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# Sustainability Reporting and Firms Performance in Delta State Banking Sector

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***Abstract***

*This study investigates the effectiveness of sustainability reporting on firm performance in the banking sector in Delta State. The objectives were to evaluate the adoption levels of sustainability reporting, assess its impact on financial performance, and examine its influence on stakeholder perceptions and behaviors. A mixed-methods research design was employed, involving surveys and interviews with senior management and stakeholders from 50 banking institutions. Quantitative data were analyzed using descriptive statistics, regression analysis, and Pearson correlation, while qualitative data were examined through thematic analysis. The findings revealed that 40% of banks have fully adopted sustainability reporting, which positively impacts financial performance ($\beta = 0.35$, $p = 0.005$) and enhances stakeholder perceptions ($r = 0.65$, $p < 0.001$) and behaviors ($r = 0.60$, $p < 0.001$). Recommendations include enhanced training for better implementation, regulatory incentives to encourage adoption, and continuous improvement of reporting practices. These steps aim to promote broader adoption of sustainability reporting, thereby improving financial outcomes and stakeholder relations.*

## Introduction

Sustainability reporting, also known as corporate social responsibility (CSR) reporting, is the practice of disclosing an organization's environmental, social, and governance (ESG) impacts and efforts to stakeholders. This form of reporting aims to increase transparency and accountability by providing insights into how a company operates sustainably. Historically, sustainability reporting has evolved from basic environmental disclosures to comprehensive reports encompassing a wide range of ESG factors. Initially, these reports were voluntary and varied significantly in scope and detail. However, as awareness of climate change, social inequality, and corporate governance issues has grown, so has the sophistication and importance of sustainability reporting. In modern business practices, sustainability reporting is crucial as it helps companies build trust with stakeholders, enhance their reputation, and manage risks associated with ESG issues. It also aids in attracting investors who prioritize sustainable and ethical business practices.

Sustainability reporting holds specific relevance and implications for the banking sector through their lending practices, investment decisions, and corporate policies. By integrating ESG criteria into their operations, banks can support projects that promote environmental sustainability, social equity, and robust governance. In Nigeria, the adoption of sustainability reporting practices is gaining attention, particularly within the banking sector, which plays a key role in the nation's economy (Bhegawati & Utama, 2020). Globally, there is a growing trend among banks to adopt sustainability reporting, driven by regulatory requirements and stakeholder expectations. In regions like Europe, sustainability reporting is well-established, while in other areas, including emerging markets, it is gaining traction. This global shift reflects an increasing recognition of the importance of sustainable finance in mitigating climate risks and promoting long-term economic stability.

Several key frameworks guide sustainability reporting, providing standardized methods for disclosing ESG information. The Global Reporting Initiative (GRI) is one of the most widely used frameworks, offering comprehensive guidelines for reporting on economic, environmental, and social impacts. Integrated Reporting (IR) focuses on how an organization's strategy, governance, performance, and prospects lead to value creation over time. The Sustainability Accounting Standards Board (SASB) provides industry-specific standards that help businesses identify and disclose financially material sustainability information. Regulatory requirements for sustainability reporting vary by region. In Nigeria, the Financial Reporting Council of Nigeria (FRCN) has made efforts to promote sustainability reporting, yet these initiatives have often fallen short due to inadequate oversight and limited stakeholder engagement. Additionally, many organizations face difficulties in understanding and applying the complex frameworks required for comprehensive sustainability reporting, leading to partial or superficial adoption of these practices (Bini & Bellucci, 2020; Aguilera et al., 2021). In Delta State, despite its rich natural resources, considerable socio-economic challenges such as high levels of poverty, unemployment, and infrastructural deficits necessitate robust sustainability reporting practices. The environmental issues stemming from the oil industry further emphasize the importance of comprehensive ESG disclosures.

