“Analysis of the integrated reporting use in EU countries”

AUTHORS	Magdalena Bochenek https://orcid.org/0000-0002-7089-2601 https://publons.com/researcher/O-7974-2018
ARTICLE INFO	Magdalena Bochenek (2020). Analysis of the integrated reporting use in EU countries. *Problems and Perspectives in Management*, *18*(3), 106-117. doi:10.21511/ppm.18(3).2020.09
DOI	http://dx.doi.org/10.21511/ppm.18(3).2020.09
RELEASED ON	Friday, 21 August 2020
RECEIVED ON	Friday, 05 June 2020
ACCEPTED ON	Tuesday, 11 August 2020
LICENSE	
JOURNAL	"Problems and Perspectives in Management"
ISSN PRINT	1727-7051
ISSN ONLINE	1810-5467
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
40	4	8

BUSINESS PERSPECTIVES

LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine

www.businessperspectives.org

Magdalena Bochenek (Poland)

ANALYSIS OF THE INTEGRATED REPORTING USE IN EU COUNTRIES

Abstract

Integrated reporting (IR) is an important element in the development of corporate reporting in the European Union (EU). It turns out that stakeholders need not only financial but also non-financial information about the company. Due to changes in the environment, the role of CSR is growing. Enterprises undertake more and more pro-social and pro-environmental activities. European countries and organizations introduce regulations and recommendations that are to improve and standardize IR. The article aims to present IR within the EU and analyze the relationship between the number of reports prepared and the welfare of individual countries. Research methods used in the article are study by action, statistical technique, and critical analysis of literature. The development of IR in the EU is briefly described. It was also analyzed whether there is a correlation between the popularity of IR in a country and its wealth. A high correlation was found between the wealth of a given country and the number of integrated reports prepared. The wealthier the country, the more integrated reports are made there. There is a big difference in the popularity of IR between the EU countries which joined the EU before 2004 and those in the EU from 2004 or later. More than 200 integrated reports are prepared in the countries that joined the EU before 2004 than in the countries that joined the EU in 2004 or later. Although the popularity of IR is growing steadily, there are still a few EU countries where integrated reports are hardly ever present.

Received on: 5th of June, 2020
Accepted on: 11th of August, 2020
Published on: 21st of August, 2020

Magdalena Bochenek, M.Sc., Department of Finance, Banking and Accounting, Faculty of Management, Rzeszow University of Technology, Poland.

Conflict of interest statement:
Author(s) reported no conflict of interest

Keywords integrated reporting, European Union, corporate reporting, non-financial information, non-financial reporting

JEL Classification M10, M40

INTRODUCTION

To improve corporate reporting efficiency, the concept of integrated reporting (IR) has been proposed in recent years. The interest in IR is constantly growing, as evidenced by the interest of international, European, and national organizations. Nowadays, many European Union (EU) companies use IR. The concept of IR is the answer to the needs of corporate reporting users. They need useful information to make decisions. For example, investors require information that will enable them to estimate the forecast of the future economic development of an organization and its value growth. Other stakeholders are interested in corporate social responsibility (CSR) and the concept of sustainability in enterprise strategies.

IR is increasingly popular with both entrepreneurs and scientists. However, there is still a need to develop this issue. There is a lack of compilations that provide clear information on how many and which EU companies are most likely to prepare integrated reports. There is also no clear answer as to whether integrated reports are more willing to be prepared in a particular industry. An interesting issue is also what the number of integrated reports in some EU countries depends on. One of the factors that can influence the number of integrated reports is the welfare of a country. Therefore, these issues require careful analysis and research in this area.

http://dx.doi.org/10.21511/ppm.18(3).2020.09

1. LITERATURE REVIEW

The development of integrated reporting has opened up new reporting opportunities for companies. Reporting combining financial and non-financial information allows for a broader view of the company and analyzes corporate governance mechanisms, both traditional and new, in a complex environment (R. Wang, Zhou, & T. Wang, 2019, p. 2). The increase in IR interest has resulted in many scientific publications and legal regulations regarding this issue (e.g., Bakker, Georgakopoulos, Sotiropoulou, & Tountas, 2020; Cooray, Gunarathene, & Senaratne, 2020; De Villiers, Hsiao, & Maroun, 2020; Malola & Maroun, 2019; Manes-Rossi & Orelli, 2020). The number of integrated reports and the number of publications on the subject (e.g., Fijałkowska & Sobczyk-Paterek, 2018; Michalczuk, Konarzewska, & Mikulska, 2017; Świderska, 2017, pp. 579-592; Walińska, 2015) indicates that IR is becoming increasingly popular also in Poland.

Many definitions of IR have been created. Todd (2005, p. 1) emphasizes that IR requires highlighting the relationships between financial performance and sustainable development. IR is integrated thinking that results in a periodic report on the creation of company value. IR combines the strategy, management, results, and perspectives of a company, which helps create value both in the short and long term (Abhishek & Divyashree, 2019, p. 141). The IIRC (International Integrated Reporting Council) states that "the primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time" (IIRC, 2013). The International Integrated Reporting Council (IIRC) is a global organization that promotes communication on value creation as the next step in the evolution of corporate reporting. Studies indicate that companies are trying to adapt their integrated reports to the framework set by the IIRC (Marrone, 2020, p. 31).

IR is an important part of corporate reporting development, which has extended the provision of information to stakeholders (Wild & van Staden, 2013, p. 5). IR can bring internal benefits to organizations in the form of accelerated integrated thinking. Thus, it can lead to better management decision making (Adams, 2015, p. 23; Brown & Dillard, 2015, p. 178). It is also likely that this IR will fit into corporate reporting and move towards developing financial capital reporting (Brown & Dillard, 2014, p. 1147). Some scientists do not hide their disappointment that the current IR orientation differs significantly from what its promoters had anticipated and is closer to corporate reporting than sustainability management (Flower, 2015, p. 17; Humphrey, O'Dwyer, & Unerman, 2017, p. 34; Lew, Maruszewska, & Szczypa, 2019, p. 634).

