

Striking a Balance between Stakeholders' Information Needs and Companies' Sustainable Development Reports: An Overview of Selected African Companies

Tochukwu Gloria Okafor (PhD)^{1*} Chidiebele I. Onyali^{1,2} Benjamin E. Onodi(PhD)³
1. Department of Accountancy, Nnamdi Azikiwe University Awka, Nigeria PMB 5025
2. Department of Accountancy, Nnamdi Azikiwe University Awka, Nigeria
3. Michael Okpala university of Agriculture Umudike Nigeria

Abstract

Companies are under increasing pressure from key stakeholders to be transparent about their values, principles and performance as regards sustainable development. This study therefore is aimed at ascertaining the extent to which stakeholders' information needs are met by the companies' reports, effect of sustainability reporting on company's performance and the means of striking a balance for an enhanced sustainable development. To achieve the objectives, the researchers made use of primary and secondary data. Primary data were obtained using a survey method whereby 250 copies of questionnaires were administered to selected stakeholders out of which only 207 were duly filled and returned. The data obtained were analyzed using descriptive statistics and regression analysis with the aid of SPSS Version 22. The source of secondary data is companies' reports which were examined to see the issues reported using content analysis. The result of the analysis showed that the level of reporting on those issues which are of concern to stakeholders is currently low. On the environmental issues, whilst some responsible companies are interested in the responsible care indicators which are concerned with levels of emissions or discharges, stakeholders are interested on what is being done to reduce emissions and discharges of toxic waste, and restoration of communities already affected by companies' activities. The researchers also found that reporting on stakeholders' engagements can benefit companies. We therefore recommend that a balance should be struck, through disclosure of that information which are not part of companies' statutory disclosure requirement but are of interest to stakeholders and can be provided by companies' for enhanced performance and sustainable development.

1. Introduction

Reporting is an important and desired channel through which companies communicate openly their values, objectives, principles, and performance in relation to sustainable development. This makes it easier to build trust between a company and its stakeholders, which is important for continued support for its license to operate.

The diversity of the stakeholders' audience presents companies with a challenge, as each has specific information needs. While sustainable development reports should meet the general needs of most users, they should not strive to be everything to everyone. Companies should strike a balance between what stakeholders want to know and what is practical and feasible to report.

According to Brunt land report (1987), Sustainability development is development which meets the needs of the present without compromising the ability of the future generations to meet their own needs.

Business by this definition is required to acknowledge its responsibility for its impact on society and the environment.

From a business perspective, sustainability development encompasses three linked elements:

Economic - profitability, wages and benefits, resource use, labour productivity, job creation, expenditures on outsourcing and, human capital, etc, this dimension include but is not limited to financial information.

Environment – This is about impacts of process, products and services on air, water, land, biodiversity, human health etc.

Social – Workplace health and safety, community relations, employee retention, labour practices, business ethics, human rights, working conditions etc.

Considering these elements therefore we adopt the definition of sustainable development report by (World Business Council for Sustainable Development) (WBCSD) as:

Public reports by companies to provide internal and external Stakeholders with a picture of corporate position and activities on economic, environmental and social dimensions. In short such reports attempt to describe the company's contribution towards sustainable development.

Reporting on sustainable issues is currently a voluntary development process.

However, this is changing with mandatory requirements being introduced for aspects of sustainable development in certain countries such as France, Germany, and Nordic countries (ACCA 2005; SIRAN, 2008)

West Africa is not left out on this issue of sustainability reporting and stakeholder needs. In Nigeria for instance, during the past years pressures from a variety of sources have come to bear on the business community on their responsibility towards all of its stakeholders, environment and the society in which it operates (Sihotang & Effendi 2010; Dilling, 2010). Ghana, Cameroun and other West African countries are having similar experience.

The traditional financial statement do not provide a full measure of business performance and shareholder value creation, hence, the need for an interdisciplinary reporting that reflects a simultaneous integration of economic, environmental and social factors into corporate behavior with the aim of sustaining resources for future generations.

It is against this background that the authors intend to:

- *Determine the kind of effect sustainability report has on companies' performance*
- *Determine the extent to which stake holders' information needs are met by companies report*
- *Ascertain the means of striking a balance between stakeholders' information needs and company reports*

Research Question:

- *How does sustainability development report affect companies' performance?*
- *Do companies' sustainability reports meet stakeholders' information needs?*
- *How can a balance be struck between stakeholders, information needs and companies' reports?*

The research will be guided by the following hypotheses (Null):

- *Sustainability development reporting retards companies performance and growth.*
- *Stakeholders' information needs are not met by companies' reports.*

2. Review of Extant Literature

2.1 Stakeholders and their Sustainable Information Needs

According to the stakeholders' view of the firm, a company can last over time if it is able to build and maintain sustainable and durable relationship with all members of its stakeholder network (Donaldson and Preston, 1995; Clarkson 1995; Post et al 2002). These relationships are the essential assets that managers must manage, and they are the ultimate sources of organizational wealth (Post et al 2002)

Sustainability reporting provides companies with an opportunity to communicate information to much wider range of stakeholders about the environmental, social, and economic and governance performance of the business.

