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# WHAT IS DISCLOSED IN INTEGRATED REPORTING? AN ANALYSIS OF FINANCIAL INSTITUTIONS LISTED IN STOCK EXCHANGE BRAZIL BOLSA BALCÃO [B]³

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## ABSTRACT

Due the frequent changes in the global business scenario, there is also a need for companies to detail their socio-environmental responsibility practices and strategic information, which generate value for stakeholders and the community. The objective of this investigation is to identify the information disclosed by the financial institutions listed in [B]³ in the Integrated Reporting for the year 2019. Regarding to the methodological procedures, a qualitative approach was used in 51 KPIs. The technique used was Bardin's content analysis (1977). The KPIs were identified for each capital that makes up the structure of the RI Framework. Regarding the results, it was possible to observe that the analyzed companies, in general, seek to disclose more data related to the earnings per share KPIs; branches and network; dividends; number of queries and transactions; brand and reputation; presence on social networks; training expenses; sustainability index ranking and number of meetings and roadshows. Furthermore, it was possible to verify that each institution discloses the data differently, and that not all the information listed in the IIRC Framework is taken into account by the institutions. It was also observed that there is no standard for the elaboration of the Integrated Reporting by the analyzed institutions, and that most of them seek to disclose data that are favorable to the company. Thus, the research in question contributes to academy, corporate report makers and companies studying to adopt this report.

**Keywords:** Integrated Reporting. Disclosure in Financial Institutions. KPI.

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## 1 INTRODUCTION

With the frequent changes in the business scenario, *stakeholders* demand from companies a wider range of information related to transparency, socio-environmental responsibility and strategic information. Information which, was not previously requested, and not provided in traditional financial reports (Rupley et al 2017). Movements such as the Eco 92, RIO+10, RIO+20 and the creation of the 17 Sustainable Development Goals (SDGs) contributed to such discussions in order to broaden the vision that companies have a responsibility for social and environmental issues.

In view of this discussion, the companies understood that although it involves another expenditure to collect and report non-financial information, it is a good commercial practice that, even, can attract and retain customers (Rupley et al., 2017). Li et al (2018) show that *Environmental, Social, and Governance* (ESG) information can increase the value of the company. Therefore, the constant dissemination of holistic information and studies focused on the theme contributed to the combination between sustainable development and competitiveness gained emphasis, as well as to make the restlessness of many companies.

The aim of improving the Sustainability Reports and offering more and more refined and accurate information has made the debates about this theme gain greater attention. Therefore, the sustainability reports provide a broader scope than that offered in the traditional financial statements (Melloni, et al, 2017). In 2010, the *International Integrated Reporting Council* (IIRC) established Integrated Reporting (RI). The IIRC has the assistance of a committee composed of bodies such as *International Accounting Standards Boards* (IASB), *Financial Accounting Standards Boards* (FASB), *International Federation of Accountants* (IFAC), and the presence of *CFOs* of relevant multinationals (Flower, 2015). The integrated reporting comes with the proposal to integrate financial, economic, governance and social aspects into a single report, and bring discussions involving future perspectives of the company (Rupley et al., 2017), the RI also reveals the possibility of connecting information and combining a wide range of capital, some that were previously considered irrelevant in the usual reports, such as natural capital (Baboukardos & Rimmel, 2016).

In Brazil, the discussions associated with RI are being promoted by companies, regulators, students and investors. For example, in 2012, Brasil Bolsa Balcão [B]³ created the “Report or Explain”, the program is voluntary initiative and aims to instigate companies in the dissemination of their sustainability reports, the CVM, through Normative Instruction 480 began to require Brazilian companies to indicate their socio-environmental policies, the TCU in 2019 adopted the RI to provide its annual accounts, in addition to, through the DN TCU 170/2018, all public administration entities either direct or indirect, mandatorily disclose the RI (Garcia et al., 2019).

Despite this, aspects around RI still need to be reviewed. Melloni et al. (2017) share that even if it is an innovative report, compared to the others, there are still tensions involving the provision of a report that is concise, at the same time complete. Thus, it is questioned: what information is being evidenced in the integrated reporting of financial institutions? To answer the question, this study aims to identify the information disclosed by the financial institutions listed in [B]³ in the Integrated Reporting of 2019. For this, a qualitative approach is used to identify the KPIs with information disclosed within the scope of capital proposed by the *IIRC Framework* 1.0.

It is justified to choose the financial sector, because although it is not characterized as a sector of high environmental impact, these institutions play important roles in the process of sustainable development, since they develop financial intermediation activities Vitolla et al (2020). Additionally, the study broadens the findings of Cardoso et al. (2017) upon considering not only the KPIs relating to the human and financial capital of financial institutions, but also the other KPI’s capital of the IIRC *Framework*.

The main results of the study may help companies and professionals responsible for elaborating IR and, companies that have not adopted it yet, but intend to do so, with a panorama of what has been disclosed, encouraging the framework to the United Nations (UN) requirements regarding target n° 12. of (SDG), which deals with responsible consumption and production. In addition to supporting researchers, since there is a joint effort to present a greater variety of relevant financial and non-financial information (Rupley et al., 2017).

## 2 THEORETICAL BASIS

### 2.1 Integrated Reporting and *Framework*

The elaboration of the integrated reporting demonstrates the ability of an organization to generate value using its capital, in addition to providing more detailed data, more concise and relevant information, previously not demonstrated in other reports (IIRC, 2013).

