

Integrated reporting in Europe: On motives and cross-industry motive variations as depicted in corporate annual reports

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Research objective

First, the aim of this pilot study was to examine the motives of European companies to practice integrated reporting applying The International Integrated Reporting <IR> Framework that has been introduced by The International Integrated Reporting Council (IIRC) in 2013. Second it aimed at revealing possible motive differentiations among certain industry sectors. However, in addition to a contribution to the investigation of motives for integrated reporting practice, the study made efforts to offer a contribution to investor relations as an academic discipline, which accounts for the least studied field in corporate communication.

Methodology and theoretical foundations

To illuminate possible motives and motive variations, thematic qualitative text analysis was chosen for examining 15 corporate annual reports within the financial services, utilities, consumer goods, and oil and gas sector. For approaching the phenomenon under study the theoretical foundations illustrated the importance of strategic communication, organizational legitimacy, the Nordic School approach for investor relations, and stakeholder engagement.

Findings and conclusions

The study found, the main drivers for engaging in integrated reporting to be (1) enhanced reporting efficiency, (2) improved trust and transparency, and (3) enabling the representation of a holistic business performance model. It revealed that the industry sectors applying this newly launched framework were differently motivated to engage in this reporting method. Whereas enhanced reporting efficiency was interpreted to be the main driver for the utilities industry, and the oil and gas sector, it was enhanced trust and transparency, and enabling to demonstrate long-term value creation that made the consumer goods practice integrated reporting. For the financial services sector the opportunity to report on a holistic business performance model was the main motive to apply integrated reporting. Thus, this study confirms what scholars have assumed earlier: motives to practice integrated reporting vary, not only by companies but also by respective industry sectors. The results indicate that business practitioners might choose to apply the <IR> framework above other reporting practices if, for instance, they aim at enhancing stakeholder engagement. Further, the findings seem to suggest that a one-size-fits-all solution for an <IR> framework is not an optimal solution in practice.

Key words: corporate communication, strategic communication, investor relations, corporate annual reporting, integrated reporting, <IR> framework, IIRC, content analysis, thematic qualitative text analysis

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ABBREVIATIONS

CAR	corporate annual report
CSR	corporate social responsibility
<IR>	integrated reporting that relates to The International Integrated Reporting <IR> Framework of the IIRC
IIRC	International Integrated Reporting Council
NGO	non-governmental/ non-profit organization

1 INTRODUCTION

In recent years, investor relations has not only experienced increasing significance in business practice, but has finally also found its way into academic research. However, investor relations research can still be argued to be in its infancy. (E.g. Ditlevsen, 2014; Dolphin, 2003; Dolphin, 2004; Marston & Straker, 2001) Academic research concerning this domain slowly but steadily also starts getting the attention from corporate communication researchers (e.g. Ditlevsen, 2014) it deserves as investor relations communication is increasingly regarded as a significant part of an overall corporate communication strategy (Dolphin, 2003).

Further, these days business communication scholars have turned away from the assumption that the investor relations profession is mainly concerned with financial reporting and have turned to the standpoint that it increasingly pertains to relationship-building (e.g. Hoffmann & Fieseler, 2012; Marston & Straker, 2001). Building, maintaining, and protecting a corporation's reputation, is claimed to be the main objectives of corporate communication (Cornelissen, 2014, p.3), and are therefore crucial tenets to the investor relations profession. Thus, investor relations and corporate communication are not only interdependent, but investor relations communication is also a vital part of corporate communication.

However, business practice shows that (financial) corporate reporting, and especially corporate annual reporting, still significantly concern the investor relations profession. And as investor relations communication overall is held as a strategic communication tool (e.g. Dolphin, 2003; Dolphin, 2004), corporate annual reports can also account for strategic textual documents. This means that they are made for a specific purpose and not produced arbitrarily.

Yet, as research indicates, corporate (annual) reporting can take place in various forms, as long as certain legal requirements are met, and its way of doing it is determined by distinct factors (e.g. Ditlevsen, 2012; Jensen & Boiral, 2013; Stanton & Stanton, 2002). Nonetheless, there is a lot of evidence that corporate annual reporting has departed from

providing mere financial information to reporting increasingly also on non-financials (e.g. Jensen & Berg, 2011; Laskin, 2009; Perrini, 2006; Stanton & Stanton, 2002). It can be argued that the increased consideration of non-financials, also referred to as *intangibles*, within corporate reporting, possibly derived from the evolved recognition of those as the main drivers of business performance (see also Veltri & Nardo, 2013). As stated, there are various formats a corporate annual report can have.

One of the formats of a corporate annual report (CAR) can be considered the integrated report, which appears on the rise and by numerous scholars regarded as beneficial to a corporation (e.g. Eccles & Krzus, 2010, pp.145-179; Owen, 2013). To put briefly, an integrated report refers to a CAR that combines and connects financial and non-financial information within one document. However, as with corporate annual reporting in general, also for integrated reporting there is not the one way of doing it. Yet, by the end of 2013, The International Integrated Reporting Council (IIRC), an amalgamation of various interest groups, released The International Integrated Reporting <IR> Framework, and an attempt towards a unified method for integrated reporting was made. This framework aims at guiding a company's integrated reporting processes and supporting to structure material information within such an integrated corporate annual report. Moreover, this framework suggests various benefits deriving from its application. Many of these benefits devolve on value creation of a company, which indicates that corporate reporting is exceptionally important to investor relations and therefore also corporate communication. (IIRC, 2013)

Indeed, it would be tempting to assess the impact of the <IR> framework and to study if companies truly benefit from applying it compared to their earlier reporting initiatives. As Eccles, Krzus and Ribot (2014) state, the litmus test is whether integrated reporting leads to an improved corporate performance through integrated thinking, all of which is ultimately reflected in a company's stock price (Ibid., pp.98-101). However, at the moment the reporting cycles of corporations applying the <IR> framework have not been long enough. Additionally, only a limited number of companies have practiced integrated reporting for any length of time (Ibid., pp. 98-101). Therefore, it would be very difficult to analyze corporate performance through integrated thinking yet.

Obviously, some years need to pass in order to allow an analysis of sufficient and comparable data.

This implies that even though there is no evidence that practicing integrated reporting really benefits the company, both publicly listed and non-listed corporations still decide to follow the trend, go beyond legal requirements and engage in integrated reporting. Therefore it is of interest to investigate why organizations decide to spend valuable resources such as time, workforce, and money on employing this new reporting practice, and thus voluntarily taking on extra work.

As scholars have pointed out, motivations why corporations adopt integrated reporting are unexamined still (Jensen & Berg, 2011, p.300). In addition to that, it has been claimed that the motives for practicing integrated reporting will not only vary by countries and companies, but also industries (Eccles & Armbrester, 2011, p.15).

Nonetheless, understanding why corporations are interested in practicing integrating reporting might serve, for instance, future ambitions to improve and further develop the <IR> framework. Moreover, recognizing possible motive variations among industry sectors could reveal that a one-size-fits-all approach for an <IR> framework is not what is demanded from business practice. Different industries might have distinct expectations of integrated reporting and therefore a unified <IR> framework might not be suitable. Actually, this could indicate that the <IR> framework needs to be revised.

As a pilot study this thesis project contributes to academia by offering findings on corporations' motives to practice integrated reporting and possible motive variations among certain industry sectors. Thematic qualitative text analysis was used for studying the motives within 15 corporate annual reports for four sectors: the financial services, utilities, consumer goods, and oil and gas. As this study is one of the first to address motivational aspects for practicing integrated reporting, it provides the field with primary valuable insights.

1.1 Research objective

As already mentioned, this thesis aims to study what motivates companies to practice integrated reporting applying the IIRC <IR> framework, which had been introduced by the end of 2013. Further, it purposes to reveal possible motive differences among certain industry sectors.

The introduction has referred to previous research advocating companies can inherently benefit from practicing integrated reporting (e.g. Eccles & Armbrester, 2011; Krzus, 2011). Still, if integrated reporting is truly reflected in an improved corporate performance cannot be answered yet (Eccles et al., 2014, pp.98-101). Nevertheless, companies engage in this reporting practice but nothing is known about their motivations to do so (Jensen & Berg, 2011, p.300). The only suggestion made so far is that motivations derived from certain benefits for practicing integrated reporting depend on various factors. Further, it has been pointed out that among different industries, companies are probably distinctively motivated to engage in this reporting method. (Eccles & Armbrester, 2011)

In order to approach this phenomenon, the following two research questions were formulated.

RQ 1: What are the motives of European corporations to practice integrated reporting applying the 2013 <IR> framework from the IIRC as seen in their annual reports?

RQ 2: To what extent do these motives differ among the selected industry sectors?

1.2 Structure of the thesis

Now, as the phenomenon to be studied, the research gap, and the objective for this research have been defined, the literature review (Chapter 2) discusses investor relations and its functions from a strategic communication perspective. Further, corporate annual reporting and as a specific form of it, integrated reporting, is presented as a vital part of

investor relations. Integrated reporting is reviewed especially in the light of benefits deriving from practicing it. This is concluded with the theoretical foundations, including strategic communication, organizational legitimacy, the Nordic School approach and stakeholder engagement that together constitute the perspective from which the phenomenon under study has been approached. Then, thematic qualitative text analysis as a particular form of content analysis is discussed as a suitable research method to investigate integrated reporting motives as depicted in corporate annual reports (CARs), as well as 15 European CARs and 4 industry sectors presented to be plausible documents and an appropriate sample size for the investigation (Chapter 3). This is followed by a detailed analysis of the findings on the motives for practicing integrated reporting for each industry sector and the respective companies, cross-industry drivers, and motive variations among the selected industries (Chapter 4). After this, the main findings are discussed in relation to earlier research and literature (Chapter 5). Finally, this thesis concludes by returning to the research objective, summarizing the main findings and providing a critical view on this study by presenting implications for practice, research limitations, and suggestions for further research (Chapter 6).

2 LITERATURE REVIEW

This chapter opens up a discussion on investor relations and positions it in the field of strategic corporate communication. Further, the corporate annual report, which can be considered as a strategic tool of investor relations as it is argued in the following, is canvassed. Moreover, to provide a sound basis for approaching the research questions, integrated reporting is dissected, whereby The International Integrated Reporting <IR> Framework of The International Integrated Reporting Council (IIRC) and benefits from applying this reporting method is focused on.

2.1 Strategic investor relations

Common business knowledge implies companies often rely on capital investment of shareholders. These provided investments legitimize and empower corporations to actually do business and perform their operations. Obviously, in order to attain financial capital from investors, businesses need to get a hold of them. Further, (potential) shareholders should not only be attracted and willing to invest in a company but actively do so in the long run. In order to reach shareholders, win them over, and make them invest, a company must stand out of the crowd. Meaning, a firm is well advised to have more favorable perception among potential investors compared to other, similar market competitors. This favorable perception of a company relates to corporate value that is to a certain extent also reflected in a company's stock price (See e.g. Eccles, Krzus & Ribot, 2014, pp.98-101; The National Investor Relations Institute [NIRI], 2015).

The question arises, how to make (potential) investors perceive a company as favorable, or as stated, as more favorable compared to other resembling companies. Logically, in order to influence this and therefore also investment decisions of shareholders, a corporation must actively interact with shareholders. This is where investor relations sets in because it targets the enhancement of corporate value through effective communication (NIRI, 2015). Understandably, companies whose value and future

potential are assessed more positively than others are more likely to attract investors who are not infinitely in number.

However, investor relations and its intended effective communication relate not only to reporting on information that needs to be provided from a company to the financial community including analysts and (potential) investors, but also to relationship-building between these two stakeholder groups (Hoffmann & Fieseler, 2012; Marston & Straker, 2001). Consequently, these days investor relations communication is not only held as a vital part of finance and accounting anymore, but especially gains importance in the field of corporate communication (Ditlevsen, 2014). With Gekko's words it can be avowed: *"It's all about bucks, kid. The rest is conversation..."* (as cited in Hoffmann & Fieseler, 2012, p.139). This indicates, financials are undoubtedly crucial to investor relations but at least equally important is communication including aspects such as improved reputation, relationships and trust.

To elaborate on this, actually, relationship-building is often tied to stakeholder engagement. In terms of investor relations the study of Chandler (2014) reveals that CEOs, whom investors hold ultimately accountable for a public company's performance, appreciate interacting with shareholders because this way valuable feedback, insights, trust, transparency, respect, honesty and quality information can be generated. These intangibles account for a great criteria for making investment decisions (Chandler, 2014).

Also, Bushee and Miller (2012) indicate that investor relations activities and programmes successfully support even smaller firms to improve attracting attention of investors and information intermediaries, including the media and analysts, enhance firm visibility, increase investor following, and significantly improve market value. The latter again appear crucial for making certain investment decisions.

However, at state investor relations as a business discipline experiences significant growth of importance due to several more reasons. Actually, Marston and Straker (2001) claim that in Europe the investor relations function has significantly increased in

perceived importance over the past ten years as it is seen as the primary link between a company and the financial community. To clarify, Ditlevsen (2014) conceives of the investor relations function the communication between a company and its investors that is increasingly concerned with the issues of trust and credibility.

Nevertheless, from former academic literature it can be inferred that after being significant in the US and UK business culture, over the last years also in central Europe companies have become more reliant on equity rather than loan funding. These companies thus highly depend on investments made by shareholders. The separation of ownership and management also accounts for the departure from the traditional investor relations' sole focus on financial reporting towards a concentration on a more relationship-building approach. Also, many companies have been involved in corporate scandals that shook the investment markets and were therefore forced to regain trust from various stakeholders. Moreover, firms needed to rebuild investor confidence in order to survive and be sustainable in the long run. (Beltratti, 2005; Chandler, 2014; Laskin, 2009; Marston & Straker, 2001) Additionally, investor relations as a field has also experienced greater importance because lately regulations on financial disclosure have been increased as well as the power of institutional investors (Ditlevsen, 2014). Apparently, various impacts have lead to growing awareness of investor relations and caused it to become more essential for not only business practice but also academia.

Additionally, investor relations has developed gaining recognition as a strategic communication tool as companies now appreciate and understand the need for effective investor relations (Dolphin, 2003; Dolphin, 2004). This need derives from the fact that organizations nowadays desire to be understood from their key audiences that not only provide capital but also impact on its provision (Dolphin, 2004). Apparently, for a corporation the provision of capital serves as one of the main prerequisites to reach its goals. However, Dolphin (2003) proposes that investor relations develops into an important tool in an overall corporate communication strategy, “... *helping to win the approval of financial stakeholders and helping to get the ‘shareholder on your side’.*” (Dolphin, 2003, p.40) Again, this reveals a firm's investor relations' ability to influence

the equity market valuation and also the evaluation of potential investors (Dolphin, 2003).

From this can be inferred that investor relations activities can be considered strategic as they on purpose aim to influence information provided to a community, the perception, including image and reputation, of a firm by this group, relationships with stakeholders, and attraction of the firm for investors. Dolphin (2004) supports this claim by describing investor relations communication as strategic because it comprises

“... continuous, planned, deliberate, sustained marketing activities that identify, establish, maintain and enhance both long and short term relationships between a company and not only its prospective and present investors, but also other financial analysts and stakeholders.” (Dolphin, 2004, p.26)

Overall, the above indicates what is commonly understood of strategic communication. Hallahan, Holtzhausen, van Ruler, Verčič and Sriramesh (2007) suggest that organizational communication, integrating various disciplines such as management, marketing, public relations, political communication, technical communication, and information/ social marketing campaigns, can be considered as strategically purposeful communication if it is used to fulfill an organization's mission. According to them, strategic communication refers to intentional, purposeful, influencing, informational, persuasive, and discursive, as well relational communication that aims at advancing an organization's purpose. Communicating and creating meaning also concerns strategic communication (Hallahan et al., 2007). As it is argued, these aspects of strategic communication relate also to investor relations communication.

At this point it has been shown why investor relations (communication) overall exists, what its purpose is, why it is gaining significance, and why it can be considered strategic. However, two questions that are worth answering have not been discussed yet. Firstly, what does the term investor relations actually stand for? Secondly, when can it be assumed a company is doing effective or even good investor relations?

To approach the first question, a definition of The National Investor Relations Institute (NIRI, 2015) is provided.

“Investor relations is a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation. (Adopted by the NIRI Board of Directors, March 2003.)” (NIRI, 2015)

Based on this definition it can be understood that investor relations, a relatively new field, both to business and even more to academia, integrates various business disciplines and thus can never be perceived as a field entirely detached from other business areas, for instance such as finance. Therefore, investor relations cannot be treated isolated from communication departments such as marketing and public relations as well. (Chandler, 2014; Laskin, 2009)

To discuss the second question of what effective or good investor relations means it deems reasonable to examine the functions of investor relations. It can be inferred that from a communication perspective investor relations holds an essential informative function. Meaning, in this context the main aim of investor relations is to generate purposeful and timely information that supports stakeholders making decent investment decisions. Investor relations therefore should not only facilitate investing but also minimize investment risks. (Laskin, 2009) It can be deduced, all these afore-mentioned purposes account for effective and good investor relations. Although it might be tempting to think of this informative function as a one-way street, certainly it is not. This can also be inferred from the investor relations' definition provided earlier by NIRI (2015) that proposes a two-way communication process between a company and its stakeholders.

Nevertheless, as formerly mentioned, nowadays the responsibility of investor relations is not only and primarily regarded as reporting on current financial business data anymore but increasingly considered as building and maintaining relationships with shareholders (Laskin, 2009). Further, Hoffmann and Fieseler (2012) assign investor relations an image-building function as well. They point out that investor relations is especially concerned with “... providing the financial community with regular input into their sensemaking efforts...” (Hoffmann & Fieseler, 2012, p.141). As a result investor relations can ensure the acceptance by and cooperation of capital market

participants. Therefore, effective investor relations also relates to considering good relationships between a company and stakeholders, and to accomplishing to create an intended image of a company.

Another function that investor relations holds concerns entering dialogue with stakeholders or a corporation (Ditlevsen, 2014). Yet, in this sense of dialogue is not meant to create relational interaction where communication is the ultimate goal. Instead, here the term engagement might be more applicable, as it expresses “...*an attempt to create a conversation or communicate.*” (Uysal, 2014, p.219) Hence, effective investor relations communication includes stakeholder engagement as well.

This implies, overall, investor relations can be seen as the glue between a company and its (external) environment including various stakeholders, (potential) shareholders, investors, analysts, and the media. Further, investor relations can contribute to a corporation’s value by helping a share to achieve fair valuation, improving the liquidity of stock by establishing a broad institutional shareholder base, enhancing analyst coverage, and, as the most intangible measurement of investor relations, building and maintaining relationships (Laskin, 2011).

As a result, investor relations not only comprises various functions but also intervenes in numerous distinct business areas. Overall however, it can be concluded that communication is a vital part of investor relations and vice versa. Still, academic research at this stage seems not to recognize the convergence of these two fields. In fact, investor relations is one of the least studied fields in corporate communication even though these two areas are mutually dependent and therefore greater cooperation between investor relations and corporate communication is called for both in academic theory and work practice. (Ditlevsen, 2014) This study contributes to the removal of this imbalance and reveals Ditlevsen’s (2014) claim as relevant and applicable.

However, when approaching investor relations from a communication perspective and its aim to facilitate investing based on accurate information it can be inferred, (future) shareholders make investment decisions based on fair and not inaccurate evaluation

from the investor relations division. Thus, trust and credibility have their significant parts since investment decisions and suggestions are based on these parameters. Therefore, trust and credibility are also essential for investor relations to build up and remain with their stakeholders (Ditlevsen, 2014).

In relation to that, stakeholder communication in general ensures that a company receives public support and organizational legitimacy (Suchman, 1995). The latter referring to the idea that there exists a generalized perception or assumption that actions of an organization are “... *desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.*” (Ibid., p.574). Yet, it must be said, a company that for instance produces products that are controversial might also be tempted to communicatively manufacture a desired identity to gain support for doing business (Iivonen & Moisander, 2015). Meaning, social and organizational legitimacy could also be generated through somewhat misleading the audience.

However, communicating with stakeholders comprises a challenging task. For example, annual reports, which Ditlevsen (2014) considers one of the most important genre that investor relations strikes, as textual tools for stakeholder communication must be geared to an audience. Yet, distinct stakeholder groups constitute this audience of an annual report. For instance, these stakeholders can be (future) private and institutional investors, shareholders, brokers, auditors, employees, creditors, customers, the management, government, media, and/or society at large. Therefore, investor relations must always be aware of communicating to a great heterogeneous and complex group of actors (Ditlevsen, 2014). This can be demanding. Further, the relationships between stakeholders and an organization are highly nuanced and include complex interactions (see Uysal, 2014, p.225). All this amplifies the claim of stakeholder communications and investor relations communications being challenging.

Summarizing, besides generating information in time, building and maintaining trust and credibility and hence good relationships with stakeholders, investor relations contributes to increasing a firm’s transparency, minimizing investment risks and

lowering uncertainty and information risks, and generally enabling dialogue with and participation from the stakeholders (Bushee & Miller, 2012; Laskin, 2009).

2.2 Corporate annual reporting

As it has been presented now in Subchapter 2.1, investor relations is, among other functions, concerned with providing information to shareholders, and thus on its part enabling fair valuation, building good relationships with stakeholders, and possibly enhancing a favorable reputation of the corporation within the financial community. Yet, even though investor relations is not solely concerned with financial reporting anymore and great emphasis is given to its relationship building function (Laskin, 2009), the investor relations profession is still involved in a company's reporting and therefore also in corporate annual reporting. Overall, the corporate annual report comprehensively reports on a firm's activities and financial performance of the preceding fiscal year and therefore meets the information needs of investors and analysts.

