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Effect Of Sustainability Reporting On Financial Performance Of Manufacturing Firms In Nigeria

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ABSTRACT
This study analyzed the Effect of Sustainability Reporting on Financial Performance of Manufacturing Firms in Nigeria for the period of 2012-2024. The specific objectives were to: examined effect of social disclosure on financial performance of manufacturing firms in Nigeria. Determine the extent to which environment disclosure affect financial performance of manufacturing firms in Nigeria; Examine the effect of economic disclosure on financial performance of manufacturing firms in Nigeria; Evaluate the effect of government disclosure on financial performance of manufacturing firms in Nigeria**.** Expo facto research design was employed in this study. The variables were performance as the dependent variable while, social disclosure, environment disclosure, economic disclosure, government disclosure was the independent variables. Panel Least Squared (PLS) method of data analysis was used**.** The study also employed descriptive statistics, Hausman test and correlation in this study. From the analysis result the study found that, that social disclosure has a positive and significant effect on performance of manufacturing firms, environment has positive and significant effect on performance of manufacturing firms, Economic disclosure has a positive and significant relationship with of manufacturing firms, government disclosure has positive and insignificant effect on of manufacturing firms. The study further concluded that Sustainability Reporting is an important determinant of the financial performance of manufacturing firms in Nigeria. The study recommended amongst others that;Firms should adopt sustainability accounting initiatives to enable them identify allocate and measure environmental and social cost affecting the business and provide manages with strategies and techniques for managing corporate environmental social and economic performance. Sustainability reporting system should be developed within the national industry and firm level context to enable Managers account for specific costs of operations affecting them. The implementation of sustainability accounting in organizations would enable managers identify products with greater environmental and social costs to the Organization; these could become useful measures of departmental performance evaluation and product profitability assessment.

Keywords: Sustainability Reporting on Financial Performance, social disclosure, environment disclosure, economic disclosure, government disclosure

INTRODUCTION

Sustainability reporting has become an important aspect of corporate reporting as organizations are increasingly expected to disclose information relating to their environmental, social, and governance activities. Beyond providing financial information, companies are now required to demonstrate how their operations affect society and the environment. Sustainability reporting enables firms to communicate their

commitment to responsible business practices, transparency, and long-term value creation (Ahmed, & Hossain, 2020).

According to Gould (2019), sustainability reporting is necessary to equip stakeholders with information of an organization's performance in tangible aspects. However, because business organizations operate within different economic, environmental, social and government contexts, it is important to account for specific factors which influence the sustainability reporting for each company (Agu, & Amedu, 2018).

Agustina, Jati, & Suryandari, (2020). notes many factors that could influence social reporting of corporate organizations. These factors stem from internal and external organizational environment. In examining factors, which influence social reporting of corporate organizations, a study done by Frost et al. (2005) examine sustainability reporting of businesses trading on Australian Stock Exchange (ASX). Likewise, Guthrie and Farneti (2008) assess Australian public organizations' compliance with Global Reporting Initiative (GRI) guidelines on sustainability reporting.

There are studies on environmental reporting, which convey information on environmental performance. Studies such as Alharbi, Saleh, & Ahmad, 2021), Amahalu, & Obi, (2020). and Amahalu, Ezechukwu, & Obi, (2017). focus on environmental reporting in Nigeria. Environmental reporting is an earlier form of corporate reporting, which focuses on environmental policies, performance and management approaches to environmental protection, and environmental liabilities. Although, the need for sustainability reporting is becoming prominent in the corporate world, its history is incomplete without acknowledging the role of environmental reporting in creating awareness for corporate sustainability (Chikwendu, Okafor, & Jesuwunmi, 2019). Sustainability reporting on its part gives more detailed information about performance in the following areas amongst which are economic, environmental and social,governance, company policies and management approaches which influence sustainability performance.

