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CORPORATE SUSTAINABILITY REPORTING PRACTICE IN AN EMERGING MARKET: A CASE OF LISTED COMPANIES IN NIGERIA

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Summary

This paper seeks to explore the trend in sustainability reporting practice in an emerging market. The study involves critical assessment of the current level of sustainability reporting disclosures. To achieve this, content analysis was used on data sourced from the corporate annual reports of selected listed companies quoted in Nigerian Stock Exchange. The analysis identifies the extent to which sustainability reporting has been in line with global best practices in disclosing the three sustainability reporting metrics (environmental, social and governance). Finding revealed that the selected listed companies are more highly disposed to disclosing governance and social information than environmental disclosure. Corporations also attempt to manage stakeholder impressions by self-servingly biasing the language and verbal tone used in their environmental disclosures. The study found that the greatest proportions of location of corporate social and environmental disclosure of the sampled companies are disclosed in the chairman's statement and directors' report.

JEL Codes: M41

Key words: sustainability reporting, legitimacy theory, corporate sustainability, corporate social responsibility, stakeholder theory.

1. Introduction

Before now annual financial and non-financial disclosure of most listed companies disregard multiple dimensions of corporate value or corporate social responsibility to the stakeholders. Most companies are concerned about creating wealth and distributing it in form of dividend to shareholders, while neglecting other stakeholders. However, civil society pressure group, non-government organization group, government regulations and corporate governance codes, green consumer pressure and other similar pressure group make it imperative for corporate body that need to survive and create wealth to consider corporate sustainability reporting

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disclosure to take care of the needs of various stakeholders. Ioannou and Serafeim, (2012) asserts that reporting of nonfinancial information has become widespread during the last 20 years. The responsibility of traditional financial statements in the past decades is to maximize the shareholders' wealth and report profits to the shareholders at the detriment of other stakeholders (Friedman, 1962). Therefore, according to Guthrie & Farneti, (2008), sustainability accounting and reporting is becoming necessary to manage and report sustainability issues as the traditional financial reports are insufficient to provide a complete description of the economic, social and environmental impacts of an organization's operations.

Increasing concerns about the environmental and social impacts of organizational activities have raised the need for disclosure on environmental and social issues (Lamberton 2005; Guthrie & Farneti 2008). Public attitudes toward resource management and changing in social expectations as it related to the environment now put more pressure on listed companies to provide a full measure of business performance and shareholder value creation (IMA, 2008). Pressure from other stakeholders such as "groups and individuals who benefited from or are harmed by, and whose rights are violated or respected by, corporate actions." (Freeman, 1998, p. 174) also increase the need for additional non-financial disclosure and new financial metrics (Stewart 1999; Skveiby, 1997) and need for sustainability reporting.

In some developed countries mandatory disclosures in the sustainability reporting is required, however, in many of the emerging economies, the leading companies are now factoring sustainability issues into their operation (Gibbons & Barman, 2010; Uwuigbe & Jimoh, 2012). Corporate sustainability reporting and disclosure in Nigeria is still at a stage of being pressure oriented especially from multi-national companies (such as Mobil, Shell, Chevron in Oil and Gas industry and MTN in communication sector). In other words, multi-national companies in food and beverages, oil and gas, brewery are often reluctant to report non-financial and environmental information for fear of penalty, increase in tax (where applicable), sanctions etc. if they are not asked to do so and nobody (government agencies or pressure group) puts much pressure on them.

Despite the increase in research, studies in this area in the emerging market such as Nigeria are still very scarce and it is still in its infancy when compared to developed countries. To this end, this paper is an attempt at examining the level of corporate sustainability reporting practices through content analysis among selected listed companies in Nigeria Stock Exchange Market.

1.1 Objective of Study

The objective of this paper is to carry out a critical assessment of the current level of sustainability reporting disclosures in emerging market like Nigeria. Thus, this study will specifically attempt to achieve the following objectives:

i) To examine the sustainability reporting disclosure practices among listed firms in the Nigerian Stock Exchange market.

ii) To examine the content-category themes of sustainability reporting disclosures indicators, i.e., environmental, social and governance in selected firms listed in Nigerian Stock Exchange market.

