
REVIEW OF RESEARCH IN THE FIELD OF FINANCIAL AND NON-FINANCIAL REPORTING AND ITS CONNECTION TO SUSTAINABLE DEVELOPMENT

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Abstract

The aim of this paper is: (1) to explore the theoretical background on financial and non-financial reporting, and sustainable development; (2) to research and review novelties that academic researchers have done in the field of financial and non-financial reporting; (3) to research and review novelties that academic researchers have done in the field of financial and non-financial reporting and their links to sustainable development; and (4) to provide a review of the research literature in these areas. In our research, we have used the detailed analysis of literature review, using the Scopus database, to summarize past findings in a research field. By analysing the relevant scientific sources and based on the results of the research, it can be concluded that there is lack of research in the area that connects financial and non-financial reporting to sustainable development and it needs further efforts and research. The intention and goal of this research was to make not only academic researchers but also managers in practice aware of the importance of financial and non-financial reporting in the function of sustainable development, as well as to make researchers and practitioners aware that there is insufficient research in this area. The obtained results can be used to expand the current scientific knowledge about the financial and non-financial reporting and its connection to sustainable development.

Key Words

Sustainable development; financial reporting; non-financial reporting; sustainable management; reporting regulations.

INTRODUCTION

Globalization and internationalization of the market put great pressure on the business of the company, which is reflected in the economic development of the company and society as a whole. Corporate reporting, which includes financial and non-financial reporting, today is one of the prerequisites and foundations of effective business decision-making. Having accurate and quality information from mandatory and voluntary reporting is key to making business decisions and managing an organization. Access to information and data is greatly facilitated through corporate reporting (financial and non-financial) in the function of sustainable growth and development because it enables timely decision-making, managing, and positioning of companies in the market. The basic premise of the functioning of the market and all its stakeholders is the availability of accurate and timely information, but there is still unequal access to information between its participants (both internal and external). Due to that, the problem of information asymmetry arises with the appearance of the problem of unfavourable choice and moral hazards, and privileged information. Quality and transparent corporate reporting (financial and non-financial) is a prerequisite for the efficient functioning of the capital market, which today ultimately leads to the cohesion of the elements of sustainable development. This paper aims to explore and show the importance of financial and non-financial reporting, and its connection with the sustainable growth and development of companies.

For the purpose of researching and reviewing novelties in the field of financial and non-financial reporting, numerous world literature has been researched. In this research, papers within the Scopus database were used to gather information on the research topic, thus showing that the field of financial and non-financial reporting has been researched by a large number of authors but is still insufficient in the field of financial and non-financial reporting in the function of sustainable development. To demonstrate the results of research (and the scarcity of this research topic regarding the connection between financial and non-financial reporting, and sustainable development), the results of a search of the Scopus database are presented, having led to 882 scientific papers dealing with financial and non-financial reporting, and 285 papers dealing with financial and non-financial reporting and its connection to sustainable development. The number of papers investigating financial and non-financial reporting and its connection to sustainable development has increased substantially from 2018 to 2022, showing an understanding of the importance of the observed topic and the necessity of implementation and application in business. Most of the research papers were from Italy, the United States, and Spain, and most of them belong to the subject area of Business, Management and Accounting.

THEORETICAL FRAMEWORK

Financial and non-financial reporting

Financial and non-financial reporting is an important element of good and quality management of the organization. Responsibility for the quality management and leadership of the organization lies with the management in charge of performing basic managerial functions: planning, organizing, leading, and controlling. Inefficient organization and its inefficient management are limiting factors in the overall development of an organization, both nationally and internationally. On the other hand, the successful execution of the basic management functions by quality management achieves a high level of efficiency, which leads to attaining a competitive position in the market. Successful management implies efficient and effective execution of business operations and focused and transparent management of the organization. Being successful in the market means achieving a positive business result, generating a profit, and thus maintaining and improving the company's position in the market. The information needed for business decision-making is obtained from various sources, but we can say with certainty that the key, if not the most important, source of information for business decision-making is financial statements (financial reporting) as holders of accounting information. When it comes to company management, it is impossible to ignore accounting as a fundamental source of information (Žager et al., 2007).

Financial reporting has existed for many years and over time has changed and evolved according to the needs of the market and its users, as it must always be in accordance with adopted accounting standards. Modern financial reporting is based on the so-called conceptual frameworks, the most famous of which are the FASB and the IASB. Unlike financial reporting non-financial reporting currently belongs to additional voluntary reporting (disclosure), which today is a good business practice regarding the publication of financial and non-financial information that is not covered by mandatory (legal) reporting, increasing business transparency and strengthening integrity, position, and reputation of companies in the market. Non-financial information reporting refers to the disclosure of all other information except financial information, and its development has advanced in recent years (Gulin et al., 2016). Non-financial reporting is a process of preparing and publishing non-financial information on the efficient operation of companies in terms of social responsibility and the environment. Non-financial reporting is becoming the interest of global and domestic researchers and includes business ethics, financial accounting, and strategic management (Turzo et al., 2022).

