

**SPANISH ACCOUNTING AND BUSINESS ADMINISTRATION
ASSOCIATION**

“INTEGRATED REPORTING RESEARCH PROJECT”

EMPIRICAL STUDY

**“INTEGRATED REPORTING: FIRST APPLICATIONS. THE SPANISH
CASE”**

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1. JUSTIFICATION

In critical moments like these, where enterprise government systems are inefficient to respond to a difficult economic and social situation, it is essential to make a paradigm shift both from the point of view of systems and processes as from the point of view principles and values.

In this context, the recent years have served, on the one hand, to enhance the value of the informational transparency principle as it applies to companies and economic agents that generate value and wealth for society as a whole, and on the other, to bring concern over the systems used to report on their behavior and economic and social impacts.

At the meeting of the International Integrated Reporting Committee (IIRC) of May 13, 2011 in New York, it was recognized the need to redefine the corporate information methodology in order to respond to new challenges (including the financial crisis) and offer a more complete picture of a increasingly complex business reality. In this sense it was demanded a relevant, clear, concise and interconnected reporting methodology on different aspects of strategic importance, in addition to purely financial reporting, complemented by a greater degree of accessibility for users.

1.1 Integrated reporting

During 2009 various initiatives, organizations and individuals converged on the idea of founding an organization that fostered the development and implementation Integrated Reporting at a global level. Driven by the growing demand for transparency and integrated corporate information (focused not only in the short term but also in the long term), by the problems of sustainability and, to some extent, as a response to the worst economic crisis of recent times, in August 2010 it was formally announced the creation of the International Integrated Reporting Committee (IIRC).

IIRC was founded on need to reduce the Integrated Reporting gaps demonstrated by current models of corporate reporting. It wants to provide a comprehensive view of the behavior and performance of firms in all dimensions of their activities (social, environmental, economic and of corporate governance) together with the risks and opportunities connected with the strategy and business model of the companies.

IIRC mission is formulated as follows: "Creating a global generally accepted framework for Integrated Reporting, which integrates financial, environmental, social and corporate governance reporting, in a clear, concise, consistent and comparable way. Our main objective is to develop a more comprehensive and comprehensible reporting for organizations (both prospective and retrospective in nature) to meet the needs of a sustainable global economy" (www.theiir.org)

1.2 The integrated report

Among the first actions of the IIRC was to draft a model of the Integrated Report to help integrate information relevant to the behavior and range of businesses and to provide a more profound and complete information about the risks and opportunities that they face, specifically in a context that demands a more sustainable global economy.

The Integrated Report should be the main report of the organization, equivalent to the current annual report in many jurisdictions, focusing on the creation and maintenance of value in the short, medium and long term. Each element of the Integrated Report should provide information on the present and future behavior of the company.

To open the debate about the contents of the Integrated Report, the IIRC issued the "Discussion Paper (DP)" on September 12, 2011. Within a certain period (December 2011), all interested parties could send their comments to the guidelines proposed in that guidance document.

The DP proposes principles and contents for the Integrated Report on strategic issues, financial data, corporate governance and sustainability as a first approach to integrated reporting.

At the same time, some large companies have become leaders in corporate reporting. Enterprises such as Phillips Natura and Novo Nordisk have been developing integrated reports for several years. Their reports served as a reference for the first studies on the subject and for the IIRC. Up to the last quarter of 2011, nearly three hundred GRI-G3 reporting organizations, of which 18 are Spanish, have reported their corporate information in an integrated manner.

At this early stage of developing Integrated Reporting and its application through the Integrated Report, we have analyzed the gap between the proposals in the Discussion Paper of IIRC and the first reports published as such by a set of organizations.

For this we have conducted the present empirical study with the objectives, methodology and results shown below.

2. OBJECTIVES OF THE EMPIRICAL STUDY

This empirical study analyzes the differences between the conceptual proposals of the IIRC, embodied in its Discussion Paper, and what it is understood as Integrated Reporting by those companies that have begun to issue integrated reports. That is, we seek to shed some light on the gap or distance between a first conceptual approach and what reporting companies published.

The findings may help identify critical deviations to be corrected, leading to a faster and more accurate normalization of Integrated Reporting in the future.

3. METHODOLOGY

To carry out the study, research was divided in the following phases:

- 1.- Study of the IIRC Discussion Paper to first identify and then develop the most accurate possible variables or basic contents for an Integrated Report.
- 2.- Select a sample of reporting entities with and Integrated Report published in 2010.
- 3.- Develop a set of content-variables to evaluate companies and reporting entities on a Likert scale (1 to 4).
- 4.- Evaluate the sample under the defined Likert scale.
- 5.- Analysis of results.
- 6.- Discussion of the results within the Expert Working Group.
- 7.- Conclusions

4. CONTENT VARIABLES OF THE INTEGRATED REPORT

Six sections have been distinguished:

- 1.- Business and organizational model
- 2.- Context, risks and opportunities
- 3.- Strategic objectives and strategies
- 4.- Corporate governance and compensation
- 5.- Behavior-performance: financial, social and environmental
- 6.- Future vision

The study has identified a number of specific content-variables that were then formulated in terms as concise as possible in order to locate them in the reports analyzed. The content-variables are shown in Table 1.

TABLE 1. Content-Variabes of the Integrated Report

Business Model
Defining the mission
Description of activities, markets, products and services
Identification of key factors (intellectual capital, environmental impact, etc..) And key stakeholders
Attitude to risk
Context
Description / reference to the business context, social, environmental and regulatory environment.
Description of key relationships with internal and external stakeholders (needs and expectations)
Description of key risks and opportunities
Strategic Objectives
Definition of the company's vision
Management of risks related to key resources and key relationships
Definition / identification of strategic objectives
Relationship strategies with other elements
Identification of strategies for differentiation / competitive advantages
Corporate governance and compensation
Description of Corporate Governance
Influence of Corporate Governance in strategic decisions
Influence of Corporate Governance in the remuneration of executives
Performance
Identification of key quantitative indicators and risk behavior (KPIs, KRIs)
Identification of results (financial and nonfinancial)
Comparison of results with past data
Comparison of results with future data
List of KPIs and strategic objectives
Future Development
Description / identification of challenges and opportunities in the future (scenarios)
Reference to the balance of interests / objectives in the short and long term
Reference to results / forecasts

5. STUDY SAMPLE

The sample of “companies” and “organizations” on which the analysis was carried out includes all Spanish entities that up to the survey date (October 2011) had recorded their 2010 Annual Report on the Global Reporting Initiative (GRI) with the distinction of Integrated Report (Table 2).