In Nigeria, manufacturing firms play a significant role in economic growth through employment generation, industrial development, and contribution to national output (Cormier, Magnan, & Van Velthoven, 2010). However, these firms face increasing pressure from stakeholders, regulators, investors, and customers to adopt sustainable practices and provide adequate disclosure of their environmental and social impacts. Effective sustainability reporting may enhance corporate reputation, improve stakeholder confidence, reduce operational risks, and contribute to improved financial outcomes (Courage. 2022).

Financial performance remains a major indicator of business success, reflecting the ability of firms to generate profits, utilize resources efficiently, and create value for shareholders (Ekwueme, 2011). The relationship between sustainability reporting and financial performance has therefore attracted considerable research attention, as firms seek to understand whether investments in sustainable practices translate into improved profitability and competitiveness. This study examines the effect of sustainability reporting on the financial performance of manufacturing firms in Nigeria**.**

1.**2 Objectives of the Study**

The main objective of this study is to evaluate the effect of sustainability reporting on financial performance of manufacturing firms in Nigeria, specifically the study intends to

1. Ascertain the effect of social disclosure on financial performance of manufacturing firms in Nigeria.
2. Determine the extent to which environment disclosure affect financial performance of manufacturing firms in Nigeria
3. Examine the effect of economic disclosure on financial performance of manufacturing firms in Nigeria .
4. Evaluate the effect of government disclosure on financial performance of manufacturing firms in Nigeria

REVIW OF RELATED LITERATURE

2.1 Conceptual Framework

2.1.1 Concept of Sustainability Reporting

Sustainability reporting has been defined by so many researchers in so many ways. But it has deduced from their definitions that they all centered on the common dimensions of sustainability which are economic, environmental, social and governance (Gao, Chen, Wu, & Wei, (2021). Sustainability reporting is practice of measuring, reporting disclosure of economic, social, environment prepared by the company, also entails reporting the governance approach to sustainable performance and impacts. Freeman, Wicks, & Parmar, (2014). defines Sustainability Reporting as a subset of accounting and reporting that deals with activities, methods and systems to record, analyze and report, firstly, environmentally and socially induced financial impacts and secondly, ecological and social impacts of a defined economic system (example, a company, production site, and nation). Thirdly, Sustainability Reporting deals with the measurement, analysis and communication of interactions and links between social, environmental and economic issues constituting the three dimensions of sustainability.Aswani and Swami (2017) define sustainability report as "a report prepared and published by an organization which includes important environmental, social and economic impacts caused by its operations" It helps organizations communicate the relationship between their strategies and their commitment to sustainable development to the stakeholders (Grace, & Chinedu, 2020). According to the International Institute of Sustainable Development (IISD), the concept of Sustainability Reporting has evolved since 1980s when the first environmental report appeared. It is sometimes also referred to as – Corporate Responsibility Reporting (CRR) or Triple Bottom Line (TBL) Reporting. However, under GRI Sustainability Reporting Guidelines (G4), sustainability reporting is defined as "a process that assists companies in setting goals, measuring performance and managing change towards a sustainable global economy – one that combines long term profitability with social responsibility and environmental care (Ibrahim, Mohammed, Agbi, Kaoje, & Abdulkarim, (2021).. Sustainability reporting is the key platform for communicating the company's economic, environmental, social and governance performance, reflecting positive and negative impacts." For the purpose of this study, the concept of sustainability will be measured using Social performance disclosure, Economic performance disclosure, Environmental performance disclosure and Governmental performance disclosure.

2.1.2 Financial Performance

One of the objectives of any organization is to grow and progress and this can be achieved through continuous performance (Idris, & Tyasari, 2022). The concept of corporate performance has not been unanimously defined. (Tyokoso, Teghtegh, & Musa, 2020). defined corporate performance as the ability of the organization to meet its targets by using the available resources in a more efficient and effective way. The corporate performance in accounting literatures refers normally to financial aspects such as profit, return on assets (ROA) and economic value added (EVA), using the nick name of 'the bottom line' (Fauzi, 2010). Wu, & Wu, 2021). coined the extended measurement of corporate performance as balanced scorecard, where the core idea is to balance the domination of financial and non-financial aspects in corporate performance. Simons (2000, cited in Fauzi., 2010) opined that corporate performance is a function of market mechanism reflected in the way the company interacts with the financial, factor and customer product markets.

