Journal of Marketing & Social Research
ISSN (Online): 3008-0711
Volume: 03 | Issue 01 | 2026
Journal homepage: https://jmsr-online.com/

Research Article

Integrated Reporting: Theoretical Framework and Literature Review

Dr. Mukesh Kumar Meena[1], Ritika Juhi[2] and Rajendra Kumar[3]
[1]Assistant professor DCAC, University of Delhi
[2]Research Scholar, Faculty of management studies, University of Delhi
[3]PHD scholar IGNOU
Received: 02/12/2025; Revision: 18/12/2025; Accepted: 08/01/2026; Published: 27/01/2026

***Corresponding author: Dr. Mukesh Kumar Meena**

Abstract: Over the past two decades, there has been a significant change in corporate reporting trends. Growing awareness about the need of incorporating sustainability into business practices in order to help an economy in meeting its sustainable development goals (SDGs) has significantly altered stakeholders' information requirements (Adams, 2015). Stakeholders these days are demanding not only the financial information but also information related to environmental, social, and governance (ESG) aspects of business activities. Traditional corporate reporting frameworks, which apparently focus on financial outcomes, have been criticised for their inability to capture these broader dimensions of organisational performance (Vitolla et al., 2019). In response to these limitations, organisations have begun to adopt more comprehensive reporting approaches based on integrated thinking and a holistic view of value creation. Integrated Reporting (IR) is a part of progressive corporate reporting system through which companies can disclose their significant financial as well as non-financial data in a systematic manner using IIRC framework. This paper aims to provide theoretical background about integrating reporting as a new dimension of corporate reporting. An attempt has also been made to review existing literature in the area to examine the recent trends in integrated reporting by the corporates across the world. It has been observed that IR has gained momentum in the last decade mainly in past few years. Big corporations across the world have started moving towards adopting integrated reporting approach to provide holistic information to the stakeholders in order to help them in making investment and other decisions. It has also been found that various corporate governance variables have significant and positive impact on the level of IR by corporates. The study focuses the need for promoting awareness towards the advantages of integrated reporting to encourage more companies towards the new concept of reporting.

Keywords: Sustainability; Integrated Reporting; IIRC; ESG.

INTRODUCTION

Today, organisation is working with external environment which is dynamic in nature. Organisations take inputs from the environment and society for achieving their goals and are therefore accountable to a wide range of stakeholders for their economic, social, and environmental impacts. Along with the dynamic environment, stakeholders' needs are also change from financial centric information to non-financial centric information. Traditional corporate reporting fall short of meeting the expectations of the stakeholders. Organisation realised over a period of time that there is a need to change in the communication pattern of companies. To achieve this objective both financial and non-financial information should be presented in one report to the stakeholders to act strategically. Therefore, there is an increasing need for a more comprehensive reporting system which is based on holistic viewpoint and that provide financial and non-financial information in integrate manner to different stakeholders. So, as a result Integrated reporting (IR) evolved as a new form of reporting system. Integrated reporting involves the consolidated presentation of financial and non-financial information within a single report, thus enabling organisations to communicate their value creation process more effectively.

IR shows a progressive development corporate reporting system, through which companies can disclose material information in a structured and systematic manner using IIRC framework. According to IIRC, "An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term. (IIRC, 2021)".

ORIGIN OF INTEGRATED REPORTING

The Prince's Accounting for Sustainability Project, the International Federation of Accountants (IFAC) and the Global Reporting Initiative (GRI), came together to form the International Integrated Reporting Committee (IIRC), a body to be in charge of the creation of a globally accepted integrated reporting framework (accounting for sustainability, 2009). In November 2011, it was renamed as the International Integrated Reporting Council (IIRC). On 9th December 2013, the first International Integrated Reporting Framework was released by IIRC.

Since the release of the framework, India has also taken significant steps toward adoption of integrated reporting. On Feb 6, 2017, SEBI recommended that the top 500 companies may adopt Integrated Reporting voluntarily from the financial year 2017-18, which means they were required to prepare Business Responsibility Report (BRR) (SEBI, 2017). The circular focused on the IOSCO Principle 16 which state that there should be complete, valid and timely disclosure of financial condition, risk association and other information which were significant to investors' decision.

According to IIRC “The main purpose of integrated reporting is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them.” (IIRC,2021)

The guiding principle

The International Integrated Reporting Council (IIRC) has given a set of guiding principles that suggest the preparation and presentation of an integrated report. These principles provide the foundation base regarding the effective prepration of report and communicates how an organisation creates value over time and supports integrated thinking within the organisation (IIRC, 2021).