The Integrated Report distinction is established by the reporting entity, without any validation by the GRI. For this reason there was a preliminary check to validate if the report met the minimum requirements of an integrated report (i.e. present both financial and nonfinancial information -environmental, social and corporate governance- together with audit reports and verification requirements) or if it just presented a sustainability or corporate social responsibility report.

The result of this check is shown in Table 2. Two of entities in the sample have not published an Integrated Report according to our criteria, but only a Sustainability Report. Another of the shortlisted entities was also dismissed for failure to make accessible its report at the time of our study.

Finally, the sample included in the company Indra, which although has developed its Integrated Report in accordance with the requirements of the study, for reasons unknown had not registered their GRI report at the time of the study (nonetheless, the GRI issued a certificate validating Indra report as early as May 11, 2011).

For analysis purposes the sample was segmented into two groups: 11 “for-profit companies” and 5 “non-profit organizations”.

6. TABLE OF CONTENT-VARIABLES

After establishing the content-variables and selecting the sample of companies and organizations a Likert scale analysis table was constructed. The 4 values defined for the analysis are:

Value 1: Information not included in the report published

Value 2: Information included in the published report although not precise and / or incomplete.

Value 3: Information included in the published report is precise but somewhat incomplete.

Value 4: Information included in the report is fairly accurate and complete.

Each individual report was analyzed assigning each content-variable a value of the scale, creating at the same time a small database to locate each content in the report together with some comments (Table 3).

After all values were included we calculated the averages for the entire sample and segmented for-profit “companies” and non-profit “organizations” based on the results.

TABLE 2: Study sample ([see link](#))

NAME	SEGMENT	SECTOR	COUNTRY	NAME OF THE REPORT	INTEGRATED (GRI)	GRADE	STATUS	COMMENTS
Abengoa	Private company	Other	Spain	Informe Anual 2010	Yes	A+	GRI-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
AECA	Non-profit organization	Non-Profit / Services	Spain	Memoria AECA 2010	Yes	A+	GRI-checked	One document with CSR + Financials + Corporate Governance
BBVA (Banco Bilbao Vizcaya Argentaria)	Private company	Financial Services	Spain	Informe Integrado 2010	Yes			One document with CSR + Financials + Corporate Governance
Caja Laboral	Private company	Financial Services	Spain	Informe Responsabilidad Social 2010	Yes	A+	Third-party-checked	Lacks financial information
COLEGIO OFICIAL DE ECONOMISTAS DE ARAGON	Non-profit organization	Non-Profit / Services	Spain	Memoria Social Corporativa 2010	Yes	C	Self-declared	One document with CSR + Financials + Corporate Governance
Consejo General de Colegios Oficiales de Farmacéuticos de España (Redfarma)	Non-profit organization	Healthcare Services	Spain	Informe de sostenibilidad 2010	Yes	A	GRI-checked	One document with CSR + Financials + Corporate Governance
Criteria CaixaCorp	Private company	Financial Services	Spain	Informe Anual 2010	Yes	A+	GRI-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
EDP Renováveis	Private company	Energy Utilities	Spain	Informe Anual 2010	Yes	A+	Third-party-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
Enagas	Private company	Energy	Spain	Informe Anual 2010	Yes	A+	GRI-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
ESTEVE	Private company	Healthcare Products	Spain	Memoria de Sostenibilidad 2010	Yes	A+	GRI-checked	Lacks financial information
Grupo ACS	Private company	Construction	Spain	Informe Anual 2010	Yes	A+	GRI-checked	One document with CSR + Financials + Corporate Governance
Grupo Antena 3	Private company	Media	Spain	Informe anual y de RSC 2010	Yes	A+	GRI-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
IBERIA AIRLINES OF SPAIN	Private company	Aviation	Spain	Informe Anual 2010	Yes	A+	Third-party-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
Inditex	Private company	Retailers	Spain	Informe Anual 2010	Yes	A+	Third-party-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
ONO	Private company	Telecomm.	Spain	Informe Anual 2010	Yes	B	GRI-checked	Inside the annual report: three sections - one document with CSR + Financials + Corporate Governance
Promic	Private company	Waste Management	Spain	Not found	Yes	A	Self-declared	Not found
Universidad Internacional de Andalucía (UNIA)	Public institution	Universities	Spain	Memoria de Responsabilidad Social 2009-2010	Yes	B	Self-declared	One document with CSR + Financials + Corporate Governance
University of Cádiz	Public institution	Universities	Spain	Memoria del curso 2010-2011	Yes	B+	Third-party-checked	All online.Can not be downloaded. Includes CSR + Financials + Corporate

7. ANALYSIS OF RESULTS

The results discussed are:

- A- Average score of the full set of content-variables for all entities
- B- Average score of the full set of content-variables for the companies segment
- C- Average score of the full set of content-variables for the organizations segment
- D- Average score of the full set of content-variables for each entity
- E- Average score of each of the six content sections for each entity
- F- Average score of each content-variable for all entities
- G- Average score of each content-variable for the companies segment
- H- Average score of each content-variable for the organizations segment

The average score of all content-variables for all organizations (A) is 3.17, which broadly reflects that the contents of reports published by Spanish companies and organizations are well adjusted to the proposals of the IIRC, although they do not capture some of the issues covered in the IIRC's Discussion Paper (DP).

The average score for content-variables for the companies segment (B), 3.42, is considerably higher than the average score for the entities segment (C), 2.66, thus showing a higher degree of compliance of the first in regards to the recommendations of the DP. (See Table 4, Table 5 and Chart 1)

TABLE 3: General chart of content-variables (see link)