Some researchers say there is uncertainty among IR preparers whether investors take IR seriously (McNally, Carbone, & Maroun, 2017, p. 481). There is no doubt that the IR can be treated as a tool to manage investor relations, as many authors have written about (Köhler & Hoffmann, 2018, pp. 209-219). The high quality of the IR is a signal to investors about reliable information from the company. The high quality of the report increases the efficiency of the company and the return of its value over time (Amirrudin, Abdullah, & Saleh, 2020, p. 1783; Raimo, Vitolla, Marrone, & Rubino, 2020, p. 11; Vesty, Ren, & Ji, 2018, pp. 1424-1425). An IR can also be created in response to mandatory corporate reporting requirements (P. Stanton & J. Stanton, 2002, p. 478).

The origins of the IR are considered a document issued by the Institute of Directors in South Africa (IoDSA). This document, known as King I Report, contained information on corporate governance (IoDSA 1994). In the early 2000s, the first integrated report by Danish bio-industrial products company, Novozymes appeared (Eccles & Serafeim, 2011, p. 70). This was the first integrated report in the EU.

In 2010 and 2011, some EU countries (the Netherlands, France, and Finland) adopted internal regulations that require certain companies to disclose certain non-financial data (GRI, 2013, p. 13).

According to the 2011 survey, many European Union countries have reported a high level of interest in integrated reporting. Among these countries, one can mention the UK, Switzerland, Spain, Denmark, Germany, France, Italy, Sweden, the Netherlands, and Greece (Eccles & Serafeim, 2011, p. 82).

In 2012, the GRI (Global Reporting Initiative) report stated that European organizations published

58% of the self-appointed integrated reports. As far as individual countries are concerned, most of the integrated reports in 2012 were published in South Africa, the Netherlands, Brazil, and Australia. There is, therefore, a strong argument in favor of continuing to look for the factors that favor the creation of integrated reports for individual countries (Gibassier, Adams, & Jérôme, 2019, p. 6). In the GRI (Global Reporting Initiative) research, in the years 2010–2012, most of the integrated reports in the world were created in companies from the financial services industry (GRI, 2013, p. 14).

The EU issued a Directive of October 22, 2014, also called non-financial reporting directive (NFRD), regarding the disclosure of non-financial information by large enterprises. The document recommends that companies with more than 500 employees during the financial year "shall include in the management report a non-financial statement containing information to the extent necessary for an understanding of the undertaking's development, performance, position, and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

- a brief description of the undertaking's business model;
- a description of the policies pursued by the undertaking concerning those matters, including due diligence processes implemented;
- the outcome of those policies;
- the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;
- non-financial key performance indicators relevant to the particular business" (Directive 2014/95/UE, Article 1).

The EU directive is considered as a significant step in strengthening IR's position in common management practice (Bernardi, 2020, p. 5). In response to the EU Directive's emergence, the GRI and the Global Sustainability Standards Board issued guidelines on compliance with the EU Directive (GRI, 2017). The guidelines recommend that companies make only minor changes to their operations. Other frameworks already widely used by European companies, such as GRI, should retain their significance because they are in line with the Directive (Farneti, De Villiers, & Dumay, 2018).

In 2016, in France, Autorité des Marchés Financiers (AMF) published a statement that it is favorable that the annual report of companies can be an integrated report, provided that the integrated report retains the purpose of brevity (Gibassier, Adams, & Jérôme, 2019, p. 15).

On March 11, 2019, the Ministry of Finance in Poland presented a report entitled "Reporting non-financial information for 2017 under the Accounting Act – first experiences and good practices." The purpose of the report was to increase the level of this reporting in subsequent years.

The EU ensures the quality of integrated reporting. On February 20, 2020, the European Commission announced a public consultation on the revision of the Directive on the disclosure of non-financial data. The consultation document contained 45 questions in eight categories, and comments could be submitted until June 11, 2020.

These activities undertaken in the EU show that integrated reporting is very popular there. Some authors point out that there is a lack of sources of traditional regulatory authority and legitimacy regarding IR (La Torre, Dumay, Rea, & Abhayawansa, 2019, p. 17). It can be expected that with the increase in IR preparation, further EU countries will introduce legal regulations in this area.

2. AIM, DATA AND METHODS

The article aims to present IR within the EU and study the relationship between the number of reports prepared and the welfare of each country. Data on the preparation of integrated reports by enterprises operating in the EU in 2013–2017 were analyzed.

http://dx.doi.org/10.21511/ppm.18(3).2020.09

The article presents the following research hypothesis:

H: *The higher the level of economic development of the European Union member state, the higher the number of integrated reports in this country.*

In the paper, the value of real GDP per capita was adopted to measure the degree of economic development.

The presented multidimensional comparative analysis was carried out using a statistical unit. The variable used in the model is the member states of the EU. The second variable is the indicator of real GDP per capita of the member state concerned. The analysis used, among others, the Spearman rank correlation coefficient method.

The Spearman correlation shows the relationship between two variables. Spearman's correlation assesses monotonic relationships (whether linear or not). The relationship between the variables can be negative (result below 0 to –1) or positive (result above 0 to +1). A negative correlation means that if one variable increases, the other decreases. A positive correlation means that if the value of one variable increases, the other one also increases. The closer the score is to 1, the stronger the relationship is.

The Corporate Register[1] database was used to find enterprises throughout the EU that prepare an integrated report. Corporate Register is the global, online database of non-financial reporting, with over 113,250 reports profiled from over 19,400 organizations. The database creates profiles of reports from 1990 and from each country, provided that it is available in the Latin alphabet. The article uses data from 2013 to 2017 concerning the countries of the EU, that is the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and United Kingdom[2].

