

Integrated Reporting Disclosures of South African Listed Companies: An Assessment in Conformity with International Integrated Reporting Framework

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Keywords

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JEL Classification

G34; G38; M41; M48

Abstract: The study aims to construct an Integrated Reporting Disclosure Index (IRDI) based on the content elements of the International Integrated Reporting Framework and examine the extent of integrated reporting practices and framework alignment among JSE-listed South African companies. The study is based on a sample of 40 Johannesburg Stock Exchange-listed South African companies over the period from 2017-18 to 2023-24, comprising 280 firm-year observations. The study adopts a descriptive and exploratory research design using secondary data collected from integrated reports of the selected companies. Content analysis has been employed to assess integrated reporting practices based on the content elements of the International Integrated Reporting Framework. An Integrated Reporting Disclosure Index (IRDI) has been constructed using a systematic scoring approach, while descriptive statistics and pivot table analysis have been used for data summarisation and presentation. The findings indicate a substantial improvement in integrated reporting practices among South African companies during the study period, reflecting increasing alignment with the International Integrated Reporting Framework. The study further reveals relatively stronger disclosure practices in governance and assurance-related elements, while variations continue to exist across different reporting elements and companies. The study highlights the importance of comprehensive integrated reporting practices in enhancing transparency, disclosure consistency, and stakeholder communication among companies.

1. Introduction

In the contemporary business environment, corporate reporting has emerged as a vital mechanism for communicating organisational performance, accountability, and value creation to stakeholders. Traditionally, corporate disclosures were predominantly confined to financial statements, emphasising historical financial performance and shareholder returns. However, over time, conventional financial reporting began to face increasing criticism for its inability to capture non-financial dimensions such as environmental performance, governance quality, social responsibility, risk management, and long-term sustainability prospects (Eccles & Krzus, 2010; Jensen & Berg, 2012). The growing expectations of investors, regulators, and other stakeholders consequently intensified the demand for a more comprehensive and forward-looking reporting framework. In response to these limitations, sustainability reporting and other forms of non-financial disclosures gradually gained prominence across the global corporate landscape. Although these reporting practices expanded the scope of corporate communication, they often remained fragmented and disconnected from financial reporting processes, thereby limiting stakeholders' ability to understand how organisations create value over time (de Villiers et al., 2014). The need for a more integrated and holistic reporting approach consequently led to the emergence of Integrated Reporting (IR), which seeks to combine financial and non-financial information into a single, coherent framework reflecting an organisation's strategy, governance, performance, and future outlook. The development and global promotion of Integrated Reporting was significantly advanced by the International Integrated Reporting Council through the introduction of

the International Integrated Reporting Framework (IIRF). The framework emphasised integrated thinking and advocated disclosure practices centered on long-term value creation through multiple capitals, namely financial, manufactured, intellectual, human, social and relationship, and natural capital (IIRC, 2013). Integrated Reporting thus represented a transition from isolated disclosure practices toward a connected reporting model capable of improving transparency, accountability, and stakeholder engagement. Among all countries, South Africa has been widely recognised as the pioneer and global leader in the adoption and institutionalisation of Integrated Reporting practices. The evolution of corporate governance reforms through the King Reports substantially transformed the reporting landscape in the country. In particular, the release of the King III Report in 2009 marked a significant turning point by advocating integrated reporting for companies listed on the Johannesburg Stock Exchange (JSE) under the “Apply or Explain” approach. Unlike traditional reporting systems, the framework encouraged organisations to present an integrated and holistic account of financial and non-financial performance within a single report. Subsequently, the King IV Report further strengthened governance and reporting practices by shifting towards an “Apply and Explain” approach and emphasising outcomes-based governance principles centered on ethical culture, effective control, legitimacy, and good performance (IoDSA, 2009; IoDSA, 2016). Despite South Africa’s globally acknowledged leadership in integrated reporting adoption and its relatively mature reporting environment, the existence of a mandatory reporting regime does not necessarily guarantee uniformity in disclosure practices and framework alignment across companies. Considerable variations may still exist in terms of reporting comprehensiveness, disclosure depth, and adherence to the content elements prescribed under the International Integrated Reporting Framework. In this context, examining the extent of integrated reporting practices among South African companies becomes an important area of investigation, particularly in understanding how effectively organisations align their reporting practices with internationally accepted integrated reporting principles. Against this backdrop, the present study attempts to construct an Integrated Reporting Disclosure Index (IRDI) based on the content elements of the International Integrated Reporting Framework and examine the extent of integrated reporting practices and framework alignment among JSE-listed South African companies. By evaluating reporting disclosures across major content elements over the study period, the research seeks to contribute to the growing body of literature on integrated reporting practices within one of the world’s most advanced integrated reporting environments. Hence, the study seeks to answer the following research questions:

- **RQ1:** In what manner can an Integrated Reporting Disclosure Index (IRDI) be constructed based on the content elements of the International Integrated Reporting Framework?
- **RQ2:** What is the extent of alignment between the integrated reporting practices of JSE-listed South African companies and the International Integrated Reporting Framework?

The present study is guided by the following objectives:

- To construct an Integrated Reporting Disclosure Index (IRDI) based on the content elements of the International Integrated Reporting Framework.
- To examine the extent of integrated reporting practices and alignment with the International Integrated Reporting Framework among JSE-listed South African companies.

