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Integrated Reporting and SDGs Disclosure: An Analysis of Factors Influencing the Quality of Integrated Reports in the Banking Sector

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Abstract

This study aims to examine the determinants influencing the quality of Integrated Reporting (IR) and Sustainable Development Goals (SDGs) disclosure in the banking sector. The growing demand for transparency and sustainability accountability has encouraged banks to adopt integrated reporting practices that combine financial and non-financial information to communicate long-term value creation. To address this issue, this study employs a Systematic Literature Review (SLR) approach based on the PRISMA guidelines to ensure a transparent and systematic literature selection process. The data were obtained exclusively from the Scopus database covering publications from 2016 to 2025. Through a rigorous screening and eligibility process, 26 empirical articles were selected and analyzed using narrative thematic synthesis. The results show that the quality of IR and SDGs disclosure in the banking sector is mainly influenced by internal governance mechanisms, including board independence, board size, gender diversity, and audit quality. In addition, firm characteristics such as bank size and profitability are identified as important determinants, as larger banks tend to have greater resources and face stronger legitimacy pressures to disclose sustainability information. External factors, particularly regulatory mandates and institutional pressures, also contribute to improving reporting quality. However, the influence of leverage and financial performance shows inconsistent results across studies. Overall, the findings indicate that integrated reporting quality reflects the interaction between governance structures, organizational resources, and institutional pressures faced by banks.

Keywords: *Integrated Reporting, SDGs Disclosure, Banking Sector*

1. Introduction

The paradigm shift in corporate reporting from shareholder-oriented reporting to stakeholder-oriented reporting has led to the emergence of Integrated Reporting (IR) practices in response to the limitations of traditional financial reports in explaining long-term value creation. In the banking sector, the urgency of IR is growing due to banks' role as financial intermediaries, which have a systemic impact on economic stability and the achievement of the global sustainability agenda, including the Sustainable Development Goals (SDGs). However, although the adoption rate of sustainability reporting and IR has increased significantly over the past decade, the quality of disclosures presented still shows significant differences between countries and between banks.

Several studies indicate that banking sustainability disclosure practices are still symbolic and oriented towards external legitimacy. Pacheco & Branco (2025) found that the quality of sustainability reports in Brazilian banks tends to be low and is strongly influenced by the reporting format used, with integrated reports exhibiting a more systematic structure than separate sustainability reports. However, increased structure does not always reflect the depth of strategic information integration. Chamera (2025) also highlighted that measuring the quality of non-financial reports in the banking sector is still predominantly based on formalistic quantitative indicators, such as compliance with standards and completeness of disclosure items, thus not fully capturing the narrative quality and coherence of sustainability strategies.

In developing countries, the challenges of disclosure quality are becoming more complex (Yusnidar et al., 2025). Onyshchenko et al., (2025) showed that banks in Ukraine are still in the early stages of sustainability reporting development, with limitations in standards harmonization, institutional capacity, and regulatory pressure. This condition suggests that institutional environmental factors play a significant role in shaping the quality of integrated reports. This finding aligns with the argument of Institutional Theory, which states that reporting practices are often influenced by coercive, normative, and mimetic pressures, rather than solely by internal commitment to sustainability.

Integrated Reporting and SDGs Disclosure: An Analysis of Factors Influencing the Quality of Integrated Reports in the Banking Sector

On the other hand, corporate governance factors and non-financial determinants have also been shown to influence IR quality. Raffaelli et al., (2025) found that board independence, gender diversity, and audit committee effectiveness have a positive relationship with the quality of sustainability and integrated reporting. This strengthens the perspectives of Stakeholder Theory and Legitimacy Theory that strong governance mechanisms encourage companies to disclose more transparent information to maintain their social legitimacy. However, the relationship between sustainability disclosure and financial performance still shows inconsistent results. Gündüz & Gündüz, (2025) found that environmental accounting disclosures in the banking sector do not always have a significant impact on financial performance, raising questions about whether such disclosure practices truly reflect long-term strategic integration or are merely reputational responses.

Based on a literature review, the integration of SDGs in integrated reports remains inconsistent and tends to be formal. Various studies in the literature reveal that banks tend to link their activities to SDGs that are highly relevant for public image, but without supporting objectively measurable performance indicators and clear quantitative targets. This situation reflects a gap between normative commitment to the sustainable development agenda and its concrete implementation in bank business strategies. Therefore, the quality of IR depends not solely on the completeness of the information disclosed, but also on the extent to which such information is strategically integrated into business operations and reflects long-term value creation.

