CONTEMPORANEOUS ANALYSIS OF SUSTAINABILITY REPORTING AND MARKET-VALUE OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract

Lately, issues of climate change, poverty, and economic recession is on the forefront of policy discourse due to its effects on global financial markets. This has affected companies in varying ways which has led to calls for research on sustainability issues. Regarding this, the current study carries out analysis of sustainability reporting and market-value of 17 out of 21 listed consumer-goods companies in Nigeria that are purposively selected. Based on ex-post facto research-design, data for the study are analysed using both content analysis and a lagged contemporaneous regression model. Hence, the study found that, environmental and social reporting have no significant effect on the share price of listed consumer goods companies on Nigerian Exchange Group. While economic reporting has a significant effect on the share price of listed consumer goods companies on Nigerian Exchange Group. It is recommended that; consumer goods companies should reevaluate their environmental and social reporting policy as it is currently not influencing investors' interest in the companies' market value. Environmental discourse is on the forefront of investment drive of investors on the market and companies in other markets who stick with environmental reporting prescribed by the GRI are seen to have increased market values.
Keywords: Contemporaneous lagged model, economic reporting, environmental reporting, market value, social reporting

1. Introduction

Issues of climate change, poverty, and financial growth of companies has been on the forefront of policy discourse in recent times because of these issues to global sustainability agendas as prescribed by the United Nations in their Sustainability Agenda for 2030. Notably, companies, in a bid to carry out their economic activities cause effects on both the environment and the lives of the people which is detrimental to development agendas (Abdulsalam, Musa, Garba, & Mahmood, 2019). As a result, there have been calls championed by the UN and other global organizations for companies to become more responsive to environment and social issues their economic activities have created which necessitated the creation of the GRI as a global principle for companies to report their environmental and social practices vis-à-vis their economic performance (Herbert, Nwaorgu, Onyilo & Iormbagah, 2020). This has led to studies on the effect of sustainability reporting on market values of companies globally but a general conclusion about the extent to which the sustainability reporting of companies has affected their market values is farfetched.

Sustainability reporting is concerned with how a firm portrays itself in regard to environmental, economic, and social challenges. The phrase refers to a company's voluntary initiatives to mitigate the impact of its

economic activity on social and environmental problems (Khan, Serafeim, & Yoon, 2015). Sustainability reporting has recently gained popularity because of the creation of environmental, economic, and social reports (Jones, Hillier & Comfort, 2016; Uyar, 2016). The frequency of sustainability reporting by corporations, as well as the importance of its disclosure in company reports, has drawn investor attention to corporate sustainability (Cormier & Magnan, 2007). This is why, according to Daizy and Das (2014), investors are more willing to invest in the stocks of companies that provide greater sustainability reporting. Furthermore, increased public knowledge of social, economic, and environmental concerns has necessitated firms disclosing their efforts and activities on these topics. These information transparency initiatives address the needs of a wide range of stakeholders, including shareholders, whose investment motivation drives share prices as gauges of a company's market worth (Kaveen, Rebecca & Mark, 2013). Yet, whether investing in sustainability reporting improves market value is debatable (Emeka-Nwokeji, 2019), and the impact of corporate sustainability on market price is unclear (Loannou & Serafeim, 2014).

For example, the studies done by Atanda, Osemene and Ogundana (2021), Emeka-Nwokeji (2019), Fitri, Nurlis and Yanti (2021), Fuadah and Kalsum (2021), Muslichah (2020), Okpala and Iredele (2018), and Owolabi and Okulenu (2020) all presented contrasting evidence on the effect of sustainability reporting on market values of companies. Also, their studies are not specifically in the context of the consumer goods sector, and they all used the linear regression models in measuring the effect of sustainability reporting on market values of the companies; it is not possible for sustainability reports of same year to send signals about the sustainability legitimacy of the companies' economic activities for the same year. Reports are meant to signal future market values. Thus, it is more practical to use a lagged regression model, where the sustainability reports of a preceding year can be matched against the market values of a succeeding year to capture the ensuing effect. Therefore, this creates a sector specific gap and a methodological gap.

