Corporate Sustainability Reporting and Financial Performance of Listed Manufacturing Companies in Nigeria

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Abstract

All over the world, companies are being challenged to expand on and enlarge their financial reporting to capture both those targeted at profit-making and those involving disclosures on the economic, social, environmental and governance impacts of their operations on diverse stakeholders. This has made corporate sustainability reporting to gain momentum especially in the face of International Financial Reporting Standards (IFRSs) emphasis on more disclosures. Against this backdrop, the study examined the impact of corporate sustainability reporting on the financial performance of listed manufacturing companies in Nigeria. The study used ROA as the dependent variable and economic, social, environmental and governance disclosures as the independent variables. The study adopted correlation research design because it describes the statistical relationship between the variables and estimate the impacts of independent variables on the dependent variable. Data were sourced from the annual reports and accounts of the thirty one (31) sampled listed manufacturing companies in Nigeria. The study used generalized least squares (GLS) to test the hypotheses. The findings from the results reveal that economic and environmental disclosures have positive significant impact on financial performance of listed manufacturing companies in Nigeria. Environmental disclosures have the highest impact while social disclosures have the lowest, with negative significant impact during the period under review. From the findings, it is recommended that manufacturing companies in Nigeria should make it as part of their policies to disclose environmental dimensions of their operation as this will lead to high financial performance.

Keywords: Sustainability reporting, corporate sustainability reporting, economic disclosures, social disclosures, environmental disclosures, governance disclosures, financial reporting.

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I. Introduction

Corporate Sustainability Reporting (CSR) began around late 1980s and rapidly became a significant focus for companies from a wide range of industries (Global Reporting Initiative, 2012) as a communication tool for disseminating corporate non-financial performance (Ameer & Othman, 2012), by publicly reporting about their Environmental, Social and Governance (ESG) measures and their ability to deal with the related risks (Ballou, Heitger & Landes, 2006). Due to the increasing public awareness of the role that companies play in climate change and their involvement with various environmental and social scandals involving non compliance with standard, negative effects of their activities and vices, capital providers and other stakeholders are pressuring companies to accept greater responsibility for sustainable development (Amran & Ooi, 2014). This increased demand for better information on companies' sustainability performance has been associated with the increase in importance of CSR, leading companies to account for their sustainability performance by voluntarily producing sustainability reports.

Businesses today are increasingly held accountable not just for their actions, but those for their suppliers, communities where they are located, the people who use their products among others. It is for this reason that companies are being challenged to expand on and enlarge their financial reporting to capture not only economic disclosures targeted at profit-making such as defined benefit plan, financial impact of risk and opportunities, and direct and indirect economic impact on the local community, but as well include social, environmental and governance disclosures which are presently not so (Nnamani, Onyekwelu, Uche & Ugwu, 2017), thereby increasing the need for corporate sustainability reporting gaining force especially in the face of International Financial Reporting Standards (IFRSs) emphasizing a lot on disclosures and integration of reporting and accounting for social, environmental, governance and economic issues in corporate reporting (Elkington, 2004). It is in support of the foregoing that Simnet, Vanstraelen, and Chua (2009) maintained that conventional financial reporting has been criticized for not representing multiple dimensions of a company's

values. This criticism coupled with the current global financial predicament of companies folding up with their attendant loss of jobs and others, the negative impacts of companies on the environment, increase in social ills and vices, discrepancies in remuneration and other socio-economic, environmental degradation and governance issues, have added more pressure on accounting to represent and present the multiple dimensions of a firm's value (Utile, 2016), thereby increasing the dire need for non-financial disclosures and the growth of global ecological awareness and the movement for sustainable growth (Uwalomwa, Obarakpo, Olubukola, Ozordi, Osariemen, Gbenedio & Oluwagbemi, 2018).