Stakeholders will want to know what risk or impact mitigation measures will be put in place to address their concerns, and how for example project impacts are being monitored. What corporate targets are and why they have not been met.

According to Perrin and Tentacti (2006) these stakeholders comprises of employees, clients/customers, suppliers, members/shareholders, financial community, financial partners (banks, insurance companies and financial services) State, local authorities and public administration, and community.

The overall reporting system (or the sustainability reporting system) comprises of

- The annual report
- The social report
- The environmental report
- A set of integrated performance indicators; ... (Perrini and Tentacti 2006)

According to AccountAbility(1999), Sustainability is the capability of an organization to continue its activities indefinitely, having taken due account of their impact on natural, social and human capitals". A sustainability oriented company is one that develops overtime by taking into consideration the economic, social and environmental dimensions of its processes and performances. Therefore, financial and competitive success, social legitimacy and efficient use of natural resources are intertwined according to a synergetic and circular view of the company's aims. In this perspective, according to Figge and Schaltegger(2000) value creation processes are broad and shared and meet, in different ways, the stakeholder expectations for this reason it is possible to make a shift in the generally adopted notion of value and introduce the concept of the stakeholder value.

2.2 Policies and Practices in Sustainability Reporting

Over the past years, many governments have promoted sustainability reporting in varied ways, such as: Regulations for sustainability or Environmental Social and Governance (ESG) disclosure, stock exchange rules, public procurement provisions, safety and health protection laws, financial regulations, political and consultative processes for building consensus, social institutionalized dialogue, and civil dialogue on approaches to effective environmental regulations (Carrot and Sticks, 2013)

Policy makers and market regulators have attempted to address the global financial and economic crises by striving to embed sustainability in policy and regulations. Our economic, social and environmental challenges have

confirmed that “business as usual” is not an option. An active role for business is widely considered to be part of the solution.

Sustainability reporting is considered to be a vital means for tackling these issues, and some significant developments have been seen in the field since 2010. Sustainability reporting is increasingly a core topic in international forums and was given an unprecedented attention at the June 2012 United Nations Conference on Sustainable Development (Rio+20). At Rio, 20 Summit in Brazil 2012, governments agreed on the importance of corporate transparency and sustainability reporting, and that they have a role to play in advancing it, as stressed in paragraph 49 of the outcome document, *The Future We Want*, It states

“We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments as well as relevant stakeholders with the support of UN system as appropriate to develop models for best practice and facilitate action for the integration of Sustainability reporting, taking into account the experiences of already existing frame works and paying particular attention to the needs of developing countries, including for capacity building” (Rio +20 Summit 2012). We also have related regulations such as Sustainability Disclosure Milestones 2006- 2013 on sustainability reporting guidelines”.

2.3 Lesson from Nigeria and other African Countries

Nigeria currently accounts for significantly 2 per cent of Global Reporting Initiative (GRI) based reports with South Africa leading with about 96% and the other 2 per cent scattered around the rest of continent (Ofose 2014).

In the bid to foster the uptake and integration of sustainability in the Nigerian business environment, officials of the African Focal Point of the Global Reporting Initiative recently completed the first working visit to Nigeria. During the visit, the GRI team held sessions with the organizations like the Nigerian Stock Exchange, Nigerian Economic Summit Group on the need to regulate sustainability reporting in Nigeria.

Onuk (2014) explained that sustainability reporting plays key roles as communication strategy, stakeholder engagement and accountability strategy and stressed the urgent need to regulate it in Nigeria. Government agencies are seen as better placed to regulate the industry, since most of the organizations that promote their activities fall within their supervision. Most African countries are still lacking in adequate legislation that can empower these government agencies to act. Sustainability activities are still seen as philanthropic gesture in Nigeria and in most African countries, however stakeholders in different areas have called on government to initiate legislation that would scrutinize activities of CSR. Stakeholders want government to institute a better regulatory framework to tackle abuses in industry because absence of this hampers the growth and development of sustainability reporting as key elements of business accountability.

