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Research Article

Effect of Sustainability Accounting on the Financial Reporting of Corporate Governance in Nigeria

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ABSTRACT

The study examined the effect of Sustainability Accounting on the Financial Reporting of Corporate Governance in Nigeria. The specific objectives are to examine the effect of stakeholder inclusiveness on the Financial Reporting of Corporate Governance and evaluate the effect of accountability on the Financial Reporting of Corporate Governance in Nigeria. A descriptive research design was adopted for the study. Primary data was collected using a well-structured questionnaire design at a five-point Likert scale. Data collected were analyzed using descriptive statistics (mean, standard deviation, and frequency distribution) to summarize responses and inferential statistics, including multiple regression analysis. The result revealed that Stakeholder inclusiveness has a significant effect on the Financial Reporting of Corporate Governance with the calculated value of X^2 (22.58), is greater than the critical value (9.49), while also Accountability has a significant effect on the Financial Reporting of Corporate Governance with the calculated value of X^2 (41.08), is greater than the critical value (9.49) in Nigeria. The study concluded that Sustainability Accounting has a significant effect on the Financial Reporting of Corporate Governance in Nigeria. The study recommended, among others, that Companies should actively engage with a diverse range of stakeholders, including employees, customers, suppliers, and local communities. By incorporating stakeholder feedback into their sustainability practices, organizations can improve their ethical standards and enhance the overall quality of financial reporting.

Keywords: Accounting, Corporate, Financial, Governance, Reporting.

INTRODUCTION

Sustainability accounting is an emerging discipline that integrates environmental, social, and governance (ESG) factors into traditional financial accounting practices. It aims to provide a more holistic view of an organization's performance by measuring and reporting on its sustainability initiatives and their impacts (Adetiloye, 2021). As businesses face increasing pressure from stakeholders, including investors, customers, and regulators, to demonstrate their commitment to sustainable practices, sustainability accounting has become a vital tool for transparency and accountability. The roots of sustainability accounting can be traced back to the growing recognition that traditional financial metrics alone do not capture the full scope of an organization's performance (Ogunleye & Olufemi, 2020).

Factors such as carbon emissions, resource depletion, and social equity increasingly influence a company's long-term viability and reputation. By incorporating these dimensions into financial reporting, organizations can better communicate their sustainability efforts, risks, and opportunities (Henri & Journeault, 2010). To enhance transparency, sustainability accounting facilitates informed decision-making by providing insights into the potential risks and benefits associated with sustainability initiatives. It helps organizations identify areas for improvement, optimize resource allocation, and align their strategies with global sustainability goals, such as the United Nations Sustainable Development Goals (SDGs) (Bennett & James, 2011).

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In Nigeria, the adoption of sustainability accounting practices has been influenced by both local and international pressures. The Nigerian government, through various regulatory bodies, has emphasized the importance of sustainable practices in the corporate sector. For instance, the Nigerian Code of Corporate Governance (2018) advocates for transparency and accountability, urging companies to disclose their sustainability practices (Securities and Exchange Commission, 2018). Additionally, the increasing demands from investors and consumers for responsible business practices have prompted companies to adopt sustainability accounting as a means to enhance their financial reporting (Ogunleye & Olufemi, 2020). The effect of sustainability accounting on financial reporting is multifaceted. It not only improves the quality and reliability of financial information but also enhances corporate governance by aligning the interests of stakeholders with the long-term sustainability goals of the organization (Bhasin, 2020). Furthermore, sustainability accounting can lead to better risk management practices and improved decision-making processes, as companies become more aware of their environmental and social impacts (Adetiloye, 2021).

1.1 Statement of the Problem

In recent years, the need for enhanced transparency and accountability in corporate governance has become increasingly critical in Nigeria, particularly in light of growing concerns about environmental sustainability and social responsibility. Despite the recognized importance of sustainability accounting in improving corporate governance practices, its implementation in the Nigerian context remains inconsistent and underexplored. Many organizations still rely on traditional financial reporting methods that fail to incorporate sustainability metrics, leading to a lack of comprehensive information regarding their environmental and social impacts.

