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SUSTAINABILITY REPORTING IN FINANCIAL INSTITUTIONS: A STUDY OF THE NIGERIAN BANKING SECTOR

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Abstract

Transparency and disclosure practices of business organizations are key aspects of corporate governance. Business organizations are faced with the need to report on sustainability performance in economic, environmental and social terms. Financial institutions constitute providers of capital to other sectors of an economy. Thus, their sustainability performance is an important aspect of transparency and disclosures that should not be ignored. This study investigated sustainability reporting of Nigerian companies in the banking sector for the five-year period ended December 2014. A disclosure index was used to score the information content of corporate reports pertaining to sustainability indicators. There was an increase in the mean sustainability reporting scores of the banks across the five years. The economic indicators was

skewed in favor of direct economic value generated, economic value distributed, estimated value of defined benefit plan obligations (liabilities). On the other hand, disclosures on climate change were few. Banks should focus on improving their environmental disclosures in areas of renewable materials used, greenhouse gas emissions and assessment of suppliers based on environmental risks.

Keywords: **Corporate Disclosures; Financial Institutions; Nigeria; Stock Market; Sustainability Reporting**

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INTRODUCTION

The collapse of corporate giant (Enron) has created concerns about corporate transparency and the inability of financial reports to convey the entire information needed to ascertain the performance of a business enterprise. This has also led to the notion that companies should report information that portrays its sustainability performance. Another argument for sustainability reporting as noted in Usenko and Zenkina [1] is that financial performance cannot be properly ascertained without an assessment of the company's impact in economic, environmental and social terms, and disclosures of positive and negative social and environmental externalities. It is on this basis of research into social reporting, environmental reporting, sustainability reporting.

Although, the operations of companies in the financial services sector do not contribute directly to negative environmental impacts such as greenhouse gas emissions, pollution, waste disposal, environmental degradation, the clients of such companies could be prone to these impacts. Due to the operations of financial institutions such as commercial banks, mortgage houses, insurance companies and their relationships with diverse clients in oil and gas, agriculture and manufacturing sectors. The implications of operations of diverse clients of financial institutions on people, planet and profits has also led to increased demand for disclosures and transparency by relevant stakeholders such as governments, stock market regulators, media and academia.

Financial institutions by their nature are exposed to risk arising from the companies whose operations they choose to finance. For instance, oil and gas operations are capital intensive in nature and often pose a great amount of risk. Negative environmental impacts such as pollution, greenhouse gas emissions, spillage arising from operations of oil and gas companies could expose their finance providers to risks which in turn could lead to loss of investments. Asuquo [2] noted that environmental protection policies are within the purview of sustainability disclosures. Sustainability reporting is one of the tools of corporate transparency that encapsulates a company's financial and non-financial performance. It is particularly useful because investors and other business stakeholders can have a holistic view of a company's performance. Romero [3] argued that sustainability reports have become a tool to provide information on intangible resources to stakeholders.

According to Wensen, Broer, Klein and Knopf sustainability reporting measures and discloses corporate performance in environmental, social and economic terms. Sustainability reporting is also synonymous with Environmental, Social and Governance (ESG) reporting which some capital markets have made mandatory for companies that are listed on them. Also, any issue that affects business stakeholders including employees, community, government, shareholders, finance providers, amongst others is what sustainability reporting is concerned with. These issues include environmental protection, environmental liabilities, renewable and recycled materials used, energy consumption, defined benefit plan obligations, structure and composition of the board, competencies of members of highest governing body, tenure on governance body, conflicts of interest, among others. Some of these issues have the ability to reduce profits while demonstrating a company's responsibility to the stakeholders and its use of resources and commitment of the governance body to transparency.

The growing nature of sustainability reporting in recent years in some countries of the world such as Spain, United States, United Kingdom, South Africa has led to increased use of standards and guidelines such as Account Ability, Global Reporting Initiative, United Nations Global Compact, Carbon Disclosure Project, by companies. In financial institutions sector, there are sustainability reporting guidelines such as Global Reporting Initiative sustainability reporting guidelines and financial services sector supplement.

In order to improve the quality of what companies report, there is also a need to examine the ways in which companies include economic, environmental and social indicators in their corporate reports. From prior studies in the Nigerian context, there is a dearth of literature with this perspective. Moreover, some prior studies examined the number of only one type of indicator that is, economic, environmental or social. Also, few studies have examined the use of GRI indicators in assessing the level of sustainability reporting.