The relationship between sustainability reporting and financial performance has been extensively studied. The Resource-Based View (RBV) for instance suggests that sustainability practices can provide firms with valuable resources and capabilities that lead to a competitive advantage. Legitimacy Theory suggests that companies engage in sustainability reporting to legitimize their operations in the eyes of stakeholders, thus ensuring their long-term survival. Key stakeholders in the banking sector, including customers, investors, regulators, and community groups, have growing expectations for sustainability and transparency. Customers are increasingly demanding environmentally and socially responsible banking services. Investors are seeking sustainable investment opportunities that align with their ethical values. Regulators are imposing stricter ESG disclosure requirements, and community groups are advocating for greater corporate accountability. Sustainability reporting therefore plays a crucial role in meeting these stakeholder expectations by providing clear and credible information on a bank's ESG performance. By doing so, banks can influence stakeholder perceptions and behaviors, fostering trust and long-term relationships.

Given the increasing importance of sustainability in the banking sector, there is a pressing need to study how sustainability reporting practices impact the industry. Despite the banking sector's potential to drive sustainable development through responsible lending and investment practices, especially in regions like Delta State, there has been limited research on its sustainability reporting practices. This study aims to explore the benefits and challenges of sustainability reporting for banks, analyze the regulatory landscape, and evaluate the link between sustainability practices and firm performance. Understanding these dynamics is essential for banks to navigate the evolving expectations of stakeholders, enhance their competitive edge, and contribute to sustainable development. The significance of this study lies in its potential to contribute to the body of knowledge on sustainability reporting in Nigeria, offering empirical evidence on its benefits and challenges within the banking sector. By highlighting the impact of sustainability reporting on financial performance and stakeholder relations, the study can guide banks and policymakers in enhancing their sustainability practices.

The objectives of the study :

1. To evaluate the adoption level of sustainability reporting practices among banks in Delta State.

2. To assess the impact of sustainability reporting on financial performance.

3. To examine the influence of sustainability reporting on stakeholder perceptions and behaviors.

The hypotheses :

-H1: There is a significant positive relationship between sustainability reporting and financial performance in the banking sector.

- H2: Sustainability reporting significantly influences stakeholder perceptions and behaviors.

## LITERATURE REVIEW:

Sustainability reporting has become an integral component of corporate governance, reflecting an organization’s commitment to environmental, social, and governance (ESG) factors. This practice involves the disclosure of information regarding a company's environmental impact, social responsibilities, and governance practices, providing stakeholders with a transparent view of the company's operations beyond financial performance (General Dislosures 2021).Sustainability reporting is defined as the practice of disclosing a company’s performance in managing ESG issues. It includes reporting on carbon emissions, energy usage, labor practices, community engagement, and board diversity, among other factors (Alsayegh et al. 2020). These reports aim to inform stakeholders about the company’s efforts in contributing to sustainable development and managing risks related to sustainability issues (Oprean-Stan et al. 2020).
Globally, the adoption of sustainability reporting has been on the rise, driven by increasing regulatory requirements and growing stakeholder awareness. In Europe, for example, the Non-

Financial Reporting Directive (NFRD) requires large companies to disclose non-financial information, promoting transparency and accountability (European Commission, 2021) Similarly, in the United States, the Securities and Exchange Commission (SEC) has proposed rules to enhance and standardize climate-related disclosures for investors (SEC, 2022).In Nigeria, sustainability reporting is gradually gaining prominence. The Financial Reporting Council of Nigeria (FRCN) has issued guidelines to encourage organizations to adopt sustainability reporting practices. However, the uptake varies significantly across sectors and regions( FRCN, 2024) While some companies, particularly in the oil and gas industry, have made significant strides in sustainability reporting due to international pressures and regulatory requirements, other sectors lag behind (Hasan, 2020).

Several key drivers encourage firms to adopt sustainability reporting. Regulatory pressures are a significant driver, as compliance with national and international regulations necessitates the disclosure of ESG information (KPMG, 2020). Stakeholder demands also play a crucial role, with investors, customers, and employees increasingly seeking transparency regarding a company's sustainability practices . Additionally, companies recognize the competitive advantage that sustainability reporting can provide, enhancing their reputation and potentially leading to increased market share (Gomez-Trujillo, 2020). However, barriers to adoption persist. One major challenge is the complexity of sustainability reporting frameworks, which can be daunting for organizations, especially smaller ones, to implement (Boiral et al. 2020). The cost of gathering and verifying data for sustainability reports can also be prohibitive. Furthermore, there is often a lack of awareness and understanding among management about the importance and benefits of sustainability reporting (Buallay, 2020).

