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INTEGRATED REPORTING IN ENHANCING ORGANIZATIONAL PERFORMANCE: A CRITICAL REVIEW

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ABSTRACT

This paper reviews the integrated reporting in contemporary times looking at why there have been clarion calls for it to be embraced by organizations so as to increase performance and transparency. In doing this, the paper first provided some conceptual definitions of integrated reporting, calls for it and timeline of development of integrated reporting as well as some criticisms in recent times. The paper is anchored on stakeholders' theory as its theoretical framework. Furthermore, the evolution of integrated reporting as well as the benefits of integrated reporting are discussed. The paper concludes that while Integrated Reporting is essential as it a step further from the traditional sustainability reporting, it has been argued that it takes time to implement it. Sustainability reporting tends to be the part of Integrated Reporting and many companies globally are weak in implementing; hence it is recommended that as a caution that companies take time to embed sustainability, before proceeding to Integrated Reporting as such their performance can be enhanced.

1. INTRODUCTION

Corporate performance is a measure of contributions of an organization corporate activity to its corporate goal and objectives (Johnson and Marshall, 2003; Dairymple, Cron, & Decardo, 2004). Performance is behaviour evaluated in terms of its contributions to the goals and objectives of the organization the appropriate way to measure performance has been debated extensively in literature. Maskell (1994) emphasized that for performance measures to be relevant, they must be expressed in terms that directly relate them to the corporate strategy, and when these are expressed they are communicated to stakeholders so that investment and investors could make valid decisions. However, research has shown that qualitative factors are difficult to measure and often lead to biased evaluations. The same study revealed a decline in the use of input performance measures. As a result, large organizations rely mostly on output performance measures, which include profitability, growth and market share. These metrics are reported in integrated reporting in other to get showcase the effectiveness of both management and the board in managing the resources of the organization and ensuring effective corporate governance. Integrated reporting (IR) in corporate communication is a "process that results in communication, most visibly a periodic "integrated report", about value creation over time. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term (Eccles & Krzus, 2010). This paper reviews the integrated reporting in contemporary times looking at why there have been clarion calls for it to be embraced by organizations so as to increase performance and transparency.

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual review

Concept of Integrated Reporting

Integrated reporting (IR) in corporate communication is a "process that results in communication, most visibly a periodic "integrated report", about value creation over time. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term (Eccles & Krzus, 2010). It means the integrated representation of a company's performance in terms of both financial and other value relevant information. Integrated Reporting provides greater context for performance data, clarifies how value relevant information fits into operations or a business, and may help make company decision making more long-term. While the communications that result from IR will be of benefit to a range of stakeholders, they are principally aimed at providers of financial capital allocation decisions.

IR helps to complete financial and sustainability reports. A framework has been published, but some questions remain in order to know how to apply it (Eccles & Krzus, 2010). Will this report be useful for investors, and for other stakeholders (Flower, 2015). Other questions could have been raised, such as who is really working for an integrated reporting, and who has interests in it.

The call for Integrated Reporting

Capitalism relies on the efficient allocation of capital to deliver returns to investors over the short, medium and long term. It is the job of companies to manage the financial capital that investors provide and also to create and preserve the value generated from other forms of non-financial data such as people, trademarks/copyrights and natural resources or nature, the basis of all life. The western model of capitalism has been questioned following the onset of the banking crisis in 2007 because of its apparent dependence on short term financial factors over other forms of capital and longer time scales. Corporate reporting no longer reflects the needs of the 21st century, resilient capitalism needs financial stability and sustainability in its exchange with nature in order to succeed – and Integrated Reporting is intended to underpin both of these problems through communicating to providers of financial capital the information that they need. Therefore a report of financial data is no longer sufficient, but has to be extended with information (in exact physical categories) about our exchanges with nature (Schone, 2015), as money is not natural, but a 7,000 year old cultural invention. Nature has never invented a means for its exchanges.

At the heart of IR is the growing realization that a wide range of factors determine the value of an organization – some of these are financial or tangible in nature and are easy to account for in financial statements (e.g. property, cash), while many such as intellectual capital, competition and energy security are not. IR reflects the broad and longer-term consequences of the decisions organizations make, based on a wide range of factors, in order to create and sustain value. IR enables an organization to communicate in a clear, articulate way how it is drawing on all the resources and relationships it utilises to create and preserve value in the short, medium and long term, helping investors to manage risks and allocate resources most efficiently.

