

Chapter 8

Incorporating the International Integrated Reporting Framework in the Corporate Reporting Ecosystem: A Case-Based Study from Bangladesh



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Abstract This chapter delves deep into the International Integrated Reporting Framework (IIRF) in the voluntary corporate disclosure context of Bangladesh, following a case study approach. Commencing with a detailed historical sketch of the evolution of Integrated Reporting IR in Bangladesh, this chapter attempts to point out some crucial challenges faced in its implementation. In doing so, the chapter critically compares the latest integrated annual report published by the IDLC Finance Limited using the IR framework under three different dimensions: the content elements, the six capitals with linkage to the SDGs, and the seven guiding principles of the framework. The findings suggest a promising future for IR adoption in the corporate communication ecosystem of Bangladesh in a bid to support the growth of a transparent and efficient capital market. The analysis also reflects positively on the management of IDLC Finance Limited in its attempt to incorporate advanced concepts of ‘Integrated Thinking’ and long-term value creation within a sustainable business model. The chapter serves as a valuable source of reference for the policymakers, especially those involved in the Bangladesh Securities and Exchange Commission, and the academicians who want to see a broader picture of the evolution of IR in a South Asian economy like Bangladesh that has experienced a significant economic upsurge in recent years.

Keywords Bangladesh · IDLC Finance · Integrated reporting · Integrated thinking

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8.1 Introduction

Traditional financial reporting cannot adequately represent the long-term value of a business to its investors and other stakeholders. A compelling call to action for businesses in a dynamic environment urges them to be proactive of their responsibilities towards society. Organizations publish different reports under different labels such as Sustainability Reports and Corporate Social Responsibility (CSR) Reports. The majority of these reports concern the environment and society in general. Nevertheless, they are criticized due to their lengthy and sophisticated representation (de Villiers et al. 2014, p. 1043). Most of the criticisms hold that these reports have disconnected, compartmentalized elements that hinder basic connectivity within the departments of an organization. To answer the queries of different stakeholders and to satisfy them with a blend of financial and non-financial information, Integrated Reporting (IR) emerged in the corporate communication arena more than a decade ago, addressing all these inadequacies and reimagining the corporate reporting of tomorrow. The Institute of Directors in South Africa (IoDSA) pioneered IR before the International Integrated Reporting Council (IIRC) did, the latter of which is a global entity responsible for preaching IR as the worldwide standard for reporting. The formal committee known as the IIRC was founded in August 2010, and later became the international coalition of regulators, investors, standard setters, accounting bodies, and other stakeholders that work together to create a global compact on an organization's ability to create long-term value (IIRC 2011, p. 3). The Pilot Program (2011) allowed corporations to run trials of IR, and in December of 2013, the International Framework for IR was made accessible to any firm worldwide to freely adopt as their corporate reporting framework (IIRC 2013a). After being first published in 2013, the first-ever updated framework is now accessible through the IIRC from January 2021. The new framework's basic ideas and guiding principles remain intact for organizations worldwide, encompassing nearly 2500 firms in over 70 countries as the IR reporter (IIRC 2021). Bangladesh, the country of concern in this chapter, is one of those 70 countries where the reporting revolution in the form of IR has taken place and is evolving. Recently, Navarrete-Oyarce et al. (2022) studied five Chilean companies to understand the reasons behind adopting IR and deciphering the benefits associated with it. They have listed several perceived benefits of adopting IR such as reduced cost and increased efficiency, increased transparency, simplicity in presentation, better benchmarking with local and international adopters and meeting international legal requirements. Okwuosa and Atkins (2022) discussed the meaningfulness of IR from preparer-centric and user-centric view points and asked to reconcile the perceived differences to harness the intended benefits of IR.

Recently, Bangladesh has successfully completed the process of being upgraded from a least developed nation to the lower-middle-income category in 2015, effectively meeting all the basic requirements in March 2018. The consulting company PwC estimates that Bangladesh will make it to the 23rd largest economy in the world by the year 2050, and according to the forecasts published by The Goldman Sachs Group, Inc., Bangladesh will be one of the nations in the "N11" that would

rule the global economy in the future, (PwC 2019, p. 4). Apart from the developments mentioned, Bangladesh is a unique case for sustainability due to several related incidents. One important wake-up call for policymakers of Bangladesh in ensuring sustainability was the Rana Plaza incident on 24th April 2013. After the tragic incident of Rana Plaza, there has been growing concern from customers and other stakeholders who want to know what companies are doing to ensure sustainability within the entire value chain. Bangladesh also faces the threat of climate change which becomes crystal clear from the latest Global Climate Risk Index (CRI) 2021. Bangladesh ranks as the seventh most climate change vulnerable country, which is an added threat to the nation's economic sustainability. Bangladesh lost approximately \$3.72 billion from 2000 to 2019 due to climate change-related issues, and in future, this will only increase if the government does not implement proper sustainable solutions (Climatelinks 2018). Bangladeshi companies face an extended internal business process that often delays the project approvals and their effective implementation (ADB 2022). Therefore, Bangladesh faces major challenges ahead of sustaining its promising economic outlook and ensuring that all operations within the business environment are carried out with sustainability issues in mind.

One of the critical areas in the broader sustainability arena is corporate sustainability. When investors assess the sustainability of an emerging economy like Bangladesh, they rely, most often, on corporate annual reports. However, traditional corporate reports are not designed to showcase companies' sustainability and long-term value creation capabilities. Instead, they mainly showcase financial statements, but add some formality by including discussions with management that are linked to value creation and exploitation of those firms' different intangibles or intellectual capitals. In simple terms, there is no integrated thinking process evident within the firm to prove that all departments work together, breaking the silos of the departments to create and disclose value created for investors and subsequently, other stakeholders. This is where the timely intervention of a new corporate reporting framework called the IR framework comes into play. Initially, the IR framework was adopted in South Africa, and later gained popularity in other countries with the growing concern of regulatory bodies with improving the quality of disclosures, more specifically, in an integrated manner. Moreover, recently Setia et al. (2022), after analysing research articles published from 2010 to 2021 focusing on IR and sustainability, argued that the provision for sustainability related disclosure has been increased by the adopters of IR. In line with the above arguments, this chapter aims to discuss the following research issues:

1. Demonstrating the recent interest shown by the prime corporate reporting regulatory organ in Bangladesh, ICAB regarding voluntary adoption of the IR framework in Bangladesh.
2. Examining the disclosure pattern of the leader in IR in Bangladesh—IDLC Finance Limited, to understand how it has successfully incorporated the IR framework in its corporate reporting.
3. Pointing out some of the possible challenges that might arise in the future concerning the adoption of the IR framework in Bangladesh.