Companies and organizations ⁽²⁾	Abengoa	AECA	BBVA	Colegio Economistas Aragón	Criteria Caixa Corp	EDP Renováveis	Enagas	Grupo ACS	Grupo Antena 3	Iberia	ONO	Indra	ONO	Redfarma	UNIA	Universidad de Cadiz	Average for each content-variable
Business Model	4.00	3.25	3.75	2.75	4	4	4	4	3.75	4	3.75	3.5	4	3.25	3.25	2.75	3.63
Defining the mission	4	4	3	2	4	4	4	4	4	4	3	2	4	4	4	4	3.63
Description of activities, markets, products and services	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	3	3.94
Identification of key factors (intellectual capital, environmental impact, etc...) And key stakeholders	4	4	4	4	4	4	4	4	3	4	4	4	4	4	4	3	3.88
Attitude to risk	4	1	4	1	4	4	4	4	4	4	4	4	4	4	1	1	3.06
Context	4.00	3.00	4.00	2.33	4.00	4.00	4.00	3.00	3.00	3.33	4.00	3.33	3.33	2.00	2.00	1.33	3.17
Description / reference to the business context, social, environmental and regulatory environment.	4	4	4	2	4	4	4	4	2	2	4	3	2	3	1	1	3.00
Description of key relationships with internal and external stakeholders (needs and expectations)	4	4	4	4	4	4	4	4	3	4	4	4	4	2	4	2	3.69
Description of key risks and opportunities	4	1	4	1	4	4	4	1	4	4	4	3	4	1	1	1	2.81
Strategic Objectives	3.80	3.40	3.60	2.20	3.40	4.00	4.00	3.40	3.60	3.60	3.60	3.40	3.60	2.60	3.00	1.80	3.31
Definition of the company's vision	4	4	3	1	4	4	4	4	4	4	3	3	4	4	4	1	3.44
Management of risks related to key resources and key relationships	4	1	4	4	4	4	4	1	4	4	4	3	4	1	1	1	3.00
Definition / identification of strategic objectives	4	4	4	4	4	4	4	4	4	4	4	4	4	3	4	3	3.88
Relationship strategies with other elements	4	4	4	1	4	4	4	4	4	4	4	4	4	3	4	3	3.69
Identification of strategies for differentiation / competitive advantages	3	4	3	1	1	4	4	4	2	2	3	3	2	2	2	1	2.56
Corporate governance and compensation	4.00	3.00	4.00	3.00	3.33	4.00	4.00	3.00	3.00	3.67	4.00	3.00	3.00	2.67	3.00	2.00	3.29
Description of Corporate Governance	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4.00
Influence of Corporate Governance in strategic decisions	4	4	4	4	4	4	4	4	4	4	4	4	4	3	2	1	3.63
Influence of Corporate Governance in the remuneration of executives	4	1	4	1	2	4	4	1	1	3	4	1	1	1	3	1	2.25
Performance	2.20	3.80	3.80	3.80	2.20	3.40	3.40	3.60	3.20	3.00	2.80	3.00	2.20	2.60	2.80	2.20	3.00
Identification of key quantitative indicators and risk behavior (KPIs, KRIs)	2	4	4	4	2	4	4	3	4	3	3	3	1	3	3	2	3.06
Identification of results (financial and	2	4	4	4	2	4	4	3	3	3	3	3	3	3	3	2	3.13
Comparison of results with past data	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4.00
Comparison of results with future data	1	3	3	3	1	1	1	4	1	1	1	2	1	1	1	1	1.63
List of KPIs and strategic objectives	2	4	4	4	2	4	4	4	4	4	3	3	2	2	3	2	3.19
Future Development	3.00	2.67	2.67	2.00	3.00	3.00	3.00	4.00	1.67	3.00	3.00	3.00	2.00	1.33	2.67	2.33	2.65
Description / identification of challenges and opportunities in the future (scenarios)	4	4	4	4	4	4	4	4	2	4	4	4	3	2	4	2	3.56
Reference to the balance of interests / objectives in the short and long term	4	1	1	1	3	1	4	4	2	4	4	4	2	1	3	1	2.50
Reference to results / forecasts	1	3	3	1	2	4	1	4	1	1	1	1	1	1	1	4	1.88
Average for each entity	3.50	3.19	3.64	2.68	3.32	3.73	3.73	3.50	3.04	3.43	3.53	3.21	3.02	2.41	2.79	2.07	3.17

TABLE 4: For-profit companies (see link)

Companies ⁽²⁾	Abengoa	BBVA	Criteria CaixaCorp	EDP Renováveis	Enagas	Grupo ACS	Grupo Antena 3	Iberia	Inditex	Indra	ONO	Average for each content-variable
Business Model	4.00	3.75	4	4	4	4	3.75	4	3.75	3.5	4	3.89
Defining the mission	4	3	4	4	4	4	4	4	3	2	4	3.64
Description of activities, markets, products and services	4	4	4	4	4	4	4	4	4	4	4	4.00
Identification of key factors (intellectual capital, environmental impact, etc..) And key stakeholders	4	4	4	4	4	4	3	4	4	4	4	3.91
Attitude to risk	4	4	4	4	4	4	4	4	4	4	4	4.00
Context	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.33	4.00	3.33	3.33	3.64
Description / reference to the business context, social, environmental and regulatory environment.	4	4	4	4	4	4	2	2	4	3	2	3.36
Description of key relationships with internal and external stakeholders (needs and expectations)	4	4	4	4	4	4	3	4	4	4	4	3.91
Description of key risks and opportunities	4	4	4	4	4	1	4	4	4	3	4	3.64
Strategic Objectives	3.80	3.60	3.40	4.00	4.00	3.40	3.60	3.60	3.60	3.40	3.60	3.64
Definition of the company's vision	4	3	4	4	4	4	4	4	3	3	4	3.73
Management of risks related to key resources and key relationships	4	4	4	4	4	1	4	4	4	3	4	3.64
Definition / identification of strategic objectives	4	4	4	4	4	4	4	4	4	4	4	4.00
Relationship strategies with other elements	4	4	4	4	4	4	4	4	4	4	4	4.00
Identification of strategies for differentiation / competitive advantages	3	3	1	4	4	4	2	2	3	3	2	2.82
Corporate governance and compensation	4.00	4.00	3.33	4.00	4.00	3.00	3.00	3.67	4.00	3.00	3.00	3.55
Description of Corporate Governance	4	4	4	4	4	4	4	4	4	4	4	4.00
Influence of Corporate Governance in strategic	4	4	4	4	4	4	4	4	4	4	4	4.00
Influence of Corporate Governance in the remuneration of executives	4	4	2	4	4	1	1	3	4	1	1	2.64
Performance	2.20	3.80	2.20	3.40	3.40	3.60	3.20	3.00	2.80	3.00	2.20	2.98
Identification of key quantitative indicators and risk behavior (KPIs, KRIs)	2	4	2	4	4	3	4	3	3	3	1	3.00
Identification of results (financial and nonfinancial)	2	4	2	4	4	3	3	3	3	3	3	3.09
Comparison of results with past data	4	4	4	4	4	4	4	4	4	4	4	4.00
Comparison of results with future data	1	3	1	1	1	4	1	1	1	2	1	1.55
List of KPIs and strategic objectives	2	4	2	4	4	4	4	4	3	3	2	3.27
Future Development	3.00	2.67	3.00	3.00	3.00	4.00	1.67	3.00	3.00	3.00	2.00	2.85
Description / identification of challenges and opportunities in the future (scenarios)	4	4	4	4	4	4	2	4	4	4	3	3.73
Reference to the balance of interests / objectives in the short and long term	4	1	3	1	4	4	2	4	4	4	2	3.00
Reference to results / forecasts	1	3	2	4	1	4	1	1	1	1	1	1.82
Average for each company	3.50	3.64	3.32	3.73	3.73	3.50	3.04	3.43	3.53	3.21	3.02	

