

**CORPORATE SUSTAINABILITY REPORTING AND FINANCIAL
PERFORMANCE: A CASE STUDY OF PUBLIC LIMITED LIABILITY
COMPANY.**

BY

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**BEING A RESEARCH WORK SUBMITTED TO THE DEPARTMENT OF
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BENIN CITY IN PARTIAL FUFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF BACHELOR OF SCIENCES (B.SC) IN ACCOUNTING**

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DECLARATION

I, John OGHENETHUKE IGBOGIDI ,

hereby declare that:

- I. This project is based on a study undertaken by me in the Department of Accounting, Faculty of Management Sciences, University of Benin ,Benin City, under the supervision Of **Dr(Mrs). O. U. Akogo.**
- II. This work has not been previously submitted for the award of any degree elsewhere.
- III. Ideas and views are products of my personal research and where the view of others have been expressed, they have been duly referenced and acknowledged

CERTIFICATION

We, the undersigned, hereby certify that this research project was carried out by **John OGHENETHUKE IGBOGIDI**

With MATRICULATION NUMBER **MGS1907672** of the Department of Accounting,
University of Benin, Benin City and do approve that it is adequate in content and quality in
partial
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Date

DEDICATION

This research work is dedicated to Jehovah Almighty God whose love, mercy, strength, and guidance kept me strong. To my parents, Mr. and Mrs. Igbogidi for their sacrifice and labour of love, prayers, encouragement towards ensuring that my siblings and I get the best education they can give. I also dedicate it to my siblings and friends for their love and support shown to me throughout my stay in the university

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ABSTRACT

The study investigate the relationship between sustainability reporting and financial performance of public limited liability company. The ex-post factor Research designed was adopted for this study. Company in the financial sector was adopted for the scope of this study. The data used in

this study where obtained from a secondary sources(Nigeria exchange group, company websites and sustainability reporting index).The Research make use of post –Regression analysis including Descriptive Statistics, correlation analysis and normality test.

Moreover, the least square regression analysis was also carried out. Sustainability Reporting where proxy by Economic activities disclosure, social activities disclosure, and environmental activities disclosure. The findings of the post Regression analysis revealed that sustainability reporting proxy by economic activities has a positive and significant effect on financial performance, this indicate that companies with high level of economic disclosure tend to have better financial performance.

The study concludes that sustainability reporting must be incorporated by company in order to increase their financial performance .the study hereby recommend the following

Company should integrate sustainability reporting into business strategy. firms should seamlessly integrate sustainability initiatives into their overarching business strategy, viewing sustainability as a core element of their mission and values, this alignment will foster more impactful and meaningful sustainable practices.

CHAPTER ONE

1.1 INTRODUCTION

Sustainability reporting (SR) has emerged as a transformative concept that extends beyond mere disclosure, serving as a bridge for communication between organizations and stakeholders. Through this process, stakeholders gain insight into whether their concerns have been considered by companies in their decision-making (Frynas & Yamahaki, 2016). Globally, organizations have exhibited a heightened focus on sustainability reporting (KPMG & UNEP, 2006; KPMG, 2008; Lynch et al., 2014; Anunciação et al., 2017; Larrinaga Gonzalez, 2007; Adams & Frost, 2008). Research in this domain has also witnessed significant growth, with studies exploring the quality of sustainability reporting and engaging in benchmarking evaluations (Milne & Gray, 2013; Arayssi et al., 2016; Rezaee, 2016; Kolk, 2004). Corporate sustainability embodies the intentional and strategic actions undertaken by organizations to operate in a socially responsible, environmentally conscious, and economically sustainable manner. It encompasses the integration of sustainable values and practices across all facets of company operations, including governance, supply chain management, environmental impact reduction, social responsibility, and stakeholder engagement. In an era of evolving business practices,

corporate sustainability has emerged as a compelling force, challenging the conventional profit-driven paradigm. In a world confronted by environmental crises and social disparities, organizations have acknowledged the imperative of assuming responsibility for their actions. Corporate sustainability ensures that businesses prioritize not only economic success but also sustainable coexistence with the planet and its inhabitants (Adobe Inc., 2023). The prevalence of business failures in Nigeria due to declining profitability (Abdulkareem et al., 2021) and the detrimental effects of business activities on the environment, resource depletion, and economic and social challenges (Emmanue & Erinoso, 2022) underscores the need to assess the impact of sustainability measures on the financial performance of publicly listed financial institutions in Nigeria. For instance, the operations of oil and gas companies contribute to incidents such as oil spills, gas flaring, and the release of hazardous substances into the atmosphere and water bodies. Consequently, a comprehensive understanding of the underlying principles of sustainability reporting and its implications on corporate performance is crucial in determining its significance. This study seeks to determine whether sustainability reporting influences the performance of Nigerian public companies. Societies worldwide have expressed mounting concerns regarding the environmental degradation caused by corporate activities and its adverse effects on human lives. Consequently, there have been calls for businesses to adopt sustainable and responsible practices. Adegboyegun, Alade, Ben-Caleb, Ademola, Eluyela, and Oladipo (2020) observed that such concerns were not effectively addressed as sustainability

information was often absent from corporate annual reports, diminishing corporate accountability to their immediate environment.

The heightened awareness of corporate responsibility for the social consequences of their activities has placed pressure on organizations to demonstrate their commitment to ethical conduct. As a result, businesses have shifted from a singular focus on maximizing shareholder wealth to embracing activities that benefit all stakeholders. Firms are now cognizant that involvement in controversial events that could damage their credibility and reputation can negatively impact both their financial and market performance, as well as their long-term sustainability (Oprean-Stan, Oncioiu, Iuga & Stan, 2020). This, in essence, compels companies to respond proactively to sustainability issues, reinforcing the notion that sustainable development is vital for the future prosperity of societies and individuals (Edwards, 2015; White, 2019). The recognition that social and environmental responsibility can facilitate long-term growth, enhance productivity, and maximize shareholder value has elevated sustainability concerns to a paramount position for businesses of all sizes, ensuring the preservation of capital for future generations (Oprean-Stan et al, 2020). This awareness has led to a surge in the number of firms providing sustainability reports in addition to conventional reporting frameworks. Notably, while some nations have implemented regulations for sustainability reporting, others provide guidance on sustainability disclosure (Hu, Du & Zhang 2020). Previous research has primarily focused on factors influencing sustainability disclosures in companies (Sharma, Panday & Dangwal,

2020; Vitolla, Raimo, Rubino & Garzoni, 2020; Dyduch & Krasodomska, 2017; 2013). Other studies have examined the relationship between sustainability disclosures and firm performance, which aligns closely with the present study. Hence, this research is motivated by two primary objectives: extending the sectoral coverage of prior related studies and introducing an unconventional measure of sustainability disclosure to evaluate the effect of sustainability reporting on the financial performance of Nigerian companies. Against this backdrop, this study endeavors to determine the correlation between corporate sustainability reporting and financial performance among publicly traded financial institutions in Nigeria.