Research and efforts carried out by the IIRC, as well as by the Brazilian Commission for Integrated Reporting (CBARI), have made incentives for the elaboration of RI gain emphasis. Considered as a possible corporate report (MIO, 2020), RI must bring sufficient information so that strategy, performance, governance, beyond the perspectives of the organization are understood, and seek a balance among conciseness, integrity and comparability (Iredele, 2019). RI also exposes more effective mechanisms of corporate governance (Pavlopoulos et al, 2017) and brings a true and fair view of the organization's holistic activities (Camilleri, 2018).

In order to be possible to formulate a report that meets the guiding principles, in addition to providing quality material for decision-making, the IIRC in 2013 created a framework that serves as a basis for collecting and analyzing this information. The *Framework* is entitled as “the International Structure for Integrated Reporting” and assists in the elaboration and understanding of RI-related aspects, as well as, establishes elements and principles that guide the preparation of the report, as well as exposing concepts around the theme (IIRC, 2013).

These concepts establish a connection among six company capitals, the manufacturing (characterized as physical goods available for use in the production or provision of services), human capital (such as skills and competencies of employees), intellectual capital (intangible assets that provide the company with competitive advantage, such as knowledge), natural capital (renewable and non-renewable natural resources such as water, land), social capital (brings the involvement with social projects, relationships, the image transmitted by the company) and financial capital (demonstrates the resources available for the company to carry out its activities) (Ribeiro, 2018). However, each organization should evaluate the level of interaction it has with the capitals, since not all are manageable or have the same relevance in all organizations (IIRC, 2013).

Flower (2015) explains that although the basis of the integrated reporting is the promotion of sustainability, in a way it has moved away from the issue of sustainability, since it says that the concept of “value” that the structure of the integrated account adopts is a concept aimed at creating value for investors, and not for society. Flower's conclusion is that the report will not achieve its original objectives, and that taking into account the path taken by the IIRC since 2010 to make RI pioneer in the reform of financial reports, which has in fact occurred, it was the unfolding of a great disappointment of those who expected the solution to the problems.

In order to obtain data about the benefits raised by the companies that disclose RI, Pavlopoulos et al. (2017), used a sample of 82 organizations from 27 countries and concluded that they had high levels of leverage and demonstrated effective corporate governance mechanisms, limiting information asymmetry. Ribeiro et al. (2020) analyzed 52 articles published between 2010 and June 2019, the results demonstrated that less than 15% of publications with RI address social and environmental issues, in addition to highlighting that the challenge lies in the development of more active research networks, and in the interaction among students, researchers and professionals so that the results obtained are tested in practice.

Efforts were also seen in the investigation by Carvalho et al. (2022) the authors analyzed how the pressures of interested parties such as government, employees and shareholders affect the RI quality of the companies listed in Brazil 100 index (IBr X100 B3) in the period from 2013 to 2019. The findings pointed out that there is pressure exerted by interested parties on the quality of RI. The authors also concluded that the level of governance, the sector of activity, external audit and the size of the company also impact on the quality of RI.

It is interesting to mention that although its disclosure is recent and not yet mandatory, the integrated reporting is presented as an alternative to conventional sustainability reports, however, its understanding should not be seen as an additional element to the financial statements, but as a general component of the system, this occurs, as it makes it possible to disseminate both financial and non-financial information with the same focus (Mio, 2020).

## 2.2 Integrated reporting and financial institutions

Many companies seek to demonstrate what actions are being taken in relation to sustainable development and the reduction of social imbalances (Ribeiro et al., 2020). For Jones et al. (2016), these actions are relevant for organizations to perform well, so managers need to pay attention to a range of stakeholders, such as environmental lobbyists, the local community and competitors, assumptions which according to the authors can be analyzed by the lens of the *Stakeholders* theory. In addition to these discussions, Phillips (2003) emphasizes that efficient management of relationships with *stakeholders* is not just a matter of survival and continuity, but a moral effort, because it is strictly related to issues of values, choice and possible damage and benefits for a group of stakeholders.

Thus, it is imperative that entrepreneurs and investors understand the importance of these reports, and seek to build points of reference that link sustainability programmatic practices to local corporate techniques (Thomson, 2015). To Vitolla et al. (2020) it is important for organizations to disseminate information of a higher quality, as it will give greater credibility to companies and increase the trust of the community and *stakeholders*. According to the authors mentioned above, large financial institutions tend to experience intense pressures regarding social and environmental information, as well as communicate with indirect and formalized tools.

In this effort, Lee and Yeo (2016) examined the association between the Integrated Reporting and the companies' assessment. The sample consisted of companies listed in South Africa and the authors examined the association between the transversal variation in the disclosures of the Integrated Reporting and the company's assessment after the RI implementation. The results revealed the existence of a positive association between the company's assessment and the disclosure of the integrated reporting. Thus, it can be assumed that the benefits of Integrated Reporting outcome its costs mainly in complex operational and informational environments.

As a way of elucidating the above, Banco Itaú S.A. in its Integrated Reporting published in 2014, aimed to highlight its commitment to environmental issues through efficient management processes that include social, environmental, economic and governance issues, and this is accomplished with a matrix of materialities that demonstrates which capital will be impacted in each action (Cristofalo et al., 2016).