How IR has gained popularity in a voluntary disclosure regime like Bangladesh is an exciting area to focus on in the South Asian context. This chapter explains how IDLC Finance Limited, the pioneer in IR in Bangladesh, has adopted this new corporate reporting paradigm. More specifically, the chapter underlines the lessons that can be learned from the reporting practices of IDLC Finance Limited, which might be used as a best-case scenario for other companies who are still not sure about the concept of and the benefits derived from IR practice. Several empirical studies (Islam 2021; Dey 2020; Mohammad 2019; Islam and Islam 2018; Nakib and Dey 2018) have focused on the relationship between firm performance, corporate value, and market growth and the former adoption of IR practices in Bangladesh and they create positive vibes among the leading corporate firms. This chapter extends the scope of previous studies by incorporating an analysis of the leading IR reporter in Bangladesh and links it with the IR framework for a clearer understanding of the journey towards adopting this new reporting paradigm.

For the ease of understanding of the readers, the rest of this chapter is organized into several sections. Section one sketches the IR journey in Bangladesh with a brief literature review. Section two discusses the movements towards IR adoption in Bangladesh, followed by a sectoral analysis of IR reporters, shedding light on the leading IR reporters of Bangladesh and some recent developments in this area. Section three brings the research methodology and discusses the relevance of using the case study approach. Then, three interrelated sections follow. Section four discusses IDLC's integrated report with respect to the content elements of the IIRC framework, section five discusses on the SDGs and the Six Capitals integration, and section six compares IDLC's adherence to the IIRC's guiding principles. Section seven brings discussion that highlights the important findings in the light of previous works of literature in the field of IR, and some challenges towards IR in Bangladesh have been mentioned as well. Finally, the chapter ends with the conclusion in section eight.

8.2 A Brief Timeline of IR in Bangladesh

The emergence of IR in Bangladesh dates back to 2013 when a few banks listed on the Dhaka Stock Exchange voluntarily applied the IR framework in their annual reports (Dey 2020). In 2015, the first regulatory form of initiative related to IR took place in Bangladesh. The national accounting and auditing standards-setting body of Bangladesh, the ICAB, circulated a disclosure checklist where the IR framework of the IIRC had been incorporated. After that, the leading companies listed on the Dhaka Stock Exchange started to follow the circulated disclosure checklist, and some of them became exemplary in preparing an annual integrated report. The momentum accelerated one year later when the International Integrated Reporting Council crowned IDLC Finance Ltd, a Bangladesh-based leasing company, with the title of "Best Integrated Report" in Asia in the financial service category for their annual report of 2016 (Islam 2021). The series of incidents mentioned here

demonstrates a growing pattern of interest in voluntarily adopting IR as a corporate reporting paradigm in Bangladesh.

Prior works of literature also confirm the growing popularity of IR in Bangladesh. Islam and Islam (2018) analysed the top eleven multinational companies listed on the Dhaka Stock Exchange with respect to their disclosure of IR practices in their annual reports from 2013 to 2015. Using manual content analysis, they demonstrated that the sample companies had started following IR practices but only in the form of CSR disclosure, not as a fully fledged integrated report guided by the IIRC. Their study found an overall IR disclosure percentage of 69, 77, and 79% in 2013, 2014, and 2015. Nakib and Dey (2018), in another parallel study of IR practices in Bangladesh, considered Dhaka Stock Exchange 30 companies as the sample, covering the years 2014–2016. They used fifty items under eight subcategories in their index, which was developed following the framework provided by IIRC for a content analysis of the integrated reports, or, in absence of those, the annual reports. They showed that the overall compliance rate increased to 61.48% from 45.11% within the three years of their study period. These numbers represent a growing consciousness among corporate managers and other stakeholders regarding the importance of IR as a decision-support system. Mohammad (2019) identified that most banks commenced disclosing sustainability and IR from 2012 to 2017 in Bangladesh. He also notes that IR disclosure in the banking industry is increasing rapidly, although significant variations in disclosure patterns are observed.

8.2.1 Movements Towards IR Adoption in Bangladesh

As the previous section discussed the brief timeline and some literature regarding IR in Bangladesh, this section sheds light on further developments and movements of different industries towards voluntary adoption of the IR framework. After the circulation of the disclosure checklist by the ICAB regarding IR, many companies in Bangladesh started to disclose the information mentioned in that checklist. Nevertheless, one particular company, IDLC Finance Limited, has proactively adopted the advanced concepts of the IR framework, such as integrated thinking and decision-making based on exploiting the six capitals. Not surprisingly, IDLC's effort was also recognized by the IIRC. As mentioned earlier, IDLC was recognized as an exemplary IR reporter in Asia in the financial service category in 2016, as has been included in the IIRC's database of exemplary IR reporters. Apart from IDLC Finance Limited, there are other IR reporters in the different industrial sectors of Bangladesh. For example, in the NBFIs sector, LankaBangla Finance Limited has been producing its annual integrated report since 2017. In the pharmaceuticals sector, Orion Pharma Ltd. has been leading the field of IR reporting since 2016. A sectoral analysis of the fully adopted IR reporters in Bangladesh has been summarized in the following section. Thus, the discussion leads to strengthening the argument that more and more companies now understand the importance of quality corporate disclosures, even voluntarily, that will benefit them positively in the long run.

8.2.2 Sectoral Analysis of IR in Bangladesh

Although the banking sector has dominated IR in Bangladesh, other companies from various sectors are joining the movement towards adopting the integrated framework of corporate reporting. The following table provides a brief sectoral analysis of the current scenario of IR reporters in Bangladesh (see Table 8.1):

Table 8.1 shows the number of companies listed under different industries and the companies showing IR related disclosures. One thing that should be clear is that the number of IR reports demonstrating fully fledged compliance with the IIRC's IR framework is lower than the companies that are partially disclosing IR related issues. In this case, companies partially or fully following/disclosing IR are both considered to be IR preparers. As seen in Table 8.1, the banking industry has the highest percentage of companies adopting IR as their reporting framework, followed by the ceramics industry. Financial institutions, also known as the NBFIs industry, are slowly experiencing adoption of the IR paradigm. In the Telecommunication sector, Robi Axiata Limited, the second-largest telecom service provider in Bangladesh, has only recently adopted the IR framework, leading to this industry's 33% adoption rate. One critical incident to note here is that Robi Axiata Limited is the first company in Bangladesh that has debuted its annual reporting journey on 31st December 2020, by 100% compliance with the IIRC's IR framework, and it will be exciting to see how the other telecom giant, Grameenphone Limited, responds to this move. Another interesting fact to note from Table 8.1 is that the tannery industry, an environmentally sensitive one, has not witnessed IR amongst any of its companies. Of all the industries given in Table 8.1, this is the worst regarding voluntary adoption/disclosure of the IR framework. Thus, the above is a fruitful area for further study as to why the tannery industry is not showing any proactive measures to adopt IR, which is a tool for achieving accountability in actions towards ensuring sustainable business operations. Overall, the sectoral analysis reveals that all companies voluntarily follow the IR approach to presenting their annual reports. Albeit, the number might be higher if the IR framework was endorsed by the capital market regulator, the Bangladesh Securities and Exchange Commission.