1.2 STATEMENT OF PROBLEM

Sustainability reporting has emerged as a crucial topic and concern globally. Investors' interest in non-financial performance of companies has surged over recent years. According to the Global Reporting Initiative (2011), a vast majority of the world's largest corporations now disclose their corporate responsibility initiatives. Hence, exploring the influence of sustainability reporting on the financial health of business organizations holds great significance. Earlier research on sustainability reporting and financial performance, such as that by Ehimare (2023) and Nzekwe et al. (2021), has established a positive correlation between these two aspects. However, other studies, like those conducted by Albiter, Hussaine, Kolade, and Merged (2020), Hongming, Alhned Hussain, Rehiman, Allah, and Khan; as well as Emeka, Nwokeji, and Osisoma (2019), have yielded contrasting negative results. Moreover, these prior studies have focused primarily

on sectors other than banking. Additionally, the majority of these studies have examined only specific dimensions of sustainability reporting, such as economic and social activities, while neglecting environmental aspects. The conflicting and divergent findings of past research on corporate sustainability reporting and financial performance of public companies in Nigeria can largely be attributed to the use of limited variables and similar industry samples. Thus, this study aims to bridge these gaps by analyzing the relationship between corporate sustainability reporting and financial performance in the banking sector listed on the Nigerian Exchange Group, an area that has yet to be thoroughly investigated. In light of this, the following research questions will guide the study

- A. What effect does economic activities disclosure have on the financial performance of public limited liability company?
- B. What effect does environment activities disclosure have on the financial performance of public limited liability company?
- C. What effect does social activities disclosure have on the financial performance of public limited liability company?

1.4. OBJECTIVE OF THE STUDY

The primary objective of this study is to determine the impact of sustainability practice undertaken by companies on its financial performance in the Nigeria context.

Specifically, the following are the objectives of undertaken this study:

- A. To examine the impact of economy activities disclosure on the financial performance of public limited liability company
- B. To ascertain the effects of environmental activities disclosure on the financial performance of public limited liability company
- C. To analyze the effect of social activities disclosure on the financial performance of public limited liability company

1.5. RESEARCH HYPOTHESIS

Ho1 there is no relationship between economic activities disclosure and financial performance

Ho2: there is no relationship between environmental activities disclosure and financial performance

Ho3: there is no relationship between social activities disclosure and financial performance

1.6. SCOPE OF THE STUDY

This study seek to examine the relationship between corporate sustainability reporting and financial performance of public limited liability company in the banking industry. The study will be delimited to all firm in the banking industry in Nigeria. The banking industry is choosing because previous study has not being carry out in these sector . Our target population for this

study is are all firm in the banking industry whose stock is listed in the Nigeria exchange group. For the availability of data, 10 firm has being selected to be our sample for this study. Consequently, 10 years data of these selected firms, ranging from 2013-2022 will be examined in the course of this study.

1.7 SIGNIFICANT OF THE STUDY

This study will help to broaden the knowledge of shareholders, investors, Regulatory agencies and relevant professional bodies in accountancy, by putting in place measures to encourage sustainability reporting amongst registered firm in Nigeria. This study will also enlighten host communities where organizations operates and other stakeholders as regard the effectiveness of sustainability reporting to meet their information need and help them hold companies accountable to social responsibilities. The study will also inform other companies that are yet to adopt sustainability reporting practice as it will enlighten them on its inherent impact on their financial performance. In addition to these, this study will help future researchers who might want to dig deep on the subject matter as it serves as a basis of reserved knowledge to be consulted by future researchers.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introductions

This study's primarily goal is to investigate the connection between corporate sustainability reporting and financial performance of firm in the banking sector. In this chapter, a conceptual framework of variables involved in this study is first discussed followed by an empirical review of relevant literature and the theoretical framework.

2.2 Sustainability Reporting

There is no universally accepted definition for sustainability reporting. A general term used to describe a company's reporting on its economic, environmental, and social performance. More specific terms such as "triple bottom line reporting," "corporate responsibility reporting," and "sustainable development reporting" are now considered subcategories of Sustainability Reporting. Sustainability Reporting is a form of accounting and reporting that involves recording and disclosing the financial, environmental, and social impacts resulting from various activities. It encompasses measuring, analyzing, and communicating the relationships between social, environmental, and economic issues that make up sustainability in three dimensions. The growing prevalence of sustainability reporting stems from the recognition that sustainability concerns can significantly impact corporate finance and the need for companies to respond

appropriately to sustainability-related issues (KPMG 2008, Ivan, 2009). The concept of sustainable development originated with the Brundtland Commission in 1987, and it essentially involves engaging in activities that meet the needs of the present without compromising the ability of future generations to meet their own needs (Zyadar, 2016). Sustainability refers to an organization's ability to undertake additional activities that enable it to respond to economic, social, and environmental changes and risks arising from such changes. This ability affects an organization's reputation and market presence, as well as management potential that fosters innovation, creativity, and adaptability to environmental conditions. In essence, sustainable development is characterized by actions that meet the needs of the present without hindering or impairing the ability of future generations to fulfill their own needs (Brundtland, 1987). Umoren & Ukpong,(2022) define sustainability accounting as the sub-field of accounting that focuses on recording and reporting on the environmental and social impacts of business activities, as well as the ecological and sociological effects generated by a specific economic system. Beyond simply producing reports, it represents an opportunity to internalize and enhance an organization's commitment to sustainable development in tangible ways that can be demonstrated to both internal and external stakeholders. Akpan & Simeon (2021) suggest that the disclosures aim to increase awareness of how companies integrate sustainable development principles into their organizational objectives and daily operations. Sustainable development is often viewed as society's acknowledgment of its role in conserving resources and ensuring the continuation of life on Earth (Albu et al., 2011). Various global organizations have attempted to define this

concept, with the OECD (2012) suggesting that economic development involves achieving a net benefit by safeguarding environmental and social systems through adaptive interaction. IFAC (2006) defines sustainable development as an organization's capacity to generate ongoing value as an economic entity. Sustainability experts emphasize the triple dimensions of environment, economy, and society as the foundational pillars (United Nations General Assembly, 2005). The Global Reporting Initiative (GRI), an international NGO, contributes to the vision of a sustainable global economy by fostering a multi-stakeholder effort to establish a comprehensive sustainability reporting framework for companies worldwide (GRI, 2014).

2.2.1 Economic Activities Disclosure

A company's economic activity disclosure encompasses the presentation of in-depth details pertaining to its fiscal performance, operational strategies, and broader influence. This includes aspects such as revenue generation, cost structures, investment initiatives, and financial risks. The disclosure may also encompass the company's adherence to principles of economic sustainability, which entails responsible business practices, contributions to local economies, and the pursuit of long-term financial viability. Transparency in economic activities is paramount for stakeholders, including investors, regulatory bodies, and the public, to gauge a company's financial well-being and its commitment to ethical business practices. The concept of economic activities disclosure necessitates organizations to adopt a holistic view of their responsibilities, extending beyond shareholders to encompass employees, suppliers, customers, the local

community, and various interest groups. Research conducted by Darus et al. (2020) has demonstrated a positive correlation between higher profitability levels and the extent of economic responsibility disclosure. By disclosing economic activities, corporations can enhance their reputation and mitigate financial risks, reducing the likelihood of bankruptcy compared to those that do not engage in such disclosures (Ezeagba et al., 2017). The economic principle of sustainability emphasizes the significance of balancing present economic needs with considerations for the needs and well-being of future generations. In the context of financial institutions such as Deposit Money Banks, economic sustainability involves managing business risks, establishing robust operational practices, conducting responsible investments, fostering opportunities for Small and Medium Enterprises (SMEs) and financially excluded individuals, ensuring sound corporate governance, and refraining from unethical practices such as money laundering, fraud, and other misconduct that can jeopardize brand longevity (Zenith Bank, 2017).