Companies for various reasons practice corporate annual reporting. However, probably the most plausible explanation for an organization to disclose information within such a written document is to meet legal requirements concerning financial statements (see e.g. Ditlevsen, 2012). Stanton and Stanton (2002) view the corporate annual report “... *as a formal public document produced by public companies largely as a response to the mandatory corporate reporting requirements existing in most Western economies.*” (Ibid., p.478). Even though Laskin (2014) believes of financial information to be among the most regulated areas in strategic communication, business practice and the data for this study underline that a unified framework for annual corporate reporting standards does not exist.

Still, in the more recent past it has shown that besides financial information, corporate social and environmental responsibilities have also found their way into corporate reporting (Boiral, 2013; Jensen & Berg, 2011). This is accentuated by Stanton & Stanton (2002) emphasizing that over the years reporting content has changed partly

mandatory, partly voluntary. This sheds lights on two concerns. Firstly, there are various ways for a company to report as long as certain national legal imperatives are met. Secondly, corporations have the opportunity to disclose more information with annual reports than law requires them. This in particular concerns non-financial information.

Reporting on non-financials is for instance referred to as sustainability reporting, social accounting, corporate social (responsibility) reporting, ethical reporting, social auditing, and social and environmental accounting (Crane & Matten, 2007, pp.169-213). Obviously, not only one term describes this phenomenon. However, it is noteworthy that overall sustainability reporting has become increasingly common because organizations attempt to respond to expectations, pressures and criticisms from stakeholders who demand sustainability information from corporations in order to assess possible company risks (Boiral, 2013). Though it is interesting that Boiral (2013) uncovers, sustainability reports seldom provide complete and transparent information, as corporations try to promote an idealized view of their situations.

However, for presenting sustainability issues, and corporate social and environmental responsibilities, there are two choices a company can make when it comes to corporate annual reporting. Traditional sustainability reporting takes place in the form of an addendum to the traditional annual report. Therefore, the whole corporate annual report comprises of two documents, where non-financial information is presented separately and detached from financial information (Jensen & Berg, 2011). If, however, the above-mentioned responsibilities are truly incorporated in a firm's strategy, and financial and non-financial aspects interrelated, a company most likely decides to present an integrated annual report (Jensen & Berg, 2011), that is, combining financial and non-financial communication within one document. Section 2.2.2 provides more information on this.

Nevertheless, the role and purpose of annual reports is perceived as controversial. In academia for instance, the role and purpose of annual reports depends on the perspectives a researcher advocates (Stanton & Stanton, 2002). It appears obvious that a

researcher applying a marketing perspective gains different results for examining the purpose of corporate annual reports than a researcher who employs an accountability perspective. However, Andersen, Ditlevsen, Nielsen, Pollack, and Rittenhofer (2013) propose that from a communication perspective annual reporting is one of the most significant ways to communicate with shareholders and potential investors with one of the main purposes being to inform the audience about the financial position and performance of an organization. Clearly, annual reports are one of the most important means of financial communication.

However, more recent research suggests that annual reports are fundamental communication tools that not only investor relations can utilize. For instance, annual reporting is crucial to public relations because this field conceives of the CAR as an important instrument for a company

“... to tell its equity story – a story, in which a company’s successes and the investment potential of its shares are displayed in order to give an impression of its ability to succeed in the future and thereby to make the company attractive to potential and actual investors.” (Ibid., p.35)

Thus, from the perspective of public relations annual reports serve a promotional and persuasive purpose. Still, as already emphasized, in the light of investor relations annual reports primarily serve an informative purpose. Nonetheless, all these perspectives, including marketing and public relations, are used to convey strategic stakeholder communication (Ditlevsen, 2012). However, it appears a strict and isolated separation of a corporate annual report being either persuasive or informative is not always applicable and even desirable.

2.2.1 Corporate storytelling for organizational legitimacy and trust

Recalling some of the objectives of investor relations such as providing timely information, building and maintaining trust and credibility, fostering good stakeholder relationships and thereby improving a corporation’s transparency, minimizing investment and information risks and enabling stakeholder engagement (Bushee & Miller, 2012; Laskin, 2009), from Andersen et al. (2013) it can be inferred that these

objectives cannot be achieved through investor relations primarily interpreting financial data. Inferentially, this also applies to the investor relations' textual tool of CARs. Hence, corporate reporting needs to go beyond financials not only to enhance trust and credibility within the financial community, but also to attain organizational legitimacy from other stakeholders.

For instance, investors demand from corporations to communicate on corporate social responsibility (CSR) (Morsing & Schultz, 2006). Morsing and Schultz (2006) suggest annual reports to be preferred CSR communication tools in Europe, as they are perceived as more discrete, plausible and subtle, as compared to corporate advertising and corporate releases. From this can be deduced that annual reports are perceived as trustworthy. The following also strengthens the claim of the investor relations' function nowadays exceeding merely dealing with financials in corporate annual reporting.

First, in practice the recognition of increasing non-financial information disclosure account for investor relations not solely focusing on financial data anymore (see Beattie, 2014). As prior depicted, over the years the content of corporate reporting has changed and numerous non-financial information has found its way into annual reports (Boiral, 2013; Jensen & Berg, 2011; Stanton & Stanton, 2002). In nowadays' reporting practice non-financial information concerning intangible business drivers such as social, environmental and corporate governance aspects that contribute to financial performance and investment returns of a company (Perrini, 2006; Stubbs & Rogers, 2013) is prevalent within many corporate annual reports. Actually, non-financial reporting, not only differs from conventional financial accounting because the former concentrates on issues other but not necessarily excluding financial data and the intended audience being stakeholders other than only shareholders, but also because in most cases it is not obligatory. In general, however, reporting on non-financials is reinforced by internal and external pressure companies face, enabled risk identification, improved stakeholder management, and enhanced accountability and transparency (Crane & Matten, 2007, pp.169-213).

It is noteworthy that Perrini (2006) overall considers non-financial reporting, including social, environmental, and sustainability reporting, as communication instruments that aim at managing corporate image and stakeholder relationships. From this can be inferred that the inclusion of non-financial information in corporate annual reports occupies a strategic purpose and serves as a communication tool as well. Therefore, a whole corporate annual report can also be considered as a part and also tool of a company's strategic communication. Apparently, the corporate annual report can be referred to as strategic financial communication, a field of strategic communication that according to Laskin (2014) has not received the scholarly attention needed to fully contribute to the whole body of knowledge of this area.

Second, annual reports as textual tools of investor relations are linked to corporate storytelling. As Beattie (2014) emphasizes, as a specific genre of business communication and accounting narratives, the annual report of a company can include and actually mostly provides some sort of storytelling, sense making and sense giving, and discourse. Apparently, producers of annual reports solely focusing on financials could not achieve these aspects. This reveals two things. Again, (corporate) communication proves to be a definite and fundamental part of investor relations and vice versa. Further, some of the objectives of the investor relations function, such as for example fostering stakeholder relationships, and thus fostering organizational legitimacy, could also be realized through corporate annual reporting that engages in providing the reader of the report with the corporate story. This indicates that the corporate annual report can also be perceived as a medium for corporate storytelling.

The latter includes, just as any ordinary engaging story, a vivid setting, a compelling plot, dramatic tension, character development, and decent pacing (Marzec, 2007). In more detail, Marzec (2007) suggests some major elements of a compelling corporate storyline. The background refers to providing a personal history of a company and shows what aspects contributed to where the company is at state. The key findings relate to describing vividly the current reality of the company and its environment. A good storyline also includes a strategy that reveals how a corporation tackles influencing strengths, addressing challenges and moderating risks identified earlier in

the key findings. Further, actual events and actions – summarizing named enablers – that facilitate achieving the strategy goals need to be included. Also, a depiction of what the company will be like in the future is incorporated in a good formulated storyline. Finally, the last element, named call to action, is a brief outline that aims forcing the company to action. (Ibid., p.30)

To conclude, it has been argued, corporate annual reports serve various purposes, are produced for distinct reasons, and can assume various formats.

2.2.2 Integrated reporting as a specific form of corporate annual reporting

As demonstrated previously, when reporting on non-financials, Jensen and Berg (2011) differ between traditional sustainability reporting and integrated reporting. The latter enables a company to combined report on financials, sustainability and responsibility issues, including social, economic, environmental aspects. As a relatively new form of annual corporate reporting, integrated reporting not only facilitates presenting financial and non-financial information of a company, but also their interrelating relationships and how these distinct forms of capitals create or destroy value for stakeholders (Eccles & Krzus, 2010, pp.145-179; Owen, 2013). Thus, integrated reporting can provide a richer picture of a company than other reporting forms by delivering a “... *more holistic, multi-dimensional and lucid representation of the business...*” (Owen, 2013, p.341).

Once again, just as it is with traditional corporate annual reporting, also for integrated reporting there is not one uniform way to do it. Yet, The International Integrated Reporting Council (IIRC), a global cross-section and coalition of regulators, investors, corporations, standard setters, the accounting profession, and NGOs, has made an attempt towards such a development by releasing an International Integrated Reporting <IR> Framework in 2013. This <IR> framework acts as a principles-based approach. In other words, companies can but are not obliged to follow the suggestions provided by this framework. (IIRC, 2013)

The following briefly outlines the main features of the <IR> framework, which according to the IIRC has the main purpose to explain how an organization over time creates value to providers of capital and also other stakeholders (IIRC, 2013). Guiding principles that direct the content of an integrated report as well as its presentation are strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality of information that substantively affect value creation, conciseness, reliability and completeness including both positive and negative material matters, and consistency and comparability over time. Further, the framework suggests eight content elements that should be linked to each other and are not mutually exclusive. Thus, an integrated report should consider an organizational overview and an organization's external environment, an organization's governance and its relation to value creation, the business model, risks and opportunities that (possibly) effect value creation and how the business handles them, strategy and resource allocation, performance, future outlook, and the basis of presentation, meaning an explanation and evaluation of choosing certain information for the report. (Ibid.)

At this point it should be mentioned that the <IR> framework and the IIRC already now have received scholarly critique (e.g. Brown & Dillard, 2014; Flower, 2015). This critique mainly concerns the believed failure of the IIRC to promote its initial principal objective to promote sustainability accounting and even abandoning it with the 2013 <IR> framework (Flower, 2015). Flower (2015) bases this suggestion on the claim that the <IR> framework rather aims at presenting the value for investors and not value for society. Further, he criticizes the framework for omitting firms to report on negative consequences of their business operations to entities outside the firm (Ibid). Therefore, the extent to which sustainability is addressed with integrated reporting is debated (see also Adams, 2015).

Additionally, Brown and Dillard (2014) take up the discussion on integrated reporting as an accounting change initiative that might contribute to and foster sustainability transmissions. However, they believe the current proposals of the IIRC are not capable of enhancing sustainability overall, as the former reflect a too narrow and closed approach to assessing business performance. However, it does not fall within the scope

of this research to evaluate whether or not integrated reporting with the <IR> framework enhances sustainability transmissions or can account for sustainability accounting. The presentation of the above criticisms should only amplify that within this research <IR> is presented as a specific form of corporate annual reporting that combines and gathers financial and non-financial information within one document and can but not necessarily has to be a form of sustainability reporting. Therefore, for this study it does not deem to be relevant to assess the <IR> framework by any means.

As mentioned, the IIRC released the <IR> framework in 2013. However, Owen (2013) suggests integrated reporting has evolved already from the 1970's due to the emergence of CSR. This implies, from that time on corporate annual reporting was not solely concerned with providing an audience with financial data anymore, but also confronted with informing the report's recipients on CSR and sustainability issues. Though, practicing integrated reporting is still in its early stages of developments and therefore requires significant progress in professional and university accounting training and education, as Owen (2013) suggests. This allows suggesting that practicing integrated reporting might be puzzling for companies. Major challenges probably prove to be lacking knowledge concerning how to actually do it and missing resources such as monetary and time assets. Also, it has to be kept in mind that another reporting method most likely is already at hand and in progress. Thus, one question remains. After all, why bother? Two answers can be found why corporations engage in practicing integrated reporting.

Firstly, in some countries integrated reporting is mandatory for corporate annual reporting practice. Meaning, national law requires companies to practice integrated reporting. For instance, this is the case for South African listed companies. (Hanks & Gardiner, 2012; Owen, 2013) However, investigating this driver to engage in integrated reporting was omitted in this research. This is reflected by the chosen data for this study. Please, see Chapter 3 for more information.

Secondly, integrated reporting is believed to benefit a company. Various attempts have been made to classify these benefits. Eccles and Armbrester (2011), and Eccles and

Saltzman (2011) for instance differentiate between *internal benefits* (e.g. facilitating greater engagement with all kinds of stake- and shareholders) and *external market benefits* (e.g. giving the company credibility), as well as the benefit of better *managing regulatory risks* (e.g. having a say at developing the reporting framework and standards). Further, benefits can also be categorized as *tangible* and *intangible*. For instance, better financial performance describes a tangible benefit, whereas enhanced reputation accounts for an intangible benefit. (Eccles et al., 2014, pp.97-118)

Summarizing, as a fairly new phenomenon integrated reporting is assumed to bring great opportunities to both the firm and its environment. It accounts for gaining a more complete and holistic picture of a corporation and the challenges it is facing and therefore possibly improves decision-making processes, reduces risk and serves the long-term viability of a company. This altogether stands for a more sustainable future for both the firm and its environment. (See also Eccles & Armbrester, 2011; Eccles & Saltzman, 2011; IIRC, 2013; Krzus, 2011)

However, again it has to be remembered that the IIRC published its framework for <IR> only in 2013. Thus, at present academic research that has investigated if applying this framework really benefits a company or not is not available. Similarly, Jensen and Berg (2011) who think of integrated reporting as a form of sustainability reporting, pointed out that it is still unclear why corporations adopt integrated reporting. Although their study does not relate to the IIRC's <IR> framework, they identify some determinants that might explain why companies choose integrated reporting as opposed to traditional sustainability reporting. These choices can be influenced by the political, financial, cultural, education and labor, and economic systems a corporation is operating in. (Jensen & Berg, 2011) Still, these determinants act as enabling factors for practicing integrated reporting rather than true motives for adopting this reporting method.

Nevertheless, attention should be given to a research conducted by the IIRC in partnership with the communications consultancy Black Sun in 2014. There it is claimed applying <IR> reveals major benefits for companies. (IIRC, 2014) These

benefits are already more likely to act as motivating factors for companies to engage in integrated reporting. The study emphasizes benefits such as breakthroughs in understanding value creation or destruction, improving what is measured and thus enabling reasonable changes in decision-making, and enhancing management information and management decision-making. Further, a new approach to stakeholder relations that supports <IR> capital providers to develop a better understanding of a firm's strategy and longer-term objectives is claimed to be a benefit generated through applying the <IR> framework. Additionally, an improvement of greater collaboration within a company by connecting departments and overall broadening perspectives is suggested. (Ibid.)

All this unveils that integrated reporting can have beneficial consequences for companies and support a claim Eccles and Armbrester (2011) make about the future where

“Every company should, and eventually will have to, practice integrated reporting. The extent to which this is motivated by internal benefits, external benefits and managing regulatory risk will vary by company, industry and country.” (Ibid., p.15)

2.2.3 Benefits emerging from practicing integrated reporting

The prior discussed integrated reporting as a specific form of corporate annual reporting and showed certain reasons and determinants why for a company it could be worth adopting this reporting method. However, in order to identify possible motives of corporations for engaging in integrated reporting, it appears plausible to thoroughly discuss possible benefits deriving from integrated reporting.

An underlying assumption for understanding the motives behind integrated reporting practice by concentrating on benefits is, that companies that practice annual reporting by whatever means, actually have reporting schemes at hand that might have worked well since many years. Also, if the legal situation is not forcing corporations to change current reporting practices, overall why should a company make the effort and invest valuable resources, such as money and time, into adopting a new corporate reporting

framework? The answer to this question can be simple. The general and also most basic conjecture is that the benefits will outweigh the costs of adapting integrated reporting. (Eccles et al., 2014, pp.97-118) Based on this, it can be assumed that these benefits constitute the real motives and drivers to practice integrated reporting.

However, the litmus test whether or not integrated reporting, also by applying the <IR> framework, leads to improved corporate performance that is ultimately reflected in higher stock prices of a company, has could not be answered yet. Certainly, in order to facilitate research on a solid ground of facts some more time has to pass by because for now companies have not been doing integrated reporting long enough to provide meaningful propositions. (Ibid.) Thus, clear statements about cost and benefit relationships cannot be made at this point. Still, there are companies producing integrated reports and as argued earlier, research suggests that integrated reporting can benefit a company in various ways (e.g. Eccles & Armbrester, 2011; Eccles & Saltzman, 2011; Ernst & Young & GreenBiz Group, 2013).

To come back to the drivers for practicing integrated reporting, it must be mentioned that the motives of all kinds of actors in the integrated reporting movement can be fairly distinct. According to Eccles et al. (2014) six distinct groups of actors all having their own motives for engaging in integrated reporting can be identified. These groups are formed by companies, the audience and users of the reports, supporting organizations, supporting initiatives, regulators, and service providers. Companies in distinct industries, the main focus group for this study, are often encouraged to adopt integrated reporting to act according to best practice, show leadership and enhance brand value. (Ibid., pp.97-118)

Interestingly, these reasons for applying integrated reporting confirm the claim that the majority of the benefits deriving from integrated reporting practice are perceived as largely intangible. Proposing that integrated reporting does not necessarily result in cost reductions but rather succeeds in improved transparency and data accuracy, and enhanced brand value and reputation supports this as well. (Ernst & Young & GreenBiz Group, 2013) Noticeably, overall, intangibles are held to be the main drivers of a firm

and urgency seems to be on the rise to especially consider also a corporation's intellectual capital in corporate reporting (Veltri & Nardo, 2013).

As demonstrated earlier, research often categorizes tangible and intangible benefits stemming from integrated reporting practice. Also, it distinguishes among internal benefits, external market benefits and the benefit of an improved management of regulatory risks. (E.g. Eccles & Armbrester, 2011; Eccles & Saltzman, 2011; Eccles et al., 2014, pp.97-118) Yet, for the purpose of this study such categorizations of benefits appear irrelevant, as this research aims to study generally the motives and motive variations among the industry sectors. Further, as a clear assignment to these categories is not always possible, it seems reasonable to abstain from a strict grouping of benefits. Therefore, the following freely discusses the suggested benefits provided by earlier literature and research.

Benefits researchers promise companies to attain from applying integrated reporting include for example an improved understanding of and consensus about the material metrics for measuring performance, clearer articulated statements about the relationship between financial and non-financial performance, and the possible identification of where internal measurement and control systems could be improved, and process and production efficiencies (Eccles & Armbrester, 2011). Also, through establishing a holistic business model and a wholesome understanding of an organization, integrated reporting overall enables a more holistic view of a company's strategy and performance by the staff (Ibid.; Black Sun Plc & IIRC, 2012).

It is also claimed, through integrating reporting the information needs of mainstream and the increasing numbers of socially responsible investors can be met (Eccles & Armbrester, 2011). These shareholders increasingly ask for environmental, social and governance information. By providing useful information, questions can be preempted and long-term investment decisions of investors optimized (Eccles & Armbrester, 2011; Eccles, Herz, & Keegan, 2001). However, not only investors expect information regarding non-financials, but also on stock exchanges progressively appears the inclusion of sustainability indices. Integrated reporting is suggested to support covering

these. (Eccles & Armbrester, 2011) Actually, by capturing intangible assets an inherent understanding of the complex relationships among economic, governance and environmental, and social issues concerning a company's business can be generated.

Thus, also the information quality available to investors can be improved, as well as value creation for both shareholders and society demonstrated, which ultimately will contribute positively to a company's long-term viability. (IIRC, 2013; Krzus, 2011) However, communicating all factors that materially affect value creation over time and promoting their independencies not only benefits the company but also supports the decision-making of investors positively (IIRC, 2013).

In addition to that it is argued that integrated reporting enforces greater and deeper engagement with both internal and external stakeholders, including shareholders (Black Sun Plc & IIRC, 2012; Eccles & Krzus, 2010, pp.145-179; Krzus, 2011). By facilitating to create and foster trust among these stakeholders, these relationships can be improved (The Association of Chartered Certified Accountants [ACCA], 2012; Eccles & Armbrester, 2011; Eccles & Krzus, 2010, pp.145-179).

Summarizing the previous paragraphs, integrated reporting allows better communications with all stakeholders and an improved understanding of their expectations. Thus, for a corporation reputational risk can be lowered. (Eccles & Armbrester, 2011) Integrated reporting facilitates this by supporting the company to overcome possible reality and reputation gaps by also acknowledging the impacts of changing beliefs and expectations (Eccles & Krzus, 2010, pp.145-179). From this can be concluded that transforming processes due to engagement and activism from counter-parties are allowed (Eccles & Serafeim, 2014). Therefore, integrated reporting overall also stands for enhanced risk management.

Further, integrated reporting is believed to give the company credibility in requiring better information from its own vendors in order to reduce supply chain risks, and to improve the company's reputation and brand. Advanced reputation and brand refers to integrated reporting communicating the reliability of a company better. (ACAA, 2012;

Eccles & Armbrester, 2011; Eccles & Saltzman, 2011) Moreover, practicing integrating reporting is suggested to enhance transparency and thus also data accuracy (Eccles et al., 2014, pp.97-118; Ernst & Young & GreenBiz Group, 2013).

Also, this reporting method is supposed to enhance streamlining communication. Meaning, one single coherent and consistent message that targets all stakeholders can be created. Thus, also a common language can be created. (Black Sun Plc & IIRC, 2012; Eccles & Krzus, 2010, pp.145-179) Having a common language enables companies to tell their own corporate stories (Eccles & Krzus, 2010, pp.145-179; Black Sun Plc & IIRC, 2012). Consequently, companies themselves can define who they are and are not defined by others. Also, in this context integrated reporting refers to the identification of methods to measure the value of managing and reporting on sustainability issues. (IIRC, 2014; Black Sun Plc & IIRC, 2012) Overall, integrated reporting enhances communication with media and general public and is also held to generally increase external sustainability awareness (Ernst & Young & GreenBiz Group, 2013).

