NUOVE FRONTIERE DEL REPORTING AZIENDALE

La comunicazione agli *stakeholders* tra vincoli normativi e attese informative

a cura di
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8. INTEGRATED REPORTING AND THE MALLEABLE DISCLOSURE OF INTELLECTUAL CAPITAL

by *Alice Francesca Sproviero*[*], *Cristina Florio*[**], *Riccardo Stacchezzini*[**] and *Silvano Corbella*[**]

Abstract

The rise of integrated reporting (IR) represents a new opportunity for intellectual capital (IC) disclosure because IR recognizes human, intellectual and social and relationship capitals among the six capitals that contribute to portray the process of value creation. By undertaking quantitative analyses, prior research has investigated the tone and amount of IC disclosure in integrated reports. However, no prior research has approached the IC disclosure in such reports from a qualitative stance. In seeking to address this gap, we explore how an early IR adopter from the Oil and Gas industry provides information about IC in its integrated reports. We particularly investigate how the *locus*, object and level of detail of IC disclosure evolve along the integrated reports 2012-2017. The study primarily draws on close reading of the integrated reports and is complemented with semi-structured interviews to representatives of the departments involved in the IR process. The findings of the qualitative analysis show that, over the six integrated reports, the *locus* of IC disclosure shifts from the business model to a descriptive table designed to the purpose. The findings also highlight that, while the object of IC disclosure remains stable, the level of detail evolves over the years towards a more and more narrative form. The paper contributes to extant literature by empirically supporting the idea that IR represents a new hope for IC disclosure and extending the conception that an effective IC disclosure needs more descriptive information than indicators to the innovative IR context.

Keywords: Integrated reporting, Intellectual capital disclosure, Oil & Gas industry.

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8.1. Introduction

Integrated reporting (IR) is a flourishing reporting paradigm aimed at combining financial and nonfinancial information in a single corporate document. It particularly results in an integrated report whose scope is to provide a holistic picture of the organisational value creation process. In accordance with the International Integrated Reporting Council Framework (IIRC, 2013), an integrated report provides information on a broad base of capitals that an organisation uses or affects. The IIRC Framework categorises such capitals into financial, manufactured, natural, human, intellectual, and social and relationship capitals.

Due to this '*significant commonality between the elements of* [intellectual capital]' and the IIRC capitals (de Villiers and Sharma, 2017; p. 5), the integrated report is considered a new resurgence for intellectual capital (IC) disclosure (Dumay, 2014; Dumay and Rooney, 2016; Cuozzo et al., 2017). The IIRC Framework acknowledges through three of the six capitals '*what has been traditionally termed IC*', thus representing a suitable tool to overcome the lack of disclosure about IC (Abhayawansa et al., 2018; Guthrie et al., 2012). IC is commonly described as intangible, nonfinancial resources comprised into human capital (e.g. employee knowledge, skills, and competences), organisational (or structural) capital (e.g. management systems and procedures), and relational capital (e.g. external relationships, corporate reputation, and collaborations). Leading scholars (Stewart, 1997; Mouritsen, 2009; Guthrie et al., 2012; Beattie and Smith, 2013) recognise human, organisational, and relational capitals as '*the entities out of which intellectual capital is composed*' (Mouritsen, 2009; p. 154). However, the IIRC Framework states that IC covers '*organizational, knowledge-based intangibles, including: intellectual property, such as patents, copyrights, software, rights and licences* [and] *"organizational capital" such as tacit knowledge, systems, procedures and protocols*' (IIRC, 2013, § 2.18), thus adopting a narrower definition of IC compared to academic literature. With the aim to support a better communication of how IC delivers value for the company and its stakeholders, the IIRC cooperates with the World Intellectual Capital/Assets Initiative (WICI). Such cooperation has resulted in the release of the

WICI Intangibles Reporting Framework (2016), which points out that IC '*encompass Human capital, Organizational capital and the relational aspects of the Social and Relationship capital*' (WICI, 2016; p. 8). Accordingly, the WICI Framework has broadened the definition of IC provided in the IIRC Framework and the boundaries of what is meant as IC disclosure in an integrated report.