Table 8.1 Sectoral analysis of IR reporters in Bangladesh as of 2021

Industry	Total number of listed companies	Companies adopting the IR approach	Percentage of total (%)
Bank	31	15	48
Financial Institutions	23	6	26
Cement	7	1	14
Ceramics	5	2	40
Telecommunication	3	1	33
Tannery	6	0	0

Source Author's own construction using the annual reports

8.2.3 *Leading IR Reporters of Bangladesh and Recent Developments*

The prime accounting body of Bangladesh, the ICAB, has been regularly arranging an event entitled “ICAB Best Presented Annual Reports” since 2001, and the extent and scope of this event has expanded massively over the last decade. ICAB has continuously added new categories of annual reports where it figures out the best performer for a particular year and recognizes it with a crest and a certificate in the presence of the finance minister of Bangladesh, senior dignitaries, business leaders, and academicians who were involved in the evaluation process where the champion annual reports were chosen. From 2015 onwards, the ICAB has added the best presented integrated report as a separate category in this event. Table 8.2 summarizes the top-performing IR reporters in Bangladesh from the year 2015 to 2019:

As Table 8.2 represents, IDLC Finance Limited has been the leading performer in IR in Bangladesh from the very beginning, as is evident from its strong presence in the first position from 2015 till 2018. Most recently, in 2019, Lanka Bangla Finance Limited has come first in the IR category, and hence it can be easily perceived that competition among the financial companies to establish their footprints in the world of IR is increasing gradually. The banking sector is also doing very well in producing exemplary integrated reports, as evident from their strong presence in the best presented IR list in Table 8.2. Surprisingly, except for the financial and banking industry, no other sectors are represented in this list, which means that IR practice in Bangladesh is taking place only on a “lead by example” basis. This means that if the market-leading company adopts the IR framework within an industry, only then would other smaller rival firms also start mimicking its behaviour. This is a prime example of corporate legitimacy theory where firms will legitimize their activities by following social demand and peer group pressures. A similar sentiment was echoed by Vitolla et al. (2020a, b), where the authors argue that the quality of internal reporting

Table 8.2 Best presented annual integrated reporters of Bangladesh

Year	First position	Second position	Third position
2015	IDLC Finance Ltd.	Bank Asia	Prime Bank
2016	IDLC Finance Ltd.	Green Delta Insurance	United Commercial Bank Ltd.
2017	IDLC Finance Ltd.	BRAC Bank Ltd.	Bank Asia and Islami Bank Ltd.
2018	IDLC Finance Ltd.	BRAC Bank Ltd.	Bank Asia and Lanka Bangla Finance
2019	Lanka Bangla Finance Ltd.	IDLC Finance Ltd.	Bank Asia and BRAC Bank Ltd.
2020	IDLC Finance Ltd.	Lanka Bangla Finance Ltd.	Bank Asia

Source Author’s own construction using the ICAB Newsletters

becomes critical for the social legitimization of big and prosperous organizations and serves as a barometer of management's value creation attitude.

Moving to the international arena, the annual integrated reports of the companies listed in Table 8.2 have won several awards from global and regional accounting bodies as well. To cite some, in 2019 alone, Bangladeshi companies scored the highest in eight categories of the South Asian Federation of Accountants (SAFA) best presented annual reports (Star Business Desk 2020). This symbolizes transparency and accountability in the progressive companies in Bangladesh, and in many cases, they are the trend setters. This striving towards the highest ethical standards of governance, compliances, and disclosures of broader stakeholders' information in the form of an integrated report is quite promising for a country like Bangladesh. Apart from being the champion in the IR category, IDLC Finance limited is also the winner of the SAARC Anniversary Award for Corporate Governance. Lanka Bangla Finance was crowned the first runner-up in the SAARC Anniversary Award for Corporate Governance and the second runner-up in the IR category. These recent achievements demonstrate Bangladeshi companies' growing concern, especially among financial industries, to adopt the globally recognized IR framework as their prime disclosure policy.

8.3 Methodology

Understanding the IR framework's adoption process in Bangladesh requires a critical analysis of a particular entity that leads this field. Several studies conducted in other country settings have followed a case study approach with a focus on a particular entity to understand its approach towards the adoption of the IR framework (see Brusca et al. 2018; Manes-Rossi 2018; Veltri and Silvestri 2015). With this in mind, this chapter has selected the annual report of IDLC Finance Limited and critically evaluated several disclosures, graphical visuals, and forward-looking statements from the board representing the company's viewpoint on the IR framework and, as deemed appropriate, drawn references to other sources. To be more specific, the chapter addresses the incorporation of the IR framework into IDLC from three different dimensions. First, a comparison between the IIRC's and IDLC's IR content elements have been thoroughly discussed. Second, a critical reflection on the six capitals mentioned in the IR framework has been carried out based on the report of the IDLC. Finally, the degree of adherence of the IDLC's IR to the IIRC guiding principles has been addressed to confirm that IDLC has adopted the guiding philosophy of the IR framework fully. Hence, this chapter adopts a case study approach. The author believes that the chapter will serve the purpose for which it has been written: that is, to provide the reader with a deeper understanding of the current practices of IR disclosures in the corporate annual reports in Bangladesh, particularly of the leading company in this area. The case study approach makes this chapter an essential reference point for global audiences looking for an in-depth analysis of the IIRF in the context of a developing economy, by focusing on a single entity. The entity

chosen for the case study, IDLC Finance Limited, has won the crown for the best presented annual report in the South Asian region several times. As evident from Table 8.2, IDLC Finance has been the pioneer in IR in Bangladesh and has been a global example of best practices in this area. Here, the Integrated Annual Report 2020 and 2021 of IDLC Finance Ltd. has been taken into consideration, and they were the latest one available at the time this study was conducted.

8.4 IDLC Integrated Report Versus IIRC Framework: Eight Content Elements

This section of the chapter draws attention to a critical comparison between the IIRC's IR framework and the IDLC's Annual Integrated Report of 2021. This comparison is essential to understand how IDLC has been complying with the essential content elements that are vital elements of an integrated report. A tabular analysis is presented under the eight content elements for ease of comparison, as shown in the IR framework. IIRC's framework also considers the general reporting guidelines on the disclosure of material matters, short-, medium- and long-term aggregation and disaggregation as an essential part of the eight different content elements. The comparison presented in Table 8.3 also comprises a different section dedicated to analysing this particular item. The table underlines the fact that the content elements highlighted by the IDLC's integrated annual report fully comply with the required elements shown by the IIRC in its framework.