Actually, this relates to the claimed improved reporting efficiency that research assigns integrated reporting practice. Reporting efficiency especially concerns reporting on a firm's intangible assets (Ernst & Young & GreenBiz Group, 2013). Intangibles, as has been argued earlier, nowadays need to be considered in corporate reporting (Veltri & Nardo, 2013). At this point it should be mentioned that still, integrated reporting is all about reporting better and not about reporting more. By producing reliable and timely non-financial information but also by providing a better understanding of the relationship between financial and non-financial performance, investor commitment can be improved. (Eccles & Armbrester, 2011; Eccles & Krzus, 2010; pp.145-179) Also, by demonstrating the interplay between these capitals the accountability and stewardship for this broad base of capitals, including financial, manufacturing, human, social, intellectual and natural capital can be enhanced (Adams & Simnett, 2011; IIRC, 2013).

Additionally, it is supposed that integrated reporting improves internal resource allocation decisions and generates better access of and to capital. Due to improved disclosure cost reductions and cost savings, as well as a lower cost of capital can be

caused (ACCA, 2012; Eccles & Saltzman, 2011). Actually, future cost savings might be facilitated through an enhanced management of regulatory risks, another recommended benefit. Meaning, integrated reporting can enable a company to catch a possible wave of new legislation, which is thought about to come soon, already beforehand. Therefore corporations are prepared and thus able to respond quickly to new reporting guidelines and comply with new stock exchange regulations, filing requirements, and requests. Also, by participating in integrated reporting as early adopters, a company can have the opportunity to develop and enhance future reporting frameworks and standards. (Eccles & Armbrester, 2011) However, risk also relates to the claim that integrated reporting enhances risk determination. Thus, by engaging in this reporting method, financial stability and sustainability can be enforced. (IIRC, 2013)

Moreover, another advantage deriving from integrated reporting practice is improved competitive advantage of an organization among other players in the industry (Ernst & Young & GreenBiz Group, 2013). It can be inferred that this is also facilitated by a greater visibility across business activities and collaboration across different business functions and units that integrated reporting generates within an organization. This improved understanding of how an organization creates value also supports integrated thinking. (Black Sun Plc & IIRC, 2012; Eccles & Krzus, 2010, pp.145-179) Yet, it is questionable if integrated thinking leads to better corporate performance (Eccles et al., 2014, pp.97-118). Once again, integrated reporting is suggested to enhance a company's cost savings, however, if it also increases a company's revenues remains undecided at state (ACCA, 2012; Eccles & Saltzman, 2011).

Further, integrated reporting is held to increase the interest and engagement of senior management in issues around the long-term sustainability of their business that in turn can improve (senior) management information and decision-making (Black Sun Plc & IIRC, 2012; IIRC, 2014). Additionally, management can benefit from improved innovation and identification of opportunities generated through integrated reporting. (ACCA, 2012; Eccles et al., 2014, pp.97-118; Ernst & Young & GreenBiz Group, 2013) Interestingly, it is also suggested that integrated reporting not only enhances the retention of skills of current employees but also improves employee recruiting based on

revised attraction of a company coming from applying this reporting method (ACCA, 2012).

To conclude, the discussion above revealed numerous possible benefits a company could attain from practicing integrated reporting and as a result of this be motivated to engage in it. It might be that a corporation is driven to engage in integrated reporting because is proposed to attract more long-term investors who value sustainable strategies (Eccles & Krzus, 2010, pp.145-179; Eccles et al., 2001), improve internal measurement and control systems (Eccles & Krzus, 2010, pp.145-179), or facilitate communicating the full range of factors that create, destruct or sustain value all short, medium and long term in the context of rising environmental, social and economic challenges (IIRC, 2014), either way, these asserted advantages appear as plausible reasons to engage in this reporting practice. Thus, these benefits possibly act as the real drivers of corporations to go beyond legal requirements, take on extra effort and engage in integrated reporting.

2.3 Theoretical foundations

The previous Sections have reviewed literature related to investor relations, corporate annual reporting and, as a specific form of it, integrated reporting. Specific emphasis has been given to benefits that might act as motivators for integrated reporting practice. Here, for describing the main theoretical foundations this research reposes on, central aspects of this literature are collated and extended. These concepts altogether form the theoretical lens applied to approach the phenomenon under study. The theoretical foundations, including the concept of strategic communication, organizational legitimacy, stakeholder engagement, and the Nordic School Approach for investor relations, define both the research objective and the selection of method and data.

2.3.1 Strategic communication and organizational legitimacy

It has previously been argued that an integrated annual report can be considered a strategic communication tool of investor relations and an overall corporate

communication's strategy. According to Hallahan et al. (2007) strategic organizational communication defines a form of communication that materializes on purpose and aims at fulfilling the goals of a corporation. Also, strategic communication can be considered continuous, intentional, influential, informational, persuasive, discursive, and relational (Ibid.; Dolphin, 2004). Further, it has been pointed out that nowadays investor relations, as well as the corporate annual (integrated) report, is forced to meet the information needs from stakeholders (Dolphin, 2003; Dolphin, 2004). Therefore, investor relations as well as (corporate annual) reports serve at least the purpose of responding to certain information expected from stakeholders. Further, Suchman (1995) suggests through stakeholder communication a corporation gains public support and organizational legitimacy where a company's actions from society are perceived desirable, proper, or appropriate. Apparently, all this indicates that corporate annual (integrated) reporting falls within strategic stakeholder communication.

However, Adams (2004) suggests for covering all material aspects from a stakeholder perspective, stakeholders must actually be consulted. Meaning, only if a company really interacts and engages with its stakeholders it will realize what issues and information are important and relevant to the audience, and what the latter desires to be presented in the annual report. Further, engaging with stakeholders is thought to be the only way for reporting to move towards completeness (Ibid.). Once again, presenting a complete picture of a company and its operations is what the <IR> framework aims at (IIRC, 2013). Yet, to actually understand what information stakeholders expect from corporate reporting, it is necessary to engage with them.

2.3.2 Stakeholder engagement and the Nordic School Approach for investor relations

Earlier communication practitioners suggested that one main purpose of corporate communication has been the management of relationships with stakeholders to develop and protect an organization's reputation. These relationships not only concerned stakeholders a company depends on financially, such as suppliers and investors, but also included the strategic management of relationships with stakeholders who also hold

legitimate interests in an organization, such as governments, political groups, communities and trade associations. (Cornelissen, 2014, pp.41-61)

This indicates, stakeholders of an organization comprise a large conglomerate of individuals and groups that can all have distinct stakes in business, different expectations of an organization, and also dissimilar information needs. Further, individuals in some cases even have multiple relationships with a particular organization such as all at once being an employee of a particular firm, a consumer of a product that this company produces and an investor of that particular firm (Du & Bhattacharya, & Sen, 2010; Noland & Phillips, 2010). Therefore, companies are “... *often faced with multiple and not necessarily compatible interests - not only between different stakeholder groups, but also between stakeholders from the same group.*” (Pedersen, 2006, p.149)

However, in recent years scholars concerned with organization-stakeholder relationships have somewhat departed from the idea that stakeholders must be managed. At state there is more discussion about stakeholder engagement (Cornelissen, 2014, pp.41-61). Especially in business ethics and management literature, attention has shifted away from what actions organizations must perform in order to meet moral standards towards what sort of relationships must be fostered with stakeholders (Noland & Phillips, 2010, p.39). This also applies to investor relations, which is suggested to undergo a major shift from solely financial reporting to building and maintaining relationships with shareholders these days (Laskin, 2009).

Actually, Tuominen (1997) proposes an understanding of investor relations that focuses on identifying, establishing, maintaining, and enhancing long-term relationships with stakeholders. This perception derives from the so called Nordic School Approach, which initially dealt with marketing and supposed that marketing concerns not simply the planning and implementation of certain actions but rather the establishment, maintenance, and development of long-term customer relationships in order to meet organizational goals (Ibid.). However, these stakeholder relationships are not only based on and developed through interactions but rather through engagements.

Stakeholder engagement defines a process that actively involves stakeholders in communication processes, listens to them and allows them to have a say in corporate decision-making (Cornelissen, 2014, pp.41-61). It actually facilitates communication that enables an unfiltered flow of information between stakeholders and “... *must be integral to a firm’s strategy if it is to achieve real success.*” (Noland & Phillips, 2010, p.39) This reveals stakeholder engagement and corporate (communications) strategy are interlinked.

At this point it should be recalled that one of the major benefits of practicing integrated reporting is believed to achieve deeper stakeholder engagement (Krzus, 2011). Therefore it is crucial to not think of the integrated report as a one-way emission of information. The concept of integrated reporting, including an understanding what an audience considers material information within a CAR, actually provides a communication format that enhances ongoing dialogue between a company and its stakeholders. Engagement therefore means really encouraging and maintaining this dialogue, where both parties are held equally important for business processes. The stated dialogue around an integrated annual report for instance can take place within a company’s webpage, social media platforms, discussion forums, blogs, and podcasts. (Ibid.)

To sum up the theoretical foundations for this research, an integrated annual report applying the IIRC’s <IR> framework can be conceived as an interactive model of strategic communication that is built upon stakeholder engagement. Additionally, the creation process of an annual report as well as its utilization after publishing occupy a relationship building, as well as a legitimizing function, which overall again reflects on the investor relations functions. Thus, the theoretical foundations make it possible to answer the research questions of what motivates companies applying the newly launched <IR> framework to practice integrated reporting as seen in their annual reports, and to what extent these motives differ among certain industry sectors.

3 METHODS AND DATA

This Chapter outlines the method and data used to reveal motives of companies to engage in integrated reporting and possible motive variations among certain industries. It discusses and vindicates content analysis and, as a specific form of it, thematic qualitative text analysis, which has been chosen as research method for this study. Also, corporate annual reports are presented and justified as the data for analysis. Considering this research's trustworthiness concludes Chapter 3.

3.1 Research method

To find out what actually motivates companies to engage in integrated reporting practice and find out about possible motive differentiations the most feasible and therefore suitable methodology deemed to be analyzing the textual content of corporate annual reports (CARs), which were chosen due to accessibility. At state the reports provided the only source available for examination. (See Gibson & Brown, 2009, pp.65-84) Yet, CARs are a reliable source for interrogation as they tell a lot and therefore ensure validity (Bryman & Bell, 2007, p.559). By focusing on the content, aspects concerning what companies most importantly try to communicate with their reports, who is tried to speak to, and therefore motivations behind practicing integrated reporting could be exposed.

3.1.1 Content analysis

As a research method content analysis is used in many disciplines, but especially in social sciences it applies to “... *analyze various forms of communications, above all, those that utilize textual data.*” (Stepchenkova, Kirilenko, & Morrison, 2009, p.467) Thus, it allows making certain inferences from recorded communication, such as for instance documents, by systematically identifying characteristics within the data (Jones & Shoemaker, 1994; Mayring, 2000). This justifies content analysis as an appropriate method to study CARs.

Generally, there are two forms of content analysis; it either can be considered *quantitative* or *qualitative*. Quantitative content analysis is more related to making statistical inferences from text populations, comparisons among them, and hypothesis testing, whereas qualitative content analysis rather targets non-statistical and exploratory methods involving inductive reasoning. Qualitative content analysis is therefore more interested in the text itself and based on text in its entirety. (Kuckartz, 2014; Stepchenkova et al., 2009) Examining the latter was the purpose of this study.

Yet, no sharp line can be drawn between qualitative and quantitative content analysis because both cases involve “... *making use of a coding frame, generating category definitions, segmenting the material into coding units, and distinguishing between a pilot phase and a main phase of analysis.*” (Schreier, 2014, p.173) Additionally, in academia a precise definition of qualitative content analysis is missing due to different perceptions when it comes to actually analyzing the data once it has been sorted into categories. Some scholars argue, qualitative content analysis always entails quantitative methods such as counting words or categories; some others believe qualitative content analysis includes only qualitative techniques to analyze texts and leaves out any counting or statistical techniques (Forman & Damschroder, 2008). However, for the purpose of this study a positioning to either group seemed not to be relevant.

Still, it is worth pointing out that qualitative content analysis diverges from the assumption that the most frequent themes in a text are the most important ones. From a more philosophical perspective, qualitative content analysis even diverges from the positivistic supposition that there exists an objective reality that research can reveal. (Stepchenkova et al., 2009) Although this method is often criticized for lacking objectivity, reliability, replicability, and generalizability (Merkl-Davies, Brennan, & Vourvachis, 2012), this research aims to overcome these accusations by recognizing that statements about various realities have to be made with relation to context, details and complexity (see Stepchenkova et al., 2009).

However, for this research the informational content of data was relevant to understand the phenomenon under study and thus quantitative content analysis that targets to make

generalizations based on statistical inferences and largely decontextualizes data (Forman & Damschroder, 2008), would not have supported a systematical description of the meaning of the data (see Schreier, 2014). Therefore, the use of qualitative over quantitative content analysis should appear plausible.

Furthermore, as with Jones and Shoemaker (1994), Forman and Damschroder (2008) emphasize the relevance of qualitative inquiry when providing a comprehensive description of a phenomenon that targets capturing also motivations of contributors. Especially thematic qualitative text analysis, a specific form of qualitative content analysis that filters and analyzes themes within certain messages, is considered an appropriate method to study particular attitudes from, as well as motivations and concerns of accounting communicators (Jones & Shoemaker, 1994). Thus, thematic qualitative text analysis was chosen to approach the research objective.

3.1.2 Thematic qualitative text analysis

Thematic qualitative text analysis incorporates formulating a research question, choosing and organizing appropriate data to answer this question, developing certain textual categories or themes, critically coding and analyzing the data based on the categories/themes¹ in search for commonalities, differences, and relationships among the data, and presenting and interpreting findings (see Gibson & Brown, 2009, pp.127-145; Kuckartz, 2014). Logically, all these steps were included in the research processes of this study.

However, at heart of this research method lies the development of categories/ themes, which ultimately makes text interpretation during the research process comprehensible and justified (Mayring, 2000; Schreier, 2014). Mayring (2000) suggests, for qualitative content analysis there are two options for building categories: *inductive* and *deductive* category development. Inductive category development involves continuously examining and observing the data, comparing it, watching out for possible patterns, and according to those step by step establishing inductive categories out of the text. No prior

¹ Categories and themes can be understood alike.

existing academic theory is needed for inductive category development. (Mayring, 2000) In contrast, deductive category formulation means that categories are established based on existing theory (Mayring, 2000). Though, in research practice the formulation of themes is mostly found to never be completely inductively or entirely deductively (Kuckartz, 2014). Further, for thematic analysis Gibson and Brown (2009) also distinct between *apriori* and *empirical* codes. Apriori codes are defined already before examining the data, while empirical codes are generated throughout the data examination process (Gibson & Brown, 2009, pp.127-245).

Yet, thematic qualitative text analysis facilitates filtering certain themes and interpreting their meanings within corporate narratives (Forman & Damschroder, 2008; Jones & Shoemaker, 1994; Schreier, 2014) and this is why it had enabled the study of motives of companies to practice integrated reporting as seen in annual reports. As Chapter 2 has argued, benefits that derive from practicing integrated reporting are thought to capture the motives of companies for applying this accounting method. Consequently, a deductive approach for generating the thematic categories was chosen, as academia as well as research from practice provided a sound ground of possible benefits (see also Section 2.2.3). By using themes to analyze and interpret CARs also conclusions about possible motive variations for integrated reporting practice could be generated (see Gibson & Brown, 2009, pp.127-145). However, according to Gibson and Brown (2009), there are no concrete rules for practicing the thematic organization of data (pp.127-145). The categorization can rather be understood as a theoretical and conceptual issue that aims at examining commonalities, differences, and relationships among the data (Ibid.).

However, the developed thematic categories that concerned revealing the motives to practice integrated reporting and possible motive variations among the selected industries derived from earlier literature and the <IR> framework (see Section 2.2.3; e.g. Eccles & Armbrester, 2011; Eccles & Saltzman, 2011; IIRC, 2013) and are summarized in Table 1.

Table 1. Thematic categories for analyzing the motives for practicing integrated reporting

↓ THEMATIC CATEGORIES: Integrated reporting
Facilitates corporate storytelling
Enables demonstration of long-term value creation
Enhances trust and transparency
Improves reputation
Serves as best practice
Optimizes internal processes
Makes reporting more efficient
Allows reporting on risks and opportunities
Streamlines communication
Enhances stakeholder engagement
Enables reporting on a holistic business performance model
Permits reporting on various capitals

As can be seen from Table 1, the textual content of the CARs under study was analyzed by the categories if integrated reporting practice is chosen because it facilitates corporate storytelling, enables the demonstration of long-term value creation, enhances trust and transparency, improves a corporation’s reputation, serves as best practice (such as competitive advantage, better corporate performance, and/or up to date reporting method), optimizes internal processes, makes reporting more efficient, allows reporting on risks and opportunities, streamlines communication, enhances stakeholder engagement, enables reporting on a holistic business performance model, and/or permits reporting on capitals² that go beyond financials (such as natural and manufacturing, relationship and social, and/or human and intellectual).

Just as Kuckartz (2014) suggests, after the thematic categories have been formulated, the CARs were analyzed and interpreted by assigning appropriate text passages of the data to the categories, excerpts of data thus giving the interpretations of the themes evidence. Hence, prevailing themes within the data were explored and allowed to draw conclusions about what motivates companies to practice integrated reporting and possible industry dependent differences for adopting this accounting method.

² As financial capital is always included in CARs, it was not considered in this study. Further, as can be seen, for simplicity some capitals were consolidated and jointly analyzed.

For the sake of completeness, this study on purpose omitted constructing hypotheses as the conceptualization of involving a relationship between two or more variables is believed to cause thinking in polarized ways about relationships between/among variables. However, the aim of this research was “... *to interrogate the character and complex interrelational nature between intricately specified and defined phenomena.*” (Gibson & Brown, 2009, p.139)

3.2 Data

As it has been mentioned in Subchapter 3.1, due to expressiveness and accessibility CARs comprised the data chosen for analysis (see Bryman & Bell, 2007, p.559; Gibson & Brown, 2009, pp.65-84). In order to narrow down the pool of data available, only integrated reports of organizations were chosen that reported either in a way that referred to the IIRC or the <IR> framework, or were influenced by the <IR> framework through participating in <IR> networks. Further, only European³ reports were selected in order to eliminate possible motivational differences that could have derived from geographical locations and distinct national legislation of the firms. As it has been shown in Section 2.2.2, for instance South African compared to European companies probably have different motives to practice integrated reporting⁴ as in South Africa this accounting form is mandatory. Thus, focusing solely on European companies was thought to enable coherent answers for the phenomenon under study.

By February 2nd 2016, the IIRC listed 87 European <IR> reporters on its webpage (Integrated Reporting, 2016a). (Please find this detailed list in Appendix 1.) Moreover, the IIRC distinguished and named 13 different industry sectors on the homepage (Integrated Reporting, 2016b). The industry sectors appointed were financial services, professional services, consumer goods, consumer services, industrials, utilities, basic materials, healthcare, public sector, oil and gas, real estate, technology, and telecommunications. Unfortunately, the IIRC did not provide a concrete allocation of

³ In this study the term *European* does not refer to the politico-economic understanding of Europe (meaning EU member states) but to the broader understanding of the continent Europe as such.

⁴ From now on, if integrated reporting relates to the <IR> framework it is abbreviated with the term <IR>.

the respective European <IR> reporters to these 13 industry sectors. However, this was needed for the research process, so conclusions could be made about possible motive variations to practice <IR> among certain industries. Consequently, the industrial grouping of the 87 <IR> reporters was made based on information provided by IIRC (Integrated Reporting, 2016b), information found on the companies' webpages, and listings of the companies in certain European stock exchanges, such as for instance the Frankfurter Boerse (2016) and Nasdaq Nordic Listing (2016), as well as classifications from well-recognized business and financial information providers, such as for example Bloomberg Business (2016) and Kauppalehti (2016). Yet, for all the 87 <IR> reporters it was not possible to clearly assign them to any of the 13 sectors. Thus, the rubric *Others* was added to the initial 13 industry sectors suggested by the IIRC.

Table 2 shows the industrial grouping of the 87 <IR> reporters and reveals the numbers of <IR> reporters for each industry.

Table 2. Industrial grouping of the 87 <IR> reporters

Industry sector	Number of <IR> reporters	Industry sector	Number of <IR> reporters
Financial services	16	Technology	5
Industrials	12	Oil and gas	3
Consumer services	11	Health Care	2
Utilities	11	Real Estate	2
Consumer goods	8	Telecommunications	2
Professional services	8	Others	1
Basic materials	6	Public sector	0

From this compilation can be inferred that by the time the data pool was researched, the 87 European <IR> reporters consisted of 16 organizations from the financial services, 12 companies from the industrials, 11 corporations from the consumer services, 11 firms from the utilities, 8 corporations from the consumer goods, 8 companies from the professional services, 6 organizations from the basic materials, 5 businesses from the technology, 3 companies from the oil and gas, 2 companies from the healthcare, 2 firms of the real estate, 2 firms of the telecommunications sector and no firm at all from the public sector. One company was not assignable to any of these industry sectors. (Please see Appendix 2 for a detailed list revealing the actual <IR> companies attributed to these industry sectors.)

The amount of data analyzed was thought to be adequate if there could be 3 to 4 annual reports for each of the 4 chosen industries. 4 industries out of 13 deemed to be a legitimate sample pool for a pilot study, as well as analyzing 3 to 4 annual reports for each industry sector. Overall, 15 CARs encompassing more than 4000 pages in total were studied.