Prior studies have analysed IC disclosure (i.e., disclosure related to human, social and relationship, and intellectual capitals) in integrated reports by adopting a quantitative approach. In particular, they have applied content analyses to investigate the quality (Melloni, 2015) and the quantity (Setia et al., 2015; Ahmed Haji and Anifowose, 2017) of IC disclosure in integrated reports. Therefore, extant literature has focused on assessments about the tone of IC disclosure in the integrated reports and to what extent such reports communicate IC information.

This paper addresses a different, still neglected, aspect of IC disclosure that relates with how IC information is communicated within integrated reports. By adopting a qualitative approach, we aim to explore how IC disclosure evolves in its *locus*, meant as "where" IC information is provided, its object and the level of detail within the Company's integrated reports over a period ranging from 2012 to 2017. The study primarily draws on in-depth readings of annual integrated reports issued by an IR pioneer until the time of the research. The analysis of publicly available material (integrated reports, financial reports, etc.) is complemented with semi-structured interviews to representatives of four departments directly or indirectly involved in the IR process (financial, sustainability, investor relations, and risk management departments).

The contribution of the paper to the previous literature is threefold. First, the study offers new insights on IC disclosure in the context of IR by carrying out a qualitative analysis. In examining how an early IR adopter provides IC information, it advances knowledge on which rooms for IC disclosure are created within integrated reports, the object of such disclosure and the level of detail provided. Second, the study figures out how IC disclosure changes over time. In particular, it extends Dumay and Rooney's (2016) conclusion, by showing that, also in the IR context, IC information is better communicated through narratives than figures. Finally, the analysis underlines that while the object of IC information remains stable over time, its level of detail ranges from a vague account of IC to a detailed description. It may be speculated that the level of detail of such disclosure depends on the role that the IR adopter assigns to IC disclosure.

The paper proceeds as follows. *Section 2* provides a review of extant research on IC disclosure in the context of corporate reporting. *Section 3* introduces the company under study and explains the methodology. *Section 4* presents the findings, while *Section 5* concludes by highlighting the main contributions and limitations of the study.

8.2. Prior research

Extensive research has studied the design of proper models for communicating IC information, with the aim to identify new ways to disclose IC. Bukh et al. (2001) undertake an analysis of IC statements and point out the complexity that their construction involves. According to the authors, an IC statement is an appropriate model that comprises metrics, '*sketches/visualisations and stories/narratives*' (p. 99) that respond to different purposes. While metrics make the management accountable for its claims about IC, the sketches/visualisations allow to provide a certain 'wholeness' in the disclosure of those metrics. Story/narrative, instead, helps to understand how IC statement gains legitimacy. In the same vein, Marr et al. (2004) suggest the importance of visual representation to understand how IC and the other organizational capitals are employed to create value. They design a value creation map that illustrates the ways through which the company's key value drivers and their interactions enable to deliver value. The complexity of the whole process emerges from the case study developed. Marr et al. (2004) focus on the internal process of value creation, yet this process is fundamental to external communication as well, particularly to IR. Dumay (2008) undertakes an analysis of the narrative in IC statement and finds that narrative disclosure both explains the IC measures and provides a mechanism that stimulated management action. In dealing with the effectiveness of IC statements, Dumay and Rooney (2016) explore the controversy surrounding the importance of numbers and narratives in disclosing IC. They analyse a case study and conclude that a supremacy of the quantitative information (numbers) over the qualitative information (narratives) limits the disclosure of nonfinancial information, in general, and of IC, in particular. Moreover, Dumay and Rooney (2016) point out that IR is the latest initiative aimed at enhancing nonfinancial information as well as capable to address the limits of financial reporting.

Abeysekera (2013) proposes a template for IR in organisations and suggests that IC needs to be disclosed more through narrative and visual tools than numbers. He specifies that while numbers hamper a transparent explanation of how IC creates value, the narrative and visual tools support an accountable construction of the value creation story. In analysing IC guidelines and frameworks, Abhayawansa (2014) suggests that IR offers a more balance IC disclosure due to the multiple stocks of capitals considered in the process of value creation. In particular, he holds that IR is "*the most advanced framework*" (p. 134) in communicating the interconnections and entanglements among (financial, tangible and intangible) resources, strategy and value creation.

