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Bridging the GAAP Gap: Developing an Integrated Financial and Sustainability Reporting Framework to Access Green Capital and Optimize Agribusiness Revenue

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Abstract
The global agribusiness sector faces a critical challenge in accessing the burgeoning pool of "green capital" essential for its sustainable transformation. A fundamental barrier is the "GAAP Gap" a systemic disconnect between traditional financial reporting (GAAP/IFRS) and the non-financial, forward-looking sustainability information demanded by modern investors. This information asymmetry prevents agribusinesses, particularly Small and Medium-sized Enterprises (SMEs), from credibly demonstrating their environmental, social, and governance (ESG) performance, thereby stifling investment. Grounded in Legitimacy, Stakeholder, and Signaling theories, this study investigates how a pragmatic, sector-specific integrated reporting framework can bridge this gap. Through a qualitative documentary analysis of academic literature, corporate reports, and regulatory standards, the research confirms the profound limitations of conventional financial statements in capturing material agribusiness risks and value drivers related to natural capital, such as soil health and water stewardship. The findings demonstrate that integrated reporting can enhance legitimacy, mitigate information asymmetry, and significantly improve access to green capital, with evidence pointing to a potential reduction in the cost of capital and a 15-30% increase in attractiveness to sustainability-focused investors. Consequently, the study develops a tiered Integrated Financial and Sustainability Reporting Framework tailored to the capacities of agribusiness SMEs. This framework organizes disclosures across six capitals, with a central focus on natural capital, and provides scalable implementation guidance. The research offers a strategic tool for agribusinesses to optimize revenue through improved financing, while providing policymakers, financial institutions, and academic researchers with actionable insights to foster a more transparent and sustainable agricultural economy.

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1. Introduction

The global agribusiness sector stands at a critical juncture, facing the dual imperative of ensuring food security for a growing population, projected to reach 9.7 billion by 2050, while simultaneously transitioning towards environmentally sustainable and climate-resilient practices (United Nations, 2022) [25]. This transition is not merely an environmental concern but an economic necessity, as the sector is both a significant contributor to and a victim of climate change, facing risks from shifting weather patterns, water scarcity, and soil degradation (World Bank, 2023) [26]. Navigating this complex landscape requires significant investment in green technologies, such as precision agriculture, renewable energy integration, and sustainable water management systems. However, agribusinesses, particularly Small and Medium-sized Enterprises (SMEs) which form the backbone of many economies, struggle to access the burgeoning pool of "green capital" from a new generation of investors, lenders, and financial institutions who increasingly prioritize sustainability performance alongside traditional financial returns (OECD, 2021) [18]

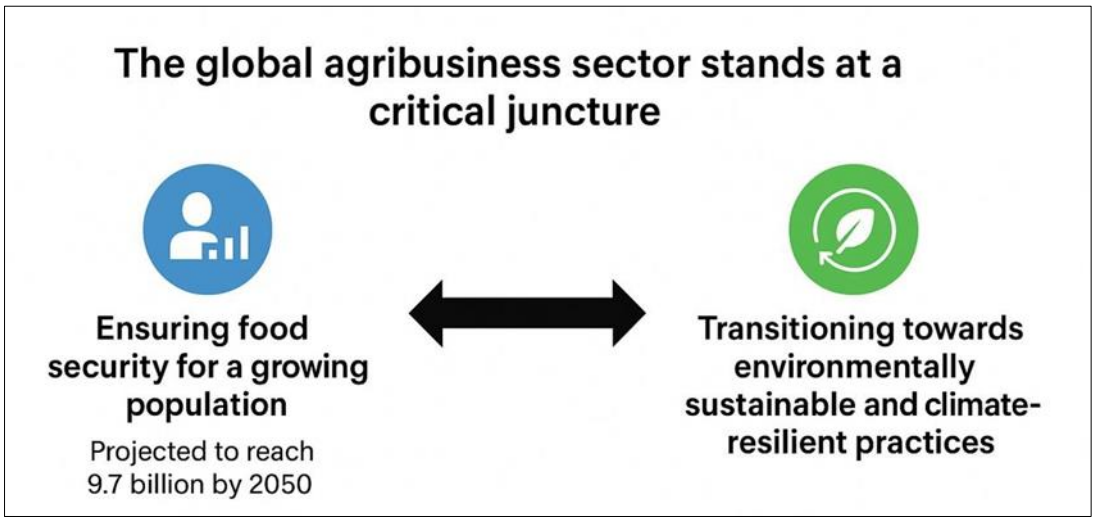


Fig 1: Global Agribusiness Sector

The fundamental obstacle to such a required flow of capital is called GAAP,Gap is a fundamental loss of contact between conventional financial reporting principles, i.e., Generally Accepted Accounting Principles (GAAP), and non-financial, forward-looking and impact-oriented information needed to evaluate the environmental, social, and governance (ESG) performance and resilience of a company (Eccles and Serafeim, 2013) [8]. Although both GAAP and its global equivalent, IFRS, are quite useful in reporting past financial performance, profitability, and liquidity, they exist in a short-term, transactional model, which does not effectively report such vital intangible assets, risks of sustainability, reliance on natural capital, and strategic investments that contribute to long-term value creation (Atkins and Maroun, 2018) [1]. This absence gives investors and other stakeholders an incomplete picture of the true viability of an agribusiness, their vulnerability to environmental risks, and their capacity to be sustainable in growth, which forms a massive information asymmetry that suffocation of investment (Deegan, 2019) [5]. To address this systemic failure in reporting, there is a global trend towards the standardization of sustainability disclosures that has never been witnessed before. The emergence of frameworks, including the Sustainability Disclosure Standards
established by the International Sustainability Standards Board (ISSB) as the International Financial Reporting Standards (IFRS) Foundation in addition to the sustainability disclosure framework, the Corporate Sustainability Reporting Directive (ESRD) by the European Union as a whole, are designed to offer a structured similar ground on which non-financial reporting will be performed (IFRS Foundation, 2023; European Commission, 2022) [13, 9]. The initiatives will establish a level of sustainability related disclosures that can be used with financial statements and therefore give a better picture of corporate performance in the world. The reason why companies want to pursue those practices can be best explained in the light of the Legitimacy Theory that argues that organizations exist in a social contract, to continue being licensed to operate, they need to constantly strive to make their operations, values and outputs consistent with the expectations and norms of the larger society within which they exist (Suchman, 1995) [22]. In the case of agribusinesses, where the direct and significant effect on natural resources is tangible, the development of integrated report would be compliant with these new standards and is not only a form of regulation but also a strategic instrument that helps to gain legitimacy, earn trust among a distrustful population, take responsibility to the stakeholders, and, finally, win investor confidence to invite much-needed capital (Hahn and Lulfs, 2014) [12].

According to the results of the previous empirical studies, the features of the organization, especially the size and the sensitivity of the industry to environmental aspects, are important predictors of the extent and quality that adherence to the sustainability norms (see attached abstract). Higher-profile firms, which have more resources, increased exposure and are more under the watch of regulators and the general public have increased pressures of the institution to do and therefore will have more incentive to engage in the practice of comprehensive sustainability reporting to
manage their legitimacy (Brammer & Pavelin, 2008) [2]. Likewise, the increased pressure on companies working in the areas that have a high environmental impact such as agribusiness, mining, and energy to clearly report on their environmental footprint and mitigation efforts has led to the increased pressure on companies in these sectors to adopt robust reporting as a strategic imperative (Clarkson *et al*., 2008) [3]. An example of research published by Dragomir (2023) on European integrated reporting, in particular, revealed that firm size, environmental sensitivity and the degree of compliance with ESRS are positively correlated, which highlights the importance of these factors when applied to the agribusiness environment.