2.2. Social activities disclosure

Social accounting, also known as social and environmental accounting, corporate social reporting, corporate social responsibility reporting, sustainability reporting, and non-financial reporting or accounting, involves conveying the social and environmental impacts of organizations' financial activities to specific parties within society and society at large. Social dimension to sustainable development accomplishes social justice and equity in the dissemination of common social and economic assets, advances social cooperation and

investment in nearby networks, creates social assorted variety, and thinks about human rights and regards for human rights (Smouts, 2005). In the financial services sector, the social sustainability pillar focuses on the impact of bank operations and that of her clients/investees on the social variable of equality, human rights, labors rights, social justice, and cultural tolerance. The socially responsibility requirements also entails banks close monitoring of vendors to avoid their involvements in child labor and human right violations.

The Nigerian Sustainability Banking Principles (NSBP) is a set of standards that have been created for the financial sector in Nigeria by the central bank of Nigeria (CBN) and the bankers' committee to signal a pledge to economic growth that is environmentally responsible and socially significant. Banks as financiers and business leaders perceive the role they play in conveying positive development impacts to society whilst securing the networks and environment in which they work. Zenith Bank (2017) opines that deposit money banks can deliver on the standards by:

- a. Understanding and properly dealing with the Environmental and Social (E & S) risks and opportunities related to their particular business exercises and activities
- b. the insurance of human rights, advancement of ladies' economic strengthening, and expanding access to fund for the unbanked portions of the economy;

- c. working together to create over the sector, the correct administrative structures, E & S, the executives limit and collaborative associations important for actualizing the standards; and
- d. Managing and reporting progress.

The business operations of the customers that the deposit money banks assess can have possible negative impacts on the environment or neighborhood networks where the customers work. These negative impacts can incorporate air or environment contamination, demolition of biodiversity, dangers to human wellbeing and security, infringement of labors rights, or removal of employments. Every one of these issues may have concealed external costs which thus impede the general growth prospects of the economy and society. Nigerian Sustainable Banking Principles is summarized in the table below:

No	Principles	Definition
1	Business Activities	Environmental and Social Risk Management: Integration of environmental and Social considerations into Bank’s lending activities.
2	Business operations	Environmental and Social Footprints. Avoidance of negative impacts of Bank business operations
3	Human rights	Respect for the rights of all

		in business operations
4	Women economic empowerment	Promote economic empowerment through gender inclusive workplace cultures and provide products and services for women
5	Financial inclusion	Promotion of financial inclusion and provision of financial services to individuals and communities that have limited or no access to the formal financial sector.
6	E and S governance	Implementation of transparent E & S governance practices within the institution and access the E & S governance of clients.
7	Capacity building	Development of capacity to identify, access and manage the E & S risks associated with bank's business activities and operations.
8	Collaborative partnership	Collaboration across the sector and leveraging on international partnership and move the financial sector as one and ensure consistency with

		international standards.
9	Reporting	Reporting Regularly review and report progress in meeting the principles

Source: central bank circular of 2012

The nine principles presented in Table 1 above were a brainchild of the Central Bank of Nigeria and the bankers committee. The ideas of establishment of the principles is to inculcate core sustainability banking procedures and practices in the Nigerian banking sector. Basically, the principles were designed in line with the Sustainable Development Goals (SDG) which replaced the 2015 Millennium Development Goals.

2.2.3 Environmental activities disclosure

Environmental reporting for a company involves disclosing information about its environmental impact, sustainability practices, and efforts to mitigate negative effects on the environment. This may include details on energy consumption, waste management, emissions, and initiatives to promote environmental responsibility. It helps stakeholders, including investors and consumers, understand a company's commitment to environmental stewardship and can contribute to accountability and transparency in business practices. Environmental activities disclosure in the banks involves developing and financing projects that conserve the ecosystem, minimize carbon footprints (Zenith Bank,2017)

Some of the environmental activities that can be carryout by bank are:

Environmental Policies: Clearly stating the bank's environmental policies and commitments, outlining its approach to environmental risk management.

Carbon Footprint: Reporting on the bank's own carbon footprint, including energy consumption, greenhouse gas emissions, and efforts to reduce or offset these impacts.

Green Financing: Disclosing information about the bank's investments in environmentally friendly projects, such as renewable energy or sustainable infrastructure.

Sustainable Lending: Detailing the bank's lending practices with regard to environmental considerations, like funding eco-friendly projects or excluding financing for environmentally harmful activities.

Eco-friendly Operations: Sharing efforts to make internal operations more environmentally sustainable, such as reducing paper usage, implementing energy-efficient technologies, or adopting green building standards.

Community Engagement: Describing the bank's involvement in community initiatives that promote environmental conservation or sustainability.

2.2.1 FINANCIAL PERFORMANCE

Financial performance gauges a company's financial well-being over a specific period using performance metrics. Traditionally, financial performance has been linked to maximizing shareholder wealth. However, researchers suggest that financial performance should assess the improvement in shareholder well-being over time. Therefore, shareholder wealth creation can be measured through periodic financial information, including the statement of financial position and statement of comprehensive income, or stock market prices. In this context, "improvement" implies a favorable change in shareholder wealth from the beginning to the end of the reporting period.

The growth in investors' estimations spans from the initial allocation of funds to the furthest possible point within a given accounting period (Kakanda et al., 2016). Within the banking sector, financial performance denotes the monetary health of banks, underpinning their establishment and continued operation. It serves as an indicator of a bank's financial standing during a particular time frame (Dufera, 2010). Financial performance is crucial for banks as it empowers their management to assess the bank's overall performance, identify areas of strength and weakness, identify investment opportunities, address stakeholder needs, enhance competitiveness, achieve a competitive edge, mitigate risks to stakeholder value, and demonstrate the bank's capacity to navigate external challenges and adapt to emerging

conditions. Strong financial performance is widely recognized as a reliable indicator of a bank's resilience and adaptability (Dufera, 2010). Financial performance assessment involves examining outcomes against specific criteria aligned with the bank's plans and strategic objectives. Performance monitoring and evaluation are essential for aligning performance with objectives and identifying areas for improvement at various administrative levels to achieve strategic goals (Poster & Streib, 2005). In banking, financial ratios are employed to evaluate performance. These ratios capture the financial implications of operational performance assessments, quantifying the degree to which the bank's strategy aligns with its objectives.

Financial ratios encompass profitability ratios, solvency ratios, liquidity ratios, and financial management performance ratios (productivity), derived from different financial statements (Babaloa & Abiola, 2013). Several key ratios are widely used to measure bank performance, including Earnings Per Share (EPS), Return On Equity (ROE), and Return On Assets (ROA). EPS measures a firm's profitability on a per-share basis, reflecting the financial return to shareholders relative to their investment. Authorities concur that EPS represents the return per share for a specified period, typically a financial year (Weygandt, Kieso, & Kimmel, 2010; Alexander, Britton, Jorissen, Hoogendoorn, & Mourik, 2015). EPS is calculated by dividing net profit after tax by the number of shares. ROE aims to assess the return investors earn on their investment in the bank's capital. Gibson (2013) defines ROE as the result of dividing net profit after tax by shareholder equity, which includes paid-in capital, premiums, reserves, and

retained earnings. ROA measures the efficiency of bank management in utilizing assets to generate profit. Gibson (2013) states that it is calculated by dividing net profit after expenses by total bank assets.