**Impact of Sustainability Reporting on Financial Performance**

Sustainability reporting has increasingly been recognized not only for its potential to enhance corporate transparency but also for its impact on financial performance. The relationship between sustainability reporting and financial performance is often explained through various theoretical lenses. Stakeholder theory posits that organizations that actively engage with stakeholders through transparent reporting are more likely to gain their trust and support, which can lead to improved financial outcomes (Freeman, 1984). The resource-based view suggests that sustainability initiatives can provide firms with valuable intangible assets such as reputation and brand value, which contribute to long-term competitive advantage (Barney, 1991). Additionally, legitimacy theory argues that companies must conform to societal norms and expectations, including those related to sustainability, to maintain their legitimacy and avoid sanctions (Suchman, 1995).

Therefore, the mechanisms through which sustainability reporting influences financial performance are in different aspects . Improved reputation and brand value can attract socially responsible investors and consumers, thereby increasing market share and sales revenues (Mahmood & Bashir, 2020).. Effective risk management practices embedded in sustainability strategies can mitigate operational risks and regulatory uncertainties, reducing costs and enhancing profitability. Moreover, sustainability initiatives that improve resource efficiency and operational effectiveness can lead to cost savings and productivity gains (Bag et al. 2020).

In the banking sector, sustainability reporting can play a critical role in shaping financial performance. Banks that integrate ESG criteria into their lending and investment decisions not only manage risks associated with environmental and social factors but also capitalize on emerging

opportunities in sustainable finance. Studies have shown that banks with comprehensive sustainability strategies are perceived more favorably by stakeholders and are better positioned to attract sustainable investments and maintain long-term profitability (Edunjobi, 2024).

While the relationship between sustainability reporting and financial performance is complex and context-dependent, the literature suggests that proactive engagement with sustainability can yield significant financial benefits for organizations, particularly in terms of improved profitability, reduced costs, and enhanced market valuation.

**Influence of Sustainability Reporting on Stakeholder Perceptions and Behaviors**

Sustainability reporting plays an important role in shaping stakeholder perceptions and behaviors towards organizations. Empirical studies consistently show that organizations perceived as socially and environmentally responsible through sustainability reporting are viewed more positively by stakeholders. Investors, for instance, prefer to invest in companies with robust sustainability practices, as these practices are seen as indicators of long-term financial performance and risk management. Customers are increasingly inclined to support brands that align with their values, leading to higher brand loyalty and purchase intentions. Employees also exhibit higher job satisfaction and engagement when working for socially responsible organizations, which can reduce turnover rates and enhance productivity (Tauringana, 2021).

The positive perceptions fostered by sustainability reporting can translate into supportive behaviors from stakeholders. Investors may advocate for sustainable practices during shareholder meetings or through proxy voting, influencing corporate governance decisions . Customers may choose to purchase products or services from companies with strong sustainability credentials, contributing to revenue growth and market share expansion. Communities affected by a company's operations may engage more positively with organizations that demonstrate responsible environmental stewardship and community engagement, leading to enhanced social license to operate (Loock & Phillips, 2020).

Measuring stakeholder perceptions and behaviors related to sustainability reporting involves various methodologies, including surveys, interviews, and content analysis of social media and stakeholder communications. These approaches help organizations gauge the effectiveness of their sustainability strategies in influencing stakeholder attitudes and actions, providing valuable feedback for continuous improvement. Sustainability reporting serves as a powerful tool for organizations to manage stakeholder relationships effectively. By improving transparency and demonstrating commitment to sustainable practices, companies can cultivate trust, improve their reputation, while influencing stakeholder behaviors positively.

**Theoretical framework**

Agency theory was developed by economists such as Michael Jensen and William Meckling in the 1970s.It examines the relationship between principals (shareholders) and agents (management) in organizations. It asserts that conflicts of interest can arise between these parties due to divergent goals and information asymmetry. The theory proposes that aligning the interests of agents with those of principals through appropriate incentives and monitoring mechanisms can mitigate these conflicts and improve organizational performance. In the banking sector in Delta State, agency

theory is relevant to understanding the effectiveness of sustainability reporting on firm performance. Sustainability reporting enhances transparency about a bank's ESG practices, allowing shareholders to monitor management's stewardship of resources and adherence to long-term sustainability goals. This transparency can align management's actions more closely with shareholder interests, thereby improving financial performance over time. Moreover, by disclosing sustainability efforts, banks can attract socially responsible investors who value transparency and ethical business practices, further bolstering financial outcomes.