3. Research Methodology

The main purpose of this research is to ascertain the extent to which stakeholders' information needs are met by the companies' reports benefit of corporate disclosure and means of striking a balance for an enhanced sustainable development. To achieve the objective, the researcher made use of primary and secondary data. The source of primary data is questionnaire administered to some selected stakeholders totaling 250 out of which 207 were duly filled and returned. The primary data was analyzed using descriptive statistics and regression analysis with the aid of SPSS Version 22. Information on companies' reports was gotten from annual reports. Annual report is recommended to be used in determining environmental disclosures (Gray, Kouhy and Lavers, 1995), The reason is that it is regularly produced and readily available to the public. The annual reports for the period 2012-2013 were used. Content analysis method of analyzing data was used in eliciting data from annual report. This is due to the fact that content analysis is the most commonly used method of measuring corporate social environmental disclosure in annual reports (Milne and Adler 1999, Krippendof, 1980). It allows systematic classification and comparison of corporate social environmental information. This study however attempts to measure sustainability/social responsibility disclosure in terms of theme and evidence, hence the adoption of Hackston and Milne's (1996) operational definitions and framework for corporate environmental disclosure index. Theme is measured in categories of environment, energy, product and employee health. Evidence is measured in the categories of monetary quantitative and non-monetary quantitative disclosures. The corporate environmental disclosure index framework contained 28 attributes (Hackston and Milne 1996, and Uwaigbe and Egbiide 2012). A firm could score a maximum of 28 points and a minimum of 0 points. The formula for calculating the reporting scores using the corporate social environmental disclosure index in functionally expressed thus:

$$RS = \frac{\sum_{i=1}^{28} di}{28}$$

Where RS = Reporting Score
 di = 1 if the item is reported. 0 if the item is not reported
 I = 1,2,3 ...28

4. Data Presentation and Analysis

Data presentation (See the appendix for frequency responses to questions on economic, environmental and social reporting)

Table 1: Descriptive Statistics (Economic Performance)

	N	Minimum	Maximum	Mode
Revenues	207	1.00	5.00	5
Operating costs	207	2.00	5.00	5
Employee compensation	207	1.00	5.00	5
Donations and other community investments	207	2.00	5.00	5
Payments to capital providers and governments	207	2.00	5.00	5
Coverage of organisation's defined benefit plan obligation	207	1.00	5.00	4
Spending on locally based suppliers at significant locations of operation	207	1.00	5.00	4
Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	207	1.00	5.00	2
Valid N (listwise)	207			

Source: SPSS Ver. 22

In the above table, the *mode* a measure of the most frequently occurring value was used to measure the level of disclosure of the various items. The following economic performance items were found to be reportedly Very High [with a Modal value of 5]: Revenues [75.4%]; Operating costs [87.0%]; Employee compensations [63.3%]; Donations and other community investments [41.1%]; and, Payments to capital providers and governments [50.7%]. Coverage of organization's defined benefit plan obligation [35.3%] and Spending on locally based suppliers at significant locations of operation [30.0%] were reportedly High [with a Modal value of 4]. However, Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation [38.6%] was reportedly Low in disclosure level [with a Modal value of 2].

Table 2: Descriptive Statistics (Environmental Performance)

	N	Minimum	Maximum	Mode
Percentage of materials used that are recycled input materials	207	1.00	5.00	1
Energy saved due to conservation and efficiency improvements	207	1.00	5.00	1
Percentage of total volume of water recycled and reused	207	1.00	5.00	1
Habitats protected and restored	207	1.00	5.00	1
Strategies, current actions and future plans for managing impact on biodiversity	207	1.00	5.00	1
Initiatives to reduce greenhouse gas emissions and reductions achieved	207	1.00	5.00	1
Total water discharge by quality and destination	207	1.00	5.00	1
Total number and volume of significant spills	207	1.00	5.00	1
Weight of transported, imported, exported, or treated waste deemed hazardous, and percentage of transported waste shipped internationally	207	1.00	5.00	1
Percentage of products sold and their packaging materials that are reclaimed by category	207	1.00	5.00	2
Total environmental protection expenditures and investments by type	207	1.00	5.00	1
Valid N (listwise)	207			

Source: SPSS Ver. 22

From the table above, all items (with the exception of item 10) were reportedly Very Low in disclosure: Percentage of materials used that are recycled input materials [48.3%]; Energy saved due to conservation and efficiency improvements [55.1%]; Percentage of total volume of water recycled and reused [52.2%]; Habitats protected and restored [44.4%]; Strategies, current actions and future plans for managing impact on biodiversity [38.6%]; Initiatives to reduce greenhouse gas emissions and reductions achieved [49.8%]; Total water discharge by quality and destination [45.9%]; Total number and volume of significant spills [43.0%]; Weight of transported,

imported, exported, or treated waste deemed hazardous, and percentage of transported waste shipped internationally [45.9%]; and, Total environmental protection expenditures and investments by type [35.7%]. For item 10, Percentage of products sold and their packaging materials that are reclaimed by category [34.8%].