It is therefore necessary, to extend the reporting of only financial data with ecological data, for example about carbon dioxide emissions a company generates. When according to the 2015 Paris climate agreements carbon dioxide emissions should be reduced, than at first a report about this is necessary to aim at saving them. Integrated Reporting therefore needs two sides, the financial balancing data as well the non-financial ecological data, it must aim at two achievements: annual financial profit per as well as profit for nature, i.e. less CO2 emissions for example.

History of Integrated Reporting

In 2009, The Prince of Wales convened a high level meeting of investors, standard setters, companies, accounting bodies and UN representatives including The Prince's Accounting for Sustainability Project, International Federation of Accountants (IFAC), and the Global Reporting Initiative (GRI), to establish the International Integrated Reporting Committee (IIRC), a body to oversee the creation of a globally accepted Integrated Reporting framework. In November 2011, the Committee was renamed the International Integrated Reporting Council.

Integrated Reporting Discussion Timeline

Year	Source	Aspect of Discussion
2013	Consultation Draft of the International IR Framework	16 April 2013 the IIRC released the Consultation Draft of the International IR Framework. The launch was followed by a 90-day consultation period giving all stakeholders an opportunity to respond with comments and feedback to help shape the development of the Framework.
2012	Prototype of the Framework	26 November 2012 the IIRC released a Prototype of the International IR Framework, a significant further step towards publication of The Framework in 2013. This was an interim step intended to demonstrate progress towards defining key concepts and principles that underpin IR, and support organizations' ability to produce an integrated report.
	Emerging IR Database	The Emerging Integrated Reporting Database brings together extracts of reports which illustrate emerging practices in the Guiding Principles and Content Elements. These examples have been chosen from publicly available reports, including those produced by the IIRC Pilot Programme organizations.
	BlackSun	BlackSun published, in accordance with the IIRC, 'Understanding Transformation: Building the Business Case for Integrated Reporting'
2011	Integrated Reporting Discussion Paper	The Discussion Paper Towards Integrated Reporting – Communicating Value in the 21st Century was launched Monday 12 September 2011. It considered the rationale for Integrated Reporting, offering initial proposals for the development of an International Integrated Reporting Framework and outlining the next steps towards its creation and adoption. Its purpose was to prompt input from all those with a stake in improved reporting, including producers and users of reports.
	IIRC Pilot Programme	On 17 and 18 October 2011, the first Integrated Reporting Pilot Programme conference was convened in Rotterdam. The Pilot Programme is made up of a Business Network and Investor Network that are both feeding back to the IIRC with their progression towards Integrated Reporting. There are over 80 Businesses and over 25 Investors participating in the Pilot Programme
2010	Robert Eccles & Mike Krzus	Book discussing trends towards greater transparency in external reporting and how integrated reporting can address

		this. Coins the term "one report" as a reference to integrated reporting ((Eccles & Krzus, 2010)
	Official Formation of the IIRC	On 2 August 2010 the International Integrated Reporting Committee. The steering committee was chaired by Sir Michael Peat, Principle Private Secretary to TRH The Prince of Wales and the Duchess of Cornwall, with Professor Mervyn King, Chairman, King Committee on Corporate Governance and Chairman, Global Reporting Initiative, as Deputy Chairman. The Working Group announced co-chairman Paul Druckman and Ian Ball.
	SAICA	South Africa has established a multi-organisation Integrated Reporting Committee (IRC). The aim is to develop guidelines on integrated reporting. Its first task will be to develop a framework for an integrated report for listed companies. The Committee is chaired by Professor Mervyn King (International Corporate Governance Network (ICGN) (2009))
2009	Preliminary Foundation of IIRC	The International Integrated Reporting Committee was discussed by those attending The Prince's Accounting for Sustainability Forum meeting on 17 December 2009
	International Corporate Governance Network (ICGN)	Puts forward a statement discussing the reasons for integrating non-financial information into annual reports. Couched in terms of risk mitigation and assessing the quality of management in dealing with risk (Elkington & Raunaut, 2009)
	St. James Palace Meeting	Meeting of key players in sustainability reporting on September 11, 2009. Discussed idea & meaning of integrated reporting and its challenges & adoption
	European Commission Workshops on ESG Disclosure	Series of 5 workshops. Discussed ESG disclosure from I different stakeholders perspectives Identified motivations, barriers, challenges & ways of addressing these issues
	Institute of Directors of Southern Africa (KING III)	South African governance code to take effect in March 2010. Provides guidance against Companies Act 2008. Asks companies to provide an integrated report that provides a holistic and integrated representation of the company's performance. Reports may be presented in a single report or dual reports. If dual reports, then should be released simultaneously(Institute of Directors in Southern Africa, 2009)
	Tracy Oates	Reports on need for integrated reporting, discusses issues and challenges involved in developing integrated reports (Oates, 2009)
	Jayne Mammat, Ernst & Young South Africa	Paper outlines recent trends in sustainability reporting. References King III in call for integrated reporting. Says "integrated sustainability reporting is more about management than reporting (Mammat, 2009).
2008	Corporate Register	Corporate Register began awarding the first annual award for Best Integrated Report.
	KPMG & SustainAbility	Trends found in GRI Readers Choice'2008 survey indicate readers are looking for sustainability reports to integrated with annual financial reports (KPMG & SustainAbility,2008)
2007	Alan Willis	Proposes a new corporate reporting model based on Corporation20/20 principles of governance. This includes integrating financial & non-financial information in one

