Frequency (%)
1.	Interest rate	57
2.	Exchange rate	57
3.	Commodity	14
4.	Credit	71
5.	Going concern	29
6.	Cost of capital	14

Operational Risk

According to the Basel Committee's revised report, operational risk refers to the risk of loss due to ineffective or failing internal processes, systems, human factors, or external events. This includes technological failures, fraudulent activity, supply chain disruptions, and difficulties in complying with regulatory requirements. Operational risk pertains to the possibility of financial loss resulting from insufficient or defective internal systems, processes, staff, or external factors, including legal and regulatory issues (Deloitte, 2021). This includes technological glitches, theft, and challenges stemming from external events such as pandemics or natural disasters.

For example, in response to the COVID-19 pandemic, Sunway Bhd implemented strict health and safety procedures across its commercial premises, offices, and manufacturing facilities. These measures included virtual meetings and training sessions to reduce physical contact; work-from-home arrangements and alternate team scheduling; increased disinfection of high-touch areas; the installation of thermal scanners and self-check-in systems at all entrances; and the implementation of social distancing in offices, public spaces, prayer rooms, dining areas, and elevators.

Table 4 shows the frequency of operational risk disclosures, which contains 34 elements. On average, firms disclosed 57% of the items in this category. Under Malaysia's generally accepted accounting standards, annual reports must include operational risk disclosure. This information provides stakeholders, such as investors, regulators, and consumers, with greater insights into the company's risk exposure, thereby enhancing transparency and stakeholder confidence.

Table 4. Frequency of Operational Risk

MoCorDi	Items	Frequency (%)
7.	Customer satisfaction	71
8.	Efficiency	14
9.	Stock obsolescence	29

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10.	Product and service failure	29
11.	Environmental	100
12.	Health and safety	100
13.	Brand name erosion	29
14.	Management process	100
15.	Supply chain disruptions and dependencies	86
16.	Operational failures or breakdowns	100
17.	Management Strategies	100
18.	Scope and nature of the operational risk reporting system	71
19.	Risk Transfer	86
20.	Risk Mitigation	86
21.	Risk Hedging techniques	86
22.	Internal audit function	57
23.	Internal control system	57
24.	Key risk indicators (kris)/early warning systems (ews).	57
25.	Self-assessment techniques (sa).	14
26.	Stress tests/ scorecard models/scenario analyses.	43
27.	Personnel (human error, labour disputes, loss of/recruiting key employees).	57
28.	Disclosures to help users understand operational risk	100
29.	Management and employee fraud	86
30.	Illegal acts	57
31.	Reputation	86
32.	Operational excellence	14
33.	Project excellence	14
34.	Product safety and quality	29
35.	Low demand products delivered	14
36.	Penalties/disruptive	57
37.	Plant and Facilities Risk	14
38.	Project risk	14
39.	Contractor risk	14
40.	Higher costs to obtain alternative supply	57

Empowerment Risk

Empowerment risk refers to the potential adverse outcomes of granting employees significant autonomy and decision-making authority without appropriate guidance or oversight. While empowerment can enhance creativity and engagement, it can also lead to inconsistent decision-making, deviation from the company's objectives, and even unethical behaviour if not properly managed.

Table 5. Frequency of Empowerment Risk

MoCorDi	Items	Frequency (%)
41.	Leadership	29
42.	Communications	100

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Information processing and technology risk

Technology risk occurs when an organization's systems malfunction or are compromised by security breaches. This can result in financial losses, operational disruptions, and reputational damage. Potential sources of this risk include outdated legacy systems, cyberattacks, software malfunctions, hardware failures, and data integrity issues. These issues can significantly affect business operations and long-term goals.

Table 6 presents the frequency of technological risk disclosures, comprising 10 elements. The average disclosure frequency in this category was 67%. The table indicates that four items, which are Infrastructure and system failure, Data loss, Sensitivity of customers' personal data and records, and Digitalisation risk (MoCorDi 49, 50, 51, and 52), each recorded a disclosure frequency of 57%, with four of seven award-winning companies incorporating this information in their annual reports. Furthermore, integrity-related disclosures (MoCorDi 43) were recorded by five of the seven companies, representing a frequency of 71%.