Quantitative research has addressed the effects of the principle-based approach followed by the IIRC Framework on the disclosure of IC in integrated reports. For instance, Melloni (2015) demonstrates that the absence of the dedicated guidelines on IC disclosure leaves room for discretion and flexibility to IR adopters. Both settled in South Africa, where listed companies are recommended to issue integrated reports on an "apply and explain" basis, the studies of Setia et al. (2015) and Ahmed Haji and Anifowose (2017) examine to what extent the introduction of IR has affected the IC disclosure. Setia et al. (2015) show that the disclosure of human, social and relationship, and intellectual capitals offered by the top 25 Johannesburg Stock Exchange listed companies increases in the period 2009-2012. Particularly, they note a significant increment in the disclosure of social and relational capital compared to the disclosure of other capitals. By analysing 246 integrated reports of large South African companies belonging to six industries over the period 2011-2013, Ahmed Haji and Anifowose (2017) find that intellectual capital and human capital disclosures show an increasing trend, yet relationship capital disclosure has decreased over time. Existing empirical evidence is thus mixed and leaves room for further investigations.

De Villiers and Sharma (2017) underline the common focus of IR and IC on value creation, and further maintain that IR is a new hope for IC disclosure. More precisely, they note that IR reframes the ways of disclosing IC, by going beyond financial statements and putting the attention to "*the non-traditional capitals, strategy, [and] business models*" (p. 11). The authors add that, "[u]*nder <IR>, if IC, human capital, or relationship capital is set to play an important value creation role in the future of an organization, then this value creation story, with IC at its core, has to be told in the integrated report*" (p. 11). Garanina and Dumay (2017) are also optimistic about the opportunities that IR opens to IC information. More specifically, they suggest that IR may reduce information asymmetry thanks to an increased IC (forward-looking) disclosure. Similarly, Lombardi and Dumay (2017; p. 2) support that IR '*is sparking a resurging interest in IC*'.

Despite IC disclosure in the context of IR has attracted increasingly interest by researches, to the best of our knowledge no prior study has investigated from a qualitative stance the provision of information on IC in the integrated report. We address this gap by undertaking an analysis of IC information provided in the reports issued by an early IR adopter in the period between 2012 and 2017. We particularly investigate which is the *locus* of IC disclosure, its object and the level of detail provided. Our analysis covers a 6-year period and captures the evolutionary path of IC disclosure in integrated reports.

8.3. Research approach

The research relies on a single case study approach that combines information from a wide range of sources (e.g. interviews, reports, and other documents) to explore a specific corporate context. We believe this approach is appropriate to our purpose, since it enables us to gain knowledge and understanding of the process behind the evolution of IC disclosure over the six integrated reports (at the year 2018) issued by a pioneer in the IR adoption. The case study is focused on a multinational corporation that works in the Oil & Gas industry and takes the fictitious name Oil & Power Co. or simply "the Company". Oil & Power Co. is committed in several sectors, like research, production, transport, transformation and sale of oil and gas. Its business model targets value creation in terms of profitability, growth and efficiency improvements. It engages in exploration and production activities worldwide and makes innovation, efficiency and the protection of social and natural environments as crucial elements for strengthening the ability to create value overtime. In particular, innovation finds its expression in huge investments in research and development (R&D) as well as in advanced methods adopted to enhance intellectual property. Oil & Power Co. is a pioneer in the IR adoption and strongly believes that the integrated report is a tool able to communicate effectively the corporate sustainable approach to activities as well as to offer a disclosure of those qualitative resources that might remain unexpressed in the traditional financial report.

This research draws on the analysis of the IC information provided in the integrated reports issued in the period ranging from 2012 to 2017. The analysis of the integrated reports is supported by the close reading of other publicly available sources, such as financial reports, sustainability reports, and corporate website, which were browsed to gather preliminary information on the case company as well as to understand how IC takes shape in the company.

We also run interviews with representatives of corporate departments that contribute to the preparation of the integrated report, namely financial, sustainability, investor relations, and risk management departments. Whilst some departments are responsible and directly involved in the IR process, others are indirectly involved as providers of data and information included in the reports. Finally, we have participated into academic conferences, public workshops, and roundtables at which company representatives described their journey toward the IR adoption. The confidential corporate policy imposes to maintain anonymous both the company and the interviewees.

