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FIRM CHARCTERISTICS AND SUSTAINABILITY REPORTING OF LISTED CONGLOMERATE COMPANIES IN NIGERIA

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ABSTRACT

This study examined the effect of firm characteristics on the sustainability reporting of listed conglomerate firms in Nigeria. The specific objectives were to determine the effect of firm size, firm leverage and firm profitability on sustainability reporting of listed conglomerate firms in Nigeria. Ex-post facto research design was used in the study. The population of the study comprised all the six (6) conglomerate firms listed on the Nigerian exchange group. Purposive sampling was used to select a sample size of five (5) firms. This study utilized secondary data from the annual reports of the sampled firms. The data collected spans from 2014 to 2023, being a ten-year period. Descriptive statistical analysis was carried out using mean, standard deviation, minimum, and maximum values. Hypothesis testing was done using robust least square regression analysis. The findings showed that: firm size had a significant positive effect on the sustainability reporting of listed conglomerate firms in Nigeria (β = 1.935897; p-value = 0.0402); firm leverage had a significant negative effect on the sustainability reporting of listed conglomerate firms in Nigeria (β = -4.734726; p-value = 0.0000); firm profitability had a positive but non-significant effect on the sustainability reporting of listed conglomerate firms in Nigeria (β = 1.099459; p-value = 0.4271). In conclusion, the study revealed that larger conglomerate firms in Nigeria were more likely to engage in sustainability reporting, firms with higher leverage were less likely to do so. The study recommended that senior management teams of conglomerate firms should allocate resources towards comprehensive sustainability reporting frameworks to further strengthen their commitments and transparency.

Key words: *Firm characteristics, Sustainability reporting, Firm size, Firm leverage, Firm profitability.*

INTRODUCTION

The concept of sustainability reporting emphasizes that while a firm strives to achieve its traditional objective of profit maximization, it is crucial to integrate social and environmental considerations into its decision-making processes (Asuquo et al., 2018). Recognizing that an organization is part of a larger system with both direct and indirect influences on its operations and continued survival, companies are required to pay appropriate attention to the social, environmental, and economic effects of their activities.The various attributes a firm possesses can be significant determinants of how effectively it performs in terms of sustainability reporting. Current practices related to sustainability reporting are largely voluntary, allowing

companies the flexibility to experiment with information disclosure (Ariyani&Hartomo, 2016). This flexibility, however, has led to inconsistencies and challenges, as some firms fail to fully implement comprehensive sustainability reporting. Companies that do not consistently prioritize environmental, social, and corporate governance interests risk missing out on future benefits if they do not adopt responsible practices. It can be argued that the success of an organization can be better achieved by pursuing economic, social, and cultural interests that cater to various stakeholders, including employees, customers, suppliers, creditors, and the environment (Ariyani & Hartomo, 2016). By addressing these broader concerns, companies can ensure long-term sustainability and create value not only for themselves but also for the larger system they are part of. The essence of sustainability reporting is to meet the information demands of stakeholders by transparently disclosing activities that impact the social environment and the broader ecosystem. Without revealing sustainability reports, a company risks falling behind in terms of transparency and may damage its reputation and legitimacy, especially when compared to competitors. Compliance with sustainability reporting enhances a company's competitiveness and motivates employees.

Onyali and Okafor (2018), Elshabasy (2018), and Evi and Agustine (2017) suggest that various firm attributes influence the sustainability performance of firms in Nigeria. These researchers argue that the extent of a firm's sustainability performance can be attributed to factors such as firm size, firm leverage, firm profitability, and board composition. These attributes determine how well a company can integrate and report on its sustainability practices, ultimately affecting its overall performance and stakeholder perception. It remains a disturbing problem that poor firm size, weak leverage position, and low profitability can hinder a company's ability to effectively integrate and report on its sustainability practices, negatively impacting its overall performance and stakeholder perception. Previous researchers on the topic of this study (Kajal & Bansal, 2024; Razaq et al., 2023; Essien et al., 2023; Adekanmi, 2022; Bagu & Ahmed, 2022; Alade & Odugbemi, 2022; Adelowotan & Udofia, 2021; Abdulsalam & Babangida, 2020; Eneh & Amakor, 2019; Elshabasy, 2018; Evi &Agustine, 2017; Ariyani & Hartomo, 2016) have examined the effect of firm characteristics on sustainability disclosure. However, to the best knowledge of the researcher, there is still scanty studies of this nature that examined the individual effect of firm size, firm leverage and firm profitability on sustainability reporting when measured by community development disclosure (that is: corporate donations) of conglomerate industry, respectively.