The above problems, coupled with inconsistencies of positive results ((Guindry & Patten, 2010; Ameer & Othman, 2012; Burhan & Rahmanti, 2012); negative results (Lopez, Garcia & Rodriguez, 2007; Detre & Gunderson, 2011); no significant relationship (Ziegler, Rennings, & Schroder, 2002; Buys, Oberholzer & Andrikopoulos, 2011) and mixed relationships (Manescu, 2011; Robinson, Kleffner & Bertels, 2011; Bayoud, Kavanagh & Slaughter, 2012; Faisal, Tower & Rusmin, 2012) assail corporate sustainability reporting and financial performance. Others still have issues of aggregating sustainability reporting, methodological and sustainability framework issues and incomplete use of components of sustainability (Khaveh, Nikhashemi, Yousefi & Haque, 2012; Ong, 2016; Ebdane, 2016; Asogwa, 2017; Caesaria & Basuki, 2017; Nwobu, Owolabi & Iyoha, 2017; Uwalomwa et. al, 2018; Asuquo, Dada & Onyeogaziri, 2018; Agu & Amedu; Emeka-Nwokeji & Osisioma, 2019; Onciolu, Petrescu, Bilcan, Popescu & Anghel, 2020; Giron, Kazemikhasragh, Cicchielo & Panetti, 2020; Owolabi, Adegbite & Oyetunji and, Aifuwa, 2020).

To the best of the researcher's knowledge, there is a dearth of study that examined the impact of each dimension of sustainability reporting on firm financial performance. Therefore this study uses a systematic disaggregated approach to fill the gap in knowledge by separately examining the influence of each component of sustainability (i.e. economic, social, environmental and governance), to determine how their disclosure may potentially impact the relationship between corporate sustainability reporting and financial performance of listed manufacturing companies on Nigeria.

II. Literature

The World Commission on Environment and Development (WCED, 1987) defined sustainable development (sustainability) as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. This definition marked the official recognition of sustainability as a means of catering for all stakeholders in the present and the future. Ernst & Young (2009) noted that investors' interest in sustainability performance has risen significantly over the past few years. With increased regulations and growth in the level of awareness of stakeholders, the concept of corporate sustainability has been assuming great importance. World Business Council for Sustainable Development (WBCSD, 2002) defined Corporate Sustainability as the commitment of businesses to contribute to sustainable economic development and to work with employees, their families, the local community, and society at large to improve their quality of life. This definition exposes the entire focus of sustainability reporting to capture the primary goal of economic development, and the other attendant benefits of improving the lives of employees and their families, the community within which they operate, and the entire society. Global Reporting Initiative (GRI, 2011) defines Sustainability Reporting as the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Researchers believe that in today's dynamic and complex business environment, corporate sustainability is likely to influence corporate profitability and overall performance because it lays a foundation for preserving and enhancing the value of a firm (Aggarwal, 2013). Companies reap plenty of strategic benefits as a result of embedding sustainability in their core strategies. It is in addition to the above, that the Nigerian Stock Exchange (NSE, 2018) maintain that sustainability and ESG are used synonymously and that for the purpose of Sustainability Disclosure Guidelines (SDG), both terms encompass the broad set of economic, environmental, social and governance considerations that can impact a company's ability to execute its business strategy and create or destroy value.

However, GRI (2011) defines a sustainability report as a report published by a company or organization about the economic, environmental, and social impacts caused by its everyday activities. A sustainability report also presents the organization's values and governance model and demonstrates the link between its strategy and its commitment to a sustainable global economy (GRI, 2016). There are varieties of benefits a firm stands to gain from reporting on its sustainability activities. These benefits could include fostering investor confidence, trust, and employeeS' loyalty to the firm. Market analyst often reflects on a company's sustainability disclosures in an attempt to assess the quality and efficiency of management and reporting may offer companies enhanced access to capital (Dhaliwal, Tsang, & Yang, 2011).

Kozlowski, Searcy and Bardeck, (2015) and Harangozó, Széchy & Zilahy (2016) stated that reporting on sustainability means disclosing the company's positive or negative impacts on the environment, society, and economy. That is why the bottom line of GRI reporting is to provide a basis for companies, which they can

adapt voluntarily and flexibly, independently of the size, sector, or location of the firm (GRI, 2019). In these sense, corporate sustainability reporting contains sustainability information to internal and external stakeholders which are very important and has been captured by several researchers (Ernst & Young, 2015; Calu et al., 2015; Herzig & Schaltegger, 2006). This information is both qualitative and quantitative. Daub (2007) posits that sustainability reports have to contain both qualitative and quantitative information to the extent which reveals how the company has improved its own economic, environmental, and social effectiveness and efficiency in the reporting period and how the company has integrated these aspects into its sustainability management system. There is the need therefore for balance between qualitative and quantitative information in sustainability reports when providing information of the company's financial/economic, social/ethical, and environmental performance (KPMG, 2008; Daub, 2007). To this end, Gomez, Pereira, Eugénió & Branco(2015) maintain that sustainability report contains social, environmental, community, and other stakeholder interactions and activities of the company, their preparation, and documentation.

