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EUROPEAN PRINCIPLES OF INTEGRATED REPORTING OF SOCIALLY RESPONSIBLE BUSINESS

Implementation of the European principles of accountability, publicity and transparency of business, corporate reporting regulations and social responsibility practices in Ukraine is important for the dissemination of European values in the business environment, realization of the progressive impact of corporate social responsibility on sustainable development of society, strengthening of European integration processes, expansion of the business worldview and integrated thinking. The purpose of the article is to highlight the principles and practices of integrated reporting of socially responsible business in the EU for their implementation in Ukraine. The research methodology is based on a systematic approach, comparative analysis, analogy, synthesis, induction and deduction, and assessment of corporate social responsibility reporting practices and principles. The analysis of key international standards, frameworks, and guidelines allowed us to identify a significant list of principles and requirements for corporate social responsibility disclosure. The difference in the recognition of principles in different regulatory and guiding documents depends on the emphasis, focus and attention to certain aspects of information disclosure. The most common principles in international practice are materiality, completeness, stakeholder engagement, comparability, timeliness, neutrality, clarity, reliability, and consistency. At the same time, other principles that differ in different standards do not contradict but complement each other. Therefore, in practice, European companies are guided by several standards simultaneously when disclosing information on social responsibility and their own initiatives. Due to reporting

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ЄВРОПЕЙСЬКІ ПРИНЦИПИ ІНТЕГРОВАНОГО ЗВІТУВАННЯ СОЦІАЛЬНО ВІДПОВІДАЛЬНОГО БІЗНЕСУ

Впровадження європейських принципів підзвітності, публічності та прозорості бізнесу, нормативних регламентів корпоративної звітності й практики соціальної відповідальності в Україні важливе для поширення європейських цінностей у бізнес-середовищі, усвідомлення прогресивного впливу корпоративної соціальної відповідальності на сталий розвиток суспільства, посилення євроінтеграційних процесів, розширення світогляду підприємницької діяльності та інтегрованого мислення. Метою статті є висвітлення принципів та практики інтегрованого звітування соціально відповідального бізнесу в ЄС для їх впровадження в Україні. Методика дослідження базується на системному підході, порівняльному аналізі, аналогії, синтезі, індукції та дедукції, оцінюванні практики та принципів звітування про корпоративну соціальну відповідальність. За результатами ключових міжнародних стандартів, керівництв визначено значний перелік принципів і вимог до розкриття інформації про корпоративну соціальну відповідальність. Відмінність у визнанні принципів у різних нормативних і керівних документах залежить від акцентів, фокусу та уваги до окремих аспектів розкриття інформації. Найбільш поширеними у міжнародній практиці є принципи суттєвості, повноти, взаємозв'язку зі стейкхолдерами, порівнянності, своєчасності, нейтральності, ясності, надійності, послідовності. При цьому решта принципів, які відрізняються в різних стандартах, не суперечать, а доповнюють один одного. Тому на практиці європейські компанії керуються одночасно кількома стандартами під час розкриття інформації про соціальну відповідальність та власні ініціативи. Через вимоги до звітності



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requirements, European companies are actively implementing the principles of social responsibility. Implementation of the European principles and practices of integrated reporting in Ukraine will ensure transparency, openness of business, increase the level of trust, visibility and market reward for corporate social responsibility.

Keywords: reporting; integrated reporting; Global Reporting Initiative; non-financial reporting; Corporate Social Responsibility; reporting principles; Greenwashing; smart society; Sustainability; European experience.

в практику європейських компаній активно впроваджуються принципи соціальної відповідальності. Впровадження європейських принципів та практики інтегрованого звітування в Україні дасть змогу збільшити рівень довіри, забезпечити прозорість, відкритість бізнесу, наочність та ринкову винагороду за корпоративну соціальну відповідальність.

Ключові слова: звітування; інтегрована звітність; глобальна ініціатива звітності; нефінансова звітність; корпоративна соціальна відповідальність; принципи звітування; зелене відмивання; розумне суспільство; сталий розвиток; європейський досвід.

JEL Classification: G38, M14, M41, M49.