These findings reveal important research gaps that need to be addressed. First, there is currently no comprehensive study specifically analyzing the determinants of IR quality and SDG disclosure in the banking sector. Second, the inconsistency of empirical findings regarding the impact of governance, institutional conditions, and market pressures on reporting quality indicates the need for systematic mapping to more clearly understand the patterns and direction of relationships between variables. Third, the majority of existing research tends to focus on quantitative measures of reporting quality, leaving strategic integration and narrative coherence understudied. Therefore, this Systematic Literature Review (SLR) aims to critically analyze the various factors influencing the quality of integrated reporting and SDG disclosure in the banking sector, as well as to identify conceptual and empirical gaps that can serve as a basis for future research.

Theoretical Basis

Stakeholder Theory

Stakeholder Theory, introduced by Freeman (1984), states that companies are responsible not only to shareholders but also to all stakeholders affected by their activities. In modern corporate reporting, this theory serves as the conceptual foundation for IR, which integrates financial and non-financial information to meet the information needs of various stakeholders and support long-term value creation. In the trust-based banking sector, pressure from customers, regulators, investors, and the public for transparency and ESG risk management is increasing, so that the quality of IR and SDG disclosure are understood as strategic responses to maintain stakeholder support and institutional legitimacy (Raffaelli et al., 2025).

Legitimacy Theory

According to Suchman (1995), legitimacy is the perception that an organization's actions align with social norms and expectations, thus companies strive to maintain this through various strategies, including information disclosure. In the highly regulated banking sector, IR and SDGs disclosure serve as instruments to demonstrate commitment to social responsibility and the global development agenda. However, the literature shows that sustainability disclosures are not always substantive and in some cases tend to be symbolic (Pacheco & Branco, 2025; Chamera, 2025), indicating a potential decoupling between normative commitments and operational practices. Therefore, Legitimacy Theory helps explain variations in IR quality and the differences between substantive and symbolic disclosures in the banking industry.

Integrated Reporting

IR is a corporate reporting approach that integrates financial and non-financial information to explain the short-, medium-, and long-term value creation process. IR implementation will impact company value (Pradiya & Yusnaini, 2025). The IR framework developed by the International Integrated Reporting Council emphasizes the connectivity between strategy, governance, performance, and organizational prospects through six types of capital. In the banking sector, IR has strategic relevance because banks' business models are not only oriented towards profitability but also impact financial system stability, financial inclusion, and sustainable financing. The quality of IR is not measured by the existence of reports alone, but rather by the level of strategic integration, materiality, and transparency of information. Empirical studies show that IR quality is influenced by governance mechanisms

and institutional pressures (Raffaelli et al., 2025). However, its practice still shows a formalistic tendency that does not fully reflect the integration of sustainability into business models (Pacheco & Branco, 2025).

SDGs Disclosure

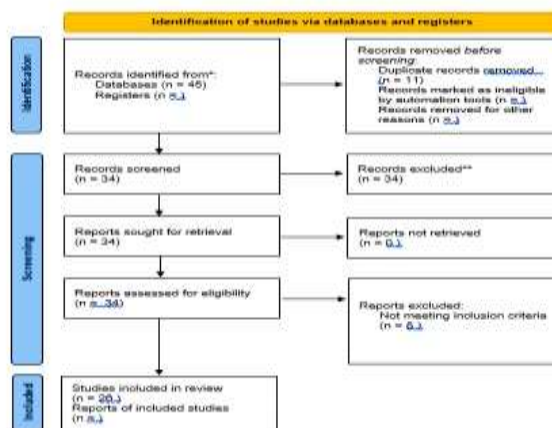
SDG Disclosure refers to the level of disclosure of a company's contribution to the 17 goals in the Sustainable Development Goals agenda set by the United Nations. In the banking sector, SDG disclosure is closely related to green financing, inequality reduction, and ESG risk management, thus serving as an indicator of strategic commitment to global sustainability. However, the literature shows that SDG disclosure is often declarative and not fully supported by measurable performance indicators (Chamera, 2025), and shows variation between countries due to differences in institutional pressures (Onyshchenko et al., 2025). Thus, the relationship between IR and SDG disclosure is complementary; high-quality IR strengthens the integration and credibility of SDG disclosure, while SDG integration substantively deepens the sustainability dimension in banks' integrated reports.