In Australia, Goodbank adopted RI and information focused on operational, strategic, governance and future perspectives contexts was disseminated from integrated practices, becoming a strong point for the institution (Lothia, 2015). Whereas Cardoso et al. (2017) contributed to the IR analysis released between 2015 and 2016 of four financial institutions focusing on human and financial capital, the results indicate that the institutions had considerable levels of connectivity in the dissemination of information, however, according to the data obtained, BNDES, Caixa and Itaú Unibanco have a higher amount of financial information disclosed, already in relation to human capital, Banco Santander obtained greater prominence. When researching IR in a financial institution Favato et al. (2021) explained that, with the accession of the report, there was cooperation and greater union between the areas. In addition, the RI elaboration provided the bank with a clearer definition of its business model, despite considering that the dissemination of integrated thinking for all employees is complex.

In the light of the analyzed research, it is noticeable the relevance and increase of studies on the integrated reporting and its relation with sustainability. Despite problems involving the topic and a lack of more detailed and conclusive research, RI has won a prominent role in the institutions. Thus, identifying the disclosure of this information is relevant.

## 3 METHODOLOGICAL PROCEDURES

The study herein has a descriptive nature with a qualitative approach to the problem, uses the technique of content analysis presented by Bardin (1977), with the division of content analysis into three stages, namely, pre-analysis, exploration of the material and treatment of the results obtained and, interpretation. Data collection occurred initially through the electronic address of B3, where 26 companies in the financial sector and banking segment were located. In order to obtain the number of Financial Institutions that disclosed the integrated reporting in 2019, searches were made in the electronic addresses of all 26 companies, and thus, it was possible to reach a sample of 5 Financial Institutions, namely: Banco do Brasil; Banco Bradesco S.A; Itaú S.A.; Itaú Unibanco Holding S.A. and Banco Santander.

Regarding the stage of pre-analysis and material exploitation, it was initially necessary to verify which banking companies disclosed the integrated reporting in 2019, then a search was made to verify how these companies disclosed the six capital of RI, at this stage the researchers found that there was no standardization of the presentation of capital by the companies participating in the sample. After this stage, the researchers processed the data, so it was necessary to access the IR of banking institutions and then analyze the corporate practices evidenced belonging to each capital according to Table 1. Afterwards, the data were inserted in the software AtalsTi, which enabled the data interpretation and analysis. For Bardin (1977), content analysis helps obtaining the data, because it seeks to identify what is behind the words, in addition to gathering a set of techniques to perform the analysis of communications and consider the content and its distribution.

Taking into account the number of banks and in order to obtain more objective and concrete data for the realization of the proposed analysis, the objective was to perform a division of the six capitals within each integrated reporting, however, considering that there is no disclosure pattern, and with the exception of Itaú bank the other institutions do not separate the information by capital as proposed by the *IIRC Framework*, so that it was possible to locate the data within the RIS, the KPIs (Key Performance Indicators) were used, arranged in *the IIRC Framework* in *the* Capitals section and other indicators established in the floating reading phase established in the Content Analysis (Bardin, 1977). The indicators are in Table 1.

Table 1
**Research Categorization and Coding**

| Capital of the Integrated Reporting | KPIs analyzed |
|---|---|
| **Financial Capital** | 1. profit per share; 2. revenue; 3. dividends; 4. revenue from fees; 5. total assets; 6. credit loss index; 7. credit ratings; 8. customer deposits; 9. market shares and 10. operating expenses. |
| **Manufactured Capital** | 1. branches and network; 2. plant and equipment; 3. information and technology; 4. investment in branch transformation; 5. number of queries and transactions; 5. rent and related expenses; 6. processing capacity; 7. data storage capacity; 8. number of IT systems. |
| **Human Capital** | 1. management and leadership; 2. number of hours of employee training; 3. number of employees participating in leadership programs; 4. occupational health and safety statistics; 5. disciplinary and complaint statistics; 6. staff cost; 7. employee satisfaction; 8. employee permanence in years and 9. number of merits and promotions. |
| **Intellectual Capital** | 1. brand and reputation; 2. processes and procedures; 3. information technology; 4. innovation capacity; 5. presence on social networks; 6. personnel training expenses and 7. training course numbers. |
| **Natural Capital** | 1. environmental resources; 2. paper consumption; 3. volume of waste; 4. environmental safety expenditure and 5. application of the Ecuador principles. |
| **Social Capital** | 1. Bank licenses; 2. complaint response time; 3. supplier distribution; 4. Number of PMEs supported; 5. number of volunteers; 6. number of employees participating in information security training, fraud prevention, etc.; 7. sustainability index ratings; 8. customer growth rate; 9. number of suppliers by activities and 10. number of meetings and *roadshows*. |

Source: Authors, adapted from the *IIRC Framework* 1.0.

The use of these indicators allowed to locate the information related to each capital, especially in cases where the institutions did not follow the model of disclosure of the information proposed by the *IIRC Framework*.

## 4 ANALYSIS AND DISCUSSION OF RESULTS

For the analysis of the information, in addition to the use of the *IIRC Framework* and the use of some KPIs common to financial institutions and that guided the analysis of the reports, the separation and analysis of each capital was performed individually, starting with the analysis of the Financial Capital. It should be noted that not all KPIs were analyzed in their magnitude, those that the company showed with greater emphasis is that they were discussed with greater depth.

### 4.1 Financial capital

The IIRC *Framework* defines Financial Capital as a set of resources that is available for use in the production of goods and services (IIRC, 2013). In the Ris where the presence of KPIs was verified, it was possible to perform the analysis seeking to identify the most relevant information and how they are being disclosed. Figure 1 shows the financial KPIs generated in AtlasTi.