Introduction

The formation of a smart society requires the expansion of requirements for the content of open data, in particular regarding the contribution of business to its sustainable development. Socially responsible companies and organizations were the first to introduce the practice of reporting on the economic, environmental and social consequences of their activities. Integrated reporting, which most fully discloses these aspects, should become a key component of open data in the near future. The publication of integrated reporting by business entities will contribute to the growth of trust in them, ensure the formation of a transparent business environment, increase the competitiveness of the economy and the formation of a smart society. The latest studies demonstrate the growing influence of socially responsible business on the prospects of achieving the goals of sustainable development and solving economic, environmental and social problems at the regional and global levels. The implementation of European principles of accountability, publicity and transparency of business, normative regulations of corporate reporting and social responsibility practices will contribute to the formation of a smart society in Ukraine and strengthen European integration processes.

The relevance of the research topic is determined by the recognition at the national level of the priority for Ukraine to solve existing environmental and social problems, the low level of transparency and investment attractiveness of the domestic economy, the desire to increase its competitiveness, and the development of cross-border cooperation. There is an urgent need to implement European principles and practices of integrated reporting, spread European business experience and European values for the business environment, awareness of the progressive impact of corporate social responsibility on the sustainable development of society.

The analysis of the results obtained by Ukrainian and European scientists in recent years allows us to state that the most relevant are the studies in the field of integrated reporting and ensuring the accountability of socially responsible business, the search for approaches to the most complete disclosure of information about the environmental and social consequences

of the activities of business entities, the formation the trust of internal and external stakeholders, which is a key challenge for business management worldwide. At the same time, in Ukraine, research, development and implementation of the concept of corporate reporting on the social responsibility of business to increase the competitiveness of the economy and build a smart society, the study of the problems of integrated reporting are at the initial stage and have a fragmentary nature.

Various aspects of reporting to ensure business accountability and disclosure of information about the economic, environmental and social consequences of business are highlighted in the publications of Ukrainian and foreign scientists and practitioners: Bezverkhyi K. [1]; Fomina O. [2]; Cuomo F., Gaia S., Girardone C., Pisera S. [3]; Jackson G., Bartosh J., Avetisyan E., Kinderman D., Knudsen J. [4]. In particular, the issues of researching the nature of accountability of business entities regarding their contribution to ensuring competitiveness and sustainable development are disclosed in the work of Galetska T., Topishko N., Topishko I. [5]. The scientific justification of the practical provisions for ensuring decision-making and transparency of the economic activity of a socially responsible enterprise is presented in the studies of Korol S., Kurbet M. [6], in particular about the state and prospects of the implementation of reporting on sustainable development in Ukraine in the context of European integration. The authors Malyshkin O., Kovova I., Shulyarenko S. [7] formulated approaches to the harmonization of accounting and reporting in Ukraine in the context of EU regulations and sustainable development goals.

The international experience of integrated reporting of socially responsible companies is disclosed in the works of such authors as: Kovban A., Kohut I. [8]; Saprykina M., Honz E., Okunev O. [9]; Shpyrko O. [10]; Gillan S., Koch A., Starks L. [11]; Rendtorff J. [12]. Practical aspects of social and environmental accounting in Europe are highlighted by Pizzi S., Principale S., Fasiello R., Imperiale F. [13].

Definition of the conditions of transparency of management reporting as a basis for making effective decisions is presented in the works of Holov S., Kostyuchenko V., Kuzina R. [14]; Umantsiv H., Kotsupal O. [15]. The problems of green laundering, which is a consequence of the growing attention and demand for environmental activities and business responsibility, high expectations from stakeholders, are revealed by Sandha O., Kurniawati C. [16]; Schumacher K. [17]; Sapmaz Veral E. [18].

The impact of Directive 2014/95/EU [19] on the need to publish non-financial statements of companies and the level of corporate social responsibility, in particular new Corporate Social Responsibility (CSR) initiatives, improvements in CSR infrastructure, or firm performance, is covered in detail in the work of Fiechter P., Hitz J.-M., Lehmann N. [20]. The responsibility of socially oriented business is the object of research by such authors as: Christensen H., Hail L., Leuz S. [21]. Along with this, the existing developments require further deepening in order to solve the problems of implementing the European principles of integrated reporting of socially responsible business in Ukraine.

The aim of the article is to characterize European principles, practices and approaches to integrated reporting of socially responsible business to ensure transparency, accountability and the formation of a smart society in Ukraine.