The link between sustainability, and financial and non-financial reporting, with an emphasis on sustainability reporting, is provided by the Esteban-Arrea and Garcia-Torea study (2022), which examines the current level and regulation of sustainability reporting by examining possible increases in sustainable transparency for all the stakeholders. European Union countries have adapted their legislation to include the EU Non-Financial Reporting Directives 2014/95 EU, i.e. the "Non-Financial Reporting Directive" (NFRD). The Non-Financial Reporting Directive prescribes only the minimum requirements for the publication of the non-financial reporting (NFI) and does not contribute to increasing the comparability of the non-financial

reports (Aureli et al., 2019; Borga et al., 2009; Pizzi et al., 2021), which suggests to public interest entities to publish non-financial reports on social and environmental aspects (Garcia-Torea et al., 2020). Research conducted by Saverio et al. (2015) investigate whether the corporate social responsibility (CSR) orientation of a firm affects its reporting incentives. Cosma et al. (2022) deal with non-financial reporting regulated by the EU Directive 2014/95, i.e. they want to examine and present the limitations of the Non-Financial Reporting Directive (NFRD) in achieving its essential purpose that refers to achieving sustainability and contribution (goals of the United Nations Agenda (UN) 2030). The first study, showing the effects of the NFR Directive's reporting across multiple countries, was conducted by Ottenstein et al. (2022). They wanted to examine the effects of the EU Directive 2014/95 of Non-Financial Reporting on corporate sustainability reporting practices (with an emphasis on the availability and quality of information, and its comparability and credibility). Through regression analyses they show that the EU Directive 2014/95 affects the quantity and quality of sustainability reporting (Ottenstein et al., 2022). From 2018, EU Directive 2014/95 requires large companies (listed companies, banks, insurance companies, i.e. companies of public interest) to submit non-financial reports, while small and medium-sized companies are not subject to this regulation.

So far, non-financial reporting requirements have been regulated through a standard of voluntary reporting (e.g. the Global Reporting Initiative), which has shown in practice the incompatibility of data (Christensen et al., 2021). The causes of incompatibility may be related to the lack of standardization and the multitude of guidelines governing NFIs and the use of different NFI-related standards (Van Wensen et al., 2011; Boiral, 2017). Zarzycka and Krasodomska (2022) in their research did regression analysis to examine different Key Performance Indicators (KPIs) and the way companies publish them in their non-financial reports. Results indicate that their comparison between different industries was difficult. It is through this research that the authors contribute to the understanding of the differences in the quality of the presentation of KPIs and the selection of published KPIs (Zarzycka and Krasodomska, 2022). To achieve comparability of information, it is crucial to achieve and implement reporting based on standards (for non-financial reporting), which would mean that standards require a mandatory requirement for all reporting participants and not only those of public interest (EFRAG, 2021). Financial indicators are not enough to develop and maintain a competitive position where non-financial indicators create great importance and a role. Hategan et al. (2021) through their research confirm that there is a positive correlation between non-financial reporting and financial performance, thus confirming that non-financial reporting affects financial performance. The challenge of non-financial reporting is also addressed by Beleneși et al. (2021), who confirm the existence of a statistically significant positive correlation of medium intensity between the index of publishing non-financial information and publishing a non-financial report. The combination of financial (legally regulated and mandatory for all market participants) and non-financial reporting and its application is visible

through practice and gives clear results which the management of the organization is based on.

Sustainable development

The concept of sustainable development originated and began to be mentioned in the 80s of the 20th century, and the focus is on the connection between the development of society and environmental protection. Today, companies need to have an effective and, above all, clear framework on how to face the challenges that the market poses to them, i.e. how to move towards a sustainable society and achieve sustainable development. Orientation of sustainable and quality management ensures process optimization, minimizing resource consumption, and maximizing other benefits associated with the business processes of the organization. There is a wide range of tools, frameworks, principles, strategies, and processes on the market that create and guide the relationship and action towards the sustainability framework. The concept of sustainable management is based on the quality management of the organization and is aimed at preserving the sustainability of managed organizations (resources, processes, people). It is necessary to strengthen the comprehensiveness and credibility of sustainability reports through the involvement of stakeholders in the sustainability reporting process. The same can be achieved by strengthening internal and external management mechanisms, which is the responsibility of corporate managers (Habiba et al., 2022). Ensuring sustainability through all business processes and activities of the company leads to long-term success and competitiveness, and contributes to the image and reputation of the company.