2. Review of Literature

The evolution of corporate reporting practices has considerably altered the way organisations communicate with stakeholders regarding their financial and non-financial performance. Conventional financial reporting models were frequently criticised for concentrating primarily on historical financial outcomes while providing limited information regarding sustainability, governance practices, environmental responsibility, and long-term value creation capabilities of organisations (Eccles & Krzus, 2010; Jensen & Berg, 2012; Dumay et al., 2016). As stakeholder expectations expanded beyond purely financial considerations, sustainability reporting and ESG disclosures gradually emerged as important components of corporate communication (George et al., 2016; Bidari & Djajadikerta, 2020). Nevertheless, the separate presentation of financial and sustainability information often resulted in fragmented reporting structures that constrained stakeholders’ understanding of the interrelationship between strategy, governance, performance, and value creation processes (Abeysekera, 2013; Girella et al., 2019). Consequently, Integrated Reporting (IR) emerged as a more comprehensive reporting

approach aimed at integrating financial and non-financial information within a single, connected reporting framework. The development of integrated reporting was significantly strengthened by the International Integrated Reporting Council through the introduction of the International Integrated Reporting Framework (IIRF), which emphasised integrated thinking and long-term value creation through multiple capitals (IIRC, 2013). The theoretical foundations of integrated reporting have also been supported by several established theories, including stakeholder theory, agency theory, legitimacy theory, and institutional theory (Jensen & Berg, 2012; de Villiers et al., 2014; Adams et al., 2016; Vitolla et al., 2020). Stakeholder theory suggests that organisations are increasingly expected to address the information needs of diverse stakeholder groups rather than focusing solely on shareholders (Freeman, 1984). Similarly, agency theory advocates that broader and more transparent disclosures can reduce information asymmetry and agency conflicts between management and stakeholders (Jensen & Meckling, 1976; Frias-Aceituno et al., 2014). Institutional theory further explains how regulatory frameworks, professional norms, and market pressures encourage organisations to adopt similar reporting practices, particularly in environments where integrated reporting has gained formal institutional support (DiMaggio & Powell, 1983; Vaz et al., 2016). Within the global integrated reporting landscape, South Africa occupies a uniquely significant position due to its pioneering role in institutionalising integrated reporting practices. The implementation of the King III Report in 2009 represented a major turning point in corporate reporting by recommending integrated reporting for companies listed on the Johannesburg Stock Exchange (JSE) under the “Apply or Explain” approach. Subsequently, the King IV framework further reinforced integrated thinking and outcomes-based governance practices through the “Apply and Explain” model. As a result, South Africa became one of the earliest and most prominent jurisdictions where integrated reporting evolved from a voluntary communication mechanism into a strongly institutionalised reporting practice (Solomon & Maroun, 2012; de Villiers et al., 2014; Cheng et al., 2014). Owing to this distinctive reporting environment, South Africa has remained a major focus of integrated reporting research relating to disclosure quality, reporting practices, governance, value relevance, and stakeholder communication (Haji & Anifowose, 2016; Setia et al., 2015; Maroun & Prinsloo, 2020). Prior studies have extensively explored various dimensions of integrated reporting, including disclosure quality, determinants of adoption, firm performance implications, and framework implementation practices (Manes-Rossi et al., 2020; Raimo et al., 2020; Vitolla et al., 2020; Busco et al., 2019). While several studies observed that integrated reporting enhances transparency, stakeholder engagement, and value relevance (Knauer & Serafeim, 2014; Serafeim, 2015; Baboukardos & Rimmel, 2016), others argued that the existence of a mandatory or institutionalised reporting regime does not necessarily ensure uniformity in disclosure practices and substantive reporting alignment across firms (Ahmed Haji & Hossain, 2016; Buallay et al., 2020; Melloni et al., 2017). Therefore, despite South Africa’s advanced integrated reporting environment, evaluating the actual extent of reporting practices and alignment with the International Integrated Reporting Framework continues to remain an important area of academic and practical inquiry. In this context, the present study attempts to contribute to the growing body of integrated reporting literature by examining the disclosure practices of JSE-listed South African companies through the construction of an Integrated Reporting Disclosure Index (IRDI) based on the content elements prescribed under the International Integrated Reporting Framework.

3. Research Methodology

3.1. Scope of the Study

The present study examines the extent of integrated reporting practices and framework alignment among JSE-listed South African companies. The study focuses on the Top 40 companies listed on the Johannesburg Stock Exchange (JSE) over the period from 2017–18 to 2023–24. The Integrated Reporting Disclosure Index (IRDI) has been developed based on the content elements prescribed under the International Integrated Reporting Framework (IIRF) to assess the extent of disclosure practices followed by the sample companies.

3.2. Sources of Data

The study is based entirely on secondary data collected from integrated reports, annual reports, sustainability reports, and corporate disclosures published on the official websites of the selected

companies. Relevant literature, research articles, reports, and regulatory publications relating to integrated reporting have also been referred to for conceptual and methodological understanding.

3.3. Sample Design and Sample Size

The sample of the study comprises the Top 40 JSE-listed South African companies selected on the basis of market capitalisation, representing some of the largest and most prominent corporates operating within the South African economy. These companies were further selected based on the availability and consistency of integrated reporting disclosures throughout the study period. Since large listed companies are generally characterised by stronger stakeholder visibility, greater regulatory scrutiny, and relatively advanced reporting practices, the selected sample provides an appropriate setting for examining the extent of integrated reporting practices and framework alignment. The study employs balanced panel data consisting of 280 firm-year observations covering seven consecutive financial years from 2017-18 to 2023-24. South Africa has been selected for the study due to its globally recognised position as one of the earliest adopters of integrated reporting practices under the King governance framework.

