

Integration Level of Social Environmental Disclosure (SED) Between The Global Reporting Initiative(GRI)- Sustainability Reporting and The International Integrated Reporting Council (IIRC) Reporting Among European Companies

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ABSTRACT

This critical approach study examines the social and environmental disclosure (SED) between Sustainability Reporting (SR) and Integrated Reporting (IR) among European companies. The research question is to examine the integration level of SED within SR and IR. Applying the critical text analysis method, the GRI G3 guidelines were used to examine a sample of ten European companies. The reports for the selected companies must incorporate fully applied IR without producing any more SR in order to analyse the validity of the data. This study has discovered that there is less integration of SED in IR than SR. It is apparent that the IR approach is more towards the primary groups (investors) rather than other stakeholders, society and the environment as a whole. Hence, IR is only a mirror of sustainability for business strategy. Therefore, IR needs to engage reports with other stakeholders to sustain long-term growth.

Keywords: social and environmental disclosure; sustainability reporting; integrated reporting; global reporting initiative, IIRC

INTRODUCTION

Reporting on sustainability has developed significantly in the past three decades (Stubbs and Higgins, 2014). Especially in the recent ten years, there has been a momentous rise in SR amongst large multinational companies (Kolk, 2010). SR creates SED and brings great improvement of the quality of reports focusing on the Triple Bottom Line (TBL); social, environmental and financial disclosure (Bebbington, Unerman and O'Dwyer, 2014). There are, additionally, worries that SR may have been 'caught' by organisations trying to increase hegemonic/dominance power (accaglobal, 2012). The conviction that the preparation of corporate reporting on sustainability resulted from an exploration in social and environmental reporting can possibly effect on and transform corporate conduct (Bebbington and Gray, 2001). However, this sentiment usually may unable to achieve (Bebbington and Gray, 2001). Notwithstanding the important and late development in SR, the most recent confirmation concluded that almost all the world's largest 250 companies report on Corporate Responsibility (CR) and that 'Reporting is now the norm across all these sectors, with at least 62% of companies in every sector producing a CR report' (GRI, 2015). SED brings new channels of communication to influence the public. Through filling of the legitimacy gap (Archel et al., 2009) and increase legitimacy gap (Bouten et al.2011), SED delivers a positive image to companies and expands financial reporting (Bebbington, Unerman and O'Dwyer, 2014). Types of the disclosure include parts of annual reports, stand- alone reports, press releases and corporate websites (Bebbington, Unerman and O'Dwyer, 2014). Companies attempt to convince society that they have stakeholders' interest at heart