1.2 Nature and scope of study

This study is empirical in nature and basically reviewed the sustainability reporting disclosure practices among firms listed in Nigeria Stock Exchange market. However, in other to achieve the objectives outlined in this study, the corporate annual report for the year 2014 of seven selected firms was examined from 3 sectors (out of the 27 listed on the Nigerian Stock Exchange). These sectors were Breweries; Food Products and Building Materials and selected firms for this study are West African Portland Cement Plc (Now Lafarge Africa Plc); Ashaka Cement Plc; Ceramic Manufacturers Nigeria Plc; Nigerian Breweries Plc; Flour Mills Nigeria Plc; Honeywell Flour Mills Plc and Nestle Nigeria Plc. These firms are chosen because of their nature of production, level of industrial operations, market capitalization and easier access to their annual reports as compared to the non-listed companies. The selected sectors/firms in this study represent those which are either environmentally sensitive in their daily operations, or industrial and utility companies which are widely recognized to have the greatest social and environmental problems.

1.3 Research Hypothesis

To achieve the objectives of this study, the hypothesis stated in the null form is tested: ***H_O*****:** *that there is no significant difference in the level of sustainability reporting disclosure practices between selected firms in the Nigeria Stock Exchange.*

2. Literature Review

Amongst the many dramatic changes that business world witnessed since the 1990s, the rise of the corporate social responsibility (CSR) and sustainability reporting (SR) agenda is certainly one of the most noteworthy (Zhang, 2008). There are various terms used to describe the concept of corporate sustainability reporting (CSR) contributions to social and environmental and consequences of business activity (Jenkins and Yakovleva, 2006). Corporate sustainability, triple bottom line, sustainability, corporate responsibility, sustainability reporting, corporate social opportunity, corporate social responsibility, responsible business, corporate citizenship, Three Ps (profit, planet, people), sustainable development is some of the terms often associated with corporate sustainability reporting. CSR is a concept whereby organizations consider the interests of society by taking responsibility (both social and environmental responsibility) for the impact of their activities on internal stakeholders (employees, shareholders,) and external stakeholders (customers, suppliers, communities and other stakeholders), as well as the environment (Jalal, 2013).

In a study on CSR in Canada, CGA (2005) described corporate sustainability reporting as a method of communicating to all stakeholders an organization's contribution to sustainable development. That is, the process by which a company reports its economic, social, and environmental practices, policies, and performance. Corporate sustainability is regarded as business approach that strive to create long term shareholders value through opportunities and managing risks deriving from economic, environmental and social development (Ivan, 2009). Jenkins and Yakovleva, 2006; Ivan, (2009) explained sustainable development within three dimensions: (i) economic development, that is, social progress that recognizes the needs of everyone; (ii) environmental protection which described the effective protection of the environment; and (iii) social cohesion that highlight prudent use of natural resources.

Asaolu *et.al* (2011), asserts that sustainability reporting has emerged in an attempt to respond to the demands for interdisciplinary reporting and address such concern. Emerging markets are becoming the focus of international corporate responsibility initiatives and sustainability reports serve as a tool to change external perceptions and to instigate dialogue with stakeholders both inside and outside the company. Some stakeholders understood sustainability information as any useful information that explain how companies use and affect financial, human and natural resources, and comply with corporate governance guidelines (Jalal, 2013).

Prior studies posit that there has been a significant shift in the ways that companies – of all sizes, of all sectors and in all locations – view corporate responsibility and sustainability reporting (Stewart, 1999; Jenkins & Yakovleva, 2006; Gibbons & Barman, 2010; Asaolu *et.al* 2011; Uwuigbe & Jimoh,2012; Jalal, 2013). For the past twenty years, concerns around the environmental impact, the social responsibility, and the governance of corporations have been on the rise. In response, a growing number of regulators globally are reviewing the governance arrangements of corporations to ensure that corporate practices are aligned with broader societal interests (Ioannou & Serafeim, 2012). Leading organisations no longer view the challenges narrowly in terms of risk mitigation or brand enhancement, according to Gibbons & Barman, (2010) companies see the complexities**.** One critical aspect of the governance structure that regulators consider changing is corporate reporting (Ioannou and Serafeim, 2012)

Financial reporting has been premised on the notion that, although a number of identifiable user group exist, the primary concerns of financial statements are shareholders, prospective investors and financial intermediaries (FEE, 2000). In contrast to financial reporting, the history of sustainability reporting (SR) is comparatively recent (Cyriac2013). The proposition according to Cyriac, (2013) is that business organizations should supplement their financial accounting with accounting on their environmental, social and other 'non-financial' performance – or 'sustainability reporting'. Today, reporting on non-market and non-financial issues, respectively, is crucial for successful business, because strong stakeholder relationship facilitated by communication provide or at least influence competitive advantages in a number of industries (Schaltegger, 2003).