3.4. Construction of Integrated Reporting Disclosure Index (IRDI)

The Integrated Reporting Disclosure Index (IRDI) has been constructed using the technique of content analysis based on the disclosure items derived from the International Integrated Reporting Framework (IIRF). The development of disclosure indices has been widely adopted in prior integrated reporting studies for assessing the extent and comprehensiveness of reporting practices (Haji & Anifowose, 2016; Kılıç & Kuzey, 2018; Pistoni et al., 2018; Vitolla et al., 2020). Accordingly, the present study develops a customised IR disclosure index suitable for the objectives and data setting of the study. Although the IIRF provides broad guiding principles and content elements for integrated reporting, the disclosure framework adopted in the present study does not represent an exact reproduction of the original framework. Certain content elements have been merged owing to conceptual similarities, while selected disclosure aspects have been further classified into specific sub-elements to improve analytical comprehensiveness. Additionally, certain important reporting aspects, such as assurance disclosures, have been incorporated separately to provide a more comprehensive assessment of integrated reporting practices. The construction of the disclosure index has therefore been guided both by the IIRF and prior integrated reporting literature. The IRDI comprises seven major disclosure elements, namely Organisational Overview, External Environment, Governance, Strategy and Resource Allocation, Performance, Outlook, and Assurance. Further, these seven disclosure categories have been classified into 26 specific disclosure sub-elements designed to capture the depth, comprehensiveness, and extent of integrated reporting disclosures among the sample companies. The annual integrated reports of the selected companies have been systematically examined using visual content analysis. The scoring framework has been designed using both weighted and non-weighted disclosure approaches, depending upon the nature of disclosure items. Certain indicators have been evaluated using a binary scale ranging from 0 to 1, while selected qualitative disclosure items have been assessed using a three-point scale ranging from 0 to 2 in order to capture differences in reporting depth, transparency, and disclosure comprehensiveness (Branco & Rodrigues, 2008; Hossain & Hammami, 2009; Pistoni et al., 2018). A score of “1” has been assigned where a disclosure item is present and “0” where it is absent. In selected cases, a higher score of “2” has been awarded where the disclosure demonstrates comparatively superior reporting quality and greater informational detail. Based on the scoring structure, Organisational Overview and Strategy & Resource Allocation carried a maximum score of 6 each, Governance and Performance carried 5 and 6 points respectively, External Environment and Outlook carried 4 points each, while Assurance carried a maximum score of 2. Accordingly, the maximum attainable disclosure score for a company in a particular financial year was 33. Thereafter, average disclosure scores were computed to determine the overall extent of integrated reporting practices and framework alignment among the selected South African companies.

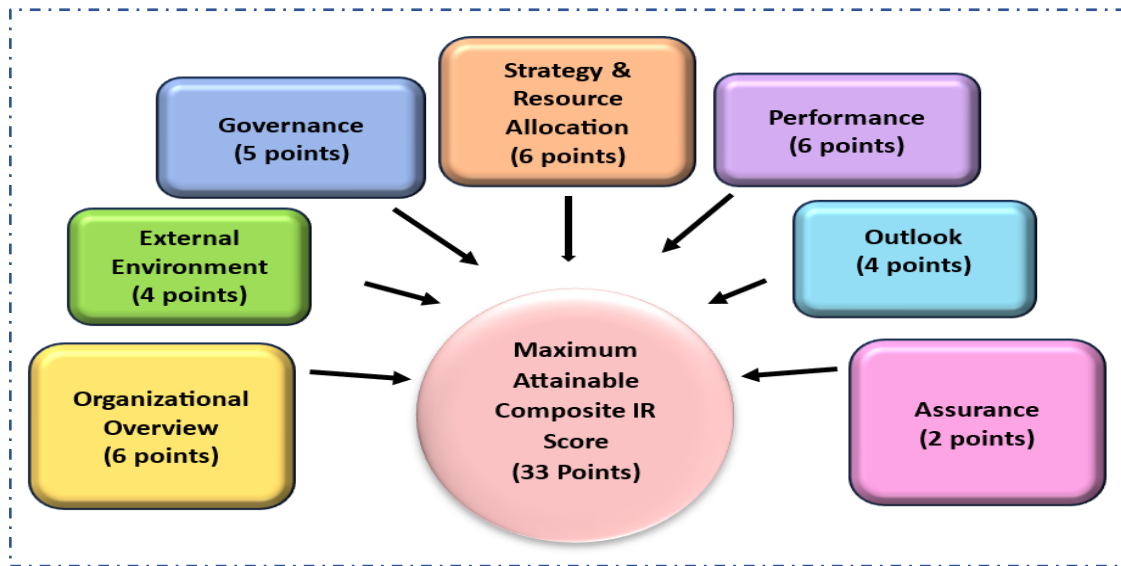


Figure 1- Integrated Reporting Quality Scores
Source: Authors' work.