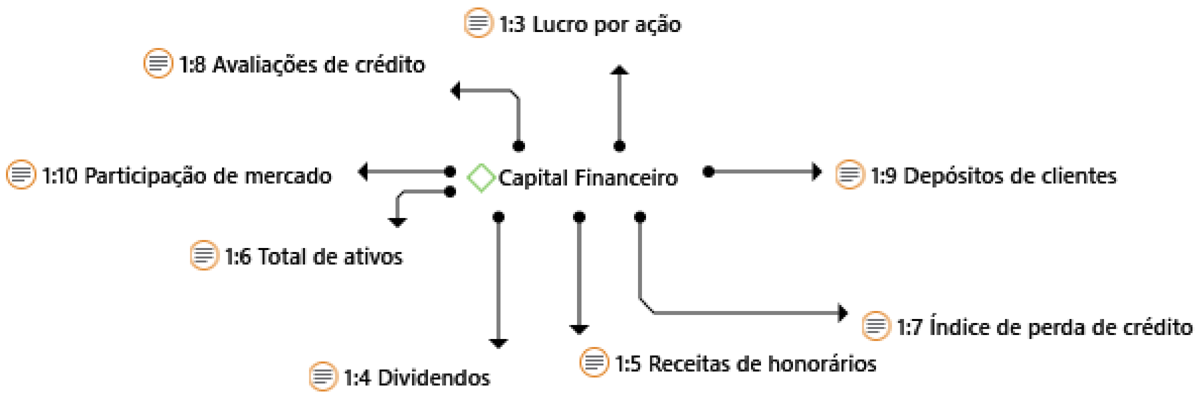


**Figure 1.** KPI's of Financial Capital
Source: Generated in Atlas*ti with research data.

It is possible to observe that the focus of the analyzed institutions is on disseminating information related to earnings, distributed dividends, percentage of market share and total assets, the institutions also bring information about the amount related to operating expenses and index of credit loss. However, information on credit assessments, fee revenues and customer deposits is the least evidenced.

Regarding the form of disclosure of revenues, it is possible to observe that in Banco do Brasil, the information disclosed is more complete, in addition to disclosing the total in revenues, and the percentage 6.4% growth compared to the previous year, the bank mentions that growth is the result of the "result of the strategy focused on relationship, targeted service and constant improvement of the customer experience." Regarding such aspects, Vitrolla et al. (2020) explain that greater transparency is necessary to meet the needs of stakeholders, especially in the case of financial institutions, which are organizations characterized by having high profitability.

Still on the distribution of dividends, it was observed that the institutions disclose the information in a very similar way, Banco do Brasil discloses that the amount of R$ 6.7 billion was distributed to interest securities under equity. Banco Bradesco 15.9 billion and Banco Itaú R$ 18.8 billion, in addition to informing that "the growth of the credit portfolio combined with the profitability of 2019" enabled the distribution of the amount mentioned.

On the rate of credit loss, Banco do Brasil and Banco Itaú disclosed in addition to percentages the reason that led to the increase or reduction of the index. Banco do Brasil, for example, demonstrates that the "credit risk reduced 2.4% compared to 2018, reaching R$ 19.7 billion in 2019, reflecting the origination of new credit periods with better quality", following the same reasoning, Banco Bradesco brings the information of increased R$ 8.4 billion in the index compared to 2018, and the justifications about this increase. With regard to the other KPIs such as fee revenue, credit assessments and customer deposits, it was not possible to identify any information using the keywords mentioned.

### 4.2 Manufactured Capital

Defined by the IIRC *Framework* as physical objects available for use in production or service provision, such as buildings, equipment, and infrastructure (IIRC, 2013).

The analysis was based on the use of these performance indicators and aimed to identify the form of disclosure and the general focus of the institutions analyzed. The main focus of the institutions is linked to the provision of information on the number of branches, service points, number of machines, ATMs, investments in digital transformation and number of consultations and transactions. And information on the number of IT systems and data storage capacity is little disclosed by the institutions analyzed. Figure 2 shows the KPIs of manufactured capital generated in AtlasTi.