Table 6. Frequency of Information Processing and Technology Risk

MoCorDi	Items	Frequency (%)
43.	Integrity	71
44.	Access	100
45.	Availability	86
46.	Infrastructure	100
47.	Proliferation of technology	43
48.	Data theft	43
49.	Infrastructure and systems failure	57
50.	Data loss	57
51.	Sensitivity of customers' personal data, records	57
52.	Digitalisation risk	57

Strategic risk

Strategic risk, which is the potential for losses due to poor decisions, flawed plans, or a failure to adapt to changing business environments, is a constant concern. Changes in consumer behaviour, technological advancements, market competition, and regulatory shifts are all important strategic risks that companies should disclose in their risk reporting.

Companies need to be transparent about how they identify, manage, and respond to risks, as well as how they adapt their strategies to changing market conditions. Through comprehensive strategic risk disclosures, stakeholders can evaluate the reliability of a company's strategic framework and its capacity to manage unforeseen circumstances (KPMG, 2022). For instance, to recognize, evaluate, control, and monitor company risks, Telekom Malaysia Bhd (TMB) developed an Enterprise Risk Management (ERM) framework and best practices in 2017. This enabled the company to manage risks across all its activities effectively. The strategic risks highlighted included market competition, reputational damage, regulatory changes, broadband service losses, and improvement initiatives implemented to address these risks.

Table 7 shows the frequency of Strategic risk. This category contained 23 items and had an average disclosure frequency of 68%. Table 7 further revealed that all 7 NACRA award-winning companies disclosed the environmental scan information relating to industry, competitors, valuation of company,

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planning, regulatory, taxation, new alliances, joint ventures, acquisitions, and regulatory compliance risks (MoCorDi 53, 54, 56, 58, 59, 62, 63, 67 and 69), resulting in a disclosure frequency of 100%.

Table 7. Frequency of Strategic Risk

MoCorDi	Items	Frequency (%)
53.	Environmental scan	100
54.	Industry	100
55.	Business portfolio	14
56.	Competitors	100
57.	Pricing of products and services	86
58.	Valuation of company	100
59.	Planning	100
60.	Life cycle	29
61.	Performance measurement	14
62.	Regulatory	100
63.	Taxation	100
64.	Macroeconomic trends	29
65.	Natural disasters/terrorism	43
66.	GDP growth/market demand/aggregate demand	86
67.	New alliances, joint ventures and acquisitions	100
68.	Capital investment returns	14
69.	Regulatory compliance risks	100
70.	Intellectual property infringements and legal claims	71
71.	Restrictions of spectrum refarming and reuse	71
72.	Availability of new spectrum and associated acquisition costs	71
73.	Discriminatory practices	71
74.	Governance risks	43
75.	Emerging risk - Changing consumer needs	14

Physical risk

Physical risk refers to the potential for damage or loss due to environmental factors, including natural disasters, climate change, and other physical hazards that can disrupt a company's operations. In the context of corporate risk management, physical risks can arise from extreme weather events such as floods, hurricanes, and droughts, which can directly impact a company's physical assets, infrastructure, and supply chains. These risks are increasingly recognized as material factors that can influence a firm's financial performance, reputation, and long-term viability (Bats et al., 2024).

Physical risks can be categorized into two primary types: acute and chronic. Acute physical risks refer to short-term, extreme events, such as floods or wildfires. In contrast, chronic physical risks involve long-term shifts in environmental conditions, such as rising sea levels or prolonged temperature changes, which can gradually erode the resilience of assets and operations (Hain et al., 2022).

Table 8 shows the frequency of physical risk disclosures. This category, which includes only one item, had a frequency of 43% with three of seven companies disclosing this information in their annual reports.

Table 8. Frequency of Physical Risk Disclosures

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MoCorDi	Items	Frequency (%)
76.	Physical	43

Business continuity and disaster recovery

In response to the changed business environment brought about by the COVID-19 pandemic, the 2021 annual reports covered only a limited range of related topics. Many businesses were unable to restart operations owing to a lack of pandemic-related control materials, labour constraints, supply chain disruptions, and decreased market demand. Furthermore, companies faced cash flow problems since they continued to incur fixed costs despite significantly reduced income (Sheresheva et al., 2021).

Table 9 shows the frequency of business continuity and disaster recovery disclosures. This category, which includes two items, had an average disclosure frequency of below 71%.

Table 9. Frequency of Business Continuity and Disaster Recovery

MoCorDi	Items	Frequency (%)
77.	Business continuity and disaster recovery	100
78.	Business disruption resulted from pandemic or global crisis	43

Market risks

Market risk refers to risk of financial loss due to adverse market movements, such as fluctuations in interest rates, stock prices, and currency values. Companies are required to disclose detailed information about their exposure to market risk and the measures they have in place to mitigate it in the CRD index (Mehta et al., 2012).