Table 1: Content Elements and Sub-Elements of Integrated Reporting (IR) Index

PARTICULARS	SCORE
A. ORGANISATIONAL OVERVIEW	6
1. Mission & Vision Statement	2
<i>i. No Statement</i>	0
<i>ii. Mission/Vision</i>	1
<i>iii. Both Mission and Vision</i>	2
2. Value & Culture	2
<i>i. No mention</i>	0
<i>ii. General Comments on Ethical Values and Culture</i>	1
<i>iii. Code of conduct and list of values mentioned along with general comments</i>	2
3. Ownership & Operating Structure	1
<i>i. No mention</i>	0
<i>ii. Structure described</i>	1
4. Principal activities, markets, products, services	1
<i>i. No specification</i>	0
<i>ii. Activities/markets/products/services listed</i>	1
B. EXTERNAL ENVIRONMENT	4
1. Legal, Commercial, Social, Environmental, Political Environment	1
<i>i. No specification/mention</i>	0
<i>ii. Mentioned</i>	1
2. Key Risks & Opportunities	2
<i>i. Nothing specified</i>	0
<i>ii. Risks/Opportunities disclosed</i>	1

PARTICULARS	SCORE
iii. <i>Both risks and Opportunities were disclosed</i>	2
3. Material Issues/determination, impact on creating/preserving values	1
i. <i>No material issue discussion</i>	0
ii. <i>Disclosure of material issue/determination of creating/preserving value considered</i>	1
C. GOVERNANCE	5
1. Leadership structure, diversity, & skill set of those charged with governance	2
i. <i>Nothing mentioned</i>	0
ii. <i>Members of the BoD/Committees listed</i>	1
iii. <i>Members of the BoD/Committees are listed along with their experience and skills</i>	2
2. Specific processes utilised to monitor strategic decisions	1
i. <i>No actions are determinable from narratives</i>	0
ii. <i>Determinable actions</i>	1
3. Executive pay/bribery & corruption norms/political lobbying/ tax strategy	1
i. <i>No mention</i>	0
ii. <i>Mentioning of Executive pay/bribery & corruption norms/political lobbying & tax strategy</i>	1
4. Responsibility taken by those in charge of governance	1
i. <i>No mention</i>	0
ii. <i>List of responsibilities taken by the BoDs</i>	1
D. STRATEGY & RESOURCE ALLOCATION	6
1. Short, Medium, Long-term Objectives	1
i. <i>No mention</i>	0
ii. <i>Strategic objectives with/without a time frame stated</i>	1
2. Implementation plan wrt Business Model	1
i. <i>No mention</i>	0
ii. <i>Specific actions taken/planned are described</i>	1
3. Effect on key capital/risk management arrangements	2
i. <i>Not Mentioned</i>	0
ii. <i>Any one arrangement disclosed</i>	1
iii. <i>Both arrangements were elaborately disclosed</i>	2
4. Stakeholders' consultation & formulating strategies	2
i. <i>No specific details</i>	0
ii. <i>Stakeholders identified</i>	1
iii. <i>Engagement avenues described</i>	2
E. PERFORMANCE	6
1. Key Performance Indicators	1
i. <i>No fixed performance measures</i>	0

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PARTICULARS	SCORE
ii. <i>KPIs or equivalent</i>	1
2. Disclosure of positive and negative effects on the capitals	2
i. <i>No consideration for the 6 capitals</i>	0
ii. <i>Any/Few of the 6 capitals taken into consideration</i>	1
iii. <i>All of the 6 capitals taken into consideration</i>	2
3. Stakeholder's relationships and organisations' response toward their legitimate needs	1
i. <i>No Provision</i>	0
ii. <i>Formation of Stakeholder's Relationship Committee with a list of steps taken to meet their needs</i>	1
4. Linkage with past, current, and Outlook performance	1
i. <i>No linkage provided</i>	0
ii. <i>Linkage provided</i>	1
5. Comparison against regional/ industry benchmarks	1
i. <i>No benchmarks</i>	0
ii. <i>Benchmarks used</i>	1
F. OUTLOOK	4
1. Management's expectations	1
i. <i>No such statement</i>	0
ii. <i>Expectations described</i>	1
2. Likely operating context	1
i. <i>No express consideration given</i>	0
ii. <i>Future context discernible from narrative</i>	1
3. Real risk with extreme consequences	1
i. <i>No mention</i>	0
ii. <i>Provided</i>	1
4. Key assumptions, possible risks	1
i. <i>No consideration given</i>	0
ii. <i>Mentioned</i>	1
G. ASSURANCE	2
1. Mandatory Audit/ Review/ Internal Audit	1
i. <i>No assurance</i>	0
ii. <i>Mandatory audit/ review/ internal audit</i>	1
2. Disclose the individuals involved in the preparation and review of the report	1
i. <i>No Disclosure</i>	0
ii. <i>Mentioned</i>	1
MAXIMUM SCORE (A+B+C+D+E+F+G)	33

Source: Self-compiled.

The above table presents the Integrated Reporting Disclosure Index (IRDI) framework developed for the study based on the content elements of the International Integrated Reporting Framework (IIRF). The index comprises seven major disclosure categories and 26 sub-disclosure elements with a maximum attainable composite score of 33.

4. Results and Discussion

4.1. Reliability Analysis of the IRQ Index

To ensure the reliability and consistency of the disclosure framework adopted in the study, the self-constructed Integrated Reporting Disclosure Index (IRDI) based on visual content analysis has been subjected to reliability assessment (Guthrie et al., 2004; Nguyen et al., 2021). Since the disclosure index has been developed using the content elements of the International Integrated Reporting Framework (IIRF) and the data collection process involved manual examination of integrated reports, establishing the dependability of the measurement instrument becomes essential (Haji & Anifowose, 2016; Nguyen et al., 2021).