The concept of sustainable development was first mentioned in 1987. where sustainable development is defined through three key factors: 1. economic (emphasis on ensuring one's economic development); 2. environmental (sustainability of future development and reduction of environmental pollution); and 3. social (ensuring proper cohesion in society). All three dimensions overlap and complement each other, and their joint action and respect ensure and achieve social cohesion and sustainability of the economic system. Respecting the concept of sustainable development and doing business sustainably requires companies to define strategies and create an economy that can regenerate and be sustainable. To ensure sustainable development in the company's business, numerous business transformations are necessary, from various digital to technological transformations, while respecting economic concepts, which are potential and possible solutions for sustainable development. Several opportunities or strategies contribute to sustainable development, namely green growth, the circular economy, and the bio-economy. All of the above are aimed at focusing on resource efficiency and encouraging low-pollution industries, as well as encouraging recycling and the circular flow of materials and energy (Beg et al., 2018; Beg, 2018).

At the global level, it is necessary to awaken and develop an awareness of the need to accept the concept of sustainable development. The

application of the concept of sustainable development is crucial in achieving a balance between economic, social, and environmental requirements of a globalized market that is faced daily with unemployment, migration, climate change, poverty, etc. Research done by Elif (2019) proves that social responsibility (connected to sustainable development) has a positive relationship with financial performance. Habiba and Mahbub (2019) believe that companies need to monitor sustainable behaviour to improve efficiency and reputation, in addition to increasing chances of market survival. The Environmental, Social and Governance (ESG) Guidelines are part of non-financial reporting and help companies in the transparency of published data. A study conducted in Japan by Darnall et al. (2022) shows that companies that use ESG guidelines present 39% more sustainability data compared to companies that publish sustainability reports but do not follow the guidelines for ESG reporting (Darnall et al., 2022). Salehi and Arianpoor (2021) identify essential indicators necessary for business sustainability and reporting, and provide guidance for future performance evaluation and reporting decisions. Financial and non-financial reporting is one of the key factors contributing to sustainable development. It is necessary to fully implement the regulation (from the aspect of non-financial reporting) to achieve complete sustainability from the aspect of reporting in the function of sustainable development.

METHODOLOGY

For the purpose of researching and reviewing the field of financial and non-financial reporting, numerous world literature has been researched. Papers within the Scopus, Web of Science, and Google Scholar databases were used to gather information on the research topic and its connection to sustainable development, which shows insufficient research in this area. In all three databases, very few papers were found to have investigated the financial and non-financial reporting in the function of sustainable development. Furthermore, papers within the Scopus database were used to gather information on the research area of financial and non-financial reporting in the function of sustainable development, and are presented in this paper. Many international researchers have dealt with and studied financial and non-financial reporting, but a small number connect it with sustainable development. Today, financial and non-financial reporting is the subject of numerous research and topics by numerous authors from various fields. Many studies dealing with this topic have shown that financial and non-financial reporting is in the function of transparent business and visibility of the organization, contributing to sustainable business and creating loyal and long-term relationships with business partners and the market. However, there is still lack of research that deals with financial and non-financial reporting, especially research that connects financial and non-financial reporting with sustainable business and development, which is evident from the review of the researched literature. To show research papers on this topic, we present here the results of Scopus database

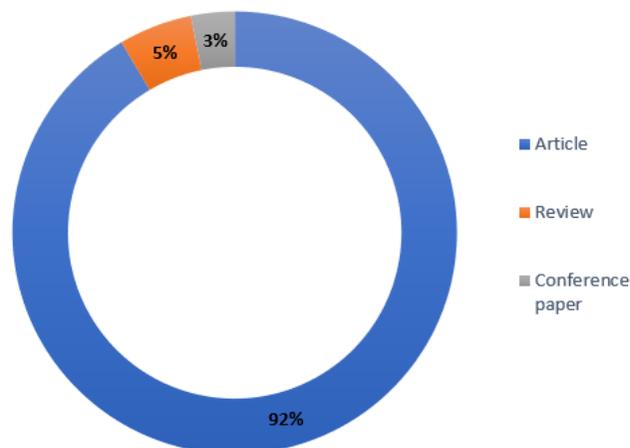
searches that include the keywords “Financial reporting + Non-financial reporting + Sustainable development” searched in “Title, Abstract, and Keywords” of documents belonging to Scopus databases. A search of the Scopus database using the following approach (TITLE-ABS ((financial AND reporting)) AND ((non-financial AND reporting)) AND (sustainable AND development) AND (LIMIT-TO (LANGUAGE, "English"))) resulted in 285 scientific papers.