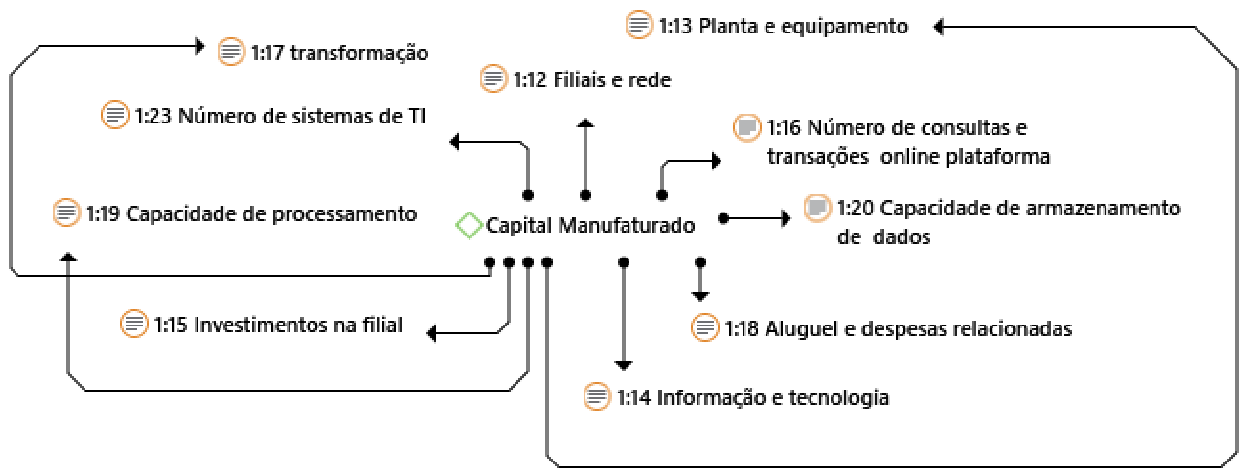


**Figure 2.** KPI’s of Manufactured Capital
Source: Generated in Atlas*ti with research data.

When it comes to the information regarding the branches and the network it is possible to verify that the banks Itaú and Bradesco have a similar form of information disclosure where basically highlight the number of branches and ATMs. Concerning Banco Santander and Banco do Brasil, in addition to this information, data related to the number of branches opened are made available.

Regarding the number of queries and transactions, Bradesco discloses that “transactions in digital channels correspond to 96% of the total transactions made”, the other institutions follow the same logic of disclosure.

Data on investments in the subsidiary transformation were found only in Itaú bank: “between 2016 and 2019, investments in technology increased by 54%.” In the other institutions it was not possible to locate any keywords about this KPI. The amount disclosed about rentals and related expenses was located in the RI of Banco Brasil and Bradesco, in the other institutions these data were not identified.

For the analysis of the KPI plant and equipment the number of card machines, ATMs and other peripherals was considered. These data were located only in Bradesco bank “33,900 Bradesco machines 23,820 machines Banco24horas 4,478 branches 39,100 Bradesco Expresso (banking correspondent) 4,439 Bradesco machines with immediate deposit and recycling of bills 159 Bradesco machines with immediate withdrawal of dollar and euro” and in Itaú bank, that disclosed ATMs 46.3 thousand, card Machines 1.5 million. Some KPIs such as information and technology, processing capacity, data storage capacity and number of IT systems, for example, have not been located. Some keywords were located in the RIs, however, they did not have connection with the analyzed context and were therefore disregarded.

With regard to manufactured capital, it is necessary to verify that not only its material and physical structures such as ATMs, card machines and other items are also part of this capital, information about technological structures should also be disclosed. In addition to the ownership aspects of the institution, in order to encompass the sustainability strategy of how to generate value, it is interesting that organizations present information related to the aspects of the environment in which they are inserted, for example, in Brazil some regions are not developed in infrastructure which can affect the commute to the branch, as well as concerns in developing technological structures that meet the local regulations of Bacen, which differentiates from financial institutions in other countries. The study by Santos et al. (2021), propose an agenda with research proposals that can be related to this discussion of dissemination strategies, suggesting research that analyzes whether economic aspects that lead to competitiveness interfere in the elaboration of IR and studies that identify factors of organizational resistance when establishing stakeholder management.

### 4.3 Human Capital

According to the *Integrated* Reporting *Framework*, human capital can be considered as: “the skills and experience of people and their motivations to innovate, including: their alignment and support to governance structure, risk management and ethical values; the ability to understand, develop and implement an organization’s strategy and the loyalty and motivation to improve processes, goods and services, including the ability to lead, manage and collaborate” (IIRC, 2013).

Figure 3 shows the human KPIs generated in AtlasTi.

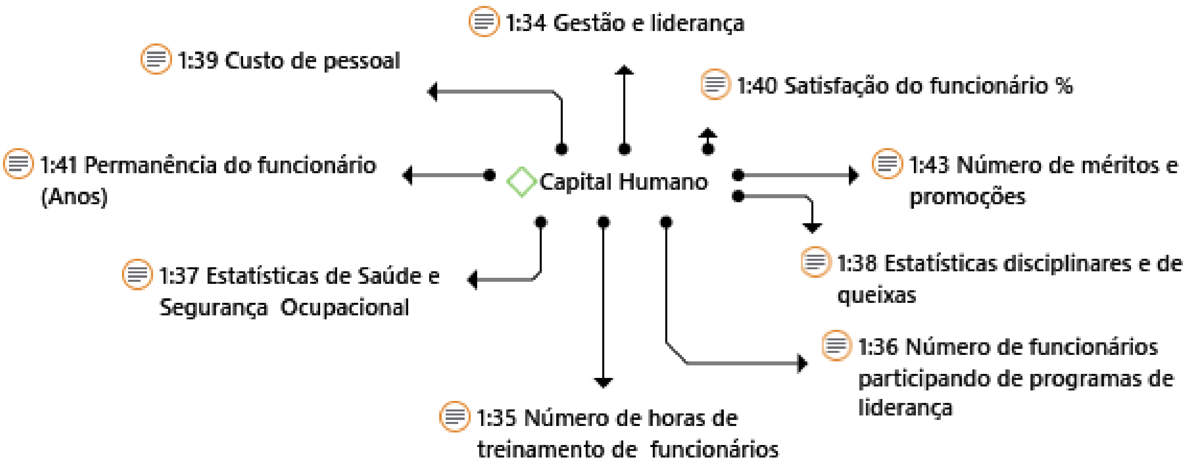


**Figure 3.** Human Capital KPI’s
Source: Generated in Atlas*ti with research data.

It is possible to realize that the general focus of the financial institutions analyzed is on the development of their employees, since the main information contained in this capital refers to data such as hours of training dispensed, leadership programs and employee satisfaction. On the other hand, specific information on the number of merits and promotions is the least disclosed.