The research methodology is revealed through the relationship between the reporting principles of socially responsible business and the solution of economic, environmental and social problems. The main methodical tools are: analysis of limitations (identification and understanding of existing features of Ukrainian and European practice of socially responsible business); analysis and synthesis (in determining the main modern trends and strategic tasks of business in solving economic, environmental and social problems); induction and deduction (when determining key principles and aspects of information disclosure); comparisons and analogies (to compare the principles of non-financial and integrated reporting of socially responsible business); a systematic approach (to identify the relationship in the formation of trust in business through reporting in EU countries); assessment and forecasting of the impact of the implementation of the European principles of integrated reporting of socially responsible business on the formation of a smart society in Ukraine (expansion of the worldview of entrepreneurial activity and integrated thinking).

1. The principles of social responsibility

In a broad sense, Corporate Social Responsibility (CSR) is defined as a set of different forms of responsibility (legal, economic, professional, moral, political, etc.), which interact with each other and reflect the value system of society and business. In a narrow sense, CSR shows the subject's involvement in solving socially significant goals of society, fulfillment of mutual rights and obligations, as well as compliance with social norms and the degree of their acceptance [5].

Corporate Social Responsibility is defined by the European Commission as "the responsibility of enterprises for their impacts on society" [22]. CSR is a concept in which companies include social and environmental aspects in their activities, taking into account not only their own corporate interests, but also the interests of stakeholders. It is also the willingness of businesses to be accountable to consumers, employees and the communities where they operate. This means that companies must adhere to ethical principles in their activities, take into account the impact of their actions on the environment and contribute to raising the standard of living of the population.

The concept of CSR includes such elements as environmental sustainability, social responsibility, ethical behavior, voluntary charity, activities to improve the level of education, cultural and social development. Companies can fulfill their CSR obligations through a variety of activities, such as the use of environmentally friendly technologies, reimbursement of emissions into the atmosphere, promotion of voluntary initiatives and charitable activities and organizations, development of programs to support social development and education.

The principles of social responsibility, as well as recommendations for their implementation, are defined in ISO 26000:2010 Guidance on social responsibility [23]. The principles are mandatory to ensure confirmation of socially responsible behavior of enterprises and organizations. The principles of social responsibility, which are defined in ISO 26000:2010, include (*Figure 1*).

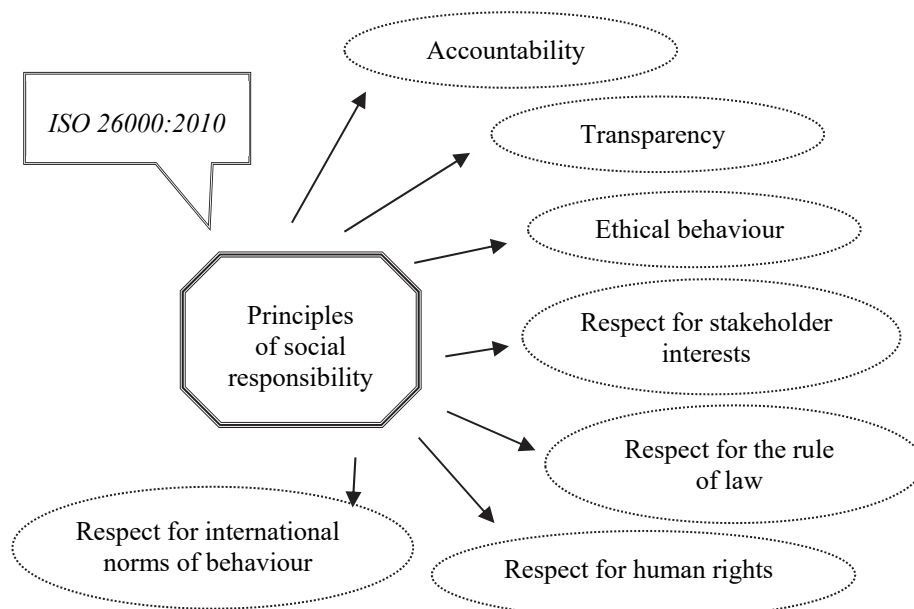


Figure 1. Principles of social responsibility by ISO 26000:2010

Source: compiled on the basis of and processing [23].

ISO 26000:2010 encourages organizations to integrate relevant international standards and norms into their policies and practices and to communicate compliance with these norms to stakeholders. This may include developing specific policies and procedures related to international standards, educating employees about their importance, and conducting regular monitoring and evaluation of their implementation.