FINDINGS

As mentioned, we searched the Scopus database to find data and studies that deal with financial and non-financial reporting in the function of sustainable development. The first research results show results on financial and non-financial reporting, while the second step of the research presents results on financial and non-financial reporting in the function of sustainable development. The first results are the results following the research approach (TITLE-ABS- financial AND reporting)) AND ((non-financial AND reporting)), while the second step of the research presents results following the research approach (TITLE-ABS- financial AND reporting)) AND ((non-financial AND reporting)) AND (sustainable AND development). The presented researched results are grouped into several areas according to: (1) documents by type; (2) documents by subject area; (3) documents by year; (4) documents by country/territory; (5) documents per year by source; and (6) documents by author.

The first research results present an investigation of financial and non-financial reporting. This step resulted in 882 papers (articles (807), reviews (47), and Conference papers (28) (Figure 1).

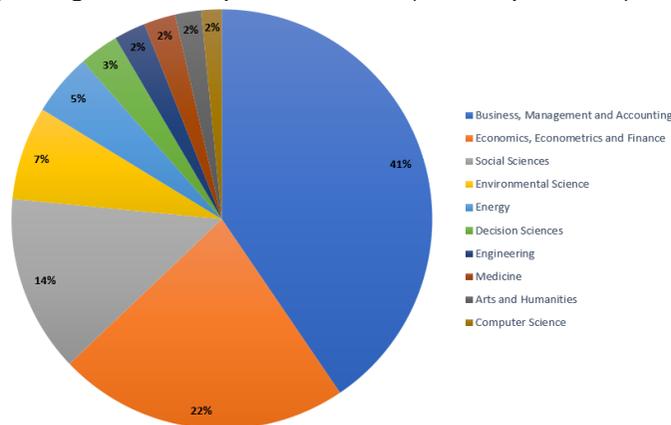
Figure 1. Documents by type investigating financial and non-financial reporting in the Scopus database (1993-April 2022)



Source: Own survey.

The research area of the research topic presents the period from 1993 to April 2022, and includes various subject areas (Figure 2). Figure 2 presents the documents by subject area exploring the financial and non-financial reporting in the period between 1993 and April 2022 in Scopus. Most of the papers belong to the subject area of Business, Management and Accounting, Economics, Econometrics and Finance, Social Sciences, Environmental Science, Energy, Decision Sciences, Engineering, Medicine, Arts and Humanities, and Computer Science. Other areas have fewer than 10 papers (only 2%) regarding financial and non-financial reporting.

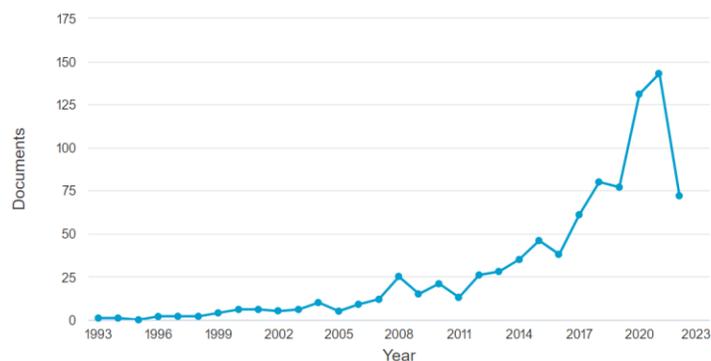
Figure 2. Documents by subject area investigating financial and non-financial reporting in the Scopus database (1993-April 2022)



Source: Own survey.

The number of papers that investigate financial and non-financial reporting has increased substantially in 2021 (143 papers). A growing trend is noticeable from 2015 (46 papers), 2016 (38 papers), 2017 (61 papers), 2018 (80 papers), 2019 (77 papers), 2020 (131 papers), 2021 (143 papers), and April 2022 (72 papers) (Figure 3).

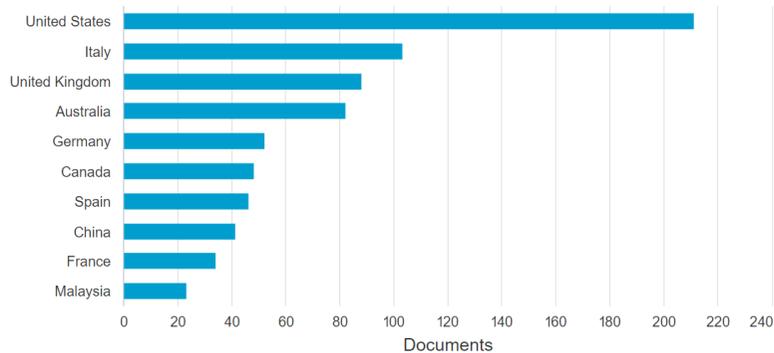
Figure 3. Number of papers investigating financial and non-financial reporting in the Scopus database (1993-April 2022)



Source: Own survey.

Most of the research papers were from the United States (211 papers per country), Italy (103 papers per country), the United Kingdom (88 papers per country), Australia (82 papers per country), Germany (52 papers per country), Canada (48 papers per country), Spain (46 papers per country), China (41 papers per country), France (34 papers per country), and Malaysia (23 papers per country). Other countries that are exploring research areas have fewer than 20 papers per county (Figure 4).

