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Non Financial Disclosure and Financial Performance in UAE Industrial Companies

Ali Fadhil Jaber, alifadhel1968@yahoo.com (*)
Department of Accounting – College of Administration and Economics – University of Basra, Iraq

Auday Safa-Aldeen Fadhil , auday.fadhil@uobasrah.edu.iq
Department of Accounting – College of Administration and Economics – University of Basra, Iraq

(*) Corresponding author

Abstract

General Background: Integrated reporting combines financial and non-financial information to provide a comprehensive view of corporate performance. **Specific Background:** UAE industrial companies have increasingly adopted integrated reporting practices to improve disclosure quality. **Knowledge Gap:** Limited evidence exists regarding the relationship between non-financialdisclosure and financial performance in UAE industrial companies. **Aims:** This study examines the relationship between non-financial disclosure in integrated reports and financial performance measured by earnings per share (EPS) and current liquidity during 2016–2024. **Results:** The findings reveal a positive and statistically significant relationship between non-financial disclosure and both EPS and current liquidity. ARDL analysis indicates a significant long-run positive relationship with current liquidity, while the long-run relationship with EPS is not statistically significant. **Novelty:** The study applies International Integrated Reporting Council disclosure dimensions and ARDL estimation to UAE industrial companies over an extended period. **Implications:** The findings support greater emphasis on non-financial disclosure and the monitoring of integrated reporting practices to provide more comprehensive information for stakeholders and financial decision-making.

Highlights:

• Non-financial reporting practices showed a positive association with earnings per share among UAE industrial companies.
• Integrated report disclosures were positively linked to current liquidity in both short-term and long-term analyses.
• Disclosure levels increased substantially following the adoption of integrated reporting practices within the sampled firms.

Keywords: Integrated Reporting, Non Financial Disclosure, Financial Performance, Earnings Per Share, Current Liquidity

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Introduction

A report that incorporates both financial and non-financial data, such as information on sustainability, corporate social responsibility, and governance, is the fundamental concept of integrated reporting. The (King III) report on governance, which began in South Africa in 2009, was the primary source of the need for integrated reporting. It asserts that it offers a thorough and integrated depiction of the business's sustainability and financial resources. Consequently, a set of IR principles may be found in the King III Report.

The best way to provide information about a company's performance, governance, prospects for the future, and strategy is via integrated reports. To improve the substance of accounting disclosure of data in annual reports, material must be organized, concise, and clear. According to the IIRC, the purpose of these integrated reports is to enhance the quality of information accessible to investors and stakeholders so they may more effectively and efficiently allocate resources. It lessens knowledge asymmetry and has a favorable impact on future cash flows and stock prices.

Accordingly, Using two variables, the study seeks to determine how non-financial disclosure in integrated reports affects the financial performance of the organizations in the research sample: earnings per share and current liquidity.

Based on the previously given data, the researcher created two hypotheses to investigate how non-financial disclosure in integrated reports influences financial performance: the first would demonstrate the impact of non-financial disclosure on earnings per share, and the second would demonstrate the impact of non-financial disclosure on current liquidity.

To achieve its objectives, the study was divided into four sections: the research methodology and previous studies were covered in the first section; the theoretical aspects of financial performance, the earnings per share index, and the current liquidity indicator were covered in the second section; the practical aspects were covered in the third section; and conclusions and recommendations were covered in the fourth section.

The first section: research methodology and previous studies

Ten firms registered between 2016 and 2024 on the Emirati Stock Exchange comprised the sample of Emirati industrial organizations whose integrated reports were examined using the content analysis approach. Financial performance criteria, such as current liquidity and profits per share, were found to be impacted by this. The form included in Appendix No. 1 was used to evaluate the content of the integrated reports.

1-1 Research Problem

Since financial reports don't satisfy stakeholders' information demands, the significance and dependability of integrated reporting have lately gained attention. The informative quality of financial reports in their present condition is deficient because there is a disconnect between the information that businesses now disclose and the information that investors need to assess their prospects and value. Furthermore, it is uncontrolled and inadequate even when considering non-financial information. Reports that provide a clear, thorough, and impartial picture of the company's financial performance are becoming more and more necessary due to the growth of financial capital markets, the rise in global corporations, and the growing need for non-financial information.

Integrated reports reflect the latest stages of accounting development since they are seen to be an essential source of information needed to enhance the company's strategic performance in the short, medium, and long term. Therefore, research on the importance of non-financial disclosure in integrated reports and how it affects the financial success of firms is required.

In light of the above, the research question is:

Is there an effect of non-financial disclosure in integrated reports on financial performance?

1-2 Research Importance

By providing additional non-financial information rather than only financial data, integrated report preparation may assist satisfy stakeholders' information needs. This will enable people to see long-term value more clearly by looking beyond short-term company outcomes.

Consequently, the significance of the study is:

In order to satisfy their desire for thorough information for all kinds of performance, it instructs readers of financial reports to pay attention to non-financial information about businesses in addition to financial information.

1-3 Research Goals

The study's primary goal is to show how non-financial information in integrated reports affects financial performance as determined by current liquidity and profits per share. Enhancing the facility's external environment and overview

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transparency, corporate governance, disclosure of potential and risks, business model description, strategy, and resource allocation, providing a future outlook that helps companies maximize their value, and, lastly, disclosure of the company's performance and the principles of creating and submitting integrated reports are all ways to measure financial information disclosure.

Conversely, the success of financial data is evaluated using current liquidity and profits per share.

As a result, the study aims to achieve the following:

explaining how non-financial data in integrated reports impacted the financial performance of UAE industrial enterprises from 2016 to 2024 as measured by current liquidity and earnings per share.

1-4 Data Sources

The researcher used a variety of data gathering techniques, including the following, to get the information required to fulfill the goals of this study:

1-4-1 The theoretical aspect

Concepts and theoretical frameworks related to integrated reporting and non-financial disclosure are communicated via the study's theoretical component using an analytical and descriptive approach.

1-4-2 The applied aspect

The researcher used a random sample of industrial businesses that are listed on the UAE stock market and have released integrated reports as of 2021 in order to collect data on the applicable element.

1-5 Research Limits

1-5-1 Time limits for research

Due to the availability of data for this time series in an integrated way for every company in the research sample, The integrated reports of the companies in the research sample for the years demonstrate the study's temporal constraints (2016-2024).

1-5-2 Spatial boundaries of research

The research's geographical limits are as follows:

• Research community: Joint-stock Emirati industrial firms registered on the Dubai Stock Exchange are represented by the research community.

• Research sample: Ten joint-stock industrial enterprises registered on the Dubai Stock Exchange make up the research sample since data was only obtained for these businesses.

1-6 Research hypotheses

Main hypothesis: The financial performance (FP) of UAE industrial enterprises between 2016 and 2024 was unaffected by non-financial disclosure in integrated reporting (NFDIR).