2.1 Performance

There are many different ways in which performance can be defined. Gavrea, Ilies and Stegerean (2011) defined performance as a set of financial and non-financial indicators which give information on the extent of achievement of objectives and results. It is dynamic, requiring judgment and interpretation. Studies have shown that performance is distinct from corporate performance. It is in this light that Aifuwa (2020) sees corporate performance as the ability of the organization to meet its targets by using the available resources in a more efficient and effective way. In order words, corporate performance (used synonymously as organizational performance) may be illustrated by using a causal model that describes how current actions may affect future results, which can be understood differently depending on the person involved in the assessment of the organizational performance i.e persons within or outside (Agu & Amedu, 2018). According to Asuquo, Dada and Onyeogaziri corporate performance is divided into operational and financial performances. Operational performance includes: market share, product quality and marketing effectiveness.

Venkatraman and Ramanujam (1986) defined financial performance as a reflection of the fulfillment of the economic goals of the firm. However, there are many different ways in which the fulfillment of economic goals can be measured as different users such as companies, fund managers; analysts and researchers use different measurements for different circumstances (Brey & Haavaldsen, 2014).

Based on the forgoing, financial performance is broken down into two subcategories: market-based performance (such stock price, dividend payout and earnings per share) and accounting-based performance (such return on assets and return on equity). Corporate performance in accounting literatures refers normally to financial performance such as profit, return on assets (ROA) and economic value added (EVA). It also refers to the measurement of the results of a firm's strategies, policies, and operations in monetary terms with results that are reflected in the firm's return on assets and return on investments. It provides a subjective measure of how well a company can use assets from its primary mode of business and generate revenues. It is measured by revenues from operations, operating income, or cash flow from operations or total unit sales. Therefore, the user of financial information may wish to look deeper into financial statements and take informed decision.

2.2 Measuring Financial Performance

Measures of financial performance fall into investor returns and accounting returns (Pandey, 2004) as earlier stated. The basic idea of investor returns is that the return should be measured from the perspective of shareholders such as share price and dividend yield. Accounting returns focus on how firm earnings respond to different managerial policies, which can be measured using different accounting ratios (Alan, 2008). Furthermore, financial Performance ratios are further divided into three broad categories that provide reviews of the overall financial position of a company. These categories according to Brey and Haavaldsen (2014) include ratios that indicate the structural change within a company; ratios that indicate the profitability of a company, and ratios that have an impact on the valuation of companies from a market perspective.

De Villiers and Middleberg (2013) provided the following as measures of financial performance: Return on Assets (ROA), Return on Equity (ROE), Tobin-Q, Profit Margin (PM), Earnings Per Share (EPS), Divided Yield (DY), Price-Earnings Ratio (PE), Return on Sales (ROS), Cash to Assets (CTA), Sales to Assets (STS), Operating Cash Flow (OCF), Return on Capital Employed (ROCE), Critical business Return on Asset (CROA), Cost of Capital (COC), Market Value Added (MVA), Operation Profit (OP), Return on Investment (ROI), Market-to-book value (MTBV), Growth in Sales (GRO) and Return on Fixed Assets (ROFA), etc. Most of these measures have been utilized by studies regarding corporate sustainability reporting (Aifuwa, 2020; Emeka-Nwokeji, 2019, Agu & Amedu, 2018; Chikwendu, 2018; Nnamani, Onyekwelu & Ugwu, 2017; Nwobu et al, 2017; Brey & Haavaldsen, 2014).

III. Methodology

3.1 Sampling and Data Collection

The stratified random sampling technique was used considering the sectorial grouping of manufacturing companies in Nigerian. The sample size of the study is thirty-one (31) manufacturing companies drawn from the various strata of the 102 manufacturing companies listed on the Nigerian Stock Exchange at 31st June, 2019. The data relating to economic disclosures, social disclosures, environmental disclosures, governance disclosures, and financial performance were extracted from the audited financial statements of the sampled listed manufacturing companies for the period of six years (2013-2018).

