

IMPLEMENTATION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS INTO INTEGRATED REPORTING: A JOURNEY OF FUTURE-ORIENTED COMPANIES

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Abstract

The adoption of the sustainability disclosure standards is a major step forward in improving transparency and comparability of sustainability information, within reporting. This paper aims to analyze the extent to which these standards can be applied in integrated reporting and produce a coherent story about sustainability disclosures. The research uses a documentary and comparative analysis of the International Financial Reporting Standards (IFRS) S1 and S2 with the Integrated Reporting Framework, based on a qualitative approach to analyze the integration between these two standards about integrated reporting principles. The outcomes show that integrating IFRS S1 and S2 will provide an overarching concept for reporting sustainability risks and opportunities which aligns reporting with sustainability goals. Based on these findings, the article argues that incorporating these standards not only improve investor and stakeholder decision-making but also helps companies ensure their strategies are in line with sustainable development objectives. This paper adds to a growing body of literature on the diffusion of sustainability reporting and has implications for researchers examining financial vs. non-financial disclosure as well as managers, regulators and others that care about high-quality financial and non-financial information.

Keywords

Integrated reporting, IFRS S1, IFRS S2, Sustainability.

JEL Classification

M41, Q56

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