2. Research Methods

This study uses a Systematic Literature Review (SLR) approach to systematically identify and analyze factors influencing the quality of Integrated Reporting and SDGs Disclosure in the banking sector. The SLR method was chosen because it provides a structured procedure for systematically collecting, evaluating, and synthesizing literature, thereby increasing transparency and research replicability (Snyder, 2019). This approach also allows researchers to map the development of studies, identify patterns of findings, and identify research gaps in a particular field. The literature review process was conducted with reference to the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines. The PRISMA guidelines provide a clear framework for the identification, screening, eligibility evaluation, and inclusion of articles, thereby improving the quality of systematic review-based research reporting (Moher et al., 2009; Page et al., 2021). The use of PRISMA in management and accounting research is increasingly common because it helps ensure that the literature selection process is conducted objectively and well-documented.

The research data source was obtained exclusively from the Scopus database. Scopus was chosen because it is one of the international scientific databases with extensive coverage in the fields of accounting, finance, corporate governance, and sustainability reporting. The use of a single primary database aims to maintain the consistency of the quality of the articles analyzed and ensure that all studies have undergone an adequate peer review process. The selected articles were published between 2016 and 2025. This timeframe was chosen to obtain a broader literature coverage, given the limited research specifically addressing the quality of Integrated Reporting and SDGs Disclosure in the banking sector. By extending the period from 2016, this study aims to capture the initial developments to the latest trends in integrated reporting studies in the banking industry.

The search strategy was conducted using a combination of keywords with Boolean operators in the title, abstract, and keywords columns (TITLE-ABS-KEY) in Scopus. The keywords used included: ("Integrated Reporting" OR "Sustainability Reporting" OR "Non-financial Report") AND ("SDGs" OR "Sustainable Development Goals" OR "ESG") AND ("Bank" OR "Financial Institution" OR "Financial Sector") AND ("Determinant" OR "Factor" OR "Driver" OR "Quality"). This strategy was designed to ensure that the articles obtained were directly relevant to the quality of integrated reporting and SDGs disclosure in the banking sector context.



Gambar 1. Diagram PRISMA

The literature selection process followed four main stages in the PRISMA framework: identification, screening, eligibility, and inclusion (Moher et al., 2009; Page et al., 2021). During the identification stage, 45 articles were obtained from a Scopus search. After removing 11 duplicate articles, 34 articles were selected for the screening stage. The screening stage involved reviewing titles and abstracts to ensure they aligned with the research focus. Furthermore, during the eligibility stage, all articles underwent a full-text review to ensure their relevance to the quality of Integrated Reporting and SDGs Disclosure in the banking sector. Eight articles were eliminated because they did not directly address the quality of integrated reporting, were not focused on the banking sector, or only discussed CSR without any relevance to the SDGs or the Integrated Reporting framework. Thus, a total of 26 empirical studies met the inclusion criteria and were analyzed in this study.

The inclusion criteria for this study included: (1) articles indexed by Scopus, (2) published between 2016 and 2025, (3) focused on the banking sector or financial institutions, (4) discussing Integrated Reporting, ESG, or SDGs Disclosure, and (5) examining factors influencing reporting quality. Conceptual articles without empirical analysis, studies outside the financial sector, and articles that did not directly address the determinants of reporting quality were excluded from the analysis. Establishing these inclusion and exclusion criteria is important to maintain the focus of the research and improve the accuracy of the literature synthesis (Snyder, 2019).

The analysis phase was conducted using a narrative synthesis approach by grouping findings based on key themes. Each article was extracted based on key information including author, year of publication, country of study, research method, variables used, and key study findings. Factors influencing the quality of Integrated Reporting and SDGs Disclosure were then categorized into several thematic groups, including internal factors (e.g., corporate governance, company size, and financial performance), external factors (e.g., regulation and institutional pressure), and integrative factors related to the implementation of the integrated reporting framework. This synthesis process aimed to identify patterns of consistency in findings, differences in results between studies, and remaining research gaps.

Using a PRISMA-based SLR approach and thematic synthesis, this study provides a comprehensive mapping of the determinants of integrated reporting quality in the banking sector. This approach is expected to strengthen theoretical contributions to the literature on Integrated Reporting and SDGs Disclosure while providing a conceptual foundation for further research in the field of financial sector sustainability reporting.

3. Results and Discussions

Journal Classification Based on Identity, Index, and Number of Journals

Based on the results of a systematic search in the Scopus database, the 26 articles analyzed came from highly reputable journals. All articles were from reputable international journals indexed by Scopus (Q1–Q3). The journal classification showed a predominance in the fields of sustainable accounting and financial management.