To be more specific, Table 8.3 shows that IDLC Finance has explained to its stakeholders the company's story for the year 2020 concisely and effectively. Since 2020 was a year badly hit by the COVID-19 pandemic, the desire of stakeholders to know the particular actions the firm has undertaken were also addressed in the relevant areas. Recently, García-Sánchez et al. (2020) found IR to be the most ideal instrument to portray the pandemic's business-level implications, owing to its adaptability and capacity to provide a comprehensive view of corporate management. IDLC disclosed the risk response area separately, with a special section dedicated to the risks faced due to the COVID-19 pandemic, while the actions taken to recover have also been highlighted. Talking about the business model, IDLC follows an integrated business model where integrated thinking and value creation with the effective utilization of the six capitals are demonstrated. IDLC reinforced that their business activities are aligned with their core values and guided by their governance framework during the entire cycle. Figure 8.1 reveals the IDLC's integrated business model that shows a comprehensive visual example of the discussions summarized in Table 8.3. Thus, the integrated business model of IDLC serves as an example of incorporating integrated thinking into a business model, a process of value to other companies.

Table 8.3 Comparison between the IIRC's and the IDLC's content elements

Eight content elements	1. Organizational overview and external environment	IIRC's IR Framework	IDLC's annual integrated report of 2021
		The organization's mission and vision Key quantitative information Significant factors affecting the external environment and the organization's response	Straight forward mission and vision statements with a link to strategic objectives are highlighted Financial metrics with appropriate discussion from management attract the attention of stakeholders very effectively Influences of the external environment have been elaborated with a constant focus on value enhancements. During the COVID-19 pandemic of 2020, the company highlighted its responses with detailed information
	2. Governance	The organization's leadership structure Specific processes and particular actions Remuneration and incentives	IDLC maintained a separate section on Corporate Governance that clarifies the leadership structure within the company The value creation process and its link with the different governance actors have been closely identified with easy-to-understand graphical visuals Remuneration, incentives, and other related factors have been an integral part of the Human Capital section
	3. Business model	Inputs Business activities Outputs Outcomes	A comprehensive business model with clear identification of the significant inputs, business activities, outputs, and outcomes are thoroughly explained with the help of visually appealing theoretical discussions that have explicitly incorporated "Integrated Thinking"
	4. Risks and opportunities	The specific sources of risks and opportunities The organization's assessment of risks The particular steps taken to manage risks	Separate disclosures on risk response with a special section dedicated to the risks faced due to the COVID-19 pandemic have been discussed Specific actions taken to address the risks and a rigorous assessment of the risks using a risk assessment model were highlighted
	5. Strategy and resource allocation	The organization's strategic objective The resource allocation plan The linkage between them	IDLC derives its strategic objectives from its mission statement, and using managerial discussions throughout the report, the resource allocation plans are highlighted How the strategic objectives will help accomplish the SDGs has been well disclosed with a focus on long-term value creation

(continued)

Table 8.3 (continued)

	6. Performance	Quantitative indicators on targets and risks The organization's effects on capitals The state of key stakeholders' relationships Linkages with past and future performance	IDLC discloses several innovative quantitative indicators that portray the significant targets and risks A significant amount of explanation concerning the six capitals mentioned in the IR framework has been provided with an alignment with their impacts on various stakeholders identified by the company In determining the key stakeholders, IDLC uses economic, social, and environmental classifications Short-, medium- and long-term performance metrics, objectives, and strategies are clearly articulated
	7. Outlook	The organization's expectations and how the organization is equipped to face them Discussions of potential implications for future financial performance	Chairman and CEO's statements give a well-versed direction of the company with a comprehensive outlook of the country's macroeconomic conditions Future implications and how the company expects to respond to these appropriate business policy simulations are extensively highlighted
	8. Basis of preparation and presentation	The organization's materiality determination process The description of the reporting boundary Frameworks and methods used to quantify or evaluate material matters	Clear identification of the materiality determination process by use of graphical visuals Reporting boundaries are clearly stated in the beginning, along with the declaration of any significant changes from the previous year IIRC's IR framework, GRI – G4, and local regulations are used to evaluate the materials presented
General reporting guidance		Disclosure of material matters Disclosures about the capitals Time for short, medium, and long term Aggregation and disaggregation	Significant material issues were identified by illustrating the materiality determination process The discussion section on the six different capitals discloses an impressive amount of detailed explanation used to capture the essence of using that capital for long-term value generation Independent impact assessment of the decisions on three different time horizons (short, medium, and long term) has been disclosed with proper linkages keeping sustainable business operation in focus

8.5 SDGs and the Six Capitals: Carrying Out an Integration

This section discusses the innovations in reporting the six capitals and their different linkages with the SDGs, as shown in the IDLC's integrated report. It will be exciting to explore how firms operating in a country with a voluntary disclosure regime