In this regard, Cronbach’s Alpha has been employed to examine the internal consistency of the disclosure index for the 40 sample South African companies. The reliability analysis has been conducted based on six major disclosure elements, namely Organisational Overview, External Environment, Governance, Strategy and Resource Allocation, Performance, and Outlook. Although the IRDI comprises seven content elements, the Assurance component has been excluded from the reliability analysis due to the absence of variability in disclosure scores across the sample companies and study period.

Table 2: IRQ Index Reliability Statistics

Cronbach’s Alpha	No. of Items
0.925	6

Source: Self-compiled.

A Cronbach’s Alpha value above 0.90 indicates excellent reliability and strong internal consistency among the items (Nunnally, 1978; George & Mallery, 2003). Since the obtained alpha coefficient is 0.925, the IRQ Index is considered highly reliable and suitable for further statistical analysis.

4.2 Extent of Integrated Reporting (Year-wise Analysis)

Table 2: Year-wise Average IR Compliance Scores

Year	Organisational Overview	External Environment	Governance	Strategy & Resource Allocation	Performance	Outlook	Assurance	Overall IR Quality
2017-18	0.423	0.575	0.790	0.488	0.492	0.500	1.00	0.609
2018-19	0.456	0.650	0.830	0.598	0.592	0.638	1.00	0.681
2019-20	0.583	0.838	0.885	0.773	0.767	0.825	1.00	0.810
2020-21	0.667	0.906	0.950	0.875	0.892	0.931	1.00	0.889
2021-22	0.746	0.956	0.965	0.971	0.946	0.975	1.00	0.937
2022-23	0.813	0.988	0.975	0.979	0.975	0.988	1.00	0.959
2023-24	0.833	0.981	0.965	0.975	0.967	0.988	1.00	0.958
Total	0.646	0.842	0.908	0.808	0.805	0.836	1.00	0.835

Source: Self-compiled.

Table 2 presents the year-wise average Integrated Reporting (IR) compliance scores of the Top 40 South African companies during the period from 2017-18 to 2023-24 across all seven disclosure elements. The results indicate a steady and substantial improvement in integrated reporting practices throughout the study period. The overall IR compliance score increased significantly from 0.609 in 2017–18 to 0.958 in 2023–24, reflecting a strong enhancement in the level of alignment with the International Integrated Reporting Framework (IIRF). The disclosure element Organisational Overview, which primarily focuses on the company’s mission, vision, ownership structure, and principal activities, demonstrates a gradual increase in disclosure score from 0.423 in 2017–18 to 0.833 in 2023–24.

Although the improvement remains consistent over the years, the disclosure level under this category continues to be relatively lower compared to the other reporting elements, suggesting further scope for enhancement in communicating organisational background and strategic identity. The External Environment element records a substantial increase from 0.575 in 2017–18 to 0.981 in 2023-24, indicating that South African companies increasingly emphasise disclosures relating to legal, social, environmental, commercial, and risk-related factors affecting organisational value creation. Similarly, Governance disclosures exhibit consistently high compliance scores throughout the study period, increasing from 0.790 in the initial year to 0.965 by 2023-24. This reflects the strong governance orientation prevailing within the South African corporate reporting environment, particularly with respect to board structure, leadership accountability, executive oversight, and monitoring mechanisms. A remarkable improvement is also observed in the disclosure element Strategy and Resource Allocation, where the average score increased from 0.488 in 2017–18 to 0.975 in 2023–24. The findings suggest that companies have progressively strengthened disclosures relating to strategic objectives, resource deployment, stakeholder engagement, and long-term planning. Likewise, the Performance element demonstrates considerable progress, rising from 0.492 to 0.967 during the study period, indicating enhanced disclosure of KPIs, value creation processes, stakeholder responsiveness, and comparative performance measures. The Outlook category also portrays significant advancement, with disclosure scores increasing from 0.500 in 2017–18 to 0.988 during the last two financial years of the study period. This indicates growing emphasis on future-oriented disclosures, anticipated business conditions, strategic uncertainties, and potential organisational risks. Further, the Assurance element records a perfect disclosure score of 1.00 throughout the study period, highlighting the strong emphasis placed by South African companies on audit, review, and report credibility mechanisms. Overall, the results reveal that South African companies demonstrate a high and progressively improving level of integrated reporting compliance across all major disclosure elements. The consistently rising trend in IR scores indicates increasing institutionalisation of integrated reporting practices within the South African corporate environment. Further, the stabilisation of disclosure scores during the later years of the study period suggests that many firms may have approached a relatively mature stage of reporting alignment under the existing framework.

