CORPORATE GOVERNANCE AND SUSTAINABILITY REPORTING PRACTICES IN NIGERIA: INSIGHTS FROM LITERATURE

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Abstract
The increasing prominence of sustainability reporting has intensified scholarly and regulatory interest in understanding how corporate governance mechanisms influence the credibility, transparency, and quality of environmental, social, and governance (ESG) disclosures, particularly within emerging economies characterized by institutional weaknesses and evolving regulatory frameworks. This study systematically reviews and critically synthesizes the literature on corporate governance and sustainability reporting in Nigeria with the objective of consolidating empirical evidence, evaluating dominant theoretical perspectives, identifying methodological trends, and highlighting unresolved research gaps. Guided by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework, the review examined peer-reviewed studies published between 2005 and 2025 and retrieved from Scopus, Web of Science, and Google Scholar. Following rigorous screening and quality assessment procedures, 74 studies were retained for analysis. The findings indicate that governance mechanisms (including board independence, board diversity, ownership structure, audit committee effectiveness, and board expertise) generally promote sustainability disclosure quality and transparency. However, their influence is neither uniform nor deterministic, as governance outcomes are significantly conditioned by regulatory effectiveness, institutional quality, stakeholder pressures, ownership concentration, and firm-specific characteristics. The review further reveals persistent concerns regarding symbolic compliance, selective disclosure, greenwashing, and institutional decoupling, suggesting that formal adoption of sustainability reporting frameworks does not necessarily translate into substantive accountability. The evidence also demonstrates considerable inconsistencies across studies arising from methodological variations, measurement differences, and contextual factors. Theoretically, the review supports an integrated explanatory framework combining agency, stakeholder, legitimacy, and institutional theories, thereby offering a more comprehensive understanding of sustainability reporting behaviour than any single theoretical lens. Methodologically, the literature remains heavily dominated by quantitative archival

studies, with limited use of qualitative, mixed-method, longitudinal, and causally oriented designs capable of explaining the behavioural and institutional processes underlying disclosure decisions. By integrating fragmented evidence into a coherent analytical framework, this study advances understanding of governance-driven sustainability reporting in emerging economies and provides evidence-based insights for regulators, policymakers, corporate leaders, investors, and researchers seeking to strengthen sustainability disclosure quality, accountability, and sustainable corporate governance in Nigeria.

Keywords: Corporate governance, sustainability reporting, ESG disclosure; corporate transparency, institutional theory, Nigeria, systematic literature review.

1.0 Introduction

Corporate sustainability reporting has become increasingly important within Nigeria's corporate sector as regulators, investors, and other stakeholders demand greater transparency regarding firms' environmental, social, and governance (ESG) activities. While global frameworks such as the Global Reporting Initiative (GRI) and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards have elevated the prominence of sustainability reporting, implementation challenges vary considerably across institutional settings. In Nigeria, concerns relating to disclosure quality, environmental accountability, regulatory enforcement, and corporate transparency remain prominent. Consequently, the key question is no longer whether sustainability reporting should be adopted but whether existing corporate governance mechanisms are sufficiently effective in promoting credible and consistent sustainability disclosures within Nigeria's institutional environment (Nwekwo et al., 2025; Olayinka & Oluwamayowa, 2022). This question is particularly significant given the country's governance landscape, which is characterized by institutional weaknesses, regulatory inconsistencies, concentrated ownership structures, and uneven compliance with disclosure requirements, alongside pressing sustainability challenges such as environmental degradation, climate risks, social inequality, youth unemployment, and concerns over corporate accountability (Adegbite et al., 2023; Nwobu et al., 2022).

Recent regulatory developments further highlight the relevance of this issue. The Financial Reporting Council of Nigeria (FRCN) has intensified efforts to strengthen sustainability reporting through guidelines and initiatives designed to align domestic reporting practices with emerging international standards. Similarly, the introduction of IFRS Sustainability Disclosure Standards has increased expectations regarding the comparability, quality, and reliability of sustainability information. Nevertheless, reporting quality and compliance remain uneven across firms and industries, raising concerns about whether governance mechanisms can effectively support sustainability reporting amid evolving regulation and weak enforcement (FRCN, 2023; Erin et al., 2022; International Sustainability Standards Board, 2023).

Corporate governance has therefore emerged as a central explanatory factor in sustainability reporting research. Governance attributes, including board independence, board diversity, ownership structure, audit committee effectiveness, and board expertise, are generally viewed as mechanisms that strengthen oversight, improve accountability, and enhance disclosure quality. Although several Nigerian studies report positive relationships between these governance characteristics and sustainability reporting practices (Erin et al., 2022; Adegbite et al., 2023), the evidence remains inconclusive. Some studies find that independent and diverse boards improve sustainability disclosures, whereas others report weak or statistically insignificant effects, particularly in environments characterized by weak institutions and limited external monitoring (Razaq et al., 2023; Akinyomi & Bamwa, 2025).

These inconsistencies are reflected across several governance dimensions. Research on board size, for example, offers conflicting conclusions, with some scholars arguing that larger boards provide broader expertise and stronger oversight, while others contend that they create coordination difficulties that reduce governance effectiveness. Similar debates surround ownership concentration and gender diversity. Concentrated ownership may enhance monitoring and long-term strategic commitment to sustainability initiatives, yet it may also encourage selective disclosure that prioritizes controlling shareholders' interests over those of broader stakeholders. Likewise, while gender-diverse boards are frequently associated with stronger sustainability outcomes, empirical support within Nigeria remains mixed and often sensitive to model specification, measurement choices, and sectoral coverage (Adegbite et al., 2023; Olayinka & Oluwamayowa, 2022; Akinyomi & Bamwa, 2025).