		report (Wilis, 2007).
	The Prince's Accounting For Sustainability Project (A4S)	Proposes the Reporting Framework, Connected a framework for approaching reporting that recognizes ESG concerns. Includes reporting on "core" environmental indicators such as waste, water, energy, carbon emissions.
	WICI, World Intellectual Capital Initiative (WICI)	WICI's mission is to develop a voluntary global framework for measuring and reporting corporate performance to shareholders and other stakeholders. This framework is based on a combination of a PWC reporting framework and KPIs for ESG Issues by the DVFA – Society of Investment Professionals in Germany . WICI is essentially a XBRL taxonomy.
2005	Allen White	Puts forward an agenda for integrated reporting, who, why, what could be common approaches (White, 2005).
	Vancity	Reviews 12 organizations producing integrated reports and discusses definitions of integrated reporting based on exploratory research. Presents issues & challenges (vancity.com,2005)
2004	SustainAbility	Timescale for experimentation with integrated reporting and challenges and opportunities associated with integrated reports.
	Enhanced Business Reporting Consortium (EBR360)	Mission is to provide a voluntary, global disclosure framework for the presentation of the nonfinancial components of business reports, including key performance indicators. The focus of the model will be on information that delivers a broader view of a company's current and future performance (Anderson, Herring, & Pawlicki, 2005).
2003	Business in the Community	Release of the report by the Business Impact Review Group, "Indicators That Count", which includes findings of 20 companies in implementing a set of impact indicators covering workplace, community, environment and marketplace for external reporting purposes.
	Magna Rautenbach	Authored a course on Integrated Sustainability Accounting, Assurance and Reporting (ISAAR), which was sponsored by Deloitte South Africa and presented through the University of South Africa (UNISA) Centre for Corporate Citizenship. Says "integrated sustainability accounting, assurance and reporting is a dynamic management process for social, economic & environmental sustainability, mutually beneficial to the organisation and its stakeholders (Kneal, 2002)
2002	Novozymes	Novozymes, a Danish enzyme company spun off from Novo Nordisk in 2000, produced the first corporate integrated report in 2002. Novo Nordisk began integrated reporting shortly thereafter (Eccles & Krzus, 2010).
	Institute of Directors of Southern Africa (KING II)	South African governance code. Integrated Sustainability Reporting. A company is expected to report on its commitments in social & environmental areas
1999	PricewaterhouseCoopers (PwC)	Created the ValueReporting Framework (now known as the Corporate Reporting Framework) that identifies information that all industries and companies share in common: market overview, strategy and structure, managing for value, and performance, all underpinned by relevant performance measures

2.2 Theoretical Framework

Stakeholder Theory

In an organization, there are basically two types of stakeholders (Internal and external). Most internal stakeholder includes management, employee and board while external stakeholder includes shareholders, communities, creditors, debtors/customers, government agencies, and environment (Johnson-Rokosu & Olanrewanju, 2016). Basically, stakeholder theory is based on proposition that a firm‘s success or otherwise depends on a successful management of all the relationships that a firm has with its stakeholders‘(Uwuigbe & Jimoh, 2012). It is argued that stakeholder theory is one of the theories that seeks to explain the practice of presenting social information, focused on the role it can play in relations between organizations, governments, individuals, associations and societies in general (Magnaghi & Aprile, 2014). Gray (2002), reported that from an organizational point of view, stakeholders theory is based on a model of accountability for all actors, be it normative, descriptive or the explanatory power they hold in the context of CSR; and includes the responsibilities of the company and the transparent nature of its activities. A crucial element that the company can use to manage stakeholder relationships is precisely the information (financial, sustainability, or both) managed to gain the support and approval of corporate strategy from the stakeholders, without raising an objection.