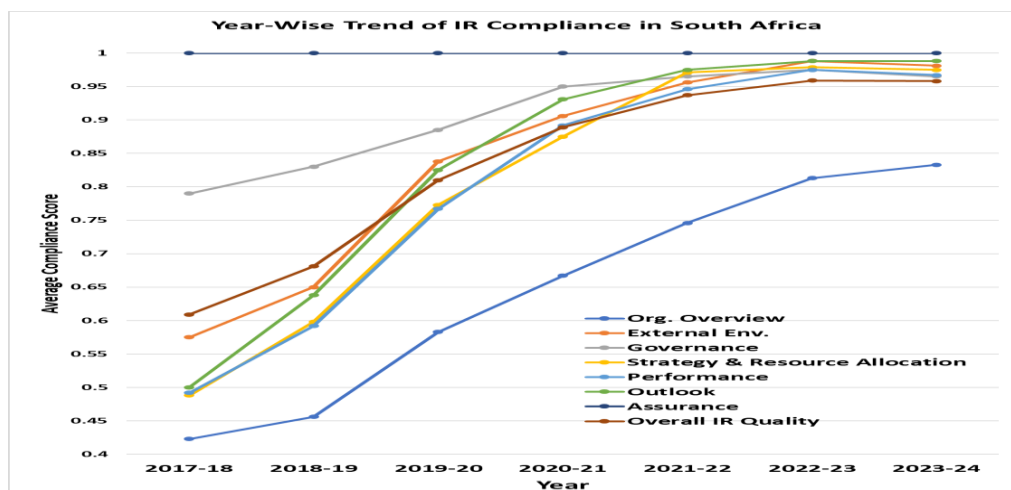


Figure 2: Year-Wise Trend of IR Compliance in South Africa
Source: Self-compiled.

Figure 2 presents the year-wise trend of Integrated Reporting (IR) compliance scores of the Top 40 South African companies across the seven disclosure elements considered under the study. The figure also depicts the movement in the overall IR disclosure score during the period from 2017–18 to 2023–24. An overall rising trend can be observed across almost all the reporting elements, reflecting continuous improvement in integrated reporting practices and increasing alignment with the International Integrated Reporting Framework (IIRF). A comparatively sharper improvement is particularly visible during the period between 2018–19 and 2021–22, where most disclosure categories experienced substantial growth. Elements such as Organisational Overview, External Environment,

Strategy and Resource Allocation, Performance, and Outlook demonstrate consistent upward movement throughout the study period, indicating enhanced comprehensiveness and transparency in corporate disclosures. In contrast, the Governance category maintained relatively high disclosure levels across all the years, while the Assurance element consistently recorded a perfect score of 1.00, reflecting strong emphasis on report credibility and audit-related practices among South African companies. Further, the overall IR disclosure score increased significantly from 0.609 in 2017–18 to nearly 0.96 during the later years of the study period, after which the trend appears to stabilise. This stabilisation may indicate that integrated reporting practices among South African companies have gradually reached a relatively mature stage under the prevailing reporting framework.

4.3 Content Element-wise Average IR Compliance Scores

Table 3 Element-wise Average Integrated Reporting Compliance Scores of South African Companies from 2017-18 to 2023-24

IR Content Elements	Average Score	Standard Deviation	Rank
Assurance	1.00	0.00	1
Governance	0.91	0.07	2
External Environment	0.84	0.17	3
Outlook	0.84	0.19	4
Strategy & Resource Allocation	0.81	0.20	5
Performance	0.80	0.17	6
Organisational Overview	0.65	0.15	7

Source: Self-compiled.

Table 3 provides the average compliance scores of each Integrated Reporting (IR) content element for the sample South African companies during the period from 2017–18 to 2023–24. Along with the average scores, the table also presents the standard deviation and ranking of each disclosure element, thereby offering a comparative understanding of the disclosure priorities and reporting patterns followed by the companies. Among all the disclosure categories, assurance records the highest average score of 1.00 with zero standard deviation, indicating complete uniformity in disclosure practices throughout the study period. The absence of variation suggests that assurance-related disclosures are consistently maintained by all the sample companies. This may largely be attributed to the strong regulatory and governance environment prevailing in South Africa, particularly under the influence of the King IV framework, which emphasises accountability, transparency, audit practices, and credibility of corporate reporting. As a result, disclosures relating to audit, internal review, and report verification appear to have become a standardised reporting practice among South African listed companies. The Governance element secures the second-highest rank with an average score of 0.91 and comparatively low variation. The findings reflect the strong governance orientation embedded within the South African corporate system, where disclosures relating to board composition, leadership structure, diversity, executive oversight, and governance responsibilities are extensively emphasised. The results are consistent with prior studies that highlight South Africa's well-established governance and disclosure environment, shaped by the King governance codes and integrated reporting practices (Baboukardos & Rimmel, 2016; Setiany et al., 2019). The disclosure elements External Environment and Outlook both report relatively high average scores of 0.84, indicating considerable emphasis on contextual and forward-looking disclosures by South African companies. However, Outlook demonstrates slightly greater variability across firms compared to External Environment disclosures. The relatively stronger performance of the External Environment category suggests that companies increasingly recognise the importance of communicating economic, environmental, social, and risk-related conditions influencing organisational value creation. Similarly, the high score under Outlook reflects growing attention towards future-oriented disclosures relating to strategic priorities, expected business conditions, risks, and opportunities. Such reporting practices support stakeholder understanding and contribute towards reducing information asymmetry within the corporate reporting process (Vitolla et al., 2020; Eccles & Krzus, 2018). The Strategy and Resource Allocation element occupies the fifth position with an average disclosure score of 0.81 and moderate variability among firms. The findings indicate that companies have progressively improved disclosures relating to strategic objectives, stakeholder engagement,