As a result of the noticed sectoral and methodological gaps, the current study employs the contemporaneous panel regression to include lags for sustainability reporting against market-values indicator; to examine the effect of preceding year sustainability reports of listed consumer-goods companies in Nigeria on their market-values. Thus, the broad objective of this study is to carry out a contemporaneous analysis of sustainability reporting and market-value of listed consumer-goods companies in Nigeria.

2. Literature Review

This section of the study is concerned with theoretical framework and conceptual clarification of relevant concepts to this study.

Conceptual Clarification

Sustainability Reporting

The disclosure and communication of a company's environmental, societal, and economic performance is known as sustainability reporting. According to Priyanka (2013), sustainability reporting is concerned with monitoring and revealing various non-financial indicators and corporate performance regarding the sustainable development objective. It entails incorporating environmental, social, and governance considerations into investing analysis, securities selection, portfolio design, and risk assessment (Serafeim, 2015). According to Elkington (1997), the term "triple bottom-line" or "sustainable reporting" is a yardstick for assessing and reporting overall performance of the company against ethical, economic, and environmental factors. It is also the complete set of principles, issues, and procedures that businesses should confront to reduce any problems that may arise as a result of their operations and to cause economic, social, and environmental values, with the three lines representing society, the economy, and the environment (Elkington, 1997). A sustainability report reflects the organization's principles and shows the connection among its approach and its dedication to a globally sustainable economy.

As per Fitri et al., (2021), the significance of corporate sustainability is that it encourages companies evaluate their influence on sustainability concerns while also allowing them to be upfront about the pitfalls and possibilities they face. According to Emeka and Osisioma (2019), sustainability reporting is primarily a voluntary activity with two main goals now: information and evaluation of an organization's impact on the environment and society, and communication of a business's sustainability initiatives and progress to stakeholders. According to Cortez and Cudia (2011), sustainability reporting enables private companies, public organizations, and third-sector organizations to affirm their objective and pursued values, as well as recognize and way of measuring their economic, environmental, social, achievements and opportunities for enhancement.

In accordance with the Global Reporting Initiative GRI (2011), sustainability Reporting Standards address three interrelated areas of sustainability relevant to organizations (GRI, 2011): Economic: encompasses benefits and pay, labor productivity, job creation, R&D expenditures, and investments in training and other kinds of human capital. Financial information is included in the economic aspect, although it is not the only one. Environmental: implications of processes, goods, and services on land, air, water, biodiversity, and human health, for example. Social issues include workplace safety and health, employee

retention, labor rights, human rights, pay, and working conditions in outsourced operations. According to GRI (2011), sustainability is the optimal utilization of existing resources through diverse ways to achieve a sustainable and beneficial balance in the long run. It may address not only the reporting company's financial performance, but also the company's influence on the economic realities of its stakeholders and the local, national, and worldwide economic models in which it operates (GRI, 2011).

Share Price as a Measure of Market Value

Market-value is the company's worth based on the entire market value of its outstanding shares, also known as market cap (Emeka-Nwokeji, 2019). Because market value includes profitability, intangibles, and future growth prospects, it is usually more than book value. Market value is the price that purchasers are willing to pay in the marketplace for an asset. It is also known as market capitalization in the case of publicly traded assets or entities and is determined by multiplying the current price by the total amount of outstanding units.

Market value is the market price of an asset and is frequently used to refer to the price of market share. The fundamental purpose of assessing market value is to provide an accurate appraisal of the asset's worth or value (Whetman, 2018). It is simply the price that an item would typically be sold. Buyers can choose to pay, while sellers can accept more or less than market value. Different marketplaces apply market value in different ways. The market value of a company is reflected in its share price in the business world or publicly traded enterprises (Yu & Zhao, 2015).