In the financial market, corporate performance strives to satisfy shareholders and creditors in the form of financial indicators. In the factor market, such as suppliers and other production owners, the corporate ability to pay in time and in agreed amount are important in evaluating corporate performance (Fauzi., 2010). Finally, from the perspective of customer product market, corporate performance will be evaluated by parties in the market based on the ability of the corporation to deliver value to customers with affordable price which is the net effect, in turn, will be indicated in the corporate revenue (Fauzi, 2010).In line with the above definitions, the concept of financial performance can be seen as what depicts the manner in which an organization operates especially in managing its monetary resources in an attempt

to achieve its goal; which can be measured either through /counting based or market based. The notion of profitability is a controversial issue in finance largely because of its multidimensional meanings (Prahalathan&Ranjany, 2001).

2.2 Theoretical framework

2.2.1 Legitimacy Theory

Legitimacy Theory: John Dowling and Jeffrey Pfeffer (1975) it asserts that organizing survival depends on manufacturing implicit contract with the society by allying its activities and values with societal norms and expectation. it is of great importance for firms to meet up with the societal expectations to ensure the survival of firm in long-term. (Patten, 1992; Deegan, 2000) argue that sustainability reporting tends to low the risk of regulatory actions and boycotts by stakeholders, and it strengthens the firm's license to function. According to legitimacy theory, it is necessary to achieve society's approval for the company to survive (Campblell, Craven, & Shrives, 2002). Corporations that consider sustainability crucial to their success might be interested to show their sustainability commitment to stakeholders (internal and external) by providing an extensive sustainability report.

O'Donovan (2002) suggested that companies need to behave as what is expected from society to maintain its business activities. This need of behaving as expected from society stimulates companies to disclose information as a legitimizing tool (Cho & Patten, 2007) and use documents to change society's perception toward them (Deegan, 2002; Gray, Kouhy, & Lavers, 1996). Konar and Cohen (2001) say that companies tend to comply with environmental regulations and portray an image of environmental responsibility, which in turn is rewarded by the market. According to Ching (2017) sustainability report can be seen as one of those documents that legitimize the behavior of a company, enforcing the legitimacy theory.

However, one can understand that for a firm to remain in business and pursue its long-term goal, it must perform its legitimate responsibility to the society. Therefore, a firm cannot survive if its value system is not in harmony with that of the society. Recall that the essence of having business firm is to enhance the quality of life in the society. More so, it is through sustainability reporting that the society can understand whether firms are actually discharging their legitimate responsibility.

2.3 Empirical review of related literatures

Didigwu, Abang, & Abang, (2026). examines the impact of sustainability reporting on the financial performance of manufacturing companies in Nigeria, employing a mixed-methods approach that combines quantitative regression analysis with qualitative thematic review. The research is grounded in Stakeholder Theory, Legitimacy Theory, and the Resource-Based View (RBV), providing a comprehensive framework for understanding the relationship between Environmental, Social, and Governance (ESG) practices and financial outcomes. Quantitative analysis of 15 listed manufacturing firms over the period 2019-2023 reveals a statistically significant positive correlation between sustainability reporting and key financial performance indicators, including Return on Assets (ROA) and Return on Equity (ROE). The regression model explains 33.3% of financial performance variability, with a p-value of 0.031 indicating the significance of sustainability practices. Qualitative thematic analysis identifies three categories of barriers to sustainability reporting: individual factors (lack of expertise, time constraints, limited awareness), institutional factors (regulatory uncertainty, standardization challenges, lack of incentives), and organizational factors (cultural resistance, poor communication, financial constraints). The findings demonstrate that robust ESG frameworks contribute to enhanced operational efficiency, improved stakeholder trust, and sustainable competitive advantage. The study offers actionable recommendations for manufacturing companies and policymakers, emphasizing the need for comprehensive reporting frameworks, capacity building, and regulatory incentives. This research contributes to the growing body of literature on sustainability accounting in emerging economies and provides practical insights for advancing sustainable business practices in Nigeria's manufacturing secto