3.2 Variables Measurement

The model used return on asset (ROA) as the dependent variable and four independent variables: they are economic performance indicators, social performance indicators, environmental performance indicators, and governance performance indicators. The multiple regression model as used in Agu & Amedu (2018) (ROA= β_0 + β_1EcDI + β_2EnDI + β_3SDI + ε) is adapted as stated below for the study analysis.

$$ROA_{it} = \beta_0 + \beta_1 ECOD_{it} + \beta_2 SOCD_{it} + \beta_3 ENVD_{it} + \beta_4 GOVD_{it} + \varepsilon_i$$

Where:
ROA_{it} = Return on Assets for Company in i year t
β_0 = Coefficient of the constant variable
$ECOD_{it}$ = Economic Disclosures for the Company in i year t
$SOCD_{it}$ = Social Disclosures for the Company in i year t
$ENVD_{it}$ = Environment Disclosures for the Company in i year t
$GOVD_{it}$ = Governance Disclosures for the Company in i year t
$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficients of independent variables
ε_i = error term.

3.2.1 Variables Measurement

3.2.1.1 *Dependent Variables*: The dependent variable for the study is firm financial performance proxied by ROA, measured as profit after tax divided by total assets. See table 3.1 for variable measurement.

3.2.1.2 *Independent Variables:* The independent variables of the study are the dimensions of sustainability reporting which are economic disclosures, social disclosures, environmental disclosures, and governance disclosures.

Table 3.1: Summary of Variables

Variables	Proxies	Measurement	Authors	Apriori/Predicted Effect
Dependent Variable				
Financial Performance	ROA	Profit after tax divided by total assets.	Ameer and Othman, 2012; Burhan and Rahmanti, 2012; Chikwendu et al 2016; Agu & Amedu, 2018; Asuquo et al, 2018	
Independent Variables				
Economic Disclosures	ECOD	GRI-based disclosure index score	Aggarwal, 2013; Kwaghfan, 2015; Ong, 2016; Aifuwa, 2020	+ve
Social Disclosures	SOCD	GRI-based disclosure index score	Burhan and Rahmanti, 2012; Khaveh, Nikhashemi, Yousefi and Haque (2012); Asuquo et.al, 2018	+ve
Environmental Disclosures	ENVD	GRI-based disclosure index score	Eccles et al, 2012; Aggarwal, 2013; Chikwendu et al, 2016	+ve
Governance Disclosures	GOVD	GRI-based disclosure index score	Khaveh, Nikhashemi, Yousefi and Haque (2012); Aggarwal, 2013; Ong, 2016; Nwobu, 2017; Emeka-Nwokeji & Osisioma, 2019	+ve

Source: Researcher's Compilation, 2019.

IV. Results And Analysis

4.1 Descriptive Statistics

Descriptive statistics show the nature of each of the variables of the study. This includes the minimum, maximum, mean, standard deviation as presented in the Table 4.1.

Table 4.1: Descriptive Statistics of Variables

Variables	Mean	Std. Dev.	Maximum	Minimum
ROA	0.0310938	0.1388807	0.6186797	-0.8598011
ECOD	0.672043	0.1297529	0.8	0.4
SOCD	0.6580645	0.1254808	0.8	0.4
ENVD	0.6231183	0.1232574	0.8	0.4
GOVD	0.6543011	0.1239346	0.8	0.4

Source: Extracted from STATA 13 Output

ROA=Return on Asset; ECOD=Economic Disclosures; SOCD=Social Disclosures; ENVD=environmental Disclosures; Governance Disclosures.
Descriptive statistics results from table 4.1 showed that the mean of return on asset is 0.0310938 with a standard deviation of 0.1388807 while the maximum and minimum values are 0.6186797 and -0.8598011 respectively. The maximum and the minimum economic disclosures between the sample companies are 0.8 and 0.4 respectively with a standard deviation of 0.1297529 while the mean value is 0.672043. However, the mean of the social disclosures of the sampled companies is 0.6580645 with a standard deviation of 0.1254808, the maximum and minimum values are 0.8 and 0.4 respectively. Moreover, the table showed that the mean of the environmental disclosures of the sampled companies is 0.6231183 with a standard deviation of 0.1232574 while the maximum and minimum proportion values are 0.8 and 0.4 respectively. Table 4.1 also showed that the mean value of governance disclosures is 0.6543011 with a standard deviation of 0.1239346 while the maximum and minimum values are 0.8 and 0.4 respectively.