Table 3: Descriptive Statistics (Social Performance)

	N	Minimum	Maximum	Mode
Total employee turnover by age group, gender and region	207	1.00	5.00	2
Total workforce by employment type, employment contract, and region	207	1.00	5.00	4
Average hours of training per year per employee by employee category	207	1.00	5.00	2
The extent of child labour	207	1.00	5.00	1
Percentage of total number of business units analysed for risks related corruption	207	1.00	5.00	1
Actions taken in response to incident of corruption	207	1.00	5.00	1
Total number of incidents of non compliance with regulations and voluntary codes covering product and service information and labelling, by types and outcomes	207	1.00	5.00	1
Valid N (listwise)	207			

Source: SPSS Ver. 22

From the table above, total workforce by employment type, employment contract, and region [33.3%] was reportedly High. Total employee turnover by age group, gender and region [28.0%] and Average hours of training per year per employee by employee category [27.5%] was reportedly Low. All other items was reportedly Very Low: The extent of child labour [33.8%]; Percentage of total number of business units analysed for risks related corruption [35.3%]; Actions taken in response to incident of corruption [33.8%]; and, Total number of incidents of non compliance with regulations and voluntary codes covering product and service information and labelling, by types and outcomes [35.7%].

Table 4: Descriptive Statistics (Sustainability Reporting and Company Performance)

	N	Minimum	Maximum	Mean	Std. Deviation
Promote trust and support from key stakeholders	207	3.00	5.00	4.4734	.58957
Improve brand and reputation	207	1.00	5.00	3.9710	1.17792
Establishes more cordial relationship with governments and investors	207	1.00	5.00	4.3865	.70049
Boosts staff morale and loyalty to the management	207	1.00	5.00	3.8551	1.29909
New innovations on product and services as a result of better understanding of stakeholder needs	207	1.00	5.00	3.9324	1.25616
Creates opportunities to improve corporate system and efficiency	207	1.00	5.00	4.0628	1.12816
Valid N (listwise)	207				

4.1 Test of Hypotheses

Hypothesis 1(Null): Sustainability development reporting retards companies performance and growth.

In measuring the effect of Sustainable Development Reporting on Companies Performance and Growth, the various components of Sustainable Development Reporting (namely economic, environmental and social) were used to predict their effect on Companies Performance and Growth. The equation is given below:

$$\text{SusDevRep} = F \{ \text{Economic Performance, Environmental Performance, Social Performance} \}$$

$$Y = \alpha + \beta x_1 + \beta x_2 + \beta x_3 + \mu$$

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.977 ^a	.954	.954	1.26644

a. Predictors: (Constant), Social Performance, Economic Performance, Environmental Performance

Source: SPSS Ver. 22

From the table above, R Square showed a value of .954. This shows that the independent variables in the model explain 95.4% variation in the dependent variable. Adjusted R Square also had the same value.

Table 7: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6791.368	3	2263.789	1411.443	.000 ^b
	Residual	325.588	203	1.604		
	Total	7116.957	206			

a. Dependent Variable: SusDevRep

b. Predictors: (Constant), SocialPerformance, EconomicPerformance, EnvironmentalPerformance

Source: SPSS Ver. 22

From the table above, the Sig. value was less than .05, moreover F-statistic had a value of 1411 as against table value of 2.60. We therefore reject the null and accept the alternate hypothesis that sustainability reporting does not retard companies' growth; rather it enhances companies' growth and development.

Hypothesis 2 (Null): Stakeholders' information needs are not met by companies' reports.