Table 1. Classification of journals based on identity, index, and percentage

No	Journal Name	Article	Index	Percentage
1	Sustainability (Switzerland)	6	Q1	23%
2	Sustainable Development	3	Q1	12%
3	Acta Psychologica	1	Q1	4%
4	Uncertain Supply Chain Management	1	Q1	4%
5	Energies	1	Q1	4%
6	European Research On Management And Business Economics	1	Q1	4%
7	Journal Of Accounting In Emerging Economies	1	Q1	4%
8	Journal Of Applied Accounting Research	1	Q1	4%
9	Journal Of Cleaner Production	1	Q1	4%
10	Omega (United Kingdom)	1	Q1	4%
11	Administrative Sciences	1	Q2	4%
12	International Journal Of Financial Studies	1	Q2	4%

13	Journal Of Economics, Finance And Administrative Science	1	Q2	4%
14	Journal Of Risk And Financial Management	1	Q2	4%
15	Measuring Business Excellence	1	Q2	4%
16	Economics Of Development	1	Q3	4%
17	Corporate Governance And Sustainability Review	1	Q4	4%
18	Journal Of Economics And Management (Poland)	1	Q4	4%
19	Ucjc Business And Society Review	1	Q4	4%
Total		26		100%

Publication distribution showed a significant increase after 2019, indicating increased academic attention to SDG disclosure and the implementation of Integrated Reporting in the financial and banking sectors. The analysis of publication distribution shows that the journal Sustainability (Switzerland) dominates as the primary source, contributing six articles, or approximately 23% of the total. Second place is taken by the journal Sustainable Development with three articles, accounting for approximately 12% of the total. Furthermore, 17 other journals contributed only one article each, each contributing approximately 4% per journal. This distribution confirms that research publications in the dataset are predominantly concentrated in the journal Sustainability (Switzerland), which serves as the primary forum for disseminating research results. Meanwhile, contributions from other journals are more scattered and relatively small.

Journal Index Identification

Referring to the previous section, research on SDG disclosure and the implementation of Integrated Reporting in the financial and banking sectors was published in several Scopus-indexed journals, classified as Q1, Q2, Q3, and Q4. Details of the article classification results are presented in full in the following table.

Table 2. Journal Index

Index	Amount	Percentage
Q1	15	58%
Q2	5	19%
Q3	3	12%
Q4	3	12%
Total		100%

When viewed from the journal ranking classification, the Q1 category dominates with a total of 15 articles (58%), reflecting the high quality of scientific contributions in this study. Furthermore, journals ranked Q2 contributed 5 articles (19%), followed by the Q4 category with 3 articles (12%), and Q3 with 3 articles (12%). This distribution pattern indicates an even representation across various levels of scientific quality and influence. However, the largest proportion comes from highly reputable journals (Q1), confirming that the primary focus of this dataset is on academic publications with significant credibility and impact in their fields.

Based on Country Research

Geographic mapping of the 26 studies analyzed shows that Integrated Reporting (IR) and Sustainable Development Goals (SDGs) in the banking sector have a global scope. However, publication patterns also reveal distinct regional characteristics, with each region displaying distinct focuses, approaches, and dynamics according to its respective economic context, regulations, and sustainable development priorities.

Table 3. Distribution by country

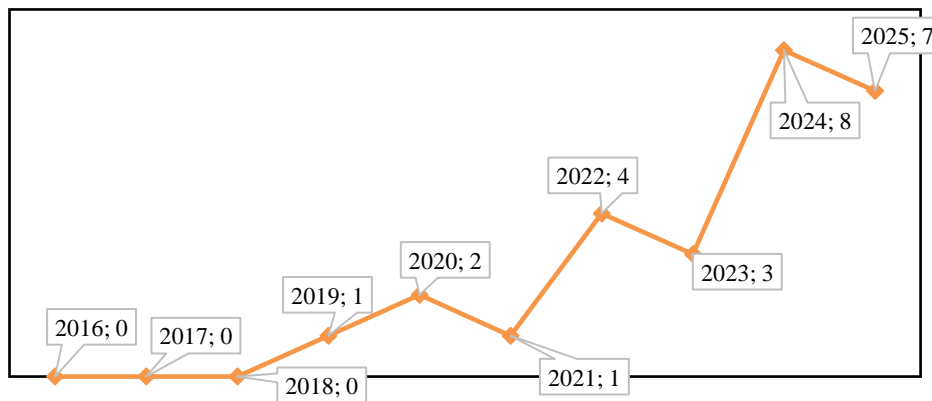
Country	Amount	Percentage
Indonesia	6	23%
Spain	5	19%
Greece	4	15%
Italy	4	15%
Poland	3	12%
Turkey	3	12%