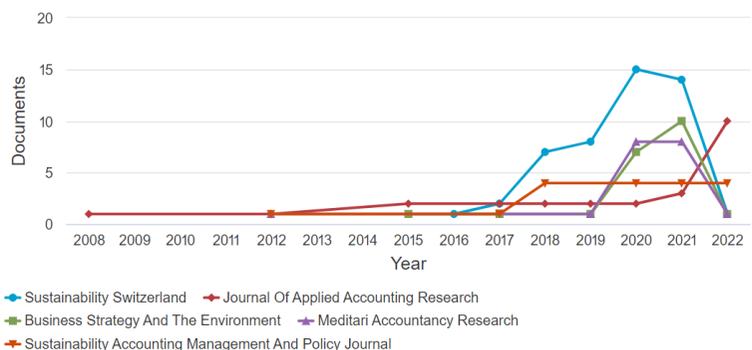
Figure 4. Country of origin of the authors investigating financial and non-financial reporting in the Scopus database (1993-April 2022)



Source: Own survey.

Figure 5 presents the journals that published the papers investigating financial and non-financial reporting in the period between 1993 and April 2022 in Scopus. As seen in Figure 5, the growing trend with a larger number of papers started in 2008 and has had an increasing trend since 2018. The largest number of papers were published in Sustainability Switzerland (48 papers), Journal of Applied Accounting Research (25 papers), Business Strategy and the Environment (21 papers), Meditari Accountancy Research (19), and Sustainability Accounting Management and Policy Journal (18 papers). Other journals have published fifteen or fewer papers regarding the research topic.

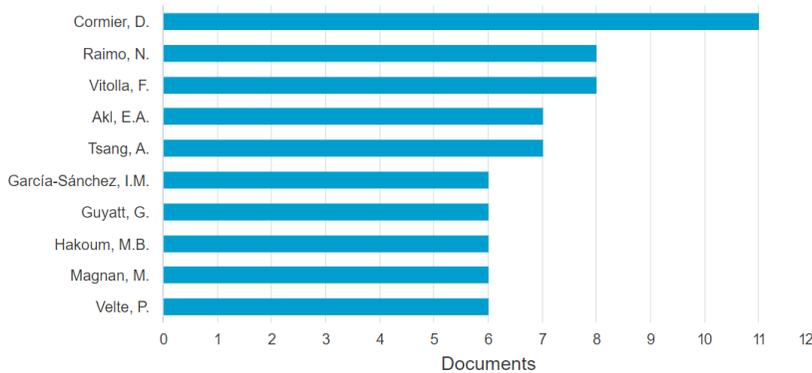
Figure 5. The journals that published the papers investigating financial and non-financial reporting in the Scopus database (1993–April 2022)



Source: Own survey.

Regarding authors who deal the most with the research topic are Cormier, D. (11 papers), Raimo, N. (8 papers), Vitolla, F. (8 papers), Aki, E.A. (7 papers), Tsang, A. (7 papers), García-Sánchez, I.M., Guyatt, G., Hakoum, M.B., Magnan, M., and Velte, P. (each author has 6 papers). Other authors have fewer than 5 papers that explore financial and non-financial reporting (Figure 6).

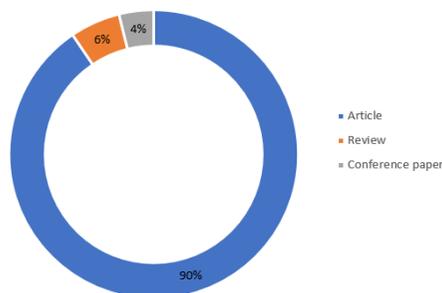
Figure 6. Documents by the author investigating financial and non-financial reporting in the Scopus database (1993–April 2022)



Source: Own survey.

The second step of the research presents an investigation of financial and non-financial reporting and its connection to sustainable development. This step resulted in 285 papers (articles (258), reviews (16), and Conference papers (11) (Figure 7). Through this research, the lack of investigation regarding the connection between financial and non-financial reporting and sustainable development is evident. The first paper that puts reporting (financial and non-financial) in relation to sustainable development was published in 1998, so the period of this research is from 1998 to April 2022. As in the first step of the research, most papers are articles (regarding the first step it was 882 articles, in the second step of research: 285 articles).