Regarding the relation of training hours per employee, Itaú *Holding* does not specifically disclose the number of hours per employee. Whereas in Banco do Brasil, the information disclosed is that the number of hours per employee was 64.3. The reports of Bradesco and Santander bring the information in a more complete way, disclosing a description with the average number of hours separated by category, as well as the comparison of growth with the previous year.

Regarding the item of numbers of employees participating in leadership programs, it is noticed that the banks general focus is the creation of specific leadership development programs besides the diversity programs as female leadership. Regarding employee satisfaction, with the exception of Santander, all the other banks disclosed this indicator. According to the information, the satisfaction rates of employees of the companies are higher than 84%, these figures were obtained with internal surveys. In addition to satisfaction, the banks also disclose initiatives that were taken to further improve these indices, such as organizational environment management programs and other initiatives. According to Carvalho et al. (2022) officials exert pressure on quality reports. Thus, there is a need on the part of organizations to report with veracity all the policies they develop with their employees such as those disclosed in the RI of the aforementioned financial organizations. Among the information that was least disclosed, are those related to the number of merits and promotions made by such companies.

## 4.4 Intellectual Capital

The *IIRC Framework* characterizes intellectual capital as intangible assets and that will provide competitive advantage to the company such as trademarks, patents, copyrights, systems, procedures etc. (IIRC, 2013). Figure 4 shows the KPIs generated in AtlasTi.

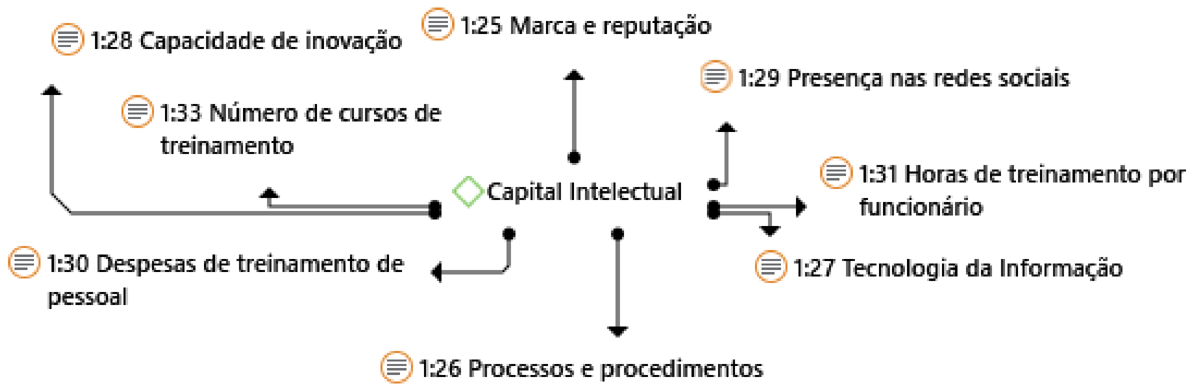


**Figure 4.** KPI's of Intellectual Capital
Source: Generated in Atlas*ti with research data.

It is possible to realize that the focus of institutions is mainly on disseminating information about their brand, presence on social networks and hours and expenses related to training. Regarding training, Banco do Brasil disclosed a total of 64.3 hours/employee. Itaú reported that "approximately 19 hours of training per capita" were performed. Santander brings the number of training hours separated by sector, and brings the number of courses taken online and face-to-face. Bradesco informs that 2,780 courses were invested in training and brings a separate table by function indicating the number of hours/training per employee.

Regarding brand and reputation, it was possible to identify that all institutions aimed to disclose their position in different *rankings*, Banco do Brasil announces that "5$^{th}$ most valuable brand in Brazil: in *the ranking* of Interbrand 2019. *Top of Mind* category Banks" Bradesco announces that "we were elected as the best Cash Management Bank in Brazil – *Best Service* and *Market Leader*, by *Euromoney* magazine". Banco Itaú reports that "had the second most valuable brand in Brazil in 2019, according to the *BrandZ*" *ranking*. With regard to Banco Santander, "our performance in micro finances has led us to 6$^{th}$ place in *the ranking* of the companies that change the world the most, according to the *"Ranking Change the World*" of Magazine Fortune. Thus, it is possible to verify that the institutions do not have a standard in relation to this KPI, which may interfere with the stakeholder's perception of their assessment of the level of risk associated with Capital or their pre-willingness to invest in the institution considering the brand strength for future periods.

With regard to information technology, Banco do Brasil informs that it invested R$ 3.4 billion in technology, Itaú brings the data referring to this indicator in percentage, "Between December 2016 and December 2019, we increased our investments in technology by 54%", Bradesco brings this information in a more detailed way, "we invest annually about R$ 6 billion in technology and we guide our strategy on three pillars that comprise digital acceleration, the 100% digital bank (*next*) and the new business model based on *open banking*".

The indicator of presence on social networks can be verified in all the institutions analyzed, basically the banks bring information about created content, improvements made in channels such as *WhatsApp* and *Facebook*, for example, number of calls made by *WhatsApp* and number of followers. Santander discloses, more briefly, this information compared to other institutions, informing that "our consumers can also contact us via social networks, through the Bank's official pages on *Twitter, Facebook, Instagram, YouTube and LinkedIn*." Thus, it is possible to identify a symmetry regarding this KPI, this occurs because, even institutions disclosing information about different social networks, they seek to give emphasis to those digital channels that have greater investment or success.