In analysing the integrated reports, we focus on how IC information is provided for IR purposes: that is, the ways through which IC is disclosed in constructing the Company's holistic story of value creation. The analyses are documented in each phase to mitigate contingent concerns about methodological rigor and subjectivity. In the first phase of analysis, we have identified the key information related to IC as mentioned in the integrated reports. In particular, we have examined the integrated reports separately and, then, shared our understanding of how IC is disclosed in these reports within the research team. Since no substantially different interpretations arise, we moved towards the second phase of analysis. In this phase, we have discussed about the issues to cover during the interviews in order to obtain a clearer picture of how IC is meant in the Company's integrated reports. The semi-structured interviews also clarify some IC-related activities and initiatives as well as the journey toward the IR adoption. The individual interviews have lasted about 70 minutes on average and involve managers and employees of four departments (financial, sustainability, investor relations, and risk management), who have been working for Oil & Power Co., at least, for 10 years.

8.4. Findings

Oil & Power Co. considers IC disclosure as the main challenge launched by the IR adoption. Its aim is to communicate how qualitative and intangible resources guide the Company towards the long-term value creation. Despite financial and manufactured capitals represent focal resources for the Company that operates in a capital-intensive industry, also IC plays an important role to the purpose. Thus, IC disclosure covers an important piece of the corporate value creation story. IC information is aimed at promoting the corporate financial robustness as well as social-environmental responsiveness through activities such as innovation, R&D, safety and development of people competences. As the departments underline, IC disclosure is intended to strengthen the message that (financial, social, and environmental) sustainability is something inherent to the Company's way of doing business. To such aim, the departments initially found in the business model the proper tool to address the difficulties to communicate IC and adopted it as the initial reference point (i.e. *locus*) for portraying IC information in the integrated report.

IC is represented in the business model since the integrated report 2012, where it is schematically displayed in terms that refer to the Company's strategy. As acknowledged by the departments, the focus of IC disclosure is posed on intangibles that drive the sustainability of the business under the financial, social and environmental viewpoints over the short, medium and long term. More specifically, IC information relates to resources, critical capabilities, and strategic values that affect the corporate value creation process. For instance, IC is communicated as follows: IC consists of resources, like projects, exploration portfolio, brand, and customers; IC includes critical capabilities, like cooperation, integration, excellence, innovation, inclusiveness, and responsibility; IC is made of strategic values, like focus on core areas and customers, partnerships with national oil corporations, and time-to-market reduction.

In the aftermath of the first integrated report release, both financial and sustainability departments proposed to disclose IC by complying with the IIRC Framework. In this vein, the integrated reports 2013-2015 categorised the previous IC information – that referred to resources, critical capabilities, and strategic values – according to human, intellectual, and (social and) relationship capitals. The Company also added a matrix to provide a more comprehensive information on these capitals compared to the integrated report 2012. The matrix is linked to the business model through different colours and symbols that symbolise human, intellectual, and social and relationship capitals. The matrix serves the purpose to describe which resources give content to each form of capital, which activities Oil & Power Co. undertake on these resources, and, finally, which values stem from these activities, respectively for the Company and its stakeholders. For instance, human capital includes resources such as people health and safety, corporate know-how, experience and skills, corporate culture, geographical spread, and gender diversity. Among the initiatives promoted to develop such resources, the matrix shows safety at work, protection of human rights, education and training on the job, welfare, and engagement. The values delivered as the result of these activities relate to innovation, risk mitigation, efficiency, wellbeing for both employees and host populations, attraction and retainment of talented people. Intellectual capital resources refer to systems of corporate governance, internal procedures, technologies, patents, and knowledge management. The activities undertaken to develop such resources include, for instance, implementation of systems and procedures, establishment of alliances and partnerships with centres of excellence, development of intellectual property, and R&D. The values created for the Company and its stakeholders are competitive advantage, decrease of environmental and social impacts, reduction of corruption, licence to operate, transfer of technologies and know-how to host populations. Finally, social and relationship capital encompasses resources like corporate brand, partnerships and alliances with several stakeholders, such as governments, host populations, universities and centres of excellence, trade unions, customers, and suppliers. The activities performed on these resources consist of brand management, memorandum of understanding with governments, projects for help the development of host populations, promotion of strategic partnerships, and research programmes. The values stemming from those activities are identified in customers retention, drop of the risk at the country-level, socio-economic development, knowledge sharing, and incentives to people.