Since analyzing 3 to 4 annual reports per each of the 4 industry sectors seemed to offer the smallest possible insight of how industries possibly differ in their motives to practice <IR>, the industry sectors health care, real estate, telecommunications, public sector, and the category *Others* were left out of the analysis as these did not provide enough reports. Out of the 9 remaining industries 4 were chosen to focus on. The selection then was based on the highest and lowest ranked industries for <IR> reporters. Financial services, and oil and gas therefore were chosen. Moreover, in between these 2 industries 7 were left. Out of the 7 industries 2 more industries needed to be selected. Therefore, the 7 remaining industries were randomly divided into two groups. Following financial services in the ranking, the first group included the 3 industries of industrials, consumer services, and utilities. Ensuing these 3 sectors, the second group comprised the remaining 4 industries consumer goods, professional services, basic materials, and technology. To achieve a fairly equal dispersion, the last (alphabetically) listed sector of the first group was chosen (utilities) and from the second group the top ranked industry in alphabetical order (consumer goods) was decided upon. Thus, a fair distribution for selecting the 4 focus industries (financial services, utilities, consumer goods, and oil and gas) should have been facilitated. Also, the selected industries vary significantly in their scope, which was held to be another important aspect for the analysis in order to reveal possible motive variations.

Further, the selection of annual reports targeted a scattering of European countries, as well as distinct scopes of businesses within the industry sectors. Also, the CARs selected concerned the fiscal year 2014. Due to the time of the year when this analysis has been conducted, not all companies had their annual reports already finished and disclosed for the year 2015. However, no additional selection criteria were applied.

Table 3 summarizes the main information for the 15 analyzed CARs. Both industry sectors and the respective companies are shown. Additionally, business scopes as well as locations of the headquarters of the respective companies are presented.

Table 3. Analyzed corporate annual integrated reports

Industry Sector	Company	Business	Headquarter
Financial services	Achmea	Insurance	The Netherlands
	Assicurazioni Generali S.p.A.	Insurance	Italy
	Oesterreichische Kontrollbank Group	Special-purpose bank	Austria
	Turkiye Garanti Bankasi A.S.	Bank	Turkey
Utilities	Enagás	Natural gas	Spain
	EnBW (Energie Baden-Wuerttemberg)	Electricity	Germany
	Rosatom	Nuclear energy	Russia
	United Utilities	Water and wastewater	Great Britain
Consumer goods	Coca Cola Hellenic Bottling Company	Alcohol free beverages	Switzerland
	Marks & Spencer	Retail	Great Britain
	Nutreco	Animal food	The Netherlands
	Pirelli	Tire manufacturer	Italy
Oil and gas	Eni S.p.A.	Oil and gas	Italy
	Grupa Lotos S.A.	Oil and gas	Poland
	Rosneft	Oil and gas	Russia

As Table 3 shows, the 15 annual integrated reports for the analysis compounded from CARs of the financial services sector including documents of Achmea, Assicurazioni Generali S.p.A., Oesterreichische Kontrollbank Group, and Turkiye Garanti Bankasi AS. CARs analyzed within the utilities sector originated from EnBW (Energie Baden-Wuerttemberg), United Utilities, Rosatom, and Enagás. The annual reports focused on from the consumer goods services were from Nutreco, Coca Cola Hellenic Bottling Company, Marks & Spencer, and Pirelli. Analyzing the oil and gas sector included investigating documents of Eni, Gas Natural Fenosa, Grupa Lotos S.A., and Rosneft. (Please see Appendix 3 for a full list of the links of these CARs.)

3.3 Trustworthiness of the study

Qualitative research, which this study is considered as, is often refuted and scrutinized in terms of being too researcher biased, too challenging to replicate due to unstructured

research design, too rich to generalize, and overall too untransparent (Bryman & Bell, 2007, pp.408-409). Clearly, these accusations also concern the trustworthiness of this study. However, Bryman and Bell (2007) sum up four criteria that should be focused on when evaluating the trustworthiness of qualitative research (Ibid., pp.394-412). Credibility, transferability, dependability, and conformability form these criteria (Ibid., p.395). Credibility means the extent to which the study findings reflect the phenomenon under study. Transferability refers to the extent to which the conclusions can be applied to another context or research. Dependability is assessed by the consistency of the research process where the documentation of data, methods and decisions is crucial. Conformability applies to the desired approximated objectivity of the researcher. (Ibid.)

Building upon these criteria, Elo, Kääriäinen, Kanste, Pölkki, Utriainen, and Kyngäs (2014) suggest a concept to evaluate and ensure the trustworthiness of qualitative content analysis. In this concept, trustworthiness is evaluated throughout the research process by focusing on the preparation, organization, and reporting phase. The following briefly describes each stage and discusses how in each phase of this research process trustworthiness has been generated.

Firstly, in the preparation phase the researcher is instructed to choose a suitable method for collecting data, present the sampling strategy, and select a suitable unit of analysis (Elo et al., 2014). As it has been argued in Subchapter 3.1, according to Jones and Shoemaker (1994) it is reasonable to study the motives of practicing <IR> as seen in annual reports by thematic qualitative content analysis with a deductive approach. Further, in Subchapter 3.2 this study's sampling method, including principles and criteria the selection was based on, has been clearly presented. There it has also been argued, why, due to accessibility, a whole annual reporting document was thought to be sufficiently large enough to be considered as a whole but small enough to be a relevant unit for answering the research questions.

Secondly, within the organization phase trustworthiness is enhanced through creating well-defined categories, considering the interpretation level when approaching the textual data, and reflecting on the representativeness of the data (Elo et. al, 2014). As

can be seen in Subchapter 3.1 the formulation of the thematic categories resulted from earlier academic literature dealing with benefits from practicing integrated reporting and aimed at being as distinct as possible to prevent overlapping meanings. However, the analysis of themes within annual reports inevitably involved the researcher's personal interpretations. However, this interpretation level was tried to be kept as low as possible by using a deductive approach for developing these thematic categories that were based on earlier research and the study's theoretical framework. Also, by making the research process as transparent as possible enables to backtrace actions undertaken within this study. Further, a detailed description of the findings including many direct quotes from the annual reports should have enabled to draw a picture of interpretation logic. Further, throughout the research process a reflection on the representativeness of the data has taken place. Especially Subchapter 3.1 points out that the findings of this study must be conceived as context-dependent.

Thirdly, in the reporting phase trustworthiness concerns the reporting on results and the analysis process (Elo et al, 2014). The latter is covered elaborately in the Subchapters 3.1 and 3.2, where a full description of the analysis process and the decision trail is provided, which according to Elo et al. (2014) is crucial for generating trustworthiness. This study's trustworthiness for reporting on the results is firstly generated by providing results that are described by the content of the categories describing the phenomenon and secondly facilitated by systematically and logically reporting on the results. Therefore, the reporting makes sense for the reader in a meaningful and useful way (see Elo et al, 2014).

Summarizing, based on this discussion of the aspects of trustworthiness for qualitative content analysis research suggested by Elo et al. (2014) and their relation to the three stages of this research project, an evaluation of the trustworthiness of this study could be enabled.

4 MOTIVES FOR PRACTICING INTEGRATED REPORTING

The previous Chapters have demonstrated that a company's annual report is a strategic communication tool and a vital part of a corporate's communication strategy (see e.g. Dolphin, 2003; Hallahan et al., 2007; Perrini, 2006). Further, it has been argued that a CAR contains a lot of valuable information (Bryman & Bell, 2007, p.559) and thus served as a plausible document for studying and revealing the motives for reporting, in this case, <IR>. This research examined 15 CARs in order to answer the research questions on motives to practice <IR> and possible motive variations among the selected industries.

This Chapter is organized as follows. Firstly, motives to practice <IR> as seen in CARs are presented according to the respective corporations and industries chosen. On the one hand this aims to ensure dependability, replicability, and transparency of the research process (see Bryman & Bell, 2007, pp.408-409; Elo et al., 2014), on the other hand this presentation serves as the basis for answering the research questions. The findings for each industry sector are completed with a short summary of motives for the particular industries. Secondly, an overview of the general motives to practice <IR> as seen in annual reports of all the corporations focused on is provided. Thirdly, motive variations to practice <IR> among the financial services, utilities, consumer goods, and oil and gas sector are presented.

4.1 Selected industry sectors and companies

In this Chapter the motives for practicing <IR> are presented based on the findings of the 15 CARs within the financial services, utilities, consumer goods, and oil and gas sector. Each Section discusses the analysis of one of these industries and includes the respective findings for all the analyzed CARs within these sectors. Based on the 3 to 4 analyzed CARs, every Section concludes with summarized motives for the industry sector.

Once again, the presentation of the analysis' findings relate to the thematic motive categories that have been developed earlier in the research process. For the sake of

transparency and replicability the categories for analyzing the motives for <IR> shall here be recalled. The CARs were analyzed if corporations practice <IR> because it facilitates corporate storytelling, enables to demonstrate long-term value creation, enhances trust and transparency, improves reputation, serves as best practice, optimizes internal processes, makes reporting more efficient, allows reporting on risks and opportunities, streamlines communication, enhances stakeholder engagement, enables reporting on a holistic business performance model, and/or permits reporting on various capitals. (Please see Section 3.1.2 for additional information.)

4.1.1 Financial services

This Section concentrates on the analysis' findings for the financial services sector, including the analyzed CARs of Achmea, Assicurazioni Generali S.p.A. (Generali), Oesterreichische Kontrollbank Group (OeKB), and Turkiye Garanti Bankasi A.S. (Garanti). As stated, as all Sections within this Subchapter, also this Section at the end summarizes <IR> motives for the sector.

Achmea

In its CAR Achmea engages in corporate storytelling. For instance, the corporate story is told through employees, business partners, customers, and shareholders, who are given a say within the report (e.g. p.5). This provides the document with vivacity, that is, according to Marzec (2007), vital to corporate storytelling. Yet, no indicator can be found that Achmea is practicing <IR> because the latter enables Achmea to tell its corporate story. Further, no inference can be made that Achmea is motivated to engage in <IR> due to the possible demonstration of long-term value creation, although long-term creation as such is a discussed issue within the report. For instance, long-term value creation is related to the interests of customers, society, employees, business partners and shareholders (e.g. p.10, p.12). Also, Achmea presents how this value is created and highlights the focus on customer needs (p.10).

Additionally, trust and transparency are important aspects within the Achmea's CAR. Stating that the bank and insurance sector were facing challenging times due to several reasons and now need to regain stakeholders' trust supports this (e.g. p.219, p.268). Also, becoming the most trusted Dutch insurance company is the main aim of Achmea (p.15). And even though customer centricity and transparent customer communication are emphasized and targeted, it cannot be assumed that enhancing trust and transparent communication drives Achmea's <IR> practice.

Further, from the text no inferences can be made that improved reputation, best practice, internal process optimization, and reporting efficiency serve as motives to apply <IR>. And even though risks and opportunities are fundamental themes within the report (e.g. p.11, pp.17-19), and the reader is provided with a SWOT analysis (p.17), reporting on these aspects cannot be interpreted to serve as motive to practice <IR>.

As the report's audience can be clearly defined, on page 7 it is stated "*Achmea's annual reporting is an important way of strengthening ties with our stakeholders: our customers, employees, (business) partners and shareholders.*", it can be suggested that <IR> helps Achmea to communicate with these stakeholders and communication is streamlined to them. However, the extent to which streamlining communication drives Achmea to practice <IR> cannot be determined. Also, even though stakeholder engagement is presented as being essential for Achmea's business operations (e.g. p.7) and described in detail, no reference is made to this in relation to <IR>. Therefore, it cannot be deduced that enhanced stakeholder engagement drives Achmea's <IR> practice.

However, demonstrating a holistic business performance model explicitly reveals a motive for Achmea to engage in this reporting method. Achmea stating "*The aim of our annual reporting is to provide a holistic overview of our organization, demonstrating the links between our strategy, governance and the social and economic context in which we operate.*" (p.7), reinforces this. But, even though Achmea emphasizes the importance of capitals other than financial capital (e.g. human capital on p.18), it cannot be ascertained that practicing <IR> is motivated by the possibility to report on various

capitals, as the text does not provide any information on the latter in respect of Achmea's reporting practice.

Assicurazioni Generali S.p.A. (Generali)

Generali's interest to engage in <IR> is motivated by its facilitation to tell a corporate story. The following approves this. As it is stated, Generali has come "*... from values, to idioms and finally to stories (...) because reports, without a story, would be less valuable.*" (p.3) Further, Generali specifies, "*This year our reports have taken a further step ahead towards a true narrative dimension. The coherence of the different communicative languages used highlights the story, the 'symbolic universe' around which our targets and aspirations are set.*" (p.3) In addition to that great importance and voice is given to employees, their faces being the "*...fairest illustration of the 2014 Annual Integrate [sic!] Report.*" (p. 9)

Also, demonstrating long-term value creation can be interpreted to be a possible motive for Generali to engage in <IR>. To Generali <IR> "*...is an innovative and efficient way to communicate our ability to create value in a sustainable manner over time.*" (p.4) The company correspondingly highlights, "*This report also illustrates the progress made in areas other than in the industrial and financial ones. (...) It is not a requirement dictated by custom, but the best way to ensure that our business can prosper in the long term.*" (p.9) Interestingly, in these terms <IR> itself is regarded as a tool for creating future value.

However, although trust and transparency are addressed a little within the report (e.g. p.24), the interpretation of the CAR does not allow making the inference that enhanced trust and transparent communication serve as motives for Generali to engage in <IR>. This applies likewise to improved reputation. Yet, Generali explicitly predicates, its involvement in <IR> aims at "*...developing, sharing and spreading best practices for drawing up of an integrated report in the insurance sector.*" (p.4) Further, <IR> is claimed as innovative, modern, and efficient (p.4, p.8). Thus it can be inferred Generali believes of <IR> as best practice and the latter also serves as a motive for applying it.

But, from the text analysis it cannot be interpreted that internal process optimization is a reason for Generali to engage in <IR>. Still, reporting efficiency is claimed to be a benefit that comes along with <IR>. Generali asserts this annual report is an “*efficient way to communicate*” (p.4). Further, the organization reveals, through stakeholder engagement the report “*...has been further improved in the connectivity of various sections, thus allowing the final users to read in a more fluent and logically coherent manner, and in conciseness.*” (p.4) In consequence of this, the assumption that Generali is motivated to practice <IR> because of enhanced reporting efficiency is justified.

Additionally, it is not clearly claimed that Generali applies <IR> because it facilitates to communicate and report on risks and opportunities. Also, nothing in the report serves as an indicator for arguing that Generali practices <IR> because of the above mentioned. Therefore, enhanced reporting on risks and opportunities cannot be interpreted to drive Generali to engage in this reporting method. Further, as the report communicates to a broad audience, including the financial community, employees, clients, and the sales force (p.4), information is possibly channeled for them. Yet, based on this it cannot be claimed that <IR> is practiced because it enhances streamlining communication.

Although Generali emphasizes its promotion of stakeholder engagement (e.g. p.115), based on the analysis no inference can be made that greater stakeholder engagement is a motivating factor for doing <IR>. However, reporting on a holistic business performance model is claimed to be a beneficial outcome of <IR> practice and also accounts for a motive to engage in this reporting method. Generali saying “*This report also illustrates the progress made in areas other than in the industrial and financial ones. (...) It is not a requirement dictated by custom, but the best way to ensure that our business can prosper in the long term.*” (p.9), supports this argument.

Finally, besides reporting on financials, Generali provides also information on other capitals such as human and intellectual, and relationship and social capital. For instance, it is presented that client/customer relationships aim at offering integrated solutions to them (p.40, p.45), global broker relationships target identifying specific activities, lines of business and target clients’ segments and industries (p.41), and stakeholder

relationships aim at getting to know needed information (p.115). However, nothing in the CAR indicates that the facilitation of reporting on capitals that go beyond financials defines a motive to practice <IR> for Generali.

Oesterreichische Kontrollbank Group (OeKB)

The OeKB report reveals elements of corporate story telling. For instance, a vivid description of the company and its environment, that according to Marzec (2007) are called key findings, is provided throughout the report by presenting interviews with employees (e.g. pp.8-9). Actually, for this, remarkable space is provided within the report. Yet, the analysis of the CAR allows no inference that the opportunity to tell a corporate story with <IR> serves as a motive for OeKB to engage in <IR>. This also applies to the facilitation of demonstrating long-term value creation as a motivating factor. Yet, long-term value creation is central to the report. Discussing the materiality analysis (p.15) that researched and defined the most important and relevant topics for this CAR, reinforces this. There it reveals, the presentation of how future value creation takes place within the organization is asked for from stakeholders.

However, issues of trust and transparency appear within the report and enhancing those through <IR> can be claimed to motivate OeKB to apply this reporting practice. It is stated, the “... *aim of all corporate communication is to win and/or reinforce stakeholder confidence in OeKB and to further understanding for the responsibilities and positions of OeKB Group.*” (p.95) Also, openness “...*and transparency in communications with its shareholders and stakeholders is particularly important to OeKB.*” (p.94) Hence, not only this integrated report but actually all communication practices at OeKB can be conceived at aiming to generate trust and enhance transparency.

Further, OeKB emphasizes, a “... *company’s success is based, among other things, on the reputation it has among its stakeholders and their trust in it.*” (p.95) Accordingly, reputation is considered within the report (e.g. p.16). However, nothing indicates that

<IR> is practiced because it might enhance the company's reputation. This is also the case for <IR> serving as best practice. The same also applies to enhancing reporting efficiency, despite OeKB describing all communication as informative, objective, responsive, efficient, timely and concerted (p.95). Moreover, although risks and opportunities are material to the report and for instance addressed by discussing the sustainability context and the economic environment (e.g. p.15, p.21) for the firm, no inference can be made that reporting on these issues serves as a motive for practicing <IR>.

As the report gears towards meeting the communication needs of stakeholders (e.g. p.7), it can be assumed that communication is streamlined for this broad audience. Yet, nothing in the CAR indicates that OeKB is practicing <IR> due to the facilitation to channel certain information. Additionally, OeKB claims that stakeholder engagement has been a great part of the reporting process (e.g. p.16) and also needs to be improved in the future (p.178). However, based on this it cannot be argued that enhanced stakeholder engagement drives OeKB's <IR> practice.

Still, according to OeKB, the annual report presents a *“comprehensive and integrated view of the Group's performance on the basis of financial and non-financial information”* whereas non-financial information concerns *“...the social, environmental and economic aspects identified in the company's materiality analysis.”* (p.7) In the report it also reads *“Besides offering facts and figures about our business activities, we also document the mindset and specific methods with which we operate our business and fulfil [sic!] our responsibility towards society and the environment.”* (p. 5) Certainly, the report aims at providing a holistic business performance model. However, this is not sufficient for arguing this to be a motivating factor for engaging in <IR>.

Finally, in the OeKB CAR besides financial capital, also the importance of human and intellectual, and relationship and social, capital is emphasized (e.g. p.31, p.81). However, the mere claim of the significance of these capitals is not enough to suggest that OeKB's <IR> practice is driven by facilitating to report on these capitals.

Turkiye Garanti Bankasi A.S. (Garanti)

In Garanti's CAR various corporate storytelling elements defined by Marzec (2007) appear. Garanti intends to deliver its message in a narrative. The CAR stating "*Garanti positions its customers right in the center of its 2014 Annual Report, as well. While exposing the 'Garanti' as seen by its customers, the Bank also tells about the things done for the customers. When they say 'For me, Garanti is...' , [sic!] Garanti customers reveal what Garanti means to them.*" (p.1), supports this. Throughout the report illustrations of customers are shown and speech balloons with single buzzwords are provided in order to deliver the corporate story. Further, the history of the company is provided (pp.12-15). Yet, even though Garanti engages in corporate storytelling, this is not sufficient to argue that the facilitation of corporate storytelling through <IR> determines Garanti's reporting practice.

Moreover, Garanti emphasizes the importance and ability of long-term value creation by their business (e.g. p.1, p.24, p.34). Sustainability is what they present to be crucial for future value creation for all stakeholders and is described as "*a commitment to build a strong and successful business for the future, while minimizing negative environmental and social impacts, and sharing long-term values with its customers, staff, shareholders and the communities it operates in*" (p.1). However, nothing in the CAR indicates that possible long-term value creation demonstration serves as a driver for Garanti's <IR> practice.

Further, trust and transparency are central to Garanti's report. In the CAR it is stated that stakeholder communication overall is "*...built on the principles of accuracy, transparency, equitability, accountability and responsibility, as well as the human-oriented systems developed, advanced risk management concept, and the value we give to the society.*" (p.27) Also, Garanti intends to report "*...transparently on issues material for the Bank [sic!] and its major stakeholders.*" (p.11) Additionally, Garanti aims to continue its "*...proactive, transparent and consistent communication strategy...*" (p.137). Also, in the presented competitive advantages Garanti states it has to offer trustworthiness to their customers (p.17). Further, in the sustainability principles

it can be seen that Garanti is aimed at becoming a trusted business (p.10). However, despite trust and transparency being issues addressed within the report, Garanti emphasizes it wants to continue transparent communication (p.137). Hence, enhancing trust and transparency could be generated through <IR> and therefore motivate Garanti to do <IR>. Yet, no clear statement can be made if this really serves as a motive.

Furthermore, reputation concerns are addressed within the report (e.g. p.123, p.144) and also given importance. For instance, Garanti quotes the Handbook of Ethical Sales Principles where reputation is held to be a major, if not to say the greatest, asset of a bank (p.144). Also, Garanti sees its reputation as an innovator and competitive advantage (pp.16-17). Still, from this cannot be deduced that Garanti's <IR> practice is motivated by possible enhanced reputation generated through it. In addition to that, Garanti throughout the report emphasizes its pioneering and leading position in the country and industry (e.g. p.15, p.54). Yet, if <IR> serves as best practice that contributes to that and therefore drives Garanti to engage in this reporting method cannot be determined.