The specific objective of this study is to assess the number and type of economic, environmental, social and governance indicators in corporate reports of banks in Nigeria.

This study is organized as follows. Section 2 discusses the literature review and research hypothesis formulated for the purpose of this study. Section 3 discusses the sample data and sustainability reporting indicators.

Financial institutions have been considered as less environmentally-sensitive based on their business operations. However, the services of their clients such as companies and individuals operating in the oil sector, manufacturing sector and agricultural sector, amongst others could be prone to sustainability risks. The Global Reporting Initiative (GRI) [4] recognizes the need for financial institutions to be accountable for their social, economic and environmental impacts and has put in place the financial services sector disclosures. The history of sustainability reporting in financial institutions can be traced to the GRI Financial Services Sector Supplement which was issued in 2008 based on the G3 Guidelines issued in 2006. Also, GRI released the Financial Services Sector

Supplement on environmental performance in 2005 to enable financial institutions account for indirect environmental impacts associated with financial products and services.

Reporting frameworks have been developed with a view to increasing transparency (that is, disclosure of relevant information). However, beyond transparency there is need for performance measurement. Lydenberg, Rogers and Wood [5] emphasized that there are key performance indicators of sustainability that are particular to industries and companies. These indicators should be simple, material or significant to a particular organization and transparent. The United States of America (USA) has a Sustainability Accounting Standards Board (SASB) in furtherance of this course. In South Africa, companies are mandated to report on sustainability through integrated reports.

Financial institutions have responded to the need for providing accountability for sustainability performance in diverse ways. According to Delphi International Ltd and Ecologic GMBH [6], the interest of European banks in the environment began in the early 1990s. For financial institutions such as banks and insurance companies, the concern to reduce environmental liabilities tied to lending was one of the factors that led to interest in sustainable development. Peeters [7] advocated that socially responsible investing was critical to the actualization of sustainable development agenda. Richardson [8] noted that regulation of companies in the financial services sector is important to achieve the goal of sustainable development because such companies often fund and profit from unsustainable activities that impact the environment. Kareiva, McNally, McCormick, Miller and Ruckelshaus [9] also advocated that corporate reporting frameworks needed to develop standards which companies should employ in accounting and reporting environmental sustainability issues such as greenhouse gas emissions, renewable materials usage, and water usage, amongst others.

The United Nations Environment Programme (UNEP) initiative on banks and sustainable development is another development that has increased concern of banks in sustainable development issues. UNEP Finance Initiative [10] provided banks with guides towards incorporating sustainability into business operations and processes. They were able to identify that financial institutions that fail to recognize the need to incorporate sustainability issues into their operations and processes are prone to social, environmental and financial costs. They noted that cost savings and financial risk mitigation are some of the business benefits of improved sustainability performance. The sustainable development agenda for banks poses challenges which must be undertaken by any business that wants to remain relevant to stakeholders.

Khuntia [11] noted that continuity, comparability and credibility are three issues associated with reporting on environmental sustainability. Based on actual reports of banks, it is unclear whether companies keep these issues in mind when they are disclosing information on sustainability. As earlier advocated by Gray and Milne [12], financial statements are audited to improve their credibility. It should be the same for sustainability reports if the information contained in them are to be taken seriously. Ortar [13] noted that just like in the financial reporting parlance, ‘materiality’ is a concept that

organizations need to understand and employ in reporting on sustainability. In the context of sustainability reporting, ‘materiality’ is a term that implies that stakeholders’ opinion are taken into consideration in the reporting process.

Perhaps, a solution to improving continuity, comparability and credibility of sustainability information provided by companies is to regulate corporate reporting practices. According to Brimble, Stewart and de Zwaan [14] regulation will spur companies to improve their sustainability performance and reporting. Companies generally avoid costs and penalties arising from reporting practices that they have not properly carried out. Regulation and constant monitoring of sustainability reporting practices of companies could be one of the key factors to gear companies towards improving their sustainability performance and disclosures to stakeholders. Although, it is also crucial to note that regulation is often at a cost to the company. However, the regulators should be able to make the companies understand that such costs outweigh the benefits. The issue of regulation of sustainability reporting is more pronounced in developed countries such as Australia, United Kingdom, United States and Canada, than in developing ones such as Nigeria, Ghana, Botswana, Bangladesh and Egypt. Although, companies that are termed as emerging such as Malaysia, South Africa have mandatory guidelines that companies are expected to utilize when reporting on sustainability.