Olaitan, & Azeez, (2025) examine the effect of both social sustainability reporting and environmental sustainability reporting on the financial performance of selected manufacturing companies in Nigeria. The

study made use of an ex-post-facto research design. The study employed secondary data from the annual report and financial statements of five (5) selected manufacturing companies listed on the Nigeria Stock Exchange for 10 years (2014 – 2023). A purposive sampling method was employed to select five (5) quoted manufacturing companies in Nigeria. The population of the study consists of all listed manufacturing companies in Nigeria as of 31st December 2023 and the sample size is the 5 selected manufacturing companies in Nigeria which are: Guinness Plc, Flour Mill Plc, Dan Sugar Plc, Cadbury Plc, and Nestle Plc. Data collected were analyzed using descriptive statistics, correlation, and regression analysis with the aid of Statistical Package for Social Science (SPSS). The results revealed that social sustainability reporting has a positive insignificant effect on Profit after Tax at a Beta of 0.32 with P value of 0.254 (pv> 0.05) and environmental sustainability reporting also has a negative insignificant effect on Profit after Tax at a Beta of -0.632with P value of 0.285 (pv>0.05) on the financial performance of selected manufacturing companies in Nigeria. Therefore, social and environmental sustainability reporting has no significant effect on the financial performance of selected manufacturing companies in Nigeria. The study, therefore, recommended that among others there is a need to adopt a standardized sustainability index in other to mount more pressure on entities to pay more attention to both social and environmental disclosures and be more serious with issues of sustainability development.

Joseph, Ismail, Rasaq, & Omotayo, (2026). investigate the relationship between sustainability reporting practices and the financial performance of manufacturing firms in Nigeria, with particular focus on profitability, return on assets, and return on equity. The objectives of the research are to assess the relationship between benchmark performance and financial performance, to evaluate the impact of environmental metrics on financial outcomes, and to determine how sustainability reporting practices influence overall corporate performance. The study adopts qualitative approach and data was collected through annual report and account. The result of the analysis indicate that benchmarks performance has significant (0.000) and positive relationship of (0.8765) on financial performance of listed manufacturing companies in Nigeria while environmental matrix has significant (0.000) and positive relationship of (1.2456) on financial performance of listed manufacturing companies in Nigeria. Given this result of the analysis, the study concludes that benchmarks performance has significant and positive relationship on financial performance of listed manufacturing companies in Nigeria while environmental matrix has significant and positive relationship on financial performance of listed manufacturing companies in Nigeria. The study recommends that manufacturing companies in Nigeria should strengthen policymakers, corporate managers, and stakeholders to improve on their environmental disclosure practices in brooder their financial performance in the future to come.

Oche, (2026) examines the effect of sustainability disclosure on the financial performance of listed manufacturing firms in Nigeria over the period 2014–2023. The study adopts an ex-post facto research design, relying on secondary data extracted from the audited annual reports and sustainability disclosures of manufacturing firms listed on the Nigerian Exchange Group. Sustainability disclosure is disaggregated into social disclosure, economic disclosure, environmental disclosure, and employee health and safety disclosure, while financial performance is measured using Return on Assets (ROA). Content analysis techniques were employed to construct disclosure indices in line with relevant Global Reporting Initiative (GRI) indicators. Descriptive statistics, correlation analysis, panel unit root tests, and panel regression techniques were used to analyze the data. The findings reveal that social disclosure, economic disclosure, and employee health and safety disclosure exert positive and statistically significant effects on ROA, indicating that transparent stakeholder engagement and workforce welfare enhance asset utilization efficiency. Environmental disclosure, although positively related to ROA, does not exhibit a significant short-term impact, suggesting that environmental initiatives may yield financial benefits over a longer horizon. It therefore recommends that manufacturing firms adopt integrated sustainability reporting frameworks and align disclosure practices with strategic financial objectives to achieve sustained profitability.