The literature is further constrained by methodological limitations. Most Nigerian studies employ quantitative panel-data approaches based on information extracted from annual reports and sustainability disclosures. Although such methods are useful for identifying statistical associations, they often provide limited insight into the organizational, behavioural, and institutional factors influencing reporting decisions. Moreover, substantial variation exists in the measurement of both corporate governance and sustainability reporting. While some studies focus exclusively on environmental disclosures, others employ aggregated ESG indicators or broader sustainability indices, thereby complicating cross-study comparisons and limiting cumulative knowledge development (Nwobu et al., 2022; Erin et al., 2022).

International evidence further suggests that governance mechanisms cannot be examined independently of their institutional contexts. Studies from emerging economies demonstrate that the effectiveness of governance structures is shaped by factors such as regulatory quality, enforcement strength, stakeholder activism, and market maturity (Buallay et al., 2023; García-Sánchez et al., 2024). Consequently, findings from developed economies may not be readily transferable to Nigeria, where formal governance arrangements frequently coexist with informal institutional pressures and regulatory gaps. This context raises important questions regarding the applicability of dominant theoretical explanations and underscores the need for context-specific evidence.

Concerns also persist regarding the quality and credibility of sustainability disclosures. Although an increasing number of Nigerian firms reference international frameworks such as GRI, integrated reporting, and ISSB-related standards, disclosure practices remain highly heterogeneous. Evidence suggests that some organizations continue to engage in selective reporting by emphasizing favourable sustainability outcomes while providing limited disclosure of adverse environmental and social impacts. In addition, the relatively low adoption of external assurance weakens stakeholder confidence in reported sustainability information. While independent audit committees, board expertise, and assurance mechanisms have been identified as potential drivers of higher-quality reporting, their effectiveness remains uneven across industries and organizational settings (Erin et al., 2022; Razaq et al., 2023; KPMG, 2024).

Despite the growing body of literature, no comprehensive synthesis currently exists that systematically evaluates how governance mechanisms influence sustainability reporting in Nigeria while accounting for methodological differences, contextual influences, and evolving regulatory developments. Existing studies largely focus on isolated governance variables, specific industries, or limited periods, resulting in a fragmented evidence base. Accordingly, this study seeks to address the following questions: (1) how do corporate governance mechanisms influence

sustainability reporting practices among Nigerian firms? (2) What theoretical perspectives explain the governance–sustainability reporting relationship in Nigeria? (3) How do institutional and regulatory factors shape the effectiveness of governance mechanisms? (4) What methodological patterns, inconsistencies, and knowledge gaps characterize the literature? and (5) What future research directions are required?

To address these questions, the study provides a systematic and critical synthesis of empirical and theoretical literature on corporate governance and sustainability reporting in Nigeria, examining governance influences on disclosure behaviour, contextual mediating factors, dominant theoretical perspectives, methodological approaches, and emerging research trends (Adegbite et al., 2023; Nwekwo et al., 2025). By integrating fragmented evidence, clarifying areas of convergence and divergence, and examining governance within the realities of regulatory fluidity, institutional voids, ownership concentration, and socio-economic constraints, the study contributes to both theory and practice. The findings offer valuable insights for regulators, policymakers, investors, and corporate leaders seeking to strengthen sustainability disclosure frameworks, improve reporting quality, enhance accountability, and support sustainable business practices in Nigeria and other emerging economies facing similar institutional challenges (Adegbite et al., 2023; Nwobu et al., 2022; Erin et al., 2022; Razaq et al., 2023).

Corporate Governance and Sustainability Reporting in the Nigerian Context

Corporate governance and sustainability reporting have become increasingly interconnected within contemporary corporate accountability discourse. Corporate governance refers to the institutional arrangements, regulatory frameworks, monitoring mechanisms, and stakeholder relationships through which organizations are directed and controlled to promote transparency, accountability, and long-term value creation. Sustainability reporting, in contrast, involves the disclosure of information relating to an organization's environmental, social, and governance (ESG) performance and broader contribution to sustainable development. Their interaction is particularly important in emerging economies such as Nigeria, where governance weaknesses often affect the quality, credibility, and usefulness of sustainability-related disclosures (Adegboye et al., 2022; Razaq et al., 2023).

A persistent conceptual challenge in the literature is the tendency to use sustainability reporting, ESG reporting, integrated reporting, and non-financial disclosure interchangeably despite important differences among them. Non-financial disclosure represents the broadest category, encompassing information beyond conventional financial statements, including environmental impacts, employee welfare, governance practices, community engagement, intellectual capital, and risk management. Sustainability reporting is a narrower concept that focuses specifically on organizational impacts on economic, environmental, and social sustainability outcomes, including resource use, environmental management, labour practices, human rights, community impacts, and long-term value creation. In Nigeria, sustainability reporting has gained prominence in response to growing concerns regarding environmental degradation, climate-related risks, social inequality, and corporate accountability, particularly within environmentally sensitive sectors such as oil and gas, manufacturing, and extractive industries (Nwobu et al., 2023; Adeyemi & Fagbemi, 2022).