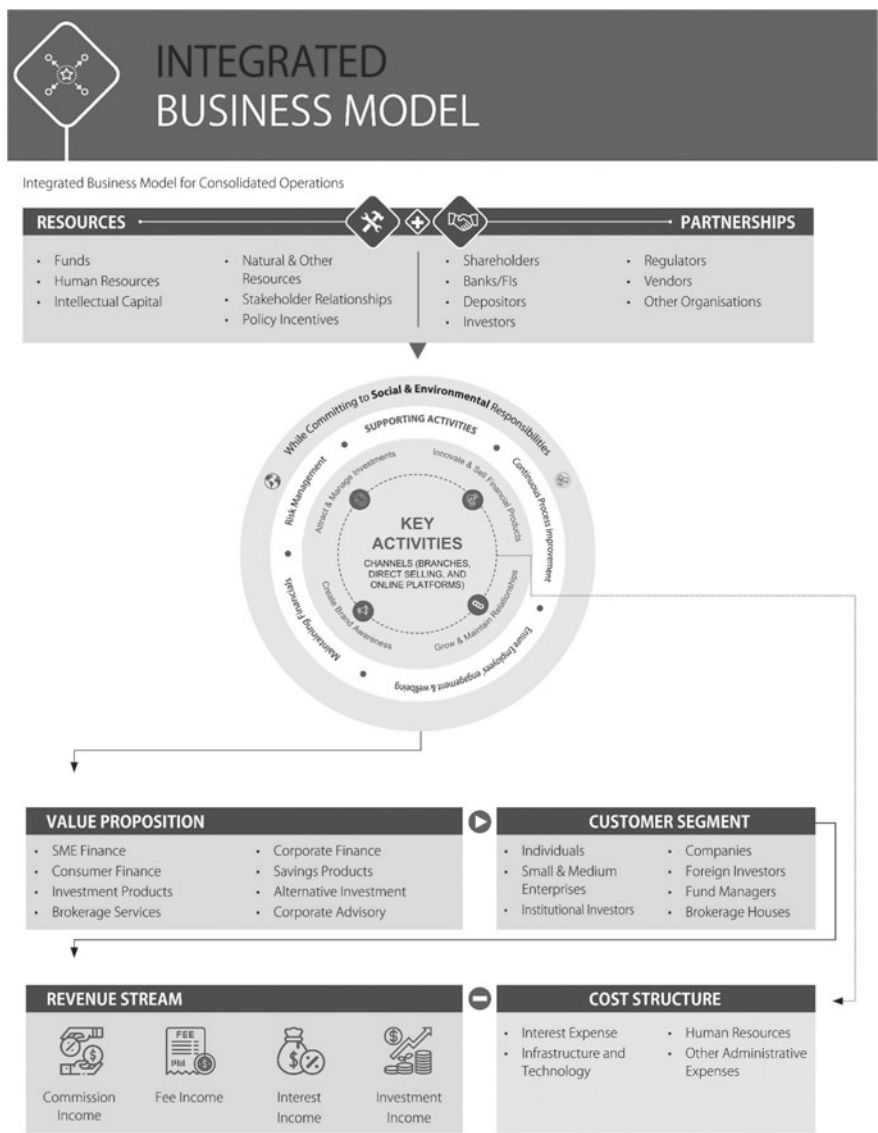


Fig. 8.1 Integrated business model

with no particular directives of disclosing sustainability issues in corporate reporting except some minor exceptions, disclose their sustainability practices within their own business framework. The adoption of the SDGs in 2015 has been identified as a call to action for companies to adopt sustainable choices across all areas of their value chains. To understand the importance of the SDGs, such as reducing global warming, companies have to have a long-term view. It is also true that industry

and government must work together to realize the SDGs. Therefore, incorporating sustainable development within the decision-making ecosystem of an organization has become vital. The IIRC-backed multi-capital International IR Framework aids high-level participation and holistic thinking in enterprise-wide functions. Voluntary users of this methodology have claimed improved identification of risks and opportunities and consequential long-term value creation. At the same time, relying only on a framework will not supply all of the answers related to the SDGs. This becomes a challenging endeavour without concerted leadership from the top (Adams 2014). This means that a focus on short-term profits must give way to long-term value creation, critical to the SDGs. Abhayawansa et al. (2021) used data extracted from the public proposals submitted to the Foreign Affairs, Defence, and Trade (DFAT) References Committee of the Australian Senate, which conducted an SDG Inquiry in the latter half of 2018, and found that integrated thinking and the value generation philosophy in the IR framework specifically addresses SDG challenges. With respect to integrated thinking (IT) and value creation, Mohammed et al. (2021) revealed that IT is significantly related to value creation in the Malaysian context. This clarifies the fact that the concept of corporate sustainability has been given increased attention worldwide after the enactment of a global compact featuring the 2030 Agenda. Moreover, IR has acquired a direction focused on long-term value creation, which ultimately incorporates the philosophy of the SDGs. Table 8.4 summarizes the discussions presented in the annual report of IDLC Finance in this regard.

The IDLC Finance Limited integrated the SDGs and the six capitals that build the foundation of integrated thinking and reporting in their corporate best practices. The report reflects how IDLC integrates the six capitals under the IR framework and how they impact on the 17 SDGs. IDLC incorporates employee-level resource consumption as an essential benchmark of individual employee-level sustainability. The company disclosed sustainability issues under the discussion of the natural capital category. The recent annual report shows that in 2021 alone, IDLC's outcomes in exploiting the natural capitals resulted in a controlled carbon footprint, increased CSR initiatives (details of their CSR initiatives are disclosed in a separate sustainability report), and finally, increased its Green Banking Portfolio. To ensure integration with the SDGs, the company matched its six SDGs: clean water and sanitation, affordable and clean energy, responsible consumption and production, climate action, and life below water. The linkage reflects a vast area of impact identified by the IDLC's operation concerning corporate sustainability. Besides these, IDLC also shows the Inputs (I) and Outcomes (O) and their relevance to the SDGs. For example, IDLC dedicated a section in its report called "Our sustainable resource allocation practices and relevance to SDGs," to this association. They show that knowledge investment is the input in the intellectual capital category and knowledge enhancement is the outcome (IDLC 2021, p. 106). IDLC Finance discussed all six capitals and linked them with the material issues that might affect its stakeholders.

Salvi et al. (2020) advocate for more discussion of intangibles throughout the integrated reports as they provide long-term value in a knowledge-based economy, which is a primary IR objective as well. Vitolla et al. (2020a, b) found that intellectual capital disclosure in an IR negatively correlates with the cost of equity. IDLC

Table 8.4 Six capitals of the IR framework and the IDLC's viewpoint on SDG integration

Capital type	Elaboration based on the IR framework	IDLC's viewpoint aligning with the SDGs
1. Financial	The pool of funds available to an organization for use in the production of goods or provision of services obtained through financing or generated by the firm	IDLC considers financial capital comprised of the monetary resources which are constantly enhanced through their business activities • No. of SDGs impacted: 12
2. Manufactured	Manufactured physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services	The physical objects range from branch networks and IT infrastructure to supplies that the company uses to provide services to its clients • No. of SDGs impacted: 4
3. Intellectual	Organizational, knowledge-based intangibles	IDLC considers its amassed intellectual capital in branding, product innovations, in-house proprietary software, and improved process and policies • No. of SDGs impacted: 14
4. Human	People's competencies, capabilities and experience, and their motivations to innovate	Employees and their health and well-being, expertise, experience, innovative capacity, and motivation are all considered to be the human capital of IDLC • No. of SDGs impacted: 5
5. Social and relationship	The institutions and the relationships within and between communities, groups of stakeholders, and other networks, and the ability to share information to enhance individual and collective well-being	The robust relationships with stakeholders and the inter-relationships between them enable more significant value creation for all built and nurtured by the IDLC • No. of SDGs impacted: 9
6. Natural	All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current, or future prosperity of an organization	Ecosystems and natural resources directly or indirectly affected by IDLC's business initiatives are considered part of the natural capital • No. of SDGs impacted: 6

recognizes knowledge-based assets as their intellectual capital, including licenses, software, copyrights, policies, procedures, and protocols. Research and development items have been linked with the local communities, regulators, colleagues, and other stakeholders, representing a reasonable amount of time to integrate these issues. Also, IDLC visualizes a matrix where readers can link the exploitation of the six capitals with a particular emphasis on attaining the SDGs, an innovative best-case example.

Other companies can learn the way in which they can incorporate the impact of business activities on SDG attainment from this innovation by IDLC, which will also clarify their position on sustainability to environmentally concerned stakeholders.

8.6 IIRC's IR Framework Versus IDLC's IR: Guiding Principles

This section provides the adherence to the guiding principles of the IIRC's IR Framework by IDLC Finance Ltd. The IR framework mentions that the seven Guiding Principles underpin the preparation and presentation of an integrated report, informing the report's content and how information is presented (IIRC 2021). These guiding principles underpin the content elements given in Table 8.3 earlier. To facilitate an understanding of IDLC's adherence to these guiding principles, a tabular analysis has been created, giving the reader a side-by-side comparison of the framework and the report of the IDLC. Table 8.5 is best understood if the reader simultaneously connects the earlier discussions on the content elements disclosure and the six capitals of IDLC provided in Tables 8.3 and 8.4.