The subsequent sub-hypotheses diverge from it:

The first sub-hypothesis: Non-financial disclosure in integrated reports (NFDIR) had no impact on the profits per share (EPS) of UAE industrial companies during that period (2016-2024).

The second sub-hypothesis: Non-financial disclosure in integrated reports (NFDIR) had no impact on the current liquidity (CR) of industrial enterprises in the United Arab Emirates throughout the period (2016-2024).

1-7 Previous Research Studies:

1-7-1 Study (Naseer - 2022), The effect of disclosing the integrated report on the liquidity of shares

The study sample consisted of five non-financial companies that were listed on the Saudi stock exchange between 2017 and 2019. The study's goals were to assess how well the integrated report's disclosure reduced the stock market's information asymmetry. The research discovered a strong positive correlation between the integrated report's disclosure and the share liquidity of Saudi stock market-listed businesses.

1-7-2 Study (Al-Fadhli - 2020), the effect of non-financial disclosures of integrated business reports on financial

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performance

An analysis of Libya's banking sector. The goal of the research was to investigate the impact of non-financial disclosures in integrated business reports on the financial performance of Libyan commercial banks as measured by return on assets (ROA) and return on equity (ROE). The most important conclusion of the research is that relatively few non-financial disclosures are included in integrated corporate reporting on financial performance.

1-7-3 Study (Jeroe – 2016), Integrated Reporting, non-financial information and Financial Performance

Companies who originally took part in the IIRC pilot program between 2011 and 2014 make up the study sample. One of the goals of the research was to ascertain if integrated reporting had an impact on company financial planning. Financial success is inversely correlated with social and environmental performance and the release of integrated annual reports, according to empirical study.

1-7-4 Study (Ehichioya, 2019), Integrated Reporting and Firms' performance in Nigeria.

Purposeful sampling was used to choose the 121 firms that made up the sample. The firms in the sample provided annual reports and accounts that included historical data. The study's objective was to find out how integrated reporting affected the profit before tax (PBT), earnings per share (EPS), return on equity (ROE), and return on capital employed (ROCE) of firms listed on the Nigerian Stock Exchange. Earnings per share (EPS) and return on capital employed (ROCE) were shown to be significantly impacted by integrated reporting data. Additionally, integrated reporting data had a substantial influence on profit before tax (PBT), suggesting that it was a strong predictor of integrated reporting among Nigerian listed companies.

1-7-5 Study (Mukeredzi – 2019), Effect of integrated reporting on financial performance

The stock market in Johannesburg provided the information. The research sought to determine if integrated reporting has an impact on the financial performance of companies listed on the Johannesburg Stock Exchange by choosing the top 40 listed companies based on market capitalization. The research concludes that integrated reporting has no impact on financial performance since it has no bearing on return on assets (ROA) or the economic social governance (ESG) score.

1-8 Discussion of previous studies and the ongoing study

First: Similarities between the current study and previous studies:

In accordance with previous research (reviewed), the present research uses text analysis to quantify the quantity of non-financial content in integrated reports and shows how this affects financial performance.

Second: The differences between the current study and previous studies:

1. The present analysis focuses on earnings per share and current liquidity, while other studies measured financial performance using return on equity (ROE) and return on assets (ROA).

2. The current study differs from earlier Arab studies in that it uses integrated reports produced in the Arab environment (the Emirati market) for the first time on companies listed in the Dubai and Abu Dhabi market starting in 2021.

3. The current study performs very well utilizing the traditional model test and estimate (ARDL) based on the (AIC) information criterion (short-term).

4. The present research is distinct in that it uses the (ARDL) model to evaluate the long-term effect between the independent and dependent variables.

5. The Cumulative Sum of Residuals (CUSUM) test is a component of the current research that attempts to confirm the long-term parameters' stability and their agreement with the short-term parameters in the estimated model.

The second section: The theoretical aspect

2-1 Non-financial disclosure

Non-financial information about "the company's development, performance, position and effect of its activities, with regard, at least, to environmental, social, employee issues, respect for human rights, and the fight against corruption and bribery" must be made available. Non-financial information includes both quantitative and qualitative information on the organization's social and environmental initiatives and/or policies, as well as how they are incorporated into operations and outcomes (Aluchna et al., 2023). AL-Theebeh et al. (2018) state that customers and investors want accounting data and information to assess the financial standing of companies and help them make decisions based on a clear and firm vision. By providing investors, analysts, creditors, regulators, and other stakeholders with reliable information that allows them to evaluate the company's risks and financial health and make educated decisions, non-financial disclosure promotes market transparency and trust (Liu, 2023).

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Accounting disclosure is the process of providing benefitting parties with access to all pertinent data and information that is made public or made accessible via the financial accounts of the firm. Determining the financial status of the organization facilitates decision-making . Furthermore, it is feasible to learn about the company's sustainable development initiatives, whether on the social, environmental, or economic levels, and to maximize its role in achieving economic growth (EL-Abady et al., 2024).

The researcher claims that the conventional disclosure trend (financial disclosure), which emerged with the start of the industrial revolution and the rise of joint-stock firms and the need for businesses to inform investors and encourage them to invest and finance these companies, was characterized by interest in mandatory financial disclosure imposed by laws and regulations issued by the regulatory bodies of the profession or imposed by the state's legal environment.

The financial statements must provide thorough and proactive transparency in order to discourage both internal and external investors.

Furthermore, the researcher believes that the problem of knowledge asymmetry on both sides of the organization (shareholders and managers), which agency theory seeks to reduce, is an example of the flaws in financial statements that exist today. Investors must also be aware of non-financial data that might aid in their decision-making. In order to satisfy the demands of the primary stakeholders (investors) to obtain data with financial and non-financial economic disclosure in addition to obtaining environmental, social, and governance data and information, also known as data information, professional associations and academics are becoming more interested in directing reports to cover the current trend of accounting disclosure. Sustainability will enhance other stakeholders' needs. As a result, integrated reporting transparency was created. Its main goal is to provide investors and shareholders useful information so they can make investment decisions.

2-2 Integrated reporting

Integrated business reporting is the result of international initiatives to enhance corporate reporting and create a more fair and sustainable capital market system. By combining financial, environmental, social, and governance data in a transparent, accurate, integrated, and comparable way, this method establishes a generally acknowledged framework for the sustainability of the accounting profession. Additionally, it helps provide more comprehensive and understandable data on the past and future performance of a firm (Mohaisen et al., 2021). Many of the best businesses already utilize integrated reporting to provide a coherent, concise, and integrated narrative about how all of their resources add value. A relatively new yet effective idea, integrated reporting improves how businesses plan, think, and tell their narrative (Bhasin, 2017).