ESG reporting constitutes a more investment-oriented subset of sustainability reporting, focusing on measurable environmental, social, and governance indicators that assist investors in evaluating organizational risk, resilience, and long-term performance. Environmental disclosures commonly address carbon emissions, energy consumption, waste management, and climate risks, while social

and governance disclosures focus on issues such as employee welfare, diversity, board effectiveness, executive remuneration, ownership structure, ethics, and internal controls (Egbunike & Okerekeoti, 2023; Uwuigbe et al., 2022; ISSB, 2023). Integrated reporting differs from both sustainability and ESG reporting by combining financial and non-financial information within a single framework that demonstrates how governance, strategy, resources, risks, opportunities, and sustainability factors contribute to value creation over time. Although integrated reporting remains less developed in Nigeria than conventional sustainability reporting, regulatory encouragement and increasing stakeholder expectations have stimulated its gradual adoption among listed firms (FRCN, 2023; Adegboye et al., 2022).

These distinctions are important because governance mechanisms may influence each reporting form differently. Organizations may disclose substantial non-financial information without providing meaningful ESG metrics or may publish sustainability reports without integrating sustainability considerations into strategic decision-making and value creation processes. Consequently, reporting quality should be evaluated not by the volume of disclosures but by their credibility, comprehensiveness, decision usefulness, and alignment with stakeholder expectations. Recent developments, particularly the emergence of the IFRS Sustainability Disclosure Standards, have intensified pressure on Nigerian firms to provide more structured and comparable sustainability information. Nevertheless, reporting practices remain uneven, with some organizations aligning disclosures with international frameworks while others continue to engage in selective reporting that emphasizes positive achievements and downplays environmental or social challenges (FRCN, 2023; ISSB, 2023; Nwobu et al., 2023; KPMG, 2024).

The importance of governance is amplified by Nigeria's institutional environment. Although governance reforms have strengthened formal structures, concerns persist regarding weak regulatory enforcement, ownership concentration, information asymmetry, and limited monitoring capacity. These conditions increase the risk of symbolic reporting and greenwashing, whereby organizations seek legitimacy through sustainability disclosures without corresponding improvements in sustainability performance. Accordingly, governance effectiveness should be assessed not merely by the existence of formal structures but by their ability to ensure that sustainability, ESG, integrated, and other non-financial disclosures faithfully represent organizational realities (Adegbite et al., 2023; Nwobu et al., 2023).

Among governance mechanisms, board structure remains particularly influential. Board size, independence, and diversity affect directors' capacity to provide strategic oversight and ensure accountability for sustainability-related matters. Evidence from Nigeria suggests that moderately sized boards often facilitate more comprehensive sustainability disclosures through access to broader expertise and stakeholder perspectives, whereas excessively large boards may encounter coordination problems that weaken monitoring effectiveness (Razaq et al., 2023; Adeyemi & Fagbemi, 2022). Board independence is equally important for disclosure credibility because independent directors are expected to provide objective oversight and challenge managerial narratives. However, the effectiveness of independence may be constrained by social networks, political affiliations, and interconnected business relationships. Despite these challenges, firms with stronger independent board representation generally exhibit higher reporting quality and more reliable sustainability disclosures (Oyerogba et al., 2024; Uwuigbe et al., 2022).

Board diversity also contributes to sustainability governance by introducing broader stakeholder perspectives into decision-making processes. Empirical evidence suggests that female directors are

often more sensitive to environmental and social concerns and therefore encourage greater disclosure transparency. Nigerian studies generally report a positive association between female board participation and sustainability disclosure quality, although the benefits are most pronounced when diversity extends beyond symbolic representation to meaningful participation in governance processes (Oyerogba et al., 2024; Egbunike & Okerekeoti, 2023; Agyemang & Ansong, 2024). Ownership structure further shapes disclosure incentives. Institutional investors increasingly demand ESG information for investment and risk assessment purposes, thereby encouraging higher-quality reporting. While moderate managerial ownership may align managerial and shareholder interests and support long-term sustainability initiatives, excessive managerial control may reduce transparency and promote selective disclosure practices (Adegboye et al., 2022; Nwobu et al., 2023; Uwuigbe et al., 2022; Egbunike & Okerekeoti, 2023).

Foreign ownership introduces additional governance pressures because international investors frequently require compliance with globally recognized sustainability reporting standards. Consequently, firms with significant foreign ownership are often more likely to adopt advanced ESG reporting practices and align disclosures with international expectations, although foreign ownership alone cannot fully overcome domestic institutional weaknesses (Nwobu et al., 2023; Adeyemi & Fagbemi, 2022). Audit committees also occupy a strategic position within the sustainability reporting process. Beyond overseeing financial reporting, they increasingly monitor ESG information, sustainability metrics, internal controls, and assurance processes. Research consistently indicates that audit committee independence, expertise, and meeting frequency improve sustainability reporting quality by strengthening monitoring and verification functions, thereby reducing concerns regarding disclosure reliability and greenwashing (Razaq et al., 2023; Oyerogba et al., 2024).

As Nigeria continues to align with international sustainability reporting standards, audit committees are expected to play an even greater role in ensuring disclosure reliability, comparability, and transparency, particularly within integrated reporting frameworks that require effective linkage between financial and non-financial information. Strengthening audit committee expertise in sustainability issues, therefore, remains critical for enhancing disclosure quality and stakeholder confidence (Adegboye et al., 2022; ISSB, 2023; KPMG, 2024). Overall, sustainability reporting, ESG reporting, integrated reporting, and non-financial disclosure are related but conceptually distinct reporting mechanisms serving different objectives and stakeholder groups. Within Nigeria's evolving institutional environment, effective corporate governance remains essential for ensuring that sustainability-related disclosures move beyond symbolic compliance toward genuine transparency, accountability, and sustainable value creation. The central governance challenge is therefore not whether firms disclose information, but whether the information disclosed is credible, comprehensive, comparable, and capable of supporting informed stakeholder decision-making.