Objectives

Against this backdrop, this study is initiated to determine the effect of firm characteristics on the sustainability reporting of listed conglomerate firms in Nigeria, specifically considering firm size, leverage and profitability of the Conglomerates.

LITERATURE REVIEW

Empirical Studies

Kajal and Bansal (2024) analysed the effect of corporate attributes such as profitability, size, age, leverage, and board size on companies' sustainability reporting as measured through India's new Business Responsibility and Sustainability Reporting (BRSR) framework. Using a random sample of 130 companies from the top 1,000 listed on the National Stock Exchange, they employed a sequential mixed methods research approach to develop a sustainability quality index. A hierarchical multiple regression analysis was then conducted to examine the effect of these attributes on the quality of sustainability reporting by Indian companies. Interestingly, the analysis revealed that traditional metrics such as age, profitability, board size, and leverage did not significantly affect reporting quality. Instead, the size of a company, as measured by market capitalization, was found to have a strong positive effect on sustainability reporting.This study recommended that only larger companies in India should prioritize sustainability reporting over smaller ones.

Al-Qudah and Houcine (2024) investigated the factors influencing the adoption of new sustainability reporting (SDG) in Gulf Cooperation Council (GCC) countries. The study examined the relationship between sustainability reporting activity and corporate economic performance for a sample of 99 companies in GCC countries that addressed SDGs in their 2019 sustainability reports. Using a two-stage regression analysis, the study explored how firms' characteristics and corporate governance variables impact SDG and economic performance. Data were collected from the Global Reporting Initiative's (GRI) Sustainability Disclosure database and the Bureau van Dijk for Orbis database. The results showed that firm size, profitability, big 4 auditors, and government ownership significantly affect SDG and economic performance. Additionally, firms in the manufacturing sector were found to be positively correlated with SDG. The study recommended that large GCC companies should promote their engagement to sustainable development practices by adopting more sustainable long-term strategies and policies.

Ogunmodede et al. (2024) analyzed how firm attributes influence sustainability disclosure, with a focus on a comparative analysis within the less environmentally sensitive sector in Nigeria. The study aimed to determine the variance in the impact of leverage on sustainability disclosure and to explore the effect of profitability on sustainability disclosure within this sector. Employing a longitudinal and ex-post facto research design, the study targeted 150 listed firms in Nigeria, selecting a sample of 20 firms from both financial and non-financial sectors through judgmental sampling. Data from 2012 to 2021 were gathered from annual reports and accounts of the selected firms, as well as from the Nigeria Exchange Group (NGX) fact book. Hypotheses were tested using panel regression and t-test techniques. The study found a significant difference in the influence of firm size on sustainability disclosure in more environmentally sensitive industries (P= 0.0002). The adoption of sustainable development strategies reflects management's acknowledgment of stakeholder perceptions. The study recommended that regulators should prioritize environmental and social concerns to encourage sustainable practices and enhance disclosure on environmental, social, and governance fronts.

Essien et al. (2023) investigated the moderating effect of corporate attributes and social accounting reporting, specifically examining the role of chief executive officers' educational qualifications in Nigeria. Using an ex-post facto research design, they employed a simple random sampling technique to select listed consumer and health companies. Secondary data from the financial statements of these firms from 2017 to 2021 were reviewed. Pre-regression analyses, including descriptive statistics, correlation analyses, and tests for normality of residuals, were conducted before logistic regression was used for data analysis. The findings revealed a significant moderating effect of CEO educational qualifications on the influence of firm size, leverage, and board size on the financial and social reporting disclosures of listed Nigerian companies. It was recommended that company boards consider CEO educational qualifications when selecting a chief executive.

Bagu and Ahmed (2022) examined the effect of firm characteristics on the sustainability reporting of listed manufacturing firms in Nigeria. The study encompassed 56 quoted manufacturing firms, with all firms sampled using the census method over the period from 2009 to 2019. Data analysis involved independent observations tests and variance inflation factor tests, while logistic regression was used to test the null hypotheses. The results indicated that profitability had a significant positive effect on the corporate sustainability reporting of these firms, whereas leverage had an insignificant negative effect. The study

recommended that management in Nigerian manufacturing firms should maintain low financial leverage to enhance their corporate sustainability reporting.