Furthermore, stakeholder provides another theoretical framework for explaining the relationship between various stakeholders and management; and potentially useful in examining or influencing corporate social disclosures or sustainability reporting and by extension the integrated reporting by organization in the annual corporate reports.

Similarly, as noted by other scholars, ethical managers do not wait to be informed to do this disclosure, however they just engage in it on their own thereby winning the trust and confidence of their stakeholders (Ordu & Okorafor, 2014). For example, the restless nature of militancy in Niger Delta; frequent attacks on oil installations and kidnapping of foreign nationals to draw attention to environmental pollution and degradation, forces major oil companies to have a rethink, become socially responsible and discloses information on environment, social and governance in their corporate reports. This example corroborated the submission of Uwuigbe and Jimoh, (2012) in Johnson – Rokosu & Olaranwanju, (2016) that the more powerful the stakeholders, the more the company must adapt.

2.3 International Integrated Reporting Council

The International Integrated Reporting Council (IIRC), of which Mervyn King is chair, was convened in order to aid businesses and investors as they begin to adopt Integrated Reporting. Launched in 2010 by HRH the Prince of Wales with international partners. The IIRC was formerly known as the International Integrated Reporting Committee, being renamed in 2011. The Prince's Accounting for Sustainability Project (A4S) acted as the Secretariat for the IIRC until January 2012.

The IIRC calls itself 'a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about businesses' value creation should be the next step in the evolution of corporate reporting'. It states its mission is to create the globally accepted International IR Framework that elicits from organizations material information about their strategy, governance, performance and prospects in a clear, concise and comparable format. The Framework is intended to underpin and accelerate the evolution of corporate reporting, reflecting developments in financial governance, management commentary and sustainability reporting.

The IIRC produced a 'Discussion Paper' in 2011 from which the overwhelming feedback demonstrated overwhelming support for Integrated Reporting and endorsed the development of a global Framework. It also concluded that the primary audience of integrated reports is investors in order to aid their allocation of financial capital.

The IIRC Pilot Programme

The IIRC began a Pilot Programme in 2011 in order to underpin the development of the International Integrated Reporting Framework. The group of organizations participating in the Pilot Programme has the opportunity to contribute to the development of the Framework. Paul Druckman, CEO IIRC, said "We call the Pilot Programme our "innovation hub" - made up of people who want to push the boundaries just a little bit further, to challenge, or at least question orthodox thinking, and to acknowledge the importance of reporting to the way our organizations think and behave. There are over 90 businesses in the Pilot Programme Business Network include Unilever, Coca-Cola, Microsoft, China Light and Power, Hyundai, Diesel & Motor Enigineering PLC (Dimo-Sri Lanka) and HSBC (hsbc.co.uk)

The IIRC, in collaboration with UNPRI set up an Investor Network as part of its Pilot Programme. It is made up of over 30 investor organizations in order to help shape the Framework by providing an investor's perspective on the shortfalls in current corporate reporting.

The International Integrated Reporting Framework

The IIRC was created with the remit of developing the globally accepted International IR Framework that elicits from organizations material information about their strategy, governance, performance and prospects in a clear, concise and comparable format. The Framework will underpin and accelerate the evolution of corporate reporting, reflecting developments in financial, governance, management commentary and sustainability reporting. The benefits of the Framework are purported to be the enabling of informed decision-making that leads to efficient capital allocation and the creation and preservation of value. The Framework is ultimately intended as guidance for all businesses producing integrated reports.

The Six (6) capitals

Six capitals are: financial capital; manufacturing capital; human capital; social and relationship capital; intellectual capital and, natural capital. Natural capital is described and visually depicted as providing the environment in which the other capitals sit.