Theoretical Framework

The theoretical foundation of corporate governance and sustainability reporting research is inherently multidisciplinary, drawing from economics, sociology, and organizational theory. In the Nigerian context, no single theoretical perspective adequately explains Environmental, Social, and Governance (ESG) disclosure practices because reporting outcomes are shaped by the interaction of internal governance mechanisms, stakeholder expectations, legitimacy concerns, and institutional pressures. Consequently, this study adopts an integrated framework comprising agency theory, stakeholder theory, legitimacy theory, and institutional theory. Agency theory explains how governance structures influence managerial disclosure decisions; stakeholder theory highlights the

influence of diverse stakeholder demands; legitimacy theory explains firms' efforts to secure social acceptance through disclosure; and institutional theory captures the regulatory and normative pressures shaping reporting behaviour. Collectively, these perspectives provide a comprehensive explanation of ESG disclosure practices within Nigeria's evolving governance and regulatory environment (Uwuigbe et al., 2022; Nwobu et al., 2023).

Agency theory remains one of the most widely applied frameworks in Nigerian corporate governance research. Rooted in the separation of ownership and control, the theory posits that managers may pursue self-interest at the expense of shareholders, thereby necessitating governance mechanisms to mitigate agency conflicts. Nigerian studies frequently apply the theory to explain how board characteristics, ownership structures, and audit committees influence sustainability disclosures (Adegboye et al., 2022; Razaq et al., 2023). Its emphasis on monitoring and control aligns closely with governance reforms aimed at improving transparency and accountability. However, its explanatory power is constrained in emerging economies such as Nigeria, where concentrated ownership, family-controlled businesses, dominant shareholders, and uneven regulatory enforcement are common. Under such conditions, agency conflicts often extend beyond the traditional manager–shareholder relationship to include tensions between controlling and minority shareholders. These realities, coupled with weak institutional enforcement, limit the effectiveness of governance mechanisms and create opportunities for selective or symbolic ESG disclosure, suggesting that Agency Theory alone cannot fully explain sustainability reporting behaviour (Uwuigbe et al., 2022).

Stakeholder theory broadens the analysis by recognizing that organizations are accountable not only to shareholders but also to employees, customers, communities, regulators, investors, and other stakeholder groups. The theory suggests that firms engage in sustainability reporting to address stakeholder expectations and maintain support from constituencies essential to organizational success. Nigerian studies increasingly utilize stakeholder theory to explain ESG disclosures, particularly in industries with significant social and environmental impacts (Nwobu et al., 2023; Egbunike & Okerekeoti, 2023). This perspective is especially relevant in sectors such as oil and gas, banking, and manufacturing, where firms face heightened scrutiny regarding social responsibility and environmental stewardship (Adeyemi & Fagbemi, 2022). Nevertheless, the theory has limitations. Its normative orientation makes stakeholder influence difficult to measure empirically, while unequal stakeholder power and competing interests can reduce its predictive capacity in explaining disclosure decisions (Egbunike & Okerekeoti, 2023).

Legitimacy theory provides a complementary explanation by emphasizing organizations' need to align their activities with societal expectations in order to maintain legitimacy and secure continued acceptance. In Nigeria, sustainability reporting frequently serves as a mechanism through which firms respond to environmental controversies, social concerns, and regulatory scrutiny (Uwuigbe et al., 2022; Oyerogba et al., 2024). Empirical evidence suggests that organizations often increase sustainability disclosures following public criticism or regulatory pressure, particularly in environmentally sensitive industries where reputational risks are substantial (Oyerogba et al., 2024; Nwobu et al., 2023). Thus, sustainability reporting functions not only as an accountability mechanism but also as a strategic tool for preserving organizational legitimacy. However, the theory has been criticized for viewing disclosures primarily as symbolic responses and for assuming relatively uniform societal expectations, an assumption that may not adequately reflect Nigeria's diverse socio-economic and cultural realities (Adegboye et al., 2022).

Institutional theory extends the analysis by focusing on coercive, normative, and mimetic pressures that shape organizational behaviour. According to the theory, firms adopt sustainability reporting practices in response to regulatory requirements, professional norms, industry expectations, and competitive imitation. In Nigeria, increasing adoption of frameworks such as GRI and IFRS Sustainability Standards reflects institutional pressures to conform to internationally accepted reporting practices (FRCN, 2023; Nwobu et al., 2023). Institutional Theory is particularly useful in explaining the diffusion of sustainability reporting across firms, as regulatory initiatives, professional bodies, industry associations, and international investors encourage convergence towards global reporting norms and greater disclosure comparability (Adeyemi & Fagbemi, 2022).

Despite its explanatory value, institutional theory also has limitations. Its emphasis on conformity may understate organizational agency and the role of internal governance mechanisms in shaping reporting outcomes. Furthermore, firms may adopt sustainability reporting frameworks ceremonially to obtain legitimacy without substantively integrating sustainability into organizational processes. This phenomenon of decoupling is particularly relevant in contexts characterized by weak enforcement, where formal compliance may coexist with limited implementation (Uwuigbe et al., 2022). Consequently, institutional pressures alone cannot adequately explain variations in disclosure quality, credibility, and comprehensiveness among firms operating within similar regulatory environments.