The true meaning of these figures especially using the mean and standard deviation, is that the mean as the measure of average for the independent variables are closely related, from 0.6231183 to 0.6720430 (62% to 67%), while the spread (standard deviation) between the data among all the variables are close, 0.1232574 to 0.1388807 (12% to 14%). Overall, the descriptive statistics show that the performance of the sampled manufacturing companies in terms of ROA, ECOD, SOCD, ENVD, and GOVD are similar.

4.2 Correlation Matrix
The correlation matrix is used to determine the degree of relationship between the dependent and independent variables of the study as well as independent variables themselves. These associations among the variables of the study are presented in

Table 4.2: Correlation Matrix of Variables

Variables	ROA	ECOD	SOCD	ENVD	GOVD
ROA	1				
ECOD	0.2217	1			
SOCD	-0.2110	-0.1026	1		
ENVD	0.3647	0.1895	0.0252	1	
GOVD	0.0633	-0.0546	0.0514	0.0448	1

Source: Extracted from STATA 13 Output

The correlation between the dependent and independent variables is presented in table 4.2, from which it can be observed that explanatory variables economic disclosures, environmental disclosures, and governance disclosures are positively correlated with return on assets. While social disclosure is negatively correlated with return on assets. It can also be seen from Table 4.2 that the highest correlation between independent variables is 0.1895and that occurred between economic disclosures and environmental disclosures. Judge, Griffiths, Hill, Luthepohl, and Lee (1985) suggest that simple correlation between independent variables should not be considered harmful until they exceed 0.8 or 0.9. So there is no problem with correlation with the variables.

4.3 Normality Test
Normality tests assess the likelihood that errors (residuals) should be normally distributed. Therefore, the study adopts the Shapiro-Wilk test for normal data to find statistical evidence as to whether the data of the variables of the study follow the normal curve or not. The results of the test are presented in Table 4.3.

Table 4.3: Results of Normality Test

Variables	N	W	V	Z	Prob> z
ROA	186	0.82820	24.064	7.291	0.00000
ECOD	186	0.98537	2.049	1.645	0.04999
SOCD	186	0.99127	1.223	0.462	0.32219
ENVD	186	0.99480	0.729	-0.725	0.76575
GOVD	186	0.98741	1.763	1.300	0.09676

Source: Extracted from STATA 13 Output

The null hypothesis principle is used in the Shapiro-Wilk (W) test for normal data. Under the principle, the data is normally distributed if P-value is not significant, i.e. P-value > 5%. Table 4.3 indicates that data from the return on asset (ROA) and economic disclosure (ECOD) variables of the model are not normally distributed because the P-values are significant at a 5% level of significance (p-values of 0.0000, and 0.04999), except the social disclosure (SOCD), environmental disclosure (ENVD) and governance disclosure (GOVD) variables, which are not significant at 5% level of significance (p-value of 0.32219, 0.76575, and 0.09676). Therefore, the null hypothesis (that, the data is normally distributed) is rejected for ROA and ECOD while it is not rejected for the SOCD, ENVD, and GOVD. This may lead to some problems in OLS regression and, hence the need for a generalized least square analysis.

4.4 Multicollinearity Test

Multicollinearity test is conducted to check whether there are high correlations between independent variables which will mislead the result of the study. The study tested for the existence of multicollinearity, using variance inflation factor (VIF) and the tolerance value. The rule of thumb is that if the variables have VIF above 10 and tolerance values less than 0.10, there is a strong indication of the existence of multicollinearity (Gujarati & Porter, 2009).