A feature of the Nigerian financial services sector is that some companies operate on the Nigerian Stock Exchange (NSE) while others do not. Companies whose shares are listed on the stock market have access to a wide range of capital compared to those that are not.

Review of Empirical Studies

Research has been carried out pertaining to sustainability reporting by financial institutions. The scope of this literature review covers sustainability reporting standards, level of reporting, areas of focus of banks and reasons for reporting.

Empirical studies on the extent of sustainability reporting have been carried out in Canada, Malaysia, Europe and South Africa. The findings of studies [15,16] in Europe and Malaysia respectively are similar because social disclosures were reported to dominate sustainability disclosures. Harun et al. [16] reported that social disclosures particularly those pertaining to labour practices and decent work were given priority by banks compared to disclosures on human rights. Conversely, Tarna [17] found that companies focused more on environmental disclosures.

Khan, Islam, Fatima and Ahmed [18] reported that in Bangladesh more companies focused on society disclosures than on labour and decent work disclosures even when the disclosures were checked in line with the GRI guidelines. The findings of Khan et al. [18] are consistent with Evangelinos, Skouloudis, Nikolaou and Filho [19] where the GRI guidelines were found to be demanding for banks in Greece and in return, the banks used the sustainability reporting guidelines of Deloitte Touche Tohmatsu. Bittencourt, Sellitto, Gabbi, Schimith, Ferreira, et al. [20] noted that in Brazil in the area of

environment, companies had different waste management disclosure practices. Novokmet and Rogosic [21] in the European context used a case study approach to assess compliance with GRI-G4 guidelines. The company which had operations in many countries of the world lacked financial information in its integrated report. Despite the subscription of the company to GRI-G4 guidelines and the Financial Services Sector disclosures, the disclosures were deficient in environmental and social issues arising from relationship with clients.

Studies [22,23] found that there were improvements in sustainability disclosures by financial institutions across different time periods in Bangladesh (from 2000 to 2009), Malaysia (from 2008 to 2011). However, Pulejo, Marisca and Rappazzo [24] decried that many ethical banks did not use standards and guidelines in their sustainability reports mainly due to the voluntary nature of reporting in Europe (from 2000 to 2014). This inhibited the comparability of sustainability disclosures.
According to Turley-McIntyre, Marchl and Stasuik [25], in a Canadian study, 67 percent of banks, credit unions and crown corporations acknowledged the presence of effective system and process for periodic measurement and reporting of sustainability performance to internal and external stakeholders. Casselman, Sama and Stefanidis [26] found that religiously-affiliated microfinance institutions were reported to have better social performance.

Factors influencing sustainability reporting empirically tested in prior studies include profitability [27], external assurance, corporate visibility [28,29], financial leverage [29]. The study by Gambetta et al. [27] in the European context found that high quality sustainability disclosures were associated with low profits and low quality sustainability information was related to absence of external assurance. According to Ramdhony [28], banks in Mauritius with greater visibility disclosed more social information. There were more disclosures on human resources than on any other social indicator. The findings of Ramdhony [28] are in agreement with Andrikppoulos et al. [29] where social responsibility disclosures were more in larger companies (those with greater visibility) in Euronext stock exchange. Also, Andrikppoulos et al. [29] found that CSR disclosures were more in companies with greater financial leverage.

The hypothesis formulated for the purpose of this study is stated in the null and alternate forms below:
Hypothesis:
H_0: There are no significant differences in the sustainability disclosures of Nigerian banks from 2010 to 2014.
H_1: There are significant differences in the sustainability disclosures of Nigerian banks from 2010 to 2014.

METHODOLOGY

Based on the listed companies' Directory of the Nigerian Stock Exchange, the population of this study consists of 15 banks. The study sample consists of 14 banks selected from the Nigerian Stock Exchange. These banks were selected based on

availability of corporate annual reports and sustainability reports. In order to assess the number of economic, environmental and social indicators included in these reports, content analysis methodology was employed. The data employed in this paper were sourced from annual reports and sustainability reports of the selected 14 banks. The occurrence of a particular disclosure item on a disclosure checklist was ascertained. The checklist was modified based on the literature such as Tang and Chan [30], Global Reporting Initiative [4]. The checklist is in Appendix 1. The disclosure checklist was made up of 20 items. The presence of an indicator was coded “1” and absence of an indicator was coded “0”. Thus, the expected sustainability score was 20. The years included in this study were 2010 to 2014. The reliability of the disclosure index was ascertained by subjecting one annual report to two researchers. The results derived from their content analysis were similar. The final data codification sheet was prepared. The annual reports were then subjected to the disclosure index. The index was determined using the observed occurrence scores divided by the total expected score of 20.