Also, neither internal process optimization, nor improved reporting efficiency can be analyzed to serve as motives to practice <IR>. Garanti's CAR does not provide any information on these aspects. Further, even though risks and opportunities are issues discussed within the report (e.g. p.24, p.29, p.89), the text allows no interpretation that Garanti practices <IR> because it enables to report in these properties.

In addition to that Garanti's report addresses many stakeholders, including employees, clients, and shareholders (p.24). Therefore it can be assumed that communication is streamlined for this diverse audience group. However, nothing in the CAR indicates that streamlining communication is a motive for Garanti to do <IR>. The same applies to the motive of enhanced stakeholder engagement, even though the report stresses the importance of stakeholder engagement. For example, cooperating with stakeholders is presented as crucial to sustainable future value creation (p.27). For the management, employees' comments are claimed to serve as inputs for constant improvements (p.143). Furthermore, the CAR allows no interpretation that Garanti is practicing <IR> because

it enables to present a holistic business performance model and reporting on more than just financials.

Financial services: summarized motives to practice <IR>

Altogether, 12 motives were depicted to form the base for the analysis (see Table 1). Table 4 shows, 6 of these can be interpreted to motivate <IR> practice within the financial services sector. (Please note, ✓ means “yes”, whereas x indicates “no”.)

Table 4. Financial services: summarized motives to practice <IR>

FINANCIAL SERVICES				
CARs analyzed→	Achmea	Generali	OeKB	Garanti
↓Motives to practice <IR>				
Facilitates corporate storytelling	x	✓	x	x
Enables demonstration of long-term value creation	x	✓	x	x
Enhances trust and transparency	x	x	✓	x
Improves reputation	x	x	x	x
Serves as best practice	x	✓	x	x
Optimizes internal processes	x	x	x	x
Makes reporting more efficient	x	✓	x	x
Allows reporting on risks and opportunities	x	x	x	x
Streamlines communication	x	x	x	x
Enhances stakeholder engagement	x	x	x	x
Enables reporting on a holistic business performance model	✓	✓	x	x
Permits reporting on various capitals	x	x	x	x

As Table 4 demonstrates, the analyses of the 4 integrated CARs within the financial services sector revealed that 2 companies out of the 4 seem to practice <IR> because it enables them to communicate a holistic business performance model (Achmea, Generali). This allows the suggestion that reporting on a holistic business performance model is the main motivator to engage in <IR> for the financial services industry. Another interpreted motive to practice <IR> is enhanced trust and the improvement of transparent communication (1 out of 4; OeKB). Generali (1 out of 4) also engages in this reporting practice because it allows engaging in corporate storytelling, demonstrating future-value creation, applying best practice, and making reporting more efficient. None of the analyzed companies claim be motivated to practice <IR> due to

enhanced reputation, internal process optimization, and improved stakeholder engagement that possibly derives from this reporting practice. Further, reporting on risks and opportunities, on a holistic business performance model and various capitals, as well as the facilitation of streamlining communication, cannot be interpreted to drive <IR> within the financial services sector.

4.1.2 Utilities

This Section presents the findings and motives for <IR> practice within the utilities sector. It discusses the results for the CARs of Enagás, EnBW (Energie Baden-Wuerttemberg), Rosatom, and United Utilities. Also this Section concludes with a short summary of <IR> motives, in this case, for the utilities sector.

Enagás

Although Enagás' annual report to a minimal extent engages corporate storytelling, such as providing a narrative framework for presenting the executive chairman's statement not in the typical letter format but in an interview structure, corporate storytelling cannot be presumed a motive for Enagás practicing <IR> as the CAR does not allow to make any inferences regarding this.

However, the presentation of long-term value creation can be assumed to motivate <IR> practice of Enagás. It is stated, "... *Enagás presents an Integrated Annual Report, as a way of clearly and concisely presenting relevant issues affecting the company's ability to create and maintain value in the present and future.*" (p.11) Thus, Enagás is determined to demonstrate long-term value creation with this report, which in turn can be interpreted as a motive for applying <IR>. Further, on page 10 <IR> is mentioned when Enagás' sustainable management model is discussed. This might also indicate that this reporting method actually contributes to long-term value creation. For the sake of completeness, the report's title is "*We create value beyond borders*". This reveals Enagás highlights not only value creation that concerns the future but also value creation that a broad base of stakeholders can benefit from.

Additionally, while trust and transparency are addressed within the report, this circumstance is insufficient for arguing that improving those motivates Enagás to engage in <IR>. Still, one of Enagás' values is transparency (p.19) and also business operations themselves are stated to be trust-building (p.31). Further, based on the content of the CAR enhanced reputation through practicing <IR> is not interpreted as a motive of Enagás to apply this accounting method. However, it is interesting that Enagás defines reputation as a key issue of media relations (p.24). As it is argued later on, this report mainly talks to shareholders, the financial community, employees, and the society as such. It can be inferred that reputation might not be considered such a relevant theme within the report, as Enagás' CAR does not mainly target media.

In contrast, it can be proposed that Enagás engages in <IR> because it is a way to engage in and share best practice. This is underlined by the report stating

“Together with other leading companies in international reporting, Enagás is taking part in a pilot programme of the International Integrated Reporting Committee (IIRC) to establish a common framework for the preparation of integrated reports and enable participants to share best practices. Enagás is currently a member of the Integrated Reporting Business Network.” (p.104)

Thus it can also be concluded that Enagás is driven to practice <IR> as it possibly enables the organization to gain competitive advantage and serves as best practice in the utilities sector.

However, examples for internal process optimization that relate to practicing <IR> motives are not apparent within the report. Therefore, it can be assumed a possible optimization of internal processes does not drive Enagás' <IR> practice. Yet, improving reporting efficiency can be seen as a motive to practice <IR> because Enagás claims, the integrated annual report serves to report on relevant issues in a clear, comprehensive and concise manner (p.11, p.104).

Similarly, it can be assumed that reporting on risks and opportunities drives Enagás to apply <IR>. This argument is based on Enagás stating, the report presents an “... outlook for the natural gas sector and the impact it will have on the business, on the

basis of which, the company sets its growth pillars.” (p.104) Interestingly, this statement not only covers risks but specifically emphasizes opportunities for the business as well. Since the report communicates to various stakeholders such as shareholders, the financial community, employees, and the society (p.9, p.10, p.12) it can be suggested that this CAR serves as a tool to streamline communication for these audiences. Yet, based on this information no clear inference can be made that <IR>’s facilitation to streamline communication actually motivates Enagás to apply this reporting method.

Further, based on the text analysis no interpretation can be made that enhanced stakeholder engagement drives Enagás’ <IR> practice. Still, it seems interesting and noteworthy mentioning that Enagás rather speaks about stakeholder management than engagement. The former is presented to be carried out in order to achieve engagement, such as dialogue and cooperation, that allows the corporation to “... *identify stakeholders' needs and expectations in order to integrate them into management and set in motion initiatives for shared value creation.*” (p.24)

Yet, from the analysis it can be deduced that <IR> is practiced because it enables Enagás to provide the reader of the report with a holistic business performance model. Reporting on its business that is or might be affected by certain issues arising from environmental, economical, and social contexts and the discussion of those form the basis of the report (p.11, p.104). Therefore, Enagás’ reporting practice is driven by the provision of a holistic business model that is connected to and embedded in an environment. Furthermore, even though the report pays specific attention to the presentation of financial, human, intellectual, and manufactural and natural capital (e.g. p.10, p.11, p.45, p.60), and also highlights their importance for value creation, nothing indicates that an enabled demonstration of various capitals through <IR> is a motive to engage in this reporting practice.

Energie Baden-Wuerttemberg (EnBW)

Within the EnBW CAR clear elements of corporate storytelling reveal. For instance, a

vibrant description of current reality for both the corporation and its environment are provided (see Marzec, 2007). Yet, the mere exposure of these elements does not indicate that enabling corporate storytelling drives EnBW's <IR> practice. Further, it is remarkable that EnBW prioritizes the presentation of how its business is able to create long-term value and adapt to difficulties the industry is challenged with. Meaning, EnBW emphasizes its capabilities to deal with the changing demands from the environment the energy sector is currently facing (e.g. p.7, p.33). Throughout the report the *"reorientation of the business"* is focused on (e.g. p.6). Actually, the CAR states the strategy has been aligned to these new circumstances and the business model adapted to these new demands *"... in order to secure the future viability of the company and tap into this potential for growth."* (p.73) Further, in the materiality matrix future prospects are ranked most important to both internal (top management) and external stakeholders (investors, NGOs, shareholders, customers) (p.31). Yet, despite all this information, the CAR does not provide a hint that covering long-term value creation motivates EnBW to practice <IR>.

Still, in contrast to trust, enhanced transparency is an interpreted motive of EnBW to engage in <IR>. On the cover page the integrated report is referred to as *"comprehensive, concise, material and transparent"*. It is also stated that with this first integrated report EnBW has *"placed particular emphasis on concise and transparent reporting (...) in order to deliver a full picture of our company's performance"* and to explain *"the fundamental developments at the company in a clear and comprehensible manner"* (Profile 2014, no page number). Based on this can be argued that transparent reporting is crucial to EnBW and presumably a motive to apply <IR>.

Additionally as a topic the company's reputation is brushed within the report (e.g. p.25, p.30, p.38). However, reputation does not link to <IR> and therefore enhanced reputation cannot be interpreted to drive EnBW's reporting practice. Further, it cannot be interpreted that <IR> serving best practice drives EnBW to engage in this reporting method. In relation to that no inference from the CAR can be made. Still, enabling internal process optimization serves as a motive to practice <IR>. EnBW discussing the scope of the report underlines this. There it can be read

“... integrated reporting implies for EnBW the highly integrated management of the company. By presenting financial and non-financial corporate goals – the achievement of which is measured using key performance indicators – we are seeking to promote integrated thinking within the company and underline the importance of being comprehensively oriented towards our performance and stakeholders.” (p.2)

Thus, <IR> aids to further and foster integrated management and integrated thinking. Both aspects relate to internal process optimization.

Further, improved reporting efficiency reveals as a motive to engage in <IR>. EnBW states, its integrated report *“... represents a further milestone on our path towards providing more concise, transparent and comprehensive reporting to meet the increased demands of stakeholders for more information and to increase the capabilities of EnBW when entering into dialogue.” (p.2)* Additionally, integrated reporting is not only suggested to make the annual report more understandable and informative, but also to strengthen *“...the holistic communication and management of the company's performance.” (p.112)* Thus, <IR> is related to improved provision of information that is asked for from stakeholders and its practice arguably motivated by that. Also, a demonstration of possible risks and opportunities is prevalent throughout the EnBW CAR. Further, EnBW highlights the importance of <IR> by claiming that it enables to consider ecological, social, and economic dimensions at an early stage (p.2). From this can be deduced, that reporting on risks and opportunities drives EnBW's <IR> practice because the latter might reveal and identify possible crucial issues for EnBW's business.

As the report mainly speaks to shareholders and the financial community (pp.6-7), but also considers employees, customers, and business partners (e.g. no page numbers, pages that can be found between p.9 and p.10), it can be inferred that this document streamlines communication for these audiences. However, based on this no accurate proposition can be implicated that streamlining communication for these groups motivates EnBW to practice <IR>. However, this integrated CAR is seen as an opportunity to enter a dialogue with shareholders and the capital market (p.33). Therefore, it can be interpreted that <IR> enhances stakeholder engagement and this motivates EnBW's <IR> practice. Similarly, practicing <IR> is encouraged by the

opportunity of this method to report on a holistic business performance model. EnBW's integrated report is concerned with delivering "*a full picture*" of the company (Profile 2014, no page number). Further EnBW states it engages in <IR> because it aims to achieve "*a holistic representation of the performance of the company*" (p.2).

Finally, throughout its document EnBW considers reporting on various capitals. Explicit emphasis is given to relationship and social capital (no page numbers, pages that can be found between p.9 and p.10). Relationships between the board of management with various stakeholders, including employees, customers, shareholders, and business partners) are mainly focused on. Besides financial, and human and intellectual capital, also manufactural and natural capital is considered (e.g. p.25, p.61, p.73). Yet, again, from a mere presentation of various capitals cannot be concluded that the facilitation of their demonstration through <IR> motivates EnBW to apply this reporting method.

Rosatom⁵

Despite Rosatom's CAR including several elements or corporate storytelling, such as for instance providing a narrative format when presenting the company's morality that assures peaceful and safe nuclear energy (e.g. p.8, p.14, p.16, p.214), in the report it is not presented to derive as a benefit from <IR>. Also, even though Rosatom portrays itself as a future-oriented company (e.g. p.14, p.16, p.20, p.270), which certainly can be linked to long-term value creation, it cannot be interpreted that <IR> practice of Rosatom is driven by the facilitation of demonstrating how the company is able to create value in the future.

But, enabling transparent communication constitutes a motive why Rosatom is engaging in <IR>. This conclusion is supported by Rosatom stating, the report was written "*... to enhance the transparency, accountability, and materiality of the disclosed information.*" (Cover page, no page number) Additionally, the public reporting system

⁵ As a matter of form, it is apparent that the textual document of Rosatom shows several gaps within paragraphs. Meaning, sometimes sentences and words are missing. Yet, as the damage from this was held to be minimal, the document was found to be analyzable.

of Rosatom explicitly aims to increase “*transparency and constructive cooperation with stakeholders*” (p.259). However, enhancing trust among stakeholders appears not to drive Rosatom’s <IR>.

Further, throughout the report Rosatom is concerned with aspects relating to (favorable) reputation and perception, and also acceptance of its business on behalf of society. For instance the CEO states “*It should be noted that together with our progress and results, we understand our enormous responsibility to the community, so we attach special importance to initiatives in the field of sustainable development and social responsibility.*” (p.15) Also, in the report’s stakeholder assurance statement it says “*In the course of the Report drafting process the Corporation [sic!] demonstrated strive for ensuring public acceptance of the nuclear technology development as well as readiness for an open dialogue with the stakeholders on various aspects of its activities.*” (p.269) Apparently, Rosatom wants to enhance its reputation in order to assure business legitimization in the public. This guided the reporting drafting process and therefore enhanced reputation can be stated to motivate Rosatom to practice <IR>.

However, examples of best practice and internal process optimization that relate to <IR> motives are not apparent within the report. Therefore, these possible motives cannot be interpreted to drive Rosatom’s <IR> practice. In contrast, improved reporting efficiency can be regarded as a motive for engaging in <IR>. Not only is integrated reporting linked to improved transparency, accountability, and materiality of the disclosed information (Cover page, no page number) but also believed to provide the reader with a comprehensive understanding of the business (p.259). Further, overall an interaction with stakeholders underlies the principles of openness, efficiency, completeness, and timeliness (p.203). Summarizing, the purpose of Rosatom’s public reporting system “*is improvement of the quality of reporting of the Corporation and its organisations [sic!]*” (p.261), and therefore <IR> practice of Rosatom is clearly motivated by enhanced reporting efficiency.

Risks and opportunities are presented throughout the report (e.g. p.14, p.20, p.69). However, they cannot evidently be linked to <IR> practice motives. Furthermore, as

Rosatom's report communicates to a "*broad range of stakeholders*" (Cover page, no page number) it can arguably be suggested that the CAR channels information to this diverse audience group. However, based on the analysis no indicators are found that propose Rosatom engages in <IR> because it enables streamlining communication.

Concluded from the following it can be stated that <IR> increased Rosatom's stakeholder engagement for the year under study, however, nothing indicates that this overall serves as a motive to apply <IR>. As Rosatom states

"To enhance the transparency and accountability of ROSATOM, representatives of major stakeholders are involved in the preparation of the Report through discussions about the significant aspects of the Corporation's activities and the disclosure of [sic!] these activities in the Report being prepared, as well as for the participation in the public assurance of the Report." (p.264)

Likewise, no inference can be made that Rosatom's reporting practice is driven by a possible demonstration of a holistic business performance model, although the company claims, the report presents a "*complete picture of the activities of ROSATOM (...), including socially significant aspects of the activity*" (p.269). Also, even though Rosatom provides a table where all capitals are considered and even given explicit numbers in terms of how much each capital contributes to the actual output of the firm (p.25), based on a mere demonstration of various capitals cannot be argued that reporting on more than just financials motivates Rosatom to apply <IR>.

United Utilities (UU)

Within the UU's report corporate storytelling reveals. Actually, the corporate strategy "*The best service to customers at lowest sustainable cost in a responsible manner.*" (p.13) serves as the storyline that guides the structure of the report. However, nothing indicates that UU is driven to engage in <IR> practice due to facilitated corporate storytelling. And even though long-term value creation is a prevalent topic within the report (e.g. p.9, p.14, p.16, p.18), nothing indicates that UU practices <IR> because it enables to demonstrate UU's position in creating value for the future.

Despite trust and transparency being concerns uncovering within the UU report (e.g. p.7), no conclusion can be drawn that enhanced trust or facilitated transparent communication through practicing <IR> motivates UU to apply this reporting method. However, in the report UU states “*We believe that responsible business should be embedded in everything we do and this should be evident across all of our activities*” (p.20). Enacted responsibility might contribute to improved trust; <IR> might refer to activities. Based on this it could be concluded that <IR> improves trust. Still, based on this no explicit claim can be made.

Moreover, reputation as such holds a vital position within the UU CAR (e.g. p.2, p.6, p.9, p.20). Yet, it cannot be stated improving UU’s reputation motivates the company to practice <IR>. However, UU states, “... *maintaining a good reputation is important to enable positive participation in regulatory discussions.*” (p.16) Likewise, no evidence of best practice and internal process optimization being motives for UU’s <IR> practice can be found. However, reporting efficiency can be assumed to drive <IR> as the report aims at providing a comprehensible and holistic picture of the company, its future, and the environment it operates in (e.g. p.5, p.78).

Risks and opportunities appear not to be of great concern to UU. Although in the chairman’s and chief executive officer’s statement the “*difficult economic environment*” UU faces is briefly described (p.7), overall the report rather presents why future shareholders should invest in UU (e.g. p.1). However, nothing indicates that UU is driven to apply <IR> because it enables reporting on risks and opportunities.

Furthermore, although the UU CAR speaks to customers, the environment (society), communities, and employees (e.g. pp.8-10), the main target audience of this report can be considered (future) investors. Already on page 1 eleven reasons are given why one should invest in this business. Additionally, the report devotes a separate chapter to information to shareholders (pp.164-165). Thus it can be interpreted with this <IR> communication is streamlined to (potential) investors. However, this is insufficient to declare that UU is determined to do <IR> because it enhances the streamlining of communication.

Additionally, it can be claimed that stakeholder engagement defines UU's business (e.g. p.6, p.7), however, nothing implies that practicing <IR> is motivated by enhanced stakeholder engagement. The same applies to providing a holistic business performance model as a motive. For instance, the strategic report claims to give "*a comprehensive picture of where the business is and where it is going*" (p.5), but based on this it cannot be stated that this serves as motive. Also, the CAR of UU presents a broad variety of capitals. For instance, manufactural and natural capital is addressed when discussing the key resources of value creation such as assets and natural resources. Also, human capital is defined as one of the key resources of value creation (p.17). Additionally, relationship capital is suggested to support the achievement of UU's required outcomes (p.7). Yet, nothing indicates that specifically <IR> enables UU to report on more than just. Further, no assumption can be made that this overall acts as a driver for UU's reporting method.

Utilities: summarized motives to practice <IR>

The utilities sector can be interpreted to be driven to engage in <IR> due to 9 out of the 12 possible suggested motives (see Table 1). Table 5 elaborates on this and illustrates the significant motives from this industry sector.

Table 5. Utilities: summarized motives to practice <IR>

UTILITIES				
CARs analyzed→	Enagás	EnBW	Rosatom	UU
↓Motives to practice <IR>				
Facilitates corporate storytelling	x	x	x	x
Enables demonstration of long-term value creation	✓	x	x	x
Enhances trust and transparency	x	✓ transparency	✓ transparency	x
Improves reputation	x	x	✓	x
Serves as best practice	✓	x	x	x
Optimizes internal processes	x	✓	x	x
Makes reporting more efficient	✓	✓	✓	✓
Allows reporting on risks and opportunities	✓	✓	x	x
Streamlines communication	x	x	x	x
Enhances stakeholder engagement	x	✓	x	x
Enables reporting on a holistic business performance model	✓	✓	x	x
Permits reporting on various capitals	x	x	x	x

As Table 5 depicts, it can be claimed that for the industry sector utilities the major motive to practice <IR> is improved reporting efficiency (4 out of 4 companies; Enagás, EnBW, Rosatom, UU). This follows engaging in <IR> because it enhances transparent communication (2 out of 4; EnBW, Rosatom), allows reporting on identifying risks and opportunities (2 out of 4; Enagás, EnBW), and facilitates the demonstration of a holistic business performance model (2 out of 4; Enagás, EnBW). Further, the analysis proves that <IR> reporting is practiced since it permits to report on long-term value creation (1 out of 4; Enagás), enhances reputation (1 out of 4; Rosatom), optimizes internal processes (1 out of 4; EnBW), serves as best practice (1 out of 4; Enagás), optimizes internal processes (1 out of 4; EnBW), and improves stakeholder engagement (1 out of 4; EnBW). Yet no company from the utilities sector can be interpreted to be motivated to apply <IR> due to facilitated corporate storytelling, communication streamlining, and reporting on more than just financial capital.