A share price is defined by Kaveen et al. (2013) as the price of a single share of a company's saleable stocks. They were referring to the price of a share at a specific point in time, which was reflected by the balance struck between buyers and sellers. According to Kaveen et al. (2013), the share price reflects the collective wisdom and knowledge of the market, which indicates the market worth of a corporation. The return on investment in a stock is determined by changes in its price (Haryono & Iskandar, 2015). The share price is one of the most important elements influencing investors' investing decisions. It is mostly determined by market dynamics of demand and supply for a specific security (Lars, Henrik & Siv, 2005). Yet, to estimate business value, it is necessary to first determine how the firm's total financial performance is reflected in stock prices. According to authors such as Brammer and Pavelin (2008), there is a link between a company's overall success and the pricing of its market securities. According to Brammer and Pavelin (2008), share price suggests evaluating whether financial indices explain cross-

sectional volatility in share prices. The valuation models that serve as the foundation for testing in the valuation literature are often established in terms of the level of firm value based on share-price.

2.2 Theoretical Framework

The research is based on signaling theory. According to the theory, efficient management employs sustainability reporting initiatives as indicators to stakeholders about the company's dedication and long-term policy for sustainability challenges, in addition to how the interests of various stakeholder groups of firms have been addressed. Michael Spence proposed the signaling theory (1973). According to signaling theory, corporate financial actions are signals sent by company managers to shareholders to disrupt these imbalances. The theory of signaling is built on the notion that information isn't equally available to all the participants simultaneously, and this imbalance becomes the major concern in the theory. Spence created the notion of "signaling" from his study on markets with asymmetric information to demonstrate how better-informed participants in the market transmit their information to those who are not as well-informed to avoid the problems associated with bad investment decisions.

Signal theory shows how corporations must use sustainability reporting to signal diverse stakeholders. The signal contains critical information about what management has done to meet the expectations of stakeholders. Narratively, ethically minded executives with inside information will be inclined to use sustainability reports to signal stakeholders with details about their enterprises' economic, environmental, and social performance, so strengthening the firms' reputation (Tanjung & Wahyudi, 2019). Such precise disclosures could be utilized as a valued-statement indicator to express the firm's environmental friendliness or to differentiate between firms that are environmentally friendly and those that are not. This is why authors such as Herbert et al., (2020) and Simnett and Huggins (2015) argued that the level of sustainability reports issued by companies can prompt stockholders with sustainability vested interests as their guiding principles to purchase more shares of such company following the release of such reports. Signaling theory as it applies to sustainability has sparked a massive amount of research and application in a wide variety of decision-making situations across disciplines. As a result, a conceptual explanation of what sustainability entails in the domain of accounting study is required.

3. Methodology

This study adopts *ex-post* facto research design that deals principally with data that had already been collected and is available for use. The researcher acknowledges here that, the direction and extent of the effect of the independent variables on the dependent variable in the study are not controlled. The population of this study is twenty-one (21) listed consumer goods companies on the Nigeria Exchange

Group NGX as at 31st December, 2021. Using a purposive sampling technique, the study selects seventeen (17) listed consumer goods companies. The 17 companies are selected on the basis that, the companies are listed on the NGX before 2012 and remain listed throughout the period of study (2012 to 2021). The data for this study are secondary data, sourced from the audited annual financial statements of the sampled companies and the share price values of the companies on investing.com.

Share price is measured using the annual average market price of each company's share reported on investing.com but sustainability reporting is proxied by Environmental reporting (EVN), Economic reporting (ECO) and social reporting (SOC). In accordance with GRI reporting index, each specific measure is defined as follows.