2.1 Theoretical Arguments

There are various theories that are used in prior studies (Gray et al, 1995; Hackston and Milne, 1996; Uwuigbe and Jimoh, 2012; Chan, et al, 2013) to explain corporate sustainability reporting (CSR) disclosure practices among which are (i) legitimacy theory, (ii) stakeholder theory; (iii) political economy theory; (iv) agency theory; (v) resource dependence theory; and (vi) institutional theory. Without the society and friendly environment, businesses cannot create wealth, let alone distribute profits/returns to various stakeholders. This paper in the following sub-sections, reviewed two most commonly used theories by prior researchers in explaining corporate sustainability reporting (CSR) phenomenon, that is, legitimacy theory and stakeholder theory. Theoretical framework such as those that relates business operation to a social systems (Gray et al, 1995) or interactions with the society, that is, legitimacy theory; and those that focuses on interactions with stakeholders, that is, stakeholder theory. These theories are not used in isolation in explaining corporate sustainability reporting

(CSR) instead prior studies viewed the theories as overlapping or complimentary to each other.

Legitimacy Theory:

This is one of the common theories a number of prior studies (Uwuigbe & Jimoh, 2012; Chan, et al, 2013) in CSR often used to explain theoretical framework of disclosure pattern by corporate entities. It is a theory that relates to (i) assumption that management will adopt strategies to demonstrate to society that the organization is attempting to comply with society's expectations (Chan, et al, 2013); (ii) management's perception about the immediate environment (community) in which the business operate; (iii) social contract between the management and society; (iv) societal value in which organization continue to demonstrate to the society that its operations are legitimate and the organization remains a good corporate citizen.

Since legitimacy theory is based on assumption or perception of management about society systems of norms, values, beliefs and definitions, CSR is an essential means of accounting for stewardship to external parties that the organization is legitimate and good corporate citizen whose actions and inactions taken or not are desirable, proper or appropriate to the benefit of the larger society. However, organization adopting legitimacy theory tends to disclose only reports that are considered as 'good news' and 'bad news' are kept away from the society.

Stakeholder Theory:

In an organization, there are basically two types of stakeholders (internal and external). Most internal stakeholder includes management, employee and board while external stakeholder includes shareholders, communities, creditors, debtors/customers, government agencies, and environment. Basically, stakeholder theory is based on proposition that a firm's success or otherwise depends on 'successful management of all the relationships that a firm has with its stakeholders' (Uwuigbe and Jimoh, 2012).
Stakeholder theory provides another theoretical framework for explaining the relationship between various stakeholders and management; and potentially useful in examining or influencing corporate social disclosures by organization in the annual corporate reports. In his book 'Corporate Strategy', Ansoff (1965) used stakeholder theory to explain the major objectives of a firm, one of which is 'balancing the conflicting demands of various stakeholders'. In a related studies (Watts and Zimmerman, 1978; Pfeffer and Salancik, 1978) asserts that the need to rely on stakeholders to provide resources support and pressure from these stakeholders contribute to certain action, inaction and corporate social disclosure pattern by the organization.

For example, the restless nature of militancy in Niger Delta; frequent attacks on oil installations and kidnapping of foreign nationals to draw attention to environmental pollution and degradation, forces major oil companies to have a rethink, become socially responsible and discloses information on environment, social and governance in their corporate reports. This example collaborated the submission of Uwuigbe & Jimoh, (2012) that 'the more powerful the stakeholders, the more the company must adapt'.