2.4 Integrated Reporting in South Africa

Corporate reporting on financial and non-financial information in a single document has grown as companies such as BlackSun (www.blacksunplc.com) have produced research that suggests that producing integrated reports will have a strong correlation to the resilience and ability of a business to create value in the short, medium and long term. For many years businesses have been producing both Annual Reports and separate sustainability reports. However, increasingly often businesses are starting to produce integrated reports. On 1 March 2010 the Johannesburg Stock Exchange (JSE) adopted the King III principles as part of its listing requirements, which require listed companies to apply King III or explain which recommendations have not been applied and publicly provide reasons therefore. King III recommends Integrated Reporting and hence the requirements for listed companies to issue integrated reports.

King Report on Corporate Governance

In the King III Report (otherwise known as King Code of Governance for South Africa 2009), Integrated Reporting is referred to in this manner: "A key challenge for leadership is to make sustainability issues mainstream. Strategy, risk, performance and sustainability have become inseparable; hence the phrase 'integrated reporting' which is used throughout this Report. Furthermore, Mark Graham (2017) reporting on why South Africa needs to up its game with integrated reporting asserted that globally, South Africa is held up as a trailblazer when it comes to the practice of Integrated Reporting (IR) and indeed, the research is indicating that there are very real bottom line benefits to businesses that do this. But there is still a surprising amount of confusion around what IR entails and businesses are failing to capitalise on the immense benefits and opportunities it presents.

IR emerged in the wake of the global financial crisis of 2008, which spawned a movement that wanted to hold business accountable for the impact it had on communities, societies and people across the planet. The International Integrated Reporting Council (IIRC), which went on to spearhead the development of IR around the world, was launched at the 2009 Accounting for Sustainability conference.

In South Africa, there was quick uptake of the concept, and the Integrated Reporting Committee of South Africa was founded in May 2010 to develop guidelines on good practice in integrated reporting and to promote awareness. The Johannesburg Stock Exchange's Listing Requirements soon stipulated that listed companies must produce integrated reports in compliance with the recommendations of the King Code of Governance of 2009. Five years down the line, it is clear that these reports are gaining in strength. EY's 2016 Excellence in Integrated Reporting Awards highlights the fact that more companies are producing reports that are successfully focusing on future strategy and articulating the way in which a business creates value.

However, there is enormous scope for improvement, they say. To up their game, South African companies would benefit from focusing on the following three priorities when embarking on their integrated reporting.

1. Put the focus on value creation, not just numbers

IR is not an add-on to the annual and financial report, but an entirely separate document that builds on the information in these two critical documents and is designed to tell a more holistic story of the business, specifically about the sustainability of its practices and operations and a description of how the organisation creates value for itself and for others over time. Value has two interrelated aspects: value for the organisation in the form of financial returns to the providers of financial capital; and value for other stakeholders and society at large. The organisation should clearly define what value means to it early on in the report and this should form the thread that runs throughout.

2. Explain the organisation's strategy

The main purpose of an integrated report is to improve the quality of information available to shareholders and other stakeholders on a company's real situation. It is a form of communication that includes broader and more relevant information that is beneficial especially to investors and those involved in capital allocation decisions.

A key part of this is to explain the organisation's strategy. Strategy essentially guides how the organisation will use the capital at its disposal to create value, the dependency of the business model on the different capitals, how it will manage the trade-offs between the various capitals, how it will utilise the opportunities that have arisen, and how it will manage the risks and so on. Strategies are not simply broad goals, aspirations, objectives, ideals or a vision. A strategy is more detailed than this. It requires an explanation of a set of coherent actions. Detailed strategies describe how the organisation intends to achieve its broader strategic objectives.

3. Tell a good story

Finally, an integrated report should lay out the organisation's strategy and value creation story in a way that is engaging, with a connected and coherent storyline. A format that works for many, is to start with an introduction that outlines the scope, boundary and other preliminary issues, followed by an explanation of the organisation - its mission, vision, profile, external environment and business model. After this the stakeholders can be identified together with their legitimate needs and concerns. It should then be explained how these needs and concerns have been filtered and used to establish the organisation's material issues and overall strategy. The report can then continue with the necessary detail which can be presented by capital, stakeholder, material issue or division, whichever it is felt will tell the value creation story the best.

What is also important is that companies need to tell a balanced story, reflecting "warts and all". An IR is not intended to be a publicity document, but should focus on the internal and external challenges, risks and problems relating to the organisation. Many companies focus only on the good news, but not telling the complete story undermines the credibility of the report and those charged with governance.
And lastly, as with any good story, the IR should leave its readers with a clear picture of what is to come. Where an annual report looks back, an integrated report looks forward, explaining how the company will deal with the challenges posed by economic and environmental factors and how it is aiming to deliver value to shareholders and other stakeholders in the future.