By integrating disclosures in integrated reports, businesses may effectively communicate information about their operational accomplishments, governance practices, strategic goals, and future prospects. These disclosures aid in the dissemination of comprehensive, coherent, and integrated information on the organization's strategy, performance, and future prospects. Integrated reporting also supports the organization's integrated thinking process, which results in integrated decision-making and initiatives involving the development or preservation of value throughout the short, medium, and long periods (Priyadarshani et al., 2023).

To provide all stakeholders comprehensive explanations in one place and a single image of how the company performs its non-financial and financial operations and how its value is produced during the course of its existence, the researcher claims that integrated reports are a modern trend imposed by the demands of various stakeholders with varying orientations and information needs. By enabling all users of these reports to look at the part of the image produced by the integrated report that they consider significant while also looking at other portions of the picture that they may miss, this increases the transparency of the choices made by stakeholders. This also helps to display the accumulations of the historical development of reports and companies, thereby knowing all the important and summary information about the company in one integrated, concise, and transparent report that expresses past performance and links it to the present and future. This helps to motivate stakeholders to make the best choice regarding their future investments and to communicate to them the present and future worth of the firm.

2-3 Financial Performance Concept

Most business initiatives and activities lead to performance, and accurate financial performance measurement is essential for accounting purposes because performance evaluation systems allow the organization to create strategic plans, assess the degree of goal achievement, and pay managers (Al-Khero et al, 2019, P 35). Performance, according to Hartoyo et al. (2023), is the result of the work that groups of individuals working inside the organization may do in line with their tasks and obligations with the purpose of legally accomplishing the company's objectives, in accordance with the law, and in accordance with ethical and moral values.

The financial success of a firm is highly valued by stakeholders, investors, and the whole economy. Returns on investment are a concern for investors, and a successful business may boost investors' earnings. Furthermore, an organization that does well might increase employee pay. Lastly, a business that does well may provide higher returns, which may open up new prospects for employment creation and investor wealth growth (Joseph et al., 2022). Evaluating financial performance helps determine the company's financial benefits and drawbacks by looking at the relationships between elements in the income statement and financial status (Elgayar, 2025). The company must understand the financial scenario description before evaluating its level of performance based on its financial activities (Kusumadewi et al., 2023).

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According to Muriithi (2016), a company's financial performance is determined by its capacity to implement operational and investment plans and choices to attain financial stability. Others, however, viewed financial success as the capacity to employ investment and operational alternatives and processes to attain the firm's financial stability, a gauge of how well the business meets its financial objectives (Al-Khero et al, 2019).

The process of measuring the financial results of a company's operations over time in order to produce a set of quantitative and qualitative indicators that can be compared to the company's planned performance (or comparable performance of other companies) in order to identify positive and negative deviations is what the researcher defines as financial performance. These metrics may then be used to assess performance and make strategic choices that will help the business attain financial stability. They can also show how effectively the business is managing its resources both now and in the future to add value.

The researcher also believes that achieving a company's strategic objectives depends on its financial success. The researcher may identify and optimize positive deviations and correct negative deviations by contrasting actual and expected financial performance..

2-3-1 Indicators for measuring financial performance

Performance evaluation is a crucial subject in both practice and study as companies want to evaluate what they oversee. Performance evaluation is a multidisciplinary problem that has been closely studied by researchers in the disciplines of management and information systems (Bonsu, 2024). The focus of financial performance assessment is often on future financial performance based on past performance by looking at the financial statements of inputs and outputs, which serve as the primary source of data confirming the business's financial performance (Anthony et al., 2019). Financial performance, according to Zuhroh et al. (2025), assesses a company's profitability as well as its effectiveness and ability to use assets and liabilities in a manner that maximizes business development for the entity's long-term life.

We'll talk about the most important of these indicators that are pertinent to this study and how to evaluate them :

2-3-1-1 Earnings per Share

The ratio of a firm's profit (or loss) attributable to parent company common stock owners during an accounting period to the weighted average number of shares of common stock during the same accounting period is known as basic earnings per share. If the corporation has issued preferred shares in addition to common shares, the numerator, or profit or loss, must be changed in order to calculate this ratio for common shares. Consequently, the amount of dividends on preferred shares plus any comparable payments must be deducted from net income for the period in line with paragraph 14 of IAS 33. The formula below is used to get the EPS value (Kwinto & Voss, 2017):

Earnings per share = (earnings after taxes – preferred stock dividends) / weighted average number of common shares

2-3-1-2 Current Ratio

Current liquidity measurements are a key sign of short-term financial stability. Because the company may compare its existing assets with its current obligations thanks to the current liquidity rate, it is expected to be high. Consequently, it is sometimes called trading metrics. High current liquidity policies ensure that creditors may meet their immediate obligations (Kaya et at., 2024).

Current Liquidity = (Current Assets / Current Liabilities)

2-3-2 Control Variables

Three different types of variables were used in the study: independent variables (non-financial disclosure in integrated reports), dependent variables (financial performance and the company's market value), which show the outcome of the effect, and control variables, which are regulated to guarantee the accuracy of the relationship between the variables. In this study, three control variables were included:

2-3-2-1 Company size

Companies fall into three categories: small, medium, and large. This depends on the size of their operating assets, which are regulated by international and national legislation as well as professional bodies inside those countries. International laws may also have an effect, especially in cases of international competition. The total assets of a company are often used to gauge its size; the bigger the company, the more assets it has. Sales income or equity value may also be used to gauge the size of the company (Luckieta, 2021). Signaling theory explains how a company's size influences its worth since companies with large assets often have a low chance of bankruptcy, which may be a characteristic that attracts customers. It displays the company's size according to its total assets. Large companies will be more able to make money because there are more assets available. Large profits are seen as good news, but the company's high value due to investors' positive evaluation will offset this. The aforementioned makes it evident that a company's size raises its value (Kristi et al., 2020).

2-3-2-2 Financial leverage

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Financial leverage refers to a company's capacity to optimize the wealth of its owners via the use of hard-hitting assets and cash (private equity and debt). The amount of money that can be made rises as leverage grows. A company's range of investment opportunities is also an important part of its value as it affects the perceptions of its owners, managers, creditors, and investors. Businesses with expanding business prospects will persuade investors that they can increase the number of shareholders, which will increase the demand for shares and raise the company's worth by increasing the demand for its market share. If the dividend policy is properly implemented, the company's value will increase because dividends are a portion of shareholders' earnings (Tangngisalu et al., 2023). Trade-off theory and signaling theory serve as the foundation for the connection between financial leverage and business value. According to signaling theory, financial leverage is a signal that may influence investors' decisions, whereas trade-off theory states that retained earnings are the best source of internal financing. The amount of debt used will affect investors' opinions, and high leverage might indicate the company's degree of liquidation risk. Liquidity risk erodes investor confidence and lowers stock prices and business value since it is seen as a negative signal, or bad news. Excessive interest expenses might make investment riskier and perhaps cause the firm to fail. Investors often compare total debt to total assets when making investment decisions in order to lower the risk of liquidation (Kristi et al., 2020).