3. METHODOLOGY OF RESEARCH

In other to analyze the level of sustainability reporting disclosure practice among selected firms in Nigeria Stock Exchange market, this paper has adopted the use of corporate annual reports of firms as a base for source of data. This paper basically adopted content analysis method of data analysis was to analyze the content of the corporate annual reports of the selected listed firms. The content analysis method was adopted because it is one of the most systematically classified and compared, objective and quantitative method of data analysis technique which is useful for determining trends and employed in other prior research studies (Krippendorff, 2004; Jenkins & Yakovleva, 2006; SIF, 2009; Cho *et al.,* 2010; Uwuigbe & Jimoh, 2012; Cyriac, 2013).

4. RESULTS

Prior studies have utilized a Disclosure Index (DI) for examining the disclosure practices of various metrics like environmental, social, governance, intangibles, risk related information and non-financial information in Annual Reports or Sustainability Reports (Marston & Shrives, 1991; SIF, 2009; Uwuigbe & Jimoh, 2012; Cyriac, 2013). In this study the disclosure index on sustainability used consists of an extensive list of items as per the United Nations Conference on Trade and Development (UNCTAD) reports and guidelines of the Global Reporting Initiative (GRI), using items that appear in Corporate Annual Report/Sustainability Reports. The DI includes voluntary disclosure items, according to Cyriac, (2013) disclosure index (DI) can be assigned either weighted or unweighted scores. This study uses the unweighted index as the use of unweighted dichotomous index reduces subjectivity involved in determining the weights of each item unlike weighted scores (Williams, 2001; Ahmed & Courtis, 1999; Courtis, 1986 cited in Cyriac, 2013).

The Disclosure Index (DI) formula using unweighted scores are as follows:

$$\text{Total TDI1} = \frac{\text{DI1: Total number of items disclosed in the annual reports}}{\text{MDI1: Maximum number of items disclosed in the annual reports}} \times 100$$

$$\text{Total TDI2} = \frac{\text{DI2: Total number of items not disclosed in the annual reports}}{\text{MDI2: Maximum number of items not disclosed in the annual reports}} \times 100$$

Table 1: List of Sampled Listed Companies in the Nigerian Stock Exchange Market

S/N	Representations	List of selected companies
1	WAPC	West African Portland Cement Plc (Now Lafarge Africa Plc)
2	ASCP	Ashaka Cement Plc
3	CMNP	Ceramic Manufacturers Nigeria Plc.
4	NBP	Nigerian Breweries Plc
5	FMNP	Flour Mills Nigeria Plc
6	HFMP	Honeywell Flour Mills Plc
7	NNP	Nestle Nigeria Plc

According to UNCTAD reports and guidelines of the Global Reporting Initiative (GRI), used as baseline for this study, Table 2 lists 20 disclosure items selected and the indicators are arranged into three categories: environmental, social and governance. As reflected in Table 3 below, governance policies and metrics was the most commonly reported indicator among the companies studied (80 percent), followed by social policies and metrics (74%). Environmental indicators (66 percent) are the least items disclosed in the corporate annual reports studied.

This finding is consistent with that of Social Investment Forum (SIF) (2009), where top 10 companies by market capitalization in 10 of the world's largest emerging markets with sustainability reporting disclosures, disclosed majorly the aspects of environmental, social and governance. Environmental policies and metrics were the least likely to be reported (30.6 percent on average), social criteria were the second most likely to be reported (47.4 percent) overall and reporting on governance information in general has the highest percentage.

Table 2: Content Category Theme indicators of Sustainability Reporting Disclosures Practice