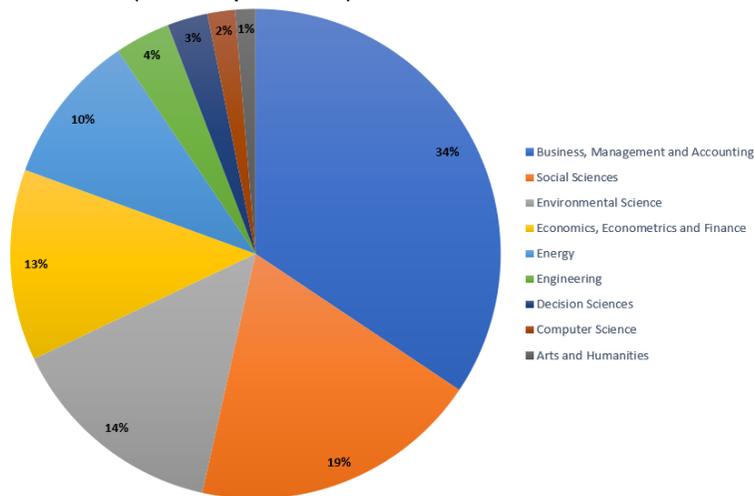
Figure 7. Documents by type investigating financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998-April 2022)



Source: Own survey.

The research area of the research that explores financial and non-financial reporting and its connection to sustainable development regards the period from 1989 to April 2022, and includes various subject areas (Figure 8). Figure 8 presents the documents by subject area exploring the financial and non-financial reporting and its connection to sustainable development in the period from 1998 to April 2022 in the Scopus database. Most of the papers belong to the subject area of Business, Management and Accounting, Social Sciences, Environmental Science, Economics, Econometrics and Finance, Energy, Engineering, Decision Sciences, Computer Science, and Arts and Humanities. Other areas have fewer than 10 papers regarding financial and non-financial reporting and its connection to sustainable development. Linked to the data of the first step of research, and the area that deals with and explores financial and non-financial reporting and its connection to sustainable development is yet again the area Business, Management, and Accounting, just as in the first step of the research results.

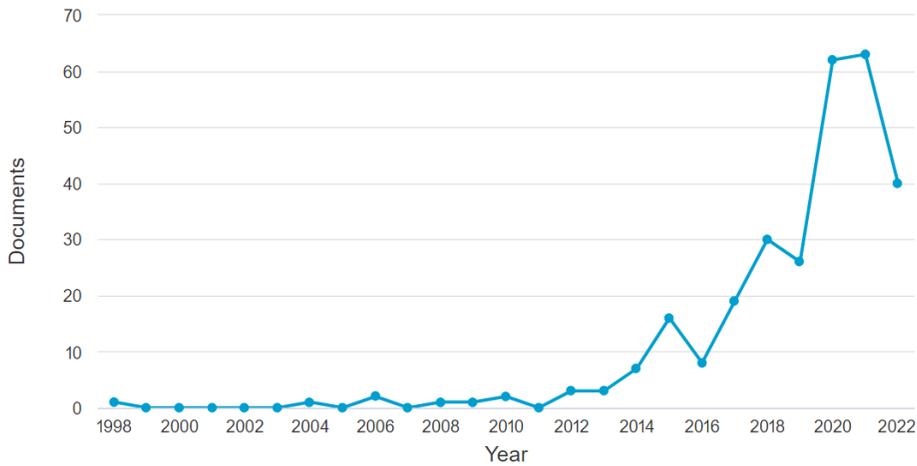
Figure 8. Documents by subject area exploring the financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998-April 2022)



Source: Own survey.

The number of papers that investigate financial and non-financial reporting and its connection to sustainable development has again increased substantially in 2021 (63 papers). A growing trend is noticeable in 2018 (30 papers), 2019 (26 papers), 2020 (62 papers), 2021 (63 papers), and April 2022 (40 papers) (Figure 9).

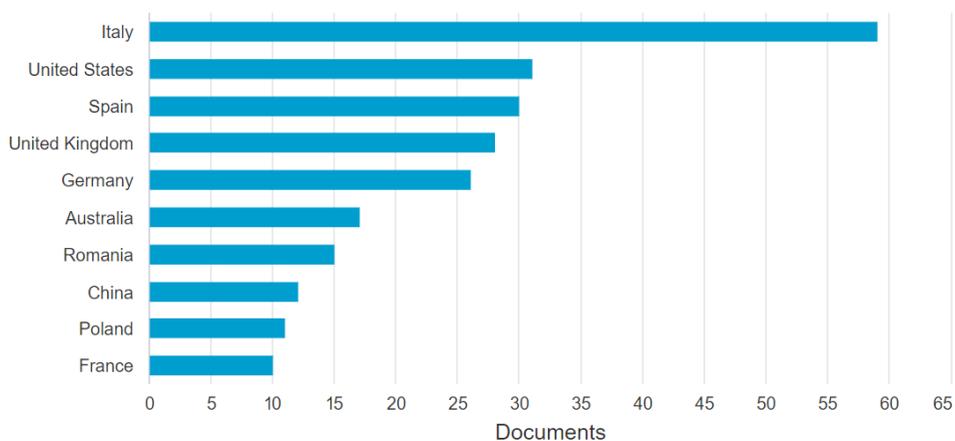
Figure 9. Number of papers investigating financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998-April 2022)



Source: Own survey.