Adelowotan and Udofia (2021) explored the association between corporate attributes and the implementation of Integrated Reporting (IR) among companies quoted on the Nigerian Stock Exchange, which operates in a voluntary disclosure environment. Content analysis was used to derive disclosure scores for integrated reporting and corporate attributes, assessing the effect on 90 listed firms. Annual reports from 2013 to 2017 were analyzed using methodologies developed by prior researchers in IR. Hypotheses were tested using panel least square regressions. The study found that corporate attributes had a statistically significant positive effect on the implementation of the integrated reporting framework, while share ownership structure and firm age had an insignificant influence. The study recommended that regulators should use the evidence provided on the current level of integrated reporting disclosures to map out policies that influence corporate attributes in driving integrated reporting.

Abdulsalam and Babangida (2020) investigated the effect of sales and firm size on the sustainability reporting of oil and gas companies in Nigeria. The study's population consisted of 24 oil and gas firms involved in the upstream, midstream, and downstream sectors. Six companies were selected as the sample for a 15-year period from 2004 to 2018. Panel regression techniques analyzed data obtained from annual accounts and standalone reports. Results indicated that firm characteristics, as proxied by sales growth and leverage, exerted a significant negative effect on sustainability reporting, while firm size had a significant positive effect on sustainability reporting and profitability.The paper, therefore, recommended oil and gas firms to consider a mixture of common stock, preferred stock and retained earnings as a form of capital structure than given a preference to debt financing.

METHODOLOGY

The study utilized an *ex-post facto* research design to examine how firm characteristics influence the sustainability reporting of listed conglomerates in Nigeria.The area of this study is the listed conglomerate firms on the Nigerian exchange group.The population of the study comprised all the six (6) conglomerate firms listed on the Nigerian exchange group as at 31st December, 2023. The population constituents were:

1. Chellarams
2. John Holt

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3. SCOA Nigeria
4. Trans-nationwide express
5. UACN Plc.
6. Custodian Investment Plc

The researcher chose all six firms that constitute the listed conglomerates in Nigeria. Given the small and manageable size of the study population, a census sampling technique was employed. This approach was selected because it allowed the researcher to include every firm in the analysis, thereby improving the generalizability of the study's conclusions.The research relied on secondary data, which refers to information gathered from documents produced by entities other than the current user, and relevant details are extracted from these documents. Specifically, this study utilized data from the annual reports of the sampled firms. The data collected spans from 2014 to 2023, being a ten-year period.

RESULT AND DISCUSSIONS

The study examined the effect of firm characteristics on the sustainability reporting of listed conglomerate firms in Nigeria. The specific objective was to determine the effect of firm size, firm leverage and firm profitability on sustainability reporting of listed conglomerate firms in Nigeria. Ex-post facto research design was used in the study. The population of the study comprised all the six (6) conglomerate firms listed on the Nigerian exchange group. Purposive sampling was used to select a sample size of five (5) firms. This study utilized secondary data sourced from the annual reports of the sampled firms.

Table 1 Descriptive Analysis

	SZE	LEV	PRO	SUSR (in ₦'000)	SUSR (in Natural Log)
Mean	7.281167	0.760431	0.002657	139159.0	2.590557
Median	7.108227	0.818765	0.016321	3644.500	3.535265
Maximum	8.128721	2.231131	0.595050	3786339.	6.578219
Minimum	6.693961	0.181668	-0.780621	0.000000	0.000000
Std. Dev.	0.396851	0.437667	0.190567	572019.6	2.265352
Skewness	0.489787	0.870652	-0.759152	5.587393	-0.080789
Kurtosis	1.833110	4.077201	10.40998	34.97197	1.399402
Jarque-Bera	4.835827	8.734378	119.1938	2389.755	5.391710
Probability	0.089107	0.012687	0.000000	0.000000	0.067485
Sum	364.0584	38.02154	0.132850	6957952.	129.5279
Sum Sq. Dev.	7.717056	9.386060	1.779467	1.60E+13	251.4591
Observations	50	50	50	50	50

Source: Eviews 10 output (2024)

The variable **Firm Size (SZE),** measured as the natural log of total assets, has a mean of 7.28, indicating that, on average, the size of listed conglomerate firms in Nigeria is relatively substantial. The standard deviation of 0.40 suggests moderate variation in firm size among the conglomerates. The maximum firm size recorded is 8.13, while the minimum is 6.69, indicating a range of firm sizes from moderately large to very large. The skewness of 0.49 suggests a slight positive skew, meaning that the distribution of firm sizes is slightly skewed toward larger firms. The kurtosis value of 1.83, which is less than 3, indicates a relatively flat distribution. The Jarque-Bera probability of 0.089 implies that firm size data is not significantly different from normal distribution at the 5% level.