Financial leverage = total liabilities/total equity

2-3-2-3 Profitability multiplier

The ratio of price to earnings, sometimes referred to as the Earnings One of the most popular criteria for assessment among financial analysts and organizations that provide financial consulting services is the multiple ratio. This multiplier shows the market's anticipated rise in the share of earnings per share (Mishaal, 2019).

Profitability multiplier = Share price / Earnings per share

Third topic: The practical aspect

3-1 Using the Integrated Reporting Content Disclosure Checklist

The following table displays the test results:

Table No. (1) A summary of the disclosure rates for integrated report content categories for UAE industrial businesses between 2016 and 2024

The percentage of content items disclosed in integrated reports throughout the years										Disclosure rate
"Companies"	Before				Disclosure rate	After				
	2016	2017	2018	2019		2021	2022	2023	2024	
Emsteel	25%	25%	25%	25%	25.00%	81%	86%	87%	87%	85.25%
Dana Gaz	35%	36%	35%	36%	35.50%	47%	48%	49%	50%	48.50%
Julphar	9%	11%	11%	9%	10.00%	76%	75%	77%	78%	76.50%
Sharjah Cement	14%	14%	14%	14%	14.00%	52%	52%	57%	53%	53.50%
Gulf Cement	11%	11%	11%	11%	11.00%	55%	55%	58%	55%	55.75%
National Cement	8%	8%	8%	8%	8.00%	56%	52%	48%	50%	51.50%
Fujairah Cement	8%	8%	8%	8%	8.00%	50%	49%	58%	42%	49.75%
BILDCO	13%	13%	13%	13%	13.00%	48%	61%	36%	34%	44.75%
ADSB	7%	7%	7%	7%	7.00%	44%	41%	46%	44%	43.75%
Dubai Refreshment	9%	9%	9%	9%	9.00%	56%	63%	63%	67%	62.25%
Disclosure rate	**14%**	**14%**	**14%**	**14%**	**14%**	**57%**	**58%**	**58%**	**56%**	**57%**

Source: Table prepared by the researcher"

The UAE industrial sector's integrated reports businesses in the study sample were subjected to the disclosure checklist included in Appendix No. [1]. According to the checklist's findings, which are shown in the table above, disclosure rates were very low between 2016 and 2019, Before integrated reporting was put into place. Dana Gas has the greatest disclosure rate, reaching (36%) of the specified disclosure for the integrated reports, while the lowest rate was (7%) for Abu Dhabi Shipbuilding. The overall disclosure rate for all companies during the above period was only (14%).

The voluntary use of integrated reporting led to a significant improvement in disclosure rates for all corporations between 2021 and 2024. Emirates Steel achieved the highest disclosure rate at (85%), followed by Gulfar at (77%), while Abu Dhabi Shipbuilding had the lowest at only (44%). The overall disclosure rate for all companies was (57%).

3-2 Descriptive Statistics and Correlation

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The researcher obtained descriptive statistical results, including general statistics such as the arithmetic mean, median, greatest and lowest values, skewness, kurtosis coefficients, and standard deviation, and Jark-Pera's test for normality of the data, in addition to graphs to illustrate the nature and characteristics of the data. The researcher also employed analytical statistics, specifically effect relationships, using linear regression and the ARDL model to identify long-term relationships. The researcher utilized a set of suitable statistical software programs, namely SPSS version 24 and EViews 13, to extract results from the data. Table (2) below includes some general statistics for the variables included in the research to illustrate their general characteristics.

Table No. (2) General Statistics for Research Variables

	NDDIR	CR	EPS	FL	P/E	SIZE
Mean	39.35547	1.945250	-0.003241	14.05074	8.125063	1.700000
Median	47.65625	1.390000	0.009000	0.505000	6.825000	1.500000
Maximum	87.50000	9.450000	1.500000	975.0000	98.00000	3.000000
Minimum	7.812500	0.170000	-1.200000	0.035000	-100.6000	1.000000
Std. Dev.	26.93061	1.707757	0.320554	108.8911	25.14443	0.785953
Skewness	0.148604	2.455052	0.524138	8.752798	-0.177159	0.579314
Kurtosis	1.511590	9.584997	12.33109	77.74429	8.207595	1.864284
Jarque-Bera	7.678990	224.9043	293.8936	19643.85	90.81527	8.774240
Probability	0.021504	0.000000	0.000000	0.000000	0.000000	0.012436

Note: "The table was prepared by the researcher based on the results of the SPSS vr.24 statistical program"

The variable (non-financial disclosure in integrated reports) has a median of 47.66 and an average of 39.36, which suggests that the values of the variable varied across the firms under investigation. Additionally, we see that the skewness was positive and low and the standard deviation was high, suggesting that the values were clustered around the average with several significant values. The Jark-Pera test findings show that the variables do not follow a normal distribution. With a positive median value of 0.009 and an average earnings per share (EPS) of -0.00324, it is clear that some firms had EPS losses that had an impact on the average. Moreover, the high skewness and kurtosis values suggest the existence of outliers, and the difference between the average and median suggests changes in EPS. With an average of 1.95 and a median of 1.39, current liquidity shows that some businesses have high amounts of liquidity while others have low levels.

The high standard deviation and positive skewness indicate varying degrees of companies' capacity to fulfill their immediate duties. With a median of 1.5 and an average of 1.70, the sizes of the majority of businesses seem to be rather convergent. On the other hand, the existence of certain quite significant enterprises is indicated by the positive skewness and kurtosis. The average leverage was (14.05) with a relatively low median of 0.505, indicating that some companies rely on higher levels of leverage than others. The large values of standard deviation, positive skewness, and high kurtosis also demonstrate significant variation in this indicator among companies. The price-to-earnings (P/E) ratio showed variations in business profitability, with an average of 8.13 and a median of 6.83. The standard deviation, skewness, and kurtosis values also point to the presence of extreme values and a limited number of companies with high (P/E) ratios. From the previous results, we note that most of the study variables are characterized by a degree of dispersion, asymmetry, and the presence of extreme values. This is the reason that justifies the researcher's reliance on standard dynamic models such as (ARDL), which are models capable of dealing with the characteristics of financial time series efficiently.

3-3 Discussion and analysis of research hypotheses:

Main hypothesis: Integrated reporting's non-financial disclosure (NFDIR) has no impact on UAE industrial businesses' financial performance (FP) between 2016 and 2024..

It gives rise to the following sub-hypotheses:

3-3-1 First sub-hypothesis

Integrated reporting's non-financial disclosure (NFDIR) has no statistically significant impact on UAE industrial businesses' profits per share (EPS) between 2016 and 2024.