Uk	3	12%
Argentina	2	8%
Brazil	2	8%
Latvia	2	8%
Malaysia	2	8%
Nigeria	2	8%
Tunisia	2	8%
Usa	2	8%
China	1	4%
Colombia	1	4%
India	1	4%
Jordan	1	4%
Philippines	1	4%
Portugal	1	4%
Saudi Arabia	1	4%
Serbia	1	4%
South Korea	1	4%
Ukraine	1	4%
Uruguay	1	4%
Total	26	100%

How the Pattern of Findings

The development of integrated reporting and SDGs research in the banking sector has increased significantly in recent years. Here are the details of this growth.

Picture 2. By Year of Publication



Based on the results of literature mapping from the Scopus database for the period 2016–2025, the publication trend on Integrated Reporting and SDGs Disclosure in the banking sector shows a fluctuating pattern of increase but tends to increase significantly in the last five years. In the initial period, namely 2016, 2017, and 2018, no articles were found specifically discussing the relationship between the quality of Integrated Reporting and SDGs disclosure in the banking sector (0 publications). This indicates that in the initial phase of the search period, this topic was still relatively limited in the academic literature. Publications began to appear in 2019 with one article, then increased in 2020 to two articles. However, in 2021 there was a slight decrease to one article. An increase again occurred in 2022 with four publications, indicating the increasing academic attention to the integration of sustainability reporting in the financial sector. In 2023, the number of publications was recorded at three articles, before experiencing a significant spike in 2024 with eight articles. The year 2025 saw a slight

decrease to 7 articles, but remained at a high level compared to the previous period. Overall, this trend indicates that research on the quality of Integrated Reporting and SDG disclosure in the banking sector has experienced rapid growth since 2022, with a peak in publications in 2024. This increase indicates growing academic attention to sustainability transparency, ESG regulations, and SDG integration in the banking industry. The findings of this publication trend also reinforce the urgency of further research in this area, particularly with qualitative and integrative approaches to better understand the factors influencing the quality of integrated reports.

Main Theoretical Lens Applied

The literature analyzed uses several main theoretical frameworks, namely:

Table 4. Main Theoretical Framework Used

No	Name of Theory	Total	Information
1	Stakeholder Theory	12	The most dominant theory. Used to explain that banks report SDGs to meet the expectations of various parties (customers, investors, regulators) for long-term sustainability.
2	Legitimacy Theory	7	Used to explain banks' motivation to improve the quality of reports so that their operations are considered "legitimate" and accepted by societal norms (avoiding reputational risk).
3	Institutional Theory	4	Explain the influence of regulatory pressures (such as POJK 51 in Indonesia or EU regulations) that force banks to standardize the quality of their reporting according to global standards.
4	Agency Theory	2	Used in studies that discuss board characteristics and ownership structures to reduce information asymmetry between bank management and capital owners.
5	Signaling Theory	1	Used to explain how banks provide positive "signals" to capital markets through quality reports to attract green investment.
Total		26	

The results of the literature review indicate that the theories used in this study include Stakeholder Theory, Legitimacy Theory, Institutional Theory, Agency Theory, and Signaling Theory. Of the 26 articles analyzed, the most widely used theory is Stakeholder Theory (12 articles), followed by Legitimacy Theory (7 articles), Institutional Theory (4 articles), Agency Theory (2 articles), and Signaling Theory (1 article). Based on this recapitulation, Stakeholder Theory is the main foundation in explaining the phenomenon of SDGs disclosure in the banking sector. This theory emphasizes that banks must consider the interests of various parties in decision-making. Freeman, (1984) emphasized that corporate responsibility is not limited to shareholders, but includes employees, customers, government, and society. In this context, Integrated Reporting (IR) becomes the main tool for communicating value creation to all stakeholders. In addition, Legitimacy Theory, which consists of 7 articles, is used to explain banks' efforts to ensure their operations are aligned with societal norms in order to gain social recognition. Meanwhile, Institutional Theory (4 articles) highlights the influence of regulatory pressures that force banks to standardize their reporting quality. Finally, Agency Theory (2 articles) introduced by Jensen & Meckling (1976) is used to explain the role of reporting transparency in reducing information asymmetry between management (agents) and capital owners (principals).