3. RESULTS

A report drawn up by a company does not necessarily have to be called an 'integrated report' to qualify for this group. Such a report must contain relevant non-financial data about the company. In this study, several types of non-financial reports were classified as integrated reports, including environmental reports, CSR, sustainable development reports, as well as reports entitled "integrated report" and annual reports with a minimum of six pages of non-financial content.

Table 1. Total number of integrated reports in the EU in 2013–2017

Source: Own research.

Year	Total number of reports	Reports with independent assurance statement
2013	4,015	836, 20.82% of the total
2014	4,152	907, 21.84% of the total
2015	4,401	917, 20.84% of the total
2016	4,485	952, 21.23% of the total
2017	4,318	915, 21.19% of the total

Table 1 shows the total number of integrated reports drawn up in the EU in 2013–2017. The numerical differences are relatively small. During the five years covered by the research, the number of integrated reports increased by approximately 300. Some reports have independent assurance statement. During the period under review, the number of reports prepared exceeded 4,000, while only about 21% of them have confirmation. Therefore, one should consider whether the information provided by enterprises is completely reliable. This raises the question about the quality of integrated reports. This question has also appeared in science before, and some researchers say that the overall quality level of integrated reports is low (Pistoni, Songini, & Bavagnoli, 2018, pp. 490-491). More companies undertaking drawing up the integrated reports should cover independent examinations, which would increase their value to stakeholders.

1 https://www.corporateregister.com/

2 Left the EU on 31 January 2020; however, it was included in the research due to their time range (2013–2017).

Table 2. Integrated reports in the EU by industry to which individual companies belong in 2013–2017

Source: Own research.

Industry \ Year	2013	2014	2015	2016	2017
Aerospace & Defence	26	24	31	37	35
Alternative Energy	8	9	7	7	4
Automobiles & Parts	98	119	96	107	91
Banks	216	221	236	234	232
Beverages	88	79	79	91	82
Chemicals	102	94	106	109	120
Construction & Materials	229	245	245	246	240
Electricity	88	108	103	117	113
Electronic & Electrical Equipment	62	76	83	81	84
Equity Investment Instruments	6	4	5	10	11
Fixed Line Telecommunications	36	34	34	29	27
Food & Drug Retailers	64	76	87	89	92
Food Producers	153	167	211	193	207
Forestry & Paper	64	55	63	67	59
Gas, Water & Multiutilities	185	184	184	180	175
General Financial	82	96	104	115	127
General Industrials	107	115	123	120	102
General Retailers	91	87	88	114	117
Health Care Equipment & Services	85	83	102	111	100
Household goods	85	82	86	87	80
Industrial Engineering	81	76	87	93	92
Industrial Metals	66	62	64	62	67
Industrial Transportation	231	234	255	262	235
Leisure Goods	9	10	10	9	8
Live insurance	31	31	34	36	35
Media	65	71	77	68	75
Mining	39	40	39	42	40
Mobile telecommunications	35	32	34	35	29
Nonequity Investment Instruments	6	5	6	6	7
Nonlife Insurance	53	65	67	68	77
Oil & Gas Producers	64	73	63	68	63
Oil Equipment, Services & Distribution	20	21	21	18	15
Personal Goods	78	76	88	87	94
Pharmaceuticals & Biotechnology	70	73	75	71	73
Real Estate	139	138	163	172	175
Software & Computer Services	45	52	51	57	60
Support Services	534	548	577	555	520
Technology Hardware & Equipment	34	37	35	34	29
Tobacco	3	3	3	5	5
Travel & Leisure	184	187	219	208	205
Other	353	360	360	384	316
Total number of reports	4,015	4,152	4,401	4,485	4,318

Table 2 shows the number of reports produced across the EU by enterprise group. Most integrated reports in the EU are prepared by companies from the Support Services industry. These are mainly services related to business support and finance. In 2013–2017, the number of these reports was more than 500. Compared to 2013, in 2017, the largest increase in the number of reports was observed in the following industries: Food Producers (54 reports) and General Financial (45 reports). Whereas the biggest decrease in the number of reports was recorded in the group Other (37 less reports). The preparation of integrated reports is the least popular in the following industries: Aerospace & Defence, Alternative Energy, Equity Investment Instruments, Fixed Line Telecommunications, Leisure Goods, Live insurance, Mobile telecommunications, Nonequity Investment Instruments, Oil Equipment, Services & Distribution, Technology Hardware & Equipment and Tobacco.

Figures 1 and 2 show the percentage share of individual industries in the total number of integrated reports in the EU. The industries which during the five years covered by the research did not constitute more than 1% of the total were marked as "Less than 1%", are Aerospace & Defence, Alternative Energy, Equity Investment Instruments, Fixed Line Telecommunications, Leisure Goods, Live insurance, Mobile telecommunications, Nonequity Investment Instruments, Oil Equipment, Services & Distribution, Technology Hardware & Equipment and Tobacco. The "Less than 1%" group accounts for 5% of all integrated reports in both 2013 and 2017.

The industries which during the five years covered by the research did not account for more than 2% of the total, but more than 1%, were labeled "Less than 2%", are: Forestry & Paper, Industrial Metals, Media, Mining, Nonlife Insurance, Oil & Gas Producers, Pharmaceuticals & Biotechnology and Software & Computer Services. The "Less than 2%" group accounts for 12% of all integrated reports in 2013 and 2017.

Table 3 presents the data on the number of integrated reports in the European Union by the member state. The results for those member states with less than 1% share are presented under the head-

http://dx.doi.org/10.21511/ppm.18(3).2020.09

Source: Own research.