resource utilisation, and implementation plans. This reflects increasing alignment of corporate reporting practices with the principles advocated under the International Integrated Reporting Framework (Haji & Anifowose, 2016; Kannenberg & Schreck, 2019). Likewise, the Performance element records an average score of 0.80, accompanied by a relatively low standard deviation, suggesting fairly consistent reporting practices across companies. The disclosure practices under this category indicate increasing emphasis on qualitative and quantitative performance indicators, stakeholder responsiveness, value creation outcomes, and benchmarking against industry standards. The findings support earlier studies, which observed that South African companies actively communicate performance-related information to address stakeholder expectations and improve reporting transparency (Atkins & Maroun, 2015; Baboukardos & Rimmel, 2016). In contrast, Organizational Overview records the lowest average score of 0.65 among all the disclosure elements, despite exhibiting comparatively lower variability. The relatively weaker score suggests that disclosures relating to mission, vision, ownership structure, organisational background, and principal activities are often presented in a brief or generalised manner. Prior literature has similarly indicated that foundational organisational disclosures frequently receive comparatively less emphasis than strategic or governance-related reporting sections (Rinaldi et al., 2018; Lai et al., 2016). Overall, the findings indicate that South African companies demonstrate stronger compliance in structured and regulation-oriented disclosure areas such as assurance, governance, and performance, whereas comparatively lower emphasis is placed on narrative and foundational disclosure components. Although the reporting environment in South Africa reflects a high level of integrated reporting maturity, the results suggest that additional improvements in certain disclosure areas may further strengthen the comprehensiveness and balance of integrated reporting practices.

4.4. Company-wise Analysis of Integrated Reporting Compliance

Table 4 List of Top 10 South African Companies by overall IR Compliance (2017-18 to 2023-24)

Rank	Company	Overall IR Compliance Score (IRQ)
1	British American Tobacco PLC	0.9870
2	Sanlam Ltd	0.9654
3	Nedbank Group	0.9524
4	Mondi PLC	0.9481
5	Old Mutual Ltd	0.9307
6	Vodacom Group Ltd	0.9264
7	Mr. Price Group Ltd	0.9177
8	Woolworths Holding Ltd	0.9048
9	Aspen Pharmacare Holdings Ltd	0.8788

Source: Self-compiled.

Table 4 presents the top 10 South African companies exhibiting the highest overall Integrated Reporting (IR) compliance scores during the study period. The findings reveal that companies such as British American Tobacco PLC (0.9870), Sanlam Ltd (0.9654), and Nedbank Group (0.9524) demonstrate exceptionally high levels of alignment with the International Integrated Reporting Framework (IIRF). The superior disclosure performance of these firms reflects the existence of comparatively advanced reporting mechanisms, strong governance structures, and greater emphasis on transparency and stakeholder communication. Other companies, including Mondi PLC, Old Mutual Ltd, and Vodacom Group Ltd, also report significantly high compliance scores, indicating consistent adoption of integrated reporting principles within the South African corporate environment. The presence of large and highly visible multinational firms among the top-ranked companies suggests that organisations operating under stronger institutional pressure, broader stakeholder scrutiny, and extensive regulatory oversight are more likely to adopt comprehensive disclosure practices (Vitolla et al., 2020; Kannenberg & Schreck, 2019). Further, companies such as Woolworths Holdings Ltd, Aspen Pharmacare Holdings Ltd, and Naspers Ltd also maintain relatively strong reporting performance, despite recording comparatively lower scores than the leading firms. The disclosure practices of these companies may be influenced by increasing expectations relating to ESG reporting, stakeholder accountability, and long-term value communication within sectors such as retail, healthcare, and technology. Overall, the top-ranked companies represent comparatively mature adopters of integrated reporting practices and serve as

important benchmarks for disclosure standards and reporting alignment within the South African corporate sector (Setiany et al., 2019).

Table 5: List of Bottom 10 South African Companies by overall IR Compliance

Rank	Company	Overall IR Compliance Score (IRQ)
31	Anglo American PLC	0.7489
32	Glencore PLC	0.7446
33	Discovery Holdings Ltd	0.7359
34	RMB Holdings Ltd	0.7229
35	Kumba Iron Ore Ltd	0.7100
36	Remgro Ltd	0.7056
37	Impala Platinum Holdings Ltd	0.6840
38	NEPI Rockcastle PLC	0.6537
39	Reinet Investment SCA	0.6494

Source: Self-compiled.

Table 5 highlights the bottom 10 South African companies on the basis of overall Integrated Reporting (IR) compliance scores, indicating comparatively lower levels of alignment with the International Integrated Reporting Framework (IIRF). Among the sample companies, FirstRand Ltd records the lowest overall disclosure score of 0.5974, followed by Reinet Investments SCA (0.6494) and NEPI Rockcastle PLC (0.6537). The relatively weaker scores suggest that the reporting practices of these firms remain more compliance-oriented and comparatively less integrated in terms of non-financial disclosures, governance communication, and long-term value creation narratives (Haji & Anifowose, 2017; Rinaldi, Unerman & de Villiers, 2018). Interestingly, certain large resource-oriented companies such as Impala Platinum Holdings Ltd (0.6840) and Anglo-American PLC (0.7489) also appear within the lower-ranked category. Existing literature has frequently observed that firms operating within extractive and mining industries tend to concentrate more on operational and financial disclosures, while comparatively limited attention is provided towards forward-looking information, sustainability narratives, and multi-capital reporting practices (de Villiers, Rinaldi & Unerman, 2014; KPMG, 2022). Similarly, diversified holding companies, including Remgro Ltd (0.7056) and RMB Holdings Ltd (0.7229), also demonstrate modest levels of IR compliance. One possible explanation may be the complexity involved in integrating consistent disclosures across diversified business segments and subsidiary structures (Lai, Melloni & Stacchezzini, 2017). Mining-based organisations such as Kumba Iron Ore Ltd (0.7100) and Glencore PLC (0.7446) also continue to exhibit comparatively weaker disclosure performance, supporting earlier findings that extractive industries often lag behind in narrative sustainability and integrated reporting disclosures (Eccles & Krzus, 2018). Further, Discovery Holdings Ltd, despite maintaining a strong market presence, records a comparatively lower disclosure score of 0.7359 when compared with other firms within the financial services sector. This may indicate that strong market positioning or innovative business operations alone do not necessarily translate into advanced integrated reporting maturity and comprehensive framework alignment (Vitolla et al., 2020). Overall, the findings suggest that although integrated reporting practices have gained substantial acceptance in South Africa, considerable variations in disclosure comprehensiveness and reporting maturity continue to exist across companies and industries.