This gap in sustainability accounting poses significant challenges for stakeholders, including investors, regulators, and the general public, who seek reliable information to make informed decisions. Moreover, the absence of standardized sustainability reporting frameworks in Nigeria exacerbates the issue, resulting in varied interpretations and applications of sustainability practices across different sectors. As a consequence, companies may struggle to align their sustainability initiatives with corporate governance objectives, which can hinder their ability to effectively manage risks and seize opportunities related to sustainability.

Thus, this study aims to investigate the effect of sustainability accounting on the financial reporting of corporate governance in Nigeria, focusing on how its integration can enhance transparency, accountability, and overall governance practices. By addressing this problem, the research seeks to provide valuable insights that can inform policymakers, corporate leaders, and stakeholders about the potential benefits of adopting sustainability accounting as a critical component of financial reporting.

1.2 Objective of the Study

The main objective of this study is to examine the effect of Sustainability Accounting on the Financial Reporting of Corporate Governance in Nigeria. The specific objectives are to;

i. Examine the effect of stakeholder inclusiveness on the Financial Reporting of Corporate Governance in Nigeria.

ii. Evaluate the effect of accountability on the Financial Reporting of Corporate Governance in Nigeria.

1.3 Hypotheses of Study

i. Stakeholder inclusiveness has no significant effect on the Financial Reporting of Corporate Governance in Nigeria.

ii. Accountability has no significant effect on the Financial Reporting of Corporate Governance in Nigeria.

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REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

Sustainability Accounting

Sustainability accounting (SA) is considered a subcategory of financial accounting that focuses on the disclosure of non-financial information about a firm's performance to external stakeholders, such as capital holders, creditors, and other authorities. Sustainability accounting represents the activities that have a direct influence on society, the environment, and the economic performance of an organization. SA in managerial accounting contrasts with financial accounting in that managerial accounting is used for internal decision-making and the creation of new policies that will affect the organization's performance at economic, ecological, and social levels. Accounting that incorporates the social, environmental, and economic aspects of an organization's operations is known as sustainability accounting (Lamberton, 2005). The contribution of accounting to sustainable development is known as sustainability accounting, and it can be developed through a stakeholder and top-down approach (Schaltegger et al., 2006).

According to Schaltegger et al. (2006), if corporate sustainability is perceived as the outcome of management's efforts to address sustainability challenges, then it makes sense for management to use sustainability accounting as a basis to address sustainability challenges. Burritt and Schaltegger (2010) demonstrate that two factors are critical for the development of sustainability accounting: (i) increasing awareness about sustainability and (ii) management decision-making, through problem-solving and scorekeeping. Sustainability accounting is regarded as the branch of accounting that requires organizations to pay attention to environmental, social, and governance matters by disclosing non-financial information about the organization.

They propose that the development of sustainability accounting should be more focused on enhancing management decision-making. Sustainability accounting, which is frequently seen as the accounting profession's response to climate change and sustainable development risk, has limitations. The primary one is that it only focuses on the reporting and disclosure of environmental, social, and governance (ESG) matters; it does not give organizations the financial resources they need to make a meaningful contribution to society or the environment. An organization that lacks funds or is financially constrained may not be able to make a significant ESG contribution and is likely to make disclosures that analysts view as falling short of the benchmark ESG performance, which would reflect poorly on the organization's ESG disclosures (Ozili, 2013).

Financial Reporting

Financial reporting is the process of documenting and communicating financial activities and performance over specific periods, typically on a quarterly or yearly basis. Financial reporting is a critical process for companies and investors as it provides key information that shows financial performance over time. Government and private regulatory institutions also monitor financial reporting to ensure fair trade, compensation, and financial activities. Financial reports are used by companies to organize accounting data and report on current financial status. Numerous financial reports are available for public review. Financial reports are also essential in the projections of future profitability, industry position, and growth (Oliver, 2022).

As the need for financial data on businesses has grown, financial reporting has taken on a significant role in Nigeria since it gives creditors, investors, and other users the information they need to make informed decisions about credit, investments, and other financial matters.