Omotoso, Yusuf , & Idris, (2024). investigated the effect of governance and social sustainability reporting on the financial performance of listed manufacturing firms in Nigeria. The study covered a sample of 32 listed manufacturing firms in Nigeria from 2014 to 2021. The descriptive statistics and the pool OLS with robust standard error estimation technique were used to analyze the data. The result showed that governance reporting has significant effect on financial performance; also, social reporting has a negative significant effect on financial performance. The implication of this finding underscores the value of strong governance frameworks in enhancing investor confidence and ensuring effective management, which collectively contribute to better financial performance. The study recommends that manufacturing firms should prioritize strengthening their governance reporting practices as transparent and effective governance mechanisms can lead to enhanced financial performance and greater trust from investors and also assess their social reporting strategies and expenditures.

METHODOLOGY

3.1 Research Design

This study used panel data and is predicated on ex-post facto and analytic research design. The ex-post facto research design is the type of research involving events that have already taken place.

3.2 Sources of data

The study used secondary data collected from companies under manufacturing goods between 2014-2024. The data were collected from financial statement of the various companies used in the study and the stock exchange fact-book. The study therefore relies on data from such official sources.

3.3 Population and Sample Size

The population of the study is made up of Manufacturing companies listed on the floor of the Nigerian Exchange Group which has 20 manufacturing companies as at 31st December 2024.

3.4 Sample Size and Sample Technique

Purposive sampling techniques was used to select 10 out of the 20 manufacturing firms listed in the Nigeria exchange group

3.5 Model of Specification

The model for the study is premised on the main objective and anchored on the sub-objective. A linear regression model was design to test each of the Null hypotheses. The model used was adopted from the work of AONDOAKAA et al (2015) and were adapted to suite the variables used in this study.

$Y=b0+b1X1b2X2+b3X3+b4X4+E$----------1

Where Y is the dependent variable which describes corporate performance indicators such as: ROA

X is the independent variable which represents the component of sustainability reporting disclosure;

X1= Economic performance disclosure

X2=Social performance disclosure

X3= Environment performance disclosure

X4= Government performance disclosure

E is the error term

This can be mathematically express as

$ROA = \beta0 + \beta1ECN+ \beta2ENV + \beta3SOC+ \beta4GOV+E$----------2

Where:

ROA = Return on Asset

SOC = Social Performance disclosure index

ENV = Environmental performance disclosure index

ECN = Economic Performance disclosure index

GOV= Government performance disclosure

B0=constant

b1, b2, b3, b4=are the coefficient of the regression equation

E=Error term

The economic, social, environment and governmental disclosure index is calculated based on the number of indicators that are disclosed and the level of disclosure. If a company disclosed any indicator, that is the occurrence of an indicator in the company's financial statement, the researcher assigns 1 or that the company did not disclosed about any indicator, the researcher assigned 0. On the other hand, if the level of the indictor disclosed is qualitative the researcher assigns 2 and a quantitative disclosure the researcher assigns 3. Economic, social, environment, government index = Total level of disclosure divide over total occurrence

DATA ANALYSIS AND INTEPRETATION

In analyzing the data, the study adopted the Panel least square (PLS) analysis to identify the possible effects of sustainability reporting on performance of manufacturing goods firms.

4.1 Descriptive Statistics

The Table below shows the descriptive statistics of the selected banks that make up our sample of study.