First: Analysis of the regression model for the (NFDIR) index and its effect on (EPS)

The researcher conducted a regression model analysis of the (NFDIR) index and its effect on (EPS) for UAE industrial companies, and the following table compiles the outcomes:

Table No. (3) Results of the NFDIR regression model in EPS

Sig.	T	Beta	F	R Square	dependent variable
0.039	2.095	0.231	4.389	0.053	EPS

Note: The table was prepared by the researcher based on the results of the SPSS vr. 24 statistical programs"

The aforementioned table shows how NFDIR affects earnings per share (EPS). The results show that, has a 0.053 coefficient of determination (R2), the NFDIR variable explained 5.3% of the variability in EPS. The regression coefficient of 0.231 and the F-test value of 4.389 demonstrate a positive association between NFDIR and EPS. For each unit increase in NFDIR, EPS increases by (0.231) units. Furthermore, the results show a t-test value of 2.095, which is less than 5%, and a significant level of 0.039. This shows a substantial impact, refuting the null hypothesis and demonstrating that the NFDIR variable affects EPS in the research sample.

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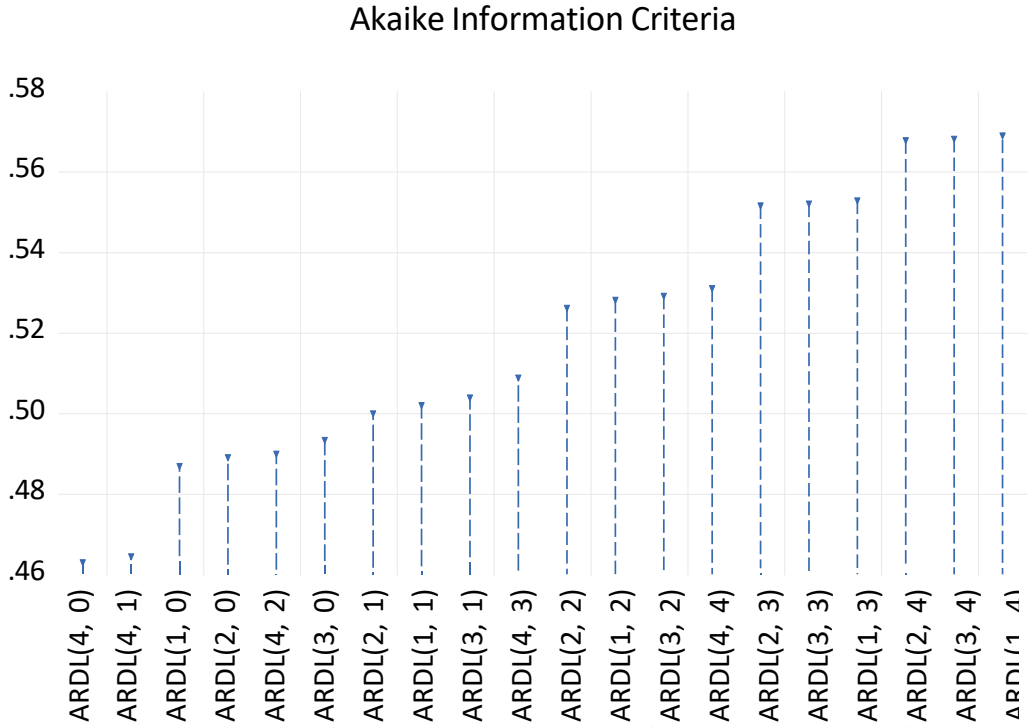
Second: Testing and evaluating the standard model (ARDL) for the effect of (NFDIR) on (EPS) according to the (AIC) standard for information (short term)

The figure below shows the AIC benchmark values, and it is evident that the best lag period is (4,0), because this model recorded the lowest AIC benchmark value according to the automatic determination of lag periods.

Figure (1) AIC criterion values for time lag of the estimated model



Source: Researcher's work based on the results of the EViews 13 program"

Table (4) below includes the results of the ARDL (4,0) model estimation" to measure the effect of the (NFDIR) variable on earnings per share (EPS) during the time period under study.

Table No. (4) Testing and estimating the (ARDL) model for the effect of (NFDIR) on (EPS)

Dependent Variable: EPS				
Method: ARDL				
Maximum dependent lags: 4 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (4 lags, automatic): NFDIR				
Selected Model: ARDL(0 ,4)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob*.**
EPS (-1)	0.244833	0.116888	2.094596	0.0398
EPS (-1)	0.097202	0.127686	0.761256	0.4491
EPS (-1)	0.090727	0.128377	0.706724	0.4821
EPS (-1)	0.254156	0.125749	2.021132	0.0471
NFDIR	0.001899	0.001277	1.486647	0.1416
R-squared	0.256186	Mean dependent var		-0.003478
F-statistic	4.821914	Durbin-Watson stat		1.868971

Source: "Researcher's work based on the results of the EViews 13 program"

Since the initial EPS (-1) lag coefficient achieved a value of 0.2448, which is significant at the (5%) level, the results show that the dependant variable has an auto-dependency. This shows that the current value of the profits per share margin is directly influenced by the prior values, even when the other lag periods of the dependent variable are not significant.

It was found that the impact of (NFDIR) on EPS varied during the preceding slowness periods. While the second slowdown (NFDIR (-2)) was positive and substantial at the 5% level, the initial slowdown phase (NFDIR (-1)) was negative and negligible. This suggests that an increase in EPS results from a change in NFDIR two periods before this time. Nevertheless,

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the third deceleration period (NFDIR (-3)), which was negative and significant at the 5% level, indicates that the influence of (NFDIR) turned negative after three time periods. This demonstrates how this variable's impact on EPS varies over time. Additionally, the model explains about 14.6% of the variations in EPS, which is a respectable percentage for dynamic time series models, according to the coefficient of determination (R2), which reached a value of 0.146. The model's applicability was shown by the F-test result of (2.434), which is significant at the 5% level. The Durbin-Watson score of 1.976 shows that

the model residuals do not exhibit autocorrelation. The researcher concludes that NFDIR's impact on earnings per share (EPS) is dynamic over longer time periods and that EPS may have been significantly impacted, either positively or negatively, by prior changes in NFDIR.