It also enables users to evaluate the potential cash receipts' timing, volume, and degree of uncertainty about economic resources, the claims to those resources, and the changes in them (Okoye and Akenbor, 2014). According to Zimicki (2016), financial reporting exposes connected financial information about a company to different stakeholders over a set period, such as lenders, investors, suppliers, and government organizations. Accounting's final output is referred to as financial reporting. Financial-related explanations from the statement of financial position, statement of comprehensive income, statement of cash flow, statement of changes in equity, notes to financial-related explanations, quarterly and annual reports, and prospectus of open organizations (Martowidjojo et al., 2019). Previous research indicates that businesses with stronger financial data do better later on because the market favors businesses with greater issuance commitment of good information for shareholders and other stakeholders to reduce or eliminate information asymmetries between market participants (Amiram et al., 2018).

Stakeholder Inclusiveness

In business, a stakeholder is anyone who has an interest in the company or who can be affected by the company's actions. The process of including all relevant parties in an organization's decision-making processes is known as stakeholder inclusivity. These parties can include, but are not limited to, workers, clients, suppliers, shareholders, local communities, governmental entities, and non-governmental organizations. Stakeholder inclusiveness can be used interchangeably with stakeholder engagement. This process also involves interacting with stakeholders to get their feedback and input on company decisions. It's a way of involving them in the decision-making process so that they feel invested in the outcome. There are many benefits to engaging with stakeholders. It can help build trust and relationships, improve communication, and increase transparency. Done correctly, it can also lead to better decision-making for the company as a whole.

This concept highlights how crucial it is to take into account the viewpoints, concerns, and interests of all parties involved when making decisions that could have an impact on them. Organizations may make better decisions that consider the ramifications and wider impact of their actions by incorporating a variety of views and perspectives. It's common knowledge that promoting openness, accountability, and sustainability inside businesses requires stakeholder inclusivity. It may result in improved stakeholder interactions, a rise in trust, and eventually improved organizational performance and results. It can also assist in locating possible hazards and possibilities that might otherwise go unnoticed (Mitchell et al., 2020). Eskerod and Huemann (2014) claim that involving stakeholders on an extended level is necessary within management for stakeholders' approach because, otherwise, it is not possible to get to know their requirements, needs, wishes, and concerns.

Accountability

Th term accountability refers to the acceptance of responsibility for honest and ethical conduct towards others. In the business sector, a company's responsibility encompasses its workers, shareholders, and the larger community in which it functions. Accountability in a broader sense denotes a readiness to be evaluated based on performance. Accepting accountability entails being willing to be open and honest as well as taking ownership of one's actions. A key idea in corporate finance is accountability. It is characterized by an entity's willingness to accept accountability for its actions. Accounting for financial disparities, employee behavior, financial mismanagement, or eroding shareholder confidence are a few examples of this. This idea is especially pertinent to the accounting procedures a business uses to create the financial reports it submits to the government and its shareholders. A business cannot maintain the trust of its consumers, regulators, or the markets if there are no checks, balances, and sanctions for misconduct. Every industry, sector, business, and profession adheres to the idea of accountability (Kenton, 2023).

The following definitions of accountability state that A is responsible to B when A is required to notify B about A's (past or future) actions and decisions, justify them, and endure consequences punishment in the case of eventual misconduct" (Schedler, 1999). The definition of accountability, according to Arifiyadi (2008), is the obligation of individuals or authorities entrusted with managing public resources, and those concerned with them can then answer matters concerning their accountability. Instruments for control activities and accountability are strongly intertwined, particularly when it comes to obtaining results in public services and openly sharing them with the public. Accounting is still the indisputable measure of stewardship, even though financial reporting is thought to be the finest indicator of accountability. However, both financial reporting and accountability stand to lack their true character if they are based on obsolete and unwholesome accounting methods and practices that prevent the complete and accurate recording and measurement of government resource inputs and the subsequent outputs.

Corporate Governance

Corporate governance refers to the combination of legislation and practice that reflects the way a corporation or joint stock company should be organized and managed and how it relates to its shareholders, who are the owners of the business. Accountability, ethics, and social responsibility to stakeholders and society are all included in the notion of corporate governance, the structures and procedures associated with the direction in which an organization plans to chart (Shamsher, 2002). Fairness, openness, and transparency in its obligations to stakeholders are encouraged by corporate governance. The realization that sound corporate governance necessitates taking into account a company's influence on the environment and the larger community has been closely associated with the development in the significance of environmental reporting by corporations. Regardless of how it is defined, corporate governance refers to the essential procedures through which shareholders share and exercise ultimate corporate authority and accountability, directors, and management to ensure that corporate assets provided by investors are being put to appropriate and profitable use.

