The Effect of Sustainability Reporting on Corporate Performance of Selected Quoted Brewery Firms in Nigeria

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ABSTRACT
Sustainability has become an issue of major concern in the corporate world today. In recent times, investors have become more concerned about sustainability, hence sustainability has the potential to influence a firm’s performance. This research examined the effect of sustainability reporting on corporate performance of selected quoted brewery firms in Nigeria. To determine the association between sustainability reporting and corporate performance, data was obtained from the audited financial statements of the three brewery firms under study for a period of five years (2012-2016). The result of the study shows that Economic Performance disclosure (ECN), Environmental Performance disclosure (ENV) and Social Performance disclosure (SOC) have no significant effect on return on asset (ROA) of selected quoted firms in Nigeria.

Keywords: Sustainability Reporting, Firm Performance, Return on Assets, Triple Bottom Line, Corporate Social Responsibility

INTRODUCTION
Organizations are generally established with an objective to maximize shareholders welfare while remaining profitable. More often than not, activities carried on by these organizations tell on the immediate environment in which they are located as well as the environment at large. In recent times, sustainability has become an issue of major concern around the globe. As defined by Brundtland (1987) sustainability entails meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Investors have also continued to increase demand for non-financial information one of which is a company’s sustainability report. As a result, sustainability reporting as part of corporate reporting is fast gaining momentum especially with the adoption of International Financial Reporting Standards (IFRS) which emphasizes a lot on disclosures.

Sustainability reporting as described by Elkington (2004) is the integration of reporting and accounting for social, environmental and economic issues in corporate reporting or simply the ‘Triple bottom line reporting’. The concept of sustainability reporting maintains that while a firm strives to achieve its traditional objectives of profit maximization, it is important that this profit is maximized through activities that seek to integrate social and environmental considerations into the decision-making process.

An organization being part of a large system which has both direct and indirect influences on its operation and continued survival must effectively consider the social, environmental and economic effects of its activities.

According to Vlek and Steg (2007), as human population continues to grow, material consumption intensifies and production technology further expands there is a steady decline in the quantity and quality of environmental resources. There is continuing concern about nature fragmentation and loss of biodiversity, shortages in freshwater availability, over-fishing of the seas, global warming, extreme
weather events, air pollution, water pollution, environmental noise and utter neglect and disregard for the protection of the immediate environment, much more the future environment. This type of environmental unsustainability associated with continuously rising demand and a shrinking resource base now spills over into social and economic instability.

In line with the above mentioned, organizations have been identified as central to the problem and must also be central to the solution. As pointed out by Welford (1997), organizations seem relaxed watching the natural system of the planet disintegrating, people starving and social structures falling apart. Human activities taking place today have a detrimental impact on the society, ecology and economy which future generations will experience. Increased social injustice experienced by people in the society and the increased damage to the ecosystems, are a result of objective of maximizing economic growth (Unerman, Bebbington & O’Dwyer, 2007). As a result, the expectations of corporate responsibility in areas such as environmental protection, human rights, human capital, and product safety are rising rapidly. Key stakeholders such as shareholders, employees, and financial institutions want business to be responsible, accountable and transparent (Aondoakaa, 2015).

Unerman et al (2007) is of the view that one way to address these issues is in terms of long-term need to ensure that economic activity is socially and environmentally sustainable. In the short-term it may be possible to have economic growth, while damaging society and the environment, but in the long-term this is impossible. Therefore, if organizations carry out their activities in such a way that causes continuous damage to the society leading to an unstable environment for economic activities, such an organization’s activities are neither economically nor socially sustainable.

Expectation for all organizations to be more transparent in how they treat the environment, how they handle their corporate governance issues, how they treat their employees, and how they treat their communities has continued to increase. Sustainability tends to focus on how to organize and manage human activities in such a way that they meet physical and psychological needs without compromising the ecological, social or economic base which enable these needs to be met. Unerman et al (2007) maintains that in practice, attempts to account for social, environmental and economic performance has increased among many organizations.

**Statement of Problem**

Organizations have increasingly embraced sustainability reporting. According to Global Reporting Initiative (2011), thousands of organizations worldwide now produce sustainability reports. KPMG International Survey of 2011 which covers 34 countries including Nigeria shows that 95 percent of the 250 largest global companies now report on their corporate responsibility activities. This is in response to the increased demand by stakeholders for organizations to be more transparent in how they treat their economic, social and environmental activities.