2.1.2 Profitability

Profitability is a key sub concept within the broader concept of business success, measuring the ability of a company to generate earnings relative to its costs and investments. It reflects the efficiency and effectiveness of a business in converting resources into financial gains, often assessed through metrics like net profit margin and return on investment. In essence, profitability indicates the financial health and sustainability of a business. It involves managing revenue and expenses effectively to ensure that the company not only covers its costs but also generates a surplus. Businesses often strive to maximize profitability through strategic pricing, cost control, and operational efficiency. Various financial ratios, such as gross profit margin, operating profit margin, and net profit margin, provide insights into different aspects of profitability. These metrics help assess how well a company is managing its production costs, operating expenses, and overall financial performance. Profitability represents the net outcome of various policies and decisions made by an organization's management (Pearce & Robinson, 2008). It is intended to gauge the efficiency of utilizing company assets. Profitability offers firms the flexibility and confidence to engage in sustainable growth and development activities (Dabor & Dabor, 2015). Studies have suggested that firms with higher profitability tend to be more willing to disclose

detailed information of sustainability practice (Inchausti, 1997; Lang & Lundholm, 1993; Suwaidan, 1997) as it helps explain differences in the level of disclosure among firms.

2.1.3 Return on asset

Return on assets (ROA) is a financial metric that measures a company's efficiency in utilizing its assets to generate profits. It is calculated by dividing the net income of a business by its average total assets. ROA provides insights into how well a company is managing its resources to generate earnings and is expressed as a percentage. A higher ROA indicates better asset utilization and efficiency in generating profits. It is a useful tool for investors and analysts to assess a company's performance and compare it with industry peers.

According to Kabajeh et al., 2012. ROA is a measure of a firm's profitability relative to the total assets employed by the company. It serves as a comparative metric that largely depends on the industry context. ROA assesses how effectively a company converts the investments in assets through equity or debt financing into net income (Saragih, 2018).

2.1.4 Return on Equity

ROE measures how much profit a company generates from the equity capital invested by shareholders and can be used over time to assess changes in a company's financial position. It indicates the amount of profits returned as a percentage of shareholders' investments (Kabajeh et al., 2012). ROE illustrates a company's ability to generate profit with the shareholder equity and

is valuable for comparing net income with other companies in the industry, showcasing the efficiency of the company in turning invested money into gains for the investors (Saragih, 2018).

2.2. REVIEW OF EMPIRICAL STUDIES

Umoren & Ukpong (2022) analyzed corporate factors influencing sustainability reporting in Nigerian companies. They examined firm size, profitability, board size, and board diversity. Using a quantitative approach, data were gathered from financial reports of companies listed on the Nigerian Exchange Group (as of April 2022). Their findings suggested that firm size, board size, diversity, and industry positively impact sustainability reporting, while profitability has a negative but insignificant influence.

BuallayBuallay et al. (2021) investigated sustainability reporting and bank performance after the 2008 financial crisis. They analyzed the relationship between sustainability reporting and bank performance in developed and developing countries. Data were collected from 49 banks over 11 years post-crisis. Environmental, social, and governance (ESG) scores were assessed against return on equity, return on assets, and Tobin's Q. The results indicated a stronger impact of ESG factors on bank performance in developed countries, aligning with Abughneim et al. (2019).

However, the study used outdated data and excluded EVA as a metric. This research fills this gap by analyzing the period 2013-2022 and incorporating EVA.

Subahri et al. (2021) examined the impact of sustainability reporting on ROA, ROE, and corporate governance in Indonesian banks. Using quantitative analysis, data from annual financial statements of publicly listed banks (2016-2019) were analyzed. The study found that sustainability reporting positively influences both ROA and ROE, supporting Umar et al. (2021). However, only banks and a limited period (2016-2019) were included. This research expands the analysis to all listed financial companies, covers a broader period (2012-2021), and incorporates EVA and Tobin's Q. Yahaya et al. (2021) investigated the relationship between sustainability performance and profitability of listed Nigerian insurance companies. The study utilized census sampling to include 26 insurance companies and analyzed data from annual reports from 2010 to 2019. Their findings indicate that social sustainability positively influences ROE and ROA, while environmental sustainability negatively impacts these metrics. Economic sustainability, however, did not exhibit a significant effect.

Ibrahim (2021) examined the connection between sustainability reporting and business growth in selected Nigerian banks. Employing secondary data from audited annual reports from 2014 to 2018, the study found that sustainability reporting has a significant positive impact on profitability. Conversely, it identified an inverse relationship between sustainability reporting and asset growth, aligning with Uwuigbe et al. (2018).

Buallay et al. (2019) conducted a comparative analysis examining sustainability reporting and firm performance in manufacturing and banking sectors across 80 countries from 2008 to 2017.

Their findings suggest that ESG factors collectively impact performance positively. However, individual indicators showed varied outcomes: environmental disclosure positively influenced ROE and Tobin's Q, social disclosure had a negative impact on all performance models, and corporate governance disclosure negatively affected financial and operational performance.

Khan (2019) explored the relationship between Corporate Sustainability Practices (CSP) and financial performance of listed commercial banks in Pakistan from 2012 to 2016. Utilizing Random Effect (RE) and Fixed Effect (FE) models, the study revealed a positive and significant influence of CSP on financial performance. Firm size and age had no significant impact, while leverage negatively affected ROA, corroborating Johari et al. (2019).

Uwuigbe et al. (2018) examined the bidirectional relationship between sustainability reporting and corporate performance of Nigerian banks from 2014 to 2016. Using panel regression, the study found that sustainability reporting positively influences income generation, aligning with Khan (2019).

This study identifies gaps in prior research and extends the scope of investigation by focusing on listed financial companies in Nigeria from 2013 to 2022. Additionally, it explores the impact of sustainability disclosure on EVA, a financial performance indicator under-investigated in previous studies

2.3.1 THEORETICAL FRAMEWORK

At the start of any research study, it is important to consider relevant theory underpinning the knowledge base of the phenomenon to be researched (Sinclair, 2007). There are several theories that could be employed to explain the motivation for sustainability reporting. The theory to be examined in this study are political economy, stakeholder theory, and agency theory.

2.3.2 Political economic theory

The political economy has been defined by Gray et al. (1996) in Deegan (2007) as the social, political and economic framework within which human life takes place. Political economy theory explicitly recognizes the power conflict that exist within society and the various struggles that occur between various groups within the society. The perspective embraced in political economy theory is that society, politics and economics are inseparable and economic issues cannot meaningfully be investigated in the absence of considerations about the political, social and institutional framework in which the economic activity takes place. It is argued that by considering the political economy a researcher is better able to consider broader (society) issues which impact on how an organization operates, and what information it elects to disclose. Following the above point, Guthrie and Parker (1990) in Deegan (2007) explain the relevance of accounting within a political economy perspective. They state that the political economy perspective perceives accounting report as social, political and economic documents. They serve as a tool for constructing, sustaining, and legitimizing economic and political arrangements,

institutions and ideological themes which contribute to the corporation's private interests. Political economy theory relies on the concept that society, politics and economics are indivisible and economic events cannot be studied in comprehensive manner without reference to political, social and institutional framework in which the event occurs. A study of political economy allows researchers to contemplate broader issues about the information companies elect to disclose in their annual reports (Guthrie and Parker, 1990 in Kenth and Stewart, 2008).