Firm Leverage (LEV), calculated as the ratio of liabilities to assets, has a mean of 0.76, indicating that, on average, conglomerate firms in Nigeria use a substantial amount of debt to finance their assets. The standard deviation of 0.44 points to significant variability in leverage across firms, with some firms being highly leveraged and others being minimally leveraged. The maximum leverage observed is 2.23, showing that some firms have more liabilities than assets, while the minimum leverage is 0.18, indicating firms with low debt levels. The positive skewness of 0.87 suggests that more firms have relatively low leverage, with a few highly leveraged firms skewing the distribution. A kurtosis of 4.08, greater than 3, indicates a more peaked distribution with outliers. The Jarque-Bera probability of 0.013 signals that leverage data is not normally distributed.

Firm Profitability (PRO), measured as net profit over assets, has a mean of 0.003, suggesting that, on average, conglomerate firms generate a minimal profit relative to their assets. The standard deviation of 0.19 shows significant variability in profitability across firms. The maximum profitability is 0.595, while the minimum is -0.781, indicating that some firms are highly profitable while others experience substantial losses. The skewness of -0.76 indicates a negative skew, meaning that more firms are experiencing losses or lower profitability, with a few very profitable firms pulling the distribution leftward. The kurtosis of 10.41 shows a highly peaked distribution with extreme values, and the Jarque-Bera probability of 0.000 confirms that the profitability data is not normally distributed.

Sustainability Reporting (SUSR), measured by the amount of donation for community development in ₦'000, has a mean of ₦139,159, suggesting that, on average, listed conglomerates contribute significantly to community development. However, the standard deviation of ₦572,020 indicates considerable variation in donations, with some firms making much larger contributions than others. The maximum donation recorded is ₦3,786,339, while

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the minimum is ₦0, indicating that some firms do not contribute at all. The skewness of 5.59 suggests a highly positively skewed distribution, where a few firms make extremely large donations, while most make smaller contributions. The kurtosis of 34.97 further highlights the presence of extreme values and a highly peaked distribution. The Jarque-Bera probability of 0.000 indicates that the data is not normally distributed.

Sustainability Reporting in Natural Log (SUSR in natural log) shows a mean of 2.59, corresponding to the logarithmic transformation of the donation amounts. The standard deviation is 2.27, indicating substantial variability even after the transformation. The maximum transformed value is 6.58, and the minimum is 0.0, representing firms that did not make any donations. The skewness of -0.08 suggests that the transformed data is nearly symmetrical. A kurtosis of 1.40, which is less than 3, indicates a relatively flat distribution. The Jarque-Bera probability of 0.067 shows that the transformed sustainability reporting data is close to being normally distributed, suggesting that the logarithmic transformation mitigates the extreme skewness and kurtosis observed in the raw donation data.

Table 2 Test of Hypotheses Using Robust Least Squares Regression

Dependent Variable: SUSR
Method: Robust Least Squares
Sample: 1 50
Included observations: 50
Method: S-estimation
S settings: tuning=1.547645, breakdown=0.5, trials=200, subsmpl=4,
refine=2, compare=5
Random number generator: rng=kn, seed=486199854
Huber Type I Standard Errors & Covariance

Variable	Coefficient	Std. Error	z-Statistic	Prob.
SZE	1.935897	0.943697	2.051398	0.0402
LEV	-4.734726	0.938890	-5.042896	0.0000
PRO	1.099459	1.384514	0.794112	0.4271
C	-8.822310	7.449183	-1.184333	0.2363
	Robust Statistics			
R-squared	0.244040	Adjusted R-squared		0.194738
Scale	2.145910	Deviance		4.604928
Rn-squared statistic	152.3808	Prob(Rn-squared stat.)		0.000000

Source: Eviews 10 output (2024)

The regression analysis output in Table 2 shows the effect of firm characteristics on sustainability reporting (SUSR) of listed conglomerate firms in Nigeria. The Adjusted R-squared value of 0.195 indicates that approximately 19.5% of the variability in the

sustainability reporting of listed conglomerate firms can be explained by the model, which includes firm size (SZE), firm leverage (LEV), and firm profitability (PRO). This suggests that the firm characteristics used in the model account for about 19.5% of the observed variations in sustainability reporting.