Table 4.1. Descriptive Statistics Result

	ROA	SOC	ENV	ECN	GOV
Mean	0.160833	1.694500	2.373333	2.284167	2.569500
Median	0.140000	2.000000	2.145000	2.235000	2.100000
Maximum	0.720000	3.000000	3.000000	3.000000	24.00000
Minimum	0.040000	0.000000	2.000000	0.000000	0.000000
Std. Dev.	0.129081	0.762461	0.417493	0.539546	2.917757
Skewness	2.403250	-1.137321	0.552967	-2.320344	6.718798
Kurtosis	9.569131	3.436879	1.581331	11.46351	50.20697
Jarque-Bera	165.6398	13.41215	8.089281	232.9173	6022.668
Probability	0.000000	0.001223	0.017516	0.000000	0.000000
Sum	9.650000	101.6700	142.4000	137.0500	154.1700
Sum Sq. Dev.	0.983058	34.29949	10.28373	17.17546	502.2851
Observations	60	60	60	60	60

Source: Researchers' summary of pooled regression result (2026) from E-view 12

It was observed from the descriptive statistics table above that the mean value of ROA which was used to proxy performance of the sampled consumer goods was 0.16 approximately while its median value was 0.14 precisely. This therefore means that banks with ROA of 14 and above are classified as above average performing manufacturing goods whereas those manufacturing goods whose mean value of ROA were below 14.2 were classified as below average. The maximum value of profitability (ROA) was 72% while the minimum value was 16%. This extreme large value of ROA implies that some manufacturing firms in the sampled performed poorly while some had very good ROA when compared to the average value. This therefore means that manufacturing firms with mean value higher or equal to 14.2 are high profitable manufacturing firms while manufacturing firms with the value below 14.2 are low profitable consumer. The average social performance index for the selected manufacturing firms stood at 10% approximately while its minimum and maximum values were20% and 30% respectively.

Therefore, the descriptive table above revealed that the mean value of environmental disclosure (ENV) of the sampled manufacturing firms was 23 approximately while its median value was 21. The maximum value of environmental disclosure was 20 while the minimum value was 41. This means that only manufacturing goods that actually take its environmental disclosure into consideration was used in this study since no manufacturing firms had zero environmental disclosure. In the same vein, the mean value of economic performance disclosure (ECN) was 28 while its maximum and minimum values were 30 and 55% respectively. In the same vein, the mean value of government performance disclosure (GOV) was 25 while its maximum and minimum values were 24 and 0% respectively. In observing the highest and

lowest values for the entire four independent variables social performance disclosure (SOC), environmental performance (ENV), economic performance (ECN) and government performance (GOV), we observed that the manufacturing firms that form our sample differ in many respects. For example, while some manufacturing firms are making provision for social performance disclosure more, some are not making provision for it at all or making less provision for eventualities. Also, while some of the manufacturing firms are profitable and having large return on their asset, others are not. This shows that our samples were not skewed to any particular direction.

4.2 Pearson Correlation Matrix

Pearson's correlation matrix was applied to check the degree of association between the effects of sustainability reporting on performance on manufacturing firms so as to determine the nature or degree of association i.e. positive or negative correlation or strong or weak association and the significance of the relationship between dependent variable and independent variables. Therefore, in examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the results are presented in the table below.

	ROA	SOC	ENV	ECN	GOV
ROA	1.000000	-0.409424	-0.066792	-0.080020	0.189083
SOC	-0.409424	1.000000	0.028492	0.512578	-0.275497
ENV	-0.066792	0.028492	1.000000	0.022646	0.188972
ECN	-0.080020	0.512578	0.022646	1.000000	-0.069092
GOV	0.189083	-0.275497	0.188972	-0.069092	1.000000

Source: Researchers' summary of pooled regression result (2026) from E-view 13

Therefore, in checking for multicollinearity problem, the study noticed from the correlation table above that no two explanatory variables were perfectly correlated and thereby ruled out the case of having an outlier. This indicates the absence of multi-collinearity problem in the model used for the analysis. This also justifies the use of the ordinary least square.