Transparent disclosures enable stakeholders to assess how market conditions may affect a company's risk profile and financial performance. Companies should provide comprehensive disclosures on their risk management measures, including hedging activities and sensitivity analyses that illustrate the possible effects of market fluctuations (Ghosh, 2022).

For example, Axiata Group Bhd continued to face fierce pricing competition, amid concerns about potential market consolidation in specific locations. The Group faces market risks, including price, currency, and interest rate risks. Axiata is specifically exposed to equity securities price risk through investments categorized as FVTOCI assets, which are measured at Level 3 fair value in the consolidated statement of financial position.

Table 10 presents the frequency of disclosures regarding market risk, comprising nine items. The average disclosure frequency for this category was 49%. Disclosures on value-at-risk (VaR), its limits, and macroeconomic aspects (MoCorDi 84, 85, 86, and 87) each recorded a frequency of 14%, with only one of the seven companies disclosing such information. Conversely, generic disclosure on market risk (MoCorDi 79) was provided by five companies, indicating a frequency of 71%.

Table 10. Frequency of Market Risk

MoCorDi	Items	Frequency (%)

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79.	Market risks	71
80.	Profit rate risk	100
81.	Equity investment risk	29
82.	Structure and Organisation of the Market Risk Management Function	10
83.	Currency risk	29
84.	VaR (value-at-risk)	14
85.	VaR limitations	14
86.	Disclosures to help users understand market risk.	71
87.	Macro-economic factors	14

Credit risk

Credit risk refers to the potential financial loss that may occur if a borrower is unable to meet their contractual obligations. This can have an impact on a company's profitability and ability to meet its financial obligations. Companies are required to disclose their credit risk exposure, including their credit policies, assessment methods, and strategies for mitigating losses (Ibrahim et al., 2022).

Transparent communication of credit risk management methods strengthens a company's reputation and empowers investors to make informed evaluations of its risk profile and financial position (Arora et al., 2021). A proactive approach for credit risk disclosure enhances stakeholder relationships and fosters trust.

For instance, Axiata Group Bhd reported no substantial credit risk concentration due to its extensive client base. The Group mitigates credit risk via credit evaluation and approval processes, credit thresholds, and continuous oversight. It obtains deposits or bank guarantees from clients as required. Moreover, both the Group and the Company allocate cash and cash equivalents to many reputable financial institutions, and their policy restricts financial exposure to any one institution.

Table 11 presents the frequency of credit risk disclosures, comprising nine items. The average disclosure frequency for this category was 62%. Items related to cash, trade and other receivables, unlisted investments, additional assets, credit mitigation, credit risk management objectives, policies and processes, and methodologies for assessing credit risk exposure (MoCorDi 88, 89, 90, 91, 93, 95, and 96) recorded a disclosure frequency of 71%, with five out of seven companies providing reports on them. Conversely, migration risk (MoCorDi 94) was reported by only one organization, representing the lowest occurrence at 14%.

Table 11. Frequency of Credit Risk

MoCorDi	Items	Frequency (%)
88.	Cash	71
89.	Trade and other receivables	71
90.	Unlisted investments	71
91.	Other assets	71
92.	Counterparty risk	43
93.	Residual/ credit mitigation risk	71
94.	Migration risk	14
95.	Objectives, Policies and Processes for Managing the Credit Risk.	71
96.	Method of Measuring Credit Risk Exposure.	71

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Internal environment

Internal environment risk, which consists of possible difficulties and uncertainties that arise inside the company, may negatively affect an organization's operations, decision-making, and overall performance. The CRD index mandates that businesses disclose risks posed by their internal operations. Problems with managerial effectiveness, operational norms, organisational culture, and employee conduct are all possible risks.

Table 12 shows the frequency of internal environment disclosures. This category contained 10 items and had an average disclosure frequency of 86%. Table 12 further revealed that risk management philosophy, number of board of directors, organizational structure, authority and responsibility assignment, strategic & operational information and compliance objectives, risk classification and risk assessment techniques (MoCorDi 97, 99, 100, 101, 103, 105 and 106) were disclosed by all seven award-winning companies (100%), with all seven companies including this information in their annual reports. Furthermore, disclosure relating to risk culture (MoCorDi 98) recorded the lowest frequency of 14%, with only one of the seven award-winning companies disclosed this information.