2. The reporting requirements of socially responsible business

The procedure and requirements for socially responsible business reporting are determined by a number of international, European and national standards, directives and legislative acts. This complicates the practical application of the regulatory framework, however, on the other hand, it testifies to the importance and involvement of a significant range of subjects in the process of forming legislation regulating integrated reporting. Among the key international documents and initiatives on social responsibility reporting, it is necessary to identify: the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), ISO 26000:2010 Guidance on social responsibility, the International Integrated Reporting Framework (IIRF), Corporate Sustainability Reporting Directive (CSRD), Directive 2014/95/EU, the Sustainability Accounting Standards Board (SASB), the International Sustainability Standards Board (ISSB), the Climate Disclosure Standards Board (CDSB).

The Global Reporting Initiative (GRI) [24] is a set of sustainability reporting guidelines developed by the Global Reporting Initiative, an international organization that helps companies and organizations understand and report on their performance in achieving the Sustainable Development Goals (SDG) [25]. The GRI provides organizations with a framework for reporting on sustainability, including economic, environmental and social impacts. The GRI aims to promote transparency, accountability and comparability in sustainability reporting. The Global Reporting Initiative defines the following principles: stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability, timeliness.

Social responsibility is also a key aspect of the United Nations Global Compact (UNGC) [26] – an initiative aimed at promoting responsible corporate citizenship in areas such as labor standards, environmental management and human rights. By adopting the UNGC principles, companies can demonstrate their commitment to responsible business practices, improve their reputation and build trust among stakeholders.

The concept of the International Integrated Reporting Framework (IIRF) [27] encourages companies to use a more comprehensive approach to reporting on social responsibility, including it as one of the main components of their integrated report. This allows stakeholders to be informed about social and environmental initiatives, solutions related to solving problems, reducing risks, creating and preserving value, in particular, intellectual, human, social-reputational, natural, financial, production capital, improving long-term efficiency and promoting sustainable development. IIRF defines the following principles of integrated reporting of socially responsible business: stakeholder relationships, materiality, completeness, reliability, conciseness, consistency, strategic focus and future orientation, connectivity of information.

The Sustainability Accounting Standards Board (SASB) [28] works to promote greater transparency of corporate sustainability reporting and business accountability, and helps investors and other stakeholders make more informed decisions based on ESG performance (Environmental, Social, and Governance) [29]. SASB identifies the following reporting principles: stakeholder inclusive, materiality, complete, fair, neutral, comparable, useful, verifiable. The reporting principles defined by the International Accounting Standards Board (IASB) include the following: materiality, *complete*, free from material error, neutral, understandability, comparability, faithful representation, timeliness, consistency.

The International Sustainability Standards Board (ISSB) [30] is a newly created body that aims to develop standards for the disclosure of essential information about the risks and opportunities of sustainable development for business and financial institutions. One of the key elements of these standards is the disclosure of social information. The Climate Disclosure Standards Board (CDSB) standards help businesses assess and report on the risks and opportunities associated with climate change. They also help companies understand which climate factors may affect their financial performance and how these risks can be reduced or avoided. The principles of

reporting defined by the GDSB include the following list: materiality and relevance, free from error, neutral, clear and understandable, comparability, verifiable, timely, consistent, connected, forward looking. On 31st January 2022, the Climate Disclosure Standards Board (CDSB) joined with the IFRS Foundation to support the newly created International Sustainability Standards Board (ISSB).

One of the key initiatives in Europe related to integrated reporting is Directive 2014/95 on non-financial reporting [19], which is called the "CSR Directive" [20] or the Non-Financial Reporting Directive (NFRD) [31]. According to this Directive, starting from 2017, large companies with more than 500 employees are required to include non-financial information in their annual reports. According to the NFRD, companies disclose in their reports information about the policies they implement, the risks associated with them and the results in the following important areas regarding the protection of the natural environment (ecological aspects, environmental pollution, climate change, use of natural resources, sources energy); social responsibility, employment and attitude to employees; respect for human rights and freedoms; fighting and countering corruption and bribery; diversity in the composition of the company's board by age, gender, education and professional direction. Due to reporting requirements, the principles of social responsibility began to be more and more actively implemented in the practice of European companies. NFRD plays a significant role in promoting the practice of integrated reporting in Europe.

The next important step is the entry into force on January 5, 2023 of the new Corporate Sustainability Reporting Directive (CSRD) [32]. Its full name is Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EU, Directive 2006/43/EU and Directive 2013/34/EU, as regards corporate sustainability reporting [32]. CSRD promotes social responsibility by encouraging companies to take a more active approach to ESG issues and their disclosure. By requiring companies to report on their ESG performance, the directive encourages companies to identify and address potential sustainability issues before they become serious problems. This can help prevent social and environmental harm, and can help companies build stronger relationships with stakeholders by demonstrating their commitment to social responsibility. CSRD does not separately define reporting principles, indicating the need to comply with internationally recognized principles and frameworks for responsible business conduct, corporate social responsibility and sustainable development.