Dependent Variable

An analysis of 26 articles shows that the dependent variables used include SDGs Disclosure Quality, Integrated Reporting (IR) Quality, Financial Performance (ROA, ROE, EPS), SDG Performance, and Green Purchase Intention. Overall, the most dominant variable is SDGs Disclosure Quality (16 articles), followed by IR Quality (6 articles), Financial Performance (3 articles), and Green Purchase Intention (1 article).

The dominance of disclosure quality variables confirms that the primary focus of recent research in the banking sector is on transparency and contribution to the 2030 SDGs agenda, with the majority of measurements using content analysis based on the GRI index and local regulations. Meanwhile, IR Quality highlights the integration of financial and non-financial information, while Financial Performance is used to assess the impact of sustainability disclosure on bank profitability.

Table 5. Dependent Variable

No	Dependent Variable (Y)	Jumlah	Frekuensi (%)
1	SDGs Disclosure Quality / SDG Performance	16	61,5%
2	Integrated Reporting (IR) Quality	6	23,1%
3	Financial Performance (ROA, ROE, EPS)	3	11,5%
4	External Outcome (Green Purchase Intention)	1	3,9%
Total		26	100%

Independent Variables

Further analysis of 26 articles showed that the independent variables can be categorized into three main groups: Internal Governance, Bank Characteristics, and Strategic & External Factors. Overall, the most dominant variable was Bank Size (14 articles), followed by Board Independence (8 articles), Regulatory Mandate (6 articles), IR Adoption (6 articles), and Profitability (5 articles).

The dominance of the Bank Size variable confirms that economies of scale and resource availability are important factors in a bank's ability to adopt sustainability reporting standards. Meanwhile, Board Independence highlights the role of internal oversight, and the Regulatory Mandate and IR Adoption variables demonstrate the influence of external regulation and integrated reporting strategies. Overall, the combination of internal governance and external regulatory pressure is the primary driver of improving the quality of sustainability disclosure in the banking sector.

Table 6. Independent Variable

No	Independent Variable (X)	Jumlah	Frekuensi (%)
1	Bank Size (Ukuran Bank)	14	53,8%
2	Board Independence (Independensi Dewan)	8	30,8%
3	Regulatory Mandate (Mandat Regulasi)	6	23,1%
4	Integrated Reporting (IR) Adoption	6	23,1%
5	Profitability (Profitabilitas)	5	19,2%
6	Board Gender Diversity	4	15,4%
7	Audit Quality (Big Four)	4	15,4%
8	Leverage	3	11,5%
9	Lainnya (Digitalization, Age, Culture, etc)	10	38,5%

Note: The total frequency exceeds 100% because one article can use more than one independent variable.

Research Results Based on Independent Variables (Author, Year, Results)

Table 7. Research Results Based on Independent Variables (Author, Year, Results)

Variable	Author & Year	Results
Internal Governance	Raffaelli et al., (2025); Yusuf et al. (2024); Beretta et al. (2023); Ahmadi & Amara (2023); AlHares (2025)	+
	Sedovs et al. (2025)	-
	-	TBA

Bank Characteristics	Pacheco & Branco, (2025); Chamera, (2025); Chagas et al. (2022); (Gambetta et al., 2021); Ahmadi & Amara (2023); Barone et al. (2025); Erin et al. (2022); Cosma et al. (2020); Avrampou et al. (2019)	+
	Gündüz & Gündüz, (2025)	-
	Onyshchenko et al., (2025)	TBA
Strategic & External Factors	Sina & Vennila (2025); Alkayed et al. (2024); Komarnicka & Komarnicki (2022); Garefalakis et al. (2025); Kim & Yang (2025); Manurung et al. (2024); Paranhos et al. (2024); Avrampou et al. (2019); Wu et al. (2025); Ecer & Pamucar (2022); Aguado-Correa et al. (2023).	+
	Gündüz & Gündüz, (2025); Sedovs et al. (2025)	-
	Aguado-Correa et al. (2023)	TBA
Positif (+); Negatif (-); No Significant Impact (TBA)		

Discussion

Reasons for Inconsistency in Findings Regarding the Determinants of Integrated Reporting Quality and SDGs Disclosure

Based on the results of a synthesis of 26 empirical articles, it can be concluded that the determinants of Integrated Reporting (IR) quality and SDG disclosure in the banking sector show relatively consistent patterns across several key variables, but still show inconsistencies across certain variables such as leverage and profitability. This disparity in results reflects the complex relationship between governance mechanisms, bank characteristics, and institutional pressures in shaping reporting quality.