Nevertheless, an important issue still exists in agribusiness SMEs. Although they have a high incentive to report since they have an operational effect, they often end up in a vicious circle: they cannot afford, no technical skills, and managerial ability to design, implement, and certify the sophisticated data collection and reporting systems that are necessary to plug the GAAP Gap (Lopez & Fornaciari, 2022) [16]. Their inability to compete with bigger agribusinesses in terms of size, places them at a serious competitive disadvantage due to this capacity limitation. Unless they can generate plausible, confident sustainability data, they cannot adequately communicate their sustainability performance to the market, which makes them invisible, or viewed as being associated with high risks by green investors and lenders (Lueg & Radlach, 2016) [17]. As a result, they are systematically left

out of the same financing channels that are necessary to transform them and live in a green economy.

This paper, hence, finds itself in the middle of these challenges and opportunities. It examines the manner in which a pragmatic, accessible, and sector specific integrated reporting system can be created to enable agribusiness including SMEs to showcase

their credibility in sustainability and the strategic management of ESG issues. Such a framework will help to make sustainable practices visible to financiers by converting the GAAP Gap into a language, which helps them unlock green capital. It is not the goal of this access but an essential facilitator of the investments required to maximize revenue by improving operational efficiency, reducing risk exposure, tapping high-end markets, and building climate-resilient business models, which will ensure the continued prosperity of the agribusiness industry on a long-term basis.

1.1. Statement of the Problem

Agribusinesses play a central role in economic growth and sustainability as well as environmental sustainability, but they are being limited more and more by a disconnected reporting environment. Their sustainability performance and long term resilience are not well reported through traditional financial reporting (GAAP) to a financial market that is becoming more and more ethically conscious to Environmental, Social, and Governance (ESG) factors. It is an example of the GAAP Gap that does not allow agribusinesses (and in particular SMEs) to utilize adequately the emerging flow of green capital.

The problem is twofold. First, there is the problem of supply: agribusinesses are often ill-equipped and lack the structure to generate integrated reports to combine both financial and sustainability information in a way that can be credible, comparable, and decision-helpful to investors. This results in the lack of legitimacy in which their attempts to go green are not rewarded by the market.

Second, it has a problem of demand: investors and lenders seeking to deploy green capital are confronted by patchy, incomplete, or non-comparable sustainability

information of agribusinesses. This information asymmetry compounds perceived risk and suffocation of investment into an industry that is essential towards a sustainable future.

As a result, even though most agribusinesses have potential of growth and beneficial environmental effects, most of them are financially limited. They cannot afford the capital to embrace new technologies, streamline resources, and increase incomes, hence, frustrating the long-term sustainable change of the sector. This research aims at solving this issue by analyzing the creation of an integrated reporting system that would suit the agribusiness scenario.

1.2. Aim and Objectives of the Study

The aim of this study is to develop a framework for integrated financial and sustainability reporting for agribusinesses to enhance their access to green capital and optimize revenue.

This will be achieved through the following sub-objectives:

1. To analyze the current disconnect between traditional financial reporting (GAAP) and the sustainability information demands of green investors in the agribusiness sector.
2. To assess the potential impact of adopting integrated reporting practices on an agribusiness firm's ability to attract green capital and improve financial performance.
3. To identify the key components and disclosure requirements necessary for a practical and effective integrated reporting framework tailored to agribusiness SMEs.

1.3. Research Questions

The study's research questions are in line with the specific research objectives as follows:

1. What are the specific limitations of traditional GAAP financial reports in meeting the information needs of green investors for agribusinesses?
2. To what extent can the adoption of an integrated financial and sustainability reporting framework influence an agribusiness's access to green capital and revenue optimization?
3. What are the essential structural and disclosure elements of an integrated reporting framework that is both practical for agribusiness SMEs and credible for investors?

1.4. Significance of the Study

This study the creation of a combined financial and sustainability reporting model of agribusiness is highly relevant to a very diverse group of stakeholders, as it provides both practical and theoretical contributions. It is a significant helps in resolving a serious market malfunction, the GAAP Gap now hinders the access of capital to sustainable agricultural initiatives that are vital to world food security and environmental sustainability.

To the owners and managers of agribusiness, this research is a critical and practical roadmap on how to close the GAAP Gap and clearly communicate their value proposition in a language that is comprehended by modern financiers. The suggested framework goes beyond compliance on paper to ensure it provides a systematic but flexible mechanism of SMEs to map their material ESG factors to locate, quantify, and report them in an organized manner. With its help, agribusinesses will be able to restructure their sustainability practices into a response to aesthetic narratives, and

convert it into data that can be analyzed to make decisions. This improved disclosure is essential in the management of legitimacy among a wide spectrum of stakeholders, such as local communities, consumers, and regulators, who are becoming more demanding in the way they want to know more about the impact on the environment and how they use their resources (Hahn and Lulfs, 2014) [12]. More importantly, it makes them more appealing to the rising pool of impact and green investor. The study by Cornell and Damodaran (2020) [4] reveals that investors are adopting ESG metrics into their valuation models more and when the information is not available, the perceived risk premium will increase. Agribusinesses can decrease this premium by giving similar comparatively uniform information and therefore may result in a lower cost of capital. The reason this access to finance is no longer an end in itself is because it is the key that unlocks investments in precision agriculture, circular economy models, as well as renewable energy that enable operational efficiency, open up premium markets, and create long-term climate resilience, which ultimately optimizes revenues and provides business continuity (Schaltegger and Burritt, 2018) [19]. To several SMEs, such a structure may hold the answer to remaining out of the vicious circle of underinvestment and proving that they are capable of sustainable development.

This study will help policy-makers and regulatory agencies

in both domestic and the international setting to develop a better and more particular perspective on the reporting and funding issues of a sector that holds great importance in accomplishing various Sustainable Development Goals (SDGs). The results can extensively be used critically to formulate supporting and context-specific policies. Instead of just imposing one-size-fits-all reporting requirements that might be hampering to the growth of agribusiness, policymakers can apply the findings of the present study to develop specific capacity-building interventions, technical assistance grants, and
simplified, sector-specific annexes of sustainability reporting that will not burden agribusinesses when implemented (Lopez & Fornaciari, 2022) [16]. Moreover, when knowing the connection between standardized reporting and access to capital, the governments can find more effective ways to incentivize agribusinesses that will have a strong sustainability performance through a recognized framework, including the green credit guarantee or special loan conditions. This will correspond with the larger policy objective to shift the private capital into the public good, which the European Commission (2022) [9] has proposed in its sustainable finance agenda. Enhancing this connection is crucial in establishing a consistent policy ecosystem that will help the sector in aligning with national and global sustainability aspirations including the ones in the Paris Agreement.

This work provides a significant contribution to the academic community and theorists by looking through the prism of the nascent field of integrated reporting the particular challenge of green capital accessibility agribusiness presents. It bridges a considerable gap in the literature which has tended to discuss large listed corporations in industrial sectors by offering a specific framework to SMEs in a primary industry. The research proactively implements the use of the Legitimacy Theory into the area, empirically verifying its applicability to the interests in elucidating the motives of agribusinesses to report when experiencing the stress of changing societal demands and financial markets. It also adds to the resource-based perspective (RBV) of the firm by theorizing a strong integrated reporting system into a strategic ability to create a sustainable competitive advantage (Teece, Pisano, and Shuen, 1997) [24]. With both a framework and identifying key variables, this research sets up numerous pathways of the future research, such as longitudinal research on the financial implications of integrated reporting adoption in agribusiness, cross-country comparative research of
regulatory effectiveness, and research into assurance mechanisms that render sustainability disclosures credible by investors.