TABLE 5: Non-profit organizations

Organization ⁽²⁾	AECA	Colegio Economistas Aragón	Redfarma	UNIA	Universidad de Cadiz	Promedios de cada variable
Content-variables(n)						
Business Model	3.25	2.75	3.25	3.25	2.75	3.05
Defining the mission	4	2	4	4	4	3.60
Description of activities, markets, products and services	4	4	4	4	3	3.80
Identification of key factors (intellectual capital, environmental impact, etc..) And key stakeholders	4	4	4	4	3	3.80
Attitude to risk	1	1	1	1	1	1.00
Context	3.00	2.33	2.00	2.00	1.33	2.13
Description / reference to the business context, social, environmental and regulatory environment.	4	2	3	1	1	2.20
Description of key relationships with internal and external stakeholders (needs and expectations)	4	4	2	4	2	3.20
Description of key risks and opportunities	1	1	1	1	1	1.00
Strategic Objectives	3.40	2.20	2.60	3.00	1.80	2.60
Definition of the company's vision	4	1	4	4	1	2.80
Management of risks related to key resources and key relationships	1	4	1	1	1	1.60
Definition / identification of strategic objectives	4	4	3	4	3	3.60
Relationship strategies with other elements	4	1	3	4	3	3.00
Identification of strategies for differentiation / competitive advantages	4	1	2	2	1	2.00
Corporate governance and compensation	3.00	3.00	2.67	3.00	2.00	2.73
Description of Corporate Governance	4	4	4	4	4	4.00
Influence of Corporate Governance in strategic decisions	4	4	3	2	1	2.80
Influence of Corporate Governance in the remuneration of executives	1	1	1	3	1	1.40
Performance	3.80	3.80	2.60	2.80	2.20	3.04
Identification of key quantitative indicators and risk behavior (KPIs, KRIs)	4	4	3	3	2	3.20
Identification of results (financial and nonfinancial)	4	4	3	3	2	3.20
Comparison of results with past data	4	4	4	4	4	4.00
Comparison of results with future data	3	3	1	1	1	1.80
List of KPIs and strategic objectives	4	4	2	3	2	3.00
Future Development	2.67	2.00	1.33	2.67	2.33	2.20
Description / identification of challenges and opportunities in the future (scenarios)	4	4	2	4	2	3.20
Reference to the balance of interests / objectives in the short and long term	1	1	1	3	1	1.40
Reference to results / forecasts	3	1	1	1	4	2.00
Average for each organization	3.19	2.73	2.46	2.82	2.08	

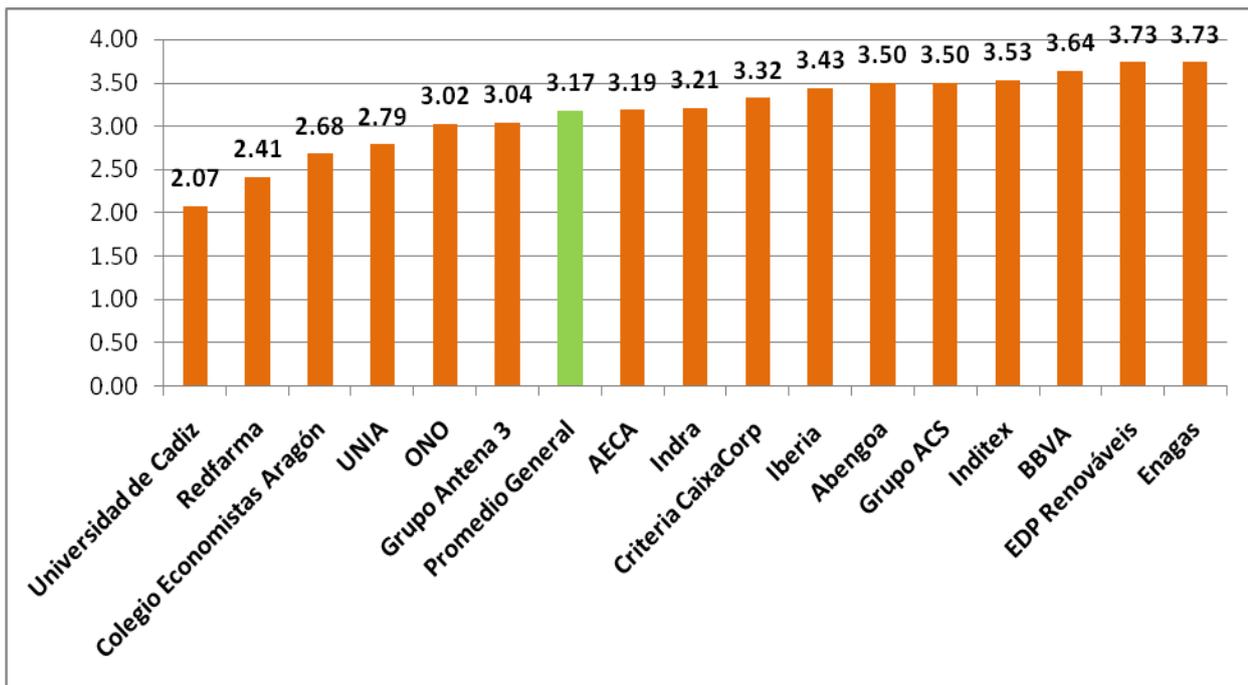
FIGURE 1: Overall average score for each segment



The average score of all content-variables for each entity (D) moves between the 2.07, for University of Cadiz, with inaccurate or limited information, and 3.73 for two companies, EDP Renovaveis and Enagas, containing very complete and detailed information given IIRC’s DP guidelines.

Only two companies (ONO and Antena 3) get an average score below the overall average, and only one organization (AECA) has a score above the overall average. That is, without these exceptions, companies are above the overall average while organizations are below the overall average. (Table 3 and Figure 2)

FIGURE 2: Average score for each entity



From the analysis of the average score of each of the six sections for all entities (E) we can observe that there are two companies with a high degree of compliance with the contents proposed by the DP. These two companies obtain a maximum value of 4 points in four of the six sections of content identified. These companies are Enagas and EDP Renováveis. (Table 3).