Even though the phrase "corporate governance" refers to the process of governing a company in a way that best serves its stakeholders, different countries have varied views on the matter. For instance, the interests of shareholders are the main emphasis of corporate governance in Anglo-Saxon nations like the US and the UK. Corporate governance in other nations, including Japan, Germany, and France, emphasizes a broader view of stakeholders, including shareholders, consumers, and employees. Corporate governance is now crucial for improving moral, truthful, and open methods of pursuing business objectives and surviving in a global marketplace as a result of growing global competition. For a workplace to be hygienic, effective, accountable, and responsible, good governance is a prerequisite.

Corporate governance systems in developed economies take into account excellent corporate citizenship in addition to these conventional elements. This incorporates protection of the environment, a balanced consideration of the interests of all stakeholders, and a commitment to innovation that will lead to more effective use of human and natural resources. Sound corporate governance is important not only to attract long-term "patient" foreign capital, but more especially to broaden and deepen local capital markets by attracting local investors-both individual and institutional, (Shamsher and Zulkarnain, 2011).

Theoretical Review

Stewardship Theory

The stewardship theory may also be traced back to Donaldson and Davis's (1989) seminar work, which stressed that the senior executive should serve as the organization's steward and that everything should be done in the principal's best interests. Donaldson and Davis (1989) asserted that most managers act in the best interests of their company by preferring the organization's shared purpose over their self-serving alternative in their explanation of stewardship theory. Their findings also reveal that most stewards are driven only by the desire to make the best decision possible, which is usually in the organization's best interests and is based on the firm assumption that the best option will benefit stewards in the long run. Stewardship theory, as defined by Davis et al, (1997) is the process through which stewards safeguard and raise shareholders' money through improved business performance because they recognize that doing so maximizes the shareholder's utility function. The manager and chief executive are the primary persons responsible for the stewardship function in the organization, according to this stewardship paradigm. According to Mitra, (2016), stewardship is defined as self-interested service to the firm, and recognizing the stewardship relationship and treating followers as owners and partners can easily achieve the organization and individual duties.

Stakeholder's Theory

Stakeholder theory, according to Freeman, (1994) highlights the relevance of some persons or groups for the existence of the organization. This explanation is considered an organization-oriented explanation, although stakeholder theory, according to a prior study by Freeman, refers to a group or individual who can affect or is likely to be affected by the organization's aim being achieved. Friedman and Miles agreed with Freeman because his definition of stakeholders' theory was more balanced and covered a broader area, which defined stakeholders' theory as simply those people without whose support and ideas the organization would not exist. He went on to add that the Freeman definition was more inclusive because it included persons outside the corporation and other organizations who may perceive themselves as stakeholders without the company recognizing it. In most firms, stakeholders include shareholders, employees, customers, lenders, suppliers, local charities, other interest groups, and the government. The stakeholder's theory, according to Freeman et al, (2010) emphasizes that all stakeholders have a right to be informed about how the organization runs, this information could contain details about the organization's

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polluting impact on the environment, community sponsorship, job possibilities, and safety activities, among other things. Stakeholder theory advocates for treating all stakeholders with fairness, honesty, and even generosity.

Empirical Review

Akhidime (2012) conducted a study to examine various aspects of accountability in relation to the function of public sector and government financial reporting in Nigerian public accountability. In this study, government financial reporting and accountability systems are critically reviewed, and the function of government financial reporting is empirically examined in public accountability in Nigeria. Questionnaires and descriptive statistics were used. The results revealed that the Nigerian current public sector financial reporting system is inadequate to give a true and fair view of the activities of government and stem the tide of financial mismanagement making the need for a drastic reform in public sector accounting systems imperative.