Table 4.4: Results of Multicollinearity Test

Variables	VIF	Tolerance
ECOD	1.06	0.947792
ENVD	1.04	0.958710
SOCD	1.02	0.983836
GOVD	1.01	0.990272
Mean VIF	1.03	

Source: Extracted from STATA 13 Output

The result from table 4.4 shows that there is no problem with multicollinearity because all the tolerance values are greater than 0.10 while all the VIF are less than 10.

4.5 Heteroskedasticity Test

Homoskedasticity is one of the assumptions of multiple regression models that state that the variance of the errors must be constant. If the data do not have a constant variance, they are said to be heteroskedastic (Gujarati & Porter 2009). The Breusch-pagan\cook-Weisberg test was used to test the presence of heteroskedasticity. Accordingly, table 4.5 showed the p-value is greater than 5%. This means that there is no evidence for the presence of heteroskedasticity.

Table 4.5: Breusch-Pagan / Cook-Weisberg test for Heteroskedasticity

Test	Chi-square	Prob>chi2
Breusch-Pagan / Cook-Weisberg	2.21	0.1367

Source: Extracted from STATA 13 Output

4.6 Test of Hypotheses

The hypotheses in this study are tested using the GLS Model. The result from the GLS analysis is presented in table 4.6

Table 4.6: Generalized Least Squares Results

Variables	Coefficients	Z-Values	P-Values
ECOD	9.907566	2.03	0.042
SOCD	-0.2104186	-3.03	0.002
ENVD	0.3085354	5.03	0.000
GOVD	0.0223814	0.68	0.499
CONSTANT	65.13413	16.16	0.000

Source: STATA 13 Output

Table 4.6 indicates that economic disclosures have significant positive impact on the financial performance of the sampled listed manufacturing companies in Nigeria, from the coefficient of 9.907566 with a Z-value of 2.03, which is statistically significant at a 5% level of significance (p-value of 0.042). This result suggests that an increase in a unit of economic disclosure of manufacturing companies will lead to 9.907 increases in performance. In view of this, the study fails to accept null hypothesis one, which states that economic disclosures do not impact significantly the financial performance of listed manufacturing companies in Nigeria.

The results from Table 4.6 also show that social disclosure has a significant negative effect on the financial performance of listed manufacturing companies in Nigeria, from the coefficient of -0.2104186 with a Z-value of -3.03, which is statistically significant at a 1% level of significance (p-value of 0.002). This result implies that a one-point increase in social disclosure would result in 0.2104 decreases in the performance of manufacturing companies. Based on this, the study fails to accept null hypothesis two which states that social disclosures do not significantly affect the financial performance of listed manufacturing companies in Nigeria.

Also, table 4.6 shows that environmental disclosure has a significant positive effect on the financial performance of listed manufacturing companies in Nigeria, from the coefficient of 0.3085354 with a Z-value of 5.03, which is statistically significant at a 1% level of significance (p-value of 0.000). This suggests that every unit increase in environmental disclosure leads to 0.308 increases in the performance of manufacturing companies in Nigeria. Based on this, the study fails to accept the null hypothesis three which states that environmental disclosures do not significantly affect the financial performance of listed manufacturing companies in Nigeria.

Finally, table 4.6 indicates that governance disclosure has no significant effect on the financial performance of listed manufacturing companies in Nigeria, from the coefficient of 0.0223814 with a Z-value of 0.68, which is not statistically significant at all levels of significance (p-value of 0.499). Based on this, the study fails to reject null hypothesis four which states that governance disclosures do not impact significantly the financial performance of listed manufacturing companies in Nigeria.

V. Discussion And Conclusion

5.1 Discussion

This section deals with the discussion of all the results and analyses that were carried out in the course of this study.

5.1.1 Economic Disclosures and Financial Performance

The tests and interpretations of the results from this study show that there is a significant positive impact between economic disclosures and the financial performance of listed manufacturing companies in Nigeria. When manufacturing companies disclose their economic dimension of sustainability, it will lead to an increase in performance. This finding supports those of Caesaria & Basuki (2017) and Ong (2016) who revealed that economic disclosures improve the financial performance of companies. However, the findings of Asuquo, Dada & Onyeogaziri (2018) contradict the present study as they found out that economic disclosure have no significant effect on the performance of the companies they studied.