Indicator/Disclosure	WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP	DI1	%	Ranked
A: Environmental										
A1: Energy use	x	x	x	x	x	x	x	7	100%	1st
A2: Water consumption				x	x	x	x	4	57%	14th
A3: Global warming contribution				x			x	2	29%	19th
A4: Material efficiency	x	x	x			x	x	5	71%	10th
A5: Waste generated	x		x	x	x		x	5	71%	10th
DI_1: item disclosed in the annual report	3	2	3	4	3	3	5			
DI_2: item not disclosed in the annual report	2	3	2	1	2	2	0			
B: Social										
B1: Employee wages and benefits with breakdown by employment type and gender	x	x	x	x	x	x	x	7	100%	1st
B2: Total work force with breakdown by employment type, employment contract and gender	x		x	x	x	x	x	6	86%	1st
B3: Average hours of training per year per employee broken down by employee category				x	x	x	x	4	57%	14th
B4: Work days lost due to occupational accidents, injuries and illness	x		x	x		x		4	57%	14th
B5: Percentage of employees covered by collective agreements	x	x		x	x		x	5	71%	10th
DI_1: item disclosed in the annual report	4	2	3	5	4	4	4			
DI_2: item not disclosed in the annual report	1	3	2	0	1	1	1			
C:Governance										
C1: Governance structures, such as committees and other mechanisms to prevent conflict of interest	x	x	x	x	x	x	x	7	100%	1st
C2: Risk management objectives, system and activities				x	x	x	x	4	57%	14th
C3: Ownership structure	x	x	x	x	x	x	x	7	100%	1st
C4: Internal control systems	x	x	x	x	x	x	x	7	100%	1st
C5: Availability and accessibility of meeting agenda	x	x	x	x	x	x	x	7	100%	1st
C6: Process for holding annual general meetings	x	x	x	x	x	x	x	7	100%	1st
C7: Performance evaluation process		x		x		x		3	43%	18th
C8: Existence of procedure(s) for addressing conflicts of interest among board members	x	x	x	x	x	x	x	7	100%	1st
C9: The decision making process for approving transactions with related parties		x	x	x	x	x		5	71%	10th
C10: Policy on whistleblower protection for all employees			x				x	2	29%	19th
DI_1: item disclosed in the annual report	6	8	8	9	8	9	8			
DI_2: item not disclosed in the annual report	4	2	2	1	2	1	2			

Source: United Nations Conference on Trade and Development (UNCTAD), GRI & Corporate Annual Reports (2014)

Table 3: Content Category Disclosures Index by Unweighted Scores

DI	WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP	Average
A: Environmental policies and metrics								
DI1:	3	2	3	4	3	3	5	
MDI1:	5	5	5	5	5	5	5	
TDI1:	**60%**	**40%**	**60%**	**80%**	**60%**	**60%**	**100%**	**66%**
DI2:	2	3	2	1	2	2	0	
MDI2:	5	5	5	5	5	5	5	
TDI2:	**40%**	**60%**	**40%**	**20%**	**40%**	**40%**	**0%**	**34%**
B: Social policies and metrics								
DI1:	4	3	3	5	4	4	4	
MDI1:	5	5	5	5	5	5	5	
TDI1:	**80%**	**60%**	**60%**	**100%**	**80%**	**80%**	**80%**	**77%**
DI2:	1	2	2	0	1	1	1	
MDI2:	5	5	5	5	5	5	5	
TDI2:	**20%**	**40%**	**40%**	**0%**	**20%**	**20%**	**20%**	**23%**
C: Governance policies and metrics								
DI1:	7	8	7	9	8	9	9	
MDI1:	10	10	10	10	10	10	10	
TDI1:	**70%**	**80%**	**70%**	**90%**	**80%**	**90%**	**90%**	**81%**
DI2:	3	2	3	1	2	1	1	
MDI2:	10	10	10	10	10	10	10	
TDI2:	**30%**	**20%**	**30%**	**10%**	**20%**	**10%**	**10%**	**19%**

Also, this study measure the level of sustainability reporting disclosure practice in terms of number of sentences and words disclosed. Number of sentences disclosed was used because measuring number of words disclosed is time consuming as words are smaller and more numerous as a unit of measurement compared to sentences (Uwuigbe and Jimoh, 2012). The Corporate Annual Report/Sustainability Reports (measurement instrument) contains 11 content categories within three testable dimensions. The first variable, theme, has three measurement metrics namely environment, social and governance; the next variable, evidence also has three metrics, that is, monetary/financial, non-monetary/ financial and declarative.

The last category is measured in sustainability reports using the location where the measurement can be found in the annual report such as Chairman’s Statement, Director's report, Operations Review, Corporate Diary and Others section in the report.

Metrics by Theme

Table 2 and 4 give a detailed breakdown of content analysis by theme as it relates to sustainability reporting disclosures using the number of sentences disclosed by companies in the annual corporate reports.