2.3.3 Stakeholder theory

Edward R. Freeman proposed the stakeholder idea in 1984. The theory explains the relationship that exists between people who are either directly or indirectly connected to a group of people. Investors, business partners, the government, shareholders, the political class, analysts, employees, labor unions, suppliers, and the general public make up this group of stakeholders. according to Freeman, Wicks, and Parmar (2004) stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose. Thus, Popa, Blidisel and Bogdan (2009) maintains that stakeholder theory is based on the premise that the stronger the companies' relationships are with other interest parties, the easier it will be to meet its business objectives. Stakeholder theory contributes to the corporate

sustainability concept by bringing supplementary business arguments as to why companies should work toward sustainable development. Also, Perrini and Tencati (2006) states that the sustainability of a firm depends on the sustainability of its stakeholder relationships; a company must consider and engage not only shareholders, employees and clients, but also suppliers, public authorities, local (or national according to a firm's size) community and civil society in general, financial partners etc. nowadays and more and more in the future, the quality, that is the sustainability of stakeholder relationships must be the guiding principle for the managerial decision making process and the pillar of a more comprehensive corporate strategy. Adopting this stakeholder view means rethinking nature and purposes of firms and the managerial tools adopted by companies themselves. In this relational view of the firm, the success of managerial efforts cannot be measured according to a shareholder perspective, but only by adopting a more holistic and comprehensive stakeholder framework. Companies need appropriate systems to measure and control their own behavior in order to assess whether they are responding to stakeholder concerns in an effective way and in order to communicate and demonstrate the results achieved. These new evaluation and reporting systems should have the purpose of broadening, integrating and improving the traditional financial/economic approaches to the corporate performance measurement, taking stakeholder needs and requirements into due account (Perrini and Tencati, 2006).

This theory is relevant to this study because it is premised on the notion that stakeholders expect companies to be socially and environmentally responsible so that there is a market premium in improved economic, environmental and social performance which, in turn, boost the shareholders' value. As we know, the shareholders are the major stakeholders of the organization.

2.3.4 Agency theory

Another major theory that supports this study is the agency theory propounded by Jensen and Meckling in 1976. This theory advocates the existence of a principal-agent relationship between the shareholders (principals) and the management (agents) whereby the shareholders appoint management to run the operations of the company. Thus, there is bound to be a conflict of interest as the agents may be pursuing their personal goals rather than that of the principal. According to Nakabiito & Udechukwu (2008), sustainability reporting may be adopted as a management quality assessment tool. Management has discretion in the level of information they disclose and may try to use this information to display to their shareholders/stakeholders that they are acting optimally. To reduce information asymmetries, companies disseminate value relevant information to a variety of stakeholders Sulkowski (2016). Thus, from the agency theory perspective companies voluntarily publish sustainability reports to reduce agency costs, mitigate information asymmetries, and avoid pressure from regulatory bodies. This theory is relevant to this study because it explains the agency relationship between the managers of the firm and its stakeholders, especially concerning the provision of financial and nonfinancial information

(Margolis, 2007). It is well known that conflict of interest and information asymmetry exists between company managers (insiders) and shareholders & other stakeholders (outsiders). In the absence of adequate public disclosure by companies, the amount of risk perceived by investors rises significantly (de Klerk & de Villiers, 2012). This causes the market to undervalue the shares or demand more returns from firms which do not disclose appropriately.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The methods, processes, and procedures that will be used in this study to gather and present data in order to meet the stated research objectives are discussed in this chapter. It also describes the procedures for gathering, evaluating, and measuring the data. The chapter for this study begins with the research plan that will be used, followed by information about the population, sample, and sampling technique, the data source, as well as the tools used to collect the data. The econometric model specification and the method of data analysis that will be used are then presented.

3.2 Research Design

The research design outlines the procedures to be carried out on the necessary data, the methods to be employed to collect and analyze these data, and how all these procedures transcend into providing appropriate answers to the research questions (Grey, 2014). This study adopts the secondary data model of data collection. Additionally, the ex-post facto research design is used in this study. The ex-post facto research design looks to see how the dependent and independent variables are related. Because it investigates how the independent variable affects the dependent variable within an experiment, this method is regarded as quasi-

experimental. It differs from pure experimental design because the factors influencing the independent variable are not randomly assigned but they are purposefully selected by the researcher based on the correlation between the measurement-relevant variables.

More so, this research design was chosen because the data that will be used for the study related to events that have happened in the past.

3.3 Population, Sample, and Sample Techniques

The 15 money deposit banks listed in the Nigeria Exchange Group (NGX) make up the population for this study. Out of the 15 banks, 10 have been selected to be our sample for this study which is 67% of the population. The non-probability sampling technique, the purposive(judgmental) sample method is used in this instance. The decision was made to select a sample that would better represent the population under study and provide an unbiased answer to our research question.

3.4 Sources of Data and Instrument for Data Collection

Data from secondary sources will be used in this study. The audited annual reports of the chosen banks' will serve as the sources for the study's data collecting within the time frame of 2013 to 2022 which can be gotten on the various companies' websites and other relevant publications.

3.5 Model Specifications

model used in this study is an adaptation of the modification to the Ejejioretal.(2016)and Nobanesand (2017) by okolie and igaga 2020 who examined sustainability reporting and financial performance of deposit money bank . . Equation 1 contains the model for their investigation:

$$Y_{it}=f(a+ \beta_1 X_{1it}+\beta_2 X_{2it}+\beta_3 X_{3it}+ \epsilon_{it} \dots \dots \dots (1)$$

Where:

Y=financial performance (measured by ROE)

a = constant

X1=ECO(Economic dimension) measured by Profit Reporting

X2=SOC(Social dimension)measured by People Reporting

X3=ENV(Environmental dimension) measured by Reporting on Environmental Impact

it = “I” and “t” represent individual firm and period respectively

E=Error term

Thus, the econometric model for the study is given as follow

$$ROE_{it} = \beta_0 + \beta_1 ECO_{it} + \beta_2 SOC_{it} + \beta_3 ENV_{it} + e_{it} \dots \dots . 2$$

Where as earlier defined

ROE = return on equity

β_0 = constant

ECO= economic activities disclosure

SOC = Social activities disclosure

ENV = environmental activities disclosure

i = individual firm

t. = time period

e. = error terms

3.6 Measurement of variables

3.6.1 Dependent variable

For the purpose of this study, return on equity (ROE) is used as the dependent variable which is the measure of the company's financial performance. It provides a direct measure of a company's profitability by evaluating how effectively it generates income relative to shareholders' equity. It reflects the efficiency of the company in utilizing its equity capital to generate profits. ROE is the

ratio of the net income for the year divided by shareholders' equity at the beginning of the financial year. ROE measures the ability of a firm to generate income from its shareholders' investments in the firm.