3. Principles of integrated reporting of socially responsible business

Comparative analysis shows that the largest number of principles for integrated reporting of socially responsible business entities is defined by GRI – 10 principles, IASB offers 9 principles, IIRF and SASB – 8 each, ISO 26000 – 7 (*Figure 2*).

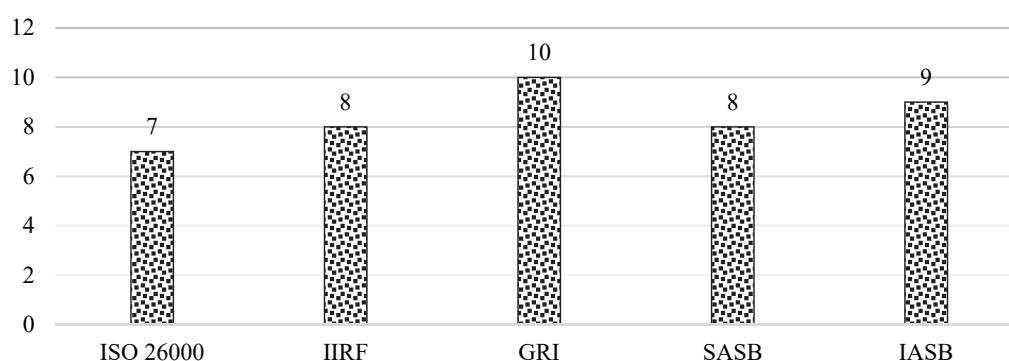


Figure 2. Number of principles defined in international standards, frameworks, guidelines

Source: compiled on the basis of and processing [23; 24; 27; 28; 30].

In general, the specified standards present 26 principles of disclosure of information about corporate social responsibility. A more detailed list of them by individual standards, frameworks, guidelines and recommendations is presented in *Table*.

Table

Comparison of the principles of disclosure of information about corporate social responsibility in international standards, frameworks, guidelines

Principles	ISO 26000	IIRF	GRI	SASB	IASB
Materiality		+	+	+	+
Completeness		+	+	+	+
Stakeholder relationships	+*	+	***	***	
Comparability			+	+	+
Consistency		+			+
Reliability		+	+		
Clarity			+		+****
Neutral				+	+
Timeliness			+		+
Transparency	+				
Conciseness		+			
Useful				+	
Accuracy			+		
Balance			+		
Fair				+	
Free from material error					+
Faithful representation					+
Strategic focus and future orientation		+			
Connectivity of information		+			
Ethical behaviour	+				
Sustainability context			+		
Respect for the rule of law	+				
Respect for international norms of behaviour	+				
Respect for human rights	+				
Accountability	+				
Verifiable				+	
* Respect for stakeholder interests (ISO 26000) ** Stakeholder inclusiveness (GRI) *** Stakeholder inclusive (SASB) **** Understandability (IASB)					

Source: compiled on the basis of and processing [1; 23; 24; 27; 28; 33].

A significant list of principles indicates that the process of harmonizing and approximating standards continues both at the international, regional, and national levels. GRI, CDSB, SASB have already announced joint work on the harmonization of standards. Although today the principles are defined in different ways in the documents, by their essence they do not exclude and do not contradict each other, but have a complementary character. The definition of principles in various normative and guiding documents depends on the emphasis, focus and attention to certain aspects of disclosure of information about actions and initiatives, preparation of reporting and its quality characteristics.

From the whole set of principles, the most common are: materiality, completeness, stakeholder relationships, comparability, timeliness, neutral, clarity, reliability, consistency (*Figure 3*).