PRESENTING THE RESULTS OF THE CONTENT ANALYSIS

S/NO	NAME OF COMPANY	LOCATION	SOURCE OF INFORMATION	DISCLOSURE SCORE
1	A.G. LEVENTIS	NIGERIA	ANNUAL REPORT	3/28
2	CHELLARAMS	NIGERIA	ANNUAL REPORT	1/28
3	JOHN HOLT	NIGERIA	ANNUAL REPORT	3/28
4	TRANSNATIONAL	NIGERIA	ANNUAL REPORT	3/28
5	ASHAKA CEM	NIGERIA	ANNUAL REPORT	4/28
6	BETA GLASS	NIGERIA	ANNUAL REPORT	3/28
7	CADBURY	NIGERIA	ANNUAL REPORT	5/28
8	UACN	NIGERIA	ANNUAL REPORT	4/28
9	DANGOTE CEMENT	NIGERIA	ANNUAL REPORT	4/28
10	DANGOTE SUGAR	NIGERIA	ANNUAL REPORT	4/28
11	CHAMPION BREWERIES	NIGERIA	ANNUAL REPORT	3/28
12	CONOIL	NIGERIA	ANNUAL REPORT	5/28
13	DN TYRE & RUBBER	NIGERIA	ANNUAL REPORT	5/28
S/NO	NAME OF COMPANY	LOCATION	SOURCE OF INFORMATION	DISCLOSURE SCORE
1	BENSO OIL PALM PLANTATION	GHANA	ANNUAL REPORT	4/28
2	ANGLO GOLD ASHANTI	GHANA	ANNUAL REPORT	7/28
3	TULLOW OIL	GHANA	ANNUAL REPORT	6/28

A content analysis was carried out using 28 disclosure items used in previous studies. The main themes were Environment, Energy, Research and Development and Employee Health and Safety. Each had 7 components. Our findings revealed that Employee Health and Safety was the most frequently reflected theme, with the following components being reported more often in Nigerian companies: Health and Safety Arrangements; Complying with health and safety standards and regulations; and, Promoting employee safety and physical or mental health. In Ghana, companies in addition to this were also disclosing their Accident statistics. The following items under the environment theme were also reported in Ghana: Air emission information and Environmental Management. The items mentioned are just about four out of twenty eight. We equally found that firms with international affiliation tend to have significantly higher level of corporate disclosure than local firms.

It was also ascertained that the studied companies scored relatively low in disclosing those items which the stakeholders rated them low in the questionnaire, indicating a relationship between stakeholders' response to questionnaire and the result of the measurement index.

We therefore accept the null hypothesis two and conclude that stakeholders' information needs are not met by companies' sustainability reports.

5. Recommendation (Striking a Balance)

A balance has to be struck in reporting various corporate needs for sustainable development. This requires commitment to sustainability demands from within entities, shareholders, governments and the general public. The coverage extends to finance, economics, environmental and social. Companies need to strike a balance between what stakeholders find interesting to know, and what they have right to know, and what is practical for businesses to manage and report. A sustainable development report should address information needs of particular stakeholders. Not all stakeholder groups may be targeted in one report. It now becomes pertinent for each company to decide on who is, or are its primary target audience. Stakeholders can be identified and categorized in matrix

along two axis; level of influence versus level of interest. Stakeholder who exert a higher level of influence and have a higher level of interest should be the main target of the company reporting efforts and the company should report on how it takes their view into consideration when working with sustainable development issues. Further their interests need to be taken into account in the governance structures of a company.

However, companies should be very careful and cautious while assessing influence because some vocal stakeholders like strong activist groups may in real sense be less important to company than a minority group of indigenous people located far away from corporate headquarters, nevertheless this depends on company's values and principles.