2.5 The Importance of Integrated Reporting

Quite aside from the initial objective of integrated reporting to hold businesses accountable for their impact on people and the environment, there is tremendous benefit to organisations that commit to IR and do it well. Studies have shown that companies that adopt integrated reporting practices actually outperform those that do not, and also have more long-term investors (Graham, 2017). A report by the IIRC and Black Sun surveyed 66 companies around the world and found that integrated reports helped to build stronger relationships and improved understanding with stakeholders.

Another study by KPMG and the National University of Singapore found that through communication and transparency, the application of integrated reporting allowed companies to tell their own stories, preventing analysts from making assumptions on their behalf. This particular study also found that companies that disclosed more than just financial information started to outperform other companies who did not.

It is also believed that capital markets are likely to reward companies that adopt integrated reporting guidelines as this will help them rethink and integrate their strategies and business models more in line with stakeholder expectations.

IR is the way of the future. It is changing the way we think about capitalism and the world of business – not in terms of how much money an organisation is making, but what value it is creating. By getting business managers and CEOs to think about their company in terms of its sustainability, they naturally begin to see their operations in these terms and begin to relate differently to their staff, their products or services and the communities they serve.
By encouraging leaders to think in an integrated way, the emphasis moves from short-term profits to long-term value creation. The result is better, more integrated and more sustainable businesses that are able to weather the storms that come their way and are more equipped to be successful in the long run as well (Graham, 2017).

2.6 Criticisms of Integrated Reporting

It has been argued that integrated reporting is merely rhetoric rather than implementable and practical. Others are that there are vague definitions of its components. For example the issue of value creation as well integrated thinking. Dumay et al (2017) noted that an advantage of definitions that require professional judgment and allow for interpretation is that they can be adapted by organisations to suit their needs. However, because the concepts of integrated thinking and value creation are vague, they also present a barrier to implementing the Framework because how they can or should be implemented is not clear. To Oll, and Rommerskirchen, (2018) the criticism stems on the fundamental concepts and guiding principles of the integrated reporting framework as well as to the International Integrated Reporting Council itself.

Similarly, setting appropriate organisational KPIs, identifying appropriate organisational risk indicators, lack of measurement of non-financial data — such as strategy, environmental and societal impacts — and lack of market prices for many natural capital assets and services, are common challenges faced by decision makers in preparing IR (Singha, Sadiqb, & Kau, 2019). They also noted that the moment these issues are dealt with IR becomes alternative to other reporting formats including just sustainability reporting as its all-encompassing. Regardless of its criticms, there is no doubt the benefits outweighs the disadvantages especially in the competitive business environment of the 21st century, where addition information disclosure can make the difference in attracting investors, hence the call and continues embrace of integrated reporting by organisations.

3. INTEGRATED REPORTING IN NIGERIA

While integrated reporting is emerging in the Nigerian context, several studies have been conducted on the need for adoption of integrated reporting in Nigeria and leveraging on the potential benefits associated with IR. One of such studies that painted a clearer picture of the IR reporting prospects in Nigeria is that of Ofoegbu, Odoemelam and Okafor (2018). Ofoegbu et al (2018) did a cross country studies on integrated reporting in Nigeria and South Africa. The study examined the influence of corporate board characteristics on environmental disclosure quantity of listed firms in two leading emerging economies: South Africa and Nigeria which practice integrated reporting framework and traditional reporting framework, respectively. Two issues motivated the study: First, calls by researchers for integrated reporting regulation in Nigeria, and the challenge facing regulatory bodies and companies' boards in Nigeria in ensuring commitment to the protection of the environment and the society.

While many studies have examined the influence of corporate governance on environmental disclosure at the cross-country level, documenting evidence that corporate governance mechanisms are essential for corporate ecological reporting. However, these studies examined settings based on the legal framework and mostly focused on companies quoted on common and civil law countries. They neglected the weak and robust reporting framework and difference within either common or civil law countries. Thus the study of Ofoegbu et al, (2018) provides evidence on the differences in respect to the mode of reporting system between the two leading African emerging economies allowed them to distinguish between the extent at which corporate board mechanisms influence environmental disclosure quantity between the two countries South Africa and Nigeria.