5. Findings

- The overall Integrated Reporting (IR) compliance score of South African companies increased significantly from 0.61 in 2017–18 to 0.96 in 2023–24, reflecting an overall growth of nearly 57% during the study period.
- Organisational Overview disclosures showed continuous improvement, with the average score rising from 0.42 in 2017–18 to 0.83 by 2023–24.
- The External Environment element recorded considerable enhancement over the years, improving from 0.58 in 2017–18 to 0.99 in 2022–23, followed by a marginal decline to 0.98 in 2023–24.

- Governance-related disclosures exhibited consistently high compliance levels, progressing from 0.79 in 2017–18 to 0.975 in 2022–23, before slightly declining to 0.965 in the final year of the study.
- The disclosure score for Strategy and Resource Allocation increased substantially from 0.49 in 2017–18 to 0.98 in 2023–24, indicating stronger strategic and stakeholder-oriented reporting practices.
- A notable improvement was also observed in the Performance element, where the average disclosure score increased from 0.49 during 2017–18 to 0.97 by 2023–24.
- Outlook disclosures demonstrated remarkable progress throughout the study period, increasing from 0.50 in 2017–18 to 0.99 during the last two years of analysis.
- The Assurance category maintained a perfect disclosure score of 1.00 across all years, reflecting uniform assurance and audit-related reporting practices among the South African companies.
- Element-wise average IR compliance scores reveal that Assurance achieved the highest average score (1.00), followed by Governance (0.91), External Environment (0.84), Outlook (0.84), Strategy & Resource Allocation (0.81), and Performance (0.80), whereas Organisational Overview reported the comparatively lowest average score of 0.65.
- Among the Top 10 South African companies in terms of overall IR compliance, British American Tobacco PLC secured the highest score (0.9870), followed by Sanlam Ltd (0.9654) and Nedbank Group (0.9524).
- Companies such as Mondi PLC (0.9481), Old Mutual Ltd (0.9307), Vodacom Group Ltd (0.9264), Mr. Price Group Ltd (0.9177), and Woolworths Holdings Ltd (0.9048) also demonstrated consistently strong integrated reporting compliance throughout the study period.
- Within the bottom-ranked companies in terms of overall IR compliance, FirstRand Ltd recorded the lowest score (0.5974), followed by Reinet Investments SCA (0.6494), NEPI Rockcastle PLC (0.6537), and Impala Platinum Holdings Ltd (0.6840).

6. Conclusion

The increasing emphasis on transparency, accountability, and long-term value creation has significantly transformed corporate reporting practices, leading to the growing adoption of Integrated Reporting (IR) across the global business environment. In this context, South Africa has emerged as one of the leading jurisdictions in institutionalising integrated reporting practices through the King governance frameworks and the International Integrated Reporting Framework (IIRF). Accordingly, the present study examined the extent of integrated reporting practices and framework alignment among the Top 40 JSE-listed South African companies during the period from 2017–18 to 2023–24. For this purpose, an Integrated Reporting Disclosure Index (IRDI) was constructed based on the major content elements prescribed under the IIRF. The study employed content analysis, descriptive statistics, and pivot table analysis to assess the disclosure practices of the sample companies. The findings reveal a substantial improvement in integrated reporting disclosures over the study period, indicating increasing alignment with integrated reporting principles and integrated thinking practices. Disclosure areas such as Assurance, Governance, External Environment, and Outlook demonstrated comparatively stronger compliance levels, whereas Organisational Overview and certain strategy- and performance-related disclosures reflected comparatively lower reporting depth. The study further observed that large, internationally visible, and institutionally strong companies generally exhibited higher levels of reporting maturity and framework alignment compared to firms operating in extractive industries and diversified holding structures. The study highlights the importance of strengthening strategic, forward-looking, and value-creation-oriented disclosures to improve the comprehensiveness and consistency of integrated reporting practices. Although South Africa continues to remain one of the most advanced integrated reporting environments globally, variations in disclosure quality across companies indicate that the process of achieving fully integrated and balanced reporting practices is still evolving. The study carries important practical implications for regulators, policymakers, corporate managers, and reporting professionals. The findings highlight the importance of strengthening integrated thinking, improving strategic and forward-looking disclosures, and encouraging more balanced communication across all IR content elements. Further, the study emphasises the necessity of moving beyond mere compliance-based disclosures towards more meaningful, connected, and value-oriented reporting practices. Overall, the study concludes that South Africa continues to remain one of the most advanced

integrated reporting environments globally. Nevertheless, the existence of variations in disclosure comprehensiveness across firms indicates that the journey towards fully integrated, balanced, and stakeholder-oriented reporting practices is still evolving.

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