

Impact of Sustainability Reporting on the Financial Performance of Deposit Money Banks: Pre-Post Analysis of Integrating Environmental, Social, and Governance Disclosure into Corporate Annual Reports

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Abstract : The influence of sustainability reporting on Deposit Money Banks (DMBs)' financial performance both before and after mandated environmental, social, and governance (ESG) disclosure is examined in this article. Using a sample size of the top six strategically important listed banks in Nigeria, the study employed the paired sample t-test to assess the pre-mandatory ESG period (2009-2015) and the post-mandatory ESG period (2016-2022). According to the findings, there was no discernible difference between the performance of DMBs in Nigeria before and after the requirement for ESG disclosure. In the pre-mandatory requirement time, sustainability reporting is a major predictor of financial metrics, but in the post-mandatory requirement period, there was no discernible change in financial performance. Market authorities ought to have unrestricted authority to impose severe fines for noncompliance and bring legal action against corporations that fail to disclose ESG. This work contributes to the literature on ESG disclosure and financial performance by considering two different periods.

Keywords : financial, performance, sustainability, reporting

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