It is possible to see also that the sections of content-variables relating to Strategic Objectives and Business Model bring the highest scores for most companies and organizations. The section Business Model is the highest, with 3.63 points. It also shows that the Performance variables block (3) and Future Developments (2.65) are the only ones with a mean value lower than the average set of variables (3.17). (Figure 3)

The analysis of the average score for each section for all organizations (F) shows that the section Business Model reached the highest average score (3.63), while the lowest average score (2.65) was for Future Developments. (Table 3)

CHART 3: Average score of each content-variable for all entities in the sample

Figure 3.1: Business model

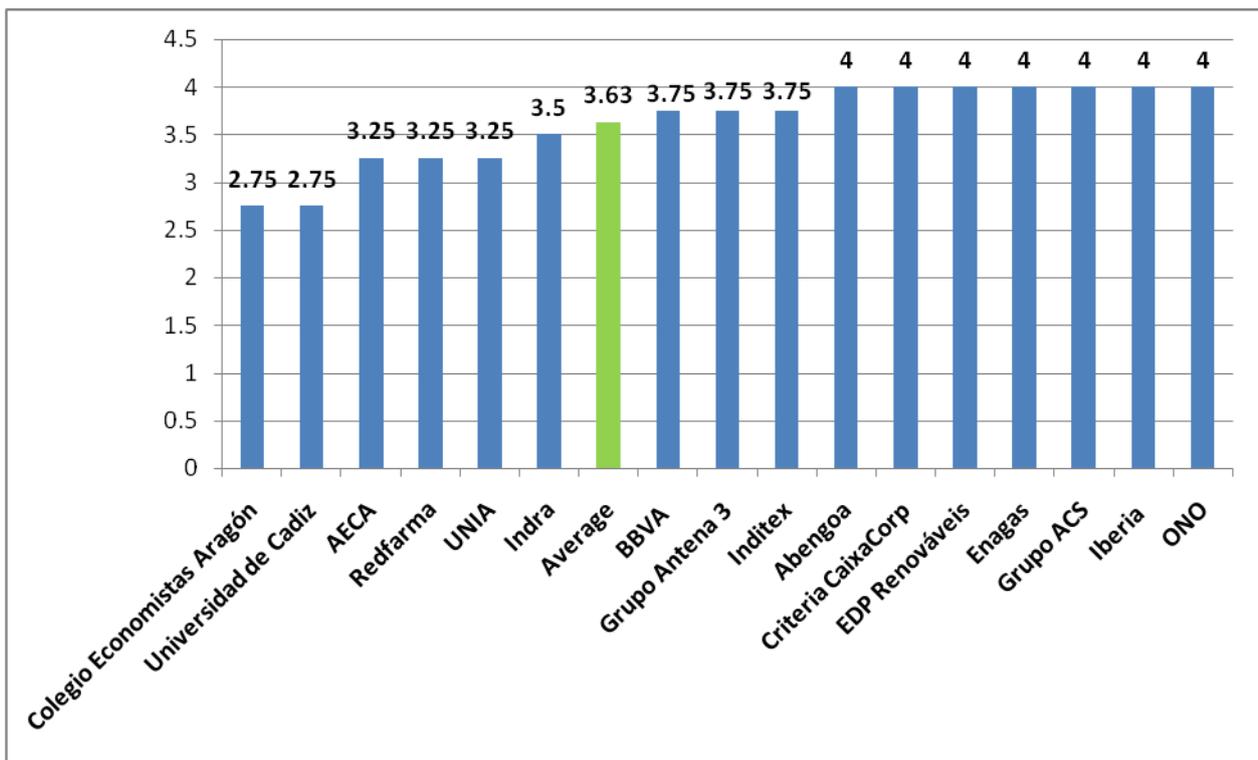


