

## Internet Appendix A81 Integrated Reporting

### A81.1 Illustrative Pitch Template Example

Pitcher's name	Astrid Zakrzewska	FoR category	Accounting	Date completed	January 2016
(A) Working title	A lot doesn't mean good, but good means a lot. The Integrated Reporting case.				
(B) Basic Research Question	Are Integrated Reports reliable source of information for users? Can investors trust information provided in Integrated Reports?				
(C) Key paper(s)	<ol style="list-style-type: none"> <li>1. The International &lt;IR&gt; Framework – Integrated Reporting, 2013</li> <li>2. Eccles and Serafeim (2014), Corporate and Integrated Reporting: A Functional Perspective, Chapter in Stewardship of the Future, Harvard Business School and Harvard University - Harvard Business School</li> <li>3. Serafeim (2015), Integrated Reporting and Investor Clientele Journal of Applied Corporate Finance, Volume 27, Number 2. Spring, Harvard University - Harvard Business School</li> </ol>				
(D) Motivation/Puzzle	<p>Integrated reporting is being presented as a good approach to corporate reporting that should be implemented by companies in order to satisfy information needs of various stakeholders. The International &lt;IR&gt; Framework, 2013, provides Guiding Principles and Content Elements that should be applied and included in Integrated Reports. However, there are no specific standards, similar to for example IFRS or US GAAP, that would help the companies provide reliable and comparable information. Integrated Reports should provide financial, environmental, social and governance information needed for investors to evaluate the ability of the company to create value both in short, medium and long term.</p> <p>The following issues arise looking at the main aim of Integrated Reporting:</p> <ul style="list-style-type: none"> <li>- What does value mean and how to measure it?</li> <li>- Can we rely on information provided in Integrated Reports, especially that it may relate to future and can't be verified by independent bodies?</li> <li>- What does short, medium and long term mean nowadays?</li> <li>- Having only guidance, not predefined standards, can we compare reports prepared by different companies especially that they use different measures of performance?</li> <li>- Who should be "blamed" if strategic goals presented in reports are not met?</li> <li>- Will the future of Integrated Reporting be similar to the future of CSR reporting?</li> <li>- Will the Companies be willing to provide strategic information, that may make them lose competitive advantage?</li> </ul>				
THREE	Three core aspects of any empirical research project i.e. the "IDioTs" guide				
(E) Idea?	<p>CORE IDEA: Information provided by companies to investors and other stakeholders is useful only if it can be relied upon.</p> <p>CENTRAL HYPOTHESIS/RESEARCH QUESTION: Are Integrated Reports reliable source of information for users? Can we trust them, taking into account fact that they are very much future oriented and cannot be verified</p> <p>DEPENDENT VARIABLES: Usefulness of information, Reliability of information, Comparability of information</p> <p>INDEPENDENT VARIABLES: Reliability and comparability of information (independent for usefulness); Features of reliability and comparability (independent for reliability and comparability), types of businesses, industries in</p>				

	<p>which they operate</p> <p><b>THEORETHICAL TENSION:</b> Providing more information both financial and non-financial help companies gain competitive advantage, as they openly communicate with investors, which should be appreciate by the community. On the other hand, providing more information than competitors, especially strategic and forward looking may create competitive disadvantage. Competitors may undertake similar actions as the ones planned by the company. Additionally, if objectives presented in reports are not achieved, the company loses its credibility.</p>
(F) Data?	<p>1. Integrated reports prepared and published by Polish companies (9 companies) since 2010 till now.</p> <p>2. integrated reports prepared and published by international companies (18 companies) which operate in the same industry as Polish companies from point 1.</p> <p>Source: Companies websites and published reports.</p> <p>3.G4 Sustainability Reporting Guidelines. Source: <a href="http://www.theiirc.org">www.theiirc.org</a></p>
(G) Tools?	Research spreadsheet created based on GRI guidelines and characteristic features of reliability and comparability of information
TWO	Two key questions
(H) What's New?	The idea of integrated reporting itself is a new one, and it requires detailed critical evaluation before it is widely used by companies.
(I) So What?	<p>This research is relevant to both companies and users of information. Companies that are preparing or are to prepare integrated reports should bear in mind that information should be useful for users.</p> <p>Users should monitor the reports to make sure that they can rely on them when making decisions, especially investment decisions.</p>
ONE	One bottom line
(J) Contribution?	As companies may be willing or will be forced (by competition or regulators) to prepare integrated reports they should think about ultimate reason why they provide information to stakeholders. This paper should help them look at critical elements to be considered to make sure that time and money is not wasted and that investors perceive them as valuable investment targets.
(K) Other Considerations	<p>As integrated reporting is a novelty, scientists and researchers may find this topic interesting and new papers may emerge on this topic, which may concentrate on similar aspects.</p> <p>Additionally, the International Integrated Reporting Council may issue new guidelines on Integrated reporting which may significantly influence research question.</p>