One limitation of agency theory in the context of sustainability reporting is its primary focus on shareholder interests, potentially neglecting the broader impact on other stakeholders such as customers, employees, and communities. Additionally, the effectiveness of sustainability reporting in improving firm performance may vary depending on external factors such as regulatory environment, market conditions, and stakeholder perceptions, which agency theory may not fully account for in its principal-agent framework.

**Empirical Review:**

Herbert et al. (2020) conducted a study on sustainability reporting and performance among listed upstream oil and gas firms in Nigeria, using a content analysis approach. Their research evaluated the textual content of sustainability reports in line with the Global Reporting Initiative (GRI) standards. The study found inadequate reporting of sustainable economic performance, especially concerning the financial implications and risks associated with climate change. Additionally, there was a general apathy towards environmental conservatism and inadequate enforcement of environmental laws. These findings indicate a low adoption level of comprehensive sustainability reporting practices within the sector, reflecting a broader trend that may also be present in Delta State's banking sector. The lack of thorough sustainability reporting and the minimal use of frameworks such as the Triple Bottom Line could be indicative of similar challenges faced by banks in Delta State in adopting rigorous sustainability reporting practices.

Thayaraj and Karunarathne (2021) explored the impact of sustainability reporting on the financial performance of listed companies in Sri Lanka. They specifically assessed economic, environmental, and social disclosures against financial performance metrics such as Return on Assets (ROA). The study revealed a moderate positive relationship between sustainability reporting and financial performance. The findings suggest that even voluntary sustainability disclosures can enhance financial performance, albeit at a moderate level. This implies that if banks in Delta State adopt comprehensive sustainability reporting, they could potentially experience improved financial outcomes. However, the degree of impact may vary based on the level of adoption and the quality of reporting.

Attah-Botchwey et al. (2022) investigated the relationship between sustainability reporting and bank performance in Africa, using both accounting (ROA) and market-based (Tobin's Q) measures. The study, which analyzed data from banks in Ghana, Nigeria, and South Africa, found a significant positive association between sustainability reporting and financial performance. Particularly, economic, social, and governance disclosures had a strong positive effect on both ROA and Tobin's Q, while environmental reporting positively influenced ROA but not Tobin's Q. These results underline the financial benefits of adopting sustainability reporting in the banking

sector. For banks in Delta State, this implies that enhanced sustainability reporting could lead to better financial performance, aligning with the broader African context.
Tauringana (2021) examined managerial perceptions of the determinants of sustainability reporting adoption in Uganda. The study highlighted significant barriers such as lack of expertise, inadequate training, and negative attitudes towards sustainability reporting. Conversely, positive perceptions, availability of resources, and free training were found to be significant enablers of sustainability reporting adoption. These insights are crucial for understanding the stakeholder dynamics in Delta State's banking sector. If similar perception-based barriers exist among bank managers in Delta State, it could hinder the adoption and effectiveness of sustainability reporting. However, improving awareness, providing training, and changing managerial attitudes could positively influence stakeholder perceptions and behaviors, fostering a more robust adoption of sustainability practices.
.These studies suggest that the adoption level of sustainability reporting is often hindered by inadequate reporting practices and lack of enforcement, as seen in the oil and gas sector. However, the positive impact of sustainability reporting on financial performance, as demonstrated in Sri Lanka and African banks, highlights the potential benefits for banks in Delta State. Furthermore, addressing managerial perceptions and providing necessary training and resources could improve the adoption of sustainability reporting, positively influencing stakeholder perceptions and behaviors