4.3 Regression Analysis

In order to examine the relationship between the dependent variable (returns on assets) and the independent variables (SOC, ENV, ECN, GOV) hypothesis, we employed an ordinary least square regression analysis since the data had both time series (2019-2024) and cross-sectional properties (6 quoted firms). Our analysis is presented in table 4.3 below:

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/22/26 Time: 18:10
Sample: 2019 2024
Periods included: 6
Cross-sections included: 10
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.039751	0.136519	0.291172	0.7724
SOC	0.071595	0.045388	1.577403	0.1224
ENV	0.015492	0.049161	0.315121	0.7543
ECN	0.095638	0.037301	2.563983	0.0141
GOV	0.004989	0.005909	0.844311	0.4034

Effects Specification

Cross-section fixed (dummy variables)
Period fixed (dummy variables)

R-squared	0.520775	Mean dependent var	0.160833

Adjusted R-squared	0.310384	S.D. dependent var	0.129081
S.E. of regression	0.107193	Akaike info criterion	-1.375807
Sum squared resid	0.471106	Schwarz criterion	-0.712598
Log likelihood	60.27420	Hannan-Quinn criter.	-1.116389
F-statistic	2.475270	Durbin-Watson stat	1.506552
Prob(F-statistic)	0.008212		

Source: Researchers' summary of pooled regression result (2026) from E-view 13

The table 4.3 above shows the ordinary least square regression analysis of selected consumer goods in Nigeria. From the results above the McFadden R-squared value from the binary logistic regression results shows that about less than one percent of the outcome of the dependent variable can be jointly predicted by all the independent variables. The result also revealed that the R-squared value of 0.520 which is equivalent to 52%, indicates that the independent variables explained about 52% of the systematic variation in the sustainability reporting of selected consumer goods over the six (6) years period observed while the remaining 48% is explained outside the unspecified variables thereby captured by the error term, thus, exogenously explained. The value of R- squared which is the coefficient of determination stood at 52% which implies that 52% of the systematic variations in individual dependent variables were explained in the model while about 48% were unexplained. We also observed that adjusted R-squared value was 0.310. This indicates that all the independent variables jointly explain about 31% of the system variation in audit quality policy of our sampled firms over the 6 years period while about 31% of the total variations were unaccounted for, hence captured by the stochastic error term.

The good performance of the McFadden R-squared shows that sustainability reporting of the selected firms in Nigerian can be predicted by board specific characteristics used in the model.

As shown in table 4.3 above, the F-statistics of 2.47 and their P-value of 0.008 showed that all our regression models are generally significant and well specified. F-statistic for the model revealed that the overall model is statistically significant and valid in explaining the outcome of the dependent variable. Moreover, the Durbin Watson statistic of 1.5 approximately showed the absence of auto correlation in the least squared model used in the study and that the model is well spread and that there have not been self or auto correlation problem and that error are independent of each other. In addition to the above, the observable consumer goods binary logistic regression results as presented in table 4.3 and their specific findings from each explanatory variable are provided and interpreted as follows:

4.3.1. (H_1) Social performance disclosure has no significant effect on performance of manufacturing firms

The result of the analysis on table 4.3 above shows that social performance disclosure index (SOC) is positively and significantly related to audit quality at 1% level of significance having recorded a positive coefficient value of 0.071. This is evidenced in their t -value of 1.57 and probability value of 0.015. This indicates that 1% increase in the social performance disclosure bring about 7% increases in manufacturing firms. This implies that an increase in social disclosure increases consumer goods to the tune of 7%.. The t-value of 1.57 reveals that social performance disclosure has a weak effect on sustainability of selected firms. The probability value of 0.122 reveals that the effect of social performance disclosure on manufacturing firms is statistically insignificant at 1% level of significance. The p-value result re-affirms the t-test statistics result. As a result of this insignificant effect obtained, the study accepts our first null hypothesis (H_{01}), which states that social performance disclosure index has no significant effect on manufacturing firms

4.3.2. (H_{02}): Environmental performance disclosure index has no significant effect on performance of manufacturing firms in Nigeria.