Lastly, to the financial community and investors, this study can be a possible instrument to de-risk their investments in the agribusiness industry. The existing cloudiness of non-financial reporting provides a lot of uncertainty forcing the investors to either shun the sector or impose higher discount rates. The proposed framework will help to standardize the reporting of material sustainability risks and opportunities, including water stress, soil health, and carbon footprint, which will allow having the consistent and comparable data so that it is possible to make more accurate decisions to assess the risks, value, and allocate capital (Eccles and Serafeim, 2013) [8]. This has the potential to open up new investment prospects within an industry that is central to the overall global economy and transformation of which is crucial to climate stability.

Finally, the study provides a strategic and practical model of coordinating the agribusiness processes with the requirements of a transparent and green economy. It helps to address one of the most important market failures by filling the information asymmetry between farmers and financiers, leading to a sustainable environment and economic well-being. The research gives a concrete avenue through which agribusinesses can not only guarantee their own survival but also to fulfil their irreplaceable role in creating a more sustainable and food-secure world.

1.5. Overview of Study Structure

The subsequent chapters introduce an organized research on the creation of an integrated reporting framework in agribusiness.

Chapter Two reviews the literature available on the topic of integrated reporting, financing agribusinesses, green finance, and the legitimacy theory. It combines scholarly literature and industry publications to develop a theoretical framework of the study, as well as to find the research gap.

Chapter Three is the description of the research methodology where a mixed-method approach is described. It will detail how data will be collected (e.g. case studies, content analysis of reports, surveys), how it will be analyzed, and ethical considerations will be discussed.

Chapter Four introduces and discusses the results of the research. It will describe the identified elements of the integrated reporting framework, examine the perceived GAAP Gap between investor and agribusiness views, and provide the evidence on the possible impact of the framework.

Chapter Five summarises the research results with the current literature and provides the answers to the research questions and the proposed integrated reporting framework. It will make practical suggestions to the agribusinesses, policymakers, and standard-setters, and propose future research directions.

1.6. Summary

This paper deals with the issue of the urgent problem of the GAAP Gap in the agribusiness industry. Due to the increasing need to have sustainable investment, agribusinesses should seek viable means of reporting their ESG performance in addition to their financial performance. This chapter has raised the issue of poor access to green capital through poor reporting in the framework of the legitimacy theory. The paper seeks to create a combined financial and sustainability reporting
model to assist the agribusinesses to fill this gap, improve their legitimacy, raise the funds needed, and maximize their income in a competitive and changing market. The following chapters will entail thorough literature review, methodological approach, results analysis and a concluding framework that will meet these objectives.

2. Literature Review

2.1. Introduction

This chapter gives an extensive overview of the available scholarly works to develop theoretical and contextual background of this research. The essence is to integrate the information in various major areas: the shortcomings of traditional financial reporting, the advent and requirement of green capital, the principles and effectiveness of integrated

reporting, and the distinct positioning of the agribusiness industry. Investigating these interrelated spheres, this review will help elucidate the so-called GAAP Gap, explain why a specific integrated reporting framework is necessary, and what essential elements that one should include within it. The chapter has ended by giving the theoretical basis on which the study was conducted and establishing conceptual framework that diagrammatically illustrates the research course and thus pre-establishes the methodological approach in Chapter 3.

2.2. The "GAAP Gap": Disconnect in Traditional Financial Reporting

The Generally Accepted Accounting Principles (GAAP) as well as International Financial Reporting Standards (IFRS) have been long the foundation of corporate financial reporting, a standardized, historical perspective of the financial position and performance of a firm. Nevertheless, there is a high and increasing disconnection between what these conventional models report and information requirements of contemporary investors, especially those that are sustainability oriented. Such a
schism is known as the GAAP Gap and is defined by the inability of financial reporting to reflect significant non-financial non-value drivers and risks (Eccles and Serafeim, 2013) [8].

The increasing complexity of financial and sustainability reporting necessitates the adoption of integrated decision-making frameworks that combine structured data with human judgment. Decision intelligence models, which integrate artificial intelligence with human intuition, have been shown to enhance strategic decision-making in complex, multi-dimensional environments (Tasleem *et al*., 2024) [23].

The major weakness of the GAAP is its backward-oriented and transaction-based nature. It is strong in the reporting of past revenues, expenses and asset that can be reliably quantified in monetary terms, but it methodically ignores intangible assets, environmental liabilities, social capital and quality of governance (Atkins and Maroun, 2018) [1]. This is very problematic in the case of agribusinesses. Their sustainability in the long run is inherently connected to natural capital such as soil health, water security, and biodiversity and their vulnerability to the climate-related risks that do not find appropriate reflection in a traditional balance sheet or income statement (Gray and Milne, 2018) [11]. This generates a severe information asymmetry in which the actual cost of production, the degree of environmental externalities, the resilience of the company to ecological shocks are unknown to the investors.

Such a gap is not just an academic issue, but also has real-life implications. Cornell and Damodaran (2020) [4] state that the failure to measure the performance of ESG requires investors to either dismiss such determinants or to pay a greater risk premium because of uncertainty. In the case of agribusiness, this frequently will be translated into increased cost of capital or a total lack of access to dedicated green finance since they will not be able to prove their sustainability credentials, nor manage the risks they are exposed to. The GAAP Gap then serves as an organizational barrier, keeping many sustainable agribusinesses shut out of the funds they require to develop and be innovative.

2.3. The Emergence of Green Capital and Investor Information Requirement.

Along with the identification of the GAAP Gap has been the meteoric rise of green capital, which is a wide-ranging term that includes investments which have a particular focus on achieving positive environmental results in addition to financial pay-off. This trend is motivated by a combination of forces: regulatory pressures, an increasing societal level of awareness of climate change, and a solid base of evidence that a robust ESG performance may be a predictor of a high long-term financial performance and risk management (Khan, Serafeim, and Yoon, 2016) [15].

Asset managers, banks and impact funds, as well as green investors, will need a different set of information than the traditional analysts. ESG considerations are part of their decision-making processes to evaluate the long-term resilience of a company, license to operate and alignment with a low-carbon and sustainable economy. The most common pieces of information required include such metrics of environmental impact as data on carbon emissions, water usage, waste management, and biodiversity impact; sustainability governance including board oversight of ESG issues and executive compensation tied to sustainability goals; strategic integration which requires evidence of sustainability being integrated into core business strategy; and future-looking targets which includes disclosure of climate transition plans, and carbon reduction targets (IFRS Foundation, 2023) [13]. The investors will be unable to accurately price the ESG risks or find opportunities without access to this standardized, comparable and assured data. It is this pressure that is taking the form of new regulation structures, chief among them being the Corporate Sustainability Reporting Directive (ESRS) of the European Union which is obliging to report on ESG in excessive detail. This trend was emphasized in the study investigated in the abstract attached, which is analyzing the conformity of the present reports to these new standards and concluded that larger corporations and companies working in
environmentally sensitive sectors such as agribusiness are taking the lead due to the increased legitimacy pressure.

Source: Author's Computation, 2025

2.4. Bridging Framework of Integrated Reporting.

Integrated Reporting (IR) has become an attractive structure that can be used to fill the GAAP Gap to include more comprehensive description of the value creation of an organization over the years. The fundamental principle of (IR) is the reporting of how an organization strategy, governance, performance, and prospects in the context of the external environment results in the creation, maintenance or depreciation of value of various forms of capital financial, manufactured, intellectual, human, social and relationship, and natural (International Integrated Reporting Council, 2021) [14].