Table 1: Environmental reporting index

GRI	Content criteria	Total content
GRI 301	i. Materials that are used by weight or volume. ii. The usage of recycled input materials. iii. Recycled products and packaging materials	3
GRI 302	i. Organizational energy usage. ii. Energy usage outside of the organization. iii. The level of energy intensity. iv. Energy usage reduction. v. Energy-saving measures for products and services	5
'GRI 304	i. Protected areas and places of high biodiversity value outside protected areas that are owned, leased, or managed by operational sites. ii. Substantial consequences on biodiversity of activities, products, and services. iii. Habitats protected or restored. iv. IUCN Red List and national conservation list species having habitats in operations-affected areas	4
GRI 305	i. GHG emissions from direct sources (Scope 1). ii. GHG emissions from indirect energy sources (Scope 2). iii. Additional indirect GHG emissions (Scope 3). iv. The intensity of GHG emissions v. GHG emission reduction. vi. Ozone-depleting chemical emissions (ODS). vii. Significant air emissions of nitrogen oxides (NOX), sulfur oxides (SOX), and other pollutants.	7
GRI 307	i. Failure to comply with environmental regulations and laws	1
GRI 308	i. New vendors who were chosen based on environmental factors. ii. Negative environmental impacts and measures made in the supply chain	2
Total		22

Source: Herbert et al., (2020)

Table 2: Economic reporting index

GRI	Content	Total content
GRI 201	i. The creation and distribution of direct economic value	4

	ii. The financial ramifications of climate change, as well as other risks and opportunities. iii. Obligations under defined benefit plans and other retirement programs. iv. Government financial support obtained	
GRI 203	i. Investments in infrastructure and services are backed up. ii. Substantial indirect economic consequences	2
Total		6

Source: Herbert et al., (2020)

Table 3: Social disclosure index

GRI	Content	Total content
GRI 404	i. Annual training hours per employee on average. ii. Employee skill development and transition aid programs. iii. The proportion of employees who receive frequent career and performance development reviews.	3
GRI 411	i. Incidents of breaches of indigenous peoples' rights	1
GRI 413	i. Community engagement, evaluations, and development activities at the local level. ii. Activities that have a significant actual or potential detrimental impact on local populations.	2
GRI 416	i. Evaluating the health and safety consequences of various product and service categories. ii. Noncompliance incidents involving the health and safety implications of products and services	2
Total		8

Source: Herbert et al., (2020)

Content analysis: Where each criterion is published and explained in the annual reports of the companies, the study codes '1'. If it is not published and explained it is coded '0'. The total content gotten is divided by the total content for each reporting index to arrive at a content index for each company.

Model Specification

The study adapted the model used by Emeka-Nwokeji and Osisioma (2019) with modification to suite the researcher's need.

SHP = f(ENV, ECO & SOC)

The econometric form of the model is expressed as:

$SHP_{ti} = \beta_{0ti} + \beta_1 ENV_{it-1} + \beta_2 ECO_{it-1} + \beta_3 SOC_{it-1} + e$

Where: SHP = Share price as measure of market value; ENV = Environmental reporting; ECO = Economic reporting; SOC = Social reporting; β_1, β_3,, = Regression Coefficients; e = Error term used in the regression model; t = Time in a year i= cross section

The study adopts the contemporaneous regression analysis using lagged panel data with the help of STATA (version 13) as the main technique for data analysis. The data is further analysed using

descriptive statistics and correlation analysis. To test for normality of data, the study employed the Shapiro-Wilk W test. Also, the study data are subjected to multi-collinearity test through correlation test of the independent variables. Furthermore, to ascertain the model fitness, the study use; the Dublin Watson test for autocorrelation, the Wald chi-square test for model fitness, and the balanced covariance panel test.

Decision rule: The study's decision rule is to accept the null hypothesis if the P-value is greater than 0.05 i.e. (P>0.05).

4. Data Analysis and Discussion

Data Analyses

Summary statistics

This section provides summary statistics regarding the study's data. It displays the variables' mean, standard deviation (Std. Dev), minimum (MIN), and maximum (MAX). Table 4 shows the results of descriptive statistics.