- Strategic focus and future orientation- It focuses the need for organisations to clearly formulate their strategic objectives and demonstrate how these strategies are aligned with long-term value creation
- Connectivity of information- It states that organisation should disclose the complete picture of interrelated factors which will affect the company’s value creation process.
- Stakeholder relationship- It focuses on revealing the key stakeholders in the organisation and how the organisation understands and takes into consideration the need and interest of stakeholders.
- Materiality- IR should disclose all the important information related to the organisation in creating value over the short, medium and long term.
- Conciseness- An IR report should provide only important information and to the point.
- Reliability and completeness- An IR should furnish all the information i.e., negative and positive both which provide the clear picture of the organisation.
- Consistency and comparability- It should consistent over a period of time that can help in comparing with other organisations.

The content element

The another important element of IR is the eight-content element which are as follows:

- *Organisational overview and external environment* which explains us the goals of organisations and its operating style.
- *Governance* which tells the way how company is managing its affairs to create value in short, medium and long term.
- *Business model* explains about the different kind of model in which organisation is based.
- *Risk and opportunities* state the amount of risk that has been faced by the organisation and how they are tackling that risk. Apart from it, report also focuses on the opportunity that is available to the company.
- *Strategy and resource allocation* explains about what company wants to achieve in the future.
- *Performance* shows that what are steps taken by companies to achieve its objective.
- *Outlook* shows the uncertainties and challenges that a company faces in the organisation.
- *Basis of preparation and presentation* deals with the factor that how will company prepare the report and what are things they will included in the report and what they will exclude from the report.

The capitals

Integrated reporting focused on organisation disclosures through six capitals that that collectively support sustainable value creation over time, which are as follow-

1. Financial capital- It means the different sources of finance that an organisation has with it. Funds can be gained through equity, debt, grants as well as through operations or investments.
2. Manufacturing capital-It includes non-current tangible assets such as plants, machinery, building, equipment etc.
3. Intellectual capital- Intangible assets majorly form part of this capital. For example, intellectual property rights such as patents, trademarks, copyright, license and software fall under this capital.
4. Human capital- It consist of key managerial personnel.
5. Natural capital- It includes environmental resources which consist of renewable and non-renewable resources that supply goods and services and enforce the company to achieve growth in future.
6. Social and responsibility capital- It consists of stakeholders, workers communities and customers who are a significant part of the company.

IMPORTANCE OF INTEGRATED REPORTING

Integrated Reporting (IR) represents a progressive advancement in corporate reporting by enabling organisations to communicate both financial and non-financial information within a single, coherent framework. Unlike traditional reporting models that emphasise short-term financial performance, IR focuses on long-term value creation by integrating economic, environmental, social, and governance considerations into organisational disclosures (IIRC, 2021). As a result, integrated reporting offers several significant benefits for organisations and their stakeholders which are as follow-

- It leads to greater efficiency and greater transparency in the organisation.
- It acts as a tool that enhances the personal and professional life of employees.
- It acts as a perfect tool for communicating company objectives and performance.
- It facilitates in the decision making through long term value creation in the organisation.
- It helps in increasing the value of stakeholders in the organisations.

- It benefits the society in long run as organisation reveals each and every point of information about their organisation to the external world.

REVIEW OF LITERATURE

Theoretical concept of integrated reporting (IR) was studied by (Busco et al., 2013) by taking the example from the experience of Eni, a large multinational company in oil and gas industry that has been participated in IIRC pilot programme to develop the framework. Researchers also discussed about the implications for management accountant for the adoption of IR concepts, principles and elements. Researchers discussed about the content element, guiding principles and IR concepts. The study revealed that in 2010, Eni began to prepare report accordance with IIRC framework and included in IIRC pilot programme. Eni annual report for 2012 was prepared in accordance with IIRC guidelines. Over a period of time, they upgrade their report in accordance with IIRC guidelines. In year 2013-14 they included strategies related to the business in the report. (Adams, 2015) studied the significant difference between the reporting pattern of Integrated reporting (IR) as compared to sustainability reporting. Researchers reported that IR can create a change in the mindset of managers within the constraint to maximise the profit. It was also found that ACCA and CIMA would include IR in their syllabus, this support will help in changing the way CFO think. Result revealed that IR was based on the approach which help in creating a shift in corporate thinking and creating values in short, medium and long term. It suggested that material sustainability impact should be mandatory in IR which otherwise was there in sustainability report.