Third: Estimating the long-term effect of (NFDIR) on (EPS) according to the ARDL model

The following table displays the findings that the researcher acquired using the (ARDL) long-term impact estimate model :

Table No. (5) Findings from the Long-Term Effect Evaluation The ARDL Model claims that

Long Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
NFDIR	0.006065	0.004748	1.277435	0.2057

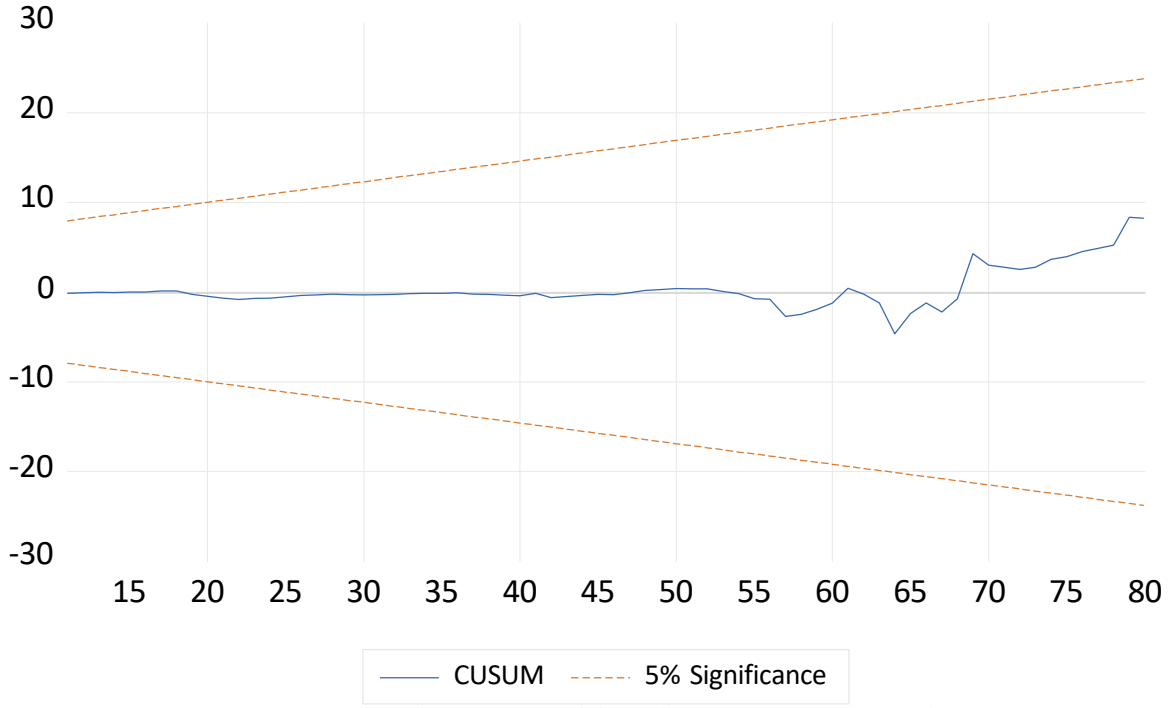
Source: Researcher's work based on the results of the EViews 13 program

The previously published findings, which calculate the long-run coefficients in the ARDL model, show how the NFDIR variable and earnings per share (EPS) are in balance. These equations show how the NFDIR variable ultimately affects EPS once the system has reached equilibrium and transitory oscillations have been eliminated. The data indicates that the long-run NFDIR coefficient is (0.006065), which indicates that an increase of one unit in NFDIR will eventually result in an increase of (0.006065) units in EPS. Nevertheless, as the t-test result was 1.277 with a significance level of 0.2057, which is higher than the significance threshold of 0.05, this impact is not statistically significant. The null hypothesis, which asserts that the NFDIR variable has no long-term impact on EPS, is supported by this.

Fourth, stability testing for both short-term and long-term EPS and NFDIR

The blue line in Figure 2 below represents the cumulative residual values from the CUSUM test, which was utilized to assess the ARDL model parameters' stability over time. The dashed lines represent the confidence levels at a significance level of five percent. Throughout the examination, the CUSUM test trajectory stayed within the confidence levels, neither surpassing the upper nor lower bounds. This indicates that during the time under study, there were no appreciable fundamental changes to the model's parameters. Consequently, it can be said that the model's parameters are time-stable and the expected results are highly reliable. Consequently, the statistical outcomes of the model are more effective.

Figure (2) displays the cumulative sum of residuals for the independent variable's impact on EPS as determined by the CUSUM test.



Source: Based on the outcomes of the EViews 13 program, researchers

3-3-2 Second sub-hypothesis

For UAE industrial businesses at the time, non-financial disclosure (NFDIR) in integrated reporting had no statistically

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significant effect on current liquidity (CR).(2016–2024).

First: Analysis of the regression model of the (NFDIR) index and its effect on (CR)

The (NFDIR) index and its impact on (CR) for industrial enterprises in the United Arab Emirates were analyzed using a regression model. The results of the relationship between the independent variable (NFDIR) and the dependent variable (CR) are shown in the table above :

Table No. (6) Findings from the (NFDIR) index regression model and its impact on (CR)

Sig.	T	Beta	F	R Square	dependent variable
0.007	2.756	0.298	7.597	0.089	**Earnings per share**

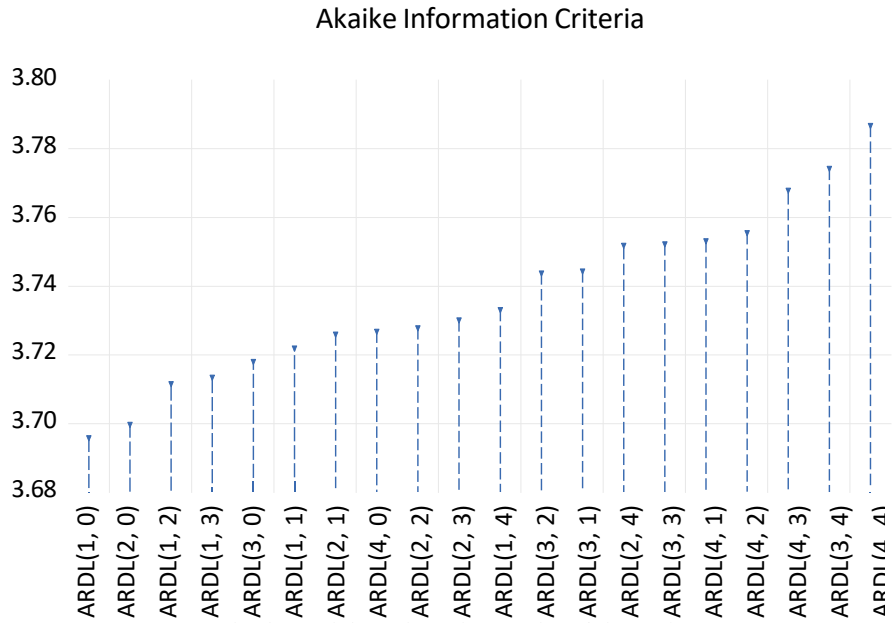
Note: The researcher created the table using the SPSS VR findings.24 statistical applications.

The results of how the independent variable (NFDIR) affected the dependent variable (CR) are shown in the table above. NFDIR accounted for 8.9% of the variations in current liquidity (CR), according to the coefficient of determination (C) value of 0.089. The degree to which the independent variable actually contributes to the explanation of the behavior of the dependent variable is shown by this important explanatory percentage. The model's validity in assessing the relationship between the two variables is demonstrated by the F-statistic of 7.597, which has a p-value of 0.007 and is significant at the 5% significance level. An increase in NFDIR causes an increase in current liquidity (CR), according to the regression coefficient of 0.298, which shows a direct correlation between NFDIR and CR. At a significance level of 0.007, the (t) test result of 2.756 exceeded the accepted significance threshold of 0.05. This shows that the (NFDIR) variable significantly increases (CR), refuting the null hypothesis and bolstering the alternative.