Figure 3.2: Context

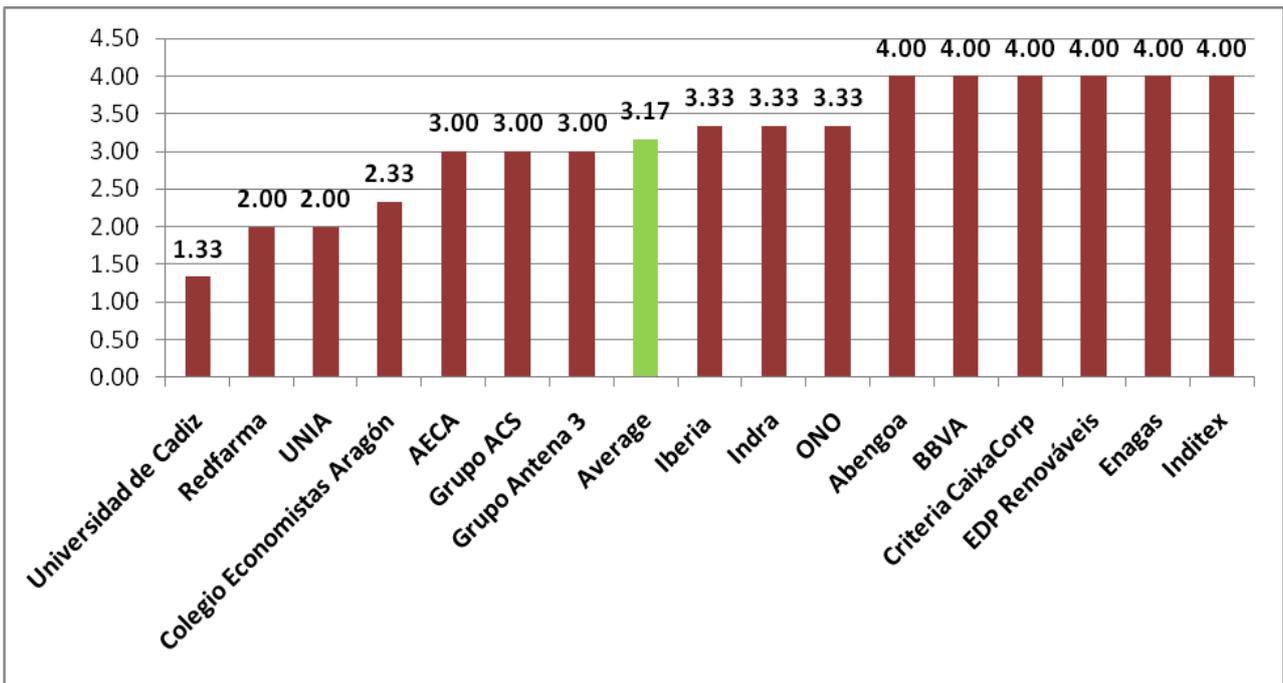


Figure 3.3: Strategic objectives

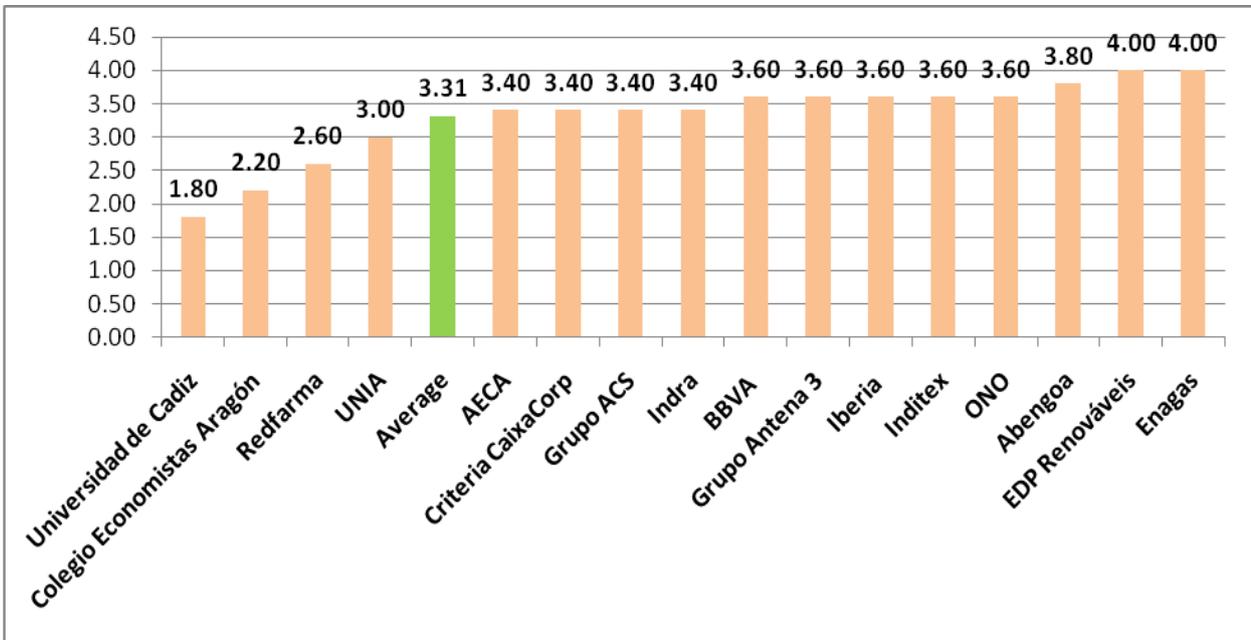


Figure 3.4: Corporate governance and remuneration

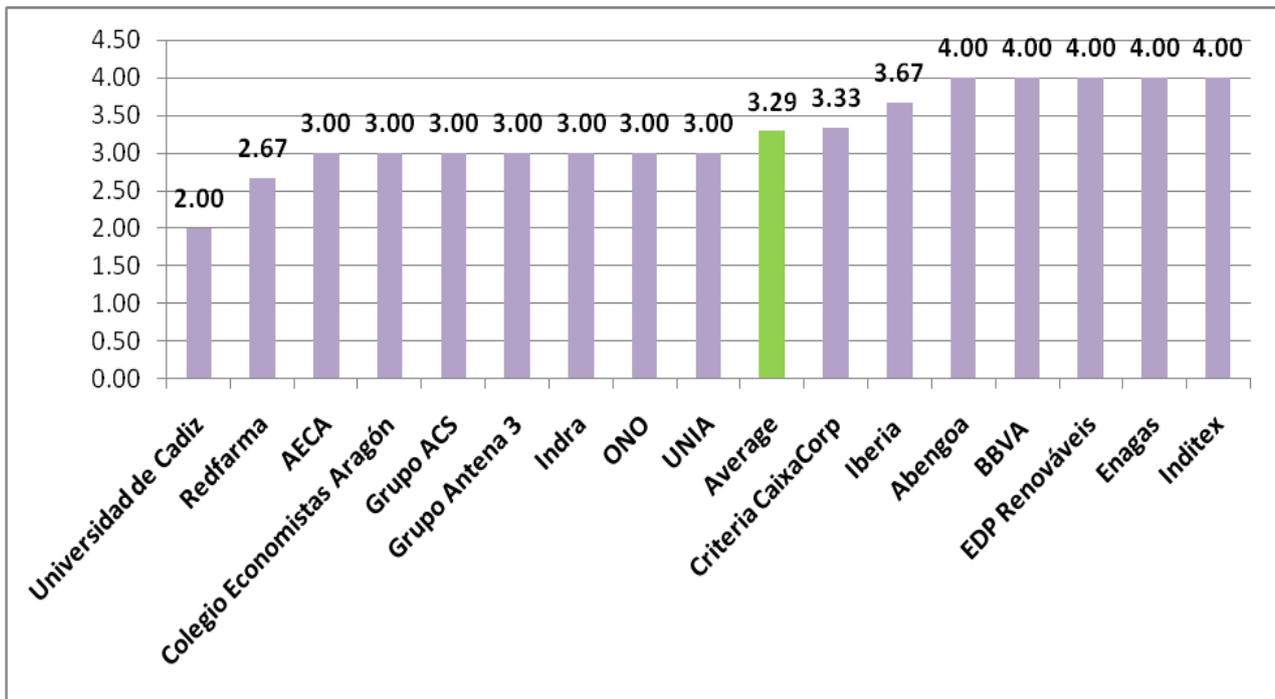


Figure 3.5: Performance

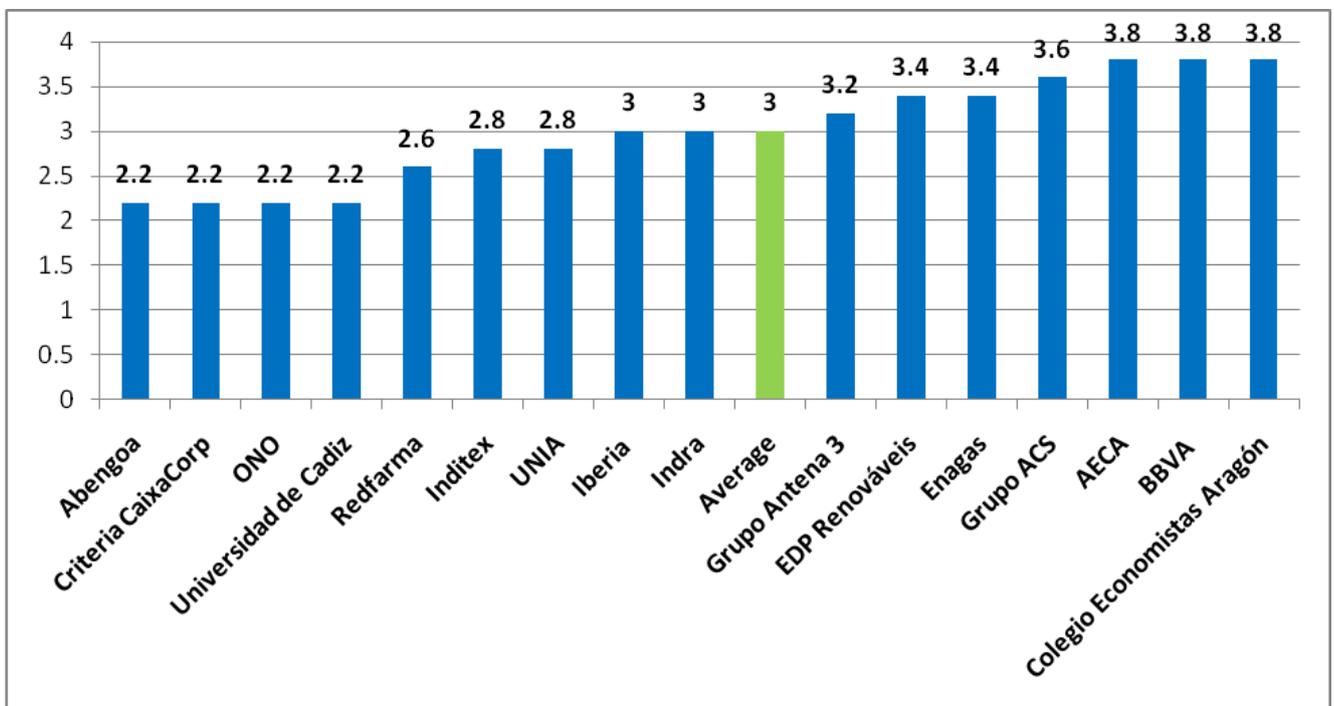
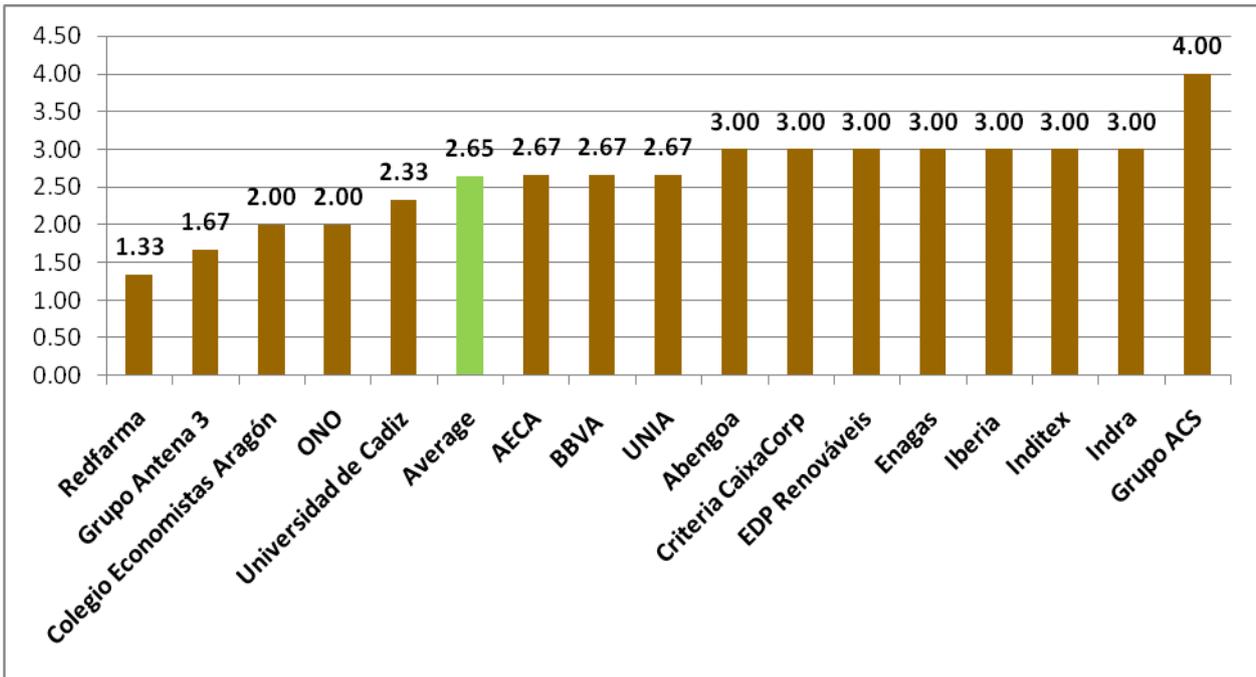
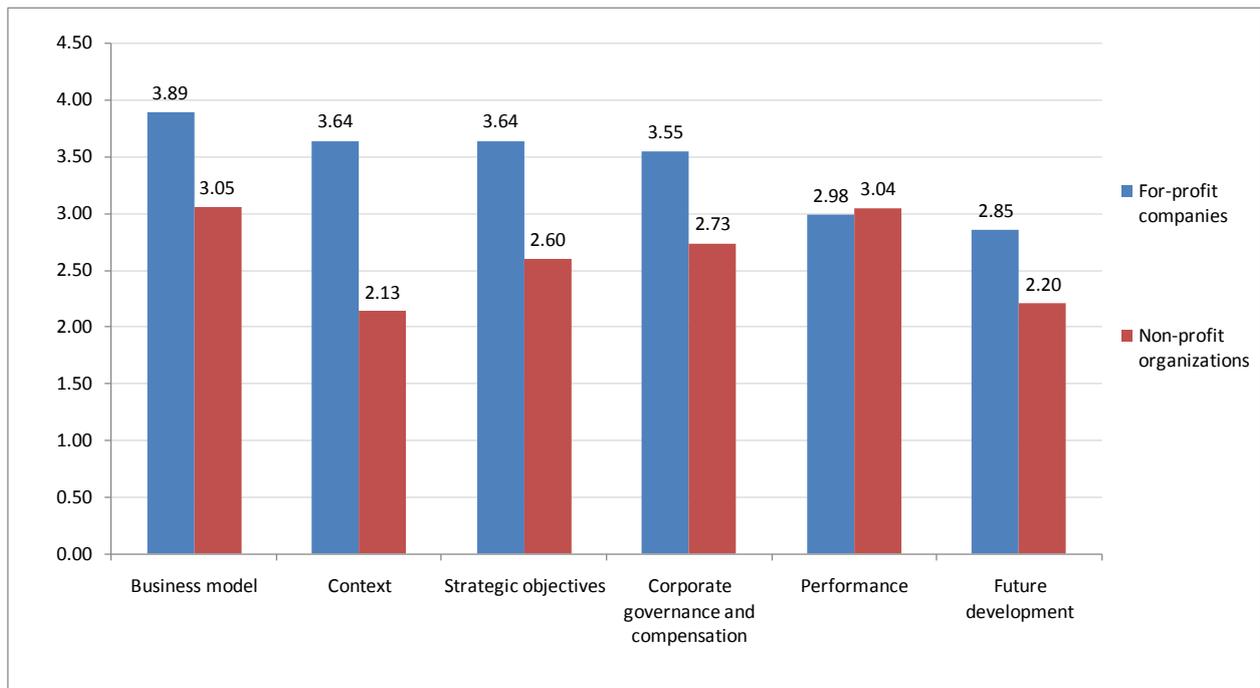