## METHODOLOGY

The research employed a mixed-methods design, integrating both quantitative and qualitative approaches to comprehensively evaluate the effectiveness of sustainability reporting on firm performance in the banking sector. A stratified random sampling strategy was used to ensure representation from various banking institutions in Delta State. The sample included 50 banks, categorized by size and operational scope, to provide a balanced perspective on sustainability reporting practices.
Data were collected through a combination of surveys and interviews. Structured questionnaires were distributed to senior management and sustainability officers to gather quantitative data on adoption levels, financial performance, and stakeholder perceptions. Additionally, semi-structured interviews were conducted with key stakeholders to gain qualitative insights into the challenges and benefits of sustainability reporting. The variables measured included the level of sustainability reporting adoption (independent variable), financial performance indicators such as return on assets (dependent variable), and stakeholder perceptions and behaviors (dependent variables). Standardized scales and previously validated instruments were used to ensure consistent measurement.
To establish validity and reliability, the survey instruments underwent pilot testing, and Cronbach's alpha was calculated to assess internal consistency. Expert reviews were conducted to ensure content validity. Data analysis procedures included descriptive statistics, regression analysis, and Pearson correlation for the quantitative data, while thematic analysis was used for the qualitative data to identify recurring themes and insights. Ethical considerations were strictly observed, including informed consent from all participants.

## RESULTS AND DISCUSSION

**Objective 1:** 1. To evaluate the adoption level of sustainability reporting practices among banks in Delta State.

**Table 1: Adoption of Sustainability Reporting Practices**

| **Response Category** | **Frequency (n)** | **Percentage (%)** |
|---|---|---|
| Fully adopted | 20 | 40% |
| Partially adopted | 14 | 26.70% |
| Not adopted | 8 | 16.70% |
| Not sure | 8 | 16.70% |
| **Total** | **50** | **100%** |

This table summarizes the responses from the questionnaire regarding the adoption of sustainability reporting practices among organizations. It shows that 40% of the organizations have fully adopted sustainability reporting, while 26.7% have partially adopted it. A smaller percentage, 16.7%, have not adopted it at all, and another 16.7% are unsure about their adoption status.

**Objective 2 : To Evaluate the Impacts of sustainability reporting of firms on its Financial Performance Table 2:** Summary of Regression analysis evaluating the impacts of sustainability reporting on financial performance

| **Variable** | **Coefficient (β)** | **Standard Error** | **t-statistic** | **p-value** | **Interpretation** |
|---|---|---|---|---|---|
| Constant | 0.5 | 0.08 | 6.25 | <0.001 | Significant positive intercept value. |
| Sustainability Reporting | 0.35 | 0.12 | 2.92 | 0.005 | Significant positive impact of sustainability reporting on financial performance. |

| | | | | | |
|---|---|---|---|---|---|
| Perception of Impact (Q7) | 0.25 | 0.1 | 2.5 | 0.015 | Positive impact perception on financial performance. |
| Perception of Correlation (Q8) | 0.15 | 0.07 | 2.14 | 0.032 | Positive perceived correlation between sustainability reporting metrics and financial performance indicators. |
| Adjusted R-squared | - | - | 0.45 | - | Indicates 45% of the variation in financial performance can be explained by the independent variables. |
| F-statistic | - | - | 12.71 | <0.001 | Overall significance of the regression model. |

The coefficient ($\beta = 0.35$, $p = 0.005$) suggests that for every unit increase in sustainability reporting score, financial performance is expected to increase by 0.35 units, holding other variables constant. This effect is statistically significant ($p < 0.05$), indicating a positive impact.

Respondents' perception of sustainability reporting positively influencing financial performance ($\beta = 0.25$, $p = 0.015$) suggests that a positive perception of impact is associated with higher financial performance.

The perception of a positive correlation between sustainability metrics and financial performance indicators ($\beta = 0.15$, $p = 0.032$) also contributes positively to financial performance. The adjusted R-squared value of 0.45 indicates that 45% of the variation in financial performance can be explained by the independent variables included in the model. The F-statistic ($F = 12.71$, $p < 0.001$) indicates that the regression model as a whole is statistically significant, suggesting that the independent variables jointly have a significant effect on financial performance.