The Prob (Rn-squared stat.) of 0.000000 implies that the overall regression model is statistically significant at the 5% significance level. In other words, the firm characteristics (SZE, LEV, and PRO) collectively have a significant effect on sustainability reporting for conglomerate firms. This means that at least one of the firm characteristics is statistically significant in explaining the variation in sustainability reporting.

Hypothesis One

H_{O1}: Firm size does not significantly affect sustainability reporting of listed conglomerate firms in Nigeria.

H_{I1}: Firm size significantly affects sustainability reporting of listed conglomerate firms in Nigeria.

The coefficient of Firm Size (SZE) is 1.935897, meaning that, holding other variables constant, a one-unit increase in firm size is associated with an increase of approximately 1.94 units in sustainability reporting. The p-value for firm size is 0.0402, which is less than the 5% significance level. This indicates that the relationship between firm size and sustainability reporting is statistically significant. Therefore, we accept the alternate hypothesis and conclude that firm size has a significant positive effect on the sustainability reporting of listed conglomerate firms in Nigeria ($\beta = 1.935897$; p-value = 0.0402).

Larger firms tend to have more resources at their disposal, which allows them to engage more actively in sustainability initiatives. This can include contributions to community development, environmental preservation, and other social responsibilities. Larger firms also face greater scrutiny from stakeholders, which may motivate them to report more on their sustainability activities to maintain a positive image. Additionally, bigger firms are more likely to have a structured corporate governance framework, which often includes sustainability as a core component. This finding aligns with the resource-based view, which suggests that firms with greater resources are better positioned to implement sustainability practices.Studies widely support the finding that firm size has a significant positive effect on sustainability reporting in listed conglomerate firms in Nigeria. For example, Kajal and Bansal (2024) found that company size had a strong positive effect on sustainability reporting

in India, using the BRSR framework. Similarly, Al-Qudah and Houcine (2024) discovered that firm size significantly affects SDG and economic performance in Gulf Cooperation Council countries, further reinforcing the relevance of size in corporate sustainability. Ogunmodede et al. (2024) highlighted that firm size's influence on sustainability disclosures is significant in sensitive industries, aligning with the Nigerian context. Abdulsalam and Babangida (2020) also support this notion, emphasizing a significant positive relationship between firm size and sustainability reporting in the oil and gas sector.

Hypothesis Two

H_{O2}: Firm leverage has no significant effect on sustainability reporting of listed conglomerate firms in Nigeria.

H_{i2}: Firm leverage has significant effect on sustainability reporting of listed conglomerate firms in Nigeria.

The coefficient of Firm Leverage (LEV) is -4.734726, indicating that, holding other variables constant, a one-unit increase in firm leverage is associated with a decrease of approximately 4.73 units in sustainability reporting. The p-value for firm leverage is 0.0000, which is well below the 5% significance threshold. This shows that firm leverage has a statistically significant negative effect on sustainability reporting. Therefore, we accept the alternate hypothesis and conclude that firm leverage has a significant negative effect on the sustainability reporting of listed conglomerate firms in Nigeria (β = -4.734726; p-value = 0.0000).

Firms with higher leverage, or debt levels, may be constrained in their ability to allocate funds to sustainability initiatives. The pressure to meet debt obligations can shift the focus away from non-financial goals, such as community development, to more immediate financial concerns. Highly leveraged firms may view sustainability reporting as a non-essential activity, especially if they are under financial strain. Additionally, creditors may impose restrictive covenants that limit the firm's discretionary spending, including on sustainability efforts. This finding suggests that financial health, as indicated by lower leverage, is crucial for firms to engage in sustainability reporting. The significant negative effect of firm leverage on sustainability reporting among listed conglomerate firms in Nigeria is also corroborated by prior research. Abdulsalam and Babangida (2020) found a significant negative relationship between leverage and sustainability reporting in Nigeria's oil and gas sector, aligning with this study. Conversely, some studies show disagreement; for instance, Bagu and Ahmed

(2022) found that leverage had an insignificant negative effect on sustainability reporting in manufacturing firms, indicating potential variations across industries. Alade and Odugbemi (2022), studying oil and gas firms, observed no significant influence of leverage on integrated reporting. However, the dominant trend supports the negative impact of higher debt on transparency in sustainability disclosures, likely due to increased financial pressure.

Hypothesis Three

H_{O3}: Firm profitability does not significantly affect sustainability reporting of listed conglomerate firms in Nigeria.