REFERENCES

- ACCA (2005). Sustainability reporting guidelines for Malaysian companies
- Adams, C. A., (2004). The ethical social and environmental reporting performance portrayal gap, *Accounting, Auditing and Accountability Journal* 17(5) 731-757. DOI. 10.1108/09513570410567791
- Accountability (1999). Accountability 1000 (AA1000) Framework: Standard Guidelines and Professional Qualifications Account-Ability: London. Retrieved from <http://www.accountability.org.uk> on 5/7/2014
- Asaolu T.O., Agboola A.A, Ayoola T.J., and Salawu M. K., (2011), "Sustainable reporting in the Nigerian Oil and gas sector". *Proceeding of the Environmental Management Conference,* of Federal University of Agriculture Abeokuta Nigeria
- Carrots and Sticks (2013), "Promoting transparency and sustainability". Retrieved from www.globalreporting.org/resourceslibrary on 3/7/2014
- Clarkson MBE (1995). A stakeholder framework for analyzing, and evaluating corporate social performance. *Academy of Management Review* 20(1), 92-117
- Dilling P.F.A., (2010). Sustainability reporting in a global context: What are the characteristics of corporations that provide high quality sustainable reports: The empirical analysis. *International Business and Economic Research* 9(!) 19-29
- Donaldson T. & Preston L.E (1995). The stakeholder theory of the corporation: concepts evidence and implications. *The Academy of Management Review* 20(1) 65-91
- Eppel (1999), "Sustainable development and environment: A renewed effort in the OECD". *Environment, Development and Sustainability Journal* 1, 41-53
- Figge F, Schaltegger S. 2000. *What Is 'Stakeholder Value'? Developing a Catchphrase into a Benchmarking Tool.* Universität Lüneburg–Pictet–UNEP: Lüneburg
- Gray R. H., Kouhy R., & Lavers S. (1995). Corporate social and environmental reporting: A review of the literature and the longitudinal study of United Kingdom disclosure. *Accounting, Auditing and Accountability Journal* 8(2), 47-79 . [Http://dx.doi.org/10.1108/09513579510146996](http://dx.doi.org/10.1108/09513579510146996)
- Global Reporting Initiative (GRI). 2006. *G3 Sustainability Reporting Guidelines. Version for Public Comment. 2 January 2006–31 March 2006.* GRI: Amsterdam. <http://www.grig3.org> on 15/1/ 2006.
- Hackson D. & Miles M.J., (1996), "Some determinants of social and environmental disclosures in New Zealand Companies". *Accounting Auditing and Accountability Journal,* 9(1) 77-108, <http://dx.doi.org/10.1108/09513579610109987>
- International Finance Corporation (IFC) (2012). Performance standards on environment and sustainability. Assessed from <http://www.ifc.org/wps/wcm/connect/> 12/8/2014
- Krippendof K.(1980), "Content Analysis: An introduction to its methodology". *Sage Beverly Hills California*
- Milne M. J and Adler R.W (1999). Exploring the reliability of social and environmental disclosures content analysis. *Accounting, Auditing and Accountability Journal.* 12(2), 237-256
- Ofose G. (2014). Perspective on accountability and sustainability framework in Africa and driving sustainability reporting in Nigeria. <http://dailyindependencenig.com> 5/6/2014
- Okafor G.,T. (2013). Triple Bottom-line Accounting and sustainable development. *Journal of Sustainable Development in Africa.* 15(7) 249-269. Clarion University of Pennsylvania
- Onuk(2014) as quoted in Ofose(2014). Nigeria domestic CSR environment and sustainability reporting. <http://dailyindependencenig.com> 6/7/2014
- Perrini F., Francesca & Tincali (2006), "Sustainability and stakeholder management; the need for a new corporate performance evaluation and reporting systems". *Business Strategy and the Environment* 15, 296-308
- Post J.E, Preston L.E, & Sachs S.(2002). Managing extended enterprise: The new stakeholder view. *California Management Review* 45(1) 6-28
- Rio+ Summit (2012). The Future We Want. United Nations conference on sustainable development at Brazil www.globalreporting.org/resourceslibrary/carrotsAndSticksPromotingTransparencyAndSustainability.pdf
- Sihotang and Effendi(2010). Sustainability reporting for CSR Disclosures: A case study in Oil and Gas industry as stated in Asaolu et al (2011).
- Social Research Analysis Network (SIRAN)(2008). Sustainability reporting in an emerging market: An analysis

of the sustainability reporting in selected sectors of some emerging market countries. www.siran.org 20/6/2014
 Uwaigbe U. and Egbide B. (2012) Corporate social responsibility disclosures in Nigeria: A study of listed financial and non financial firms. *Journal of Management and Sustainability* 2(1) 160-169
 World Business Council for Sustainable Development (WBCSD). 2000. *Measuring Eco-Efficiency. A Guide to Reporting Company Performance*. WBCSD: Geneva.
 World Business Council for Sustainable Development (WBCSD). 2003. *Sustainable Development Reporting. Striking the Balance*. WBCSD: Geneva. Assessed from <http://dttl-crs-wbcd-sustainabledevelopmentreport.pdf> on 5/6/2014

APPENDIX 1

RESEARCH QUESTIONNAIRE

This research is aimed at ascertaining the extent to which stakeholders' information needs are met by the companies' reports the effect of sustainability reporting and the means of striking a balance. Please kindly assist in providing answers to the under listed research questions. All answers will be held in confidence.

SECTION A: Respondents' profile

1. Nationality: Nigeria () Ghana () Cameroun ()
2. Stakeholder type: Shareholder () Government () Employee () Community ()
 Supplier () Bank () Insurance companies () Local authorities ()

SECTION B

NOTE: Questions under section B are derived from the three major dimensions of sustainability; Economic, Environmental and Social.