Objective 3: Examine the influence of sustainability reporting on stakeholder perceptions and behaviors

**Table 3: Summary of Correlation Analysis of the Influence of Sustainability Reporting on Stakeholder Perceptions and Behaviors**

| Variable | Mean | Standard Deviation | Pearson Correlation Coefficient (r) | p-value | Interpretation |
|---|---|---|---|---|---|
| Question 9: Perceptions | 4.2 | 0.8 | 0.65 | <0.001 | Strong positive correlation between sustainability reporting and stakeholder perceptions. |
| Question 10: Behaviors | 4 | 0.9 | 0.60 | <0.001 | Strong positive correlation between sustainability reporting and stakeholder behaviors. |

Table above presents a summary of correlation analysis between Sustainabilty reporting on Stakeholder Perceptions (Question 9) with Mean score of 4.2,Standard Deviation of 0.8 Pearson Correlation Coefficient of 0.65,p-value of<0.001. this indicates a strong positive correlation between sustainability reporting and stakeholder perceptions. Stakeholder Behaviors (Question 10). Also summary of correlation analysis between Sustainabilty reporting on Stakeholder Behaviours show a Mean of 4.0,Standard Deviation of 0.9,Pearson Correlation Coefficient of 0.60, p-value of <0.001, indicating a strong positive correlation between sustainability reporting and stakeholder behaviors.

**Discussion of Findings:**

The findings from the analysis of sustainability reporting adoption reveal a diverse landscape among organizations in Delta State. A significant portion of organizations have fully adopted sustainability reporting, indicating a growing awareness and commitment to transparency and accountability in corporate sustainability practices. However, the presence of both partially adopted and not adopted categories indicates varying levels of readiness or understanding across industries or sectors. The uncertainty expressed by respondents reflects ongoing challenges in navigating the complexities of sustainability reporting frameworks.

These results align with Herbert et al. (2020), who found inadequate reporting of sustainable economic performance in the Nigerian oil and gas sector, reflecting a broader trend of inconsistent sustainability reporting practices. Similarly, Thayaraj and Karunarathne (2021) noted lower-than-expected levels of sustainability disclosures among Sri Lankan companies, suggesting that

voluntary reporting practices are often insufficiently robust. The findings from Delta State emphasize the need for tailored strategies to support organizations in fully embracing sustainability reporting practices, thereby advancing global sustainability agendas. These strategies could address specific barriers such as lack of expertise, training, and resources, which Tauringana (2021) identified as significant determinants of sustainability reporting adoption in Uganda.

**Sustainability Reporting Impacts Financial Performance**

The regression analysis indicates a significant positive impact of sustainability reporting on firms' financial performance in Delta State. This suggests that firms engaging in sustainability reporting tend to see better financial outcomes. The findings are consistent with Okon et al. (2023), who found that sustainability reporting significantly affects the return on capital employed by oil and gas companies in Nigeria. Additionally, Attah-Botchwey et al. (2022) observed a positive relationship between sustainability reporting and both accounting and market-based performance measures in African banks.

The model's Adjusted R-squared value of 0.45 implies that 45% of the variance in financial performance is accounted for by sustainability reporting practices, highlighting their explanatory power. The significant F-statistic (12.71, $p < 0.001$) corroborates the overall robustness of the model, pinpointing the importance of sustainability reporting in financial success. These results imply that firms should prioritize sustainability reporting not only for ethical reasons but also for tangible financial benefits. The findings support the notion that comprehensive sustainability reporting can enhance financial performance, as suggested by Thayaraj and Karunarathne (2021), and Attah-Botchwey et al. (2022).

**Sustainability Reporting Influences Stakeholder Perceptions and Behaviors**

The findings reveal a strong positive correlation between sustainability reporting and stakeholder perceptions ($r = 0.65$, $p < 0.001$) and behaviors ($r = 0.60$, $p < 0.001$). This suggests that transparent sustainability reporting enhances stakeholders' views of an organization's commitment to environmental and social responsibility, leading to supportive behaviors.

This aligns with Tauringana (2021), who found that positive managerial attitudes and sufficient training significantly influence the adoption of sustainability reporting, ultimately affecting stakeholder perceptions. The implication is that organizations prioritizing sustainability reporting can foster stronger stakeholder relationships and drive positive behavioral changes, ultimately benefiting their reputation and performance. This is further supported by the findings of Herbert et al. (2020), who noted that inadequate sustainability reporting could lead to skepticism among stakeholders, underscoring the importance of comprehensive and transparent reporting practices.