It has been agreed by world business leaders and through academic research that sustainability tells on a firm’s corporate responsibility, therefore any company that does not produce sustainability report could be seen as working towards unsustainable development.

The results however of most Sustainability Reporting and financial performance studies are either inconclusive or contradictory, reporting positive or sometimes negative results. Moreover, most of these studies were conducted in developed countries with properly enacted environmental and social laws which is not the case of Nigeria. Therefore, this study was carried out to evaluate the effect of Sustainability Reporting on corporate performance of selected quoted firms in Nigeria.

**Research Objectives**

The primary objective of this research was to ascertain the effect of Sustainability Reporting and its major components on corporate performance in a Nigerian context by studying selected quoted companies in Nigeria.

The specific objectives of this research were:

- To ascertain the effect of economic performance disclosure (ECN) on Return on Assets of selected quoted firms in Nigeria.
- To examine the effect of environmental performance disclosure (ENV) on Return on Assets of selected quoted firms in Nigeria.
• To analyze the effect social performance disclosure (SOC) on Return of Assets of selected quoted firms in Nigeria.

**Research Hypotheses**
In this study, the following hypothesis stated in null form were tested:

- **H₀**: Economic Performance disclosure (ECN) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria
- **H₀**: Environmental Performance disclosure (ENV) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria
- **H₀**: Social Performance disclosure (SOC) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria

**Theoretical Framework**
The most widely advanced theoretical perspectives in the social and environmental accounting literature are legitimacy and stakeholder theories.

Legitimacy theory is derived from political economy theory and relies on the idea that the legitimacy of a company to operate in society depends on an implicit social contract between the company and society. As described by Deegan (2000), legitimacy theory asserts that organizations continually seek to ensure that they operate within the bounds and norms of their respective societies, that is, they attempt to ensure that their activities are perceived by outside parties as being legitimate. Managers continually attempt to ensure that their company complies with its social contract by operating within society’s expectations. This suggests that managers have incentives to disclose information that indicates that the company is not in breach of the norms and expectations of society, therefore, the company attempts to maintain its survival and continuity by voluntarily disclosing detailed information to society to prove it is a good citizen.

The traditional definition of a stakeholder is any group or individual who can affect or is affected by the achievement of the organization’s objectives (Fontaine, Harman and Schmid, 2006). The general idea of the stakeholder concept is a redefinition of the organization. In general, the concept is about what the organization should be and how it should be conceptualized. Popa, Blidisel and Bogdan (2009) maintains that stakeholder theory is based on the premise that the stronger the companies’ relationships are with other interest parties, the easier it will be to meet its business objectives. Stakeholder theory contributes to the corporate sustainability concept by bringing supplementary business arguments as to why companies should work toward sustainable development.

Perrini and Tencati (2006) states that the sustainability of a firm depends on the sustainability of its stakeholder relationships; a company must consider and engage not only shareholders, employees and clients, but also suppliers, public authorities, local community and civil society in general, financial partners, etc.

**Conceptual Framework**
Sustainability reporting was first coined in 1994 by John, the founder of a British Consultancy called Sustain-Ability (Elkington, 2004). His argument was that companies should be preparing three different (and quite separate) bottom lines. One is the traditional measure of corporate profit. The “Bottom-line” of the profit and loss account. The second is the bottom line of a company’s “People account” – a measure in some shape or form of how socially responsible an organization has been throughout its operations. The third is the bottom line of the company’s “Planet” account – measure of how environmentally responsible it has been. The triple bottom line or sustainability accounting consists of three ‘Ps’ profit, people and planet. It aims to measure the financial, social and environmental performance of the business entity over a period of time. The triple bottom line is made up of “social, economic and environmental” factors.

Nigeria as a member of united Nation impliedly adopted the UN global compact on global reporting initiative (GRI) which provided sustainability reporting guideline in 2000 to design and build acceptance of a common framework for reporting on the linked aspects of sustainability. It is in the light of the above
amidst growing demand by the society, over economic, social and environmental accounting company’s performance that more research work on sustainability accounting becomes imperative. Sustainability Reporting is not an end in itself but a means to an end. Sustainability reports are meant to provide stakeholders with information on economic, social, and environmental performance of the reporting organization. Various reporting standards exist as guidelines for Sustainability Reporting typical of which the Sustainability Reporting guideline is as developed by Global Reporting Initiative (GRI). The GRI guidelines are the world most widely used Sustainability Reporting guidelines used to benchmark organizational performance with respect to norms, codes, performance standards and voluntary initiative; demonstrate a company’s commitment to sustainable development and compare company performance. GRI promotes and develops these guidelines to primarily fulfil demand for sustainability information. Sustainability reports involve disclosure of information on a company’s sustainability performance from the three dimensions of economic, social, and environmental performance. The GRI has so arranged performance indicators in each performance area and as a base to disclose sustainability reports. It is these performance indicators that the researcher relied upon in developing Sustainability Reporting index for use in model specification.