As given in Table 8.5, firm adherence to all seven guiding principles is established in the reporting practices of IDLC. This reflects the commitment from the management of IDLC to remain the leader in IR in Bangladesh. Innovative design of the report, clear and concise presentation, comparability, stakeholder identification, and the materiality determination process are areas where IDLC has successfully narrated its story of value creation. Next, a few areas are highlighted addressing the interesting disclosure mechanisms that IDLC has followed when attempting to adhere to the guiding principles.

8.6.1 Strategic Focus and Future Orientation

In the IR framework, strategic focus and future orientation are considered an essential guiding principle that enhances the quality of integrated reports. Apart from providing detailed discussions in different sections regarding the outlook of the industry and the strategic footprints of IDLC Finance limited, the company has incorporated this very concept within the discussion of the chairman and CEO's statement regarding the company's plans. For example, IDLC has demonstrated its focus on digital space, which is a broad outlook on future organizational landscapes. The pursuit of continuous process enhancements shows corporate commitment towards enhancing the current intellectual capitals and exploiting them even further. Other interested firms can follow this exceptional reporting of the firm's outlook within an integrated report and address the strategic objectives in the industry.

Table 8.5 Degree of adherence of the IDLC IR principles to the IIRC guiding principles

Guiding principles	IIRC's IR framework	IDLC's annual integrated report
1. Strategic focus and future orientation	An integrated report should provide insight into the organization's strategy and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals	IDLC's integrated annual report combines the strategic decision-making process with long-term value creation as the central focus • Strong adherence
2. Connectivity of information	An integrated report should show a holistic picture of the combination, interrelatedness, and dependencies between the factors that affect the organization's ability to create value over time	A comprehensive picture of the organization with linkages to exploiting the six capitals to create and sustain long-term value has been mentioned in a separate navigation section • Strong adherence
3. Stakeholder relationships	An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests	IDLC takes a comprehensive view of its stakeholders with impact assessments, responses to their concerns and value enhancements for them. How different stakeholders are affected by the use of the six capitals is also highlighted • Strong adherence
4. Materiality	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	IDLC places Integrated Thinking at the heart of their Materiality Determination for Integrated Decision-Making and IR to achieve sustainable growth • Strong adherence

(continued)

Table 8.5 (continued)

Guiding principles	IIRC's IR framework	IDLC's annual integrated report
5. Conciseness	An integrated report should be concise	A mapping of the content highlighting the connectivity of the report has been provided. The structure of the report follows a logical sequence, incorporating insights on The Company, Stewardship, Operating Environment and Risk Management, Management Discussion and Analysis, Governance, and Financial Statements • Strong adherence
6. Reliability and completeness	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error	Statement of Directors' Responsibility for Internal Control, Financial Reporting, and Corporate Governance implies a sensible approach undertaken by the IDLC to provide a reliable and complete picture of the integrated report • Strong adherence
7. Consistency and comparability	The information in an integrated report should be presented: (a) on the basis that is consistent over time, and (b) in a way that enables comparison with other organizations; it is material to the organization's ability to create value over time	IDLC remained consistent with its integrated reports since the first publication of an integrated report in 2016. Continuous improvements in the disclosure have been persistent while comparison with the industry competitors seems possible. IDLC fully adopted the IR framework, and hence, it is expected to compare their reports with those of other firms following the same framework • Strong adherence

8.6.2 *Connectivity of Information*

Apart from its regular integrated reports, IDLC Finance has been issuing a sustainability report separately for a long time. The sustainability reports the company prepares broadly explain the key areas of corporate sustainability discussed in the integrated report. This type of separate reporting of sustainability is not new. The IR framework mentions this fact quite explicitly. Broadly, this practice can be stated as the connectivity issue. Furthermore, the IIRC mentions this clearly in the consultation draft regarding the holistic nature of integrated reports:

Organizations may provide additional reports and communications (e.g., financial statements and sustainability reports) for compliance purposes or to satisfy the particular information needs of a range of stakeholders. The integrated report may include links to these other reports and communications. (IIRC 2013b, p. 9)

IDLC's approach of navigating through the integrated report is a practical demonstration of the integrated thinking and IR process outlined in the IIRC draft paper on connectivity issues (IIRC 2013c, p. 1).

8.6.3 Stakeholder Relationships

As stated earlier in Table 8.3, IDLC uses economic, social, and environmental classifications in determining its key stakeholders. Furthermore, for translating integrated thinking into IR, IDLC has a holistic view of its strategy, governance, performance, and prospects. The integrated report of IDLC Finance Limited links the IR Framework's content elements and fundamental concepts and bridges time horizons. These effective connections between IDLC's qualitative and quantitative information provide context and credibility to the information presented in the report and, hence, increases the company's corporate image among its multidimensional stakeholders. In this respect, Di Vaio et al. (2020) suggest an integrated circular plan capable of using the information to charter the company in its strategic process of creating value for employees, suppliers, institutions, and regulatory concerns. They encourage this integrated circular plan to reuse information to promote cooperation in various departments within the firm, reduce costs, and experiment with new technologies to connect, generate, and preserve value. In this case, the results show that IR and IT open up space to new interpretations of corporate reporting as value-enhancing management tools for the company.

8.6.4 Materiality

Materiality determination is essential for establishing integrated thinking inside an organization that follows the IR framework for corporate reporting (IIRC 2013a). Disclosing the material issues and how they are determined and subsequently resolved is essential when investors evaluate a company (Beske et al. 2020). IDLC Finance has developed the materiality determination process over the years. In 2016, the first year of adoption of the IR framework, it did not disclose material matters in detail. However, gradually, managerial focus on material matters has changed. Rigorous mapping of materiality has been incorporated in the annual reports of 2019, 2020, and 2021. The latest bulletin of annual news showcases the company's identification with material matters and the prioritization of the issues to be addressed. After a material issue is resolved, it is immediately disclosed to the internal and external parties involved with IDLC Finance. One significant area to focus on here is that the company monitors and reviews all material matters continuously, and hence, this particular process has become a more robust one.