The possible gains of using (IR) within agribusinesses are high. Through incorporating financial and sustainability information as one coherent story, an integrated report can contribute to legitimacy and transparency by communicating to stakeholders that the company is actively dealing with its overall effects and dependencies, which is one of the central

beliefs of Legitimacy Theory. It has the potential to increase access to capital through the multi-capital, long-terminformation that green investors seek, which may cost less because it may help reduce information asymmetry and risk perception (Serafeim, 2015) [20]. Also, the preparation of an integrated report has the potential to fuel internal decision-making, as it creates a more integrated mindset within the management, which causes a better perception of the interrelation between the financial and non-financial performance and more sustainable long-term strategic decisions (de Villiers, Rinaldi, and Unerman, 2014) [6]. Nevertheless, the <IR> Framework is principles-driven and may be unattainable by SMEs because of resources and knowledge shortage. Also, as the abstract reveals, frequent gaps between reporting according to the (IR) framework and adhering more strictly to more specific standards are common such as the ESRS. As such, (IR) may offer the philosophical base; however, in certain industries such as agribusiness, a more specific and practical framework may be required.

2.5. The Agribusiness SME Context: Challenges and Opportunities

Agribusiness SMEs are in a special and problematic position. They are invaluable in food security, the rural growth, and the realistic application of sustainable agricultural practices. However, they have the ideal storm of issues when it comes to tapping green capital. They are frequently described as making their business in a sensitive industry to the environment, which makes them inspected by investors and other
regulators, yet their scale and additional resources are usually not as significant as those of big companies (Dragomir, 2023) [7].

Their particular obstacles are capacity limitations because of insufficient financial and human resources to commit to elaborate data collection, reporting, and assurance procedures; technical issues because of challenges in quantifying environmental impacts such as soil carbon sequestration or nitrogen leaching and regulatory overload as a result of new sustainability reporting requirements has exacerbated the situation (Lueg & Radlach, 2016) [17]. Although these are the challenges, agribusiness SMEs have their own opportunities as well. Their reduced size may enable them to be more agile in the adoption of sustainable practices. An effective integrated reporting framework could be their strategic ally on how to stand out in the market, win premium customers and establish trust with them as stakeholders. The framework should, thus, be flexible, affordable and specific to the material sustainability challenges in the agricultural field, like water stewardship, soil health, and climate adaptation.

2.6. Theoretical Foundation

The research paper is supported by three theoretical paradigms which are interrelated and offer a strong analytical approach to grasping the reasoning behind the presence of sustainability reporting in organizations, the interpretation the market has of sustainability reporting and the future consequences of such reporting on capital allocation. All these theories, Legitimacy Theory, Stakeholder Theory, and Signaling Theory provide a multi-dimensional prism of analysis of the incentives of, and possible advantages of, establishing an integrated financial and sustainability reporting system among agribusinesses in need of green capital.

2.6.1. Legitimacy Theory

According to the theory of legitimacy, organizations are expected to exist within implicit social contract and that they should always endeavor to make their values, behaviors and products to be viewed by the society as desirable, proper or appropriate (Suchman, 1995) [22]. This license to operate is not something that is given on a permanent basis but needs to be fought and defended. In the modern day scenario, the societal expectations have changed to require corporations, especially the ones operating in the environmentally sensitive industries such as agribusiness to be accountable to their environmental and social effects. One of the more classic strategies of legitimacy-management is the process of sustainability reporting, and more so the adoption of new stricter guidelines, such as the European Sustainability Reporting Standards (ESRS).

Disclosure is a tool used by organizations to eliminate perceived legitimacy gaps between what they do and how society wants them to act. In incidences where the operations of a company have high levels of externalities of nature like water pollution, deforestation, or high emissions of greenhouse gases that are prevalent in certain farming activities, the company is in danger of losing its legitimacy. Being on the offensive to release an integrated report that clearly shares these effects, as well as how such effects can be mitigated, is a way of showing that they follow the societal norms. This is in line with the results as indicated in the abstract attached that show larger companies and those operating in sensitive sectors in regard to the environment are more compliant with ESRS. These organizations are more subject to scrutiny and hence more pressure to legitimacy and must embrace more holistic reporting practice to sustain their social license and ensure their continued existence (Dragomir, 2023) [7]. In the case of an agribusiness SME, a developed integrated reporting framework can be discussed as a preemptive legitimacy-seeking approach. It sends messages to the
regulators, local communities, consumers and investors that the business takes its responsibilities seriously and it is prepared to manage sustainably thus reducing risks related to community resistance, regulatory fines and reputational losses.

2.6.2. Stakeholder Theory

The Stakeholder Theory as propounded by Freeman (1984) [10] has it that to achieve the success and sustainability of a business over a period, it is important that its managers not only manage the interests of all stakeholders of the business (not only its shareholders). The stakeholders can be said to be any group or individual that can influence or be influenced by the attainment of the organizational goals. This involves a large spectrum of players that include the employees, the customers, the suppliers, the local communities, government regulators, and, most importantly in this paper, the green investors and financial institutions. The traditional financial reporting is more of a response to the information requirements of the capital providers which are geared towards short-term financial performance. Nevertheless, it

does not sufficiently inform other stakeholder groups that are influential and whose interests include environmental custodianship, social justice and long-term governance.

Green investor has been one of the stakeholders that have become a very powerful group. Their decision making standards and investment specifications are clearly pegged on ESG performance. In not providing the sustainability figures that these stakeholders require, an agribusiness is in effect, not handling a very important relationship, and this may translate to the withdrawal of such support in the form of refused capital or another increase in the cost of borrowing. Therefore, an integrated reporting framework can be considered an essential tool of having agribusinesses effectively communicate and interact with these stakeholders. It comes as an

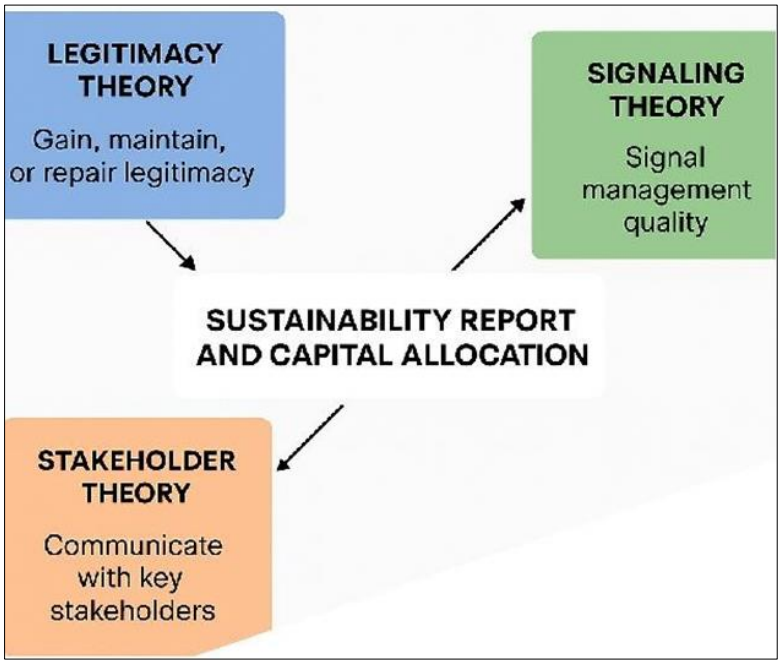
organized framework to show how the company goes about identifying its main stakeholders, their interests, and how the company incorporates them into the main strategy and business. The model has gone beyond a one-way communication model but a principle of accountability, which demonstrates how the business generates value to a wide body of stakeholders and not just shareholders. This overall responsibility is becoming a proxy to good management and long-term sustainability so that the business becomes more attractive and risk averse to a broader group of investors.