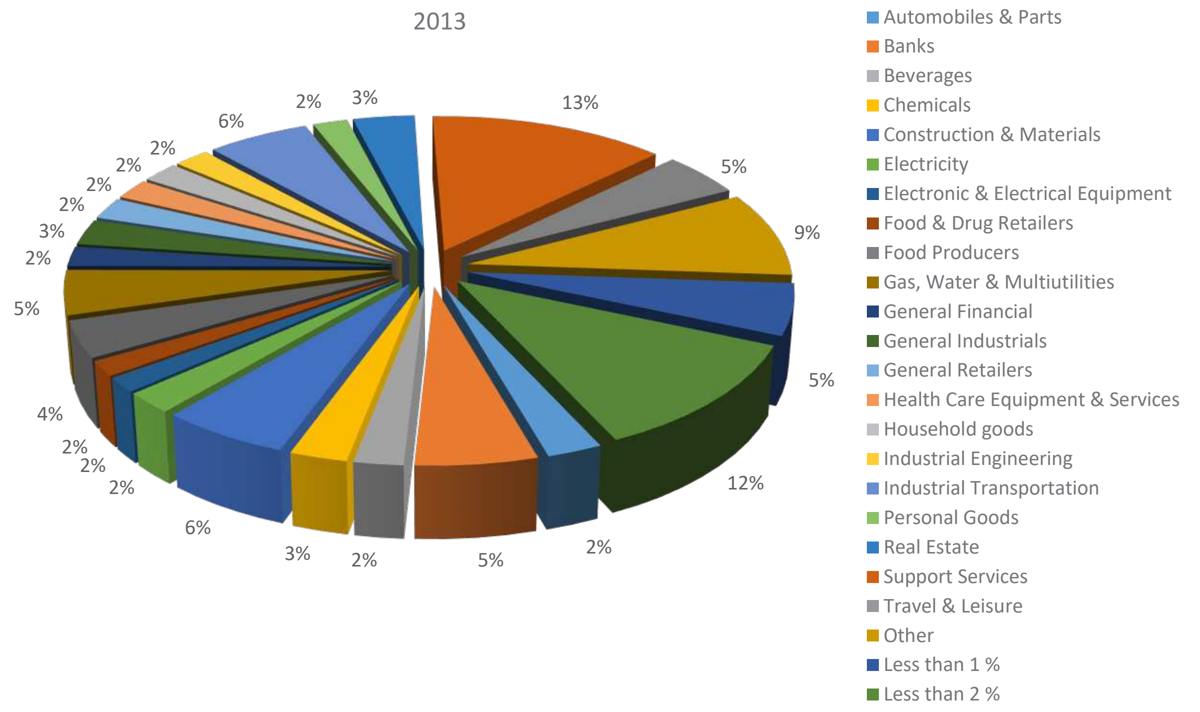

Figure 1. The percentage share of individual industries in the total number of integrated reports in the EU in 2013

Source: Own research.

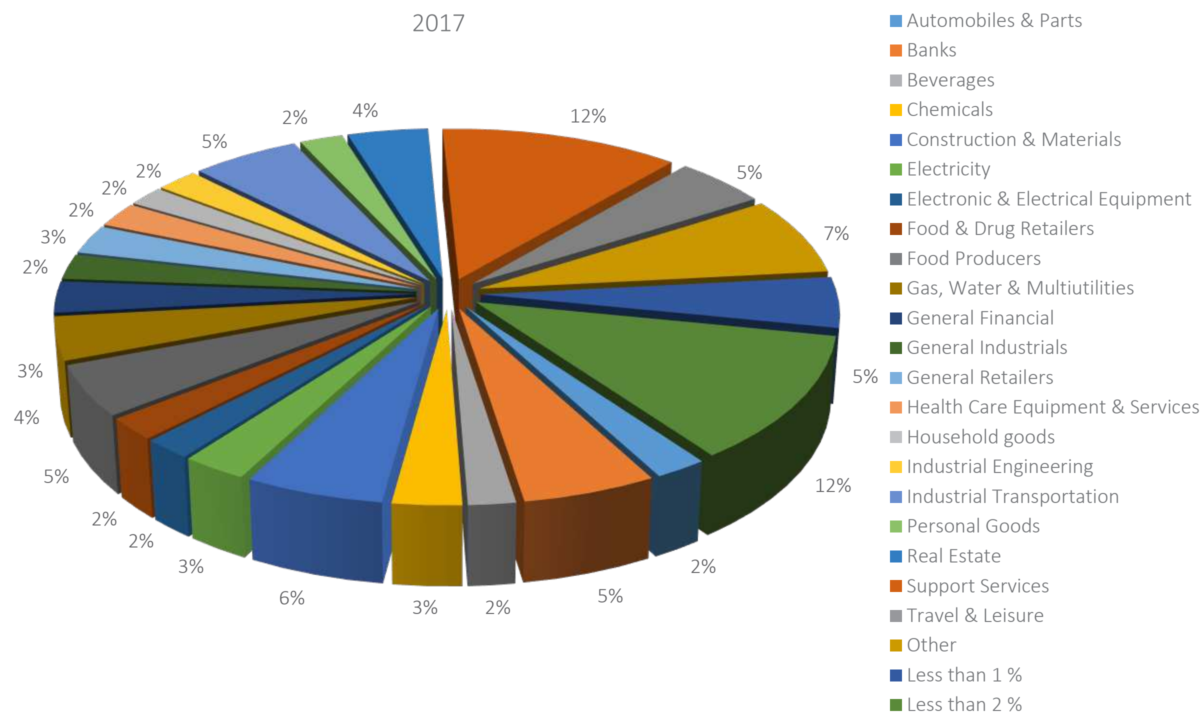

Figure 2. The percentage share of individual industries in the total number of integrated reports in the EU in 2017

Source: Own research.