**Empirical Review**

Previous related studies have found different results on the effect of sustainability accounting and financial performance of firms. Among the studies reviewed are Olayinka and Temitope (2011) who empirically examined the relationship between corporate social responsibility and financial performance in Nigeria and found out that corporate social responsibility has a positive and significant relationship with the financial performance measures. By employing multiple-linear regression analysis, Yahya and Ghodratollah (2014) investigated the impact of corporate social responsibility disclosure (CSRD) on the financial performance of companies listed on the Tehran stock exchange. The independent variable (CSRD) was measured by economic, social and environmental indices while Return on Assets, Return on Equity and Price Earnings Ratio were used in measuring financial performance. The analysis produced inconsistent results. Using ordinary least square regression, Onyekwelu and Ekwe (2014) examined whether corporate social responsibility predicates good financial performance using the banking sector in Nigeria. The findings of their study show that the amount committed to social responsibility vary from one bank to the other. It further revealed that the sample banks invested less than ten percent of their annual profit to social responsibility.

Onyekwelu and Ugwuanyi (2014) carried out a research on Corporate Social Accounting and Enhancement of Information Disclosure among Firms in Nigeria and found out that the inclusion and separate presentation of social costs incurred by organizations in the financial statements will enhance information disclosure in the statement. Nze, Okoh and Ojeogwu (2016) examined using the ordinary regression analysis the effect of corporate social responsibility on earnings of quoted firms in Nigeria in the oil and gas sector over a ten-year period and found out that corporate social responsibility has a positive and significant effect on earnings of firms studied.

Research done by Lougee, Barbara and Wallace (2008) comparing US companies listed in Domini 400 and S&P 500 index, showed that companies with more corporate social responsibility investments generated higher Return of Assets, suggesting that investments in corporate social responsibility are consistent with profit and long-term value maximization. Feldman, Soyka and Ameer (1996) found a significantly positive relationship between environmental reporting and market performance of US companies. Babalola and Abiodun (2012) concluded that variations in selected firms’ performance were caused by changes in CSR reporting after analyzing ten firms in Nigeria for over 1999-2008. Aupperle, Carroll and Hatfield (1985) analyzed the relationship between corporate social responsibility and profitability of the companies listed in Forbes 1981 Annual Directory and concluded that there was no relationship between social responsibility and profitability. Murray, Sinclair, Power and Gray (2006) studied the relationship between social and environmental performance disclosure and financial market performance of companies in UK and found no significant relationship between environmental reporting and market performance.
Researching on the impact of sustainability performance of company on it financial performance, a study of Indian companies Aggarwal (2013) ascertained whether sustainable companies are more profitable. Using regression analysis, he established that sustainability have significant but varying impact on financial performance. Munasinghe and Kumara (2013) ascertained the relationship between Corporate Social Responsibility (CSR) and financial performance to see what motivates firms to voluntary initiate CSR activities. Using Spearman’s rank-order correlation they found out that Return on Equity and Return on Assets were positively correlated and significant. Makori and Jagongo (2013) investigated into whether there is any significant relationship between environmental accounting and profitability of selected firms listed in India. Using multiple regression analysis, they found that there is significant negative relationship between Environmental Accounting and Return on Capital Employed (ROCE) and Earnings per Share (EPS) and a significant positive relationship between Environmental Accounting and Net Profit Margin and Dividend per Share.

**RESEARCH METHODOLOGY**

This study employed the ex-post facto design. This method was suitable for this research because it is not possible to directly manipulate or control any of the independent variables because the events have already taken place and therefore the research is being conducted after the fact.

Data was gathered for a five-year period from the Nigerian brewery industry, while three listed and major brewery firms in Nigeria, Guinness Nigeria Plc, Champion Breweries Plc and Nigeria Breweries Plc constituted our sample. The choice of the three firms was informed by their dominance in the brewery sector over the years which ensure availability of data for the covered period (2012-2016). Therefore, this study emphasized on the activities of the three, among which are two largest brewing companies in Nigeria (Nigeria Breweries Plc and Guinness Nigeria Plc).