Overall, this study adopts a multi-theoretical framework in which Agency Theory explains governance mechanisms influencing disclosure decisions, Stakeholder Theory captures stakeholder expectations, Legitimacy Theory explains firms' pursuit of social acceptance, and Institutional Theory accounts for the regulatory and normative environment shaping reporting behaviour. Rather than operating independently, these theories are viewed as complementary and mutually reinforcing. ESG disclosure practices in Nigeria are therefore understood as the outcome of interactions among internal governance structures, stakeholder pressures, legitimacy-seeking behaviour, and institutional forces. This integrated framework provides a more robust and contextually relevant explanation of sustainability reporting within Nigeria's evolving corporate landscape than reliance on any single theoretical perspective.

3.0 Methodology

This study adopts a Systematic Literature Review (SLR) design to provide a rigorous, transparent, and replicable synthesis of research on corporate governance and sustainability reporting in Nigeria. The SLR approach enables the systematic identification, evaluation, and integration of evidence relating to theoretical developments, empirical findings, and emerging research gaps within the field. To ensure methodological transparency and consistency, the review was conducted in accordance with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines, which provide a structured framework for literature identification, screening, eligibility assessment, and inclusion. The review covers studies published between 2005 and 2025, a period selected to capture major developments in corporate governance reforms, sustainability reporting practices, ESG disclosure, and related regulatory changes in Nigeria.

The literature search was conducted using Scopus, Web of Science, and Google Scholar, selected for their extensive coverage of peer-reviewed academic publications. A comprehensive search strategy was developed using combinations of keywords and Boolean operators, including “corporate governance,” “sustainability reporting,” “ESG disclosure,” “non-financial reporting,” “CSR disclosure,” “integrated reporting,” and “Nigeria.” To improve coverage and minimize

publication omission, backward and forward citation tracking were also undertaken to identify relevant studies not captured through the initial database searches.

Explicit inclusion and exclusion criteria were established prior to screening. Studies were included if they: (i) examined corporate governance and sustainability reporting or ESG disclosure; (ii) focused on Nigerian firms or incorporated Nigeria as a significant component of a comparative analysis; (iii) were published in peer-reviewed academic journals; and (iv) were written in English. Conference proceedings, dissertations, editorials, book reviews, and other non-scholarly publications were excluded, as were studies lacking sufficient methodological detail or direct relevance to the review objectives.

Following the PRISMA protocol, the review proceeded through four stages: identification, screening, eligibility assessment, and final inclusion. The initial search generated 412 records, of which 356 remained after duplicate removal. Title and abstract screening excluded studies unrelated to corporate governance and sustainability reporting within the Nigerian context, leaving 127 articles for full-text assessment. Application of the predefined inclusion, exclusion, and quality criteria resulted in a final sample of 74 studies, providing a sufficiently broad evidence base for analyzing developments in the literature over the 2005-2025 period.

To enhance reliability and reduce selection bias, a structured coding protocol was developed prior to data extraction. The coding framework captured publication year, research objectives, theoretical foundations, methodology, sample characteristics, governance variables, sustainability reporting measures, and principal findings. Two independent reviewers participated in the screening and coding process, with inter-reviewer reliability assessed using Cohen's Kappa coefficient. The coefficient exceeded the recommended threshold of 0.80, indicating substantial agreement and consistency in study selection and coding decisions. Any discrepancies were resolved through discussion and consensus. In addition, methodological quality was assessed using four criteria: research design appropriateness, data quality and sample adequacy, analytical rigour, and clarity of reporting. Each criterion was scored on a five-point scale, producing a maximum score of 20, and studies falling below the minimum quality threshold were excluded.

Data synthesis was undertaken using thematic analysis to identify recurring patterns, dominant theoretical perspectives, governance mechanisms, sustainability reporting determinants, and emerging research trends. To complement the thematic review, bibliometric indicators, including publication trends, authorship patterns, citation performance, and journal distribution, were examined to provide additional insights into the evolution of the literature. The integration of thematic and bibliometric approaches enabled a comprehensive assessment of the state of knowledge on corporate governance and sustainability reporting in Nigeria while ensuring analytical depth, methodological rigour, and a robust foundation for subsequent interpretation of findings.

Governance Mechanisms and Sustainability Disclosure

The relationship between corporate governance mechanisms and sustainability disclosure has attracted considerable scholarly attention in Nigeria as demands for corporate transparency, accountability, and ESG compliance continue to increase. Although much of the literature reports positive associations between governance quality and sustainability reporting, findings remain inconsistent due to methodological differences, measurement variations, and contextual influences. Recent studies, therefore, caution against simplistic association-based interpretations and

emphasize the need to understand how governance mechanisms operate within Nigeria's distinctive institutional environment (Adegboye et al., 2022; Razaq et al., 2023; Ogunleye & Adebayo, 2024; Salawu et al., 2022; Oyerogba et al., 2024; Uwuigbe et al., 2023; Ezeani et al., 2024).

