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Corporate Commitment to Sustainability Practices among Listed Companies in Nigeria

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Abstract

Stemming from the argument hovering around corporate commitment to sustainability practices in Nigeria, this study investigates the level of corporate commitment to sustainability practices among listed companies in Nigeria, from 2012 – 2018. Using judgmental sample techniques, Thirty-one quoted companies from the consumer goods, industrial goods, healthcare and oil and gas sectors are selected because their activities have a great impact on the environment. Ex-post facto research design and Reactive – Proactive Typology model are adopted to classify companies according to their level of commitment to sustainability practices (SP) following some set criteria from disclosures made in their annual reports. These criteria include backward and forward strategy statements, presence of sustainability board committee, employees' training on environmental issues, and sustainability measures as one of the key performance indicators for managers. The categorization is done using content analysis and analysis of variance (ANOVA) to examine the differences in commitment level to SP at 5% significant level. The study found that all companies are committed to corporate sustainability practices and communicate these practices through disclosures in their annual reports but at different level of commitment. Most of the sampled companies are in the reactive category with minimal improvements over the years. The study concludes that there are significant differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria. It is recommended that regulatory authorities should intensify efforts to regulate and enforce implementation of sustainability reporting among listed companies in Nigeria because sustainability guidelines issued by SEC is still persuasive thereby encouraging the reactive and defensive categories

***Key words**: Sustainability reporting, commitment to sustainability practices, financial and non-financial information, RDAP model, stakeholders*

Introduction

Sustainability is becoming more important for all companies around the world due to the assumption that developing sustainability strategies would help improve companies' competitiveness and invariably their performance and survival (Ameer & Othman, 2012). In recent years, sustainability has attracted tremendous attention towards increasingly critical corporate commitment to sustainability practices (CCSP) (Alshehhi, Nobanee, & Khare, 2018). As a result, more corporations are beginning to see the benefits of including sustainability issues into strategic planning which reflects the willingness of companies to run a sustainable business. Earlier studies including Adams and Zutshi (2004); Oyaneder and

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Valderravia (2014); and Haffar and Searcy (2015) noted that adoption of sustainable practices should give adopting organisations competitive advantage over other organisations where sustainability practices are not adopted.

According to Brundtland report (WCED, 1987) sustainable development is defined as the development that meets the needs of the present without compromising the ability of the future generations to meet their own. The report was an important foundation of the World Commission on Environment and Development which was organised by the UN Earth Summit in 1992. The Global Reporting Initiative (GRI), regarded as the leading international standard setter in sustainability reporting, describes sustainability report as a report published by a company or organisation about the economic, environment and social impacts caused by its everyday activities which also represents the organisation's values and governance model, and demonstrates the link between its strategies and its commitment to sustainable global economy (GRI, 2016).

The introduction of GRI in the 2000s and the interest of the capital market participants have encouraged and compelled companies to disclose their social, economic and environmental activities (Gray & Bebbington, 2000; Murray, Sinclair, Power, & Gray, 2005; Branco & Rodrigues, 2007). The stakeholders demand evidence of specific tangible efforts and improvements over time which suggests that companies must be committed to their initiatives and they must communicate the measures that are actually being implemented (Deloitte, 2019). This demand has necessitated improvements in corporate reporting quality to accommodate financial and non-financial information in communicating value creation of a business in form of sustainability reporting and prompted numerous researches on sustainability reporting (see Ajibolade & Oyewo, 2017; Okpala & Iredele, 2018).

By global standards, engaging in sustainability practices have the potential of attracting foreign direct investment to the country, making positive impact on the society and preserving the environment for the future generation (WCED, 1987; Hategan & Curea-Pitorac, 2017). Foreign investors are assured of a peaceful business environment and enjoy the cooperation of the society without fear of losing their investment. While some school of thought argued that organisations face a trade-off between shareholders wealth maximisation and upholding SP; another group of scholars believe that organisations benefit from minimal cost incurred on SP actions (Frederick, 2006). Overtly, organisations measure of success had gone beyond financial performance alone, hence the need to commit to sustainability practices. Companies that are actually involved in sustainability reporting are most likely to have competitive advantage as these companies can gain trust and goodwill of their stakeholders (Kolk & Pinkse, 2010).