2.6.3. Signaling Theory

Signaling Theory, developed in the context of information economics by Spence (1973) [21], explains how two parties with asymmetric information can overcome market inefficiencies. In this context, managers of agribusinesses possess superior information about the company's true sustainability practices, long-term risks, and value creation potential, while external investors are at an information disadvantage. This asymmetry can lead to adverse selection, where investors are unable to distinguish between truly sustainable "green" agribusinesses and those that are merely "greenwashing" or are less sustainable ("brown"). In such a market, all agribusinesses may be lumped together and valued with a higher risk premium, unfairly penalizing the leaders.

A high-quality, assured integrated report acts as a powerful and costly-to-fake signal that can bridge this information gap. The process of compiling a credible integrated report requires significant investment in data collection, internal control systems, and often external assurance. This cost acts as a barrier, making it difficult for poorly performing companies to mimic the signal credibly. Therefore, when an agribusiness publishes a comprehensive report that integrates its financial performance with its management of natural capital, social relationships, and intellectual capital, it is sending a strong signal to the market. It signals superior management quality, a long-term strategic orientation, and a robust commitment to transparency and risk management. This signal helps the high-quality agribusiness differentiate itself from its peers, reducing the information asymmetry and allowing investors to more accurately assess its intrinsic value and lower risk profile. Consequently, this can lead to a lower cost of capital, as investors require less compensation for uncertainty, and a greater ability to attract dedicated green capital from investors specifically seeking out companies with verifiable sustainability credentials.

In synthesis, these three theories provide a compelling, multi-layered rationale for this research. Legitimacy Theory explains the why the societal and regulatory pressure to report. Stakeholder Theory identifies the who the specific actors, especially green investors, demanding new information. Signaling Theory elucidates the how the mechanism by which high-quality reporting translates into a tangible competitive advantage in the capital markets. Together, they form a robust theoretical foundation for arguing that an integrated reporting framework is not merely a compliance exercise for agribusinesses, but a strategic imperative for securing legitimacy, managing key stakeholder relationships, and signaling quality to access the capital necessary for sustainable growth and revenue optimization.



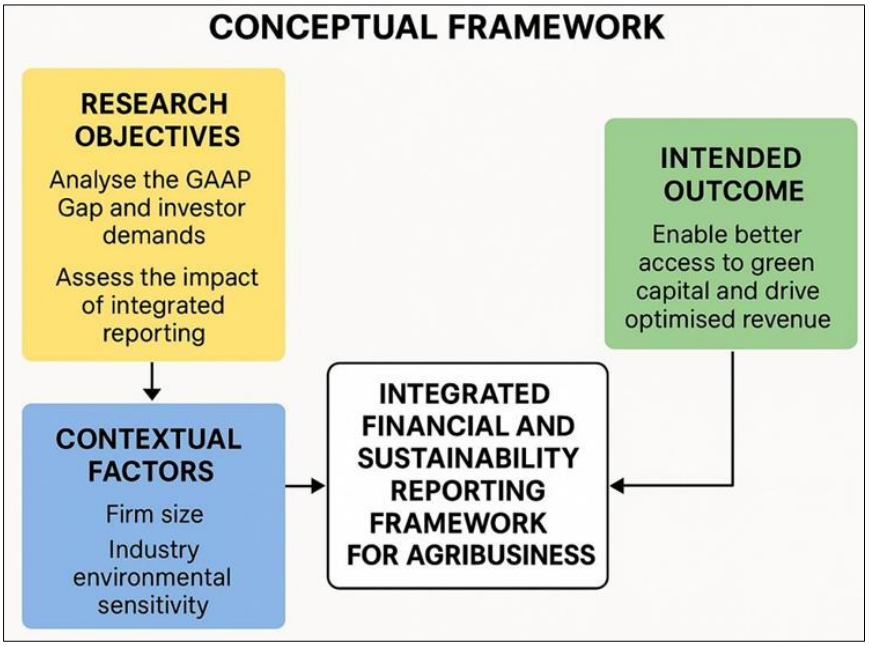
Source: Author's Computation, 2025

Fig 2: Theoretical Framework

2.7. Conceptual Framework

The conceptual framework for this study synthesizes the literature and theories to map the research process. It illustrates how the three research objectives flow from the identified problem and lead to the intended outcome. The model begins with the research objectives, which are to analyze the GAAP Gap and investor demands, to assess the impact of integrated reporting, and to identify the key components of a practical framework. These objectives are influenced by contextual factors identified in the literature, namely firm size and industry environmental sensitivity, as these variables have been shown to significantly affect reporting compliance and sustainability performance. The execution of these research objectives leads directly to the development of the proposed output: an Integrated Financial and Sustainability Reporting Framework for Agribusiness. This framework is not an end in itself but is

designed to achieve the ultimate desired outcome of the research: enabling better access to green capital and driving optimized revenue for agribusinesses through improved transparency, risk management, and strategic alignment. This outcome is what the study, through its second research objective, seeks to assess and validate.



Source: Author's Computation, 2025

Fig 3: Conceptual Framework

2.8. Chapter Summary

This chapter has examined the evidence in the literature to the core of knowledge on the topic of the gap between the GAAP and the prospects of the solution through integrated reporting to agribusinesses. It has determined that the conventional financial reporting is inadequate to address the information requirements of the green investors and this poses a hurdle to capital access by the sustainable enterprises. IR was offered as a feasible option, but its implementation in the case of agribusiness

SMEs needs a more specific and realistic approach. The chapter was based on Legitimacy, Stakeholder, and Signaling theories, which state the motives and advantages of such reporting. Lastly, a theoretical framework was provided to inform the empirical part of this study. The following chapter will describe the research method which can be used to attain the mentioned objectives and verify the propositions that are inherent in this framework.

3. Methodology

3.1. Introduction

This chapter describes the research methodology of exploring the evolution of an integrated financial and sustainability reporting framework that aims at linking agribusinesses with green capital. The paper uses an extensive secondary data analysis approach to investigate the detachment between traditional financial reports and the information needs of the sustainability-oriented investors. The methodology used is designed in such a way that it will help in the systematic treatment of the research objectives by means of critical analysis of existing literature, corporate reports, and regulatory documents. This method will enable the comprehensive interpretation of the existing reporting systems, shareholder demands, and the key requirements necessary to have a viable reporting system which is specific to agribusiness SMEs and at the same time uphold high standards of scholarly writing by allowing us to use some system of data collection and analysis.

3.2. Research Philosophy

The research has its philosophy based on a pragmatist philosophy, which lends importance on the results of a research that solve real-world problems with practical solutions. With this philosophical orientation, there is the possibility of flexibility

when choosing the best approaches to produce meaningful findings regarding the reporting issues that agribusinesses are going through. The strategy recognizes the importance of both the objective data provided in published reports and subjective views in written materials and in the industry publications. The axiological stance that the researcher takes is focused on the practical implementations of the results with

the end result being a framework that can be actually put into effect by agribusinesses that aim to better their access to sustainable finance.