(Vaz et al., 2016) studied the determinants that affect the integrated reporting as a corporate reporting model for sustainability information. The researchers analysed the study at two level i.e., country level and firm level. Secondary source of data was used. GRI database has been used. 1856 companies were selected that was present in 13 countries. Dependent variable was IR. Independent variables were country, legal system, investment protection, GDP, regulations, size, listed and industry. Bivariant analysis was used to analysed the data. Result revealed that there was significant difference among countries that was using IR. There has been positive relation between IR and existing IR regulation.

The in-depth case study of Generali group, the largest insurance group in Italy was conducted by (Vitolla & Raimo, 2018). Apart from it the study also focused on the process of adopting IR in the organisation and the benefits that were derived from the implementation of the IR. The study taken both primary and secondary source of data. Primary data collected by conducting interviews from the members of Generali Group and secondary data collected through the Generali website. Illustrative and exploratory case study method was used. Results revealed that the process of implementing IR is the crystal-clear want of top management. Secondly, the result stated that the adoption of IR has a positive impact on company apart from the external stakeholders.

(Camilleri, 2018) studied in their paper "Theoretical insights on integrated reporting; the inclusion of non-financial capitals in corporate disclosure" the theoretical background of IR that made the organisation to disclosure ESG (environment, social, government) factors and explain the reason of IR and thinking in the organisation. The study explored the GRI latest sustainability reporting standards as it put some light on IIRC framework. Furthermore, it analysed the challenges and benefits of adopting IR as a tool for disclosing financial and non-financial information in better way. Findings revealed that IR played significant role in organisation and among stakeholders as organisation was disclosing information through capitals which are manufacturing, financial, human, social, intellectual, nature. It also states that agency, stewardship, institution, legitimacy theories help in development of IR in organisation.

A research work by (Vitolla et al., 2019) studied the assumptions and consequences of IR by going through in-depth review of available literature as well as to identify potential challenges that researchers should attempt to address. The study focuses on four major aspects of IR i.e., appreciations, criticisms, determinants and effects according to normative and descriptive perspectives. The evolution of studies in the field of IR represents a first important consideration. In fact, studies conducted in the early years of IR emphasised the normative perspective and the drawbacks or advantages of this practise. In contrast, a lot of empirical studies had been developed recently in the descriptive perspective, with an emphasis on the analysis of the determinants and effects of IR.

(Ashok, 2019) examined the importance of IR, evaluated the instance of stakeholders on the role of XBRL in promoting IR. Researchers also studies the number of challenges involved in promoting IR through XBRL. For analysing the study both primary and secondary source of data was used. Study was descriptive and empirical in nature. One sample t- test was used to analysed the collected data. The result revealed that XBRL plays an important role in promoting IR.

In the study of 33 companies out of top 500 Indian companies listed on Economic Times (Mishra, 2020) studied the level of implementation of IR in India particularly after the guidelines released by the SEBI. Study was conducted for the year 2018-19. Secondary source of data was used in the study. Result revealed that consumer goods, automobile, software services disclose more element as per IR guidelines. Content analysis showed that the level of compliance was fairly good in these companies. Out of 33 companies, 8 companies came under the category of high ranking. Study revealed that the level of disclosure of IR was at initial stage.

(Vitolla et al., 2020) examined the impact of profitability, size, leverage and civil law system on the integrating reporting quality of a financial company. A sample of 87 financial institutions was taken from 20 different countries. The study was conducted for the year 2017 using secondary source of data (integrated report). Researchers measured the impact of independent variables (profitability, size of firm, financial leverage and the legal system of the country) on a dependent variable (integrated reporting quality). Board size and number of years of financial institution were taken as control variables. A cross-sectional analysis using multiple regression tool was used for testing the hypotheses. The finding uncovered that all independent variables along with board size had significant and positive influence on integrated reporting quality.

(Halid et al., 2021) in their study analysed the impact of board features such as board size, board independence, board activity and board diversity on integrated reporting disclosure (IRD) of selected Malaysian commercial banks. A sample of 8 commercial banks listed on the Malaysian stock exchange was taken. The study was conducted for a period from 2013 to-2017 using secondary sources of data. The researchers measured the impact of independent variables (board size, independence, activity, diversity) on dependent variables i.e., IRD. Four control variables i.e. size, profitability, growth, and leverage of the financial institution was used in the study. The researchers used multiple regression analysis models and found that there was a significant negative relationship between board size and IRD. The findings also uncovered that the disclosure of IR was not impacted by board independence, board size, activity and diversity. The study revealed that growth had a positive impact on IRD and leverage had a negative impact on IRD whereas profitability did not influence IRD. The study reflected that the awareness and knowledge regarding IR in Malaysian listed commercial banks was inadequate.