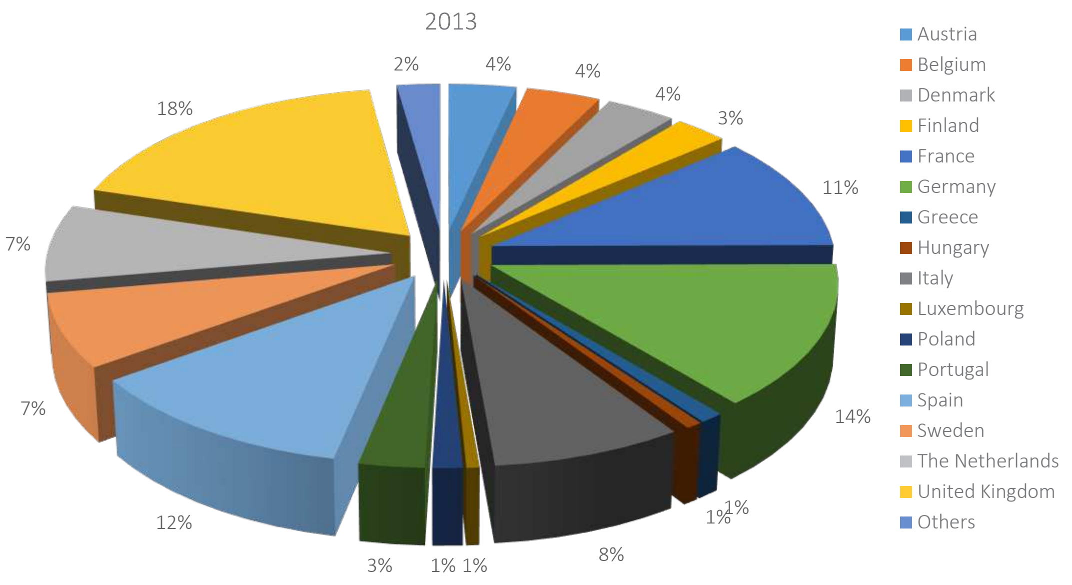

Figure 3. Percentage share of the number of integrated reports of individual member states in the EU as a whole in 2013

Table 3. Number of integrated reports in individual EU member states in 2013–2017

Source: Own research.

Country/Year	2013	2014	2015	2016	2017
Austria	141	131	146	143	130
Belgium	155	156	179	161	152
Denmark	146	157	173	170	184
Finland	112	114	110	112	121
France	446	462	551	565	549
Germany	561	595	610	661	614
Greece	41	43	41	40	54
Hungary	28	22	21	21	17
Italy	324	334	351	364	365
Luxembourg	22	18	27	25	28
Poland	51	45	49	46	48
Portugal	111	113	105	113	84
Spain	475	471	517	499	484
Sweden	289	289	308	328	330
The Netherlands	299	320	342	332	304
United Kingdom	724	794	770	805	754
Others	90	88	101	100	100
Total	4,015	4,152	4,401	4,485	4,318

ing "Other". These countries are Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia, and Slovenia. The UK, Germany, Spain, and France can be considered as leading countries in IR in the EU. However, there are still many countries in which IR is not developing so rapidly. In these countries, consideration should be given to internal regulations that could encourage companies to draw up such reports. This was the case in France, for example.

In 2013–2017, the number of integrated reports in individual countries remained at a similar level. In most countries, during the five years covered by the research, there was an increase in the number of reports. The largest increase took place in France (103 reports), Germany (53 reports), Italy (41 reports), Sweden (41 reports), and Denmark (38 reports), whereas in Austria, Belgium, Hungary, Poland, and Portugal, the number of reports in 2017 compared to 2013 was lower. In the five years

http://dx.doi.org/10.21511/ppm.18(3).2020.09

Source: Own research.

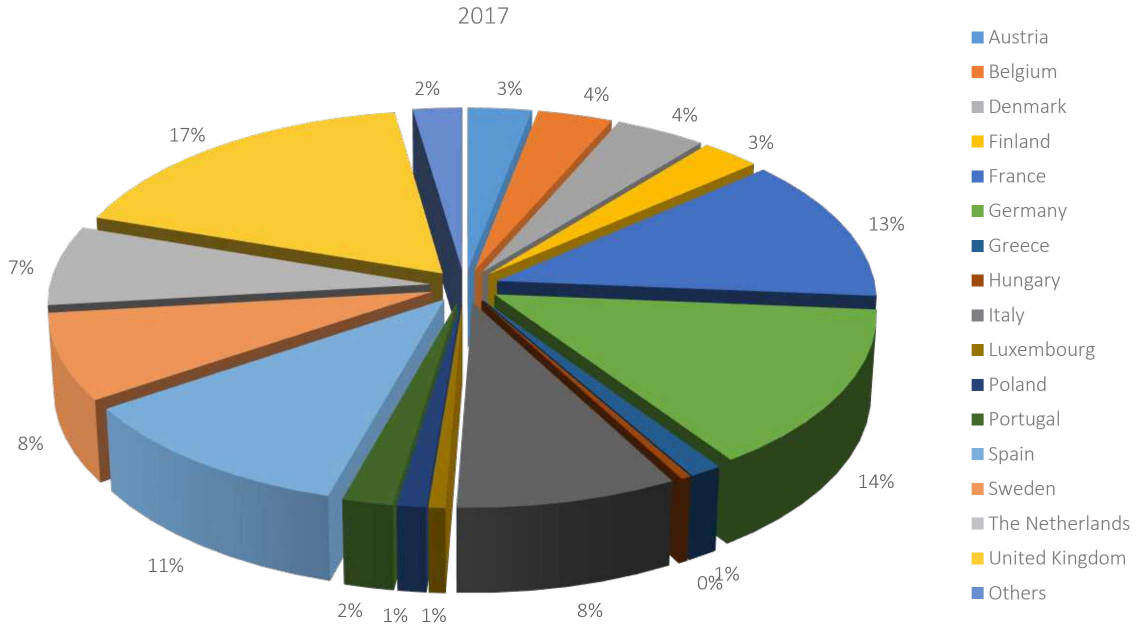

Figure 4. Percentage share of the number of integrated reports of individual member states in the EU as a whole in 2017

of the research, the largest number of integrated reports was prepared in the United Kingdom, Germany, France, and Spain. The percentage share of individual member states in the EU as a whole is shown in Figures 3 and 4.