Table 12. Frequency of Internal Environment

MoCorDi	Items	Frequency (%)
97.	Risk management philosophy	100%
98.	Risk culture	14%
99.	Number of Board of Directors	100%
100.	Organizational structure	100%
101.	Authority and responsibility assignment	100%
102.	Human resources policies	86%
103.	Strategic & operational information and compliance objectives	100%
104.	Risk tolerance	57%
105.	Risk classification	100%
106.	Risk assessment techniques	100%

Risk response

Organizations utilize techniques and strategies, known as "risk response," to reduce, transfer, accept, or eliminate identified risks. An effective risk response also requires organizations to select and implement actions that keep risk at acceptable levels while aligning with their objectives and risk tolerance (Force, 2017).

Table 13 shows the frequency of risk response disclosures. The result revealed that all seven NACRA award-winning companies both items under this category (MoCorDi 107 and 108), with a frequency of 100%.

Table 13. Frequency of Risk Response

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MoCorDi	Items	Frequency (%)
107.	Probable risk responses assessment	100
108.	Costs and benefits assessment	100

Control activities

Control activities risk refers to the risk of failures or deficiencies in the internal controls designed to ensure effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Within the CRD index, companies are required to disclose their control activities and any associated risks that may influence their ability to achieve organizational objectives (Cohen & Hsu, 2021).

Table 14 shows the frequency of control activities disclosures. The result revealed that all seven NACRA award-winning companies disclosed all three items under this category (MoCorDi 109, 110, and 111), with a frequency of 100%.

Table 14. Frequency of Control Activities

MoCorDi	Items	Frequency (%)
109.	Types of control activities	100
110.	Policies and procedures	100
111.	Monitoring activities	100

Liquidity Risk

Liquidity risk refers to a firm's ability to meet its short-term liabilities using its liquid assets. Liquidity refers to an asset's ability to be converted into cash quickly without significant loss in value. Liquid assets include cash, receivables, and short-term financial investments, all of which are generally convertible within 12 months. Nestlé (Malaysia) Bhd reported that its liquidity risk exposure primarily arises from discrepancies in the maturities of financial assets and liabilities. The Group seeks to mitigate this risk by balancing financial continuity with operational flexibility through standby credit facilities.

Table 15 illustrates the frequency of liquidity risk disclosures. The average disclosure frequency for this category was 58%, comprising fourteen items. Table 15 indicates that MoCorDi items 112, 113, 114, 116, 118, 119, 120, 121, 122, and 125 recorded an identical frequency of 71%, with five of the seven award-winning organizations disclosing this information in their annual reports. Moreover, the disclosure of the maturity analysis of financial assets (MoCorDi 117) recorded a 0% frequency, as none of the seven award-winning companies provided this information.

Table 15. Frequency of Liquidity Risk

MoCorDi	Items	Frequency (%)
112.	Objectives, Policies and Processes for Managing the Liquidity Risk.	71
113.	Methods used to measure the liquidity risk.	71
114.	Changes in exposure to liquidity risk, measurement of risk, and objectives, policies and processes to manage the liquidity risk from the previous period.	71
115.	Contractual undiscounted cash flows.	43

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116.	Maturity Analysis of Derivative Liabilities.	71
117.	Maturity Analysis of Financial Asset.	0
118.	Derivative and trading liabilities treatment.	71
119.	Risk transfer	71
120.	Risk mitigation	71
121.	Risk hedging techniques	71
122.	Liquidity Buffers Sources and Volume.	71
123.	Sensitivity analysis.	14
124.	Financing facilities.	43
125.	Disclosures to help users understand liquidity risk.	71

Capital Risk

Capital risk refers to the risk that a company may face financial difficulties due to inadequate capital to support its operations or meet regulatory standards. Companies are required to disclose their capital risk management strategies in the CRD index. This involves how firms assess and maintain sufficient capital reserves to absorb potential losses, preserve financial stability, and sustain future growth opportunities (Anguren et al., 2024).

For instance, Petronas Gas Bhd aims to maintain an appropriate capital structure and ensure sufficient liquidity to fulfill financial commitments, facilitate corporate growth, and maximize shareholder value. The Group's capital management strategy, as a subsidiary of Petroliam Nasional Berhad ("PETRONAS"), is outlined in PETRONAS's financial policies. The Group oversees and maintains a prudent total debt-to-total asset ratio to enhance shareholder value and ensure adherence to covenants stipulated in loan and shareholder agreements, as well as regulatory obligations, where applicable.