Table 4: Content Category Theme of Sustainability Reporting Disclosures

Content Category By Themes:	WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP	DI1
Environmental	3	2	3	4	3	3	5	66%
Social	4	2	3	5	4	4	4	74%
Governance	6	8	8	9	8	9	8	80%
Total	**13**	**12**	**14**	**18**	**15**	**16**	**17**	
MDI1: Maximum number of items disclosed in the annual reports	20	20	20	20	20	20	20	
TDI1:	**65%**	**60%**	**70%**	**90%**	**75%**	**80%**	**85%**	

Source: Corporate annual Report (2014)

Finding revealed that selected listed companies are more interested in disclosing governance and social items in corporate reports. Most firms revealed little information about their environmental activities. Of the three categories (environmental, social and governance), environmental policies and metrics were the least likely to be reported (66 percent on average). Of the governance policies and metrics (80%) issues assessed, governance structures, such as committees and other mechanisms to prevent conflict of interest; ownership structure; internal control systems and availability and accessibility of meeting agenda ranked among the 1st items out of the 20 indicators. Social issues considered key to a company’s sustainability, such as data on employee wages and benefits with breakdown by employment type and gender; total work force with breakdown by employment type, employment contract and gender ranked among the 1st and 9th items respectively out of the 20 indicators.

Metrics by Evidence

As in similar previous studies, corporate disclosures items are arranged into three categories or methods: financial/monetary, non- financial /monetary and declarative disclosures. The three methods of sustainability disclosures as used in the sampled corporate annual reports are as shown in Table (5).

Table 5: Methods of Sustainability Reporting Disclosures								
Methods of SRD	WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP	DI1
Financial/ Monetary disclosures	4	4	4	5	3	4	5	83%
Non- Financial/Monetary disclosures	3	2	1	2	1	3	2	40%
Declarative/Narrative disclosures	2	3	3	2	2	1	3	23%
Total	**9**	**9**	**8**	**9**	**6**	**8**	**10**	
MDI1: Maximum number of items disclosed in the annual reports	20	20	20	20	20	20	20	
TDI1:	**45%**	**45%**	**40%**	**45%**	**30%**	**40%**	**50%**	**42%**
Source: Corporate annual Report (2014)								

The findings here show that financial/monetary disclosures (83 percent) dominated items disclosed in the corporate annual reports studied. Declarative/narrative disclosures (23%) are the least disclosure statement that companies studied are more interested in reporting.

Metrics by Location

An interesting aspect that can be gleaned from the Table 6 is that the greatest proportion of location of corporate social and environmental disclosure of the sampled companies are disclosed in the chairman's statement (63%) and directors report (69%).

Table 6: Location of annual report in Sustainability Reporting Disclosures								
	WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP	
Chairman's Report	2	3	2	5	3	4	3	60%
Directors' Report	2	4	3	4	3	4	4	69%
Operations Reviews	3	2	4	5	4	5	5	40%
Diary	4	2	3	2	2	2	3	26%
Others	2	1	2	2	3	1	2	19%
Total	**13**	**12**	**14**	**18**	**15**	**16**	**17**	
MDI1: Maximun number of items disclosed in the annual reports								
Source: Corporate annual Report (2014)								

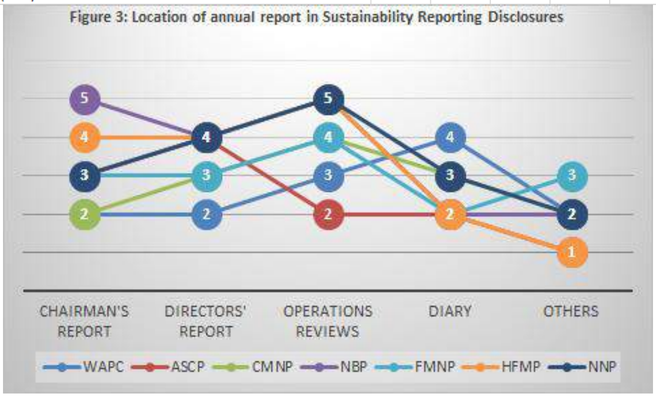

Figure 3: Location of annual report in Sustainability Reporting Disclosures

Other disclosure of the sampled companies are found in the operations review sections (40%), corporate diary (20%) and other sections (19%).