The number of integrated reports prepared by Polish companies constitutes slightly more than 1% of EU reports. In 2014, the number of reports was 45, and it was the smallest value obtained in the examined period. However, the reports with independent assurance statement constituted almost 38% of the total. In 2017, the number of reports was 48, of which only less than 19% were reports with independent assurance statement. Detailed data are presented in Table 4.

Table 4. Total number of integrated reports in Poland in 2013–2017

Source: Own research.

Year	Total number of reports	Reports with independent assurance statement
2013	51	13, 25.49% of the total
2014	45	17, 37.78% of the total
2015	49	10, 20.41% of the total
2016	46	15, 32.61% of the total
2017	48	9, 18.75% of the total

In Poland, it is difficult to determine which industry is most willing to prepare integrated reports because their number is relatively small. During the 5 years covered by the research, the largest percentage in total was reported by Banks (17% in 2017) and Construction & Materials (13% in 2017). In a few industries, in the audited period, not a single integrated report was recorded.

Table 5. Arithmetic mean of integrated reports in the EU

Source: Own research.

Year	Arithmetic mean of the total number of reports	Arithmetic mean of the reports with independent assurance statement
2013	148.70	30.96
2014	153.78	33.59
2015	163.00	33.96
2016	166.11	35.26
2017	159.93	33.89
Total	158.30	33.53

Table 5 presents the arithmetic mean of integrated reports in the EU in individual years from 2013 to 2017 and for the entire period under examination.

In the analyzed period in Poland, the number of integrated reports was much lower than the EU average. Only 9 countries have more integrated reports than the EU average: Belgium, Denmark, France, Germany, Italy, Spain, Sweden, the Netherlands, and the United Kingdom. It can, therefore, be concluded that IR is the most popular in these EU countries.

These results look very interesting if one divides the EU countries into those in the EU before 2004 (Group 1) and those that joined the EU in 2004 and later (Group 2). These data are contained in Table 6.

Table 6. Arithmetic mean of integrated reports in the EU according to the year of accession

Source: Own research.

Year	Arithmetic mean of integrated reports in countries that were members of the EU before 2004 (Group 1)	Arithmetic mean of integrated reports in countries that joined the EU in 2004 and later (Group 2)
2013	274.71	13.00
2014	285.50	11.92
2015	302.14	13.15
2016	308.43	12.85
2017	296.64	12.69
Total	293.49	12.72

The difference in the average number of reports in Group 1 and Group 2 countries is huge. It is clear that in the EU, IR is most popular in Group 1 countries. Poland is one of the Group 2 member states. In this group, Poland is one of the countries where IR is most popular, and the number of integrated reports in the period under review is much higher than the average for the whole Group 2. However, comparing the number of reports prepared in Poland to the average in Group 2, this number is much smaller.

Based on the observations and general conviction, it has been argued that the number of integrated reports in a given country depends on its wealth. To confirm this hypothesis, the data on the real GDP per capita indicator of individual EU countries were analyzed. These data are presented in Table 7.

Table 7. Real GDP per capita in individual EU member states in euro

Source: https://ec.europa.eu/eurostat/databrowser/view/sdg_08_10/default/table?lang=en

Country \ Year	2013	2014	2015	2016	2017
Austria	36,180	36,130	36,140	36,430	37,090
Belgium	33,490	33,870	34,360	34,690	35,210
Bulgaria	5,400	5,530	5,790	6,050	6,310
Croatia	10,280	10,310	10,630	11,100	11,560
Cyprus	20,400	20,240	21,040	22,360	23,120
Czech Republic	14,980	15,370	16,160	16,520	17,200
Denmark	44,410	44,890	45,630	46,720	47,360
Estonia	12,640	13,060	13,330	13,650	14,440
Finland	34,660	34,390	34,460	35,320	36,390
France	31,170	31,320	31,540	31,770	32,380
Germany	33,330	33,930	34,220	34,700	35,420
Greece	16,800	17,040	17,080	17,110	17,410
Hungary	10,230	10,690	11,130	11,410	11,930
Italy	25,480	25,420	25,640	26,020	26,490
Latvia	10,030	10,310	10,740	11,030	11,560
Lithuania	10,780	11,250	11,590	12,040	12,720
Luxembourg	78,030	79,490	81,300	82,880	82,550
Malta	16,930	18,080	19,590	20,260	20,990
Poland	10,170	10,510	10,920	11,260	11,820
Portugal	16,050	16,260	16,620	17,010	17,650
Romania	6,760	7,020	7,320	7,720	8,320
Slovakia	13,270	13,620	14,270	14,550	14,970
Slovenia	17,160	17,620	17,990	18,540	19,430
Spain	21,840	22,210	23,080	23,760	24,410
Sweden	40,510	41,180	42,580	42,920	43,430
The Netherlands	38,180	38,580	39,170	39,810	40,730
United Kingdom	67,670	71,110	81,170	82,760	86,700

Analyzing the results from Table 8, it can be concluded that there is a high positive correlation between the variables tested. Thus, it can be concluded that in most cases the number of integrated reports increases with the growth of real GDP per capita.

Table 8. The ratio between the number of integrated reports and real GDP per capita in individual EU countries

Source: Own research.

Year	Spearman rank correlation coefficient
2013	0.64
2014	0.65
2015	0.66
2016	0.68
2017	0.69

According to the research, the number of integrated reports drawn up there increases with the growth of the country's economic development. The re-

http://dx.doi.org/10.21511/ppm.18(3).2020.09

lationship between the variables is not complete, as not all highly developed countries have a high number of integrated reports. This can be seen in Luxembourg, where very high real GDP per capita can be observed, while the number of integrated reports is low. The number of integrated reports is likely related not only to the value of the real GPD per capita but also to its structure. In Luxembourg, the level of GDP is overestimated due to a large number of workers (45%) from other countries who do not count towards the population[3]. It can also be assumed that wealth is not the only factor influencing the popularity of IR in a given country. This subject therefore requires further research.