Despite the publicity on sustainability practices, little attention has however been given to corporate commitment level to sustainability practices. While some organisations are committed to reporting extensively on their sustainability practices beyond the minimum requirements (proactive category) some organisations pay lip services and report minimally on it for the fear of litigations (reactive category). Some research findings suggested that commitment to sustainability practices is merely superficial because sustainability disclosing firms are rarely integrating sustainability into their core management processes and performance monitoring system (Figge, Hahn, Schategger & Wagner 2002; Bieker 2003; Ellijido & Tjan, 2014). This seems to have led to the notion that companies should report information that portrays their sustainability practices (Nwobu, 2017).

One is curious to know why some report extensively and others report minimally. Certain factors may be responsible for some organisations reporting minimally (defensively and reactively) while other organisations are reporting beyond the minimum requirements (accommodatively and proactively). One of those factors is the issue of maintaining the primary objective of going into business which is shareholders wealth maximization. Commitment to sustainability practices involves spending money which constitutes additional expenses against the revenue of an organisation. It appeals to intuition that voluntary disclosure of sustainability practices will flow from publicly available information such as the annual report where sustainability practices are embedded into corporate strategy.

Furthermore, while some appreciable efforts considered the importance of incorporating sustainability practices or reporting into corporate strategy to align corporate values with economic targets in diverse ways (Mutalib, Iriabije, Okon & Chijioke, 2020; Ajape, 2019; Okpala & Iredele, 2018; Ajibolade & Uwuigbe, 2013), there is a notable deficiency in studies examining the level of commitment to sustainability practices from publicly available reports among listed companies in Nigeria. Therefore, the objective of this study is to investigate whether there are differences in the level of commitment to sustainability practices among listed companies in Nigeria.

This paper contributes to the paucity of literature in the area of corporate commitment to sustainability practices in Nigeria, using data from the consumer goods, industrial goods, health care and oil and gas sectors in two ways. In the area of methodology, it brings a new dimension to the measurement of sustainability practices in Nigeria using the Reactive, Defensive, Accommodative and Proactive (RDAP) model. Secondly, most researches in Nigeria, only investigated relationship between SP and firm performance without searching into the depth of commitment level of practicing company instead of being just superficial. This paper investigates the level of corporate commitment to SP and argues that level of corporate commitment to sustainability practices differs among listed companies in Nigeria.

The paper is arranged into five parts starting with introduction as the first part. Other parts are parts two, three four and five arranged respectively as follows: literature review and formulation of hypothesis, research methods. Discussion of findings and conclusion of the studies

Literature Review

Sustainability Concept

The concept sustainability has become so important in recent years because it is rhetorically more powerful than an idea of being environmentally friendly (Dresner, 2002). George (2009) made it known that sustainability has been in existence for over a century and some decades emanating from an idea known as spaceship earth. However, the construct received great attention and awareness with the emergence of the term "Sustainable Development as pronounced in the Brundtland Report of 1987 which was titled Our Common Future. The report was centered on how to balance economic growth, environmental protection and social justice to ensure equitable distribution of resources as laid down by the World Council of Churches in 1974, via a new approach known as sustainable development. Brundtland report made it clear that the environment is where we live and development is what we do to affect the environment. So, for the environment to be sustainable there is need to reflect on human interference with the environment.

Brundtland Commission came up with a definition that: *"Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland report, 1987, p. 41).* The main focus of sustainability is the satisfaction of human needs and equity within generations (the rich and the poor) and between generations (the present and the future generations) to ensure that everyone has the opportunity to live a quality life. Sustainability is yet to have a universally accepted definition, having been defined by various authors from different dimensions. In spite of lack of acceptable definition for sustainability, most definitions capture human safety, preservation and conservation of natural resources and the environment, economic growth, social equity, good governance and global protection of the world for present and future generations. This is achieved by fulfilling the needs of all stakeholders (internal and external) and the provision of non-financial information to complement financial performance (Mutalib, Jamil & Hussin 2014).

Elkington (1997) expanded the scope of sustainable development, by Brundtland report of 1987, which centered mostly on the environment. He reiterated that the Triple Bottom Lines (TBL) which are social, economic and the environment represent people, profit and the planet. The TBL construct incorporates the economic and social lines into the environmental agenda. Goel (2010) supports the idea of TBL and asserts that TBL provides a framework for measuring organizational success and performance via the lines of social, economic and the environmental impact of their activities. Oyewunmi, Ogunmeru and Oboh (2018) described sustainability as a verifiable strategic structure that ensures corporate and environmental continuity. As it were sustainability serves as a demonstrable means of running a business in a responsible manner such that the environment and the society are preserved for both present and future generations; and communicating the strategies to achieving company's sustainability objectives to all stakeholders without neglecting shareholders wealth maximization. Corporate decision makers are now awakening to running a business in a sustainable manner to enhance profitability, societal acceptance and enjoy competitive advantage by practicing sustainability.