How would you evaluate the extent of disclosure of the under listed issues in companies' annual reports in your country:

S/N	ECONOMIC PERFORMANCE	5 Very High	4 High	3 Average	2 Low	1 Very Low
1	Direct economic value generated and distributed by the companies, such as:					
(a)	Revenues					
(b)	Operating cost					
(c)	Employee compensation					
2	Donations and other community investments					
3	Payments to capital providers and governments					
4	Coverage of organization's defined benefit plan obligation					
5	Spending on locally based suppliers at significant locations of operation.					
6	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations.					
	ENVIRONMENTAL PERFORMANCE					
7	Percentage of materials used that are recycled input materials					
8	Energy saved due to conservation and efficiency improvements					
		5 Very High	4 High	3 Average	2 Low	1 Very Low
9	Percentage of total volume of water recycled and reused					
10	Habitats protected and restored					
11	Strategies, current actions and future plans for managing impact on biodiversity					
12	Initiatives to reduce greenhouse gas emissions and reductions achieved					
13	Total water discharge by quality and destination					
14	Total number and volume of significant spills					

15	Weight of transported, imported, exported, or treated waste deemed hazardous , and percentage of transported waste shipped internationally					
16	Percentage of products sold and their packaging materials that are reclaimed by category					
17	Total environmental protection expenditures and investments by type.					
	SOCIAL PERFORMANCE					
18	Total number of employee turnover by age group, gender, and region					
19	Total workforce by employment type, employment contract, and region					
20	Average hours of training per year per employee by employee category					
21	The extent of child labour					
22	Percentage of total number of business units analyzed for risks related to corruption					
23	Actions taken in response to incident of corruption					
24	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by types and outcomes					

Please help to improve the quality of this research by disclosing any other information you think will be relevant to the work, it will be most appreciated.

Thank you

Gloria T. Okafor (PhD)

APPENDIX 2

Frequency Responses to Questions on Economic, Environmental & Social Reporting:

Frequency Distribution: Economic Performance					
	VH	H	Av	L	VL
Revenues	156 75.4%	30 14.5%	10 4.8%	6 2.9%	5 2.4%
Operating costs	180 87.0%	17 8.2%	5 2.4%	5 2.4%	-
Employee compensation	131 63.3%	58 28.0%	8 3.9%	6 2.9%	4 1.9%
Donations and other community investments	85 41.1%	81 39.1%	36 17.4%	5 2.4%	-
Payments to capital providers and governments	105 50.7%	86 41.5%	10 4.8%	6 2.9%	-
Coverage of organisation's defined benefit plan obligation	70 33.8%	73 35.3%	25 12.1%	28 13.5%	11 5.3%
Spending on locally based suppliers at significant locations of operation	58 28.0%	62 30.0%	52 25.1%	30 14.5%	5 2.4%
Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	10 4.8%	21 10.1%	34 16.4%	80 38.6%	62 30.0%

Frequency Distribution: Environmental Performance					
	VH	H	Av	L	VL
Percentage of materials used that are recycled input materials	4 1.9%	5 2.4%	28 13.5%	70 33.8%	100 48.3%
Energy saved due to conservation and efficiency improvements	8 3.9%	15 7.2%	20 9.7%	50 24.2%	114 55.1%
Percentage of total volume of water recycled and reused	2 1.0%	7 3.4%	18 8.7%	72 34.8%	108 52.2%
Habitats protected and restored	8 3.9%	11 5.3%	15 7.2%	81 39.1%	92 44.4%
Strategies, current actions and future plans for managing impact on biodiversity	17 8.2%	21 10.1%	28 13.5%	61 29.5%	80 38.6%
Initiatives to reduce greenhouse gas emissions and reductions achieved	11 5.3%	17 8.2%	23 11.1%	53 25.6%	103 49.8%
Total water discharge by quality and destination	10 4.8%	14 6.8%	18 8.7%	70 33.8%	95 45.9%
Total number and volume of significant spills	19 9.2%	21 10.1%	17 8.2%	61 29.5%	89 43.0%
Weight of transported, imported, exported, or treated waste deemed hazardous, and percentage of transported waste shipped internationally	9 4.3%	11 5.3%	15 7.2%	77 37.2%	95 45.9%
Percentage of products sold and their packaging materials that are reclaimed by category	17 8.2%	27 13.0%	30 14.5%	72 34.8%	61 29.5%
Total environmental protection expenditures and investments by type	18 8.7%	19 9.2%	28 13.5%	68 32.9%	74 35.7%

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.875	.662		-4.343	.000
	EconomicPerformance	.851	.032	.952	26.437	.000
	EnvironmentalPerformance	-.132	.028	-.270	-4.773	.000
	SocialPerformance	.167	.050	.258	3.362	.001