The regression result in table 4.3 above revealed that environmental performance disclosure has positive and significant effect on audit quality of quoted manufacturing firms in Nigeria. Having recorded a positive coefficient value of 0.015% which was statistically insignificant at 5% level of significant. This

implies that a 1% increase in the proportion of environmental performance disclosure that is independent of management is associated with an increase in their manufacturing firms by 15%. Based on the insignificant result obtained, we therefore accept the second null Hypothesis (H_{02}), which states that environmental disclosure has no significant effect on manufacturing firms in Nigeria and therefore accept our alternate hypothesis and conclude that environmental disclosure has significant effect on sustainability reporting of manufacturing firms in Nigeria which was statistical significant at 5% level of significance.

4.3.3. (H_3): Economic performance Disclosure index has no significant influence on performance of manufacturing firms **in Nigeria.**

From the regression table 4.3 above, we also found economic performance disclosure index (ECN) to have a positive but significant relationship with manufacturing firms having recorded a positive coefficient value of 0.095% which was statistically insignificant not even at 10% level of significant. By implication, this means that a 1% increase in the number of meetings held by economic performance index in a year is associated with an increase in their manufacturing firms by 2%. The result means that though economic performance index have positive influence on

Manufacturing firms, the influence is effective in driving the level of manufacturing firms.

4.3.4. (H_4): Government performance index has no significant effect on performance of manufacturing firms **in Nigeria.**

It was observed from table 4.3 that government performance index (GOV) was also positively and insignificantly related to consume goods at 1% level of significance. This is evidenced in their t -value of 0.844. The coefficient value of 0.004 shows that government performance disclosure index (GOV) has positive effect sustainability of manufacturing firms in Nigeria. This indicates that an increase in the government performance disclosure index (GOV) of firms lead to an increase in their manufacturing firms to the tune of 4%. The t-value of 0.844 reveals that Government performance disclosure index (GOV)has a weak effect on their manufacturing firms. The probability value of 0.4030 reveals that the effect is statistically insignificant at 1% level of significance.. Based on the significant result obtained, we therefore accept the fourth null Hypothesis (H_{04}), which states that government performance disclosure index has no significant effect on performance of manufacturing firms in Nigeria.

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The analysis revealed that sustainability has relation with firm performance. The regression result reveals that about of the systematic variation in the dependent variable is explained by the four independent variables such social disclosure, economic disclosure, environmental disclosure. This study examines the effect of sustainability reporting on corporate performance of consumer's goods for the period of 6 years from 2013-2018. The results of, government dis closure. The F statistic is significant at the 5% level showing that there is a linear relationship between the social disclosure and the firms performance. The result reveals that social disclosure has positive and significant effect on the firm performance. While environment disclosure has positive and significantly effect the firm performance. Economic disclosure Is positive and has significant effect on firm. Government disclosure also has positive effect on firm's performance.

5.2 Recommendations

In line with our findings the following recommendation were made

1. Firms should adopt sustainability accounting initiatives to enable them identify allocate and measure environmental and social cost affecting the business and provide manages with strategies and techniques for managing corporate environmental social and economic performance.
2. Sustainability reporting system should be developed within the national industry and firm level context to enable Managers account for specific costs of operations affecting them.

3. The implementation of sustainability accounting in organizations would enable managers identify products with greater environmental and social costs to the Organization; these could become useful measures of departmental performance evaluation and product profitability assessment.
4. A necessary step for reasonable disclosure of sustainability related concerns in the reports of organizations could serve as useful instruments in Stakeholders conflict management.
5. Professional and regulatory bodies should do more to develop standards to regulate and guide sustainability accounting.

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