The results are consistent with the conclusion that corporate board characteristics associate with environmental disclosure quantity in both countries, but emphasis centres on a substitutive relationship between BIND and the regulatory framework. The magnitude of the association in a relatively weak regulatory framework and that of strong reporting environment is the essence of the study. The study results are robust for CEDQ for a country that has a strong institution and has implemented integrated reporting regulations. Moreover, the influence of BIND on environmental reporting suggests a substitutive relationship in a traditional reporting setting. Furthermore, the results revealed a great concern with regard to environmentally polluting industries and less environmentally polluting industries. Firms from the strong regulatory framework and are environmentally sensitive-industries are more inclined to disclose their environmental impact.

While their counterpart firms from weak legal environment publish less environmental impact to stakeholders. This result is inconsistent with both the voluntary disclosure perspective and the legitimacy theory. Interestingly, companies that have environmental committee are more likely to publish their environmental responses. Furthermore, the results are based on the unique setting of the medium of disclosure, characterised by mandatory integrated reporting of environmental impact and voluntary disclosure of climate change-related issues. The results provide useful insight background information for future research and are also relevant for regulators and policymakers charged with environmental accounting. In Polluting-intensive industries, the mandatory disclosure perspective (integrated reporting) and the legitimacy perspective advanced in prior research appear to complement each other in a highly regulated country while the result of this study extends prior study arguing that environmentally sensitive industries in the poorly regulatory country, voluntary disclosure perspective substitute legitimacy perspective (Ofoegbu et al, 2018)

4. DIFFERENCES BETWEEN INTEGRATED REPORTING AND SUSTAINABILITY REPORTING

Sustainability Reporting is about communicating the organisation's approach to managing its key environmental and social issues. It is about communicating publicly how the company assesses which environmental and social issues are most significant to the company ("materiality"), how these issues are managed and how the company is performing against each of these key issues (performance data). These issues include business risks, and opportunities. Climate change, talent retention and employee diversity, for example, can pose both risks and opportunities for companies, so it is about communicating how the organisation is identifying and managing these risks and opportunities.

On the other hand, integrated reporting is one step further – about communicating, how the company manages its long term value creation by taking an integrated approach to both traditional risks and these wider sustainability risks. Instead of reporting on financial performance and sustainability performance separately, or even within the same AR, Integrated Reporting intends to show how the company integrates environmental & social thinking into its business (Johnson, 2015).

So for example, an integrated report goes beyond financial, employee, environmental and social data, to also demonstrate how the company integrates these broader risks and opportunities into its long term strategy, into its risk management, into operating policies and procedures, and what the tradeoffs between these issues are. This means integrated reporting pulls together information that sits in separate reporting strands to explain how the firm creates value. In the Singapore context, these reporting strands will include the i) Corporate Governance Statement, ii) Operating and Financial Review, iii) Financial Statements and more recently, iv) Sustainability Reporting.

According to Ian Ball, International Integrated Reporting Council (IIRC) Board member & Principal Advisor and ex-CEO of International Federation of Accountants (IFAC), Sustainability reporting relates to one important aspect of a company's performance, without which an integrated report would be incomplete.

In Singapore, and the region, it is often the sustainability reporting which is the weakest link to integrated reporting. Many companies in this region are only just beginning to develop their sustainability reporting practices. So should companies just leapfrog to Integrated Reporting, and bypass Sustainability Reporting? Companies don't necessarily need to publish sustainability reports, but they do need to put in place the sustainability fundamentals, for which GRI provides clear guidance. It is argued that that it is fundamental for companies starting out in their reporting journeys to firstly identify what their key environmental and social risks and opportunities are, create management programmes to manage these risks and maximise the opportunities and develop KPIs to track environmental and social performance. These are the fundamentals of sustainability reporting.

5. CONCLUSION AND RECOMMENDATION

While Integrated Reporting is essential as it a step further from the traditional sustainability reporting, it has been argued that it takes time to implement it, However considering the value it creates, the investment in time and resources to implement it will give a better trade off. It takes time for companies to really grasp the business benefits of sustainability and develop appropriate systems to manage these risks in a way that is appropriate for the individual company. It is only then that companies are ready to embrace integrated thinking and integrated reporting in a meaningful way. Sustainability reporting tends to be the part of Integrated Reporting that many companies globally are weak in implementing; hence it is recommended that companies take time to embed sustainability, before proceeding to Integrated Reporting as such their performance can be enhanced.

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