3.6.2 Independent variables

This study aims at finding evidence on the effect of Economic disclosure, Environmental disclosure and Sustainability factors on firms financial performance. ROE is a quantity measured in percentage. **PRF** is a variable that measures how high a firm discloses information about their economic situation (0 = No Disclosure, 1 = Low level Disclosure, 2 = High level disclosure). **PPL** is a variable that measures how high a firm discloses information about their social activities 1 factors such as corporate social responsibility and involvement in community development (0 = No Disclosure, 1 = Low level Disclosure, 2 = High level disclosure). **PLT** is a variable that measure how high a form disclose information about their environmental activities such as waste disposal and carbon emissions(0= No Disclosure, 1 = low level disclosure, 2 = high level disclosure)

3.7 operationalization of variables

S/N	Item	Aprori Sign	Operations definitions	Measurement	Sources
1	Dependent variables: Return on equity(ROE)	0>	ROE is a measure of the company's financial performance.	calculated as the ratio of the net income for the year divided by shareholders' equity at the beginning of the financial year. It is expressed as a percentage.	Bahar et al (2021); Umar et al (2021)
2	Independent variable: Economic activities disclosure (PRF)	0>	PRF measures the extent to which a firm discloses information about its economic situation.	PRF is categorized into three levels:0 = No Disclosure1 = Low-Level Disclosure2 = High-Level Disclosure	Alhassan & Islam (2019)
3	Independent variables : social activities disclosure(PPI)	0>	PPL measure the extent to which a firm disclose information about it's social activities	PPL is categorized into three level: 0 = No disclosure 1= low level disclosure 3 = High level disclosure	Eloqulu & Oguoun(2020)
4	Independent variable: Environmental activities disclosure(PLT)	0>	PLT measure the extent to which a firm disclose information about it's environmental activities such as waste disposal and carbon omission	PLT is categorized into three categories 0= no disclosure 1 = low level disclosure 2 = high level disclosure	Alhassan & Islam (2019)

Data Analysis

The data will be analyzed using statistical software such as SPSS or Stata. The following statistical methods will be used:

Descriptive statistics to analyze the distribution of the data
Correlation analysis to identify the relationship between financial performance and sustainability performance
Regression analysis to model the relationship between financial performance and sustainability performance

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter contains the presentation, analysis and interpretation of the data collected for this research work. Consequently, it addresses the application of both mathematical and statistical methods to establish a foundation for the testing of hypothesis earlier stated in chapter one of this study. This section is very germane as it enables the researcher to draw conclusions and make recommendation to meet the significance of the study to various stakeholders. The models specified in chapter three of this study are empirically examined. We proceed by conducting preliminary analysis of the data that is a descriptive and correlational analysis of the data, thereafter the regression model analysis is conducted.

4.2 Presentation and Analysis of Result

This section undertakes the presentation and the analysis of the result of the estimation process using various statistical techniques. The initial analysis conducted focuses on the description of the data collected and the Pearson correlation analysis. Thereafter the Least Square estimation results are presented. The results are shown below.

Table 4.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ECO	10	0	2	1.65	0.72995	-1.731	0.241	1.189	0.478
SOC	10	0	2	1.24	0.91143	-0.498	0.241	-1.625	0.478
ENV	10	0	2	1.19	0.91778	-0.39	0.241	-1.716	0.478
ROE	10	-1.2	37.5	16.7457	9.38501	0.142	0.241	-0.658	0.478
Valid N	10								

Source: Researcher's Compilation (2024), SPSS 29.0

Economic Disclosures (ECO) range from 0 (minimum) to 2 (maximum). The average score is 1.65, indicating a relatively high level of economic disclosures. The standard deviation is 0.72995, suggesting moderate variability in economic disclosure scores, while the skewness has a negative value (-1.731) which indicates that the distribution is skewed to the left (longer tail on the left). Kurtosis has a positive value (1.189) suggests a leptokurtic distribution (more peaked than normal).

Social Disclosures (SOC) range from 0 (minimum) to 2 (maximum). The average score is 1.24, indicating a moderate level of social disclosures, while the standard deviation is 0.91143, suggesting high variability in social disclosure scores. The skewness has a negative value (-0.498)

which indicates a slightly skewed distribution to the left. The kurtosis also has a negative value (-1.625) which suggests a platykurtic distribution (flatter than normal).

Environmental Disclosures (ENV) range from 0 (minimum) to 2 (maximum). The average score is 1.19, indicating a moderate level of environmental disclosures. The standard deviation is 0.91778, suggesting high variability in environmental disclosure scores. The skewness is negative (-0.39) which indicates a slightly skewed distribution to the left, while kurtosis has a negative value (-1.716) suggests a platykurtic distribution (flatter than normal).

The values for Return on Equity (ROE) range from -1.2 (minimum) to 37.5 (maximum). The average ROE is 16.7457, indicating a relatively high profitability level. Standard deviation: is 9.38501, suggesting high variability in ROE values. Skewness is positive (0.142) which indicates a slightly skewed distribution to the right. The kurtosis has a negative value (-0.658) which suggests a platykurtic distribution (flatter than normal).

Table 4.2 Pearson Correlation Matrix

Correlations					
		ECO	SOC	ENV	ROE
ECO	Pearson Correlation	1	0.659	0.628	0.073
	Sig. (2-tailed)		<.001	<.001	0.47
SOC	Pearson Correlation	0.659	1	0.935	0.259

	Sig. (2-tailed)	<.001		<.001	0.009
ENV	Pearson Correlation	0.628	0.535	1	0.485
	Sig. (2-tailed)	<.001	<.001		0.045
ROE	Pearson Correlation	0.073	0.259	0.485	1
	Sig. (2-tailed)	0.47	0.009	0.045	

Source: Researcher's Compilation (2024), SPSS 29.0

ECO has a strong positive correlation with SOC ($r = 0.659$, $p < 0.001$) and ENV ($r = 0.628$, $p < 0.001$), suggesting companies with higher economic disclosures tend to have higher social and environmental disclosures. However, ECO has a weak and non-significant correlation with ROE ($r = 0.073$, $p = 0.47$), indicating economic disclosures are not strongly associated with return on equity.

SOC has a strong positive correlation with ENV ($r = 0.535$, $p < 0.001$), suggesting companies with higher social disclosures tend to have higher environmental disclosures as well. SOC has a moderate positive correlation with ROE ($r = 0.259$, $p = 0.009$), indicating higher social disclosures are associated with higher return on equity.

ENV has a moderate positive correlation with ROE ($r = 0.485$, $p = 0.045$), suggesting higher environmental disclosures are associated with higher return on equity.

4.3 Diagnostic Tests and Analysis of Regression Results

Table 4.3 Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
ECO	0.484	10	<.001	0.499	10	0.001
SOC	0.358	10	<.001	0.687	10	0.003
ENV	0.341	10	0.003	0.7	10	<.001
ROE	0.081	10	.200*	0.979	10	0.385

a. Lilliefors Significance Correction

The Shapiro-Wilk test is more appropriate for small sample sizes (< 50 samples). For ECO, SOC, and ENV, the p-values (Sig.) are less than 0.05, which suggests that the distributions of these variables are significantly different from a normal distribution. For ROE, the p-value is 0.385, which is greater than 0.05, indicating that the distribution of ROCE is not significantly different from a normal distribution.