Sustainability practice which requires corporations to manage the effect of their daily activities on the environment and the society at large is communicated to the various stakeholders through sustainability reporting (SR). The integration of social and environmental framework into core management processes; thereby making organisational life more transparent and enhancing a democracy through discharging accountability and reporting both positive and negative contributions is the manifestation of sustainability practices (KPMG, 2002; GRI, 2006; KPMG, 2008). SR is a medium through which corporation accounts for its legitimate existence in the society. Tenuta (2010) asserted that SR is the most operative instruments with which organisations relate with their stakeholders. SR is meant to provide comprehensive information to uncover sustainability practices of corporation. Therefore, a sustainability practice is used synonymously as sustainability reporting in this study (see Ameer, 2011). Lozano (2013, pp. 58) defines sustainability reporting as, "a voluntary activity with two general purposes: (1) to assess the current state of an organisation's economic, environmental and social dimensions, and (2) to communicate a company's efforts and sustainability progress to their stakeholders".

In most developing countries such as Nigeria, sustainability reporting is relatively a new practice. This is evidenced by the sustainability disclosure guidelines issued by the Nigerian Stock Exchange in 2018 to take effect from January 2020.

More so, it is not a listing requirement to register a company on the NSE which account for low committed level and disclosure rate (Aifuwa, 2020). Accordingly, due to lack of guidance on what sustainability is; most researches focused on only an aspect of the triple bottom line of sustainability reporting (Ajape, 2019; Okpala & Iredele, 2018,), some directed their researches to just two dimensions i.e. social and environmental (Oyewumi, Ogunmeru & Oboh, 2018) while very few cover all the three (social, environmental and economic) dimensions (Ofoegbu & Asogwa, 2020). Despite the appreciable efforts put into the research, it appears that the results are conflicting. In addition, several authors emphasised the importance of access to information by all stakeholders on one hand while on the other hand fewer researches focused on the balance and quality of information provided (Zilahy & Kovacs, 2012; Ernst & Young, 2015; Oyewo, 2017).

There are very few researches in Nigeria investigating the depth of commitment to SP and that is the gap this research work is set to fill. More worrisome is the measurement instruments used to access sustainability practices in Nigeria, hardly is the RDAP typology used to measure and categorise SP in Nigeria. However, Because sustainability reporting is mainly a voluntary practice, companies are able to use a variety of terms to refer to non-financial information, and the information reported varies from firm to firm (Kolk, 2008; Sulkowski & Waddock, 2014). Some countries now include sustainability disclosure requirements within legislation, and financial and securities regulation (GRI, 2016; Vander, Esch &Steurer, 2014; Ioannou & Serafeim, 2011). Some countries call for sustainability disclosures in the annual report (SEC, 2018), while others demand particular sectors to report. Sustainability reporting is thus being redefined and shaped through respective national governments.

Sustainability Commitment Level: The Reactive – Proactive Typologies

In an attempt to classify organisations' level of sustainability commitment, several models have been developed for such classification. Scholars such as Hunt and Auster (1990); Roome (1992); Clarkson (1995) and Henriques and Sadorsky (1999) suggested classifications of firms based on how proactive companies are in environmental management policies and systems. While Roome (1992) identified five broad environmental strategic options: (1) non-compliance, (2) compliance, (3) compliance plus, (4) commercial and environmental excellence, and (5) leading edge, Hunt and Auster (1990) using a different nomenclature, described five categories of corporate environmental management programs: (1) the beginner, (2) the fire fighter, (3) the concerned citizen, (4) the pragmatist, and (5) the proactivist. Similarly, Clarkson (1995), in social responsibility studies, found his root on earlier work of (McAdam, 1973; Wartick & Cochran' model, 1985) categorising corporate social responsiveness into reactive, defensive, accommodative and proactive profile (RDAP model) (Elijido-Ten & Tjan, 2014). We adopted the RDAP model to determine and understand corporate commitment to sustainability practices among listed companies in Nigeria.