In line with performance measure of past studies this study made use of measure of corporate performance (Return on Asset) as dependent variables while Economic Performance disclosure (ECN), Environmental Performance disclosure (EVN) and Social Performance disclosure (SON) form our independent variables.

**Model Specification**

In order to test for the correlation between Sustainability Reporting and Corporate Performance of Companies Listed on the Nigerian Stock Exchange, the following regression model was adopted:

\[ Y = \beta_0 + \beta x + \mu_1 \]  \hspace{1cm} (1)

Where \( Y \) = Corporate Performance Indicator, represented by Return on Asset (ROA)
\( X \) = Sustainability Reporting
\( \beta \) = Coefficient of sustainability reporting
\( \mu_1 \) = Error term

Equation (1) can explicitly be expressed as:

Corporate Performance = \( f \) (Sustainability Reporting) + c  \hspace{1cm} (2)

Representing two variables of the construct, the beneath equation is expressed with the addition of a control variable. The introduction of the control variable is to ensure a better certainty and enquiry of the correlation existing between corporate performance and sustainability reporting. The equation therefore is represented as:

\[ ROA = f \ (Economic \ Performance \ Disclosure, \ Social \ Performance \ Disclosure, \ Environmental \ Performance \ Disclosure) + SIZE \]  \hspace{1cm} (3)

The above can be deduced to the model below with the inclusion of a control variable, which is the size of the firm. Size of firm was introduced as a control variable to avoid arriving at an invalid result because it is a major determinant of the profit of such firm.

Therefore, the regression equation is:

\[ ROA = \beta_0 + \beta_1 ECN + \beta_2 ENV + \beta_3 SOC + \beta_4 SIZE + \mu_1 \]  \hspace{1cm} (4)

Where:
\( ROA \) = Return on Asset
ECN = Economic Performance disclosure index
ENV = Environmental performance disclosure index  
SOC = Social Performance disclosure index  
SIZE = Log of Total Asset  

The independent variables were measured by scoring index based on performance indicators selected from Global Reporting Initiative guidelines as applied in previous studies.  
The economic, environmental and social disclosure index were calculated based on the number of indicators that were disclosed (occurrence) and the level of disclosure (quantitative and qualitative).  
If a company disclosed any indicator, that is the occurrence of an indicator in the company’s financial statement, the researcher assigned 1 if the company failed to disclose any indicator, the researcher assigned 0. On the other hand, if the level of the indicator disclosed is quantitative the researcher assigned 3 and for a qualitative disclosure the researcher assigned 2.  
Economic, environmental or social index = Total Level of Disclosure divided by Total Occurrence.

**DATA PRESENTATION**

**Table 1.1  Computed data for the variables.**

<table>
<thead>
<tr>
<th>S/N</th>
<th>ROA</th>
<th>ECN</th>
<th>EVN</th>
<th>SOC</th>
<th>SIZE</th>
<th>LOG SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.106101</td>
<td>0.6</td>
<td>0.2</td>
<td>0.2</td>
<td>136992444</td>
<td>8.14</td>
</tr>
<tr>
<td>2</td>
<td>0.021222</td>
<td>0.6</td>
<td>0.6</td>
<td>0.4</td>
<td>122246632</td>
<td>8.09</td>
</tr>
<tr>
<td>3</td>
<td>0.212202</td>
<td>0.8</td>
<td>0.4</td>
<td>1</td>
<td>132328273</td>
<td>8.12</td>
</tr>
<tr>
<td>4</td>
<td>0.106101</td>
<td>0.8</td>
<td>0.8</td>
<td>0.6</td>
<td>121060621</td>
<td>8.08</td>
</tr>
<tr>
<td>5</td>
<td>0.04244</td>
<td>0.6</td>
<td>0.4</td>
<td>0.6</td>
<td>102534172</td>
<td>8.01</td>
</tr>
<tr>
<td>6</td>
<td>0.424403</td>
<td>0.2</td>
<td>0.4</td>
<td>0.2</td>
<td>87947237</td>
<td>7.94</td>
</tr>
<tr>
<td>7</td>
<td>0.068966</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>98273679</td>
<td>7.99</td>
</tr>
<tr>
<td>8</td>
<td>0.530504</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>88937495</td>
<td>7.95</td>
</tr>
<tr>
<td>9</td>
<td>0.318302</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>101746392</td>
<td>8.01</td>
</tr>
<tr>
<td>10</td>
<td>0.082759</td>
<td>0.8</td>
<td>0.2</td>
<td>0.2</td>
<td>88976676</td>
<td>7.95</td>
</tr>
<tr>
<td>11</td>
<td>0.318302</td>
<td>0.4</td>
<td>0.6</td>
<td>0.2</td>
<td>112345344</td>
<td>8.05</td>
</tr>
<tr>
<td>12</td>
<td>0.095491</td>
<td>0.8</td>
<td>0.4</td>
<td>0.4</td>
<td>123235564</td>
<td>8.09</td>
</tr>
<tr>
<td>13</td>
<td>0.530504</td>
<td>0.2</td>
<td>0.2</td>
<td>0.6</td>
<td>102346366</td>
<td>8.01</td>
</tr>
<tr>
<td>14</td>
<td>0.103979</td>
<td>0.4</td>
<td>1</td>
<td>1</td>
<td>99786745</td>
<td>8</td>
</tr>
<tr>
<td>15</td>
<td>0.212202</td>
<td>0.6</td>
<td>0.6</td>
<td>1</td>
<td>93462443</td>
<td>7.97</td>
</tr>
</tbody>
</table>