8.6.5 Conciseness

IDLC graphically depicts how report users will navigate the report to find out the core questions related to the company, where to look for the possible answers, what sort of answer the user is supposed to get and in which location (page number) they will find that answer. This is an innovative, concise, and effective visualization of the entire report that immediately captures the reader's attention. IDLC has been maintaining this unique way of visualizing its entire integrated report from 2016 till the present. Moreover, at the onset of their annual report, the company has also mentioned the purpose behind adopting the IR framework to address the reporting boundary. The following is the excerpt taken from the integrated yearly report of 2021:

The aim of our IR approach is to enable our stakeholders, including investors, to make a more informed assessment of the value of IDLC and its prospects, as this report is organized around our story of value creation. (IDLC 2021, p. 8)

8.7 Discussion

This section now discusses the findings derived from the critical assessment of the integrated report of IDLC Finance Ltd. Many aspects of the report have several potential areas to be followed by companies interested in adopting the IR framework. IDLC states their crucial objective of focusing particularly on creating value in the long run, which is also one of the main ideas behind the IR framework. Regarding stakeholder engagement, IDLC has identified five important stakeholders, directly or indirectly interested in its activities, and have afterwards mentioned the disclosure impacts related to the material matters in 2019, 2020, and in 2021. The five stakeholders mentioned, namely, colleagues, clients, shareholders, govt./regulators, and community and environment, capture all interested parties. In 2021, the report considered the separate impact on service providers and suppliers, which summarizes IDLC's commitment to disclosing material matters regarding the business that are of direct interest to those stakeholders. Grassmann (2020) finds that IR acts as a moderator of the U-shaped link between company value and environmental costs. Corporations that invest more in ecological concerns may benefit from including an explanation of all environmental contributions in their integrated reports. The author's findings are consistent with the IIRC's strategy of promoting integrated thinking on financial and non-financial capitals. Another area where IDLC Finance has been quite remarkable is its concern for integrated thinking in the business process during the uncertain times of the COVID-19 pandemic. This chapter sought to determine the information that businesses operating in Bangladesh can include in their integrated reports in the aftermath of the COVID-19 pandemic. In line with the previous study of García-Sánchez et al. (2020), the discussions provided in this chapter demonstrate a series of information, first on the general content elements and then, on the specific capitals identified by the IR framework that companies must include in their integrated

reports to maintain and defend their legitimacy and to enable investors to make more precise investment decisions.

The concept of materiality determination has been given primary consideration at IDLC, although disclosing material matters in company annual reports is not yet an established practice in Bangladesh. Very recently, Islam (2021) draws attention to this particular matter as well. Of all the indices the author had developed to figure out the overall compliance with the IR framework by non-financial companies of Bangladesh, the least disclosed area was materiality aspects. Apart from a few companies, most firms either partially revealed or, in many cases, totally ignored one of the fundamental concepts of the materiality determination process of the IR framework. The main point here is that if the IR framework is claimed to have been adopted by the firms in Bangladesh, they must put more effort towards the materiality determination process as has been done by IDLC Finance.

Another critical issue is that apart from merely visualizing the impacts, IDLC Finance has proactively provided a detailed breakdown of the challenges it faced and the responses to those challenges. For example, during the COVID-19 pandemic, the integrated report of 2020 and 2021 contained a significant number of relevant discussions on the stance of IDLC in tackling the adversities of the pandemic. This is an excellent incorporation in IR that it has been pioneering from 2016 onwards in Bangladesh. The challenges and responses demonstrated show the detailed investigation carried out by management teams to provide essential information to report users. Another innovative idea that has been incorporated by IDLC Finance Limited is the introduction of the trade-off matrix. This matrix shows two crucial developments of IDLC Finance Limited under the intellectual capital category—new product launches and investment in automation and optimizations. What is innovative in this approach is that the report user can better understand both the short- and long-term impacts of the two above-mentioned issues. Other companies in the market can follow this approach towards short-term and long-term impact assessment and increase the credibility of their disclosed assessment of the capitals, because this type of reporting enhances the impression of the firm to users and broader stakeholders. IDLC has been the market leader in the Non-Banking Financial Institutions category of Bangladesh for its industry-leading innovative products created for its clients. The addition of innovative disclosure mechanisms such as IR is, without any question, a value enhancer for the group at large. The author believes that the case study of IDLC provides a lesson for organizations interested in or that seek to adopt the IR framework in Bangladesh. By disclosing the integrated business model with the information necessary to stakeholders in a consistent and comparable format, the adopting firms can perceive a competitive advantage. Another lesson gained is that by pinpointing the operating and strategic context, governance, performance, and forward-looking information, an organization can differentiate itself from others in the industry it belongs to, resulting in a significant reputational benefit (Veltri and Silvestri 2015).

There are several important implications of the findings of this chapter that can be a useful reference point for academicians and researchers of corporate reporting,

policymakers, students of accounting, and investors to use in their own decision-making processes. First, this chapter takes the case of IDLC Finance Limited, the leading company that introduced the IR framework in Bangladesh. Analysing this case makes it easy to grasp the development of IR practices in Bangladesh and hence provides an in-depth overview of the best practices in IR-related disclosures in the corporate annual reports produced in Bangladesh. Second, this chapter links the content elements, the six capitals and the guiding principles provided by the IR framework with the recently published annual integrated report of IDLC Finance, along with a discussion on sustainability. Hence, it is expected that the rigorous overview provided in this chapter will contribute, to a significant extent, to other interested companies in Bangladesh that want to adopt the IR framework voluntarily.

8.7.1 Challenges Towards IR in Bangladesh

As noted in a very recent article investigating the relationship between IR and firm performance in Bangladesh by Islam (2021), the disclosure pattern of the content elements has changed sharply among non-financial companies of Bangladesh after the circulation of the new Corporate Governance Code 2018 by the Bangladesh Securities and Exchange Commission. From the historical sketch of IR in Bangladesh, as described in this chapter, the reader can perceive that IR has gained popularity among leading companies as a new form of corporate reporting. However, it should be emphasized here that companies that have adopted the IR framework or checklist provided by the IIRC fully are very limited in number, and most of them are very reputed firms in terms of providing the highest quality annual reports in the recent past as well. So, it might be difficult for a new firm to adopt the IR framework fully and entirely successfully, unlike the older and more reputed firms. It involves a good amount of initial cost to sketch the pattern of IR within a company's disclosure policy. Also, creativity in the reporting process is of enormous importance because showcasing only the disclosure index and merely providing tick marks does not truly represent compliance with the IR concept as a whole. This section emphasizes some practical challenges towards implementing the IR framework in Bangladesh.