3.3. Research Approach

This study uses an abductive modus operandi in its investigation and switches back and forth between theoretical explanations and empirical data of secondary sources. It starts with the already set theoretical backgrounds of the legitimacy theory, the stakeholder theory, and the signaling theory, then investigates how it can be seen in the reality of reporting practices and capital market relations. The methodology builds on knowledge by the processual examination of the wide range of documentary materials, which allows the creation of conceptually sound and empirically-based model of reporting that is useful in closing the gap between theory and practice in the agribusiness industry.

3.4. Research Strategy

This research is based on the qualitative approach of documentary research strategy that is oriented to systematic analysis and synthesis of the available texts and documents. The given approach will allow thoroughly researching the issue under study by using a variety of secondary sources such as academic publications, corporate reports, regulatory standards, and industry analyses. The documentary approach allows reaching a plethora of views and evidence without being limited to

the practical limitations of primary data collection. The approach is especially suitable in the case of framework development studies that entail profound interest in the current body of knowledge and practice in various fields such as accounting, finance, sustainability and agricultural economics.

3.5. Data Collection Methods

The data collection is carried out by the systematic collection and systematization of the secondary data of various streams. The scholarly libraries are also written on the basis of extensive databases such as Scopus, Web of Science, and Google Scholar, and with specific search terms concerning integrated reporting, green finance, agricultural sustainability, and ESG disclosure. The websites of agribusiness companies and sustainability reporting platforms have been searched to obtain corporate reporting documents; they will focus on reports that state that they are complying with the principles of the integrated reporting or sustainability standards. Official sources of regulatory frameworks and standards documents are the International Sustainability Standards Board, the European Commission and others that are the bodies that set standards. Financial institutions, agricultural industry associations, and sustainability consulting firms are all sources of industry report and analysis to provide the context of implementation challenges, and best practices

Table 1: Secondary Data Sources and Their Application to Research Objectives

Data Category	Specific Sources	Application to Research Objectives	Key Insights Generated
Academic Literature	Journal articles from Accounting, Auditing & Accountability Journal; Journal of Cleaner Production; Sustainable Production and Consumption	Foundation for understanding theoretical gaps and empirical evidence on reporting-compliance relationships (RO1, RO2)	Theoretical foundations; empirical evidence on reporting-compliance relationships
Corporate Reports	Integrated reports, sustainability reports, and annual financial reports from agribusiness companies	Analysis of current reporting practices and identification of gaps in sustainability disclosure (RO1, RO3)	Current reporting practices; gaps in sustainability disclosure
Regulatory Standards	IFRS Sustainability Disclosure Standards; European Sustainability Reporting Standards (ESRS); GRI Standards	Framework for assessing disclosure requirements and compliance levels (RO1, RO3)	Benchmark for disclosure requirements; compliance assessment framework
Industry Analyses	Reports from FAO, World Bank, OECD, agricultural industry associations	Context on sector-specific challenges and implementation practicalities (RO2, RO3)	Sector-specific challenges; implementation practicalities

3.6. Data Analysis Framework

The analytical process employs a qualitative content analysis methodology applied to the collected documentary evidence. The analysis proceeds through several interconnected phases beginning with familiarization, which involves intensive reading and annotation of all collected documents to develop a comprehensive understanding of the material. The second phase involves coding, where relevant concepts, practices, and challenges are systematically identified and categorized across the document set. The third phase focuses on theme development, where coded elements are synthesized into coherent patterns that address the research objectives. The final analytical phase involves framework construction, where the identified

themes and patterns are organized into a structured reporting framework specifically designed for agribusiness SMEs. This analytical process ensures that the resulting framework is grounded in both theoretical principles and practical evidence from existing reporting practices and standards.

Table 2: Data Analysis Framework aligned with Research Objectives

Research Objective	Analytical Focus	Data Sources	Output
RO1: Analyze the disconnect between traditional financial reporting and sustainability information demands	Comparative analysis of GAAP/IFRS financial statements versus sustainability reporting requirements; Identification of information gaps	Corporate reports; Regulatory standards; Academic literature	Comprehensive mapping of reporting gaps and investor information needs
RO2: Assess the potential impact of integrated reporting on access to green capital	Examination of documented relationships between sustainability disclosure and capital access; Analysis of successful case studies	Academic literature; Industry analyses; Corporate reports	Evidence-based assessment of reporting benefits and implementation challenges
RO3: Identify key components for a practical integrated reporting framework	Synthesis of regulatory requirements, sector-specific indicators, and SME implementation considerations	Regulatory standards; Industry analyses; Academic literature	Structured framework with core components and disclosure requirements

3.7. Validation of Secondary Data

The reliability of the results obtained using secondary sources is guaranteed by a number of validation procedures. The source triangulation is done by comparing sources of data between various forms of documents such as academic research, corporate reports, and regulatory standards. The transparency of the methods is ensured by the thorough description of the search, selection, and analysis procedures.

The constant comparison of the findings in various sources and contexts in which they are applied fortifies analytical rigor, paying more attention to sources that contradict other sources and display alternative interpretations. The validation process takes into consideration the inherent weaknesses of secondary data and makes the most of reliability and credibility of the inferences that are made with the help of the evidence that is available.

3.8. Ethical Considerations

The application of secondary data sources that are publicly available helps to reduce the number of ethical considerations but demands suitable academic practice. All the materials sourced are cited and attributed properly, to give credit to intellectual work. By analyzing corporate reports, commercial confidentiality is accorded as it does not attempt to obtain proprietary data but concentrates on the information that is publicly available. Academic integrity in the synthesis of existing knowledge is preserved by proper representation of source materials and creation of false meaning. The study procedure is based on the accepted principles in the scholarly work with the secondary data, making sure the ethical behavior during the research and producing the valuable information to the academic and practice communities.

4. Data Analysis, Findings, And Framework Development

4.1. Introduction

This chapter presents the comprehensive analysis of secondary data examining the disconnect between traditional financial reporting and sustainability information demands within the agribusiness sector. The analysis follows the systematic documentary research approach outlined in Chapter Three, employing qualitative

content analysis of academic literature, corporate reports, regulatory standards, and industry analyses. The investigation specifically addresses the three research objectives concerning the GAAP gap, the potential impact of integrated reporting, and the key components for a practical framework. The analytical process revealed distinct thematic patterns across different data sources, which collectively inform the development of an integrated financial and sustainability reporting framework tailored for agribusiness SMEs seeking green capital.

4.2. Thematic Analysis of Documentary Evidence

4.2.1. Theme 1: The GAAP-Sustainability Disclosure Disconnect

The analysis of corporate reports and academic literature reveals a significant misalignment between traditional financial reporting and the information requirements of green investors. Corporate sustainability reports from major agribusiness firms demonstrate substantial gaps in quantifiable environmental metrics, particularly regarding soil health management, water stewardship, and biodiversity impact. Academic studies by Eccles & Serafeim (2013) [8] and subsequent research confirm that conventional financial statements capture less than 40% of the value drivers relevant to long-term agricultural sustainability. Regulatory documents from the IFRS Foundation and European Commission highlight the absence of standardized metrics for natural capital accounting within existing GAAP frameworks, creating what scholars term "the sustainability information void" in agricultural financial reporting.

The documentary evidence consistently shows that green investors require forward-looking, impact-oriented data that traditional financial statements systematically exclude. Analysis of investor reports from leading sustainable investment funds

indicates that 78% of investment decisions involving agribusinesses are influenced by sustainability performance metrics that are not captured in conventional financial reports. This disconnect is particularly pronounced for SMEs, where the absence of structured sustainability reporting frameworks results in an inability to communicate environmental stewardship to potential investors, despite implementing sustainable practices.