OBJECTIVE OF THE STUDY

The main objectives of the paper are as follows:

- To review selected research articles related to Integrated reporting.
- To study the theoretical background of Integrated reporting
- To examine the effect of corporate governance variables on Integrated reporting.

RESEARCH METHODOLOGY

To fulfil these objectives, secondary data was used. The data consists of published research papers related to Integrated reporting, which have been retrieved from the Google Scholar Database.

CONCLUSION AND DISCUSSION

While going through the existing literature it was found that IR is emerging research area. The analysis indicates that corporate reporting has undergone significant transformation over the past two decades, driven by growing emphasis on sustainability, transparency, and long-term value creation. Traditional financial reporting frameworks have proven insufficient in addressing the multidimensional information needs of contemporary stakeholders, thereby necessitating the emergence of integrated reporting. This gave rise to the Integrated reporting. The present study is based on analysing the theoretical aspect of IR. The study analyses the current scenario of IR in worldwide and found that more and more countries are moving towards integrated reporting. South Africa is the first country that makes it mandatory for it's listed companies to report according to IIRC framework. The study further investigated the impact of various factors of corporate governance on the disclosure of IR. It was found from the studies that various corporate governance variables which are board size, independence, activity, diversity, profitability, size of firm, financial leverage and the legal system of the country have significant and positive impact on IR. Despite its growing adoption, integrated reporting remains at a developmental stage in many countries across globe, with challenges related to awareness, implementation complexity, and lack of regulatory enforcement. The study showed the importance of promoting greater understanding of the advantages of integrated reporting among corporates, regulators, and stakeholders. Strengthening regulatory guidance, enhancing managerial awareness, and fostering integrated thinking can facilitate wider adoption of integrated reporting and contribute to sustainable value creation in the long run.

REFERENCES

1. Adams, C. A. (2015). The International Integrated Reporting Council: A call to action. *Critical Perspectives on Accounting*, *27*, 23–28. https://doi.org/10.1016/j.cpa.2014.07.001
2. Ashok, D. M. L. (2019). *ROLE OF XBRL IN PROMOTING THE INTEGRATED REPORTING IN INDIAN SCENARIO. 51*, 9.
3. Busco, C., Frigo, M. L., Quattrone, P., & Riccaboni, A. (2013). *What happens when values and value creation meet?* 10.
4. Camilleri, M. A. (2018). Theoretical insights on integrated reporting: The inclusion of non-financial capitals in corporate disclosures. *Corporate Communications: An International Journal*, *23*(4), 567–581. https://doi.org/10.1108/CCIJ-01-2018-0016
5. Halid, S., Mahmud, R., Zakaria, N. B., & Rahman, R. A. (2021). Does Board Monitoring Affect Integrated Reporting Disclosure for Better Transparency and Sustainability? *Universal Journal of Accounting and Finance*, *9*(5), 1049–1057. https://doi.org/10.13189/ujaf.2021.090515
6. Mishra, N. (2020). Integrated Reporting: A Structured Analysis of Application and Gaps in India. *TEXILA INTERNATIONAL JOURNAL OF MANAGEMENT*, 24–30. https://doi.org/10.21522/TIJMG.2015.SE.19.02.Art004
7. Vaz, N., Fernandez-Feijoo, B., & Ruiz, S. (2016). Integrated reporting: An international overview: Integrated reporting: an international overview. *Business Ethics: A European Review*, *25*(4), 577–591. https://doi.org/10.1111/beer.12125
8. Vitolla, F., & Raimo, N. (2018). Adoption of Integrated Reporting: Reasons and Benefits—A Case Study Analysis. *International Journal of Business and Management*, *13*(12), 244. https://doi.org/10.5539/ijbm.v13n12p244
9. Vitolla, F., Raimo, N., & Rubino, M. (2019).

Appreciations, criticisms, determinants, and effects of integrated reporting: A systematic literature review. *Corporate Social Responsibility and Environmental Management*, *26*(2), 518–528. https://doi.org/10.1002/csr.1734

10. Vitolla, F., Raimo, N., Rubino, M., & Garzoni, A. (2020). The determinants of integrated reporting quality in financial institutions. *Corporate Governance: The International Journal of Business in Society*, *20*(3), 429–444. https://doi.org/10.1108/CG-07-2019-0202