Various scholars and researchers identified characteristics of firms fitting each category such as Reactive, Defensive, Accommodative and Proactive. Henriques and Sadorsky (1999) stated categorically that **reactive companies** are those that do little or nothing concerning sustainability issues. They don't take sustainability practice serious at all. There is no environmental training for employees or priority for environmental reports. Management is less concern about environmental and sustainability issues. **Defensive firms** are different from the reactive firms a little. They committed little resources to sustainability issues. Little environmental training for employees, little sustainability reporting and unclear integration of sustainability issues into corporate strategies. Environmental managers in defensive firms have limited participation in corporate strategic planning (Buysse & Verbeke, 2003; Elijido-Ten & Tjan, 2014). **Accommodative and proactive organisations** viewed and took social and environmental management as an important function. Organizations in these categories are characterised with involvement of top management concerning social and environment issues, encourage employee training and provide internal and external reports to inform stakeholders and the public at large of their level of commitment to social and environmental issues. They are willing to disclose their SP to all stakeholders through publicly available information (Elijido-Ten, 2008).

Being a good example to others in the field of commitment to sustainability, proactive firms, integrate environmental management in their corporate strategies and make it a compulsory business function (Elijido-Ten & Tjan, 2014). This is done by conducting research and development on the triple bottom line of sustainability (Buysse & Verbeke, 2003). Therefore proactive firm include social and environmental issues into corporate strategy beyond the required standards ethically and by regulation. Proactive firms show their environmental commitment through a number of ways such as communicating their documented environmental plan to stakeholders (employees and shareholders). The presence of a board committee dedicated to deal with sustainability issues and environmental, health and safety unit are good indicators of the company's sustainability commitment level.

In summary from the literature, it is clear that sustainability commitment level ranges from reactive level i.e. having nothing to do to protect the environment until being compelled to do something, to the leaders in the field of social and environmental management (proactive) who view commitment to sustainability as an important issue and do not wait for the law before protecting the environment and the host community. This study adopts the RDAP model and characteristics to categorise companies in the area of their commitment to sustainability using some set criteria

Commitment to Sustainability Disclosure Level (CSDL)

Sampled companies are assessed based on the criteria listed in table 1 to examine the level of their commitment to sustainability practices through disclosures in the publicly available documents. These criteria include:

Sustainability Strategy Statement

Clarckson (1995) suggested the integration and linking of sustainability matters with corporate strategy statement/policies whereby objectives/targets are set, performance are evaluated and reward granted for targets met and this information is made available in the public domain. RDAP categorisation is demonstrated by the presence or absence of policy regarding sustainability matters showing a summarised statement of how important sustainability is to the company. Accordingly, integration of strategy statements into corporate policy is classified as forward looking strategy statement and backward looking strategy statement (Bieker, 2003; Stead & Stead, 2009).

Sustainability Forward Looking Statements

These are categorical statements linking strategy with business objectives and how to achieve them in the future are stated. How things such as sustainability goals, target, taking responsibility, performance measurement, actions and rewards will be done differently in the future are disclosed in publicly available reports.

Sustainability Backward Looking Statements

These are more of rhetoric than futuristic. Past achievements in the area of sustainability and performance appraisal are communicated linking corporate strategy with business policy.

Sustainability Board Committee

This shows the level of seriousness and commitment of corporate bodies to sustainability practices. The creation and performance evaluation of a board to see to sustainability related matters is an indication of involvement and full support of top management to transparency and accountability to various stakeholders. Accommodative and proactive categories are more likely to have sustainability board committee in place (Buzzelli, 1993; Elijido-Ten & Tjan, 2014)

Employee Sustainability Training

As reported by Buysse and Verbeke (2003), and Elijido-Ten & Tjan (2014) companies in the reactive and defensive category invest very little or nothing on employee sustainability training. Voluntary reporting of employee sustainability training in annual report, which serves as a medium of communicating corporate sustainability goal and its linkages with corporate strategy, is a great pointer to the level of commitment to sustainability practices

Sustainability Measures as Directors' Key Performance Indicator (KPI)

This is the height of corporate sustainability disclosure level as very few organisation use sustainability measures as part of directors' KPI. Stemming from sustainability board committee, a very committed organisation will include sustainability measures in assessing the performance of top management. This indicates how important sustainability practices are to an organisation. The KPI has a very positive influence on achieving sustainability goals and objective because top management will be willing to give full support to sustainability practices such as: investment on sustainability training, research and development and integration of sustainability strategy statement into business policy. Hitherto, only proactive companies are most likely to use this criterion in evaluating the performance of top management (Buysse & Verbeke, 2003; Elijido-Ten & Tjan, 2014).