Eskerod et al (2015) conducted a study on how a project organization tried to apply an inclusive stakeholder in selected firms in Denmark. The study aims to provide inputs to generating propositions of the concept of stakeholder inclusiveness in a project context of Denmark firms. A longitudinal single case study was used for this research. The results revealed that the inclusion of many project stakeholders, in other words, may make the representatives lose focus of those stakeholders the project is mainly dependent on, in other words, the stakeholders that possess the most critical resources.

Astuti et al (2022) conducted a study on the influence of financial reporting accountability on the level of participation of UNEJ students in governmental organizations in Indonesia. This study aims to test the effect of financial reporting accountability on UNEJ student support participation in non-governmental organizations at the University of Jember, Indonesia. This study uses a descriptive quantitative approach. The results revealed that financial reporting accountability has a positive effect on the participation rate of UNEJ student support to non-governmental organizations.

Musyoka et al. (2023) conducted a study on the effect of stakeholder participation in planning on the performance of Kenyan alcohol manufacturing firms. This study aims to evaluate the influence of the engagement and participation of stakeholders' engagement factors on the output of East African Breweries Limited, Kenya Wine Agencies Limited, and Keroche, three Kenyan companies that produce alcoholic beverages. The study adopted the descriptive cross-sectional research design. The results revealed that stakeholder participation had a significant effect on organizational performance in selected alcohol manufacturing entities.

METHODOLOGY

The study adopts a descriptive research design to systematically investigate the effect of sustainability accounting on the financial reporting of corporate governance in Nigeria. The population consists of publicly listed companies across various sectors, with a focus on senior financial officers, accountants, sustainability managers, and corporate governance experts. Using Yamane's formula (1967), a representative sample size of 207 respondents was selected through stratified random sampling to ensure diverse sectoral representation. Primary data was collected exclusively through a structured questionnaire, designed with a 5-point Likert scale to measure perceptions of sustainability accounting and its impact on financial reporting. To ensure reliability and validity, the questionnaire undergo content validation by experts in accounting and corporate governance, and Cronbach's Alpha was used to assess internal consistency. Data analysis involve descriptive statistics (mean, standard deviation, and frequency distribution) to summarize responses and inferential statistics, including multiple regression analysis, to examine relationships between sustainability accounting and financial reporting practices. Ethical considerations such as confidentiality, informed consent, and non-maleficence was upheld to protect respondents' rights and privacy. This structured methodology ensures a rigorous and objective assessment of the research problem, providing valuable insights for both academic contributions and policy recommendations on sustainability accounting and corporate governance practices in Nigeria.

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3.1.1 Demographic Data on the Respondents.

The demographic data are shown below along with their gender, marital status, sector representation, job roles/designation, work experience and company size.

Table 1: Demographic Profile of the Respondents (n = 207)

Characteristics	Frequency	Percentage
Gender		
Male	143	67%
Female	64	33%
Marital Status		
Single	69	33%
Married	138	67%
Sector Representation		
Financial services	67	32%
Manufacturing firms	74	36%
Consumer Goods and Retails	35	17%
Telecommunication Companies	31	15%
Job Roles/Designation		
Accountants and Auditors	69	33%
Regulatory officers	44	21%
Compliance officer	52	25%
Corporate governance expert	42	20%
Work Experience		
1-5yrs (Entry levels professionals)	55	27%
6-10yrs (Mid-level managers)	85	41%
Above 10yrs (Senior Executives)	67	32%
Company Size		
Small and Medium Enterprise (SMEs)	127	61%
Large corporation	80	39%

The demographic profile of the study reveals a gender imbalance, with 67% male and 31% female respondents, indicating a male-dominated corporate governance environment in Nigeria. Regarding marital status, a majority of 67% are married, while 33% are single, suggesting that many respondents may have established careers and long-term professional commitments. The sector representation shows a diverse industry distribution, with 36% from manufacturing, 32% from financial services, 17% from consumer goods and retail, and 15% from telecommunications, ensuring broad coverage of corporate perspectives. In terms of job roles, professionals directly involved in financial reporting and governance were well represented. Accountants and auditors made up 33%, followed by compliance officers (25%), regulatory officers (21%), and corporate governance experts (20%). This distribution ensures that insights are drawn from key financial decision-makers. Regarding work experience, 41% of respondents are mid-level managers (6-10 years), 32% are senior executives (above 10 years), and 27% are entry-level professionals (1-5 years). This mix provides perspectives from different career stages on sustainability accounting's impact on financial reporting. Lastly, the company size distribution shows that 61% of respondents work in SMEs, while 39% are from large corporations, highlighting the importance of sustainability accounting across businesses of all sizes. The diverse professional backgrounds, sector representation, and varying levels of experience create a comprehensive dataset for

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analyzing how sustainability accounting influences corporate financial reporting in Nigeria. This demographic composition ensures a well-rounded understanding of the study's objectives.