Most of the research papers were from Italy (59), the United States (31 papers per country), Spain (30 papers per country), the United Kingdom (28 papers per country), Germany (26 papers per country), Australia (17 papers per country), Romania (15 papers per country), China (12 papers per country), Poland (11 papers per country), and France (10 papers per country). Other countries that explore research areas have fewer than 10 papers per country (Figure 10).

Figure 10. Country of origin of the authors investigating financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998-April 2022)



Source: Own survey.

Figure 11 presents the journals that published the papers investigating financial and non-financial reporting and its connection to sustainable

development in the period from 1998 to April 2022 in Scopus. As seen in Figure 11, the growing trend of papers started in 2008, having increased since 2020, when 14 documents regarding financial and non-financial reporting and its connection to sustainable development were published in 2020 in the journal *Sustainability Switzerland*. The largest number of papers were published in *Sustainability Switzerland* (36 papers), *Business Strategy and the Environment* (16 papers), *Corporate Social Responsibility and Environmental Management* (12), *Journal of Applied Accounting Research* (12 papers), and *Sustainability Accounting Management and Policy Journal* (11 papers). Other journals have published ten or fewer papers on the research topic. Linked to the data of the first step of research, the journal that deals with and explores financial and non-financial reporting and its connection to sustainable development, is yet again *Sustainability Switzerland*, just as in the first step of the research results.

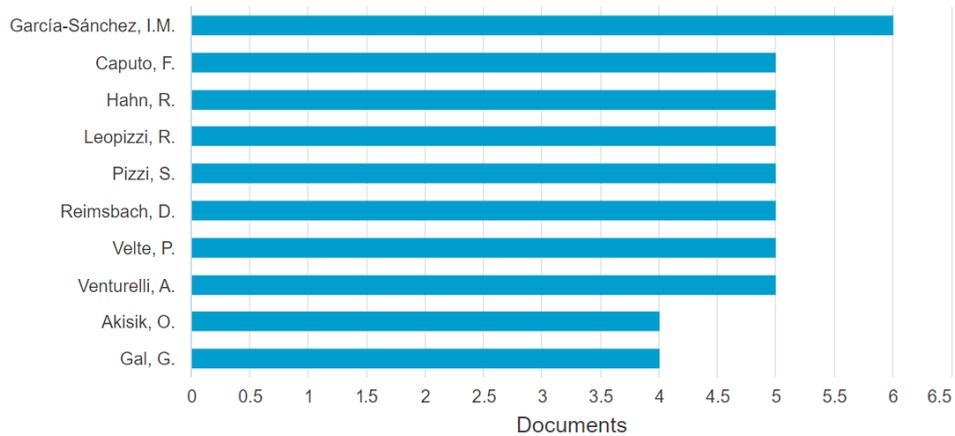
Figure 11. The journals that published the papers investigating financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998–April 2022)



Source: Own survey.

Regarding authors who deal the most with the research topic and explore financial and non-financial reporting and its connection to sustainable development are García-Sánchez, I.M (6 papers), Caputo, F., Hahn, R., Leopizzi, R., Pizzi, S., Reimsbach, D., Velte, P., and Venturelli, A. (each author has 5 papers). In addition, Akisik, O., and Gal, G. each have 4 papers. Other authors have fewer than 4 papers that explore financial and non-financial reporting and its connection to sustainable development (Figure 12). The author who researches financial and non-financial reporting, also connecting it with sustainable development is García-Sánchez, I.M, who also appears in the first step of the research.

Figure 12. Documents by the authors investigating financial and non-financial reporting and its connection to sustainable development in the Scopus database (1998–April 2022)



Source: Own survey.

The presented research results are divided into two parts. The first part of the research presents data related to financial and non-financial research, and the interest of researchers in this field in the period between 1993 and April 2022, when the first research covering this topic appeared. The second part of the research presents data that combines financial and non-financial reporting with sustainable development in the period from 1998 to April 2022, when the first document linked to this topic appeared. It is evident that a large number of researchers are engaged in financial and non-financial research, but not enough researchers recognize the importance of financial and non-financial reporting for the sustainable development of the organization, as shown by insufficient data and an insufficient focus in this direction.