Legitimacy Theory

While stakeholder theory centered on accountability to stakeholders, legitimacy theory focused on voluntary disclosures of business activities. Legitimacy theory was developed by Dowling and Pfeffer in 1975 to explain the legal duties of organisation to the wider stakeholders and the society (Guthrie & Ward, 2006). Legitimacy theory acknowledged the social contact between the right of existence of corporation and the host community and the society at large. Organisations exist in the environment and their activities affect the environment. Therefore, it is important and necessary to operate within the acceptable norms and bounds of the society (Deegan 2002). The activities of the firm must be perceived by the society to be legitimate and within the ambit of the law. Organisations in the proactive category adopt legitimacy theory by providing sustainability information beyond the minimum requirement to help decision making of users of annual report. As suggested by literature of legitimacy theory, the survival of an organisation depends on how well its legitimation process is being managed (Burlea & Popa, 2013) from the pressure and challenges faced from the various stakeholders (Brammer & Pavelin, 2006; Clarkson et al., 2008).

The behaviour of an organisation in providing voluntary information in the area of social and environmental impact of the organisation on the society, both positive and negative is explained in the role played by legitimacy theory. Stakeholders perceive that organisation with good environmental performance, do not hide the environmental impact of their operations and are willing to inform stakeholders about their environmental activities thereby reducing the information risk for current and potential investors (Brammer & Pavelin, 2006). Based on this theory, the study proposes that organisations with good sustainability practices tend to provide sustainability reports through publicly available information than those with weak sustainability practices. Furthermore, beyond this theory we propose that some companies practice voluntary sustainability disclosures because of their love for humanity and their environment and not because of litigation or loss of company reputations. This study therefore hypothesise that there are differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria.

The outcome of the hypothesis developed for the study will contribute to the literature in two ways: (i) it will bring a new dimension to the measurement of sustainability practices in Nigeria using the Reactive, Defensive, Accommodative and Proactive (RDAP) model. It will provide empirical evidence that there are differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria.

Research Method and Data

The positivist approach to accounting research was used to underpin the study. Specifically, Ex-post facto research was adopted. The study used panel data because it was longitudinal and cross-sectional. The study covered annual reports from 2012 – 2018 of listed companies on the Nigerian Stock Exchange (NSE). The International Financial Reporting Standards which unified the global reporting standards were adopted by all listed companies on the NSE in 2012 while 2018 was the penultimate year to reporting using sustainability disclosure guidelines issued by Security and Exchange Commission to become effective in January, 2020. Population of the study consisted of all listed companies on the NSE as at 31 December, 2018. There were 169 companies as at the date (NSE website). Multi-stage sampling technique was adopted. Firstly, purposive sampling technique was used to select companies in the consumer goods, industrial goods, healthcare and oil and gas sectors as classified on the NSE website.

There are 21 consumer goods, 14 industrial good, 10 healthcare and 12 oil and gas companies which gives a total sample of fifty-seven (57) companies. The choice of the selected industries is based on the facts that some of these companies are multinational companies and have embraced Sustainability Reporting in line with global best practices. On the other hand, these companies' activities impact the environment greatly. Secondly, judgmental technique was also applied based on the intent and purpose of the study with the following criteria: (i) the companies must have been listed on or before 31st December, 2011 and remain listed on the NSE as at 31st December 2018. (ii) Companies must have issued financial statements and audited annual reports for the period (2012 – 2018). (iii)The companies must have issued Sustainability report for the period either as integrated report or standalone report. (iv)The companies have complete data relating to the variables of study. Out of the 57 intended companies as sample only 31 companies met the set criteria. They are 13 in the consumer goods sector, six in the industrial goods sector, five in the healthcare sector and seven in the oil and gas sector.
Data were obtained from the audited annual reports, adjudged reliable to a great extent, and accounts of the selected listed companies examined. Also qualitative information on sustainability disclosure levels are obtained from other non-financial information and content analysed into reactive – defensive – accommodative – proactive (RDAP) criteria. Content analysis is a procedure of quantifying qualitative information in order to make hypothesizing research objectives possible. Some researchers have used content analysis in different ways either by counting the number of paragraphs dedicated to an item or by counting the number of times a particular word appeared in the annual report to stress the importance of the word. Data were analysed using both descriptive and inferential statistical techniques. Specifically, descriptive statistics was conducted to summarise the variable of interest which presented its mean and standard deviation measures. Also, Analysis of variance (ANOVA) was performed at 5% level of significance to test formulated hypothesis.