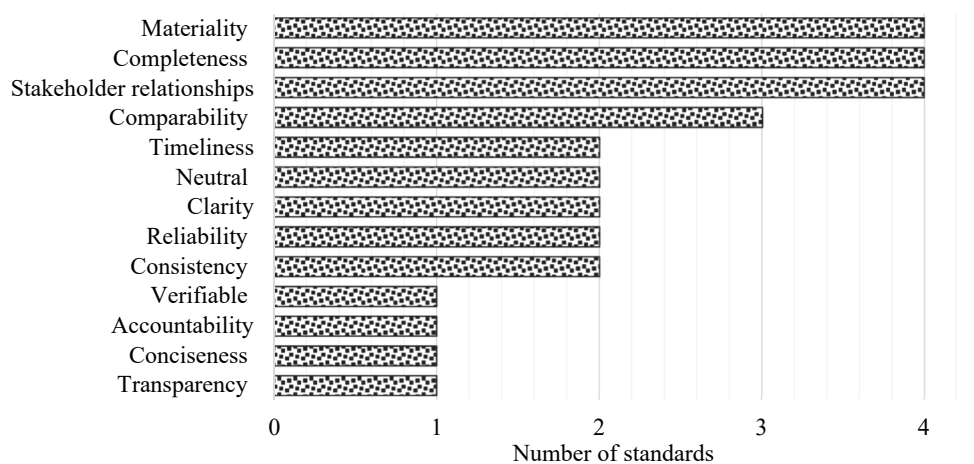


Figure 3. The most popular principles of reporting on corporate social responsibility

Source: compiled on the basis of and processing [1; 23; 24; 27; 28; 33].

Since the preparation of integrated reporting means a combination of information and approaches, principles of financial and non-financial reporting, it is necessary to pay attention to which principles are provided for the preparation of financial reporting, which is strictly regulated by legislation. According to the International Financial Reporting Standards (IFRS) [30], 2 groups of principles are distinguished: *the first* is defined as basic assumptions, the main ones of which are the principle of continuity of the enterprise's activity and accrual accounting; *the second* is manifested through the qualitative characteristics of reporting: comprehensibility, relevance, reliability, comparability (which in the Conceptual Framework are grouped into basic and strengthening characteristics).

In Ukrainian practice, national standards define 10 principles (The National Accounting Regulation (Standard) 1 "General requirements for financial reporting" [34]): autonomy, continuity, periodicity, historical (actual) cost, accrual and matching of income and expenses, full disclosure, consistency, prudence, the predominance of essence over form, a single monetary

measure. Qualitative characteristics of reporting are also defined: comprehensibility and comprehensibility; appropriateness; reliability (truthfulness); comparability. The principles of non-financial reporting of companies at the legislative level in Ukraine remain undefined.

In Ukraine, the first attempts to implement reporting on corporate social responsibility at the legislative level are related to the requirement to publish a management report and a report on payments for the benefit of the state (according to changes in 2017, the Law of Ukraine "On accounting and financial reporting in Ukraine") [35]. In Ukraine, there is an obligation to compile statistical forms of reporting, in particular regarding environmental impact, labor relations, etc., however, statistical reporting is not subject to publication and its information content does not satisfy the principles of preparing non-financial reporting and the information needs of users. The same applies to environmental tax reporting.

The concept of implementation of state policy in the field of promoting socially responsible business in Ukraine for the period up to 2030 [36], the activities of professional and public organizations, in particular, the Center for the Development of Corporate Social Responsibility [9] and others, contribute to the spread of European experience integrated reporting on corporate social responsibility in Ukraine. The social report is the answer to the request for the concept of sustainable development and reveals the socially significant aspects of the activity. In Ukrainian practice, non-financial reporting for multinational companies is gaining more and more importance, reporting is being segmented, approaches to social audit, environmental accounting and auditing are developing.

According to Directive 2013/34/EU, the management report is a part of financial reporting and contains information about the company's performance and development prospects, a description of risks and uncertainties, management performance indicators. It is compiled and submitted by all enterprises operating in the EU. It should be balanced and correspond to the complexity and size of the business, including financial and non-financial indicators. Certain jurisdictions may exempt small and medium-sized enterprises from the obligation to disclose non-financial information in the management report. In Ukraine, along the lines of the European Directive 2013/34/EU, Methodological recommendations for the preparation of a management report [37] have been developed, which are used as a framework document and have a recommendatory nature. At the same time, according to the Law [38], the management report is included in the financial reporting, which is mandatory for medium and large enterprises. When preparing consolidated financial statements, a consolidated management report must also be submitted. In addition, listed companies and financial institutions are required to submit a corporate governance report.

According to Directive 2013/34/EU, public interest entities are required to draw up a corporate governance report, which can be presented as a section of the governance report or as a separate document referenced in the

governance report. In Ukraine, this report is recommended. That is, the principles of corporate reporting of socially responsible business are only at the stage of implementation, in voluntary initiatives of large enterprises. The tax authorities of Ukraine do not consider the management report, the report on payments to the state and their consolidated forms as a component of financial reporting, therefore they do not require their submission as an appendix to the Income Tax Declaration.