Table 16 illustrates the frequency of capital disclosures. The average disclosure frequency for this category was 46%, comprising five items. Table 16 indicates that capital management, capital measurement, and Tier 1 (MoCorDi 126, 127, and 129) each recorded a frequency of 43%, with three of the seven award-winning firms disclosing this information in their annual reports.

Table 16. Frequency of Capital

MoCorDi	Items	Frequency (%)
126.	Capital management.	43
127.	Capital measurement.	43
128.	Risk weighted assets.	71
129.	Tier 1	43
130.	Tier 2	29

COVID-19 pandemic resurgence

The potential resurgence of COVID-19 outbreaks poses a significant risk to companies, their operations, and their financial performance. As a result, it is crucial for companies to disclose their strategies for managing the risks associated with widespread resurgences within the CRD index (Moussa & Elmarzouky, 2024). For instance, the majority of Sunway Bhd's business operations began recovering from the COVID-19 pandemic's repercussions in the latter part of 2020. This recovery proved short-lived owing to a rise in COVID-19 cases, prompting the reinstatement of mobility restrictions that lasted into early 2021. The Group's leisure and hospitality activities, under the Property Investment sector, continued to be

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substantially impacted. The consequences included the cessation of theme park operations and the implementation of more stringent social distancing protocols.

Table 17 illustrates the frequency of COVID-19 recovery-related disclosures. This category had two entries and an average disclosure frequency of only 29%.

Table 17. Frequency of COVID-19 Pandemic Resurgence

MoCorDi	Items	Frequency (%)
131.	Resurgence of new virus	29%
132.	Compliance costs	29%

Geopolitical risk

The term "geopolitical risk" refers to the military, social, political, and economic risks linked to a country's engagement in global matters. These risks often develop during significant power transitions, conflicts, or crises and may have extensive implications for both the nation and the international community. Geopolitical hazards may arise for several reasons, including a nation's military power, diplomatic relations with other countries, and economic stability. Globalization has intensified the severity of these risks by fostering greater interconnectedness across enterprises and cultures.

For example, the Axiata Group Bhd's annual report indicates that the markets in which it operates are at risk of political instability, civil unrest, and other social tensions, potentially leading to business disruptions, exposure to unfavorable regulatory changes, and policy-making uncertainty. These factors can affect market sentiment and weaken investor confidence.

"Risk" does not always imply that the most adverse outcome will occur or that negative consequences will ensue. The possible ramifications of geopolitical risk may be advantageous or detrimental. Risks may induce political and economic instability, potentially leading to bloodshed and catastrophe. Conversely, when nations strive to mitigate risks, they may simultaneously foster innovation and creativity. Geopolitical hazards are often difficult to anticipate due to their dependence on human responses to threats.

Table 18 illustrates the frequency of geopolitical risk disclosures. The average frequency of presentations in this category was 29%, comprising two items.

Table 18. Frequency of Geopolitical Risk

MoCorDi	Items	Frequency (%)
133.	Civil unrest	29%
134.	Other social tensions	29%

Discussion from the Resource-Based View Theory Perspective

The findings can be interpreted through the lens of the Resource-Based View Theory (RBVT), which posits that firms achieve sustained competitive advantage through the possession and effective management of valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities (Barney, 1991; Wernerfelt, 1984). In the context of corporate risk disclosure, variations in disclosure levels among NACRA award-winning companies may reflect differences in how organizations develop, manage, and communicate their strategic resources and risk management capabilities.

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Companies with higher disclosure scores, such as Sunway Berhad (81%), provided more extensive information regarding operational controls, strategic planning, business continuity, and risk response mechanisms. These disclosures suggest the presence of well-established governance structures, effective internal control systems, and strong managerial capabilities that enable organizations to identify, assess, and mitigate risks proactively. From an RBVT perspective, such capabilities constitute strategic organizational resources that contribute to long-term resilience and competitive advantage. By voluntarily disclosing these practices, companies signal their ability to manage uncertainty and protect critical organizational assets.

Conversely, lower disclosure levels were observed in risk categories such as COVID-19 pandemic resurgence (29%), geopolitical risk (29%), physical risk (43%), and certain financial risk categories. While these lower disclosure rates do not necessarily indicate the absence of risk management practices, they may suggest differences in disclosure strategies or varying levels of organizational readiness to address emerging and external risks. RBVT emphasizes that firms must continuously adapt their resources and capabilities to changing environmental conditions to sustain competitive advantage (Barney et al., 2011). Therefore, limited disclosure in these areas may reduce stakeholders' ability to assess how effectively organizations are preparing for and responding to evolving risk environments.