Table 1: Reactive – Defensive – Accommodative - Proactive (RDAP) Criteria

Criteria	Reactive	Defensive	Accommodative	Proactive
Backward, forward & Strategy Statement	More backward than forward statements and unclear link to strategy statement **(S1)**	More balanced backward and forward statement but unclear link to the strategy **(S2)**	More balanced backward & forward statements as well as clear link to the strategy **(S3)**	More detailed & more specific backward & forward statement with very clear link to the strategy **(S4)**
Sustainability Board Committee	No	No	Yes	Yes
Employee Sustainability Training	None	None to a few	Yes – Less to more intensive	Yes – More to very intensive
Sustainability Measures as Directors' KPI	No	No	No	Yes

Source: **Adapted from Elijido-Ten & Tjan (2014)**

The level of commitment to sustainability practices of identified companies was further examined and then classified as reactive, defensive, accommodative and proactive i.e. RDAP scale based on their level of disclosures in the annual report. The criteria provided by (Elijido-Ten and Tjan, 2014) are adapted. The levels of corporate commitment to sustainability practices were derived from the content analysis of firms identified as fitting one of the RDAP profile. Therefore, a score of 1 was awarded to sustainability disclosers that fit the reactive profile; 2 for defensive; 3 for accommodative and 4 for firms in the proactive category.

Data Analysis and Discussion of Findings

Descriptive Analysis

As part of the procedure for data analysis and interpretation of data, the paper presented the descriptive characteristics of variables of interest and the set criteria for classifying sampled companies into the RDAP categorisation. Also, inferential statistical analysis of data collected are done

Table 2: Corporate Sustainability Disclosure Level

	Corporate Sustainability Disclosure Level
Mean	1.728111
Median	1.000000
Maximum	4.000000
Minimum	1.000000
Std. Dev.	0.997586
Skewness	1.096994
Kurtosis	2.900946
Observations	217

Source: **Researcher's Computation**

Table 2 revealed that the maximum disclosure by companies was 4 representing the proactive category while the minimum disclosure was 1 representing the reactive category. The average score (1.728) for CSDL simply suggested that commitment to sustainability disclosure level of the sampled companies is very low, having a long right-tailed Skewness distribution (skewness = 1.096994) with a platykurtic distribution (Kurtosis 2.900946 = < 3).

Table 3: Reactive – Defensive – Accommodative – Proactive Classification

CSDL Approaches	Frequencies	Percent (%)
Reactive	126	58.0
Defensive	43	19.8
Accommodative	29	13.4
Proactive	19	8.8
Total	217	100

***Source:* Researcher's Computation**

Table 3 revealed that out of 217 disclosures obtained from Nigerian listed companies annual reports 58% (126) of companies' disclosures were reactive in nature, 19.8% (43) were defensive in tactics, 13.4% (29) were accommodative in method while the least of them were proactive in methodology to sustainability issue which represents 8.8% (19). This indicated that majority were reactive while minority were proactive.

Table 4: Commitment to Sustainability disclosures Level from 2012-2018.

CSDL Approaches	2012	2013	2014	2015	2016	2017	2018	Total
Reactive	20	20	18	18	18	16	16	126
Defensive	6	6	7	6	6	6	6	43
Accommodative	4	3	3	4	4	6	6	30
Proactive	1	2	3	3	3	3	3	18
Total	31	31	31	31	31	31	31	217

***Source:* Researcher's Computation, 2019 via Microsoft Excel, 2010.**

It can be seen from table 4 that in 2012, more than half of the sampled firms, 64.5% (i.e. 20 0ut of 31) fitted into the reactive category while 19.4% (6 out of 31) fitted into defensive category and also 16.1%, another 5 out of 31, fitted into both accommodative and proactive category. Almost the same trend was maintained in 2013 with one company moving from accommodative to proactive category. However in 2014, the reactive categories reduced by 10% (from 20 to 18) while the defensive category increased to 22.6% (from 6 to 7 out of 31) and the accommodative and proactive categories also increased by 20% (from 5 to 6). There was a slight change in 2015. While status quo remained in reactive and proactive categories, there was an improvement in reporting style as one observation left the defensive category to join accommodative category. This trend was the same in 2016 as it was in 2015.