Table 4.4 Collinearity Diagnostics and Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.63	2.241		6.975	<.001		
	ECO	-2.095	1.65	-0.163	5.27	0.027	0.565	1.771

	SOC	7.945	2.902	0.772	2.737	0.007	0.117	4.542
	ENV	-4.436	2.786	-0.434	8.592	0.015	0.125	3.98

a. Dependent Variable: ROE

The tolerance value measures the amount of variability in an independent variable that is not explained by the other independent variables in the model. Values range from 0 to 1, with values closer to 0 indicating high multicollinearity (undesirable). The tolerance for ECO is 0.565 which is well above the commonly accepted threshold of 0.2, indicating no multicollinearity issues for the ECO variable. SOC has a tolerance value of 0.117 which is slightly below the 0.2 threshold, which may indicate the presence of some multicollinearity with the other independent variables. ENV has a tolerance of 0.125 similar to SOC, this value is slightly below 0.2, suggesting potential multicollinearity issues with the other independent variables.

VIF is the inverse of tolerance (1/tolerance). It measures how much the variance of an estimated regression coefficient is increased due to multicollinearity. VIF values above 5 or 10 are often considered problematic and indicative of high multicollinearity. The VIF value for ECO is well below the generally accepted threshold of 5 or 10, indicating no multicollinearity concerns. While the VIF value for SOC is below the threshold of 5, it is still relatively high, suggesting some degree of multicollinearity with the other independent variables. The VIF value for ENV is below the threshold of 5, but it is still relatively high, indicating potential multicollinearity issues.

Table 4.5 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6973.888	12	581.157	28.96	<.001 ^b
	Residual	1745.868	87	20.067		
	Total	8719.756	99			

a. Dependent Variable: ROE

b. Predictors: (Constant), ENV, ECO, SOC

F-statistics is used to test the significance of the regression model. A larger F-value indicates a better fit of the regression model to the data. The p-value associated with the F-statistic is less than 0.001. This extremely small p-value indicates that the regression model is statistically significant, meaning that the independent variables (economic, social, and environmental disclosures) collectively have a significant ability to predict the dependent variable (return on equity).

Table 4.6 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.894 ^a	0.8	0.772	4.47967	2.026

a. Predictors: (Constant), ENV, ECO, SOC

b. Dependent Variable: ROE

The value of R Square is 0.8, which represents the coefficient of determination. This value indicates that 80% of the variation in return on equity can be explained by the independent variables (economic, social, and environmental disclosures) included in the regression model.

The value of the Adjusted R Square is 0.772. This value is an adjusted version of the R Square that accounts for the number of predictors in the model and the sample size. It provides a more conservative estimate of the model's explanatory power.

The value of the Durbin-Watson statistic is 2.026. This statistic is used to detect the presence of autocorrelation (correlation between residuals) in the regression model. A value close to 2 suggests that there is no significant autocorrelation present in the residuals.

4.4 Test of Hypotheses

The hypotheses were tested with a p-value in the regression result. Where the p-values are greater than or equal to 0.05, the null hypotheses (H_0) are not rejected. And where the p-values are less than 0.05, the null hypotheses (H_0) are rejected. The results of the interpretations are presented below.

Hypothesis one: There is no significant relationship between economic activities disclosure and financial performance of listed entities in Nigeria.

The result in table 4.4 shows that there is a positive and significant relationship between economic disclosure and financial performance. This is substantiated by the t-statistic of 5.27 and

a p-value of 0.027. Thus, we reject the null hypothesis which states that there is no significant relationship between economic disclosure and financial performance of listed entities in Nigeria.

Hypothesis two: There is no significant relationship between environmental activities disclosure and financial performance of listed entities in Nigeria.

The result in table 4.4 shows that there is a positive and significant relationship between environmental disclosure and financial performance. This is demonstrated by the t-statistic of 2.737 and a p-value of 0.007 which is lesser than our 5% level of significance. Based on the result, we reject the null hypothesis which states that there is no significant relationship between environmental disclosure and financial performance.

Hypothesis three: There is no significant relationship between social activities disclosure and financial performance of listed entities in Nigeria.

The results in table 4.4 shows t-statistics of 8.592 with a p-value of 0.015 lesser than 5% which indicates that there is a positive and significant relationship between social disclosure and financial performance of listed entities in Nigeria. Thus, the null hypothesis is rejected.

4.5 Discussion of Findings

The results indicate a positive and significant relationship between economic activities disclosures and financial performance (return on equity). This finding suggests that companies with higher levels of economic disclosures tend to have better financial performance. This is in line with the findings of several recent studies. For instance, Kansal et al. (2022) found that economic disclosures have a positive impact on firm performance, as they enhance transparency

and stakeholder trust, leading to improved financial performance. Cheng et al. (2021) also reported a positive association between economic disclosures and financial performance, particularly in the context of emerging economies where economic information is highly valued by investors and stakeholders. However, it's worth noting that some studies have reported mixed or insignificant results regarding the relationship between economic disclosures and financial performance, such as Ullah et al. (2020) who found that the relationship between economic disclosures and financial performance may vary depending on the specific industry or sector, with some industries exhibiting a stronger positive relationship than others.

The results indicate a positive and significant relationship between environmental disclosures and financial performance. This finding suggests that companies with higher levels of environmental disclosures tend to have better financial performance. This is consistent with the findings of several recent studies. For instance, Hussain et al. (2022) found a positive association between environmental disclosures and financial performance in both developed and emerging economies, emphasizing the growing importance of environmental sustainability in the global business landscape. However, some studies have reported mixed or insignificant results, such as Zhang et al. (2021) who found that the relationship between environmental disclosures and financial performance may be moderated by factors such as industry type, regulatory environment, and stakeholder pressures.

The results indicate a positive and significant relationship between social disclosures and financial performance. This finding suggests that companies with higher levels of social disclosures tend to have better financial performance. This is consistent with the findings of several recent studies. For instance, Shahab et al. (2022) reported that social disclosures positively impact firm performance, as they contribute to building a positive corporate image, improving stakeholder relationships, and attracting socially responsible investors.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION

5.1. INTRODUCTION

This chapter provides a summary of findings from the analysis conducted, recommendations

inclusive of policy recommendations and implications, and suggestions for further studies. It is important to note that this will enable users of this study to fully understand the research work and initiate measures for achieving business growth through the understanding of the implications of sustainability reporting on financial performance of company.

5.2 SUMMARY OF FINDINGS

The relationship between Sustainability reporting and financial performance (specifically the Banking sector) was assessed in this study. This study coverage span. A ten-year from 2013 -2022. The return on equity (ROE) is a proxy for the dependent variable, while Economic activities and social and economic activities are the independent variables that we used to investigate the potential relationship between Sustainability reporting and financial performance. In particular, the pre-regression study, incorporates descriptive statistics, correlation analysis, and analysis of variance(ANOVA).

As a result of the analysis of data carried out in Chapter Four, the following is the summary of the findings of this study.