First of all, a significant portion of capital market participants is individual investors in Bangladesh, unlike in developed economies, where institutional investors hold significant company shares. This is a big issue as individual investors in this country are most often financially unaware of the impact of their investment decisions. Rumour mills, exciting news, unethical and biased reporting on poorly graded shares dominate the decisions of most individual investors, and hence, they give very little attention to concepts like IR. Tirado-Valencia et al. (2021) found that an effective legal system and years of experience preparing IR are the two crucial factors behind the compelling governance aspect of integrated thinking. So, before thinking of a wider acceptance of the IR framework and the concept of sustainability, the literacy program of investors become a compulsory, rather than a secondary issue in

Bangladesh. Second, if IR is implemented broadly, board members' dedication, willingness, and spontaneous engagement are necessary. Relevant to this is a recent study by Mähönen (2020), where the author argues that IR is investor-oriented through a critical review of the IIRC's IR system. As stated in the IR framework's aim, a business should maximize the long-term value of its shareholders while simultaneously considering the interests of other stakeholders participating in the value creation process. Katsikas et al. (2017) believe that the primary value of the IR framework is in the underlying business model innovation. Unfortunately, in Bangladesh, the culture of strategic corporate reporting has grown very narrowly as a concept among C-suite managers. Thirdly, without their active initiatives, the future of IR will only be confined to annual award ceremonies. IR will be considered merely as a publicity stunt or, in academic terms, a legitimization tool, which is not included in the natural appeal of the IR framework. In fact, Cooray et al. (2021) argue that an increase in compliance with the IR framework's content elements demonstrate the legitimacy theory's strategic and institutional perspectives, owing to the proactive efforts made by managers to achieve legitimacy, as well as the various normative and mimetic forces present in the IR landscape. Even if the annual report's name is changed to an annual integrated report, that change will not make a massive difference until the advanced concept of integrated thinking is widely practised within the company (Herath et al. 2021). Recently, Wahl et al. (2020) explored data from listed companies in a voluntary context and conclude that no evidence can be reasonably established between IR and earnings forecast accuracy. Furthermore, they could not draw any significant association between IR and firm value attributed to the voluntary disclosure regimes. Previous studies focusing on South Africa contradict Wahl et al. (2020)'s findings. However, Wahl et al. (2020) find that a higher level of transparency characterizes firms with IR disclosures in a voluntary regime, and according to voluntary theory, adopting IR only marginally decreases information asymmetry. Their analysis underlines that capturing the full benefit of IR is more perceivable in a mandatory setting than in a voluntary one. This is going to be a real challenge in future if the IR framework is made a reporting requirement by the Bangladesh Securities and Exchange Commission.

Fourth, many investors lack financial literacy; hence, understanding the communications made via an integrated report might not be adequately understood. In addition, analysing the information contents of an integrated report might be perceived as irrelevant by an investor with a lack of technical skills. Understanding more advanced concepts of IR, such as integrated thinking, requires the ability to connect different parts of the report simultaneously to gain the proper insight that was intended to be delivered by the company. In this case, as suggested in Cooray et al. (2020), corporations might include IR disclosures in their internal business communications, business websites, and press releases regularly. Also, employees within the organization may exhibit a certain reluctance to prepare an integrated report due to the complexity in designing and planning the report and providing the proper context of Bangladesh, since there are no official standards available to follow. Adequate brainstorming for ideas can be challenging for employees at all levels within the organization. Reluctance and initiative fatigue can also hamper the process a great

deal. Moreover, preparing an integrated report requires a good amount of expenditure to be incurred by the company at the initial stage. With little evidence of having a positive benefit in adopting the IR framework voluntarily may deter companies from undertaking the initiative to venture on the IR project.

The final challenge the author perceives is related to auditing an integrated report. As has been the case in many other countries, in Bangladesh, the auditing of non-financial information, such as sustainability information and intellectual capital disclosures within an integrated report, has not developed yet. In this regard, professional accounting bodies of Bangladesh, such as the ICAB, and the ICMAB can play an instrumental role in introducing audits of non-financial information in an integrated report that will enhance and legitimize the information disclosed within the report. Landau et al. (2020) shed light on the value relevance of IR in the context of Europe. Their empirical observations concluded that IR does play a role in the equity valuation, but that this valuation is negative if the firm does not provide IR with an assurance from the Big 4 audit firms. The authors also note that the market value is penalized if the IR is assured but does not follow the newest GRI standards (G3.1 or G4). They also highlight that IR is more of a cost-producing element than a corporate advantage using the cost-concerned school and cognitive cost theory. However, they find that the negative effect of unassured IRs on the market valuation is higher than that of assured IRs. So, audit firms in Bangladesh need to innovate their systems so that auditing an integrated report can be offered as part of their consultancy services.

8.8 Conclusion

In 2013, although some banks listed on the stock market of Bangladesh disclosed annual reports in an integrated format, fully fledged IR commenced only in 2016. As mentioned earlier, ICAB issued the checklist due to a perceived interest by financial companies of Bangladesh to try the newly emerged IR framework of 2013 voluntarily. As a direct consequence of that interest towards IR, a local but globally recognized leasing company called IDLC Finance Limited was crowned as the producer of the best presented integrated report in the financial category in the Asia and the Pacific region in the following year. Till the present, IR has been growing as an acceptable form of corporate communication in Bangladesh. This chapter looked into the historical sketch of IR and its development over the last six years. Bangladesh is a strategic development partner for neighbouring countries in the South Asian region. The post-independence environment in Bangladesh is marked by the infusion of significant amounts of foreign aid, which is vital for the capital market's development (Kamal and Islam 2018). Khan and Islam (2020) determined that accounting is technical, not forward looking, and full of numbers. Therefore, understanding how investors evaluate forward looking information is essential. This chapter takes a case study approach towards analysing the integrated report of IDLC Finance for 2020 and 2021, critically. Although Islam (2021) recently showed that a uniform pattern

in the disclosure or in the more advanced concept of IR, such as integrated thinking, is not visible in most reports, the case of IDLC has been different.

This chapter attempted to give the reader a broader view of the IR practices in Bangladesh using a case study of IDLC Finance Limited. With an in-depth analysis of the latest annual integrated report published by IDLC Finance, this chapter sheds light on the firm's disclosures in compliance with the widely accepted IR framework. Bangladesh has seen massive progress in the voluntary adoption of the IR framework, especially in the country's financial sector, as was evident from the historical sketch of IR in Bangladesh. Growing interest in this new corporate reporting framework inevitably raises many questions among concerned parties. Obeng et al. (2020) note that the benefit realized from IR differs between voluntary and mandatory disclosure regimes. In voluntary regimes, firms with higher IR practices tend to have lower agency costs. Also, stakeholder-oriented countries benefit more from IR practices than shareholder-oriented countries, which is consistent with the notion that managers in stakeholder-oriented countries view IR as an effective mechanism in reducing agency costs and increasing corporate value creation. Therefore, it seems that Bangladesh is now at a focal point to think about mandatory adoption of the IR framework.

Several challenges have been highlighted here for readers to understand the possible future road maps of this new corporate reporting paradigm. The case study approach followed in this chapter looked into all the critical areas of IR. It discussed integrated thinking to enlighten other interested parties in Bangladesh planning to move or shift towards the IR framework shortly. With a promising economic outlook, leading best practices in the IR framework, and with the deep interest shown by the ICAB concerning the adoption of IR, Bangladesh will possibly see even more voluntary adopters of integrated reports in the coming days. Therefore, this chapter facilitates interested parties to gain a case-based understanding of the leader in IR in the Asia and the Pacific region.

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