Differences in findings between studies may be due to several factors. First, variations in the theoretical frameworks used. Studies based on Stakeholder Theory tend to interpret IR quality as a strategic response to stakeholder expectations (Freeman, 1984), while studies using Legitimacy Theory emphasize that reporting often aims to gain or maintain social legitimacy (Suchman, 1995). Institutional Theory, on the other hand, explains that coercive and normative pressures from regulators encourage banks to standardize their reporting practices, regardless of internal commitments to sustainability.

Second, methodological differences also influence research results. The majority of studies measure the quality of IR and SDG disclosure using a content analysis approach based on the GRI index or local regulations. However, quality measurement is often limited to the completeness of disclosure items, rather than the level of strategic integration and narrative coherence. As noted by Pacheco & Branco (2025) and Chamera (2025), a systematic report structure does not always reflect substantial integration between business strategy and the sustainability agenda.

Third, differences in institutional contexts across countries also play a significant role. Onyshchenko et al. (2025) show that in developing countries, reporting quality is still influenced by limited institutional capacity and standards harmonization. This strengthens the argument that IR quality is not simply a technical practice, but rather the result of the interaction between internal governance, resource capacity, and external regulatory pressures.

Thus, the inconsistencies in findings in the literature reflect that IR quality and SDG disclosure are influenced by multidimensional dynamics that cannot be explained by a single variable.

The Role of Internal Governance in Reporting Quality

The synthesis results indicate that internal governance mechanisms are the most consistent determinants of IR quality and SDG disclosure. Variables such as board independence, board size, gender diversity, and audit quality tend to show a positive relationship with reporting quality (Raffaelli et al., 2025; Yusuf et al., 2024; Beretta et al., 2023).

This finding aligns with Agency Theory, which states that strong oversight mechanisms can reduce information asymmetry between management and stakeholders. Board independence, for example, increases management accountability and promotes reporting transparency. Furthermore, gender diversity on the board is also associated with a more inclusive perspective on sustainability issues.

However, not all studies show significant results. Sedovs et al. (2025) found that some governance mechanisms had no significant effect on reporting quality. This indicates that the existence of a formal governance structure does not necessarily guarantee its substantive effectiveness. In certain contexts, governance can be symbolic or merely meet regulatory demands without truly encouraging the integration of sustainability into business strategy.

Thus, internal governance can be seen as an important prerequisite, but its effectiveness remains dependent on managerial commitment and the surrounding institutional context.

Bank Characteristics and Resource Capacity

Bank size has emerged as the most dominant independent variable in the literature. Most studies indicate that larger banks have higher quality IR and SDG disclosure (Cosma et al. 2020; Avrampou et al. 2019; Chagas et al. 2022).

From a Legitimacy Theory perspective, large banks face higher public pressure due to their systemic impact on the economy. Therefore, they are encouraged to disclose more comprehensive sustainability information to maintain their reputation and social legitimacy. Furthermore, from a resource capacity perspective, large banks have greater financial and technological capabilities to implement a comprehensive IR framework.

Profitability has shown relatively positive results in several studies, indicating that banks with strong financial performance have the incentive and capacity to improve reporting quality. However, this relationship is not always consistent. Some studies indicate that financial performance does not always correlate with disclosure quality, raising the possibility that sustainability reporting may be used as a reputational tool rather than as a reflection of strategic integration.

Leverage is the most inconsistent variable. In some contexts, leverage encourages increased disclosure to reassure creditors and regulators. However, in other contexts, leverage has no significant effect or even exhibits a negative relationship. This inconsistency indicates that financial structure affects reporting incentives differently depending on the intensity of regulation and market pressures.

Strategic Factors and Institutional Pressures

External factors such as regulatory mandates and IR adoption show a relatively consistent positive relationship with reporting quality (Komarnicka & Komarnicki (2022); Manurung et al. (2024); Wu et al. (2025). This supports Institutional Theory, which emphasizes that coercive pressure from regulators plays a crucial role in driving standardization and improving reporting quality.

However, improved quality due to regulatory pressure does not always reflect deep strategic integration. As Pacheco & Branco (2025) point out, a more systematic reporting structure does not necessarily imply a substantive link between business strategy and the SDGs. This indicates the potential for decoupling, where formal disclosures do not fully reflect actual operational practices.