H_{i3}: Firm profitability significantly affects sustainability reporting of listed conglomerate firms in Nigeria.

The coefficient of Firm Profitability (PRO) is 1.099459, meaning that, holding other variables constant, a one-unit increase in profitability is associated with an increase of approximately 1.10 units in sustainability reporting. However, the p-value for profitability is 0.4271, which is greater than the 5% significance level. This suggests that the relationship between firm profitability and sustainability reporting is not statistically significant. Therefore, we accept the null hypothesis and conclude that firm profitability has a positive but non-significant effect on the sustainability reporting of listed conglomerate firms in Nigeria ($\beta = 1.099459$; p-value = 0.4271).

While it might be expected that more profitable firms would have greater capacity to invest in sustainability initiatives, the findings suggest otherwise. One possible explanation is that profitable firms may prioritize maximizing shareholder returns over spending on sustainability efforts. Furthermore, profitability may not necessarily translate into a greater commitment to sustainability if the firm's culture or strategic priorities do not emphasize social and environmental responsibility. In some cases, firms may engage in sustainability reporting for reasons other than profitability, such as compliance with regulations or to meet stakeholder expectations, regardless of their financial performance. Profitability's positive effect on sustainability reporting is well-supported in the literature. Razaq et al. (2023) found that profitability, along with other corporate attributes, significantly and positively affected sustainability reporting in non-financial firms in Nigeria. Adekanmi (2022) also identified a significant positive relationship between profitability and sustainability reporting among Nigerian non-financial firms. Similarly, Bagu and Ahmed (2022) affirmed that profitability had a strong positive effect on sustainability reporting in listed manufacturing firms.

However, there are some contradictions; for instance, Eneh and Amakor (2019) observed that profitability had an insignificant effect on sustainability reporting in Nigeria, suggesting industry-specific nuances. Despite this, the broader consensus indicates that profitable firms tend to engage in higher levels of sustainability reporting, likely driven by their capacity to invest in corporate social responsibility initiatives.

CONCLUSION AND RECOMMENDATIONS

Sustainability reporting has gained increasing attention globally as businesses seek to demonstrate their commitment to social, environmental, and economic responsibility. For conglomerate firms, firm characteristics such as size, leverage, and profitability may influence the extent of their sustainability reporting. This study aimed to examine the effect of firm size, firm leverage, and firm profitability on the sustainability reporting of listed conglomerate firms in Nigeria. The findings indicate that firm size and leverage are significant predictors of sustainability reporting, while profitability is not. Larger firms with more resources tend to report more on sustainability, while highly leveraged firms are less likely to do so. Profitability does not appear to have a direct impact, suggesting that sustainability efforts may be driven more by external pressures and strategic priorities than by financial performance alone.

These findings highlight the role of scale in corporate sustainability efforts, where firms with larger operations and more capital can better afford to integrate and report on environmental, social, and governance (ESG) factors. It also implies that smaller firms may struggle to allocate resources for sustainability initiatives, even if they are aware of its importance, potentially leading to disparities in sustainability performance across firms of different sizes. Also, firms with higher debt levels may prioritize financial obligations over non-financial goals like sustainability. This suggests that financial structure plays a crucial role in determining whether a firm can engage in and report on sustainability initiatives. Conglomerate firms with high leverage might face limitations in their capacity to allocate funds to sustainability projects or disclosures, potentially leading to underreporting of their ESG activities. This also implies that firms with more conservative financial structures may be in a better position to engage in long-term sustainability efforts.

The lack of a significant relationship between firm profitability and sustainability reporting suggests that profitability alone does not drive sustainability practices. This finding has broad implications for understanding the motivations behind sustainability reporting, indicating that

even highly profitable firms may not prioritize ESG activities unless other factors, such as regulatory requirements, stakeholder pressures, or strategic objectives, are present. In conclusion, the study reveals that larger conglomerate firms in Nigeria are more likely to engage in sustainability reporting, firms with higher leverage are less likely to do so.

Hence, the study recommends that:

a. Senior management teams of conglomerate firms should allocate resources towards comprehensive sustainability reporting frameworks to further strengthen their commitments and transparency.
b. Financial managers and corporate finance teams should explore strategies for improving financial health, such as debt restructuring or enhancing operational efficiencies, to bolster sustainability reporting efforts.
c. Board of directors should prioritize sustainability projects that not only enhance reporting but also align with the firm's financial goals, ensuring long-term viability and corporate responsibility.

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