On the basis of the research, the hypothesis was proved: the higher the level of economic development of the European Union member state, the higher the number of integrated reports in this country.

The growth of the country's economic development has a large impact on the popularity of IR. This is because drawing up an integrated report requires the company to incur costs. Small companies that make a small profit will, therefore, not be willing to prepare integrated reports.

Enterprises should produce integrated reports more often. Stakeholders well perceive one report containing financial and relevant non-financial data about the enterprise. Such reports can, for example, attract investors to the company.

The EU is taking steps to systematize and popularize IR. Individual EU member states should take similar steps. In particular, countries with a few integrated reports should encourage larger companies to take this initiative.

CONCLUSION

IR over the last twenty years is becoming more and more popular among companies in the world, and thus also in the EU. IR is much more popular and used in the countries that joined the EU before 2004, so it can be considered the leading country in this respect. In the EU, IR is the most popular in the UK, Germany, France, and Spain. Of these countries, the largest increase in the number of reports was in France. Integrated reports prepared in Poland constitute only 1% of reports in the entire EU. The EU has issued an IR directive that obliges some companies to produce such reports. Non-financial data often allows you to look at a given company from a different perspective. Information such as strategy, vision, intellectual capital, or actions taken to protect the environment is very important for the company's stakeholders. There is a high positive correlation between the number of integrated reports and the value of real GDP per capita in individual EU countries. As the level of economic development in a given country increases, so does the number of integrated reports drawn up there. The number of integrated reports produced in a country is also influenced by other factors, which should be the subject of future studies in this area.

AUTHOR CONTRIBUTIONS

Conceptualization: Magdalena Bochenek.
Data curation: Magdalena Bochenek.
Formal analysis: Magdalena Bochenek.
Funding acquisition: Magdalena Bochenek.
Investigation: Magdalena Bochenek.
Methodology: Magdalena Bochenek.
Project administration: Magdalena Bochenek.
Resources: Magdalena Bochenek.
Validation: Magdalena Bochenek.
Visualization: Magdalena Bochenek.
Writing – original draft: Magdalena Bochenek.
Writing – review & editing: Magdalena Bochenek.

3 https://www.luxinnovation.lu/wpcontent/uploads/sites/3/2017/10/web_en_brochure_eco_lux_0917_cdc-1.pdf

REFERENCES

1. Abhishek, N., & Divyashree, M. S. (2019). Integrated Reporting Practices in Indian Companies. *Journal of International Business, 6*(1), 140-151. https://www.researchgate.net/publication/336677083_Integrated_Reporting_Practices_in_Indian_Companies
2. 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
3. Amirrudin, M. S., Abdullah, M., & Saleh, Z. (2020). Sustainability Reporting to Integrated Reporting: The Relationship between Total Integrated Reporting Disclosure Quality (TIRDQ) and Firm Performance. *International Journal of Recent Technology and Engineering, 8*(6).
4. Bakker, R., Georgakopoulos, G., Sotiropoulou, V. A., & Tountas, K. S. (2020). The Impact of Integrated Reporting on Analysts' Forecasts. *International Journal of Economics and Finance, 12*(1), 76-89. https://doi.org/10.5539/ijef.v12n1p76
5. Bernardi, C. (2020). *Implementing Integrated Reporting. Lessons from the Field*. Springer International Publishing.
6. Brown, J., & Dillard, J. (2014). Integrated reporting: On the need for broadening out and opening up. *Accounting, Auditing and Accountability Journal, 27*(7). Retrieved from https://www.researchgate.net/publication/265858306_Integrated_reporting_On_the_need_for_broadening_out_and_opening_up
7. Brown, J., & Dillard, J. (2015). Dialogical accountings for stakeholders: On opening up and closing down participatory governance. *Journal of Management Studies, 52*(7), 961-985. https://doi.org/10.1111/joms.12153
8. Cooray, T., Gunarathne, N., & Senaratne, S. (2020). Does Corporate Governance Affect the Quality of Integrated Reporting? *Sustainability, 12*(10), 4262. Retrieved from https://www.researchgate.net/publication/341584129_Does_Corporate_Governance_Affect_the_Quality_of_Integrated_Reporting
9. Corporate Register database. (n.d.). Retrieved from https://www.corporateregister.com/
10. De Villiers, C., Hsiao, P. C. K., & Maroun, W. (2020). *The Routledge Handbook of Integrated Reporting*. London: Routledge. Retrieved from https://www.routledge.com/The-Routledge-Handbook-of-Integrated-Reporting/Villiers-Hsiao-Maroun/p/book/9780367233853
11. Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014. *Official Journal of the European Union*. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095
12. Eccles, R. G., & Serafeim, G. (2011). *Accelerating the Adoption of Integrated Reporting*. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1910965
13. EUROSTAT database. (n.d.). Retrieved from https://ec.europa.eu/eurostat
14. Farneti, F., De Villiers, C., & Dumay, J. (2018). *The EU Directive on non-financial and diversity information: A new toothless tiger is born?* European Accounting Association 41st Annual Congress, Italy.
15. Fijałkowska, J., & Sobczyk-Paterek, M. (2018). Raport zintegrowany, jako sposób na doskonalenie jakości informacji o przedsiębiorstwie dla jego interesariuszy. In *Zarządzanie organizacją w warunkach różnorodności*. Uniwersytet Marii Curie-Skłodowskiej w Lublinie.
16. Flower, J. (2015). The International Integrated Reporting Council: A story of failure. *Critical Perspectives on Accounting, 27*, 1-17. https://doi.org/10.1016/j.cpa.2014.07.002
17. Gibassier, D., Adams, C., & Jérôme, T. (2019). Integrated Reporting and the Capitals' Diffusion. *Report published by the French Accounting Standard Setter* (Autorité des Normes Comptables).
18. GRI (Global Reporting Initiative). (2013). *The sustainability content of integrated reports – a survey of pioneers*. Retrieved from https://www.globalreporting.org
19. GRI (Global Reporting Initiative) and Global Sustainability Standards Board. (2017). *Linking the GRI standards and the European directive on non-financial and diversity disclosure*. Retrieved from https://www.globalreporting.org/standards/resource-download-center/linking-gri-standards-and-european-directive-on-non-financial-and-diversity-disclosure/?g=211d6e8f-d88a-4deb-a250-c1b78b8b5b41
20. Humphrey, C., O'Dwyer, B., & Unerman, J. (2017). Re-theorizing the configuration of organizational filds: the IIRC and the pursuit of "Enlightened" corporate reporting. *Accounting Business Research, 47*(1), 30-63. https://doi.org/10.1080/00014788.2016.1198683
21. IIRC (International Integrated Reporting Council). (2013). *The International <IR> Framework*. Retrieved from https://integratedreporting.org/
22. IoDSA (Institute of Directors in Southern Africa). (1994). *The King Report on Corporate Governance (King I)*. Johannesburg. Retrieved from https://www.iodsa.co.za/
23. Köhler, K., & Hoffmann, C. P. (2018). Integrated Reporting. Bridging Investor Relations and Strategic Management. In A. V. Laskin (Ed.), *The Handbook of Financial Communication and Investor Relations*. John Wiley & Sons.
24. La Torre, M., Dumay, J., Rea, M. A., & Abhayawansa, S. (2019). A journey towards a safe harbor: The rhetorical process of the International Integrated Reporting