Information on innovation capacity was not found, but it is possible to identify that the analyzed institutions aim to highlight in this capital the information and data in which they have more advantages compared to the others, this is noticeable with the analysis of the presence indicator in social networks, as well as brand and reputation in which institutions aimed to focus on points that have gains.

## 4.5 Natural Capital

The *Integrated* Reporting *Framework* defines Natural Capital as renewable and non-renewable natural resources such as water, land, forests and biodiversity (IIRC, 2013). The analysis aimed to identify what the most disclosed information is about this capital, as well as, which is less evidenced, and if there is any similarity in the dissemination of this information among the institutions. Figure 5 shows the KPIs of natural capital generated in AtlasTi.

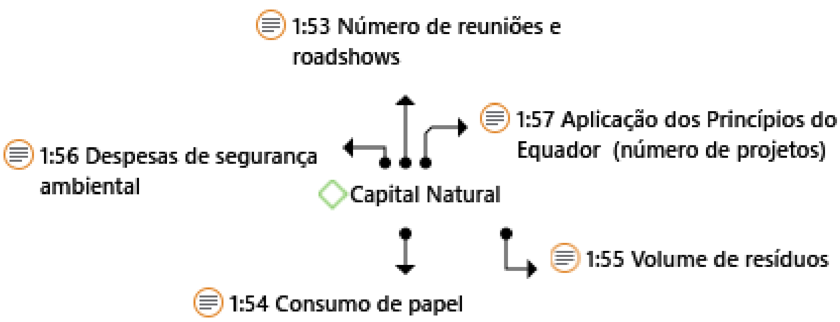


**Figure 5.** KPI's of Natural Capital
Source: Generated in Atlas*ti with research data.

Regarding the analysis of the information disclosed on environmental resources, it is possible to observe that Banco do Brasil disclosed data on the management of eco efficiency, informing that "GHG emissions and the consumption of materials were rationalized, such as: paper, toner cartridge and fuel, reducing the generation of solid waste", Banco Bradesco follows the same logic proposed by Banco do Brasil and in addition to quoting the master plan of eco-efficiency, informs that "in the cycle (2016-2018), we achieved five of the eight proposed goals. The water consumption avoided in the period, for example, corresponded to 556,084 m3". Whereas Banco Itaú informs data on the reduction in water consumption, use of renewable energy, $CO_2$ emissions, among other information. We did not find these data in RI provided by Banco Santander.

Other well-publicized points regarding this capital are related to paper consumption. Banco Santander, Banco Bradesco and Banco do Brasil provide the percentage of reduction in paper and printing expenses compared to the previous year. These data were not located in the RI of Banco Itaú.

Regarding the application of the Ecuador principles, with the exception of Itaú it was possible to identify the number of projects. Banco do Brasil and Banco Bradesco brought information on the number of projects in a table, Banco Santander detailed more fully the data on this principle, and it sought to demonstrate what the Ecuador principles are in fact "a set of guidelines to mitigate the socio-environmental risks in the financing of large projects, of which we are signatories", in addition, in 2019 the institution reported that 49 projects were carried out, number higher than that reported by Banco do Brasil that added 03 projects, and Bradesco, 28 projects.

Data on waste volumes were located only at Banco Itaú, reporting 5,566 tons, 7.6% above the year target: 23,751 tons. Whereas Banco Santander only informs that its initiatives are guided by the policies of Social and Environmental Responsibility. We have not found these data in Banco do Brasil and Banco Bradesco. Regarding the environmental safety expenses, it was not possible to locate any RI data about this KPI.

According to Xavier (2015), the financial sector, despite not being considered a sector of high environmental impact, due to its type of activity, ends up having an indirect impact, because it offers funding to sectors that directly impact natural resources. In this sense, it might be interesting for institutions to disclose in this capital the way these borrowers and financing have acted, or if they end up generating an environmental impact, even if not directly, but indirectly financing it.

### 4.6 Social Capital

According to the Integrated Reporting *Framework*, Social and Relationship Capital covers shared patterns, values and behaviors, brand and reputation developed by an organization, social license to operate (IIRC, 2013). Figure 6 shows the KPIs of social capital generated in AtlasTi.