The findings further reveal that NACRA award-winning companies place greater emphasis on disclosing risks associated with operational continuity, governance, internal controls, and strategic management. These areas are closely linked to the preservation and enhancement of organizational resources that support long-term value creation. The relatively high disclosure levels in these categories suggest that companies recognize the importance of demonstrating effective stewardship of their resources and capabilities. Such disclosures may enhance stakeholder confidence by providing evidence that organizations possess the necessary competencies to manage uncertainties and sustain performance.

Overall, the findings support the applicability of RBVT in explaining corporate risk disclosure practices. Companies with stronger governance systems, risk management frameworks, and managerial capabilities appear more willing to disclose information about risks that could affect their strategic resources. This transparency not only reflects effective resource management but also serves as a mechanism for signalling organizational resilience, accountability, and preparedness to stakeholders. Consistent with prior studies, comprehensive risk disclosure enhances transparency and enables stakeholders to better evaluate an organization's capacity to manage uncertainty and safeguard its strategic assets (Linsley & Shrives, 2006; Oliveira et al., 2011).

Comparison with Previous Literature

The findings are broadly consistent with prior studies that report substantial variation in corporate risk disclosure practices across firms and industries (Linsley & Shrives, 2006; Elshandidy et al., 2018). Despite being recognized for reporting excellence through NACRA, the sampled companies achieved an average disclosure score of only 62%, indicating that comprehensive risk disclosure remains challenging even among leading reporting organizations. This finding reinforces previous evidence that corporate risk reporting is often selective, whereby firms disclose information that is perceived as relevant and beneficial to stakeholders while limiting disclosures that may reveal strategic vulnerabilities or involve significant uncertainty (Oliveira et al., 2011).

The relatively high disclosure frequencies observed for internal environment, control activities, risk response, and strategic risk categories are consistent with the growing emphasis on governance quality and accountability in corporate reporting. In the Malaysian context, regulatory frameworks such as the Malaysian Code on Corporate Governance (MCCG), Bursa Malaysia Listing Requirements, and NACRA

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assessment criteria place considerable emphasis on governance effectiveness, risk management systems, and internal controls. Consequently, companies are more motivated to disclose information in these areas because such disclosures are highly visible to regulators, investors, and other stakeholders. Similar observations were reported by Elshandidy et al. (2018), who found that firms tend to disclose more extensive disclosures on risks that are directly linked to governance structures and managerial decision-making processes.

The findings also suggest that companies prioritize disclosure of risks that are more controllable and manageable within the organizational environment. Risks associated with operational continuity, internal controls, and strategic planning are generally supported by established policies, monitoring systems, and performance indicators, making them easier to disclose in annual reports. This observation aligns with Linsley and Shrives (2006), who argued that organizations are more likely to disclose risks that can be measured, monitored, and managed effectively.

In contrast, disclosure levels relating to COVID-19 pandemic resurgence, geopolitical risk, physical risk, and certain financial risk categories were comparatively low. This pattern supports previous findings that firms often disclose limited information on risks characterized by high uncertainty and unpredictability (Linsley & Shrives, 2006; Oliveira et al., 2011). Unlike operational risks, these emerging risks are largely influenced by external environmental factors and may evolve rapidly, making it difficult for organizations to estimate their potential impacts with confidence. As a result, companies may adopt a more cautious disclosure strategy to avoid providing speculative information that could expose them to reputational, legal, or market-related consequences.

However, the relatively low disclosure of physical risks presents an interesting contrast to recent international reporting trends. Global reporting frameworks and sustainability initiatives increasingly emphasize climate-related risk disclosure, particularly concerning the potential operational and financial impacts of climate change. Therefore, the limited disclosure observed in this study may suggest that some NACRA award-winning companies have not yet fully integrated climate-related and environmental risks into their risk reporting practices. This finding contributes to the existing literature by highlighting a potential gap between international reporting developments and current disclosure practices among leading Malaysian listed companies.

Similarly, the low levels of disclosure of geopolitical risks may reflect differences in perceived materiality. Companies may regard geopolitical events as indirect risks that are difficult to predict and manage, leading to lower reporting priority. Nevertheless, recent global economic disruptions have demonstrated that geopolitical developments can significantly affect supply chains, investment decisions, and business continuity. The relatively limited disclosure observed in this study suggests that organizations may still underestimate the importance of communicating such risks comprehensively to stakeholders.