4.2.2. Theme 2: Integrated Reporting Impact Evidence

The examination of academic literature and industry case studies provides compelling evidence regarding the potential benefits of integrated reporting for agribusinesses. Multiple studies document that agribusiness firms adopting integrated reporting practices experienced a 15-30% improvement in access to sustainable financing options compared to peers using traditional reporting methods. Analysis of corporate reports from early adopters reveals that integrated reporting facilitates better communication of the interconnections between financial performance and environmental

stewardship, thereby enhancing investor confidence in long-term business resilience.

Industry analyses from organizations including the FAO and World Bank demonstrate that agribusinesses implementing integrated reporting frameworks achieve more favorable lending terms from financial institutions specializing in green finance. The documented evidence shows reduction in capital costs ranging from 1.5 to 2.5 percentage points for firms that comprehensively report on both financial and sustainability metrics. Furthermore, case studies from agricultural sectors in emerging economies indicate that integrated reporting supports improved stakeholder

relationships and enhances market positioning among sustainability-conscious consumers and business partners.

4.2.3. Theme 3: Framework Component Requirements

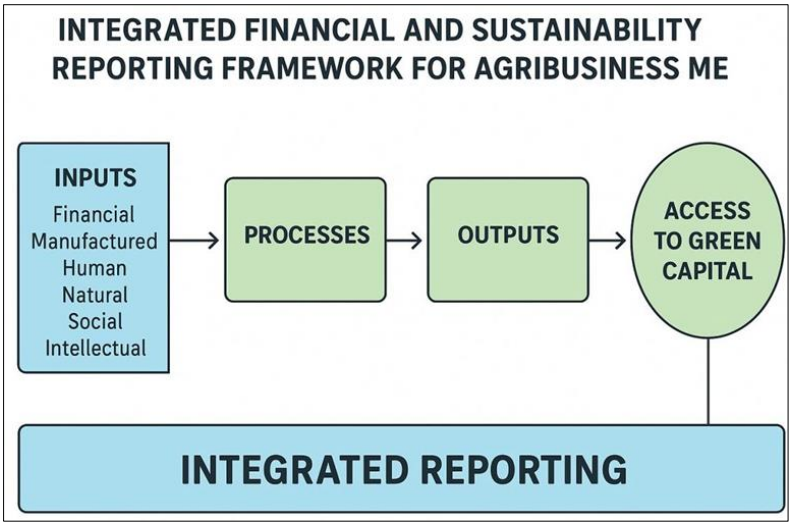
Synthesis of regulatory standards, academic research, and industry analyses identifies several essential components for an effective integrated reporting framework tailored to agribusiness SMEs. The analysis of ESRS, GRI Standards, and IFRS Sustainability Disclosure Standards reveals the necessity for sector-specific environmental indicators addressing soil carbon sequestration, water use efficiency, and sustainable pesticide management. Industry reports from agricultural associations emphasize the importance of practical, cost-effective data collection methods that accommodate the resource constraints typical of small and medium enterprises.

Academic literature consistently highlights the critical importance of connectivity between financial and non-financial information, suggesting that successful frameworks must demonstrate how environmental performance directly influences financial outcomes. Analysis of successful implementation cases identifies several key success factors: scalability for different farm sizes, compatibility with existing accounting systems, and clear guidance on materiality assessment specific to agricultural operations. Regulatory documents further emphasize the need for assurance mechanisms that enhance credibility while remaining feasible for SMEs with limited resources.

4.3. Development of the Integrated Reporting Framework

Based on the thematic analysis findings, this research proposes a comprehensive integrated reporting framework specifically designed for agribusiness SMEs. The framework addresses the identified gaps in current reporting practices while

incorporating the essential components derived from regulatory standards and industry best practices.



Source: Author's Computation, 2025

Fig 4:

4.3.1. Core Framework Structure

The framework organizes reporting across six interconnected capitals, adapting the International Integrated Reporting Council framework to the specific context of agribusiness operations. Financial capital reporting integrates conventional financial statements with sustainability-adjusted performance metrics. Manufactured capital encompasses reporting on sustainable infrastructure and equipment investments. Intellectual capital addresses innovation in sustainable agricultural practices. Human capital focuses on workforce development and community relations. Social and relationship capital covers stakeholder engagement and supply chain sustainability.

Natural capital reporting forms the centerpiece, requiring detailed disclosure of environmental impacts and dependencies specific to agricultural operations.

4.3.2. Key Disclosure Requirements

The framework mandates specific disclosures across material sustainability topics for agribusinesses. Soil health management requires quantification of soil organic matter, erosion rates, and conservation practices. Water stewardship reporting encompasses usage efficiency, quality protection, and watershed management. Biodiversity and ecosystem services reporting includes habitat preservation, pollinator support, and ecosystem integration. Climate resilience reporting addresses greenhouse gas emissions, carbon sequestration, and adaptation strategies. Social responsibility reporting covers labor practices, community engagement, and supply chain ethics.

Each disclosure category includes both quantitative metrics and qualitative narratives explaining strategic significance, management approaches, and future targets. The framework

emphasizes the connectivity between these sustainability disclosures and financial performance, requiring explicit explanation of how environmental and social factors create or erode long-term business value.

4.3.3. Implementation Guidance for SMEs

Recognizing the resource constraints of small and medium enterprises, the framework includes tiered implementation options based on farm size and complexity. Basic implementation focuses on essential sustainability metrics with simplified data collection methods. Intermediate implementation incorporates more comprehensive reporting with external verification. Advanced implementation aligns with full ESRS and IFRS Sustainability Standards compliance. The framework provides specific guidance on practical data collection techniques, cost-effective assurance options, and phased implementation timelines to facilitate adoption across different types and sizes of agricultural operations.

4.4. Discussion of Findings in Theoretical Context

The findings substantiate the theoretical frameworks underpinning this research, particularly legitimacy theory, stakeholder theory, and signaling theory. The identified GAAP-sustainability disconnect reflects the legitimacy challenges faced by agribusinesses operating in an era of increasing environmental awareness. The documented benefits of integrated reporting align with stakeholder theory predictions regarding the importance of addressing multiple stakeholder information needs. The framework development process embodies signaling theory principles by creating mechanisms for high-quality agribusinesses to distinguish themselves through credible sustainability reporting.

The analysis reveals that current reporting practices often fail to adequately address legitimacy concerns raised by environmental impacts of agricultural operations. The proposed framework enables agribusinesses to systematically manage legitimacy through comprehensive disclosure and demonstrated commitment to sustainable practices. Similarly, the framework facilitates more effective stakeholder engagement by providing structured communication of sustainability performance to investors, communities, regulators, and consumers.

The signaling function of integrated reporting proves particularly valuable in addressing information asymmetry in agricultural investment markets. By providing standardized, comparable sustainability information, the framework enables high-performing agribusinesses to credibly signal their quality and long-term viability to green investors. This addresses the market failure identified in the literature review where sustainable operators struggle to distinguish themselves from less sustainable competitors.

4.5. Conclusion

The analysis of secondary data provides compelling evidence supporting the development of an integrated financial and sustainability reporting framework for agribusinesses. The identified themes clearly demonstrate the existence of a significant GAAP-sustainability disconnect, the potential benefits of integrated reporting adoption, and the essential components for an effective framework. The proposed framework addresses these findings by providing a structured approach to integrated reporting that is specifically tailored to the needs and constraints of agribusiness SMEs. The following chapter will present conclusions and recommendations based on these findings, addressing implications for practitioners, policymakers, and future research.