4.1.3 Consumer goods

Within this Section information on the results for the consumer goods sector can be found. It discusses the findings of the CARs' analyses of Coca Cola Hellenic Bottling

Company, Marks & Spencer, Nutreco, and Pirelli. At the end, a short summary of the consumer goods' <IR> motives is provided.

Coca Cola Hellenic Bottling Company (CC HBC)

CC HBC's <IR> explicitly states that the report presents a narrative framework for telling the corporate story. On page 2 it reads

“The Company’s ‘Play to Win’ strategic framework serves as the narrative structure of the Annual Report, demonstrating the value this business strategy is creating. The four pillars of the Group’s strategy – Community Trust, Consumer Relevance, Customer Preference and Cost Leadership – combined with our People initiatives, frame the discussion of the Group’s activities during 2014.”

Still, based on this it cannot be interpreted that CC HBC is motivated to practice <IR> because it enables corporate storytelling.

As opposed to corporate storytelling, long-term value creation is a predominant motive within the report. For instance, the chairman suggests, *“Strong governance and transparent reporting are critical to the long-term creation of value.”* (p.5) From this can be concluded, <IR> facilitates transparent reporting that is a prerequisite for long-term value creation of CC HBC and thus the company is motivated to engage in <IR> because it facilitates the demonstration of long-term value creation. Further, CC HBC presents itself to have a *“strong foundation for long-term growth“* that is built for instance on the broad geographic footprint, relationship with The Coca-Cola Company, sustainable business, and a lean manufacturing footprint (p.6). Additionally, presenting how the business creates shared value is emphasized, which is held crucial for future achievements and is only possible if stakeholders' benefits are concentrated on. CC HBC notes *“... we create shared value through our relationships with our stakeholders. We recognise [sic!] that customers and consumers need to gain real benefit from partnering with us if we are to succeed.”* (no page number, preceding p.1)

In addition to that, enhanced trust and transparency can be interpreted as equal important drivers for CC HBC to apply <IR>. The following illuminates why. The

report title indicates, *“It’s good to share. Building trust, spreading happiness”* (no page number, cover page) and the report itself also explains how trust is earned (p.12, from p.29 onwards). Further, CC HBC predicates, *“It is only on a solid foundation of trust that our business can thrive.”* (p.29) It seems, in these challenging times for soft drink companies, trust is needed to attain operational legitimacy (see Iivonen & Moisander, 2015), which can be interpreted to be reached through <IR> as corporate reporting is suggested to *“strengthen and promote transparency”* and the firm is therefore committed to *“... transparency in its disclosures.”* (no page number, preceding p. 1) As stated in the previous paragraph, transparent reporting is presented to be critical to long-term creation of value (p.5)

Moreover, although reputational concerns are essential in CC HBC’s reporting practice, the analysis does not allow making the claim that the company is practicing <IR> because it enhances its reputation. Practicing <IR> and reputation are not linked within the report. However, reputation as a theme within the report reveals when CC HBC for example presents the management of material concerns, such as business ethics and anti-corruption, which is stated to be essential to ward reputation loss (p.22, p.24). Further, the report promotes active and healthy living, claims market responsibility, and provides transparent information. That links to the company’s reputation as well (p.30, p.31).

Yet, CC HBC explicitly states its corporate reporting format and structure seeks *“... to further strengthen and promote (...) best practice.”* (no page number, preceding p.1) From this can be interpreted that CC HBC is motivated to practice <IR> as it serves as best practice and possibly supports gaining competitive advantage. It is stated, in order to successfully execute CC HBC’s strategy, also specific processes, structure and measurement systems to assess the company’s progress are required (p.27). Therefore, practicing <IR> might support the company in achieving its goals. Additionally, the company claims to seek and continually reflect on emerging trends in the *“... industry, and beyond, to develop new competitive organisational [sic!] capabilities.”* (p.25) As practicing <IR> can be seen as the new thing to do, CC HBC could be motivated to do it.

However, as examples for internal process optimization that relate to practicing <IR> are not apparent within the report, it can be interpreted, CC HBC is not driven by this to engage in this reporting method. The same applies to practicing <IR> because it is believed to make reporting more efficient. Also, although both, risks and opportunities are discussed within the report, from a mere consideration of these issues no inference can be made that CC HBC is motivated to do <IR> because it enables reporting on them. Still, risks are presented when the CEO speaks about “*challenging times*” the business is facing at the moment and stresses certain macroeconomic events to be beyond the business’ control (p.5, p.16). Opportunities are discussed by highlighting the importance of emerging and developing markets where the “*consumption of sparkling drinks is still relatively low*” (p.6), and by reporting on the workforce and suggesting that diversity and inclusion stimulate various ways of thinking “*...which supports innovation and can lead to new opportunities.*” (p.27)

As the report does not reveal a clear audience focus, it can be interpreted that the CAR aims to speak to many distinct stakeholders and therefore intends to streamline communication to all of them. However, no definite suggestion can be inferred from that if streamlining communication can be seen as a motive for practicing <IR> for CC HBC. Furthermore, nothing in the CAR indicates that CC HBC is engaging in this accounting method because it probably enhances stakeholder engagement or facilitates communicating a holistic business performance model.

Finally, although not explicitly stated, the reporting framework supports CC HBC presenting all their capitals (financial, manufactured, human, natural, intellectual, social, and partnering) (p.8) and explaining how some of the capitals contribute to value creation. Importance is given to the discussion of intellectual capital including human, and relationship and social capital, which are presented as enablers for long-term success (p.17, p.19, p.25). And since transparent reporting is critical for long-term success, as CC HBC states (p.5), it can be argued that reporting on all capitals motivates the company to apply <IR>.

Marks & Spencer (M&S)

As the CAR of M&S contains several elements of corporate storytelling (see Marzec, 2007) it clearly serves as a narrative framework for the M&S corporate story. For instance, M&S emphasizes its long history and rich heritage (p.3, p.6) and thus provides some sort of a personal history. Further, throughout the report M&S presents “*Our plan in action*”, where clear future actions are outlined. This relates to the call to action as Marzec (2007) describes this feature of corporate storytelling. However, even though the latter is practiced with the CAR, it cannot be interpreted that the facilitation of corporate storytelling through <IR> motivates M&S to engage in this reporting method.

Conversely, the possible presentation of long-term value creation can be interpreted to motivate M&S to apply <IR>. M&S stating, practicing <IR> presents the company’s commitment to “... *reporting the long term value created by sustainable business.*” (no page number, page preceding p.1), reinforces this claim. Another motive of M&S to practice <IR> is analyzed to be enhanced trust, as oppositely to enhanced transparency. As M&S notes, “*Trust is key to us*” (p.23) and emphasizes, the company is “... *regularly voted as one of the UK’s most trusted brands.*” (p.6) Further, the chairman approves M&S’s success to be based on its dedication to trust (p.3) which is crucial at state, as “public mistrust has spread through many areas of business” (p.3). Since trust not only intervenes in all business operations of M&S, but also drives the value creation of the company, it can be concluded that M&S’s reporting practice is motivated by enhancing trust through <IR>, even though this is not explicitly stated within the CAR.

Yet, reputation is a vital though subtle topic within the report. For instance, M&S presents various good deeds, such as fundraising and social projects (p.23, p.30, p.23). Also, throughout the CAR M&S emphasizes to be one of the most trusted brands in the UK (e.g. p.16) and claims to be “*UK’s most ethical [sic!] High Street Clothing retailer*” (p.20). All this relates to reputation. Still, nothing indicates that potential enhanced reputation through <IR> practice drives M&S to engage in it. This also pertains to the motive of <IR> serving as best practice. Even though the company wants to become the “*world’s most sustainable major retailer*” (p.3) and applying <IR> over traditional

accounting methods could aid M&S in this process by reporting on sustainability comprehensively, it cannot be deduced that M&S is driven to practice <IR> due to this motive.

Moreover, internal process optimization and improved reporting efficiency are not interpreted as motivating factors for M&S's <IR> practice. However, in the report it is stated that changes regarding the information that listed companies need to include in annual reports were implemented previously and therefore the strategic report now requires a "... *strong linkage between objectives, strategy and performance.*" (no page number, page preceding p.1) Thus it could be assumed that with <IR> M&S now is able to obey these new legal requirements and therefore reporting becomes more efficient through the <IR> framework. However, the analysis cannot approve this assumption.

Additionally, even though risks and opportunities are discussed within the report, it cannot be inferred that the opportunity to report on these issues is what motivates M&S to practice <IR>. Still, it is noteworthy that M&S accentuates the challenging profound change the retail industry is going through (p.2) that simultaneously provides the company with new business opportunities. For instance, according to M&S marketing has been easier in the past but through online media advertising has been improved (p.18).

As the main audience of this report can be interpreted as shareholders, the report targets to streamline communication to them. Actually, when referring to the CAR it is stated that shareholders should be enabled to easier see how the sustainability programme of M&S works in its different divisions (no page number, page preceding p.1). From this it can be inferred that <IR> practice in this case is motivated by its enablement to streamline communication, in this respect, to (potential) shareholders.

Further, although stakeholder engagement is presented as fundamental for achieving M&S's aims (p.3), nothing indicates that M&S practices <IR> because it possibly enhances stakeholder engagement. Also, from this CAR it was impossible to draw any conclusions that M&S is driven to engage in <IR> because the latter enables presenting

a holistic business performance model and various sets of capitals. Yet, the report concentrates on human and intellectual capital, and alleges that people are responsible for driving the transformation process (p.14) and “*fundamental to the long-term success and growth of this business*” (p.16). Also, strong business relationships, in the report referred to as “*partnerships*”, are presented as necessary to experience what is happening in emerging markets (p.29).

Nutreco

Nutreco’s CAR can be interpreted to hold true for a paragon of corporate storytelling. The report reads almost like a novel and reveals numerous elements of corporate storytelling that have been suggested by Marzec (2007). For example, it can be read throughout the report what the company has been doing and why, and what is going to happen next in their business operations (e.g. pp.8-10, p.33). Also, the personal history of Nutreco back from 1994 when it was founded to the present is provided (p.11). Yet, based on this cannot be argued that Nutreco applies <IR> because it enables to tell its corporate story.

However, for Nutreco, facilitating the presentation of long-term value creation becomes prevalent as a motive to practice <IR>. This can be deduced from the fact that <IR> is linked to connecting certain forms of capital, such as for example human, financial, and natural, that are suggested to influence Nutreco’s ability to create value (p.1). <IR> therefore facilitates the demonstration of long-term value creation and can be interpreted to serve as a motive to do <IR>. Again, creating shared value for suppliers, employees, society, and shareholders is focused on and held to be important for sustainable growth (p.17).

Moreover, trust and transparency both are aspects discussed within the Nutreco CAR. Yet, it can only be inferred that transparency motivates Nutreco to practice <IR> because it is claimed that Nutreco’s investor relations division is responsible to inform the shareholders on relevant issues in “... *a transparent and timely fashion.*” (p.91) Though not explicitly stated, from this it can be deduced and interpreted that <IR>

serves as a tool to foster transparency and therefore <IR> is decided upon. Additionally, although numerous indicators that concern Nutreco's reputation can be found within the report (e.g. p.27-48, p.71), nothing indicates that enhanced reputation motivates Nutreco to practice <IR>. This is also the case for the <IR> practice motive of serving as best practice, although the CAR emphasizes Nutreco as a global leader in animal nutrition and fish feed (no page number, page preceding p.1).

However, internal process optimization through <IR> drives Nutreco to engage in this reporting method. Nutreco stating, the focus on various capitals and their interdependencies within such an integrated report supports the company to manage and assess its ability to create future value (p.1), reinforces this claim. Thus, it can be argued <IR> improves internal processes by assessing them in terms of their contribution to long-term value creation.

Additionally, improved reporting efficiency can be interpreted as a motive for Nutreco's <IR> practice. It is stated that practicing <IR> is the best way to serve the information needs of stakeholders (p.1). Further, Nutreco's investor relations policy claims

“In addition to our financial results, Nutreco also provides the broadest possible information on its strategic decisions and objectives, and its sustainability policy. Our main channels for this information are the integrated report, which comprises financial, operational, strategic and sustainability information, as well as our website.” (p.91)

This reveals that <IR> enables Nutreco to provide comprehensive and transparent information to their audience.

Despite Nutreco reporting on risks and opportunities throughout its CAR, this cannot be interpreted as a motive to apply <IR>. However, Nutreco also reports on trends and how they possibly change Nutreco's business operations in the future (e.g. pp.17-18, p.42). In addition to that, as the target audience of the report comprises of all stakeholders (e.g. p.1) and the report according to Nutreco aims to serve the information needs of all stakeholders (p.1), streamlining communication can be conceived as a motive to practice <IR>.

Still, based on the analysis it cannot be argued that Nutreco's <IR> practice is motivated by facilitated stakeholder engagement. Still, Nutreco points out that ongoing communication with shareholders supports the company to understand the shareholders' views and requirements (p.91). Conversely, the enabling of <IR> to provide a holistic business performance model acts as a motive for Nutreco to apply this accounting method. As Nutreco states, with the report the company wants to demonstrate the links between its *"strategy, governance, sustainability, business and financial performance, and the social, environmental and economic context"* in which it operates (p.1). This also advocates, that Nutreco's <IR> practice is driven by the possibility to discuss all capitals that contribute to value creation (p.1, p.91). Capitals addressed within the CAR are financial, human, manufactural, intellectual, social, and natural capital (p.1). Specific attention, however, is paid to manufactural capital. Herby Nutreco discusses how it is ensuring that its *"own house is in order"* and reducing environmental impacts of its operations (p.33). Besides having a good strategy, human capital is presented as crucial for achieving Nutreco's mission (p.8). Additionally, innovation depends on relationship capital (p.9, p.33).

Pirelli

Also Pirelli practices corporate storytelling with its CAR. A narrative structure can be found. Various Corporate storytelling elements (see Marzec, 2007) reveal. For instance, Pirelli discusses the context and environment its business operations are part of and also suggests how the company reacts to them in the future (Company profile⁶, p.14). Also, Pirelli describes its personal history vividly (Company profile, pp.8-13). Yet, from this no conclusion can be drawn that practicing <IR> is motivated by facilitated corporate storytelling.

As opposed to this, it can be deduced that demonstrating long-term value creation motivates Pirelli's <IR> practice. Stating, the report provides *"a direct, concise and functional representation of the value creation process"* (Company profile, p.4) and *"aims to provide all stakeholders with a comprehensive view of the value creation*

⁶ As the Pirelli CAR is not numbered consecutively, the headings of the respective Chapters are provided in order to enable the retracement of the data.

process“ (Company profile, p.7), reinforces this. Although here it is value that is focused on and not future value, it can be concluded the value discussed inherits a future outlook since a profitable future that depends on both sustainability and profitability is emphasized (Company profile, p.5, p.37).

In addition to that, it is not trust, but especially transparency that drives Pirelli's <IR> practice. Pirelli states *“Transparency, accountability and scrutiny are, in fact, fundamental to profitability.”* (Company profile, p.18) Also, Pirelli's code of ethics calls for transparency and encourages the exchange of information at all levels (Company profile, p.21). Therefore it can be inferred that <IR> also facilitates transparent communication and Pirelli is thus determined to apply this method. Furthermore, even though reputation reveals as a theme within this report (e.g. Company profile pp.7-8, p.17), it cannot be stated that improving Pirelli's reputation thorough <IR> motivates the corporation to apply the latter. Likewise, nothing indicates that best practice and internal process optimization are motives for Pirelli to practice <IR>.

Yet, deduced from the following can be argued that improved reporting efficiency encourages Pirelli to apply <IR>. For Pirelli reporting efficiency concerns functionality, conciseness, and comprehensiveness. As the CEO suggests, this annual report aims at providing *“a direct, concise and functional representation”* (Company profile, p.4) and a *“comprehensive view of the value creation process”* (Company profile, p.7). However, it is noteworthy that this report comprises 450 pages. Thus the question emerges, if actual reporting efficiency can be seen with this report. Yet, this is not of concern of this study.

Even though risks and opportunities are both relevant issues addressed within Pirelli's CAR, based on a mere discussion on these it cannot be claimed that this is a motive to practice <IR>. However, streamlining communication can be interpreted as a motive to engage in <IR> as the focus audience can be determined as shareholders and the CEO suggests, this annual report forms part of dialogue with investors (Company profile,

p.4). Thus, Pirelli's <IR> is arguably motivated to streamline communication to shareholders.

Further, according to Pirelli, stakeholder engagement is facilitated through <IR>. Overall Pirelli conceives of stakeholder engagement as to support direct dialogue with the market and facilitate understanding its expectations. Clearly, all of this is crucial to value creation. And as the report is believed to act as a part of investor dialogue, it can be interpreted that <IR> practice of Pirelli is driven by enhanced stakeholder engagement. (See Company profile, p.4) Additionally, the enabling of <IR> to provide a holistic business performance model acts as a motive for Pirelli to apply it. The CEO saying, the report targets to provide a comprehensive view on the whole value creation process, supports this (Company profile, p.7).

Finally, even though a clear description of all capitals (financial, productive (manufactural), intellectual, human, natural, and social and relational capital) and their interrelations and contributions to shared value are provided within the report (e.g. Company profile, p.7, p.13, p.43, Report on Value Chain Responsible Management, pp.74-77), no inference can be made if this aspect motivates Pirelli to practice <IR>.

Consumer goods: summarized motives to practice <IR>

Examining the 4 CARs reveals, out of the 12 suggested motives provided with the thematic categories, the consumer goods sector, as Table 6 indicates, is motivated to practice <IR> due to 9 of those.

Table 6. Consumer goods: summarized motives to practice <IR>

Consumer goods				
CARs analyzed→	CC HBC	M&S	Nutreco	Pirelli
↓Motives to practice <IR>				
Facilitates corporate storytelling	x	x	x	x
Enables demonstration of long-term value creation	✓	✓	✓	✓
Enhances trust and transparency	✓	✓ trust	✓ transparency	✓ transparency
Improves reputation	x	x	x	x
Serves as best practice	✓	x	x	x
Optimizes internal processes	x	x	✓	x
Makes reporting more efficient	x	x	✓	✓
Allows reporting on risks and opportunities	x	x	x	x
Streamlines communication	x	✓	✓	x
Enhances stakeholder engagement	x	x	x	✓
Enables reporting on a holistic business performance model	x	x	✓	✓
Permits reporting on various capitals	✓	x	✓	x

As can be concluded from Table 6, the consumer goods sector is primarily motivated to practice <IR> because it enables communicating long-term value creation and enhancing trust and transparency through reporting (4 out of 4 corporations; CC HBC, M&S, Nutreco, Pirelli). All 4 annual report analyses corroborate this. Yet, transparency outweighs trust (CC HBC, Nutreco, Pirelli). Other motives, yet less prominent, are reporting efficiency (2 out of 4; Nutreco, Pirelli), streamlining communication (2 out of 4; M&S, Nutreco), providing a holistic business performance model (2 out of 4; Nutreco, Pirelli), and presenting various capitals beside financial capital (2 out of 4; CC HBC, Nutreco). Best practice (1 out of 4; CC HBC) and enhanced stakeholder engagement (1 out of 4; Pirelli) each only motivate one company to engage in <IR>. Interestingly, no company explicitly stresses its <IR> practice being motivated by the facilitation of corporate storytelling although within the reports every company includes storytelling elements. This also accounts for enhancing reputation and enabling the presentation of risks and opportunities.

4.1.4 Oil and gas

The analysis for the oil and gas sector includes the CARs of Eni S.p.A., Grupa Lotos S.A., and Rosneft. The following presents the findings on motives to practice <IR> of these corporations, as well as summarized motives for this industry.

Eni

With the CAR Eni engages in corporate storytelling. For instance, the report explains concrete actions (by Marzec (2007) named enablers) that should tackle current industry challenges, such as oversupply, geopolitical risk, and climate change (p.20, p.21). Yet, based on this cannot be determined that Eni is practicing <IR> because it allows to tell a corporate story.

Similarly, long-term value creation is predominant throughout the report, but based on the mere demonstration of it, it cannot be interpreted that this serves as a motive for Eni's <IR>. Still, Eni refers to long-term value creation as "*high value generation*" and "*sustainable value*" that is ensured and generated in the short and long term not only to shareholders but actually all stakeholders (Eni's activities, no page numbers; pp.4-5, p.7, p.28) Again, shared value is an aspect addressed within an integrated report.

However, it can be inferred that the option to report in a trustworthy and transparent manner that derives from <IR> motivates Eni to engage in this accounting practice. As Eni states, transparency is a fundamental value of its business (p.7, p.28). And since "*In 2014 Eni ranked first in a worldwide survey made by Transparency International about transparency in corporate reporting.*" (p.10) it can be deduced that <IR> enhances transparency and this encourages Eni to practice it. Additionally, best practice is considered within the report, and actually it is also suggested to be the distinct feature compared to other oil majors (pp.4-5), yet, as it is not linked to <IR> by any means it therefore cannot be interpreted as a motive for practicing <IR>. Similarly, enhanced reputation and internal process optimization are not related to <IR> practice and therefore not interpreted to act as motivating factors for engaging in <IR>.

It can be argued that Eni thinks of reporting efficiency as a motivating benefit that derives from practicing <IR>. Stating, the report aims “*at representing financial and sustainability performance, underlining the existing connections between competitive environment, group strategy, business model, integrated risk management and a stringent corporate governance system*” (p.3) and reporting overall targets “*balance, comparability, accuracy, timeliness, reliability and clarity*” (p.96), reinforces this. Also, claiming that the report assists investors to assess Eni’s capital structure by providing a summarized group balance sheet (p.75), allows this argumentation. Furthermore, from these quotes can also be deduced that Eni’s <IR> practice is motivated by the facilitated demonstration of a holistic business performance model.