Hypothesis Test

Table 7: descriptive statistics of sustainability reporting disclosures.

Descriptive Statistics

	N	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
WAPC	20	.65	.109	.489	.239	-.681	.512	-1.719	.992
ASCP	17	.71	.114	.470	.221	-.994	.550	-1.166	1.063
CMNP	18	.78	.101	.428	.183	-1.461	.536	.137	1.038
NBP	19	.95	.053	.229	.053	-4.359	.524	19.000	1.014
FMNP	18	.83	.090	.383	.147	-1.956	.536	2.040	1.038
HFMP	18	.89	.076	.323	.105	-2.706	.536	5.977	1.038
NNP	20	.85	.082	.366	.134	-2.123	.512	2.776	.992
Valid N (listwise)	16								

Analysis of the descriptive statistics result as presented in Table (7) reveals that on average, all the sampled firms from the selected industry have some form of corporate social, environmental and governance information disclosed in their annual reports. This is depicted in the standard deviation between .229 and .489 respectively. These results invariably portends that the sustainability reporting disclosures level in the listed firms still low in Nigeria when compared with that of other developed countries. These finding is further supported by the mean disclosure scores of about .65 and .95 respectively.

Furthermore, in an attempt to find out whether the level of sustainability reporting disclosures between the sampled firms are significantly different as stated in hypothesis, the overall sustainability reporting disclosures scores for firms in the sampled industries are tested in Table (8).

TABLE 8

Test Statistics

			WAPC	ASCP	CMNP	NBP	FMNP	HFMP	NNP
Chi-Square			1.800[a]	2.882[b]	5.556[c]	15.211[d]	8.000[c]	10.889[c]	9.800[a]
df			1	1	1	1	1	1	1
Asymp. Sig.			.180	.090	.018	.000	.005	.001	.002
Monte Carlo Sig.	Sig.		.450[e]	.200[e]	.050[e]	.000[e]	.050[e]	.000[e]	.000[e]
	99% Confidence Interval	Lower Bound	.163	.000	.000	.000	.000	.000	.000
		Upper Bound	.737	.430	.176	.206	.176	.206	.206

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 10.0.
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.5.
c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 9.0.
d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 9.5.
e. Based on 20 sampled tables with starting seed 2000000.

Findings from our analysis as depicted in Table (8) shows that the two-sided asymptotic significance of the chi-square statistic is greater than 0.10. This outcome invariably shows that since the chi-square result obtained is greater than the t-tabulated (i.e. 1.800 > 0.10) at 5% level of significance with a two–tailed test, the alternative hypothesis will be accepted at the expense of the null hypothesis. This implies that there is significant difference in the level of sustainability reporting disclosure between the selected firms parading a higher level of disclosure as depicted in Table 8 and various metrics and stakeholders disposition. Therefore, the null hypothesis is rejected and the alternative hypothesis which stated that "that there is significant difference in the level of sustainability reporting disclosure practices between selected firms in the Nigeria Stock Exchange" is accepted.

5. CONCLUSIONS

Prior research Cho *et al.,* (2010), reports that corporate environmental disclosures are, like other disclosures, often used by corporations to attempt to manage stakeholder impressions regarding environmental performance. This study concludes that most companies studied majorly disclose information relating to social and governance issues in cosmetic manner to laud their image and avoid problem mostly with host communities. It was also observed that the environmental disclosure in annual reports of the companies studied contains little quantifiable data to improve their corporate image and to be seen as responsible corporate citizens. This is consistent with the study of Uwuigbe and Jimoh, (2012), that sustainability reporting disclosure practice in Nigeria is still very ad-hoc, general and self-laudatory in nature. This stream of research shows that worse environmental performers tend to use more extensive disclosures or tend to publish selective, partial disclosures as strategies for managing impressions (Cho *et al.,* (2010). For future research in this area, hindrances to demand for corporate sustainability reporting (CSR) among stakeholders needs to be investigated. Hindrances such as low level of required knowledge by the stakeholders; few that have the required knowledge seems to care less about CSR analysis; issues of 'settlement' or bribe of community leaders of thought and various stakeholders; most investors do not understand the subject matter or what to look for in financial reports; and lack of appropriate punishment for non-disclosures.

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