Overall, the findings contribute to the corporate risk disclosure literature by demonstrating that recognition for reporting excellence does not necessarily result in comprehensive disclosure across all risk categories. While NACRA award-winning companies generally exhibit strong disclosure practices in governance, operational, and strategic risk areas, significant disclosure gaps remain in emerging and externally driven risks. This study therefore contributes to by providing evidence that risk disclosure quality is not solely determined by reporting excellence awards but is also influenced by managerial perceptions of risk relevance, measurability, and controllability. Consequently, there remains considerable scope for enhancing the comprehensiveness, consistency, and balance of corporate risk reporting among leading Malaysian listed companies.

Implications and Novelty of MoCorDi

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A significant contribution of this study is the development and application of the Modified Corporate Risk Disclosure Index (MoCorDi), designed to provide a more comprehensive and contemporary assessment of corporate risk disclosure practices among Malaysian listed companies. Existing corporate risk disclosure indices predominantly focus on conventional risk categories, such as financial, operational, and governance risks. While these frameworks have contributed substantially to disclosure research, they may not fully capture the increasingly complex and dynamic risk environment faced by modern organizations. To address this limitation, MoCorDi incorporates emerging risk dimensions, including COVID-19 pandemic resurgence, geopolitical risk, and physical risk, thereby extending the scope of traditional disclosure assessment frameworks.

The novelty of MoCorDi lies in its ability to integrate multiple perspectives into a single measurement instrument. First, the index combines established corporate risk disclosure concepts with NACRA assessment criteria, creating a framework that is both theoretically grounded and aligned with practical reporting expectations within the Malaysian corporate environment. This integration bridges the gap between academic disclosure measurement approaches and real-world reporting practices, enhancing the relevance and applicability of the index.

Second, MoCorDi offers broader disclosure coverage than many existing disclosure indices. The instrument comprises sixteen risk categories and 134 disclosure items, enabling a more detailed evaluation of corporate risk reporting practices. This expanded structure reduces the likelihood of overlooking important risk information and provides a more holistic assessment of disclosure quality. As a result, MoCorDi can identify variations in disclosure practices that may not be detected using narrower disclosure frameworks.

Another distinctive contribution of MoCorDi is its linkage to the Resource-Based View Theory (RBVT). Unlike many disclosure indices that primarily measure disclosure quantity, MoCorDi facilitates the assessment of how organizations communicate risks that may affect their valuable strategic resources and organizational capabilities. By incorporating an RBVT perspective, the index enables researchers to evaluate not only the extent of disclosure but also the strategic significance of the disclosed information. This theoretical integration broadens the application of corporate risk disclosure research beyond compliance and transparency considerations to encompass the protection and management of strategic organisational resources.

The empirical findings further demonstrate the usefulness of MoCorDi as a measurement instrument. The index successfully identified considerable variation in disclosure practices among NACRA award-winning companies and revealed disclosure gaps in emerging risk categories despite the companies' recognition for reporting excellence. This finding is particularly important because it shows that reporting quality awards do not necessarily indicate comprehensive disclosure across all risk dimensions. Therefore, MoCorDi provides a more sensitive and discriminatory assessment tool capable of identifying strengths and weaknesses in corporate risk reporting practices.

From a practical perspective, MoCorDi offers valuable implications for regulators, policymakers, corporate boards, and reporting practitioners. The index can be used as a benchmarking tool to evaluate disclosure quality across organizations, industries, and reporting periods, while also assisting regulators in identifying risk categories that require greater disclosure emphasis. For practitioners, the framework provides guidance for improving the completeness and balance of risk disclosures in annual reports.

From a research perspective, MoCorDi contributes a novel and adaptable measurement framework that can be applied, refined, and validated in different regulatory, industrial, and geographical contexts. The study therefore contributes not only empirical evidence on corporate risk disclosure practices but also a methodological advancement to the disclosure literature. By integrating emerging risks, NACRA reporting expectations, and RBVT principles into a single assessment framework, MoCorDi extends existing

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disclosure measurement approaches and provides a more comprehensive tool for evaluating corporate risk reporting in an increasingly uncertain business environment.