Adopting IR as a reporting framework also contributes to increased information connectivity. However, the quality of integration remains dependent on the extent to which management internalizes the principles of long-term value creation, rather than simply fulfilling formal requirements.

Conceptual Implications

The results of this study confirm that the quality of Integrated Reporting and SDG disclosure in the banking sector is the result of a complex interaction between internal governance mechanisms, organizational characteristics, and external institutional pressures. No single theory can comprehensively explain this phenomenon.

Stakeholder Theory explains banks' responsive orientation to the expectations of various parties. Legitimacy Theory explains reputational motivations for disclosure. Institutional Theory explains the convergence of practices due to regulatory pressures. Agency Theory highlights the importance of internal oversight mechanisms.

Thus, IR quality cannot be viewed solely as an indicator of compliance or completeness of information, but rather as a reflection of the strategic integration of governance, resource capacity, and institutional pressures. These findings contribute to a comprehensive mapping of the determinants of integrated reporting quality specific to the banking sector, while also opening up further research into the narrative coherence and strategic integration of SDGs within banks' business models.

4. Conclusion

Based on a systematic review of 26 empirical articles indexed by Scopus for the period 2019–2025, this study presents a comprehensive mapping of the factors influencing the quality of Integrated Reporting (IR) and Sustainable Development Goals (SDGs) disclosure in the banking sector. Using a Systematic Literature Review approach based on the PRISMA guidelines, this study captures the development of the literature, demonstrating that the quality of integrated reporting is not simply a technical reporting practice, but rather a reflection of the complex interaction between internal governance, organizational resource capacity, and external institutional pressures. The research findings confirm that corporate governance mechanisms, specifically board independence, board size, gender diversity, and audit quality, tend to have a positive and relatively consistent relationship with the quality of IR and SDGs disclosure. These results reinforce the argument of Stakeholder Theory, introduced by R. Edward Freeman, that companies, including banks, respond to the expectations of various stakeholders by increasing transparency and accountability. Furthermore, these findings align with Agency Theory, developed by Michael C. Jensen and William H. Meckling, which emphasizes that effective oversight mechanisms can reduce information asymmetry between management and capital owners. On the other hand, bank size emerges as the most dominant determinant in the literature. Larger banks tend to have higher reporting quality, both due to public legitimacy pressures and greater resource capacity. This phenomenon can be explained through the perspective of Legitimacy Theory formulated by Mark C. Suchman, where organizations strive to maintain alignment with social norms and expectations to safeguard their reputation and operational sustainability. However, findings regarding profitability and leverage show inconsistent results, indicating that financial performance and funding structure do not always directly reflect a substantive commitment to sustainability integration. Furthermore, external factors such as regulatory mandates and institutional pressures have a positive influence on reporting quality. This supports the argument of Institutional Theory, which explains that reporting practices are often influenced by coercive, normative, and mimetic pressures from the institutional environment. However, improved quality due to regulatory pressures does not necessarily reflect deep strategic integration. Several studies indicate a tendency toward decoupling, where formal disclosures do not fully reflect the internalization of sustainability strategies within banks' business models. Thus, the quality of IR and SDG disclosure still faces challenges in terms of narrative coherence and long-term value integration. Overall, this study makes a conceptual contribution by confirming that no single theory can comprehensively explain the determinants of IR quality. Instead, this phenomenon is better understood through a multi-theoretical approach that integrates stakeholder, legitimacy, institutional, and agency perspectives. By systematically mapping internal and external determinants, this study enriches the literature on integrated reporting in the banking sector and provides a conceptual foundation for further, more in-depth research, particularly on the strategic integration of SDGs in long-term value creation. The practical implications of this research suggest that regulators and financial sector supervisory authorities need to strengthen reporting quality standards, not only in terms of formal compliance but also in terms of the depth of strategy integration and measurable performance indicators. Harmonization of standards and enhanced oversight can narrow the gap between normative commitments and substantive implementation. For bank management, these results emphasize the importance of strengthening governance and internalizing the principles of sustainable value creation so that IR becomes not merely a tool for reputational legitimacy, but rather a strategic instrument in managing ESG risks and opportunities. Finally, this research is expected to stimulate further research exploring under-researched independent variables, such as reporting digitalization, organizational culture, leadership quality, and technology integration in sustainability reporting systems. By expanding the scope of variables and methodological approaches, future research is expected to provide a deeper understanding of how the banking sector can contribute more transparently, accountably, and sustainably to the global development agenda.

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