5.1.2 Social Disclosures and Financial Performance

From the GLS analysis, the study found that social disclosures have significant negative effect on the performance of manufacturing companies in Nigeria, suggesting that an increase in social disclosures will significantly reduce the financial performance of manufacturing companies in Nigeria. This finding supports the view of Mervellskemper, Streit & Bochum (2015). Contrariwise, Emeka-Nwokeji and Osisioma (2019) found a negative but insignificant impact of social disclosures on performance.

5.1.3 Environmental Disclosures and Financial Performance

Environmental disclosures have positive significant influence on the performance of listed manufacturing companies in Nigeria. When manufacturing companies increase disclosures of information on the environment, it will lead to increase in their performance. Therefore, environmental disclosures are significant in improving the financial performance of manufacturing companies in Nigeria. The result proves to be consistent with the findings of Emeka-Nwokeji & Osisioma (2019) and Nnamani, Onyekwelu & Ugwu (2017). However, the present study contravenes the works of Usman & Amran (2015) as they found out that reporting on environmental practices lead to a decrease in performance and, therefore value destructive.

5.1.4 Governance Disclosures and Financial Performance

The study on the other hand found that governance disclosures are not significant in impacting the financial performance of manufacturing companies in Nigeria during the period under review. Therefore, increases in governance disclosures do not lead to any significant increase in performance. This finding is consistent with the study of Khaveh, Nikhashemi, Yousefi and Haque (2012) who found that governance disclosures do not affect the performance of the company. This finding is inconsistent with the work of Haryono & Paminto (2015) who discovered that governance disclosure impacts positively and significantly on the performance of companies.

Overall, environmental disclosures have the highest positive impact on financial performance of listed manufacturing companies while social disclosures have the lowest, with negative significant impact during the period under review.

5.2. Conclusions and Recommendation
5.2.1 Conclusions
Based on the key findings, the study concludes that a significant relationship exists between economic disclosures and financial performance. Thus, the amount of companies' financial performance is affected by the level of economic performance disclosures. Therefore, the more the economic disclosures, the greater the performance.

The study also concludes that social disclosures have significant negative effect on the companies' financial performance. This implies that companies with high social disclosures tend to have a lower level of performance and therefore value destructive.

Moreover, the study concludes that environmental disclosures have positive significant influence on financial performance companies. This indicates that manufacturing companies need to improve in their environmental performance disclosures to generate more performance.

Finally, the study concludes that governance disclosures have no significant impact on the financial performance of manufacturing companies in Nigeria. This implies that the level of governance disclosures does not contribute to the level of performance of manufacturing companies in Nigeria.

5.2.2 Recommendations
Based on the findings of the study, the following recommendations are hereby made:

Manufacturing companies are encouraged to disclose economic information as this will increase their financial performance. Disclosure can be achieved by including corporate sustainability reports containing economic dimensions in their annual reports thereby enhancing their performance.

Manufacturing companies should weigh non-financial benefits that will ultimately lead to financial performance in reporting social dimensions of corporate sustainability. As this study has shown, an increase in social disclosures will lead to a reduction in the financial performance of manufacturing companies in Nigeria.

Manufacturing companies should make it as part of their company policies to disclose more environmental dimensions of their operations by mandatorily localizing environmental reporting frameworks in line with international best practices enshrined in GRI on the issue of corporate sustainability reporting.

And finally, manufacturing companies in their decision to report on governance dimension should consider the non-financial benefits such as image building, community relations, and other stakeholders' benefits since there is no significant impact of governance disclosures on financial performance in corporate sustainability reporting in Nigeria.

5.2   Limitation and Future Direction for Research
5.2.1 Limitation
This study used secondary method to collect quantitative data. These data were sourced from the financial statements and annual accounts of the listed sampled manufacturing companies which may have the tendency of creative accounting like window-dressing or earnings management. Aside the possibility of the impact of the above on the data which is beyond the researcher's control, the author ensured that every procedure is followed to limit or totally eliminate any negative influence on the findings.

5.2.2   Future Direction for Research
Further researches should be conducted in other areas of corporate sustainability reporting and financial performance by widening the scope and incorporating more relevant variables with literature backing. Different methodologies may also be employed to address corporate sustainability reporting in a more holistic manner.

Finally, this study used quantitative method in data collection. Further research should consider using qualitative method, or use mixed methodology.

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