Table 4: Summary Statistics

Variable |	Obs	Mean	Std. Dev.	Min	Max
SHP |	170	106.3947	336.6952	.21	1556
ENV |	170	.5048128	.1544051	.1363636	.8181818
ECO |	170	.6794118	.1472998	.5	.8333333
SOC |	170	.6919118	.1539327	.25	.875

Source: Authors computation from Stata output

Table 4 shows the summary statistics of the nature of data used in conducting analysis in this study. The data are collected from 17 sampled consumer goods companies for 10 years resulting to 170 observations. From the summary statistics table above, the following information is distilled.

The statistics revealed that Share Price (SHP) mean of the sampled companies during the period of study is 106.39 Naira with a standard deviation (Std. Dev) of 336.69 Naira, which is higher than the mean; thus, depicts that the market values of the companies are widely dispersed. This indicates a high variation in the market values of the sampled companies due to company specific attributes exerting influence on the

share price. The SHP of the companies also reveals a minimum of 21kobo and a maximum value of 1556 naira.

The table also showed Environmental reporting (ENV) of the companies has a mean of 0.5048128 index and a deviation of 0.1544051 index, which is lower than the mean. This shows that, consumer goods companies in Nigeria have a similar policy of environmental reporting. It further shows that, on an average, consumer goods companies in Nigeria report 50.5% out of the total 22 environmental reporting content as stipulated by the GRI. The minimum ENV reporting content by a single company is 0.1363636 and the maximum is 0.8181818.

Again, the table reveals that, economic reporting (ECO) has a mean of 0.6794118 and a deviation of 0.1472998. The deviation is lower than the mean indicating a low variation in economic reporting among the sampled companies in the period under study. The mean value on ECO of the companies shows that, consumer goods companies in Nigeria report up to 67.9% of the 6 economic reporting index as stipulated by the GRI. The statistics also revealed that ECO has a minimum and maximum content value of 0.5 and 0.83333 respectively.

Lastly, the table reveals that social reporting (SOC) has a mean of 0.6794118 with a deviation of 0.1472998 which is below the mean. This indicates a low variation in SOC among the sampled companies for the period under study. The mean value on SOC of 0.6794118 shows that, consumer goods companies in Nigeria disclose up to 67.9% of the 8 social disclosure index as stipulated by the GRI. The statistics also revealed that SOC has a minimum and maximum content value of 0.25 and 0.875 respectively.

Normality Test

The Shapiro-Wilk W test for normality of data is conducted below as it is deemed to best suited for data that is not scaled.

Table 5: Normality of data

Variable	Obs	W	V	z	Prob>z
SHP	170	0.31321	88.995	10.242	0.00000
ENV	170	0.97871	2.758	2.315	0.01030
ECO	170	0.99935	0.084	-5.646	1.00000
SOC	170	0.97125	3.725	3.001	0.00135

Source: Authors' computation from Stata output

Table 5 result revealed that, the Probability values of SHP, ENV, and SOC are greater than 0.05 accepted significance level except that of ECO which is greater than 0.05. Therefore, the null hypothesis is

accepted in respect to SHP, ENV, and SOC while the alternative is accepted for ECO. This means that, the data for SHP, EVN and SOC variables are not normally distributed while that of ECO is normally distributed. The reason for non-normality of the data is due to the large variance in the SHP, ENV, and SOC data of consumer goods companies. But the use of contemporaneous panel regression is expected to sort out variations' issues in the panel data that might distort the outcome of the findings given a covariance measurement of the balance aspect of the regression.

Multicollinearity Test

Test for multicollinearity of the independent variables is conducted using correlation matrix as presented below;

Table 6: Correlation Matrix:

	ENV	ECO	SOC
ENV	1.0000		
ECO	0.0249	1.0000	
SOC	0.2834	0.2449	1.0000

Source: Authors' computation from Stata output

Table 6 shows the intensity and type of association that exists between the independent variables of the study. A correlation coefficient of 0.75 or above is considered quite high and may cause problems in the outcome. From table 6, all the variables reveal low correlations with the highest between ENV and SOC at 28.3%. A correlation value of 28.3% is not considered harmful and cannot be ascribed to similarities in data collected, thus poses no harm in the result.