RESULTS

This study examined the sustainability reporting practices of 14 banks in Nigeria. The level of sustainability reporting from years 2010 to 2014 was analyzed using descriptive statistics and repeated measures analysis of variance. The number of companies engaging in reporting economic indicators of sustainability is shown in Table 1.

Table 1: Economic Indicators in the Banking Sector.

S/No.	Economic Indicators	Absent	%	Present	%
1	Community Investments	2	2.9	68	97.1
2	Climate change risks	44	62.9	26	37.1
3	Climate change financial implications	45	64.3	25	35.7
4	Defined benefit plan liabilities	4	5.7	66	94.3
5	Mode of settlement of defined benefit plan obligations	8	11.4	62	88.6
6	Financial assistance received from government	57	81.4	13	18.6
Source: Researcher’s Compilation from Annual Reports and Stand-Alone Sustainability Reports (2015).					

Based on this study, 97.1percent of the sample companies reported on community investments. This was the most reported economic indicator across the five-year period from 2010 to 2014 in the banking sector. 37.1 percent of the companies reported on climate change risks and 35.7 percent of the companies reported in climate change financial implications. 94.3 percent of the companies reported on defined benefit plan obligations, 88.6 percent of the companies reported on mode of settlement of such obligations. 18.6 percent of the companies reported on financial assistance received from government. In summary, the state of reporting on economic indicators in Table 1

can be described as impressive in issues pertaining to community investments, defined benefit plan obligations and mode of obligation settlement. Conversely, reporting of climate change risks, financial implications of such risks and financial assistance from government is relatively low in the Nigerian banking sector.

Table 2: Environmental Indicators in the Banking Sector.

S/No.	Environmental Indicators	Absent	%	Present	%
1	Fuel consumption	56	80	14	20
2	Energy reduction	34	48.6	36	51.4
3	Greenhouse gas emission	59	84.3	11	15.7
4	Suppliers' environmental risk	51	72.9	19	27.1
5	Clients' environmental risk	40	57.1	30	42.9
Source: Researcher's Compilation from Annual Reports and Stand-Alone Sustainability Reports (2015)					

Based on Table 2, reporting on fuel consumption by the companies was low. Reporting on energy reduction was slightly above 50 percent. 15.7 percent of the companies disclosed information on greenhouse gas emission. 27.1 percent of the companies disclosed information on the suppliers' environmental risk. 42.9 percent of the companies disclosed information on the clients' environmental risk. Overall, the level of reporting environmental information was relatively low.

Table 3: Social indicators in the banking sector.

S/No.	Social Indicators	Absent	%	Present	%
1	Employee benefits	2	2.9	68	97.1
2	Health and safety	2	2.9	68	97.1
3	Diversity in governance	9	12.9	61	87.1
4	Local community development programs	2	2.9	68	97.1
5	Stakeholder engagement plans	5	7.1	65	92.9
6	Anti-corruption policies	18	25.7	52	74.3
7	Political contributions made by company	50	71.4	20	28.6
8	Assessment of suppliers and clients for impacts on society	38	54.3	32	45.7
9	Potential negative impact on society in the supply chain	63	90	7	10
Source: Researcher's Compilation from Annual Reports and Stand-Alone Sustainability Reports (2015)					

From Table 3, 10 percent and 28.6 percent of the companies disclosed information on potential negative impact on society in the supply chain and political financial contributions made by the company. 97.1 percent of the companies reported on employee benefits, health and safety and local community development programs. 87.1

percent of the companies reported on diversity in governance. 92.9 percent of the companies reported on stakeholder engagement. 74.3 percent of the companies reported on anti-corruption policies. 45.7 percent of the companies reported on assessment of suppliers and clients for impacts on society.

The mean sustainability reporting score increased from 8.14 in year 2010 to 12.36 in year 2014. This implied that there was an improvement in reporting. Within the 2010 and 2014 period in Nigeria, there were changes in the code of corporate governance by the Securities and Exchange Commission in year 2011 and introduction of sustainability reporting guidelines for financial institutions by Central Bank of Nigeria in 2012 (Table 4).

Table 4: Descriptive statistics of sustainability reporting score.