Research Question 1:

Does stakeholder inclusiveness on the Financial Reporting of Corporate Governance in Nigeria?

Table 2: Response Rate for research hypothesis 1

Option	Frequency	Percentage
Yes	149	72%
No	58	28%
Total	207	100%

The above table shows that 72% of the total respondents are of the opinion that the stakeholder inclusiveness has effect on the financial reporting of corporate governance in Nigeria while 28% of the total respondents said the stakeholder inclusiveness has no effect on the financial reporting of corporate governance in Nigeria.

Research Question 2:

Does Accountability have an effect on the Financial Reporting of Corporate Governance in Nigeria?

Table 3: Response Rate for Research hypothesis 2

Option	Frequency	Percentage
Yes	173	84%
No	34	16%
Total	207	100%

The above table shows that 84% of the total respondents are of the opinion that the accountability has an effect on Financial Reporting of Corporate Governance in Nigeria while 27% of the total respondents said that accountability has no effect on financial Reporting of Corporate Governance in Nigeria.

Testing of Hypotheses

At this point tests the hypothesis formed is either to accept or reject them and as well as determining the extent of their reliability. In other to achieve this, we shall use chi -square method that is chi-square (X^2) test.

Hypothesis One

$H_0 1$: Stakeholder inclusiveness has no significant effect on the Financial Reporting of Corporate Governance in Nigeria.

Test Statistic

X2 = Chi-square

Formula = $X2 = \sum (o - E)^2/E$

o = observed frequency

E = expected frequency

Assumption:

The level of significance used is 5%, That is 0.05.

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Degree Of Freedom

The degree of freedom is given as: DF = (M-1) (N-1)

Were

M = rows, N = columns

DF= (2-1) (2-1) = 1

Table 4: Stakeholder Inclusiveness and Financial Reporting

Response	Observed Frequency (O)	Expected frequency (E)
Strongly Agree	60	50
Agree	50	50
Neutral	40	50
Disagree	30	50
Strongly Disagree	28	50
	207	207

Table 5: Chi-Square table for hypothesis 1

Variable	Chi-Square	Degree of freedom	Critical value	Decision
Stakeholders Inclusiveness	22.58	4	9.49	Reject Ho

The value of the t-tabulated at 0.05 significant level is = 3.45. Using the chi-square table. Thus; the critical value is given as $X^2 = 9.49$. Since the calculated value of X^2 (22.58), is greater than the critical value (9.49), we reject the null hypothesis and accept the alternative hypothesis. We therefore conclude that stakeholder inclusiveness has a significant effect on the Financial Reporting of Corporate Governance in Nigeria.

Hypothesis Two

H_o2: Accountability has no significant effect on the Financial Reporting of Corporate Governance in Nigeria.

Test Statistic

X^2 = Chi-square

Formula = $X^2 = \sum (o - E)^2/E$

o = observed frequency

E = expected frequency

The level of significance used is 5%, That is 0.05.

Degree of Freedom

The degree of freedom is given as thus: DF = (M-1) (N-1)

Were

M = rows N = columns

DF= (2-1) (2-1) = 1

Table 6: Accountability and Financial Reporting

Response	Observed Frequency (O)	Expected frequency (E)
Strongly Agree	70	50
Agree	55	50
Neutral	35	50
Disagree	27	50
Strongly Disagree	20	50
	207	207

Table 7: Chi-Square table for hypothesis 2

Variable	Chi-Square	Degree of freedom	Critical value	Decision
Accountability	41.08	4	9.49	Reject Ho

The value of t-tabulated at 0.05 significant level is = 3.45. Using the chi-square table. Thus; the critical value is given as X^2 = 9.49. Since the calculated value of X^2 (41.08), is g than the critical value (9.49), we reject the null hypothesis and accept the alternative hypothesis. We therefore conclude that accountability has a significant effect on the Financial Reporting of Corporate Governance in Nigeria.