Second: Testing and evaluating the standard model (ARDL) for the effect of (NFDIR) on (CR) according to the (AIC) standard for information (short term)

The Information Identification criteria (AIC) values for a set of chosen models are shown in the figure below. Based on the automated assessment of slowdown periods, the model with the lowest AIC criteria value (1,0) has the optimal slowdown period.

Figure (3) AIC criterion values for the estimated model's time lag



Source: Researcher's work based on the results of the EViews 13 program

The results obtained are presented in the following table:

Table No. (7) Analyzing and testing the (ARDL) model to see how (NFDIR) affects (CR)

Dependent Variable: CR				
Method: ARDL				
Maximum dependent lags: 4 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (4 lags, automatic): ADIR				
Selected Model: ARDL (1, 0)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.***
CR (-1)	0.436328	0.098189	4.443768	0.0000
NFDIR	0.016580	0.006217	2.666876	0.0094
R-squared	0.275994	**Mean dependent var**		1.952278
F-statistic	14.48575	**Durbin-Watson stat**		2.129605

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Note: The researcher used the SPSS VR findings to create the table.24 programs for statistics.

The results given above show that although the NFDIR variable had no lag, There was only one lag period for the model's dependent variable, indicating a short-term dynamic effect of the variable on liquidity. The beginning value directly affects current liquidity, as seen by the initial lag coefficient, CR (-1), which was 0.436 and is substantial at the 5% level. According to the NFDIR coefficient, which was 0.0166 and also significant at the (5%) level, A notable short-term consequence is that a one-unit increase in NFDIR causes a (0.0166) unit increase in CR. The model was able to explain 27.6% of the fluctuations in CR, having a 0.276 coefficient of determination (R2). At the 5% threshold of significance, the F-test value was 14.49, demonstrated the model's importance. The Durbin-Watson score of 2.129605 indicates that the model residuals do not exhibit autocorrelation. The research comes to the conclusion that NFDIR's effect on current liquidity develops dynamically over longer time periods and that earlier modifications to NFDIR could significantly improve CR.

Third: Calculating the long-term impact of (NFDIR) on (CR) using the ARDL model

The following table displays the findings that the researcher acquired from the (ARDL) long-term effect estimating model :

Table No. (8) Assessment of (NFDIR)'s long-term impact on (CR) using the ARDL model

Long Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
NFDIR	0.029414	0.011779	2.497231	0.0147

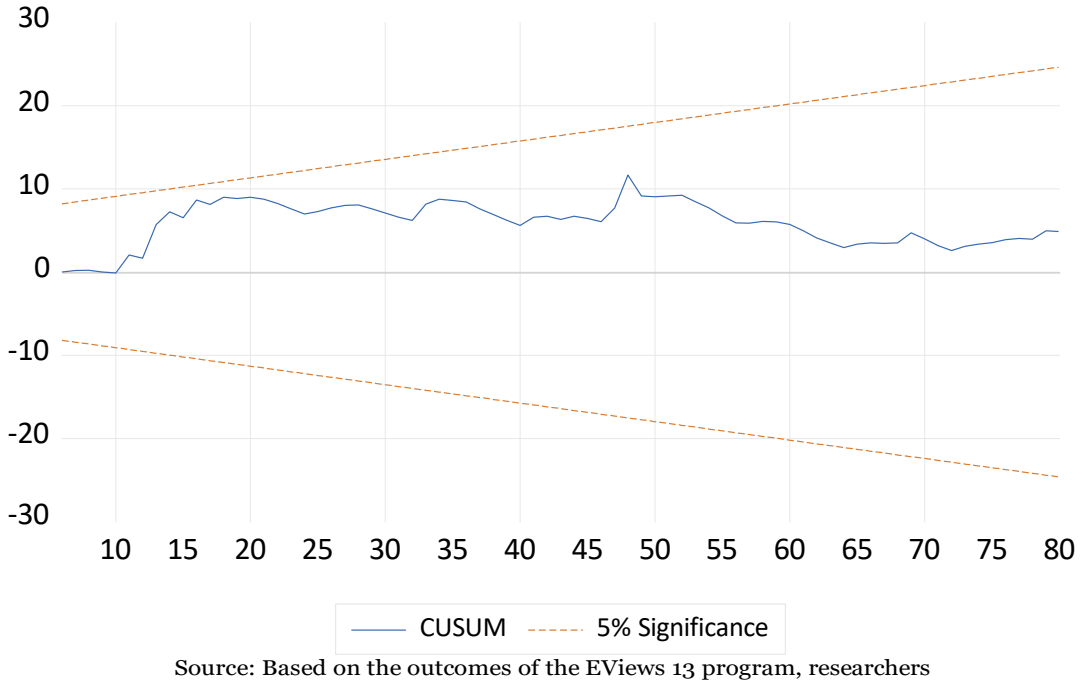
Source: Based on the outcomes of the EViews 13 program, researchers

The following table shows the long-term effects as the system gets closer to equilibrium and the short-term volatility stops. According to the findings, the long-term NFDIR coefficient is 0.029414, which indicates that a one-unit rise in NFDIR eventually leads to a 0.029-unit increase in current liquidity (CR). This suggests a substantial, long-lasting positive link between the two factors. Neither the p-value of 0.0147 nor the t-test result of 2.497231 satisfy the 5% significance criteria. Consequently, the null hypothesis is rejected whereas the alternative hypothesis—which maintains that NFDIR has a long-term effect on CR—is upheld.

Fourth: Stability testing of (NFDIR) on long-term and short-term (CR)

The CUSUM test's cumulative residual values were utilized to assess the ARDL model parameters' long-term stability, are shown by the blue line in Figure 4 below. The dashed lines represent the confidence intervals with a 5% significance level. We see that the test trajectory did not cross either the upper or lower boundaries and remained within the confidence intervals throughout the examination. This demonstrates that throughout the study, there were no significant fundamental changes to the model's parameters. As a result, it can be claimed that the model's parameters are time-stable and that the anticipated results have a high degree of reliability. This validates the model's statistical findings.

Figure (4) displays the cumulative sum of residuals for the independent variable's impact on CR as determined by the CUSUM test.



Source: Based on the outcomes of the EViews 13 program, researchers

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Section Four: Conclusions and Recommendations

1. Non-financial information in integrated reports is positively correlated with earnings per share (EPS), suggesting a substantial impact. This implies that the NFDIR variable affects EPS in the research sample.

2. Over longer time periods, non-financial disclosure has a dynamic impact on EPS. EPS may be significantly impacted in the near term by prior changes in NFDIR, either positively or negatively.

The NFDIR setting has no lasting impact on EPS.