Board characteristics constitute the most frequently examined governance mechanisms, yet evidence remains mixed. Studies on board size suggest that larger boards may enhance sustainability disclosure through broader stakeholder representation, greater expertise, and stronger monitoring capacity (Adeyemi & Fagbemi, 2022; Ibrahim & Danjuma, 2023; Akinleye & Adediran, 2024). Conversely, other studies argue that excessively large boards experience coordination challenges and weaker monitoring effectiveness, resulting in poorer disclosure outcomes (Nwobu et al., 2023; Okafor & Ibadin, 2022; Omodero et al., 2023). Similarly, board composition and expertise are generally associated with improved ESG oversight and disclosure quality (Oyerogba et al., 2024; Adekunle & Oladipo, 2023; Salawu et al., 2024). However, many studies rely on observable demographic indicators while overlooking less tangible dimensions such as director influence, engagement, and sustainability competence. Differences in disclosure measures and reporting frameworks further limit comparability and make it difficult to identify the precise mechanisms through which board attributes influence sustainability reporting (Adebisi & Olayinka, 2024; Uwuigbe et al., 2023; Ogunleye & Adebayo, 2024).

Board independence and gender diversity have also received significant attention. Evidence generally indicates that independent directors contribute to greater transparency and higher-quality sustainability disclosures by strengthening oversight and accountability (Uwuigbe et al., 2022; Ezeani & Oladele, 2023; Nwobu et al., 2024). Likewise, firms with greater female board representation often demonstrate stronger ESG disclosure practices, reflecting enhanced ethical awareness, stakeholder sensitivity, and risk oversight (Egbunike & Okerekeoti, 2023; Omodero & Iheanacho, 2022; Ezeani et al., 2024). Nevertheless, these relationships should be interpreted cautiously. Endogeneity concerns remain pervasive, as firms with stronger disclosure cultures may be more inclined to appoint independent directors or promote board diversity. Moreover, some studies report insignificant effects after controlling for firm-specific characteristics, suggesting that governance outcomes are contingent upon broader organizational and institutional conditions (Adegboye et al., 2022; Salawu et al., 2022; Oyerogba et al., 2024; Akinleye & Adediran, 2024; Nwobu et al., 2023; Ibrahim & Danjuma, 2023; Salawu et al., 2024). The emphasis on numerical representation rather than substantive board influence also raises concerns regarding tokenism and the actual effectiveness of diversity initiatives.

A recurring limitation across the literature is the tendency to interpret positive statistical associations as evidence of governance effectiveness without adequately addressing causality. Governance mechanisms may not necessarily drive improved sustainability disclosure; rather, firms already committed to transparency may voluntarily adopt stronger governance structures. Furthermore, omitted variables such as organizational culture, managerial quality, stakeholder activism, and regulatory exposure may simultaneously influence governance characteristics and disclosure outcomes. Since most Nigerian studies rely on cross-sectional or short-panel designs and conventional regression techniques, causal inferences remain limited and highly sensitive to methodological choices (Adegboye et al., 2022; Salawu et al., 2022; Ogunleye & Adebayo, 2024; Uwuigbe et al., 2023; Oyerogba et al., 2024; Ezeani et al., 2024).

Overall, the evidence suggests that governance mechanisms contribute to sustainability disclosure in Nigeria, but their effectiveness is neither automatic nor uniform across firms. Contradictory

findings reflect differences in measurement approaches, methodological designs, industry characteristics, and institutional environments. More importantly, governance structures operate within broader stakeholder, legitimacy, and institutional contexts that shape disclosure incentives and reporting behaviour. Future research should therefore move beyond association-based analyses by employing stronger causal identification strategies, longitudinal designs, and richer measures of governance effectiveness to better explain the complex relationship between corporate governance and sustainability disclosure in Nigeria.

Ownership Structure and Reporting Practices

Ownership structure represents a critical dimension of corporate governance that shapes sustainability reporting practices in Nigeria through its influence on managerial incentives, monitoring effectiveness, and disclosure behaviour. However, the literature presents a more nuanced picture than the commonly assumed positive relationship between ownership monitoring and transparency. While some ownership configurations appear to encourage sustainability disclosure, others exhibit weak, insignificant, or context-dependent effects. These inconsistencies suggest that ownership structure should be viewed as a contingent governance mechanism whose effectiveness depends on institutional quality, investor incentives, and firm-specific characteristics rather than as a universally beneficial determinant of reporting quality (Nwobu et al., 2023; Ogunleye & Adebayo, 2024; Salawu et al., 2022; Uwuigbe et al., 2023; Oyerogba et al., 2024; Ezeani et al., 2024).

Institutional ownership is generally associated with enhanced sustainability reporting because institutional investors possess the resources and incentives to monitor managerial behaviour. Nigerian evidence suggests that such investors often encourage more comprehensive ESG disclosures in response to reputational concerns, risk management considerations, and stakeholder expectations (Adegboye et al., 2022; Uwuigbe et al., 2023; Adebisi & Olayinka, 2024). Nevertheless, findings remain mixed, particularly where institutional investors adopt passive investment strategies or prioritise short-term financial returns over long-term sustainability objectives (Nwobu et al., 2024; Salawu et al., 2024). Similarly, foreign ownership is frequently linked to higher disclosure quality and greater alignment with international reporting standards due to pressures from global investors and capital markets (Adeyemi & Fagbemi, 2022; Ezeani & Oladele, 2023; Oyerogba et al., 2024). However, some studies suggest that foreign investors may prioritise compliance and financial performance rather than substantive sustainability engagement, raising concerns that disclosure improvements may be largely symbolic (Ibrahim & Danjuma, 2023; Salawu et al., 2024). In both cases, the possibility that firms with stronger reporting practices attract institutional and foreign investors creates significant endogeneity concerns.