Year	N	Minimum	Maximum	Mean	Std. Deviation
2010	14	0	18	8.14	3.84
2011	14	8	17	10.5	2.41
2012	14	8	19	13.36	3.59
2013	14	8	18	13.57	3.57
2014	14	0	18	12.36	4.58
Source: Researcher's Compilation from Annual Reports and Stand-Alone Sustainability Reports (2015)					

Based on analysis of Sustainability reporting indicators, value of defined benefit plan, mode of settling the defined benefit plan, employee benefit, health and safety, local community development plans have mean scores of more than 0.700. This implies that the banks attributed more importance to reporting economic and social indicators than to environmental indicators of sustainability reporting (Table 5).

Table 5: Descriptive Statistics of Sustainability Reporting Indicators.

	N	Minimum	Maximum	Mean	Std. Deviation
Community investment	70	.00	1.00	.971	.168
Climate change risks	70	.00	1.00	.371	.487
Climate change financial implications	70	.00	1.00	.357	.483
Defined benefit plan liabilities	70	.00	1.00	.943	.234
Mode of settlement of defined benefit plan obligations	70	.00	1.00	.886	.320
Financial assistance received from government	70	.00	1.00	.186	.392
Fuel consumption	70	.00	1.00	.2000	.40289
Energy reduction	70	.00	1.00	.5143	.50340

Greenhouse gas emission	70	.00	1.00	.1571	.36656
Assess suppliers environmental risk	70	.00	1.00	.2714	.44791
Assess client environmental risk	70	.000	1.000	.42857	.498445
Employee benefits	70	.00	1.00	.9714	.16780
Health and safety	70	.000	1.000	.97143	.167802
diversity in governance	70	.00	1.00	.8714	.33714
Local community development programs	70	.00	1.00	.9714	.16780
Stakeholder engagement plans	70	.00	1.00	.9286	.25940
Anti-corruption policies	70	.00	1.00	.7429	.44021
Political contributions made by the organization	70	.00	1.00	.2857	.45502
Assessment of suppliers and clients for impacts on society	70	.00	1.00	.4571	.50176
Potential negative impact on society in the supply chain	70	.00	1.00	.1000	.30217
Source: Researcher's Compilation from Annual Reports and Stand-Alone Sustainability Reports (2015)					

Data analysis was also carried out using repeated-measures Analysis of Variance. The value for Wilks' Lambda is 0.35, with a probability of 0.19. The p-value is greater than 0.05; therefore it can be deduced that there is no statistically significant effect for time. There was no statistically significant variation in the sustainability reporting scores across the five time periods (2010, 2011, 2012, 2013 and 2014). The value of the Partial Eta Squared obtained in this study is 0.65. Based on Cohen guidelines, 0.65 represents a very large effect size (Table 6).

Table 6: Multivariate Tests.

	Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Pillai's trace	.599	3.730[a]	4.000	10.000	.042	.599
Wilks' lambda	.401	3.730[a]	4.000	10.000	.042	.599
Hotelling's trace	1.492	3.730[a]	4.000	10.000	.042	.599
Roy's largest root	1.492	3.730[a]	4.000	10.000	.042	.599
Each F tests the multivariate effect of time. These tests are based on the linearly independent pairwise comparisons among the estimated marginal means.						
a. Exact statistic						

The Wilks' Lambda value is 0.401, with a probability value of 0.042 (which means p is less than 0.05). Therefore, this study concludes that there is a statistically significant effect for time. This suggests that there were changes in sustainability reporting scores across the five time periods, and the changes were statistically significant.

Based on the statistically significant result obtained in this study, there is a difference somewhere among the five time periods. Pairwise comparisons shows which set of scores differ from one another. The differences between sustainability reporting scores of 2010 and 2011, 2010 and 2012, 2010 and 2013, 2011 and 2013, are significant (all Sig. values are less than 0.05) (Table 7).

Table 7: Pairwise Comparisons.