In 2015, the investor relations department questioned the approach of the Company's integrated reports in portraying the value creation story, by remarking it was not as holistic as it should have been. Such criticism triggered a radical change in the way of disclosing (also) IC in the integrated reports 2016-2017. In particular, IC disclosure shifts its *locus*, at first, into a renovated matrix and, then, into a more descriptive table. Further, it is no more represented by referring to the multiple capitals of the IIRC Framework, identified by different colours. Conversely, IC disclosure is provided through IC management dimensions, i.e. dimensions of managerial intervention that allow the Company to communicate how it employs IC. Accordingly, "human capital" is replaced with "individuals and wellbeing" dimension, "intellectual capital" is replaced with "innovation and knowledge" dimension, and "social and relationship capital" is replaced with "human and community rights" dimension. IC disclosure changes also the way of informing about the corporate activities undertaken to develop IC and, in 2017, the way of providing information about the values created for the Company and its stakeholders.

In the integrated report 2016, the matrix retains information about the resources that give content to each IC management dimension and the values that stem from these resources for both the Company and its stakeholders. Information about the activities Oil & Power Co. undertook on these resources is instead replaced by performance indicators. For instance, like "human capital" in the previous integrated reports, the "individuals and wellbeing" dimension considers resources such as people health and safety and gender diversity. Such resources create values like efficiency and wellbeing for both employees and host populations, which are measured through performance indicators like the frequency of incidents and the number of total employees by gender. Such as "intellectual capital" in the previous integrated reports, the "innovation and knowledge" dimension refers to technologies, patents, and knowledge management; it results in values such as decrease of environmental and social impacts, and licence to operate. Such dimension is measured through performance indicators like the number of patents and the amount of investments in R&D. Finally, like "social and relationship capital" in the previous integrated reports, the "human and community rights" dimension encompasses resources like corporate brands and partnerships with several stakeholders. It delivers values such as local socio-economic development and people incentive and is measured through performance indicators like investments by communities and hours of training on human rights.

In the integrated report 2017, IC disclosure is characterised by more descriptive and qualitative information. Thus, its reference point turns into a table that provides entirely narrative information (Table 1). By going deeper, this descriptive table explains in a brief paragraph both corporate activities and related objectives that the Company aims to achieve for each IC management dimensions. Moreover, IC disclosure is presented by splitting the previous three IC management dimensions into five IC management dimensions. In this way, "individuals and wellbeing" dimension is partitioned into "individuals" dimension and "wellbeing" dimension; "innovation and knowledge" dimension becomes "innovation" dimension; "human and community rights" dimension is distinguished into "human rights" dimension and "host communities" dimension. For instance, "individuals" dimension informs about human resource management tools aimed at developing careers, promoting an inter-generational exchange of experiences, and supporting diversity. Further, it describes the corporate knowledge management system as based on the integration and sharing of know-how. "Wellbeing" dimension explains that the Company has a health and safety management system certificated according to international standards and aimed at (among others) preventing major accidents through the employment of best practices for plants maintenance. "Innovation" dimension defines the organisational model of the corporate R&D department and the procedures applied for the management of technological development and the protection of the resulting intellectual property. "Human rights" dimension represents the commitment of the Company in assessing the impacts on human rights that its operations produce. It also communicates the establishment of a specific working group on human rights aimed at complying with the related international standards and best practices. Finally, "host communities" dimension represents the corporate engagement with programmes aimed at developing local communities in line with national development programmes. It informs about a specific working group on local content that evaluates direct, indirect and induced impacts of corporate operations in the several geographic areas.

Table 1 – IC disclosure along the integrated reports 2012-2017

Integrated reports	*IC disclosure*		
	Locus	*Object*	*Level of detail*
2012	Business model	Resources Critical capabilities Strategic principles	Schematic account of IC information through lists of keywords.
2013-2015	Business model and matrix	Resources Critical capabilities Strategic principles Three capitals of the IIRC Framework: human, intellectual, social and relationship. For each capital information on resources owned, activities undertaken and values created for the Company and its stakeholders.	Concise account of IC information through lists of keywords and short sentences.
2016	Matrix	Three IC management dimensions: individuals and wellbeing, innovation and knowledge, human and community rights. Information on resources owned, performance indicators and values created for the Company and its stakeholders.	Concise account of IC information through lists of keywords, short sentences, and figures.
2017	Descriptive table	Five IC management dimensions: individuals, wellbeing, innovation, human rights, host communities. Brief paragraphs with description and explanation of the corporate activities undertaken for each dimension and the related objectives pursued.	Detailed description of IC information through a list of long sentences.