Model Fitness Test

This test is used to determine, if unequal variance/spread of the data over the years can distort the regression result (if the panel is balanced), and if the overall model is fit. To do this, the study relied on the Dubin Watson test, the Panel covariance test, and the probability of Wald test. The result is presented in table 7.

Table 7: Fitness test

Wald chi2	DW	Panel	Prob>chi2
265.04	0	Balanced	0.0000

Source: Authors' computation from Stata output

From the regression result done, the Dubin Watson (DW) result reveals a value of 0 for a contemporaneous panel model. This indicates that, there is no issue of autocorrelation for the timeseries element of the data collected and the model regressed.

The panel covariance test reveals that, the cross-sectional aspect and variance in the data after non-normality test is balanced by the contemporaneous panel process. This indicates that a lagged dynamic panel model with contemporaneous correlation can be utilized for data analyses without necessary testing for time or company specific variance.

For the overall model fitness, the table reveals a Wald test coefficient of 265.04 with a probability of chi-square of 0.000. This indicates that the lagged model is fit, and the outcome of the results can be relied upon.

Regression Result

Table 8: Regression

Variables	Coefficients	Z	p>/z/
ENV	-0.2801507	-0.64	0.523
ECO	2.249027	2.42	0.016
SOC	-0.0034402	-0.01	0.994
-cons	-0.2642237	-0.78	0.438
R^2	**0.2075**		

Source: Authors' computation from Stata output

Table 8 shows the regression result of environmental, economic and social reporting and share price of selected consumer goods companies listed on Nigerian Exchange Group (NGX). The regression table above reveals an R-square value of 0.2075. This means that, 20.75% variation in share price (SHP) of listed consumer goods companies can be caused by preceding year ENV, ECO, and SOC reporting. But 79.25% variation in SHP of the companies is caused by other factors not considered in the study. This indicates that the preceding year environmental, economic and social reporting contribute to low variation in the market values of the companies.

The result further reveals that, without environmental, economic, and social reporting (-cons), the SHP of the companies will decrease by 0.2642237 units. But a unit increase in previous year ENV will lead to 28 unit decrease in SHP of the current financial year. Also, a unit increase in previous year ECO will lead to 2.24 unit increase in SHP of the current financial year. Lastly, a unit increase in previous year SOC will lead to 0.2642237 unit decrease in SHP of the current financial year.

5. Discussion of Findings

Table 8 shows the z-value and the associated *p*-value for all individual proxy of sustainability reporting against the market values of shares. This is used to guide the discussion of findings in respect to each specific proxy of sustainability against the companies' market value of shares.

In respect to EVN and SHP, the calculated z-value of -0.64 with *p-value* = 0.523 for ENV is above 5% level of significance; this shows that, environmental reporting has no significant effect on the share price of listed consumer goods companies on Nigerian Exchange Group. This finding is consistent with Muslichah's (2020) investigation of the effect of environmental, social disclosure, and financial performance on business value, with financial performance serving as an intervening variable. Even though his research was based on Indonesian sustainability reporting, it indicated that the direct influence of environmental sustainability reporting on company value is insignificant. The study's findings contradict the signaling theory's assertion that environmental reporting functions as signals that influence investors' interest in the company through share buying, as represented in the share price as market value of the company.