Directive 2014/95/EU [19] does not separately define the principles of reporting, while indicating the need to use those principles that are laid down in international and national standards (frameworks), such as the Eco-Management and Audit Scheme (EMAS) the United Nations (UN) Global Compact, GRI, the Guiding Principles on Business and Human Rights, ISO 26000.

The CSRD requires more detailed disclosures on due diligence for responsible behavior (than currently available in Directive 2013/34/EU). Due diligence is a process carried out by enterprises to identify, monitor, prevent, mitigate, eliminate or bring to a desired state, termination of the main existing or potential adverse impacts associated with their activities. And this applies to the entire value chain. Such impacts are considered in terms of consequences for people and the environment. The European principles of social responsibility of business include equal opportunities for all and ensuring adequate working conditions. Reporting on sustainable development should also comply with internationally recognised principles and frameworks on responsible business conduct, corporate social responsibility, and sustainable development, including the SDGs, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct and related sectoral guidelines, the Global Compact, the International Labour Organization's (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the ISO 26000 and the UN Principles for Responsible Investment [32].

The social issues that companies must report on in their reporting relate to respect for human rights, fundamental freedoms, gender equality, the gender pay gap, accessibility measures related to the employment and integration of people with disabilities, democratic principles and standards defined in: UN human rights conventions, including the UN Convention on the Rights of Persons with Disabilities, the UN Declaration on the Rights of Indigenous Peoples, the UN Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the ILO, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, and the Charter of Fundamental Rights of the EU [32].

In its conclusions of 24 February 2022, the European Council stated that the r's unprovoked and unjustified military aggression against Ukraine is grossly violating international law and the principles of the United Nations Charter and is undermining European and global security and stability [32].

The new CSRD states that The Commission shall conclude a Memorandum of understanding (MoU) with Ukraine, which establishes reporting requirements that include the effectiveness, transparency and accountability of the use of support provided to Ukraine. The MoU emphasizes commitment to the principles of rational financial management with an emphasis on fighting corruption, organized crime, combating fraud, avoiding conflicts of interest, and creating a transparent and accountable framework [32].

4. Practical aspects of integrated reporting in Ukraine and EU

Integrated reporting is a framework that aims to provide comprehensive and concise information about how an organization creates and sustains value over time. The European Union has actively participated in the development and promotion of integrated reporting, and many European countries have gained significant experience in preparing such reporting [31].

We can single out a number of European countries that are leading in the implementation of integrated reporting. For example, Great Britain was one of the first to adopt integrated reporting, issued guidelines for its preparation and created the Integrated Reporting Council, which was renamed the Value Reporting Foundation, to promote the spread of integrated reporting among companies. Other European countries that have made progress in integrated reporting include France, Germany, the Netherlands, Spain and Italy. In France, the Autorité des Marchés Financiers (AMF) issued guidelines for non-financial reporting, which includes integrated reporting. In Germany, the Institute of Public Auditors (IDW) has issued guidelines for integrated reporting, and several companies have adopted this framework. In the Netherlands, the Ministry of Economic Affairs and Climate Policy of the Netherlands has issued guidance on non-financial reporting, which includes integrated reporting. In Spain, the Instituto de Contabilidad y Auditoría de Cuentas (ICAC) issued guidelines on non-financial reporting, its structure and content. In Italy, the Italian Association of Certified Accountants (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) issued guidelines on integrated reporting [39].

The European experience of implementing the principles of integrated reporting of socially responsible business has a number of features:

- state support and stimulation of socially responsible initiatives, disclosure of information about them to a wide range of users;
- development of corporate culture and socially responsible consciousness;
- implementation of CSR strategy in practice in 50 % of companies;
- dependence on the size of the company in the implementation of the CSR policy, which is applied by 100 % of large, 65 % of medium and 48 % of small enterprises;
- independence from the field of activity of companies, but the presence of geographical differences between countries (for example, 33 % of SMEs in France and 83 % in Finland);

- about 8 % of EU companies receive benefits or subsidies from the state for the implementation of CSR;

- high awareness and level of awareness of the benefits of CSR reporting (more than 75 % of respondents among SMEs) [8].