Author’s compilation (2018)

**DATA ANALYSES**

The following results were obtained the use of SPSS 20 software. The correlation result shows the magnitude and direction of the relationship between the variables. All variables were negatively correlated with ROA except SOC which had a weak and positive correlation with ROA. This indicates the absence of multicollinearity in the variables.
Table 1.2 Model Summary for Correlation Analysis between the variables.

Correlations

<table>
<thead>
<tr>
<th>Model Summary&lt;sup&gt;b&lt;/sup&gt;</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.548&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.300</td>
<td>.020</td>
<td>.348</td>
<td>2.376</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), LOG SIZE, SOC, EVN, ECN
<sup>b</sup> Dependent Variable: ROA

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>ROA</th>
<th>ECN</th>
<th>EVN</th>
<th>SOC</th>
<th>LOG SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>1.000</td>
<td>- .419</td>
<td>-.277</td>
<td>.080</td>
<td>-.300</td>
</tr>
<tr>
<td>ECN</td>
<td>- .419</td>
<td>1.000</td>
<td>.094</td>
<td>.218</td>
<td>.508</td>
</tr>
<tr>
<td>EVN</td>
<td>-.277</td>
<td>.094</td>
<td>1.000</td>
<td>.289</td>
<td>.128</td>
</tr>
<tr>
<td>SOC</td>
<td>.080</td>
<td>.218</td>
<td>.289</td>
<td>1.000</td>
<td>.075</td>
</tr>
<tr>
<td>LOG SIZE</td>
<td>-.300</td>
<td>.508</td>
<td>.128</td>
<td>.075</td>
<td>1.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sig. (1-tailed)</th>
<th>ROA</th>
<th>ECN</th>
<th>EVN</th>
<th>SOC</th>
<th>LOG SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>.158</td>
<td>.369</td>
<td>.148</td>
<td>.395</td>
<td>.324</td>
</tr>
<tr>
<td>ECN</td>
<td>.388</td>
<td>.217</td>
<td>.148</td>
<td>.395</td>
<td>.324</td>
</tr>
<tr>
<td>EVN</td>
<td>.139</td>
<td>.027</td>
<td>.324</td>
<td>.395</td>
<td>.324</td>
</tr>
<tr>
<td>SOC</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>LOG SIZE</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Authors computation 2018

Table 1.3 Model Summary for Regression Analysis between the variables

The results in table 1.3 show the independent variable accounts for 30% of the systematic changes in the dependent variable as indicated by the R square. This variation is a fairly strong indication of the ability of the chosen disclosure indices to influence Return on Assets. The results also show a Durbin-Watson score of 2.376 which approximates to 2 which is the conventional acceptable level for this score. This indicates the absence of serial autocorrelation in the independent variables.

Table 1.3 ANOVA Results For Sustainability Reporting And Return On Assets.