For ECO and SHP results, Table 8 reveals a z-value of 2.42 with *p-value* = 0.016. This shows that, economic reporting has a significant effect on the share price of listed consumer goods companies on Nigerian Exchange Group. This finding is consistent with that of Owolabi and Okulenu (2020), who investigated whether sustainability reporting is a driver of market value and financial performance in Nigerian insurance companies. He discovered that economic reporting is favorably associated to company market value and performance. Swarnapali, Mihintale, and Le (2018), who investigated the impact of corporate sustainability reporting on company value in Sri Lanka, agreed with the current study's findings. They discovered a link between sustainability reporting and company market value. According to these findings, investors pay a premium in capital markets for companies whose economic performance is based on sustainability principles. This is in line with the signaling theory preposition as investors are responsive to companies who are performing economically despite their sustainability drive.

Table 8 also shows that SOC has a calculated z-value of -0.01 with *p-value* = 0.994 against SHP. This means that, social reporting has no significant effect on the share price of listed consumer goods companies on Nigerian Exchange Group. This finding is corroborated by Owolabi and Okulenu (2020), who investigated whether sustainability reporting is a driver of market value and financial performance in Nigerian insurance companies. They discovered that social reporting had a negative link with company market value. Both the legitimacy theory and the signaling theory preposition are refuted by these data. According to the signaling and legitimacy theory, the study's results suggests that investors with a social

conscience may avoid investing in consumer company stock due to a lack of social reports on how the companies' economic operations affect the lives of both employees and the community. Fuadah and Kalsum's (2021) study, on the other hand, cast doubt on the current study's findings. Fuadah and Kalsum (2021) investigated the impact of corporate social responsibility on firm value and discovered that Indonesian firms' social reports have a positive and significant impact on firm value. The reason for the discrepancy could be that the investigations are being undertaken in separate nations and markets. While the current analysis is based on data from listed consumer products businesses in Nigeria, Fuadah and Kalsum (2021) used data from manufacturing companies in Indonesia.

6. Conclusion

From the discussion of findings, the following conclusions are made:

i. Environmental reporting has a negative and insignificant effect on share price of listed consumer goods companies in Nigeria.

ii. Economic reporting has a positive and significant effect on share price of listed consumer goods companies in Nigeria.

iii. Social reporting has a negative and insignificant effect on share price of listed consumer goods companies in Nigeria.

7. Recommendation

In line with the findings of this study, the following recommendations are made.

i. It is pertinent for consumer goods companies to reevaluate their environmental reporting policy as it is currently not influencing investors' interest in the companies' market value. Environmental discourse is on the forefront of investment drive of investors on the market and companies in other markets who stick with environmental reporting prescribed by the GRI are seen to have increased market values. Thus, consumer goods companies should also rely on the content of GRI to report more of their environmental performance to attract value to the share prices of the companies.

ii. The economic reporting practice of the companies has had tremendous effect on the companies' share value due to the fact, the companies' economic report proves viable for the interest of investors. To further maintain its signaling attribute to the market, there is need for consumer goods companies to ensure that aspects of the GRI which consist of economic performance in relation to climate change impacts and social impacts are adequately

reported to enhance the sustainability of the company's market value which will be inclusive of a more diverse stakeholders approach.

iii. The current social reporting practice of consumer goods companies in Nigeria is not holistic as it pertains more to community development neglecting other key stakeholders like employees and suppliers which are valid communities that can affect the financial performance and market values of the companies. To improve this, consumer goods companies should rely more on the content provisions of the GRI social reporting that are in line with employee and suppliers to produce annual reports that represents a wider social reporting content that will improve the effect of social reporting practice of the companies on their respective market values.

8. Contribution to Knowledge

This study contributes to knowledge in the following areas:

i. The study is one of the few on sustainability reporting in the context of consumer goods companies which included GRI reporting index. This serves as a gateway to bringing to the notice of scholars the existence of GRI index in the context of consumer goods for Nigerian companies.

ii. Also, the study points out the limitation of the current studies done on sustainability reporting and market value where linear regressions are used to measure the effects as against using lagged models, since sustainability report of a financial year in reality only affects market values of companies in succeeding years. Thus, the current study contributes to knowledge about the most suitable model for sustainability and market value studies.

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