Findings from the Delta State banking sector highlight the critical role of sustainability reporting in enhancing financial performance and influencing stakeholder perceptions and behaviors. The adoption levels of sustainability reporting practices vary, reflecting broader regional and sectoral challenges. However, the significant positive impacts on financial performance and stakeholder relationships emphasizes the importance of prioritizing sustainability reporting.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

The study, "Sustainability Reporting and Firms' Performance in Delta State's Banking Sector," aimed to evaluate the adoption level of sustainability reporting practices among banks, assess the impact of sustainability reporting on financial performance, and examine its influence on stakeholder perceptions and behaviors. The analysis revealed diverse adoption levels, with some banks fully embracing sustainability reporting while others showed partial or no adoption, highlighting the varying readiness levels across the sector. The regression analysis demonstrated a significant positive impact of sustainability reporting on financial performance, indicating that banks engaging in these practices tend to achieve better financial outcomes. Additionally, there was a strong positive correlation between sustainability reporting and stakeholder perceptions and behaviors, suggesting that transparent reporting enhances stakeholders' views and fosters supportive behaviors. These findings emphasize the importance of comprehensive sustainability reporting for financial success and improved stakeholder relationships in Delta State's banking sector.

Recommendations:

1. Increased Awareness and Support: Organizations should invest in training programs to improve understanding and implementation of sustainability reporting frameworks, particularly for those partially or not yet adopting these practices.

2. Regulatory Incentives: Policymakers should consider introducing incentives for firms to adopt comprehensive sustainability reporting, enhancing regulatory frameworks to encourage broader adoption.

3. Stakeholder Engagement: Firms should actively engage with stakeholders through transparent sustainability reporting to build trust and drive positive behavioral changes.

4. Integration of Sustainability and Financial Goals: Companies should integrate sustainability objectives with financial performance targets to highlight the tangible benefits of sustainable practices.

5. Continuous Improvement: Organizations should regularly review and update their sustainability reporting practices to align with evolving stakeholder expectations and regulatory requirements, ensuring ongoing relevance and effectiveness.

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**QUESTIONNAIRE**

Questionnaire on Sustainability Reporting and Firm Performance

Section 1: Participant Demographics;What is your role within the organization?

- Executive/Management
- Finance/Accounting
- Sustainability/CSR
- Other (please specify)

2. How long have you been with the organization?

- Less than 1 year
- 1-5 years
- 6-10 years
- More than 10 years

3. What industry sector does your organization primarily operate in?

- Technology
- Healthcare
- Financial Services
- Manufacturing
- Retail
- Other (please specify)

**Section 2: Adoption and Quality of Sustainability Reporting**

4. Has your organization adopted sustainability reporting practices?

- Yes, fully adopted
- Yes, partially adopted
- No, not adopted
- Not sure

5. How would you rate the comprehensiveness of your organization's sustainability disclosures?

- Very comprehensive
- Comprehensive
- Somewhat comprehensive
- Not very comprehensive
- Not at all comprehensive

6. How would you rate the quality of your organization's sustainability disclosures?

- High quality
- Moderate quality
- Low quality
- Not applicable (if not adopted)

**Section 3: Financial Performance Impacts**

7. In your opinion, to what extent has sustainability reporting positively influenced your organization's financial performance?

- Significantly
- Moderately
- Slightly
- Not at all

8. How do you perceive the correlation between sustainability reporting metrics (e.g., ESG factors) and traditional financial performance indicators (e.g., profitability, return on assets)?

- Strong positive correlation
- Moderate positive correlation
- No clear correlation
- Negative correlation

**Section 4: Non-Financial Performance Effects**

9. Has sustainability reporting influenced stakeholder perceptions of your organization's commitment to environmental and social responsibility?

- Yes, significantly
- Yes, moderately
- No impact
- Not sure

10. How has sustainability reporting impacted stakeholder behaviors towards your organization (e.g., investment decisions, customer loyalty)?

- Positive impact
- Neutral impact
- Negative impact
- Not applicable

**Section 5: Additional Feedback**

11. Do you have any additional comments or feedback regarding your organization's experiences with sustainability reporting and its impact on firm