(I) time	(J) time	Mean Difference (I-J)	Std. Error	Sig.[a]	95% Confidence Interval for Difference[a]	
					Lower Bound	Upper Bound
1	2	-2.357*	.676	.040	-4.638	-.077
	3	-5.214*	1.395	.025	-9.920	-.508
	4	-5.429*	1.291	.010	-9.783	-1.074
	5	-4.214	1.368	.087	-8.826	.398
2	1	2.357*	.676	.040	.077	4.638
	3	-2.857	.919	.083	-5.956	.242
	4	-3.071*	.802	.021	-5.775	-.368
	5	-1.857	1.204	1.000	-5.917	2.202
3	1	5.214*	1.395	.025	.508	9.920
	2	2.857	.919	.083	-.242	5.956
	4	-.214	.613	1.000	-2.281	1.853
	5	1.000	1.460	1.000	-3.924	5.924
4	1	5.429*	1.291	.010	1.074	9.783
	2	3.071*	.802	.021	.368	5.775
	3	.214	.613	1.000	-1.853	2.281
	5	1.214	1.372	1.000	-3.411	5.840
5	1	4.214	1.368	.087	-.398	8.826
	2	1.857	1.204	1.000	-2.202	5.917
	3	-1.000	1.460	1.000	-5.924	3.924
	4	-1.214	1.372	1.000	-5.840	3.411

Based on estimated marginal means

*The mean difference is significant at the .05 level.

[a]Adjustment for multiple comparisons: Bonferroni.

DISCUSSION

The banks in Nigeria have not been subject to mandatory sustainability reporting until October 2012 when the Central Bank of Nigeria (CBN) issued a circular to financial institutions with respect to sustainability banking principles. Before this time, one of the banks [31] has been on the front burner of sustainability reporting. This can be seen in the way long-term value drivers, particularly on corporate responsibility that lead to organizational success was the focus in the bank [31]. This study identified that issues bothering on community investments, defined benefit plan liabilities and mode of settlement of such liabilities received more attention in terms of corporate disclosures than climate change disclosures and financial assistance received from government. These points to the inadequate understanding of risks associated with climate change and financial implications of such risks by company managers. Also, it is possible that since banks are not deemed to be environmentally-sensitive on the face value, they do not adjudge it necessary to disclose information on climate change.

The findings of this study in the area of climate change agree with Brimble et al. [14] where climate change was found to pose challenges to financial institutions. The findings of this study do not agree with Harrast and Olsen [32] where companies were found to disclose risks posed by climate change due to litigation and cost of compliance, without paying much attention to disclosing opportunities posed by climate change. In the view of Brimble et al. [14] regulation seems to be a key issue to resolving low corporate disclosures on climate change. Ramirez and Gonzalez [33] advocated that accounting standards need to be properly equipped to enhance corporate accountability and reporting mechanism in the area of climate change. In relation to community investment disclosures ranking highest out of other disclosures, Darus et al. [23] shared similar finding.

The results of this study agree with Bollas-Araya and Segui-Mas [15], Khan et al. [18] and Darus et al. [23] where environmental indicators of sustainability were not given much priority compared to social and economic indicators. However, the results of this study are not in tandem with Tarna [17], where there was more focus on environmental issues. Overall, the results of this study agree with Darus et al. [23] where in a four-year period, there was an initial rise in reporting but this fell slightly by 2011. This study agrees with Harun et al. [16] where majority of the banks engaged in social disclosures.

Due to the growing interest in sustainability reporting, this study is concerned with measuring the level of sustainability disclosures in banks in Nigeria. One of the unanswered questions remains on the contents of sustainability disclosures of financial institutions in Nigeria. The analysis of annual reports and stand-alone sustainability reports of the 14 banks in Nigeria shows that banks are yet to recognize their role in accountability for sustainability issues such as climate change, greenhouse gas emission, suppliers' environmental risk, potential negative impact on society in the supply chain. Perhaps, the perception of banks concerning these issues may be partly responsible for the relatively low attention given to them.

RECOMMENDATIONS AND CONCLUSION

Based on the results of this study, more banks reported economic indicators such as community investments, climate change risks, climate change financial implications, defined benefit plan liabilities, mode of settlement of defined benefit plan obligations and financial assistance received from government, compared to environmental indicators. Also, this study concluded that more banks reported social indicators such as employee benefits, health and safety, diversity in governance, local community development programs, stakeholder engagement plan, anti-corruption policies, political contributions made by company, assessment of suppliers and clients for impacts on society and potential negative impacts on society in the supply chain, compared to environmental indicators. This study recommends that regulators should continuously monitor sustainability reporting by financial institutions. Continuous monitoring should make financial institutions report in a timely and balanced manner, which is, taking the three indicators of sustainability performance into consideration. These results offer inference for future studies. Future studies can assess the reasons for sustainability reporting of banks, as well as examine the challenges encountered by banks in sustainability reporting.

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