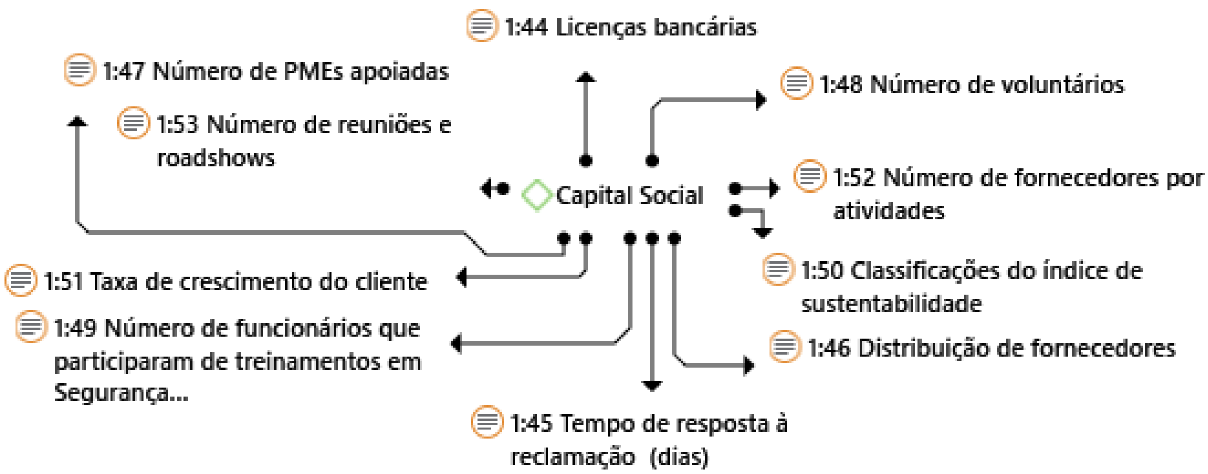


**Figure 6.** KPI's of Social Capital
Source: Generated in Atlas*ti with research data.

In view of the number of KPIs being relatively high, it was aimed to select the most disclosed by the institutions in order to compare the information and the form of disclosure. Regarding the response time to the complaints, it was possible to identify that the institutions have a similar way of disclosing this indicator. Banco do Brasil and Itaú report that the average time is 10 days, Banco Santander informs that "through the CSH 95% they were resolved within 5 working days and through the ombudsman 97% of the were resolved within 10 working days". Banco Bradesco disclosed not only the average time in days, but the goals to resolve complaints, in which the 2019 target was 85% and reached 89% in up to 5 business days, and the target for 2020 is 90%. However, it was not clear whether the institutions seek measures to reduce complaints and maintain the sustainability of the customer relationship. According to Peron (2020), the banking and financial sector was the second sector with the highest number of complaints in 2019, surpassed only by the telecommunications sector.

Information on the sustainability index can also be found in all the analyzed RIS, as disclosed by Banco do Brasil "we are also part of international and national sustainability indexes, such as the Dow Jones Sustainability Index (DJSI) of New York Stock Exchange, which is a key factor in the sustainability index, the FTSE4 *Good Index Series* – of the London Stock Exchange, and the B3 Corporate Sustainability Index (ISE) . In 2019, we joined DJSI's "World" portfolio, reaching second position in the "Banks" sector. The other institutions follow the same logic, however do not inform their ranking .

With regard to the KPI, the number of meetings, with the exception of Banco Santander, it was possible to identify that in Banco Itaú, for example, "in 2019, we held 16 meetings throughout Brazil together with APIMEC, with the participation of 3 thousand people. We were awarded the Quality Award for Best Meeting APIMEC São Paulo for the second consecutive year. In addition, we attended 37 events and conferences in Brazil and abroad", Banco do Brasil and Banco Bradesco seek to disclose these data in the same way.

Even with the use of KPIs keywords to perform searches, it was not possible to locate data on bank licenses, distribution of suppliers, number of volunteers, customer growth rate and number of suppliers per activity.

## 5 CONCLUSION

The work in question aimed to identify the information disclosed by the financial institutions listed in [B]³ in the Integrated Reporting of 2019. The qualitative analysis allowed to identify which issues the financial institutions communicate to their *stakeholders* before the 51 KPIs related to financial, manufactured, human, social, natural and intellectual capital. Among the most identified are the KPIs: profit per share; subsidiaries and network; dividends; number of consultations and transactions; brand and reputation; presence on social networks; training expenses; classification of the sustainability index and number of meetings.

The plurality of subjects presented is aligned with the integrated thinking that RI proposes for business, so that disclosures in this sense can generate benefits of qualitative content for the information user, although it is not possible to fit them in a standardized line of disclosures. It should be noted that the reports presented information and data that previously were considered irrelevant in decision making, while currently such aspects are necessary to show how the company generates value for the level of complexity, competitiveness, resource scarcity and change of *stakeholder* profile of current times.

It is concluded that the information varies from institution to institution and that the integrated reporting is being used as a tool for communication with various stakeholders. However, in this perspective, more research is needed to identify the discourse delivered by the institutions. As for example, the intellectual capital that presents the advantages over competitors when presenting brand reputation, awards received, presence in social network, but despite the positive characteristics, the sector was the second with the most complaints in 2019 and, in spite of the positive characteristics, the sector was the second with the most complaints in the year, although in the social capital they present the response time of the complaints, it is not clear whether the institutions seek measures to reduce complaints and maintain the sustainability of the customer relationship.

Two KPIs stand out, which can be explored in future research. First the credit assessment that had little information disclosed in the financial capital and may have a direct or indirect relationship with natural and social capital by informing guidelines to grant credit to companies that have a positive impact on the social and environmental scope. The second KPI suggested is the environmental safety of natural capital that can be investigated considering the social and environmental liability policies.

Regarding the practical contributions, it is expected that the results presented in this investigation will be useful for companies and corporate report makers who intend to adopt RI as a way to generate and disseminate content to various stakeholders, especially with regard to doubts and questions about the classification of capital and how these should be evidenced in RI, these points can generate questions. The study may be a complement to *Framework* of IIRC.

For future studies, it is suggested the analysis of the years following the 2019, as well as to verify how the RIs are disclosed in other sectors, in order to identify similarities in the disclosure of this report and seek to deepen in the RIS disclosed by small and medium-sized organizations, which would allow us to provide data to analyze the perception that these companies have of IR, and how they seek to evidence their financial and non-financial information.

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