Frequency Distribution: Social Performance					
	VH	H	Av	L	VL
Total employee turnover by age group, gender and region	28 13.5%	40 19.3%	40 19.3%	58 28.0%	41 19.8%
Total workforce by employment type, employment contract, and region	57 27.5%	69 33.3%	43 20.8%	20 9.7%	18 8.7%
Average hours of training per year per employee by employee category	30 14.5%	38 18.4%	29 14.0%	57 27.5%	53 25.6%
The extent of child labour	27 13.0%	32 15.5%	31 15.0%	47 22.7%	70 33.8%
Percentage of total number of business units analysed for risks related corruption	22 10.6%	34 16.4%	31 15.0%	47 22.7%	73 35.3%
Actions taken in response to incident of corruption	18 8.7%	24 11.6%	27 13.0%	68 32.9%	70 33.8%
Total number of incidents of non compliance with regulations and voluntary codes covering product and service information and labelling, by types and outcomes	19 9.2%	28 13.5%	16 7.7%	70 33.8%	74 35.7%

Frequency Distribution: Sustainability Reporting and Company Performance					
	SA	A	N	D	SD
Promote trust and support from key stakeholders	108 52.2%	89 43.0%	10 4.8%	-	-
Improve brand and reputation	80 38.6%	87 42.0%	8 3.9%	18 8.7%	14 6.8%
Establishes more cordial relationship with governments and investors	97 46.9%	100 48.3%	5 2.4%	3 1.4%	2 1.0%
Boosts staff morale and loyalty to the management	79 38.2%	81 39.1%	5 2.4%	22 10.6%	20 9.7%
New innovations on product and services as a result of better understanding of stakeholder needs	85 41.1%	77 37.2%	8 3.9%	20 9.7%	17 8.2%
Creates opportunities to improve corporate system and efficiency	90 43.5%	78 37.7%	11 5.3%	18 8.7%	10 4.8%

APPENDIX 3: DISCLOSURE TABLE (TWENTY EIGHT TESTABLE ITEMS)

Research & Development	S/N	Environment	Energy	Employee Health and Safety
Investment in research on renewal technology	1	Environmental pollution	Firm's energy policies	Disclosing accident statistics
Environmental education	2	Conservation of natural resources	Disclosing energy savings	Reducing or eliminating pollutants, irritants or hazards in the work environment
Environmental research	3	Environmental management	Reduction in energy consumption	Promoting employee safety and physical or mental health
Waste management/reduction and recycling technology	4	Recycling plant of waste products	Received awards or penalties.	Disclosing benefits from increased health and safety expenditure
Research on new method of production	5	Air emission information	Disclosing increased energy efficiency products	Complying with health and safety standards and regulations
Providing information for conducting safety research on the company's products	6	Environmental policies or company concern for the environment	Conservation of energy in the conduct of business operations	Health and Safety Arrangements
Information on research projects set up by the company to improve its product in any way	7	Installation of effluent treatment plant	Discussion of the company's efforts to reduce energy consumption	Establishment of Educational Institution

Source: Ernst and Ernst, 1978; Sulaiman and Siswantoro, 2003; Gray et al, 1995; Hackston and Milne, 1996; Milne and Adler, 1999; Tilt, 2000

APPENDIX 4: PROFILE OF STUDIED COMPANIES:

S/NO	NAME OF COMPANY	LOCATION	SOURCE OF INFORMATION	DISCLOSURE SCORE
1	A.G. LEVENTIS	NIGERIA	ANNUAL REPORT	3/28
2	CHELLARAMS	NIGERIA	ANNUAL REPORT	1/28
3	JOHN HOLT	NIGERIA	ANNUAL REPORT	3/28
4	TRANSNATIONAL	NIGERIA	ANNUAL REPORT	3/28
5	ASHAKA CEM	NIGERIA	ANNUAL REPORT	4/28
6	BETA GLASS	NIGERIA	ANNUAL REPORT	3/28
7	CADBURY	NIGERIA	ANNUAL REPORT	5/28
8	UACN	NIGERIA	ANNUAL REPORT	4/28
9	DANGOTE CEMENT	NIGERIA	ANNUAL REPORT	4/28
10	DANGOTE SUGAR	NIGERIA	ANNUAL REPORT	4/28
11	CHAMPION BREWERIES	NIGERIA	ANNUAL REPORT	3/28
12	CONOIL	NIGERIA	ANNUAL REPORT	5/28
13	DN TYRE & RUBBER	NIGERIA	ANNUAL REPORT	5/28
S/NO	NAME OF COMPANY	LOCATION	SOURCE OF INFORMATION	DISCLOSURE SCORE
1	BENSO OIL PALM PLANTATION	GHANA	ANNUAL REPORT	4/28
2	ANGLO GOLD ASHANTI	GHANA	ANNUAL REPORT	7/28
3	TULLOW OIL	GHANA	ANNUAL REPORT	6/28
4	PZ CUSSONS	GHANA	ANNUAL REPORT	4/28