The likelihood for this may be due to increase in awareness of the need to preserve and sustain the environment, though still minimal. Also increasing research in the area of sustainability reporting might be accountable for the slight improvement among the sampled firm. Another slight improvement was witnessed in 2017 when the reactive category reduced further by 11.11% and maintained the trend for 2018. The reduction from the reactive category probably moved to defensive category without noticeable change in the category. Nonetheless, the reduction reflected in the accommodative category by increasing it from 12.9% in 2016 to 19.4% in 2017 and 2018. On the other hand, the proactive category remained same in the subsequent years. In all, it can be inferred that sustainability practice is growing though at a very low rate.

Table 5: Sustainability Board Committee (SBC)

Sustainability Board Committee?	Consumer goods	Health care	Industrial goods	Oil &Gas	Total
None	79	35	35	35	184
Yes	12	0	7	14	33
Total	91	35	42	49	217

***Source:* Researcher's Computation via Microsoft Excel, 2010.**

From Table 5, Out of the 217 times disclosures by the companies; it was gathered that no sustainability board committee was constituted 184 times representing 84.79%; while the companies constituted sustainability board committee 33 times (15.21%). This showed that most of the times the companies did not have sustainability board committee as part of sub-committees of the board. Furthermore, in all; oil and gas sector had the highest sustainability board committee with 42.4%

followed by consumer goods with 36.4%, industrial goods with 21.2% while health sector had none. Assessing SBC in each sector showed that, oil and gas took the lead as 14 out 49 (28.6%) have sustainability board committee. Also, consumer goods sector had sustainability board committee 12 times out of 91 times representing 13.2%. Likewise, industrial goods sector constituted sustainability board committee 7 times out of 42 representing 16.7%. It can be deduced that commitment to sustainability practices as measured in table 5 is still very low among observed companies.

Table 6: Sustainability Measure as Directors' KPI

Sustainability Measure as Directors' KPI	Consumer goods	Health care	Industrial goods	Oil &Gas	Total
No	84	35	42	38	199
Yes	7	0	0	11	18
Total	91	35	42	49	217

***Source:* Researcher's Computation via Microsoft Excel, 2010.**

Out of the 217 observations; 199 times represented companies that did not use sustainability measure as directors' key performance indicator (KPI) while 18 times connoted the number of times companies used sustainability measure as directors' KPI. Table 6 showed that most of the times, listed companies did not use sustainability to measure the directors' performance. Generally, oil and gas sector took the lead by having 11 out of the 18 commitment indices which represents approximately 61% while consumer goods sector followed as usual with approximately 39%. None is observed in the industrial goods and health care sectors. In each sector only oil and gas and consumer goods used sustainability measures as part of directors' key performance indicator. It can be deduced that commitment to sustainability practices as measured in table 6 is still very low among observed companies.

Table 7: Employee Sustainability Training

Employee Sustainability Training?	Consumer goods	Health care	Industrial goods	Oil &Gas	Total
None	45	28	30	14	117
Few	17	1	3	19	40
Intensive	22	6	9	5	42
Very intensive	7	0	0	11	18
Total	91	35	42	49	217

***Source:* Researcher's Computation via Microsoft Excel, 2010.**

It was noted in table 7 that out of the 217 observations; 117 times represented the number of times companies did not train their employees on sustainability matters (i.e. none), 40 times connoted the number of times companies gave few sustainability related training to their employees; 42 times represented the number of times companies are intensive in training their staff on sustainability related issues while 18 times indicated the number of timed companies vigorously intensified efforts in training employees on sustainability matters. Table 7 showed that employees were intensively trained on sustainability matters 60 times (27.65%) out of the 217 observations while 157 times (72.35%) represented no of times employees were not trained on sustainability related issues. It can be deduced that commitment to sustainability practices as measured in table 7 is still very low among observed companies.

Table 8: Sustainability Strategy Statement

Strategy Statement	Consumer goods	Health care	Industrial goods	Oil &Gas	Total
S1	42	28	30	26	126
S2	29	2	3	9	43
S3	13	5	9	3	30
S4	7	0	0	11	18
Total	91	35	42	49	217

***Source:* Researcher's Computation, 2019 via Microsoft Excel, 2010.**

126 times represented the number of times companies did not link strategy statement to sustainability measures and how targets are to be met. Rather information provided were more retrospective and backward looking without clear link to

strategies deployed to achieve sustainability practices. Similarly, 43 observations connoted more balanced backward looking and forward looking statement but unclear link to strategy statement. On the other hand, 30 times and 18 times represented the number of times companies demonstrated clear link to strategy statement and gave more balanced backward and forward looking statements. Generally, sustainability committed level in terms of clear strategy statement and its linkages to corporate goals and targets was 22.12% representing the accommodative and proactive categories while observations with unclear linkages of sustainability practices to strategy statement were on the high side with 77.88% representing companies in the reactive and defensive categories.
This was similar to the pattern of commitment to employees' sustainability training. Furthermore, oil and gas sector took the lead as usual with 28.57%, followed by consumer goods with 22%, then industrial goods with 21.43% and the least being health care sector with just 14.3%. It can be deduced that commitment to sustainability practices as measured in table 8 is still very low among observed companies.