DISCUSSION AND IMPLICATIONS

This paper presents the theoretical concepts and importance of financial reporting, non-financial reporting, and sustainable development. We can say with certainty that there is a strong connection between the process of financial and non-financial reporting and sustainable development, i.e. quality and transparent reporting contributes to the sustainable development of the organization, although the area is still insufficiently explored. The paper presents an analysis of data from the Scopus database and shows the trend from 1993 to April 2022 related to financial and non-financial reporting, and the trend from 1998 to April 2022 related to the relationship of financial and non-financial reporting with sustainable development (the analysed years were taken into account as the beginning of the research in the mentioned area). The presented data show that the intensive growth and interest in research on this topic began in 2018, both for research on the process of financial and non-financial research and the research that links it with sustainable development. From the aspect of financial and non-financial

reporting research, the top three countries that explore the research topic the most are (1) the United States, (2) Italy, and (3) the United Kingdom. The top three journals that publish the most on research topics are (1) Sustainability Switzerland, (2) Journal of Applied Accounting Research, and (3) Business Strategy and the Environment, while the top three authors are (1) Cormier, D., (2) Raimo, N., and (3) Vitolla, F.

The top three countries that in their research link financial and non-financial reporting to sustainable development are (1) Italy, (2) the United States, and (3) Spain. The top three journals that have published the link between financial and non-financial reporting with sustainable development are (1) Sustainability Switzerland, (2) Business Strategy and the Environment, and (3) Corporate Social Responsibility, while the top three authors are (3) García-Sánchez, I.M., (2) Caputo, F., and (3) Hahn, R. What we can conclude from the review of the presented research data is that the same countries (the United States and Italy) and the same journals (Sustainability Switzerland, and Business Strategy and the Environment) appear in both areas of the presented research data, while the authors studying this topic do not overlap in the first and second step of research. One group of authors studies financial and non-financial reporting, and the other group of authors studies financial and non-financial reporting and its connection to sustainable development. The only author who studies both areas but is not among the top three authors in the area of financial and non-financial reporting is García-Sánchez, I.M.

Based on the data presented in both areas of our research, the Republic of Croatia and its neighboring countries (Slovenia, Bosnia and Herzegovina, Serbia, and Montenegro) do not appear as countries that study and explore this topic. The topic of our research through this paper and the review of the analyzed data is the basis for expanding the same research and an even deeper analysis and the link between financial and non-financial reporting with sustainable development. Databases other than Scopus were not compared in this paper, which is a recommendation for further research in this direction and consolidation of data from other databases, their analysis and connection. This area of research needs more empirical evidence, theoretical and quantitative evidence, and is an area for much further research.

CONCLUSION

This study was designed to survey articles on financial and non-financial reporting and its connection to sustainable development in peer-reviewed journals listed in the Scopus database. The research in question comprised of a range of a total of 1.167 papers (882 of them regarding financial and non-financial reporting, and 285 of them regarding financial and non-financial reporting and its connection to sustainable development) published over a period of 29 years (from 1993 to 2022). This mapping considered a literature overview and had scope to review the current state and efforts of researchers in this area. The findings of this research indicate that the impact

of financial and non-financial reporting in the function of sustainable development is on the verge of disrupting current corporate reporting and will have an effect on corporate reporting. This is the research area that needs more empirical evidence, theoretical and quantitative evidence, but also presents baseline for future research. This research contributes to strengthening the awareness among researchers and practitioners about review of important areas of research topics (documents by type, documents by subject area, documents by year, documents by country/territory, documents per year by source, documents by author) regarding financial and non-financial reporting and its connection to sustainable development. Most of the papers analysed gave a theoretical point of view on the analysed problem, which points to the need for even greater efforts and research in this area. The main question for researchers and managers remains how to integrate, compare and manage both financial and non-financial reporting in the function of sustainable development. In such a context, organizations will have to adapt non-financial reporting with current financial reporting as an obligation in order to gain competitive advantage on the market, and to ensure transparent, comparable, accurate and reliable information necessary for company management. This can achieve the maximum effect based on their interaction and can lead to company-sustainable development. Non-financial reporting has developed into reporting that presents a challenge to any company, primarily due to differences in managerial views on the usefulness of conducting such business practices. The goal in the future is to achieve harmonization at the level of non-financial reporting (as is the case with financial reporting) in order for non-financial reporting to fulfil its purpose.

Moreover, even though one of the most reputable scientific databases (Scopus) was consulted, there may have been relevant studies and papers that were not indexed in the abovementioned database, which would have otherwise enriched the study. This research gives a brief overview of a researched field that is actually insufficiently explored through the scientific literature, and presents a wide area for further researchers.

In conclusion, economic development and growth, as well as the globalization and internationalization of society and markets, cannot be stopped, however it is necessary to think in the direction of ensuring a healthy society and a quality economy that will have less harmful effects on the environment. Therefore, sustainable development is undoubtedly one of the key elements in formulating and implementing development policies in the world. A quality and transparent reporting process (financial and non-financial) contributes to sustainable development. The business policy of the company today should be directed towards the system of sustainable development and balance of company management through the cooperation of a dynamic business and economic activities of the system, and in cooperation with the essential information and data provided by the reporting process (financial and non-financial).

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