

# **Integrated reporting practices in Sri Lankan listed companies**

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## **Abstract**

Financial reporting and related non-financial disclosures gain the prominence in reducing agency issue and information asymmetry issues of business organizations. Integrated Reporting (IR) has emerged with this non-financial information requisition. Thus, this study aims to examine the IR practices in Sri Lankan listed companies. Sri Lankan non-financial listed companies which have adopted IR in their corporate annual reporting are considered as the study sample. Accordingly, sixty non-financial companies from fifteen industry sectors adhered to the IR in 2019 and data were collected from their first year of adoption. Hence uneven sample was considered in the analysis with 193 firm-year observations. The present study used a scorecard which is based on content elements of the IR in data collection. Descriptive Statistics were performed was primarily used in explaining the IR practices in Sri Lanka. Results found that the IR compliance level is at 0.77 in Sri Lankan listed companies which show a gradual increase over the period, which is 0.58 in 2011 and recorded at 0.82 in 2019. There are seven content elements in the integrated report and data were collected to measure the compliance of these seven elements. Content analysis revealed that companies are keen on reporting their risk and opportunities (0.94), governance (0.84) and organizational overview and external environment (0.81) aspects more. The lowest disclosure is found in outlook element, which is 0.67. The industry analysis of data found the highest compliance level in the Motors industry (0.90) and lowest compliance from the power and energy industry (0.72). Findings of this study provide insights on IR adoption to the practitioners and policymakers.

**Keywords:** *Content elements, integrated reporting, listed companies in Sri Lanka.*