Figure 3.6: Future development



A comparison of the average scores for each section for companies and organizations (Figure 4) shows that the biggest difference between them can be found in the section Context, where companies get a 3.64 score compared to a score of 2.13 for organizations. Moreover, we note that only in one of the blocks, Performance, the average of the organizations (3.04) exceeds that of companies (2.98).

FIGURE 4: Average score of content areas for the two segments of entities



In terms of specific content-variables, Corporate Governance Overview and Comparison of results with past data show a top score (4.00). By contrast, the content-variables that show the worst averages are Comparison of results with future data (1.63) and Reference to results / Future Development (1.88). (Table 3)

The average score of each content-variable for the companies segment (G) shows the maximum value (4) for seven variables: Description of activities, markets, products and services, Attitude to risk, Definition / identification of strategic objectives, Relationship strategies with other elements, Description of corporate governance, Corporate governance influence on strategic decisions, and Comparison of results with past data. By contrast the lowest average score (1.55) is for the content-variable Comparison of results with future data. (Table 4)

Finally, the average score of each content-variable for the organizations segment (H) shows lower values for the business segment getting two maxima (4) variables for Corporate Governance Overview and Comparison of results with past data and the minimum value (1) for the risk attitude variables and description of major risks and opportunities. (Table 5)

8. CONCLUSIONS

1- The study sample shows that:

- i) Companies and entities that declare they have published an Integrated Report are a minority, representing 28.5% of the total of 56 organizations that until now have reported their GRI 2010 report.
- ii) However, given that the concept of Integrated Report was introduced recently and that its final structure has to be clearly defined, the fact that 16 Spanish organizations have declared their preference for this report shows significant interest in the concept.
- iii) The integrated report concept is not only interesting for big public traded corporations but also for non-profit sector organizations. Therefore such organizations should be considered as potential recipients of the guidelines for Integrated Reporting.
- iv) Contrary to what happened when sustainability reports were introduced, there is not a predominance of a particular sector among the sample of companies interested in the Integrated Reporting concept.

2 - Of the 16 organizations in the sample, 12 (75%) presented also external verification of their financial information. This indicates that organizations interested in the Integrated Report are also sensible to the quality of their reporting.

3 - In general, reporting organizations do not indicate in their report's title the concept of "Integrated Report". The most common term is "Annual Report". Moreover, the extension of the reports analyzed varies depending on the entity and its activity. No specific pattern was identified in regards to the sector or size of the reporting entities.

4 - Integrated reports of the sample group are normally the sum of a number of different reports: financial report + sustainability report + corporate governance report. The integrated report appears as a voluntary exercise to put together various previously existing reports, rather than a specific effort to present integrated information in a relevant, diverse and cohesive way.

5 - Information on the content-variables is scattered throughout the various reports and not presented in an integrated manner. It is therefore difficult to locate. None of the reports analyzed presented contents according to the IIRC Discussion Paper's proposal (shown in Table 1 of the study).

6 - Although leading reporting organizations have generally accepted the importance of the audit and external verification of corporate information, such part of the reporting process has not been identified by the DP (Table 1).

7 - In general terms, integrated reports of companies and other Spanish institutions include the proposed contents of the Discussion Paper IIRC. However, the company segment achieved a significantly higher score than the segment of non-profit organizations (which in turn showed an average lower than the overall average). This means that for-profit companies are closer to the model proposed by the IIRC than non-profit organizations.

8 - Except for two cases, for-profit companies are above average in accuracy and completeness of the contents of the composite report, while non-profit organizations, except for one case, fall below the average.

9 - Among the reports analyzed, the areas describing the Business Model and Strategic Objectives of the entities are the most accurate and complete (score values above the overall average). By contrast, Corporate Governance and Future Developments are those which get scores below the overall average, especially the Future Developments (only one company got an above average score).

10 - The segment of companies has its most outstanding scores on Business Model, Context, Strategic Objectives and Corporate Governance and Compensation, while Performance and Future Developments are less accurate and complete, with values below the overall average (3.17).

11 - The segment of non-profit organizations does not reach the overall average for any of the content areas. Only the contents on the Performance area are slightly higher than the results obtained by the business segment, but do not exceed, in any case, the overall average.

12 - The greater distance between scores of for-profit companies and non-profit entities is in the Context area which relates to a lower concern for the competitive environment by nonprofits.

13 - The specific content areas Comparison of Results with Future Data and Reference to Results / Forecasts obtained the worst scores for all organizations, while Corporate Governance Overview and Comparison of Results With Past Data achieved the highest

rating for all organizations. Forward-looking reporting is therefore a great challenge for Integrated Reporting.

14 - The segment of non-profit entities obtains the lowest average score in the Risk Attitude and Description of Major risks and Opportunities content-variables, which may reveal the less competitive and more stable structure of nonprofit entities (compared to for-profit companies).

15 - Finally, the inclusion of so-called key indicators Key Performance Indicators (KPIs, KRIs) of a qualitative nature is not widespread, being also very disparate classification and treatment, making it very difficult to compare across organizations.

9. REFERENCES

- International Integrated Reporting Committee (IIRC). www.theiirc.org Discussion Paper (DP) www.theiirc.org/the-integrated-reporting-discussion-paper/
- Global Reporting Initiative (GRI). www.globalreporting.org

10. SUMMARY OF TABLES AND FIGURES

TABLE 1. Content-Variables of the Integrated Report

TABLE 2: Study sample

TABLE 3: General chart of content-variables

TABLE 4: For-profit companies

TABLE 5: Non-profit organizations

FIGURE 1: Overall average score for each segment

FIGURE 2: Average score for each entity

FIGURE 3: Average of each content-variable for all entities in the sample

Figure 3.1: Business model

Figure 3.2: Context

Figure 3.3: Strategic objectives

Figure 3.4: Corporate governance and remuneration

Figure 3.5: Performance

Figure 3.6: Future Development

FIGURE 4: Average score of content areas for the two segments of entities