As the report explicitly aims to shed light on integrated risk management it can be inferred that the facilitation of reporting on risks serves as a motive for practicing <IR> (p.3). Yet, this seems not to be the case for reporting on opportunities. It might be noteworthy stating that Eni emphasizes its industry is facing challenging and risky times (p.20). The report also provides lengthy and detailed information on risk factors and uncertainties, such as fluctuating oil prices, competition, and environmental risks that could have impact on Eni’s business (from p.78 onwards). Actually, it appears Eni greatly engages in transparent reporting on risks, which overall could lead to building up reputational capital that could be relied on in challenging times in the future.

Streamlining communication could not be interpreted as a motive to engage in <IR>, even though shareholders were claimed to be the main audience of this report and information assumingly channeled towards them (e.g. p.4). Accordingly, fostering stakeholder engagement was not analyzed to be a motive of Eni. However, since the report wants to depict a holistic business performance model, including the connection of financial and sustainability performance, and interrelations between competitive environment, group strategy, business model, integrated risk management and a stringent corporate governance system (p.3), it can be argued Eni is motivated to engage in <IR> because it enables this.

Finally, though the report considers various capitals, such as financial, productive, intellectual, human, social and relationship, and natural capital (pp.16-19), and also shows what each capital contributes to value creation, nothing indicates that Eni practices <IR> because it facilitates the demonstration of those.

Grupa Lotos S.A.⁷ (Lotos)

It can be argued that Lotos' <IR> is motivated by the facilitation of corporate storytelling. The head of the investor relations office pointing out that his department's responsibility is "*to build proper understanding of the LOTOS Group's 'equity' story*" (p.53), buttresses this. It can arguably be assumed that <IR> practice is decided upon because it is a tool for this. Additionally, the report throughout provides various storytelling elements (see Marzec, 2007), such as a vibrant description of the current company reality by personal and extensive statements of Lotos' staff members (e.g. p.103).

Yet, despite long-term value creation being a central topic within the Lotos report (e.g. p.8, p.42, p.114), from the analysis it cannot be presumed that Lotos' <IR> is driven by the demonstration of it. Likewise, trust and transparency are predominant concerns within the report. For example, trust of shareholders is stated to be crucial for Lotos' success (p.3, p.104, p.126). Further, long-lasting relationships with stakeholders that are fundamental for success are enhanced by transparent sustainability-related activities, such as CSR communication (p.68, p.106). Also, transparency of business processes are claimed to improve management and also organizational culture (p.44, p.45). However, the analysis does not allow relating any of this to <IR> motives.

Also, reputation and certain influencing actions it are discussed within the report (e.g. p.12, p.23, pp.28-30, p.46, p.47). Yet again, nothing indicates that Lotos practices <IR> as it possibly enhances the company's reputation. In addition to that, <IR> serving best practice as well as optimizing internal process cannot be interpreted to be motives for Lotos to engage in <IR>. But, reporting efficiency appears to be a motive. This claim is

⁷ As the report itself does not provide page numbers, the page numbers given in this text are based on the PDF pagination of the CAR.

based on Lotos advocating, this integrated CAR enables investors to make investment decisions at relatively minimal risk (p.3, p.22, p.24) and relating it to comprehensive, accurate, relevant, complete, comparable, credible balanced and reliable information that is required from external stakeholders (p.20, p.22, p.24, p.105). As Lotos states, the best features its CAR are “*useful information, visual presentation, clear language / balanced information*” (p.23). Interestingly, stakeholder engagement is discussed as to improve the reporting process (p.22).

Moreover, communicating possible risks appears to motivate Lotos to apply <IR>. The president of the board emphasizing, this report allows to “*reflect the dramatic developments which shook the oil and currency markets, particularly in the second half of the year*” (p.8), strengthens this. However, nothing indicates that reporting on opportunities motivates Lotos to practice <IR>. Furthermore, as it can be interpreted that the CAR exemplifies a document on which investment decisions can be based on (p.3), it can be assumed that the target audience of this report mainly comprises shareholders. Therefore, communication is probably streamlined to them. Yet, from this cannot be deduced that streamlining communication for shareholders actually motivates Lotos to engage in <IR>. Also, nothing indicates that <IR> practice is driven by enhanced stakeholder engagement.

However, the possibility to report on a holistic business performance model can be conceived as a motive for Lotos’ <IR> practice. Stating, this integrated CAR “*provides an overview of the activities of the LOTOS Group*” (p.11) and allows to make decent investment decisions based on wholesome information (p.3, p.22, p.24), reinforces this claim. Another motive for Lotos to practice <IR> can be seen in the opportunity to report on various capitals because it is suggested, for the audience the most useful information of <IR> concerns human capital and financials (p.6, p.23).

Rosneft

Even though the Rosneft’s annual report contains several corporate storytelling elements (see Marzec, 2007), such as providing the reader with personal history and

giving the report a narrative frame (e.g. p.6, pp.68-69), it cannot be interpreted that for Rosneft corporate storytelling is a motive to engage in <IR>. Likewise, Rosneft's <IR> practice cannot be linked to the motive of permitting the presentation of long-term value creation, although long-term value creation is extensively focused on within the report (p.5, p.7). However, it seems interesting that Rosneft relates future-value creation not only to financial benefits (to shareholders) but also explicitly to society and to areas it is doing business in (p.71).

Additionally, in contrast to trust, enhanced transparency can be referred to as a motive for Rosneft's <IR> practice. Rosneft claiming, it seeks to improve its information and to operate transparency and openness (pp.64-65), supports this. Based on this can be stated, disclosed information, including the integrated CAR, targets to improve transparency. However, although the report discusses a variety of aspects that could influence Rosneft's reputation, such as a series of responsible actions, energy efficiency improvements and environmental protection (p.5, p.15, p.126, p.142, pp.144-148), nothing indicates that Rosneft is practicing <IR> because it probably contributes positively to the corporation's reputation.

The same applies to the <IR> motive of serving as best practice. Yet, it is noteworthy that Rosneft throughout the report advocates it enjoys worldwide leadership among public petroleum companies (p.12, p.76) and investment attractiveness (p.34), and aims on becoming a company that sets the directions for development of the global energy industry (p.20). From this could be deduced, by practicing <IR> Rosneft not only desires but also is enabled to engage in the development process of future corporate annual reporting standards in the oil and gas sector. Still, this does not allow making the claim that Rosneft is practicing <IR> because it serves as best practice. Additionally, nothing points to Rosneft being driven to do <IR> because it possibly optimizes internal processes.

However, it can be deduced that Rosneft is practicing <IR> because it enhances reporting efficiency. Rosneft stating, it aims to guarantee “*completeness and reliability of accounting (financial), statistical, managerial and other reporting*” (p.59) and seeks

to enhance its information (p.64-65), reinforces this. Further, Rosneft's information disclosure policy is based on the principles of "*regularity, responsiveness, accessibility, reliability and relevance*" (p.64). It is also stated that information should be disclosed to stakeholders in a timely manner (p.64). Therefore, it can be argued that Rosneft is encouraged to engage in <IR> as it might enhance the completeness, reliability, regularity, responsiveness, accessibility and relevance of a report.

Yet, although risks and opportunities are themes within the report, based on the analysis no inference can be made that the facilitation to report on these aspects is a motive to engage in <IR>. Also, even though the report communicates to shareholders and the professional financial community, including analysts and professional investors (pp.4-7, p.65), and therefore possibly bundles information for these stakeholders, streamlining communication cannot be interpreted as a <IR> motive for Rosneft. Similarly, improved stakeholder engagement cannot be evaluated to be a motive why <IR> is practiced. The same applies to the motive of enabling the presentation of a holistic business performance model. Nothing indicates the latter drives Rosneft's <IR>. And even though Rosneft's report covers various capitals, such as natural and manufactural (e.g. p.19, p.21), and human and intellectual capital (e.g. p.7, p.150), nothing indicates that the facilitation of discussing these capitals encourages Rosneft to do <IR>.

Oil and gas: summarized motives to practice <IR>

The analyses of the 3 CARs from the oil and gas sector expose that out of the stated 12 possible motives to engage in <IR>, 6 can be interpreted to serve as actual motives in this industry. Table 7 depicts these motives.

Table 7. Oil and gas: summarized motives to practice <IR>

Oil and gas			
CARs analyzed→	Eni	Lotos	Rosneft
↓Motives to practice <IR>			
Facilitates corporate storytelling	x	✓	x
Enables demonstration of long-term value creation	x	x	x
Enhances trust and transparency	✓ transparency	x	✓ transparency
Improves reputation	x	x	x
Serves as best practice	x	x	x
Optimizes internal processes	x	x	x
Makes reporting more efficient	✓	✓	✓
Allows reporting on risks and opportunities	✓ risks	✓ risks	x
Streamlines communication	x	x	x
Enhances stakeholder engagement	x	x	x
Enables reporting on a holistic business performance model	✓	✓	x
Permits reporting on various capitals	x	✓	x

Table 7 illustrates, practicing <IR> within the oil and gas sector is predominantly motivated by enhanced reporting efficiency (3 out of 3 companies; Eni, Lotos, Rosneft). The analyses of all 3 reports verify this finding. This reason to engage in <IR> is followed by the motives relating to improved transparent communication (2 out of 3; Eni, Rosneft), thorough risk reporting (2 out of 3; Eni, Lotos), and depicting a holistic business performance model (2 out of 3; Eni, Lotos). Further, Lotos (1 out of 3) engages in <IR> because it allows engaging in corporate storytelling and permits to report besides financial also on human capital. None of the 3 companies (Eni, Lotos, Rosneft) within the oil and gas sector practice <IR> due to the opportunity to report on long-term value creation, to enhance reputation, to act as best practice, to optimize internal processes, to streamline communication, and to improve stakeholder engagement.

4.2 Cross-industry drivers

Whereas the preceding Subchapter in detail revealed the motives to practice <IR> as seen in CARs for the chosen 15 corporations within the financial services, utilities, consumer goods, and oil and gas sector, and outlined the main motives for the respective industries, this Subchapter now presents an overview of the general <IR> motives of these industry sectors. Thus, the first research question of what motivates

corporations applying the 2013 <IR> framework from the IIRC to practice integrated reporting as seen in their annual reports is now answered.

Table 8 indicates the frequency of the respective motives mentioned in the CARs for each industry and presents a summary of these frequencies for the entirety of the 4 selected industries. (Please, recognize the superscript numbers as footnotes.)

Table 8. Frequencies of the motives to practice <IR> for the financial services, utilities, consumer goods, oil and gas sector, and their entirety

Industry sectors➔	Financial services	Utilities	Consumer goods	Oil and gas	Industries combined
↓Motives to practice <IR>					
Makes reporting more efficient	1	4	2	3	10
Enhances trust and transparency	1	2 ⁸	4 ⁹	2 ¹⁰	9
Enables reporting on a holistic business performance model	2	2	2	2	8
Enables demonstration of long-term value creation	1	1	4	0	6
Allows reporting on risks and opportunities	0	2	0	2 ¹¹	4
Serves as best practice	1	1	1	0	3
Permits reporting on various capitals	0	0	2	1	3
Facilitates corporate storytelling	1	0	0	1	2
Optimizes internal processes	0	1	1	0	2
Streamlines communication	0	0	2	0	2
Enhances stakeholder engagement	0	1	1	0	2
Improves reputation	0	1	0	0	1

As can be seen from Table 8, <IR> practice across the focused industries is mainly motivated by supposedly improved reporting efficiency (10 out of 15 companies), enhanced trust and transparent communication (9 out of 15; whereas transparency appears more dominant), and the facilitation of reporting on a holistic business performance model (8 out of 15). Interestingly, these distinct motives encouraged all of the 4 industries to engage in <IR>. Another important driver to apply <IR> appears to be the enabling of demonstrating long-term value creation (6 out of 15). However, according to the analysis aspects that motivate <IR> practice to a lesser extent can be

⁸ 2x emphasis on transparency

⁹ 1x emphasis on both trust and transparency, 1x emphasis on trust, 2x emphasis on transparency

¹⁰ 2x emphasis on transparency

¹¹ 2x emphasis on risks

interpreted that this reporting method enables reporting on risks and opportunities (4 out of 15; whereas risks are emphasized), serves as best practice (3 out of 15), enables reporting on various capitals (3 out of 15), facilitates corporate storytelling (2 out of 15), optimizes internal processes (2 out of 15), streamlines communication (2 out of 15), enhances stakeholder engagement (2 out of 15), and improves reputation (1 out of 15).

Summarizing, all of the 12 motives developed for the thematic qualitative text analysis were mentioned to drive <IR> in the analysis. However, some reasons to engage in this reporting method can be interpreted to motivate companies to a greater extent than others. And actually, these motivating factors also differ among the selected industry sectors.

4.3 Variations among selected industry sectors

Interestingly, the study of 15 CARs actually exposes motive variations for practicing <IR> among the four selected industries (financial services, utilities, consumer goods, and oil and gas). (Please see Tables 4-8 for evidence.) Overall it can be interpreted that the financial services sector mainly engages in <IR> because it allows to report on a holistic business performance model, whereas the consumer goods sector is driven by enhanced trust and transparency that <IR> is believed to generate. However, the main motive to engage in <IR> for both the utilities, and the oil and gas sector is improved reporting efficiency.

To facilitate a more thorough and logical understanding of motivational differences among the industry sectors, the following discusses the revealed distinctions based on the 12 motives derived from the thematic qualitative text analysis categories. Although this study comprised 4 reports for each the financial services, utilities, and consumer goods sector and 3 reports for the oil and gas sector, and therefore an exact numerical evaluation of motive variations cannot be granted, a comparison among the selected industries still seems to be legitimate and reliable.

It can be interpreted that within the financial services, and oil and gas sector <IR> is practiced because it enhances corporate storytelling. There, one corporation respectively (Generali, Lotos) engages in <IR> due to this motive. In contrast, neither the utilities nor the consumer goods sector appear to be driven by this motive. Further, applying <IR> due to enabling the demonstration of long-term value creation exposes an important motive for all the companies in the consumer goods sector (CC HBC, M&S, Nutreco, Pirelli), whereas it is less important to the financial services and utilities sector. There, only 1 company respectively (Generali, Enagás) engages in <IR> because of this motive. Also, the oil and gas sector does not practice <IR> because it facilitates to demonstrate long-term value creation.

Further, mostly corporations from the consumer goods sector (4 out of 4; CC HBC, M&S, Nutreco, Pirelli) engage in <IR> because it enhances trust and especially transparent communication. On the contrary, the remaining sectors appear not to be driven mainly by these aspects. In the utilities (EnBW, Rosatom), and oil and gas industry (Eni, Rosneft) only 2 out of 4 companies are motivated to practice <IR> due to improved trust and transparency. In the financial services sector only 1 company out of 4 (OeKB) is driven by this motive. However, overall transparency compared to trust can be considered more significant to the selection of this specific reporting method. Yet, enhanced trust and transparency are concerning all industry sectors, even though, as shown, different weight is given to these issues among them.

Strikingly, only one company from all the industries can be interpreted to be motivated to engage in <IR> because it probably improves reputation. Rosatom from the utilities sector is the only corporation out of the 15 analyzed that aims on improving its reputation by applying this reporting method. Furthermore, all industry sectors except the oil and gas industry appear to do <IR> because it serves as best practice. One company of each the financial services (Generali), utilities (Enagás), and consumer goods (CC HBC) sector is motivated to engage in <IR> because it serves as best practice.

Further, applying <IR> because it possibly optimizes internal processes also differs among the selected industries. Whereas this aspect encourages utilities and consumer goods (1 company each; EnBW, Nutreco), it does not drive any of the companies within the financial services, and oil and gas sector. Additionally, all of the companies analyzed within the utilities, and oil and gas sector are encouraged to practice <IR> because it enhances reporting efficiency. On the contrary, the financial services and consumer goods sector seem to be less driven by this motive. There, only 2 out of 4 companies (Nutreco, Pirelli) within the consumer goods sector, and 1 out of 4 (Generali) in the financial services sector can be interpreted to engage in <IR> due to improved reporting efficiency.

Moreover, both the utilities, and the oil and gas sector were analyzed to practice <IR> because it enables to report on risks as well as opportunities. Interestingly, the oil and gas sector especially emphasizes risk reporting. 2 companies of these sectors each are interpreted to be motivated by the above-mentioned reason (utilities: Enagás, EnBW; oil and gas: Eni, Lotos). However, the financial services and consumer goods do not engage in <IR> at all because of the facilitation to report on risks and opportunities. Additionally, only the consumer goods sector practices <IR> because it enables to streamline communication (M&S, Nutreco). All the remaining industries cannot be claimed to engage in <IR> due to this reason.

Similarly, enhanced stakeholder engagement through <IR> serves only the utilities and consumer goods sector as motive to practice this form of reporting. This reason drives one company each within these sectors (EnBW, Pirelli). Further, applying <IR> because it supports reporting that goes beyond merely focusing on financials is a motive for the consumer goods (CC HBC, Nutreco), and oil and gas sector (Lotos). In contrast, the facilitation of reporting on various capitals cannot be interpreted as a motive for the financial services and utilities sector at all. Finally it appears noteworthy mentioning, that out of 12 possible motives for engaging in <IR> only 1 motive appears to be of equal importance to all the four industries. They all practice <IR> because it enables to demonstrate a holistic business performance model.

Summarizing, Chapter 4 discovered that cross-industry <IR> practice is mainly motivated by enhanced reporting efficiency, improved trust and transparency, and the facilitation to report on a holistic business performance model. Further, it exposed the existence of motive variations to practice <IR> among the financial services, utilities, consumer goods, and oil and gas sector. Now, these findings compared to earlier literature shall be discussed and the overall importance of this study summarized.

5 DISCUSSION

This Chapter sums up the main findings of this research as presented in Chapter 4 and discusses them with reference to earlier literature and this study's theoretical foundations. First, cross-industry motives for <IR> practice are canvassed. Second, the examined motive variations are discussed.

5.1 Cross-industry motives for practicing integrated reporting

Generally this study supports what earlier research has been suggesting in terms of investor relations communication including corporate annual reporting being a strategic tool of corporate communication and thus part of an overall corporate communication strategy (see e.g. Andersen et al., 2013; Dolphin, 2003; Dolphin, 2004). Within this study 14 out of the analyzed 15 CARs were interpreted to engage in integrated reporting for a specific reason. Thus, it should be confirmed that the majority of the studied corporations practice <IR> for a certain purpose.

However, based on the analysis the main reasons and therefore motives to engage in <IR> among all the selected industries (financial services, utilities, consumer goods, oil and gas) were understood to be improved reporting efficiency, enhanced trust and transparency, and facilitated reporting on a holistic business performance model. This allows making several inferences.

The first, corporations think of <IR> to make reporting more efficient and therefore possibly to provide information stakeholders actually expect from a CAR. Yet, at this point it must be asked what wants to be communicated to whom. The study showed that many of the CARs analyzed appear to desire communicating to (potential) investors. Also, from earlier research it is known these stakeholders increasingly expect information on non-financials (see e.g. Morsing & Schultz, 2006; Owen, 2013). Improved reporting efficiency having been the most dominant motive among all the companies studied combined with the aspects mentioned previously, allows conformity with Laskin (2009). Apparently, also the results of this study assert that the investor

relations profession being highly involved in corporate reporting, not only from a communication perspective, is mainly concerned with providing accurate information to facilitate investing and foster investor commitment (see Eccles & Armbrester, 2011; Eccles & Krzus, 2010; pp.145-179). It seems <IR> could support these processes. Further, as various CARs of this study were interpreted to especially aim at communicating to and/or with (potential) investors, presenting investor value of a firm appears central to corporate annual reporting. Probably, this strengthens Flower's (2015) argument that overall the IIRC failed with the <IR> framework as it omits to promote its initial purpose of sustainability accounting by not considering value creation for society and leaving out to report on negative impacts a company has for its environment.

The second, for all the 4 industries studied the second major motive to engage in <IR> appeared to be enhanced trust and transparency. This captures Laskin's (2009) thoughts of nowadays' business world not only being concerned with rebuilding investor confidence anymore, but actually establishing it from the very beginning as trust cannot be assumed any longer. It could be expected that transparent communication enhances trust. These aspects and findings also highlight the increased importance scholars assign the relationship-building function of the investor relations profession (see e.g. Chandler, 2014; Hoffmann & Fieseler, 2012; Marston & Straker, 2001). Certainly, trust is the fundamental base relationships are built upon. This also accounts for relationships between a company and its stakeholders. However, it can be assumed for building and maintaining relationships between a company and its stakeholders it needs communication that goes both directions. Meaning, stakeholder engagement and not management (see Cornelissen, 2014, pp.41-61) is what is asked for in this process. Interestingly however, even though the analysis revealed that in the <IR> process of various companies stakeholders were consulted to illuminate what they expect from the report and what they think of as material information, still, overall <IR> was not interpreted to be driven by enhanced stakeholder engagement (see Krzus, 2011).

The third, another main motive to practice <IR> was analyzed to be enabling to report on a holistic business performance model. Reporting on the latter generates a

wholesome understanding of an organization and allows a more holistic view of a company not only for the report's audience but everyone who is involved in the reporting process (see Black Sun Plc & IIRC, 2012; Eccles & Armbrester, 2011). Actually, it could be argued that the generation of a wholesome understanding of a company combined with transparent communication might support gaining organizational legitimacy from public. Based on this could be suggested that <IR> supports or even assures public acceptance and therefore organizational legitimacy; the latter being the overall aim of stakeholder communication as Suchman (1995) advocates.

However, from the studied companies' CARs can be derived, the 15 corporations were nominally driven to engage in <IR> because it facilitates corporate storytelling and improves reputation. Interestingly, the analysis still discovered that all the reports disclosed elements of corporate storytelling (see Marzec, 2007). Still, only 2 corporations were interpreted to engage in <IR> because it enables them to tell their corporate story. This supports Beattie's (2014) claim of annual reports being a genre for storytelling. Yet, based on so few companies having been motivated to apply <IR> due to the facilitation of corporate storytelling but nevertheless doing it within the CARs, it seems, storytelling has already found its ways to and is already an integral part of general reporting practice. It appears, in order to engage in corporate storytelling it does not necessarily need <IR>.