http://dx.doi.org/10.21511/ppm.18(3).2020.09

Council. *The British Accounting Review, 52*(2). https://doi.org/10.1016/j.bar.2019.100836

25. Lew, G., Maruszewska, E. W., & Szczypa, P. (2019). *Rachunkowość zarządcza. Od teorii do praktyki*. CeDeWu. Warszawa.
26. Luxinnovation. (2017). *Luxembourg economy. Open. Dynamic. Reliable*. Retrieved from https://www.luxinnovation.lu/wp-content/uploads/sites/3/2017/10/web_en_brochure_eco_lux_0917_cdc-1.pdf
27. Malola, A., & Maroun, W. (2019). The measurement and potential drivers of integrated report quality: Evidence from a pioneer in integrated reporting. *South African Journal of Accounting Research, 33*(2), 114-144. Retrieved from https://www.researchgate.net/publication/335846753_The_measurement_and_potential_drivers_of_integrated_report_quality_Evidence_from_a_pioneer_in_integrated_reporting
28. Manes-Rossi, F., & Orelli, R. L. (2020). *New Trends in Public Sector Reporting. Integrated Reporting and Beyond*. Palgrave Macmillan.
29. Marrone, A. (2020). Corporate Governance Variables and Integrated Reporting. *International Journal of Business and Management, 15*(5), 26-36. Retrieved from http://ccsenet.org/journal/index.php/ijbm/article/view/0/42495
30. McNally, M. A., Carbone, D., & Maroun, W. (2017). Exploring the challenges of preparing an integrated raport. *Meditari Accountancy Research, 25*(4), 481-504. https://doi.org/10.1108/MEDAR-10-2016-0085
31. Michalczuk, G., Konarzewska, U., & Mikulska, T. (2017). Raport zintegrowany jako przykład nowego podejścia do sprawozdawczości biznesowej przedsiębiorstw. *Przedsiębiorstwo & Finanse, 3*(18).
32. Pistoni, A., Songini, L., & Bavagnoli, F. (2018). Integrated Reporting Quality: An Empirical Analysis. *Corporate Social Responsibility and Environmental Management, 25*(4). Retrieved from https://www.researchgate.net/publication/322528026_Integrated_Reporting_Quality_An_Empirical_Analysis
33. Raimo, N., Vitolla, F., Marrone A., & Rubino, M. (2020). The role of ownership structure in integrated reporting policies. *Business Strategy and the Environment*. John Wiley & Sons. Retrieved from https://www.researchgate.net/publication/340232003_The_role_of_ownership_structure_in_integrated_reporting_policies
34. Stanton, P., & Stanton, J. (2002). Corporate annual reports: Research perspectives used. *Accounting, Auditing & Accountability Journal, 15*(4), 478-500. Retrieved from https://www.researchgate.net/publication/242340081_Corporate_Annual_Reports_Research_Perspectives_Used
35. Świderska, G. K. (2017). *Controlling kosztów i rachunkowość zarządcza*. Difin, Warszawa.
36. Todd, S. (2005). *Integrated Reporting issues and implications for reporters*. Retrieved from https://www.vancity.com/SharedContent/documents/IntegratedReporting.pdf
37. Vesty, G. M., Ren, C., & Ji, S. (2018). Integrated reporting as a test of worth. Accounting. *Auditing & Accountability Journal, 31*(5), 1406-1434. https://doi.org/10.1108/AAAJ-08-2016-2684
38. Walińska, E. (2015). Zintegrowany raport – początek końca sprawozdania finansowego? *Zeszyty Teoretyczne Rachunkowości, 82*(138). Stowarzyszenie Księgowych w Polsce. Retrieved from http://yadda.icm.edu.pl/yadda/element/bwmeta1.element.ekon-element-000171386139
39. Wang, R., Zhou, S., & Wang, T. (2019). Corporate Governance, Integrated Reporting and the Use of Credibility – enhancing Mechanisms on Integrated Reports. *European Accounting Review, 29*(4), 631-663. https://doi.org/10.1080/09638180.2019.1668281
40. Wild, S., & van Staden, C. (2013). *Integrated reporting: Initial analysis of early reporters – an institutional theory approach*. Conference proceeding of APIRA 2013.