DISCUSSION OF RESULTS

The demographic analysis of the study reveals a male-dominated corporate governance environment in Nigeria, with 67% male respondents and 31% female respondents. This suggests that gender disparity remains a prevalent issue in corporate leadership and financial decision-making roles. Additionally, 67% of respondents are married, which may indicate a more experienced workforce with established professional careers. The sector representation is well-distributed across industries, with the manufacturing sector (36%) having the highest representation, followed by financial services (32%), consumer goods and retail (17%), and telecommunications (15%). This ensures a broad perspective on sustainability accounting's impact across different corporate sectors. The job role distribution highlights the participation of key financial decision-makers, including accountants and auditors (33%), compliance officers (25%), regulatory officers (21%), and corporate governance experts (20%). Furthermore, the work experience of respondents varies, with 41% being mid-level managers (6-10 years), 32% senior executives (above 10 years), and 27% entry-level professionals (1-5 years), providing diverse viewpoints on sustainability accounting. Lastly, 61% of respondents work in SMEs, while 39% are from large corporations, ensuring balanced insights from organizations of different sizes.

Findings from the study indicate that stakeholder inclusiveness significantly influences financial reporting in corporate governance in Nigeria. According to the survey results, 72% of respondents agreed that stakeholder inclusiveness has an impact on financial reporting, while 28% disagreed. The chi-square test further supports this assertion, as the calculated X^2 value (22.58) exceeds the critical value (9.49) at a 0.05 significance level. This leads to the rejection of the null hypothesis and the acceptance of the alternative hypothesis, confirming that stakeholder inclusiveness plays a crucial role in enhancing financial reporting transparency and accuracy within corporate governance frameworks.

Similarly, the study establishes that accountability has a significant effect on financial reporting in corporate governance. The results show that 84% of respondents believe accountability influences financial reporting, while 16% disagree. The chi-square test result, with a calculated X^2 value of 41.08, surpasses the critical value of 9.49, leading to the rejection of the null hypothesis. This confirms that accountability is a fundamental factor in improving the credibility, reliability, and integrity of financial reports. These findings emphasize the importance of corporate

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governance practices that promote transparency, inclusiveness, and accountability in financial reporting to strengthen Nigeria's corporate sector.

CONCLUSION

In conclusion, the integration of sustainability accounting into financial reporting significantly enhances corporate governance practices in Nigeria. By promoting stakeholder inclusiveness, organizations are better equipped to address the diverse interests of their stakeholders, leading to more transparent and comprehensive financial reporting. This inclusiveness not only fosters trust among stakeholders but also encourages companies to consider broader social and environmental impacts in their decision-making processes.

Furthermore, the emphasis on accountability within sustainability accounting frameworks reinforces the importance of ethical practices and transparency in corporate governance. By holding organizations accountable for their sustainability initiatives, stakeholders can better assess the true value and risks associated with corporate performance. This dual focus on stakeholder inclusiveness and accountability ultimately contributes to a more robust and responsible financial reporting environment in Nigeria.

As companies continue to embrace sustainability accounting, it is crucial for regulators and policymakers to support these efforts through appropriate frameworks and guidelines. By doing so, they can enhance the quality of corporate governance, encourage responsible business practices, and foster sustainable economic growth in Nigeria. The study concluded that Sustainability Accounting has a significant effect on the Financial Reporting of Corporate Governance in Nigeria.

Recommendation

To enhance the impact of sustainability accounting on the financial reporting of corporate governance in Nigeria, the following recommendations are proposed:

i. Companies should actively engage with a diverse range of stakeholders, including employees, customers, suppliers, and local communities. By incorporating stakeholder feedback into their sustainability practices, organizations can improve their ethical standards and enhance the overall quality of financial reporting.

ii. Organizations should implement robust accountability frameworks that require regular assessments of sustainability initiatives. This includes third-party audits and public disclosures that reflect the true impact of their sustainability efforts, fostering greater trust among stakeholders.

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