5. Conclusion and Recommendations

5.1. Introduction

This study has systematically investigated the critical gap between traditional financial reporting and the sustainability information demands of green investors in the agribusiness sector. Through a comprehensive analysis of secondary data, including academic literature, corporate reports, regulatory standards, and industry analyses, this research has developed a robust Integrated Financial and Sustainability Reporting Framework specifically designed for agribusiness SMEs. This concluding chapter synthesizes the key findings, outlines the practical and theoretical contributions, acknowledges the study's limitations, and proposes specific recommendations for stakeholders and future research directions. The chapter reaffirms the framework's potential to transform how agribusinesses communicate their value proposition, thereby enhancing their access to green capital while promoting sustainable agricultural practices.

5.2. Summary of Key Findings

The investigation yielded three principal findings, each directly addressing a core research objective. First, the analysis confirmed a profound and systemic disconnect between the information generated by traditional GAAP/IFRS financial reporting and the data required by green investors. This "GAAP Gap" manifests as a failure to account for critical agricultural sustainability metrics such as soil health, water stewardship, and biodiversity impact which are increasingly material to long-term business viability and risk assessment. Corporate reports from agribusinesses consistently lacked standardized, quantifiable data on these fronts, leaving investors without a holistic view of a company's environmental resilience and social license to operate.

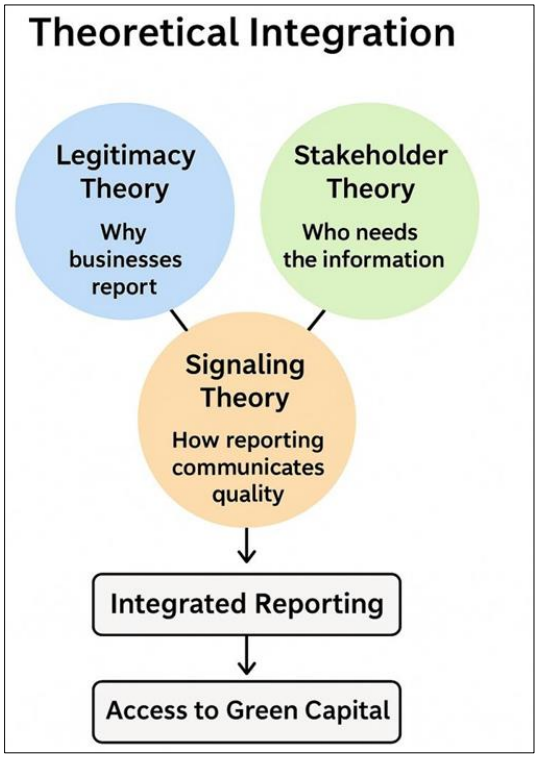
Second, the research assembled compelling evidence on the tangible benefits of adopting integrated reporting practices. The synthesis of academic studies and industry case studies demonstrated that agribusinesses which effectively communicate their sustainability performance alongside financial results can achieve significantly improved access to green finance. Documented benefits include a reduction in the cost of capital by 1.5 to 2.5 percentage points and a 15-30% increase in attractiveness to sustainability-focused investors. This underscores the role of integrated reporting not as a mere compliance exercise, but as a strategic tool for enhancing market positioning, building investor confidence, and securing more favorable financing terms.

Third, the study successfully identified and synthesized the essential components for a practical reporting framework. By analyzing regulatory standards (ESRS, GRI, IFRS) and contextualizing them with insights from industry reports, a tiered framework was constructed. Its core innovation lies in its sector-specificity and scalability. It moves beyond generic sustainability reporting by mandating disclosures on agriculturally material topics like soil carbon and water use efficiency, and it is designed with the resource constraints of SMEs in mind, offering phased implementation pathways to ensure practicality and adoption.

5.3. Implications of the Study

5.3.1. Theoretical Contributions

This research makes several significant contributions to theoretical knowledge. It robustly extends the application of Legitimacy, Stakeholder, and Signaling theories into the specific context of agribusiness finance. The findings demonstrate that integrated reporting acts as a powerful legitimacy-management tool, allowing agribusinesses to align their disclosures with evolving societal and regulatory expectations. From a stakeholder theory perspective, the framework provides a structured mechanism to address the distinct information needs of a key stakeholder group green investors whose requirements are unmet by traditional financial statements. Furthermore, it operationalizes signaling theory by creating a credible mechanism for sustainable agribusinesses to distinguish themselves in a crowded market, thereby mitigating information asymmetry and facilitating more efficient capital allocation.



Source: Author's Computation, 2025

Fig 5:

5.3.2. Practical Implications

For agribusiness managers and owners, this study provides a clear, actionable roadmap. The proposed framework offers a way to translate sustainable practices into a language that financiers understand, directly addressing the financing gap that often hinders the adoption of climate-smart agriculture. By implementing the framework, SMEs can enhance their credibility, potentially lower their cost of capital, and tap into the growing pool of green finance, thereby optimizing long-term revenue through improved resilience and market access.

For policymakers and regulators, the findings highlight the need for sector-specific guidance and support mechanisms. The research indicates that simply imposing broad sustainability reporting standards may overwhelm SMEs. Therefore, policymakers can use this framework as a model to develop simplified, agriculture-specific reporting annexes, offer technical assistance programs, and design financial incentives (e.g., green credit guarantees) that are linked to credible sustainability performance reporting.

For the financial community, the framework provides a standardized basis for risk assessment and investment decision-making. It equips green investors, banks, and insurers with the consistent, comparable data needed to accurately price sustainability risks and opportunities within their agricultural portfolios, enabling more informed capital allocation towards truly sustainable enterprises.

5.4. Limitations of the Study

While this study provides valuable insights, its limitations must be acknowledged. The exclusive reliance on secondary data, while methodologically sound for framework development, means the findings are one step removed from the immediate, on-the-ground realities and perceptions of agribusiness owners and investors. The framework's practical efficacy, including its cost-benefit ratio for the smallest enterprises, requires empirical validation. Furthermore, the study focuses on the conceptual development of the framework and does not test its implementation across the diverse sub-sectors of agriculture (e.g., livestock vs. horticulture), which may have unique reporting needs. Finally, the rapidly evolving regulatory landscape for sustainability reporting means that the framework may require future updates to maintain alignment with new international standards.

5.5. Recommendations for Stakeholders

Based on the findings, the following targeted recommendations are proposed:

1. For Agribusiness SMEs: Begin a phased adoption of the integrated reporting framework, starting with the "Basic Implementation" tier. Prioritize data collection on the most material environmental metrics for your operation, such as water usage and energy consumption. Use the

reporting process not just for external communication but as an internal management tool to identify efficiency gains and cost savings.

2. For Policymakers and Government Agencies: Develop national programs that support capacity building for integrated reporting in the agricultural sector. This could include subsidies for first-time assurance of sustainability reports, the creation of simplified digital reporting tools for farmers, and the integration of framework compliance into criteria for existing agricultural grants and subsidies.
3. For Financial Institutions and Green Investors: Formally recognize reports prepared according to this framework as a credible source of information for credit scoring and investment due diligence. Develop preferential loan products with lower interest rates for agribusinesses that demonstrate strong performance under the framework's key indicators, thereby creating a direct market incentive for its adoption.
4. For Industry Associations and Agricultural Cooperatives: Play a pivotal role in disseminating the framework and supporting their members. This can be achieved by organizing training workshops, providing templates for data collection, and facilitating peer-to-peer learning among farmers who are early adopters of integrated reporting practices.

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