Analysis and Test of Hypothesis
Collected data from sampled companies which are content analysed are tested at 5% level of significance. One way analysis of variance (ANOVA) was performed to test the differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria.

Table 9: Analysis of Variance for Corporate Sustainability Commitment Levels

Dependent Variable CSCL					
	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	199.530	30	6.651	80	.000
Within Groups	15.429	186	0.83	181	
Total	214.959	216			

Source: **Researcher's computation via SPSS version 23.**

Table 9 showed a wide dispersion from the mean with 199.53 sum of square. This implied that there is a wide spread in the commitment level of sampled firms to sustainability practices. This was corroborated with the reported p-value of 0.000. It was inferred that there are significant differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria

Discussion of Findings
The result showed that most of the sampled companies are in the reactive category. They provided little or no sustainability report, no employee environmental and sustainability training and did not have top management involvement concerning sustainability issues. Next to reactive category are those in the defensive category. This group tried to meet up with the minimum required standard by providing little information concerning sustainability report but there were no clear linkages of strategy statement to business objectives and policies. The two other groups are the accommodative and proactive groups. These categories provided information above the minimum required standard. They viewed sustainability reporting as one of their business strategies. More resources and attention were given to environmental issues. They dedicated a segment for sustainability reporting, stating clearly what they have done in the past to preserve the environment, what they intended doing in the future and target to be accomplished; linking them to the companies' strategy statements..
To support the above analysis, the result of the tested hypothesis in Table 9 showed clearly that there are significant differences in the commitment level of sampled companies to sustainability practices among Nigerian listed companies. This result supported our *a priori* expectation which stated that there are significant differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria. Therefore the null hypothesis is rejected and the alternative is accepted. The implication of the results is that companies are not doing enough to improve on their sustainability practices. Sustainability practices through disclosure in the annual report or stand-alone report is still at the growing stage in Nigeria.
This lackadaisical attitude may be due to lack of sustainability reporting framework before year 2018 and there was no penalty for non-compliance companies. Our result is contrary to the study of Elijido-Ten and Tjan, (2014) which found that sustainability commitment level is high in Australia and associated with some firm characteristics such as leverage, size, industry and government reporting legislation but not to profitability. However, the findings of the study agree with similar studies carried out in Nigeria. The studies of Uwuigbe and Jimoh (2012) and Aifuwa, (2020) reported low and embryonic

disclosure of sustainability practices which supported the high percentage of reactive companies. Akin to legitimacy theory, corporations are reporting at the minimal level to legitimise and repair their societal reputation so as to be perceived to be operating within societal norm.

Conclusion

Having content analysed annual reports of sampled companies, it is concluded that commitment to sustainability practices is still at its growing stage among listed companies on the Nigerian Stock Exchange. This was evident in the reporting style of sampled companies. The study concluded that all companies are committed to corporate sustainability practices and they communicated these practices through disclosure in their annual reports but at different levels of commitment. Results from the finding suggested very low commitment to sustainability practices among listed companies on the Nigeria Stock Exchange as at December 31, 2018 due to lack of presence of sustainability strategy statements in the annual report and some other identified factors. In conclusion, the study found that there are significant differences in the level of corporate commitment to sustainability practices among listed companies in Nigeria.

The study therefore recommended that corporations should state clearly their sustainability strategies and link them to their corporate vision and mission. Top management involvement in sustainability matters should be encouraged to show how important SP is to the company. Sustainability practices should be used as one of the key performance indicators of management performance appraisal. Corporations are enjoined to have sustainability board committee as one of the sub-committees of their board to handle sustainability matters. In addition, employee sustainability training should be paramount to motivate and set the path to achieving a sustainable business environment. Finally, regulatory authority should make concentrated efforts to ensure that a reporting entity gives adequate sustainability report mandatorily. The sustainability disclosures guideline should move from being persuasive to a compulsory requirement to avoid superficial reporting.

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