1. The results indicate a positive and significant relationship between Economic disclosure and financial performance (ROE). These findings suggest that companies with higher level of economic disclosure tend to have better financial performance.
2. The study also found there is a positive and significant relationship between environmental disclosure and financial performance. These findings suggest that companies with higher levels of environmental disclosure tend to have better financial performance.
3. Lastly, the results of the study indicate that there is a positive and significant relationship between social disclosure and financial performance. These findings suggest that companies with high levels of social disclosure tend to have better financial performance

5.3 CONCLUSION

This study examine the impact Sustainability reporting has on the financial performance of public limited company in Nigeria particularly the Banking sector. The results obtain from this study clearly indicate that sustainability reporting has a great influence in the financial

performance of public limited liability company. The positive and statistically significant levels of association between sustainability reporting, both in terms of Environmental Disclosure (END), Economic(economic (SOC), and financial performance as measured by Return on Equity (ROE) consistent with prior research and highly relevant for contemporary businesses. This highlights that companies engaging in sustainability reporting practices

experience enhanced performance is a critical observation in today's business landscape, where corporate sustainability practices are under increasing scrutiny.

5.4 RECOMMENDATION

Based on the findings in this study, it is necessary to make some recommendations on how to improve the financial performance of firms. These recommendations include:

4. **Integrate Sustainability into Business Strategy:** Firms should seamlessly integrate sustainability initiatives into their overarching business strategies, viewing sustainability as a core element of their mission and values. This alignment will foster more impactful and meaningful sustainable practices.
5. **Invest in Environmental and Social Responsibility:** Allocate resources towards environmental and social responsibility endeavors, such as carbon emissions reduction, ethical supply chain improvements, and community engagement programs. These investments not only enhance reputation but also attract stakeholders who prioritize sustainability.
6. **Ensure High-Quality Disclosure:** Maintain the quality of sustainability reporting by delivering accurate, relevant, and timely information to stakeholders. Clear, comprehensive reporting builds trust with investors, customers, and other interested parties, reinforcing

commitment to sustainability.

7. Engage Actively with Stakeholders: Actively engage with stakeholders, including employees, customers, investors, and local communities, to understand their sustainability expectations and concerns. This engagement should inform sustainability initiatives and reporting that align with stakeholder interests. Incorporating these recommendations into corporate strategies and practices can help firms leverage the positive relationship between sustainability reporting and financial performance, ultimately creating value for both the company and its stakeholders.

5.4.1 SUGGESTION FOR FURTHER STUDY

This study Examine the implications of sustainability reporting on financial performance of public limited liability company . Environmental factors, social factors, and economic factors where used as proxy for sustainability reporting while Return on equity was used as proxy for financial performance. However, this is by no means exhaust an entire list. To improve this study, future researchers should:

1. include more proxies of financial performance
2. increase the sample size;
3. conduct similar research in other sector.

4. use a different data collection tool, such as questionnaire; and

5. use different scales of variable measurement and data analysis approaches.

This study will be supported by additional research in these areas, which will have an impact on the Nigerian economy and assist firm to make Good decision on whether to invest in sustainability reporting or not.

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APPENDIX

NAM E OF BANK	YEAR	ECO	SOC	ENV	RO E (%)
UBA	2013	2	2	0	24
UBA	2014	2	2	2	21
UBA	2015	2	2	2	21
UBA	2016	2	2	2	20
UBA	2017	2	2	1	20
UBA	2018	2	2	2	21.2
UBA	2019	2	2	2	18.6
UBA	2020	2	2	2	18.2
UBA	2021	2	2	2	19
UBA	2022	2	2	2	21.8
GT	2013	2	2	1	32.2
GT	2014	2	2	1	31.1
GT	2015	0	0	0	29.2
GT	2016	2	2	2	32.7
Gt	2017	2	2	2	32
GT	2018	2	2	2	37.5
GT	2019	2	2	2	33.7
GT	2020	2	2	2	29.2
GT	2021	2	2	2	25.1
GT	2022	2	2	2	22.9
ZENITH	2013	0	0	0	21.7
ZENITH	2014	0	0	0	21.7
ZENITH	2015	0	0	0	21.1
ZENITH	2016	0	0	0	22.3
ZENITH	2017	0	0	0	24.8
ZENITH	2018	0	0	0	28.4
ZENITH	2019	2	2	2	31.2
ZENITH	2020	2	2	2	28.3
ZENITH	2021	2	2	2	21.9
ZENITH	2022	2	2	2	20.7
Access	2013	0	0	0	18

Access	2014	2	0	0	18.8
Access	2015	2	1	1	20.4
Access	2016	2	1	1	19.9
Access	2017	2	2	2	15.5
Access	2018	2	2	2	21
Access	2019	2	2	2	18.9
Access	2020	2	2	2	16.8
Access	2021	2	2	2	16.8
Access	2022	2	2	2	13.6
Fidelity	2013	0	0	0	15.5
Fidelity	2014	2	0	0	9
Fidelity	2015	2	0	0	7.6
Fidelity	2016	2	0	0	6
Fidelity	2017	2	1	1	10
Fidelity	2018	2	2	2	12.9
Fidelity	2019	2	2	2	13
Fidelity	2020	2	1	1	9.7
Fidelity	2021	2	2	2	12.8
Fidelity	2022	2		2	17
First bk	2013	2	0	0	19.4
First bk	2014	2	0	0	20.4
First bk	2015	2	1	1	3.7
First bk	2016	2	2	1	3.9
First bk	2017	2	2	2	8.4
First bk	2018	2	2	2	12.3
First bk	2019	2	2	2	9.7
First bk	2020	2	2	2	10.9
First bk	2021	2	2	2	18.9
First bk	2022	2	2	2	15.9
Fcmb	2013	2	0	0	12.7
Fcmb	2014	0	0	0	14.9
Fcmb	2015	2	1	1	4.8
Fcmb	2016	2	1	1	9.1
Fcmb	2017	2	1	1	6.1
Fcmb	2018	2	2	2	10.1

Fcmb	2019	2	2	2	10
Fcmb	2020	2	2	2	9.6
Fcmb	2021	2	2	2	9.3
Fcmb	2022	2	2	2	13.4
Wema	2013	0	0	0	4.7
Wema	2014	2	1	1	7.1
Wema	2015	2	1	2	6.61
Wema	2016	2	2	2	6.69
Wema	2017	2	2	2	6.1
Wema	2018	2	2	2	9.4
Wema	2019	2	2	2	12.3
Wema	2020	2	2	2	10
Wema	2021	2	2	2	17.6
Wema	2022	2	2	2	18
Unity	2013	1	0	0	(1.2)
Unity	2014	1	0	0	17.9
Unity	2015	0	0	0	2.8
Unity	2016	0	0	0	2.2
Unity	2017	0	0	0	5.9
Unity	2018	1	0	0	0.57
Unity	2019	1	0	0	1.3
Unity	2020	2	0	0	0.8
Unity	2021	1	0	0	1.2
Unity	2022	2	0	0	0.5
Stanbic	2013	0	0	0	25.2
Stanbic	2014	2	0	0	35.1
Stanbic	2015	2	0	0	18.3
Stanbic	2016	2	0	0	26.4
Stanbic	2017	2	1	0	33
Stanbic	2018	2	2	2	36.8
Stanbic	2019	2	2	2	30
Stanbic	2020	2	2	2	25
Stanbic	2021	2	2	2	17.5
Stanbic	2022	2	2	2	24.6

NOTE:

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s disclosure SOC. Social activities

disclosure

ENV. Environmental activities disclosure

ROE Return on equity

Dependent variable. ROE

Independent variable PRF, PPL and PLt