An important trend is the disclosure of information about humanitarian and charitable initiatives, ethical statements about the exit of business from the markets of the Russian Federation and Belarus, measures to promote peace and security, sustainable innovative development of society.

Although the indicators of Ukrainian companies regarding CSR reporting are increasing, they remain at a low level. According to 2020 data, only 17.8 % or 11 out of 56 companies have integrated the Sustainable Development Goals into their own strategies. The highest level of disclosure of information about CSR is held by SE "River Ports Administration", PJSC "Carlsberg Ukraine", Coca-Cola Beveridges Ukraine Limited, DTEK Group. An example of the integration of the UN Sustainable Development Goals into the company's strategy is the DTEK Group's ESG strategy until 2030, which integrates 12 goals. State-owned enterprises are marked by higher indicators of reporting transparency than privately owned companies. The level of transparency regarding the disclosure of social aspects is 26.4 %, environmental issues – 36.6 %, information about corporate governance – 27.7 % [9].

Integrated reporting makes it possible to comprehensively and fully present the results of the company's activities, to supplement the information of financial reporting, to expand the idea of the functioning of the company, its mission, prospects [6]. Under the condition of successful use, it can become an effective tool for the development of the company's own brand, the formation of competitive advantages and a positive image in the eyes of customers and society [38].

They also note the negative consequences associated with the manipulation of information presented in integrated reporting to describe the company's activities and distort its impact on the environment and society. This phenomenon has been called Greenwashing, which in general terms means the practice of making false or misleading claims about the environmental benefits of a company, product or service in order to appeal to environmentally conscious consumers. It is a form of marketing or PR that seeks to create the impression, for example, that a company or its products are environmentally friendly, when in fact this may not be the case. This leads to the fact that the number and variety of labels of reporting initiatives on environmental indicators of business and products is increasing [18]. The European principles of socially responsible business reporting require that information on the environmental performance of enterprises and their products be reliable, reliable, convenient for comparison and verified in all EU countries. The purpose of such reporting is to prevent manipulation and misleading statements.

Among the main problems of integrated reporting, we can highlight a significant increase in the volume and number of requirements for company reporting, the introduction of new standards and directives, the heterogeneity

of requirements for the structure and content of reporting forms, the volume and ratio of financial and non-financial information, the purpose of compilation, voluntary or mandatory presentation, technology, lack of a single format, inconsistency of taxonomy, validation and independent audit, numerous inconsistencies in reporting. All this causes pressure and additional costs for developers of integrated reporting, complicates its perception by users, comparability of indicators, negative consequences of asymmetry of accounting information, in particular greenwashing. The specifics of the industry and the size of the reporting entities (from large companies to small and medium-sized enterprises) remain insufficiently taken into account in the requirements of the regulatory framework for the preparation of integrated reporting. Among the problems of non-financial reporting are the creation of operational and compliance risks and hindering access [39]. In addition, the enterprise must have an adapted system of digitization of accounting information for the preparation of integrated reporting, and there is a demand for employees with relevant knowledge and competencies. Thus, today's practice of integrated reporting of socially responsible business is associated with inflated costs, additional risks and difficulties of the transitional period of formation and coordination of international, European and national requirements of the regulatory framework.

Integrated thinking is required to successfully solve the problems of integrated reporting. The main idea of integrated thinking is that the organization should consider its activities as a system in which financial indicators, social impacts and environmental aspects are interconnected and interdependent. This means that when solving the problems of integrated reporting, it is necessary to take into account all these aspects and look for comprehensive solutions that ensure the achievement of economic, social and environmental sustainability.

Conclusions

The implementation of European principles and practices of integrated reporting on corporate social responsibility in Ukraine will ensure the transparency of domestic business, will contribute to the growth of trust in it, visibility and market reward for corporate social responsibility and, as a result, will increase the competitiveness of not only individual enterprises and organizations, but also the economy in general. Analysis of the content components and indicators of the integrated report allows managers and all interested parties to identify existing problems, risks, find reserves, critically assess opportunities and determine business priorities and prospects. The new reporting requires a rethinking and improvement of approaches to business, and therefore will contribute to the formation of a socially responsible business environment in Ukraine that meets the best international and European standards.

Prospects for further research are the development of organizational and methodological principles of integrated reporting as a basis for increasing the level of social responsibility of business to ensure sustainable development, the dissemination of knowledge and the formation of sustainable skills for environmentally and socially responsible activities, the ability to influence strategy and the ability to assess the economic, environmental and social impact of business based on corporate reporting.

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