Family ownership remains one of the most contested issues within the sustainability reporting literature. From a stewardship perspective, family-controlled firms may support enhanced disclosure by prioritizing long-term reputation, stakeholder trust, and intergenerational continuity. In contrast, agency-based arguments suggest that controlling families may prefer limited transparency in order to preserve strategic control and reduce external scrutiny. Consistent with these competing perspectives, Nigerian studies report positive, negative, and insignificant relationships between family ownership and sustainability reporting (Egbunike & Okerekeoti, 2023; Omodero & Iheanacho, 2022; Nwobu et al., 2023; Akinleye & Adediran, 2024). These inconsistencies are compounded by measurement differences, as studies frequently apply varying definitions of family ownership and rarely distinguish between founder-led firms, family-managed firms, and firms with passive family investors.

Ownership concentration has likewise produced conflicting findings. Some studies argue that concentrated ownership strengthens monitoring, reduces managerial opportunism, and promotes transparency (Adegboye et al., 2022; Uwuigbe et al., 2023). Others contend that concentrated ownership facilitates the extraction of private benefits by dominant shareholders, thereby reducing disclosure incentives and increasing information asymmetry between controlling and minority investors (Okafor & Ibadin, 2022; Ogunleye & Adebayo, 2024). These competing findings suggest that ownership concentration can simultaneously generate monitoring and entrenchment effects, with the dominant outcome depending on factors such as legal protections, regulatory enforcement, and board oversight. Yet these contextual moderators are often insufficiently incorporated into empirical analyses.

The interaction among ownership forms further complicates disclosure outcomes. Institutional investors may mitigate the adverse effects of concentrated family ownership through stronger monitoring, while foreign shareholders may reinforce governance effectiveness through exposure to international standards (Ibrahim & Danjuma, 2023; Okafor & Ibadin, 2022; Ezeani et al., 2024). Despite the theoretical importance of these interactions, most Nigerian studies examine ownership variables independently, overlooking potential complementarities and substitution effects among governance mechanisms. This fragmented approach limits understanding of how ownership structures jointly influence sustainability reporting decisions and contributes to inconsistent findings across the literature.

A broader methodological concern relates to endogeneity, which remains inadequately addressed in ownership-disclosure research. Ownership structures often evolve in response to firm performance, governance quality, and disclosure practices rather than being randomly assigned. Consequently, reverse causality and omitted-variable bias may significantly influence reported relationships (Salawu et al., 2022; Uwuigbe et al., 2023; Oyerogba et al., 2024; Nwobu et al., 2024). Overall, the evidence indicates that ownership structure is an important but non-uniform determinant of sustainability reporting in Nigeria. Its effects are shaped by interactions with governance mechanisms, stakeholder pressures, and institutional environments. Future research should therefore move beyond linear ownership-disclosure models and employ more sophisticated analytical frameworks, including dynamic panel estimation, instrumental variable techniques, and quasi-experimental designs, to better capture these complex and interdependent relationships.

Regulatory and Institutional Influences

Regulatory and institutional frameworks play a central role in shaping sustainability reporting practices in Nigeria. While the literature generally agrees that initiatives introduced by regulatory bodies such as the Securities and Exchange Commission (SEC) and the Financial Reporting Council of Nigeria (FRCN) have increased awareness of ESG reporting and corporate accountability, there is less consensus regarding their effectiveness in improving disclosure quality and credibility. Regulatory reforms have established formal expectations for greater transparency and encouraged alignment with international frameworks such as the Global Reporting Initiative (GRI) and IFRS Sustainability Disclosure Standards. However, evidence suggests that regulatory compliance alone does not adequately explain variations in sustainability reporting practices, as firms differ considerably in both the extent and quality of their disclosures (FRCN, 2023; Ogunleye & Adebayo, 2024; Salawu et al., 2022; Uwuigbe et al., 2023; Oyerogba et al., 2024; Ezeani et al., 2024; Adeyemi & Fagbemi, 2022; Nwobu et al., 2023).

A major institutional challenge identified across the literature is weak regulatory enforcement. Although reporting requirements have expanded significantly, empirical studies consistently highlight gaps between formal regulations and actual corporate practices (Uwuigbe et al., 2022; Ezeani & Oladele, 2023; Oyerogba et al., 2024). This has created opportunities for symbolic compliance, whereby firms produce sustainability disclosures primarily to satisfy regulatory expectations without corresponding improvements in environmental or social performance (Adegboye et al., 2022; Nwobu et al., 2024). Nevertheless, conclusions regarding regulatory effectiveness should be interpreted cautiously because many studies rely on disclosure quantity rather than disclosure quality, making it difficult to distinguish substantive reporting improvements from symbolic reporting behaviour (Salawu et al., 2022; Ibrahim & Danjuma, 2023; Akinleye & Adediran, 2024).

Institutional Theory provides additional insight by emphasizing the influence of coercive, normative, and mimetic pressures on corporate reporting behaviour. Nigerian studies show that multinational corporations, internationally connected firms, and organizations seeking foreign investment are generally more likely to adopt advanced sustainability reporting practices in order to enhance legitimacy, improve access to capital, and align with international expectations (Nwobu et al., 2023; Ibrahim & Danjuma, 2023; Adegboye et al., 2022). However, institutional conformity does not always result in substantive organizational change. Some firms adopt sustainability reporting frameworks primarily as legitimacy signals while maintaining traditional operational practices, a phenomenon commonly described as institutional decoupling (Ogunleye & Adebayo, 2024; Salawu et al., 2024). This raises important questions regarding whether observed improvements in disclosure reflect genuine sustainability commitments or merely symbolic responses to external pressures.