Finally, attention should be given also to the least prevalent motive for engaging in <IR>. From the analysis it can be inferred that only one company engaged in <IR> because it improves its reputation. Interestingly, however, Eccles et al. (2014) claim that companies are often encouraged to adopt <IR> to enhance brand value (pp.97-118). This claim and the above-mentioned finding appear inconsistent as reputation and brand might be conceived as interdependent.

Summarizing, this study was one of the first to capture the reasons why companies actually engage in <IR>. Across the studied industry advanced reporting efficiency, enhanced trust and transparency, and eased reporting on a holistic business performance

model were analyzed to be the main motivational factors to apply this reporting method. Thus, this pilot study can be perceived as a foundation for further research in this field, as heretofore hardly anything has been revealed on why corporations actually choose to practice <IR> (see e.g. Jensen & Berg, 2011).

5.2 Motive variations for practicing integrated reporting among selected industry sectors

This study confirms Eccles' and Armbrester's (2011) assumption that motivations to practice <IR> differ among certain industry sectors. As this research, qualitative in nature, was one of the first to investigate if certain industry sectors are distinctly driven to engage in <IR>, the findings only shed light on 4 out of 13 possible industry sectors. Certainly, 4 industries do not make up the whole market. Therefore, it has to be kept in mind that these assertions about motive variations must be perceived as context dependent. However, for 3 out of the 4 studied industries different main motives were observed to differ among them. Thus, this study should be regarded as a starting point where further research could depart from.

Interestingly, this research interpreted the main driver of the financial services sector to be <IR> enabling to report on a holistic business performance model. Admittedly, this has been contrary to the researcher's assumption that the financial services especially after the financial crises that has started in 2007 would have been primarily motivated to engage in <IR> due to enhanced trust and transparency. Even though some years have past since then, when approaching the data for this research <IR> practice was guessed to be mainly driven by enhancing trust and transparency, as overall investor relations gained recognition and importance when companies started to be involved in corporate scandals and trust in the investment community needed to be rebuilt (see Laskin, 2009).

Further, the main motive to engage in <IR> for both the utilities industry and the oil and gas sector was interpreted to be enhanced reporting efficiency. It appears remarkable that sectors that primarily depend on scarce natural resources are driven to engage in <IR> because it enables them to report on especially intangibles and to depict a better understanding of the relationship between financial and non-financial performance (see

Eccles & Armbrester, 2011; Eccles & Krzus, 2010; pp.145-179; Ernst & Young & GreenBiz Group, 2013). Yet, as scholars argue, reporting efficiency relating to these concerns possibly improves investor commitment (Eccles & Armbrester, 2011; Eccles & Krzus, 2010; pp.145-179). Probably, an industry that depends on limited resources and is therefore inherently challenged with sustainability issues reports on certain intangibles, which is increasingly asked for from investors (see Chandler, 2014; Veltri & Nardo, 2013) in order to make companies not only appear more capable of creating value in the future, which is important to investors, but also differentiates companies from others within the sector in a way society perceives them in a more favorable way. This, in turn, could target organizational legitimacy (see Suchman, 1995).

However, consumer goods' <IR> practice was analyzed to be mainly motivated by improved trust and transparency and enabling to demonstrate long-term value creation. It seems this is in line with what Iivonen and Moisander (2015) suggest, namely, companies such as Marks & Spencer (involved in textiles and therefore accused of supporting poor working conditions) and Coca Cola Hellenic Bottling Company (selling sugared water which by no means can be healthy) that produce controversial products, might be tempted to communicatively manufacture a favored identity to attain organizational legitimacy. Apparently it can be assumed, enhanced trust and transparency supports gaining public acceptance. Further, long-term value creation depiction that seemed to be another main driver for the consumer goods' <IR> practice, could indicate the CARs within this sector mainly aim at communicating with investors as this is cherished information to them (see IIRC, 2013).

To conclude, this study revealed the existence of motive variations to practice <IR> among certain industries. Still, many indicators militate for <IR> to be a strategic tool for attaining organizational legitimacy not only on behalf of society but also on behalf of investors (see Suchman, 1995). This of course raises the concern if <IR> overall supports a presentation of business reality or in the end rather furthers an illusion of companies that try to convey a desired image.

6 CONCLUSIONS

Having discussed the main findings, now, a short synopsis of the research, as well as practical implications, limitations of the study, and suggestions for further research are provided.

6.1 Research summary

By analyzing motives that drive companies to engage in integrated reporting, a specific form of corporate annual reporting, and possible motive variations among certain industry sectors, this study aimed at contributing to investor relations as a research field that heretofore has found little recognition in corporate communication research (see Ditlevsen, 2014). Corporate annual reporting has been argued to be a vital part of the investor relations profession and investor relations communications. Therefore, corporate annual reporting, including integrated reporting, can be conceived as a strategic communication tool (see also Dolphin, 2003; Dolphin, 2004) that is thus produced for a certain purpose. Still, it is noteworthy that uniform frameworks for corporate annual reporting do not exist in business practice.

However, an attempt has been made by The International Integrated Reporting Council (IIRC) to standardize integrated reporting processes. By the end of 2013, the IIRC launched The Integrated Reporting <IR> framework. (IIRC, 2013) Based on the application of this framework, corporate annual reports of 15 European companies within the financial services, utilities, consumer goods, and oil and gas sector were chosen for analyzing the motives of <IR> practice, as so far nothing has been known about why corporations choose this reporting method over others (see Jensen & Berg, 2011).

By studying the textual content of 15 CARs that made use of the <IR> framework with thematic qualitative text analysis, this research indicates that the main drivers for practicing <IR> among the 4 selected industries were enhanced reporting efficiency, improved trust and transparency, and enabling the representation of a holistic business

performance model. Also, it could be shown that the industry sectors applying this newly launched framework were differently motivated to engage in <IR>. Whereas enhanced reporting efficiency was interpreted to be the main driver for the utilities industry, and oil and gas sector to engage in this practice, it was enhanced trust and transparency, and enabling to demonstrate long-term value creation that made the consumer goods sector doing <IR>. The facilitation to report on a holistic business performance model motivated the financial services sector to apply this reporting method. These findings support what Eccles and Armbrester (2011) had already assumed earlier: motives to practice integrated reporting vary not only by companies but also by respective industry sectors.

6.2 Practical implications

To evaluate the practical implications of this research, on both business practitioners and the IIRC is focused on. The results of the study indicate that <IR> is practiced because it is especially believed to enhance reporting efficiency, improve trust and transparency, and facilitate to report on a holistic performance model. Even though these motives are not being proved as matter of facts, from this could be deduced that business practitioners, such as investor relations and corporate communications professionals, might be urged to engage in <IR> if they aspire to reach these aspects with corporate reporting.

Further, another valuable contribution of this study is that overall the <IR> process seems to enhance stakeholder engagement through entering dialogue with stakeholders, despite this not being an explicit motive of <IR> practice. Still, stakeholder dialogue was analyzed to aim at recognizing and providing information within a CAR that is perceived material to stakeholders. Thus, <IR> could account for a reporting format that occupies a relationship-building function. Meaning, business practitioners who want to foster and further relationships with their stakeholders might be advised to practice <IR>.

Yet, at this point not only business practitioners must be considered. It appears the implications of this study cannot be ignored for the IIRC either. Overall this research revealed that distinct industries are differently motivated to engage in <IR>. Certainly, more research needs to be undertaken to make an accurate suggestion, but the findings imply in the future the IIRC could consider generating various frameworks that support specific and diverse needs of each industry. Probably, a one-size-fits-all <IR> framework is not a suitable solution for business practice.

6.3 Limitations of the study

Naturally, also this study faced several shortcomings that possibly limit the findings. Herewith the major limitations are described. Being carried out as a qualitative research this study aimed at understanding why corporations are motivated to practice integrated reporting. Therefore, the findings must be understood in relation to the given context (e.g. European corporations) and cannot be conceived as generalizable.

Further, thematic qualitative text analysis forces the researcher to interpret textual data. Even though the research process was carried out to the researcher's best conscience and beliefs, interpretation is always challenged with at least some personal bias. Another limiting bias concerns the thematic categories based on which the analysis has been conducted. Although they were held to be flexible and open for adjustments throughout the study, having concepts in mind to watch out for in texts, definitely form some sort of bias when approaching data. Meaning, by searching for specific motives one might be tempted to overlook other motives that have not been considered before.

Then, although scholars believe CARs to be suitable documents for investigating the motives of report producers (e.g. Bryman & Bell, 2007, p.559), it might be possible that personal interrogations of reporting professionals would have led to different answers to why the 15 companies under study practice <IR>. But overall, can it really be assumed that what is claimed, either in reports or in personal interviews, are the true motives to engage in this reporting process? Possibly, companies are doing <IR> due to other reasons they are not revealing in it anyway, and research is exposed to a communicative

illusory world. For instance, companies could engage in <IR> because they feel pressure from society. But who would actually admit this and reveal information on that?

Additionally, the study has shown, not only the length but also the content of CARs varies significantly. For instance, some of the reports (e.g. Generali) were interpreted to provide many hints for <IR> motives, whereas other documents (e.g. United Utilities, Marks & Spencer) were analyzed to barely offer any information on that. For this reason it was challenging to always provide a clear and coherent picture of motivational factors. Thus, some CARs were less conclusive than others. Still, for the study results this had to be neglected. Yet, this finding is valuable for further studies that therefore could be advised to continue this research with conducting interviews in the respective industries.

However, this study investigated 4 industries out of possible 13 and compared 4 CARs each of the financial services, utilities, and consumer goods sector, and 3 CARs of the oil and gas industry. Possibly, different findings would have been generated not only if the data sample had been equally scattered in numbers, but also if the study had included samples of all the 13 industries. Possibly, studying all 13 industries would have shown that motive variations are not apparent among most of the <IR> reporters. Further, the research data was geographically limited to European corporations. It can be assumed that in Asia or the US companies from the selected industries are also differently motivated to engage in <IR>. Further, national norms and standards, ranging from mandatory norms to recommendations, influence corporate reporting practice. Comparisons in this sense are definitely material for further studies.

Yet, despite this research entailing several limiting aspects, as a pilot study it is one of the first to contribute to understanding what motives corporations have to practice <IR>, as well as to finding out about industrial motivational differences for applying this method. Apparently, this research serves as a starting point for future studies that should be open for taking all kinds of paths into various directions.

6.4 Suggestions for further research

Integrated reporting and the newly launched <IR> framework of the IIRC as areas of investigation are rather emerging and therefore offer numerous directions for further research. This study was one of the first to approach the question of what motivates companies to engage in <IR> and revealed some differences relating to these motives among 4 selected industries by analyzing 15 CARs.

The current study thus paves the way for further research into companies' <IR> motives that should be encouraged to investigate this phenomenon with larger data as well as alternative methodology, such as for instance online-surveys and/or interviews, in order to finally not only capture the motives and variations concerning the whole industry but also allow more in-depth findings. Furthermore, the present study focused on European corporations. More research attention should be given to comparing various geographical locations, as then other trends might be observable. Subsequently, if motives also differ geographically, it could be assumed, that not only various <IR> frameworks for industries could be demanded but also country-specific guidelines might be asked for.

Also, possible further studies might be advised to consider why companies purposely choose not to practice <IR>. Many scholars (e.g. Eccles et al. 2014, pp.97-118) advocate that overall <IR> practice benefits the company more than it costs implementing it. However, this might not be the case for all corporations. Thus, it could be more thoroughly suggested what sort of companies might be advised to engage in <IR> and which ones not. This might also include concentrating on motivational differences to practice <IR> between mission-driven companies (such as for instance NGOs) and profit-driven companies (as the firms of this study can be conceived). Correspondingly, further studies might be advised to focus on motive variations to practice <IR> among corporations with distinct ownership structures. This study omitted to concentrate on this. Still, it appears promising to find different <IR> motives in this respect.

Finally, based on the analysis' findings it can be argued there have been themes recognized within the CARs that could also account for motivating factors to apply <IR> but have been omitted by earlier literature and also in the thematic category framework of this study. For instance, Marks & Spencer, Energie Baden-Wuerttemberg and Nutreco intensively emphasized how their businesses adapt to the changing environment, whereas Coca Cola Hellenic Bottling Company and Eni stressed shared value creation in their reports. Possibly, <IR> facilitates reporting on those as well and therefore the enabling to report on change and shared value creation might also account for motives to engage in <IR>.

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APPENDICES

Appendix 1. European <IR> reporters

Organizations in alphabetical order as it was presented on the IIRC homepage retrieved January 26th, 2016 from

http://examples.integratedreporting.org/search_reporter?x=40&y=14&organisation_region=1

1. ABENGOA
2. ABN AMRO
3. ACCA
4. ACCIONA
5. ACHMEA
6. AEGON
7. AKZONOBEL
8. ANAS
9. ASSICURAZIONI GENERALI SPA
10. ATLANTIA SPA
11. ATLAS COPCO AB
12. ATOS
13. BANCA FIDEURAM
14. BANCO POPULAR ESPANOL
15. BASF
16. BRAZILIAN DEVELOPMENT BANK
17. BRITISH AMERICAN TOBACCO
18. CAIXABANK
19. CHARTERED INSTITUTE OF PUBLIC RELATIONS
20. CIMA
21. COCA-COLA HELLENIC BOTTLING COMPANY
22. CREST NICHOLSON
23. CROWN VAN GELDER
24. DELLAS
25. DIAGEO
26. DIPULA INCOME FUND
27. ENAGAS SA
28. ENBW
29. ENI
30. ERNST & YOUNG NEDERLAND LLP
31. EUROPAC GROUP
32. FERROVIAL
33. FINANSOVAYA KORPORATSIYA URALSIB
34. FLUGHAFEN MUNCHEN
35. FMO
36. FORTRESS INCOME FUND
37. GAS NATURAL FENOSA
38. GDF SUEZ
39. GREENWICH CLINICAL COMMISSIONING GROUP

40. GRUPA LOTOS S.A.
41. IBERDROLA SA
42. INDITEX
43. INDRA
44. ING GROUP
45. INTERSERVE PLC
46. J SAINSBURY PLC
47. JOHNSON MATTHEY
48. JSC AFRIKANTOV OKB MECHANICAL ENGINEERING (OKBM)
49. JSC ATOMENERGOPROM
50. JSC ATOMREDMETZOLOTO
51. JSC NIZHNY NOVGOROD ENGINEERING COMPANY
ATOMENERGOPROEKT (NIAEP)
52. KESKO CORPORATION
53. KONINKLIJKE PHILIPS NV
54. KPN
55. LUOSSAVAARA-KIIRUNAVAARA AB (LKAB)
56. MARKS & SPENCER
57. MAZARS
58. MELIA HOTELS
59. N.V. LUCHTHAVEN SCHIPHOL
60. NOVO NORDISK
61. NUTRECO
62. OESTERREICHISCHE KONTROLLBANK GROUP (OEKB GROUP)
63. OJSC ATOMENERGOMASH
64. OMNIA HOLDINGS
65. PALFINGER AG (SALZBURG)
66. PEARSON
67. PIRELLI
68. PRICEWATERHOUSECOOPERS NV
69. PROSEGUR
70. RABOBANK GROUP
71. RANDSTAD HOLDING
72. ROSATOM
73. ROSNEFT
74. ROYAL BAM GROUP
75. SABAF SPA
76. SAP
77. SOFIDEL SPA
78. TERNA SPA
79. THE CROWN ESTATE
80. TITAN GROUP
81. TITAN GROUP
82. TURKIYE GARANTI BANKASI AS
83. UNICREDIT GROUP
84. UNITED UTILITIES
85. VIVENDI
86. VODAFONE

87. YORKSHIRE WATER SERVICES

Appendix 2. Ranked industry sectors

Ranked industry sectors including the attribution of the 87 European <IR> reporters from the IIRC

Financial services

1. ABN AMRO
2. ACHMEA
3. AEGON
4. ASSICURAZIONI GENERALI SPA
5. BANCA FIDEURAM
6. BANCO POPULAR ESPANOL
7. BRAZILIAN DEVELOPMENT BANK
8. CAIXABANK
9. FINANSOVAYA KORPORATSIYA URALSIB
10. FMO
11. ING Group
12. OESTERREICHISCHE KONTROLLBANK GROUP (OEKB GROUP)
13. RABOBANK GROUP
14. TURKIYE GARANTI BANKASI AS
15. UNICREDIT GROUP
16. FORTRESS INCOME FUND

Industrials

1. AKZONOBEL
2. DELLAS SPA
3. OJSC ATOMENERGOMASH
4. INTERSERVE
5. PALFINGER AG (SALZBURG)
6. ATOMENERGOPROEKT (NIAEP)
7. JSC NIZHNY NOVGOROD ENGINEERING COMPANY
8. ROYAL BAM GROUP
9. ACCIONA
10. ATLAS COPCO
11. SABAF (MANUFACTURER OF COMPONENTS FOR HOUSEHOLD GAS APPLIANCES)
12. CREST NICHOLSON

Consumer services

1. RANDSTAD HOLDING
2. BRITISH AMERICAN TOBACCO
3. J SAINSBURY PLC
4. MELIA HOTELS
5. N.V. LUCHTHAVEN SCHIPHOL
6. FLUGHAFEN MUNCHEN
7. PROSEGUR
8. KESKO CORPORATION
9. PEARSON

10. VIVENDI
11. ATLANTIA SPA

Utilities

1. ENAGAS SA
2. ENBW
3. GAS NATURAL FENOSA
4. GDF SUEZ
5. IBERDROLA SA
6. JSC AFRIKANTOV OKB MECHANICAL ENGINEERING (OKBM)
7. TERNA SPA
8. YORKSHIRE WATER SERVICES
9. UNITED UTILITIES
10. ROSATOM
11. JSC ATOMENERGOPROM

Consumer goods

1. COCA COLA HELLENIC BOTTLING COMPANY
2. DIAGEO
3. CROWN VAN GELDER
4. NUTRECO
5. MARKS & SPENCER
6. PIRELLI
7. INDITEX
8. SOFIDEL SPA

Professional services

1. ACCA
2. CHARTERED INSTITUTE OF PUBLIC RELATIONS
3. CIMA
4. ERNST & YOUNG NEDERLAND LLP
5. MAZARS
6. PRICEWATERHOUSECOOPERS NV
7. FERROVIAL
8. EUROPAC

Basic materials

1. LUOSSAVAARA-KIIRUNAVAARA AB (LKAB)
2. JSC ATOMREDMETZOLOTO
3. JOHNSON MATTHEY
4. BASF
5. TITAN GROUP
6. OMNIA HOLDINGS

Technology

1. ABENGOA
2. ATOS
3. INDRA
4. SAP
5. KONINKLIJKE PHILIPS NV

Oil and Gas

1. ENI
2. GRUPA LOTOS S.A.

3. ROSNEFT

Healthcare

1. GREENWICH CLINICAL COMMISSIONING GROUP
2. NOVONORDISK

Real Estate

1. DIPULA INCOME FUND
2. THE CROWN ESTATE

Telecommunication

1. KPN
2. VODAFONE

Others

1. ANAS

Public sector

None

Appendix 3. Links of the 15 CARs

Financial services (all retrieved February 29th, 2016)

Achmea <https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2014.pdf>

Assicurazioni Generali S.p.A. http://generali2014.message-asp.com/sites/generali14fin/files/annual_integrated_report.pdf

Oesterreichische Kontrollbank Group
<http://www.oekb.at/en/osn/DownloadCenter/reports/OeKB-Group-Integrated-Report-2014.pdf>

Turkiye Garanti Bankasi A.S
https://www.garantiinvestorrelations.com/en/images/pdf/garanti_bank_annual_report2014.pdf

Utilities (all retrieved March 9th, 2016)

Enagás

<http://www.enagas.es/stfls/ENAGAS/Relación%20con%20inversores/Documentos/JGA/Annual-Report-2014.pdf>

EnBW (Energie Baden-Wuerttemberg)

<http://report2014.enbw.com/fileadmin/ONGB14/Downloadcenter/EnBW-Report-2014-Complete.pdf>

Rosatom

http://www.rosatom.ru/en/resources/3d7bd1804a18ae468f9b8facc34be966/anrep_rosatom_2014_en.pdf

United Utilities <http://corporate.unitedutilities.com/documents/united-utilities-annual-report-2015.pdf>

Consumer goods (all retrieved March 14th, 2016)

Coca Cola Hellenic Bottling Company http://www.coca-colahellenic.com/~media/Files/C/CCHBC/Annual%20Reports/Annual%20Integrated%20Report_2014.pdf

Marks & Spencer

<http://corporate.marksandspencer.com/investors/b73df1d3e4f54f429210f115ab11e2f6>

Nutreco http://www.nutreco.com/globalassets/nutreco-corporate/publications/annual-reports/nutreco_integrated_report_2014_ipdf.pdf

Pirelli

https://www.pirelli.com/mediaObject/corporate/documents/common/investors/annual-report-2014/2014_Annual_Report_EN/original/2014_Annual_Report_EN.pdf

Oil and gas (all retrieved March 21st, 2016)

Eni S.p.A http://www.eni.com/en_IT/attachments/publications/reports/reports-2014/Integrated-Annual-Report-2014.pdf

Grupa Lotos S.A

https://www.unglobalcompact.org/system/attachments/cop_2015/208301/original/LOTOS_2014_Report.pdf?144663858

Rosneft http://www.rosneft.com/attach/0/58/80/a_report_2014_eng.pdf