8.5. Discussion and conclusions

Integrated report is gaining momentum as a new reporting paradigm that portrays an overall picture of the corporate value creation story. It particularly is understood a new hope for IC disclosure due to the acknowledgement of intangible, nonfinancial capitals. Prior academic research has addressed IC disclosure in the context of IR by adopting a quantitative approach of analysis and focusing on the tone and/or the amount of IC information rather than on how such information is communicated. In the attempt to fill this gap, we have assumed a qualitative stance in analysing the integrated reports of an early adopter. In particular, we have investigated the *locus* in which IC disclosure is provided, its object and level of detail, focusing on how such elements have evolved over time.

In the Oil & Power Co.'s integrated reports, IC disclosure relates with innovation, knowledge development, and stakeholders' engagement. It particularly explains how intangible, nonfinancial resources are employed and developed to enhance the values created for the Company and its stakeholders. The objects of IC information do not change along the six integrated reports analysed, with topics like R&D, knowledge sharing, and commitment in the cooperation with (corporate and noncorporate) people being always emphasized. The findings show that IC disclosure undergoes an evolution in the ways it is communicated along the integrated reports 2012-2017, both in its *locus* (i.e. where IC information is exposed in the integrated reports) and its level of detail. Therefore, in the IR context under study, IC disclosure appears malleable and affected by two main variations. The first one being the shift of the *locus* of IC disclosure, first, from the business model to the business model plus a matrix and, second, to a descriptive table. The second variation, instead, concerns the greater level of IC information, first, from schematic account to a synthetic description, and then to a more detailed narrative description.

As shown by the integrated reports and confirmed by the departments interviewed, IC disclosure shifts its *locus* within the integrated reports from business model to descriptive table. Such change is not impulsive nor speedy: it takes place progressively after the first integrated report (2012) where IC disclosure is visualised in the business model. In the following three years (2013-2015), IC is communicated by combining information provided by both the business model and the matrix. In the last two integrated reports, instead, a matrix and a descriptive table are the parts in which IC disclosure is provided in 2016 and 2017, respectively. Such parts do not vary only the *locus* of IC information in the integrated report, they also influence the way of providing IC information. In other words, they change the way of visualising IC information as well as the disclosure emphasis towards more qualitative information. In this vein, this paper complements Dumay and Rooney's (2016) analysis by examining the IR context and revealing that, after an attempt to provide quantitative information on IC in a matrix of performance indicators, the qualitative information (narratives or stories according to Bukh et al. (2001) gain supremacy in the descriptive table. For instance, in 2017, such table does not only cite the Company's knowledge management system, but also discloses the latter by describing its way of functioning based on the integration and sharing of know-how.

In linking the above two aspects, the findings also point out that IC is disclosed with a greater extent of detail along the annual integrated reports that highlight more narrative and qualitative information. IC disclosure emerges as malleable. It moves from a schematic account of IC information, communicated with a few keywords in the corporate business model (like, projects, excellence, time-to-market reduction) to a detailed description of the activities undertaken for each IC management dimensions (like, human rights dimension refers about a specific working group established to comply with the international standards and best practices). Instead, when IC is communicated in both the business model and the matrix, IC disclosure is hybrid; that is, IC information is provided through both narratives and performance indicators. In this vein, the study supports Dumay's (2008) conclusions and extends them in the context of IR by showing that narrative disclosure of IC allows to provide information on both IC measurement and IC management. Moreover, the findings display that IC disclosure is organised in business model and/or matrix or descriptive table according to different categories. IC starts from a communication based a partition by resources, critical capabilities, and strategic values (i.e. IR 2012), goes through the distinction by capitals as suggested by the IIRC Framework (i.e. IRs 2013-2015) and, then, moves towards IC management dimensions (i.e. IRs 2016-2017). Such different ways of organising IC information confirm the complexity to effectively communicate how IC contributes to value creation (Marr et al., 2004). In 2016-2017 (i.e. four/five years after the first integrated report), IC disclosure is tailored on dimensions of IC intervention (or IC management dimensions) identified by the Company itself. Thus, once the Company has broken the IR process in, IC information is provided by paying attention of how the IR adopter manages IC. In this vein, the study confirms that IC disclosure is an accounting matter that '*intersects with strategy, technology, customers, processes and human beings*' (Dumay, 2014; p. 18).