3. No significant structural changes were observed in the model coefficients during the analyzed period. Therefore, it can be concluded that the model coefficients (NFDIR and EPS) are time-stable, and the estimated results have a high degree of reliability. This strengthens the statistical inferences derived from the model.

4. Current liquidity and non-financial disclosure in integrated reports are positively correlated; that is, a rise in NFDIR causes an increase in CR.

5. The Durbin-Watson statistic of (2.129605) shows that the model residuals do not exhibit autocorrelation. This implies that NFDIR's impact on present liquidity is dynamic over longer time horizons, with previous NFDIR modifications potentially significantly boosting CR.

6. Long-term current liquidity and non-financial disclosure in integrated reporting are significantly positively correlated.

7. During the examined time, no notable structural changes in the model coefficients were noted. Consequently, it can be said that the estimated findings are quite dependable and that the model coefficients (NFDIR and CR) are time-stable. This improves the efficacy of the statistical conclusions drawn from the model.

8. The researcher suggests that businesses use integrated reporting. The proportion of non-financial disclosure will rise as a result, allowing stakeholders to make choices that will enhance the financial performance metrics of businesses.

9. The necessity of overseeing the accounting disclosure procedure, especially in integrated reports that contain both non-financial and financial data.

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Appendix No. (1) Non-Financial Disclosure Examination Form for Integrated Report Content Elements

Disclosure value	Integrated Report Content Elements
10	**Overview of the organization and external environment**
	Environmental and social impact on how value is created - the value, ethics and culture of the organization (0 = non-disclosure; 1 = detailed explanation of 1) Adherence to ethical values and reference to codes of conduct, list of values.
	Ownership and operating structure (0 = No disclosure; 1 = Further explanation of ownership and operating structure)
	Organization activities and markets (0 = No disclosure, 1 = Company activities and markets listed)
	Competitive landscape and market position (0 = No statement; 1 = Detailed description of the competitive landscape and market position)
	Key quantitative information such as number of employees, company revenue, locations, and changes (0 = No statement; 1 = Financial KPIs only; 2 = Financial and non-financial KPIs; 3 = KPIs related to objectives and capital)
	Important factors affecting the external environment and the organization's response (0 = No disclosure; 1 = General disclosure; 2 = Specific disclosure; 3 = Specific and sufficient disclosure)
9	**Governance**
	Organizational leadership structure, diversity, and committee skills (0 = No disclosure; 1 = Committee members mentioned; 2 = Their experience and skills mentioned)
	Specific processes for determining strategic decisions and monitoring organizational culture (0 = No disclosure; 1 = Disclosure)
	How the company manages environmental and social responsibilities - specific actions to impact strategic directions, risk management and control (0 = no disclosure; 1 = limited disclosure; 2 = sufficient disclosure)
	Reflection of culture and moral values in the use of capital and its impact (0 = No disclosure; 1 = Culture and values that can be identified through the narrative; 2 = Explicit statement of culture and values related to capital)
	Actions taken to encourage and enable innovation (0 = no disclosure; 1 = disclosure)
	How to link incentives and rewards to value creation (0 = no actions that can be identified through the narrative; 1 = actions that can be identified)
9	**Business model**
	Key elements of the business model, including inputs, outputs, processes, and results (0 = no disclosure; 1 = disclosure)
	Graphic presentation (0 = No disclosure; 1 = Disclosure with a graphic or narrative; 2 = Disclosure with both a graphic and narrative)
	Narrative flow based on the business model (0 = No disclosure; 1 = Narrative disclosure only; 2 = Narrative with limited quantitative disclosure; 3 = Sufficient disclosure)
	Identify key stakeholders and other dependencies (0 = no disclosure; 1 = disclosure)
	Links to information included in other content elements such as strategy, risks, opportunities, and performance (0 = no disclosure; 1 = limited disclosure; 2 = specific and sufficient disclosure)
6	**Risks and opportunities**
	Key risks and opportunities (0 = No disclosure; 1 = Disclosure of risks only; 2 = Disclosure of both risks and opportunities)
	Analysis of risks associated with environmental and social changes and how to manage them - Organizational assessment of probability and impact (0 = No disclosure; 1 = Disclosure of risk impacts only; 2 = Disclosure of both risks and opportunities)
	Specific steps to mitigate or manage risks or opportunities (0 = No disclosure; 1 = Disclosure of risks or opportunities only; 2 = Disclosure of both risks and opportunities)
6	**Strategy and resource allocation**
	Disclosure of the strategy related to sustainability and social responsibility - short, medium and long-term strategic objectives (0 = no disclosure; 1 = limited disclosure; 2 = sufficient disclosure)
	Implementation plan to achieve strategic objectives (0 = no specific description; 1 = specific actions taken)
	Environmental and social indicators - Resource allocation plans (0 = non-disclosure; 1 = Disclosure) 1
	How to measure achievements and results in the short, medium and long term (0 = no disclosure; 1 = setting strategic goals without a suitable timetable; 2 = including strategic goals and a timetable)
10	**Performance**
	Environmental and social indicators such as carbon emissions - quantitative indicators related to goals, risks and opportunities (0 = non-disclosure; 1 = disclosure; 2 = disclosure with trends)
	Organizational impact on capital (0 = No disclosure; 1 = Partial disclosure; 2 = Sufficient disclosure)
	Key stakeholder relationships (0 = No disclosure; 1 = Limited disclosure; 2 = Specific disclosure)
	Links between the organization's past, present and future performance (0 = no disclosure; 1 = partial disclosure; 2 = sufficient disclosure)
	Key performance indicators that combine financial metrics with other components or generate specific returns on capital (0 = no disclosure; 1 = limited disclosure; 2 = specific disclosure).
5	**Future outlook**
	Providing insights into how environmental and social issues will affect future performance - the organization's expectations (0 = non-disclosure; 1 = general disclosure; 2 = organization-specific disclosure)

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	Potential effects (0 = No disclosure; 1 = Limited disclosure; 2 = Sufficient disclosure)
	The organization's readiness to face future uncertainty (0 = non-disclosure; 1 = disclosure)
9	**Presentation basics**
	Substantive issues or decisions (0 = non-disclosure; 1 = disclosure)2
	Reporting limits (0 = non-disclosure; 1 = disclosure) 2
	The important frameworks and methods used to identify or assess material matters (0 = non-disclosure; 1 = disclosure)
	A brief description of the process used to identify relevant matters, assess their importance, and summarize them into essential elements (0 = no disclosure; 1 = limited disclosure; 2 = adequate disclosure).
	The role of governance officials and key staff in prioritizing essential matters (0 = non-disclosure; 1 = disclosure)
	It provides a link to a detailed explanation of the process for determining relative importance (0 = non-disclosure; 1 = disclosure).
64	**the total**
100	**%100of the maximum**

Source: (IIRC, 2021, P 38) & (Dewi, 2024, P 10)

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