ANOVA<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.520</td>
<td>4</td>
<td>.130</td>
<td>1.070</td>
<td>.421&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>1.214</td>
<td>10</td>
<td>.121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.733</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: ROA
<sup>b</sup> Predictors: (Constant), LOG SIZE, SOC, EVN, ECN

A one-way analysis of variance (ANOVA) whose results formed a basis for tests of significance was used. The ANOVA for the linear model presented in table 1.3 of ECN, EVN, SOC and ROA has an F value = 1.070 which is not significant with p-value = 0.421 > 0.05 meaning that the overall model is not significant in the prediction of Return on Assets in Nigerian listed breweries companies sampled. We
therefore accept the null hypothesis that there is no significant relationship between sustainability disclosures and Return on Assets in Listed Nigerian Breweries Companies. In the study conducted by Burhan and Rahmanti (2012), it was argued that sustainability reporting influences company performance. However, partially, as only social performance disclosure influences the company performance. The result of this study is in contrast to the above mentioned study.

Table 1.4  Coefficients for regression between Sustainability Reporting and Return on Assets

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.426</td>
<td>13.584</td>
<td>.252</td>
<td>.806</td>
</tr>
<tr>
<td>ECN</td>
<td>-.281</td>
<td>.214</td>
<td>-.412</td>
<td>-1.310</td>
</tr>
<tr>
<td>EVN</td>
<td>-.220</td>
<td>.201</td>
<td>-.305</td>
<td>-1.097</td>
</tr>
<tr>
<td>SOC</td>
<td>.183</td>
<td>.196</td>
<td>.263</td>
<td>.931</td>
</tr>
<tr>
<td>LOG SIZE</td>
<td>-.170</td>
<td>.738</td>
<td>-.071</td>
<td>-.230</td>
</tr>
</tbody>
</table>

The test for the significance of regression relationship between sustainability reporting and return on assets, the regression coefficients (β), the intercept (α), and the significance of all coefficients in the model were subjected to the t-test to test the null hypothesis that the coefficient is zero. The results obtained were used for testing the hypotheses:

**H₀**: Economic Performance disclosure (ECN) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria

The result obtained shows a t-statistic of -1.310 and p-value of 0.219 which is greater than 0.05 significance level. This falls within the acceptance region of the null hypothesis. We therefore accept the null hypothesis that says Economic Performance disclosure (ECN) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria.

**H₀**: Environmental Performance disclosure (ENV) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria

The result obtained shows a t-statistic of -1.097 and p-value of 0.298 which is greater than 0.05 significance level. This falls within the acceptance region of the null hypothesis. We therefore accept the null hypothesis that says Environmental Performance disclosure (ENV) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria.

**H₀**: Social Performance disclosure (SOC) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria

The result obtained shows a t-statistic of 0.931 and p-value of 0.374 which is greater than 0.05 significance level. This falls within the acceptance region of the null hypothesis. We therefore accept the null hypothesis that says Social Performance disclosure (SOC) has no significant effect on return on asset (ROA) of selected quoted firms in Nigeria.
DISCUSSION OF FINDING
The result shows that Economic performance disclosures do not significantly affect return on assets of selected quoted firms in Nigeria. This result is plausible in real business situations. The performance of firms depends heavily on firms pricing and volume of sale rather than disclosures of figures from previous financial periods. This result contradicts the findings of Makori and Jagongo (2013), who posited that environmental accounting has a significant influence on profitability in India. The argued that disclosing firms’ activities carried out for the community it is domiciled influences the customers’ patronage of firms’ products.

The findings also showed that Environment performance disclosure has no effect on return on assets. This finding agrees with the position of Murray, Sinclair, Power and Gray (2006), who posited social and environmental performance disclosures do not significantly affect financial market performance in UK companies. This finding shows that environmental cost only reduces profitability but is also viewed as one of the operating expenses that the business undertakes.

Lastly, the result shows that Social Performance disclosures does not significantly affect return on assets of firms. The social expenditure carried out by the company is usually a small part of the firms’ total expense that this used to obtain profits of the firm. This result disagrees with Olayinka and Temitope (2011), who posited that corporate social responsibility disclosures significantly affects financial performance of firms. They argued that disclosing firms’ activities carried out for the community it is domiciled influences the customers’ patronage of firms’ products.

CONCLUSION
Generally, disclosures about issues away from mandatory requirements of the regulatory standards do not significantly affect profits as seen by the results of this research. It should be noted that this research was carried out in the breweries industry in Nigeria. Stakeholders look out for information about the trading activities and valuation measures of items in the financial statement, though sustainability reporting highlights areas of new interest in financial accounting which may eventually become significant variables that influence performance measures of companies.

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