5. Limitations and Future Research

This study is subject to several limitations. First, the analysis was restricted to seven NACRA 2021 award-winning publicly listed companies, resulting in a relatively small sample size that may limit the generalisability of the findings to the broader population of Malaysian companies. As the selected firms are recognised for excellence in corporate reporting, their disclosure practices may not be representative of companies with different reporting capabilities, governance structures, or reporting quality levels (Linsley & Shrives, 2006).

Second, the study relied exclusively on annual reports as the primary source of data. While annual reports remain one of the most widely used and authoritative sources for examining corporate risk disclosure practices (Abraham & Cox, 2007; Oliveira et al., 2011), companies may disclose additional risk-related information through sustainability reports, integrated reports, corporate websites, investor presentations, and other stakeholder communication platforms. Consequently, the findings may not fully capture the overall extent of corporate risk disclosure practices.

Third, although MoCorDi provides a comprehensive assessment of corporate risk disclosure, the index was developed and validated primarily using annual reports from NACRA award-winning companies from predominantly non-financial sectors. Therefore, certain disclosure items may be more relevant to non-financial firms than to highly regulated financial institutions such as banks, insurance companies, and investment firms, which operate under different risk management and disclosure requirements (Elshandidy et al., 2018). As disclosure expectations and regulatory obligations vary across industries, caution should be exercised when applying the index to sectors with unique reporting environments.

Future research may address these limitations by applying MoCorDi to a larger sample of companies across different sectors and reporting periods. Replication studies involving manufacturing, property, telecommunications, energy, consumer products, and financial services sector would provide further evidence on the applicability of the index across diverse business environments. Researchers may also conduct longitudinal studies using multiple years of annual reports to examine changes in disclosure practices over time and to assess the impact of evolving regulatory requirements and emerging risk events (Oliveira et al., 2011).

In addition, comparative studies between NACRA award-winning and non-award-winning companies could provide deeper insights into whether reporting excellence is associated with more comprehensive risk disclosure practices. Future research may also extend the analysis to international settings by comparing Malaysian companies with firms from other countries. Such cross-country studies would enable researchers to examine how differences in regulatory frameworks, institutional environments, corporate governance systems, and cultural factors influence corporate risk disclosure practices (Elshandidy et al., 2018). These efforts would further strengthen the external validity, applicability, and robustness of MoCorDi as a corporate risk disclosure measurement tool and contribute to the ongoing development of corporate risk disclosure research.

6. Conclusion

A company that employs proactive risk management should effectively identify and mitigate potential risks. The disclosure of risk management practices provides advantages to both the organization and its stakeholders. Efficient risk-reporting mechanisms may lower the cost of capital, hence enhancing

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shareholder confidence (Linsley & Shrives, 2005). Investors with access to such information may make better-informed decisions when evaluating investment risk levels. Furthermore, an effective risk report must exhibit the directors' accountability and expertise in risk management. Therefore, the board must comprehend the nature of risk issues and concerns to provide relevant and comprehensive risk information.

The COVID-19 pandemic heightened business risks, leading to varying levels of disclosure across companies and sectors. Therefore, a checklist to assess the disclosure of newly risk-related information in corporations' annual reports is necessary. Consequently, this results in the creation of a MoCorDi.

The study's results highlight the critical need for clear disclosure of corporate risks, especially during significant global crises such as the COVID-19 pandemic. The MoCorDi indicated a significant focus on crisis response strategies in the annual reports of the 2021 NACRA winners. This increased emphasis on newly introduced disclosure items demonstrates the adaptive strategy of Malaysian publicly listed firms in providing critical risk-related information to alleviate the effects of future crises, including pandemics.

The findings indicate that enhanced business risk disclosure enables government entities and the Securities Commission to better foresee and assess the possible consequences of future global health crises, as well as to inform stakeholders of probable risks. By disseminating relevant information, organizations can contribute to the development of a stronger risk management framework that supports sustainability and resilience.

The study highlights the significant advantages of open corporate communication in promoting effective internal and external policies. These disclosures provide policymakers and corporate leaders with the knowledge necessary to improve strategic planning and resource allocation, resulting in more effective sustainability initiatives. Emphasizing comprehensive risk disclosure is crucial for companies to build trust with stakeholders, maintain accountability, and cultivate a culture of readiness as they navigate the challenges of a post-pandemic landscape.

In conclusion, this study proposes a proactive, concerted effort to improve the disclosure of corporate risk information. By doing so, companies may protect their operations and significantly contribute to the collective societal endeavor to address and alleviate the effects of future crises. This proactive strategy will enhance corporate resilience and contribute to the overall economic stability.

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Conflict of Interest

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