To conclude, the paper advances the optimistic idea according to which IR is a new opportunity for IC disclosure (de Villiers and Sharma, 2017; Garanina and Dumay, 2017; Lombardi and Dumay, 2017). The analysis shows that how IC information is communicated in the integrated report is not fixed once and for all, but it is malleable. Indeed, it undergoes several variations along the annual releases. For instance, in the attempt to convey effectively IC in the integrated reports, the *locus* of its disclosure shifts from a visual representation (i.e. business model) to a narrative disclosure (i.e. descriptive table). In this vein, the study also provides evidence that IC disclosure tends to be provided over time through more qualitative information than quantitative information. Accordingly, the paper supports the idea according to which integrated report allows to overcome the drawback of other reporting paradigm (e.g. IC statement) and opens the possibility to explain how intangible, nonfinancial capitals are used by the companies to create value.

The paper offers three contributions to the prior literature. First, it provides new insights on IC disclosure in the context of IR by examining through a qualitative approach how an early IR adopter provides IC information in its integrated reports. In this way, the study advances knowledge about which *locus* of the integrated report is considered the most effective to disclose IC. Second, the analysis figures out that IC disclosure becomes more detailed over time. In showing this, it extends Dumay and Rooney's (2016) conclusion, by suggesting that, also in the IR context, IC information is better communicated through narratives rather than indicators. Finally, in analysing the interviews to corporate departments, the study helps clarify that the objects of IC information remain stable in the integrated reports, since they are related to the industry in which the company operates. On the contrary, the level of detail of such information in the integrated reports moves towards a detailed description of IC, which depends on the role that IR adopters assign to IC disclosure. For instance, in Oil & Power Co., IC disclosure plays the crucial role to convey the corporate financial robustness and social-environmental responsiveness; to underline better the IC importance to external subjects, over time the Company dedicates to IC disclosure wider narratives in the integrated reports.

The paper has two main limitations that provide avenues for further research. Firstly, the study focuses on a single company. Further studies might investigate and compare how IC information is provided by IR adopters that operate in different industries. Secondly, the paper undertakes a qualitative analysis of IC information that is focused on its *locus*, objects and level of detail. Future research might investigate the meaning of IC information in a particular corporate reality, by performing a critical discourse analysis of IC disclosure. Such analysis might allow to further explore the meaning of the words used to disclose IC and, moreover, if their meaning changes over time and/or among industries.

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Il tema della comunicazione esterna agli *stakeholders* è da sempre, per l'aziendalista, un'area di studio di estrema attualità, nel cui ambito, l'attenzione degli studiosi e dei *practitioners* si è indirizzata alla comunicazione *econo-mico-finanziaria*, dove il bilancio di esercizio riveste un ruolo centrale quale strumento informativo di sintesi della dinamica gestionale. In tempi più recenti i confini della comunicazione esterna si sono ampliati nelle forme e nei contenuti, attribuendo un rinnovato interesse a tematiche in passato relegate a ruoli "di contorno": l'importanza della comunicazione in materia di sostenibilità ambientale e di salvaguardia delle risorse naturali, di tutela dell'occupazione e sicurezza dei lavoratori, di sviluppo socio-culturale del territorio, e così via. Sono poi oggetto di rinnovato interesse anche tutte le tematiche di bilancio più tradizionali, sia in ragione della entrata in vigore di nuovi standard contabili di riferimento, sia in ragione dell'attenzione oggi indirizzata alle cd. "*non GAAP measurement*".

Nel quadro delineato si è collocato il Convegno Sidrea 2018 dedicato al tema "*Nuove frontiere del reporting aziendale. La comunicazione agli stakeholders tra vincoli normativi e attese informative*". La presente pubblicazione accoglie una parte rilevante dei contributi presentati e discussi nel corso delle sessioni parallele del Convegno.

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La passione per le conoscenze