The relationship between institutional pressures and sustainability reporting is further complicated by Nigeria's socio-political environment. Factors such as corruption, political interference, informal networks, and weak accountability structures may undermine transparency and disclosure credibility, while increasing public awareness of environmental and social issues simultaneously intensifies stakeholder expectations for responsible corporate behaviour (Adegboye et al., 2022; Okafor & Ibadin, 2022; Ezeani et al., 2024). Moreover, institutional pressures are not uniform across firms and industries. Environmentally sensitive sectors such as oil and gas often face stronger legitimacy pressures than less visible industries, while multinational firms may experience greater international scrutiny than domestically focused organizations (Oyerogba et al., 2024; Uwuigbe et al., 2023). The tendency of many studies to treat institutional pressures as homogeneous therefore limits understanding of important sectoral and organizational differences in reporting behaviour.

Methodologically, the literature faces significant challenges in establishing causal relationships between regulatory changes and sustainability reporting outcomes. Many studies infer regulatory effectiveness from increases in disclosure levels without adequately controlling for concurrent developments such as governance reforms, changing investor expectations, or broader ESG trends. Consequently, observed reporting improvements may not be attributable solely to regulatory interventions (Salawu et al., 2022; Ogunleye & Adebayo, 2024; Nwobu et al., 2024). Overall, the evidence confirms that regulatory and institutional factors are important determinants of sustainability reporting in Nigeria, but their effects are neither uniform nor unequivocally positive. Persistent enforcement weaknesses, institutional decoupling, and socio-political constraints continue to shape disclosure outcomes, highlighting the need for future research to adopt

longitudinal, policy-evaluation, and quasi-experimental approaches capable of capturing the complex interaction between regulatory, governance, stakeholder, and legitimacy dynamics.

Firm Characteristics and Control Variables

Firm-specific characteristics are commonly incorporated into sustainability reporting studies as control variables, yet growing evidence suggests that they exert substantive influences on disclosure behaviour. Variables such as firm size, profitability, leverage, firm age, and industry affiliation not only affect sustainability reporting directly but may also shape the effectiveness of governance mechanisms and institutional pressures. Although their importance is widely recognized, findings regarding the magnitude and direction of their effects remain inconsistent, reflecting contextual differences, measurement variations, and methodological limitations within the literature (Adeyemi & Fagbemi, 2022; Ibrahim & Danjuma, 2023; Ogunleye & Adebayo, 2024; Salawu et al., 2022; Uwuigbe et al., 2023; Ezeani et al., 2024).

Firm size is the most consistently examined determinant of sustainability reporting in Nigeria. Most studies report a positive association, arguing that larger firms possess greater resources, face stronger stakeholder scrutiny, and encounter heightened legitimacy pressures, thereby encouraging more extensive disclosures (Adeyemi & Fagbemi, 2022; Ibrahim & Danjuma, 2023; Oyerogba et al., 2024). However, these findings require cautious interpretation because firm size is often closely associated with governance quality, foreign ownership, profitability, and international market exposure. Furthermore, the use of different size measures, including total assets, market capitalization, turnover, and employee numbers, limits comparability across studies and complicates efforts to isolate the independent effect of firm size (Akinleye & Adediran, 2024; Salawu et al., 2024).

Evidence on profitability and leverage is considerably less conclusive. Several studies suggest that profitable firms are more likely to engage in sustainability reporting because they possess the financial capacity to invest in ESG initiatives and disclosure systems (Uwuigbe et al., 2022; Adegboye et al., 2022; Ezeani & Oladele, 2023). However, other studies report weak, insignificant, or negative relationships, implying that some firms may prioritise short-term financial objectives over broader sustainability commitments (Omodero & Iheanacho, 2022; Nwobu et al., 2023; Ogunleye & Adebayo, 2024). Similarly, while Agency Theory suggests that highly leveraged firms may increase disclosures to reduce information asymmetry and reassure creditors, empirical findings remain mixed, with some studies reporting positive associations and others identifying negative or insignificant effects (Adegboye et al., 2022; Ibrahim & Danjuma, 2023; Okafor & Ibadin, 2022; Ezeani et al., 2024). These inconsistencies indicate that profitability and leverage effects are highly context-dependent and may be influenced by factors such as creditor monitoring, industry conditions, and access to capital markets.

Industry affiliation consistently emerges as an important determinant of sustainability reporting, particularly in sectors with significant environmental and social impacts. Firms operating in oil and gas, banking, manufacturing, and extractive industries generally exhibit higher disclosure levels due to stronger stakeholder scrutiny, regulatory oversight, and legitimacy concerns (Oyerogba et al., 2024; Ogunleye & Adebayo, 2024; Uwuigbe et al., 2023). Nevertheless, substantial variation exists within industries, with some firms providing comprehensive ESG disclosures and others limiting reporting to compliance-oriented narratives or selective disclosure practices. These differences suggest that industry effects operate in conjunction with governance structures,

ownership characteristics, stakeholder pressures, and institutional conditions rather than independently determining disclosure outcomes (Salawu et al., 2024; Ezeani et al., 2024).

Firm age has received comparatively limited attention, although emerging evidence indicates that organizational maturity may influence sustainability reporting behaviour. Older firms often benefit from more established governance systems, stronger stakeholder relationships, and greater institutional experience, which may facilitate more comprehensive disclosures (Nwobu et al., 2024; Adebisi & Olayinka, 2024). Conversely, younger firms may be more responsive to emerging ESG expectations and more willing to adopt innovative reporting practices. The limited and sometimes conflicting evidence highlights the need for further investigation into how organizational life-cycle stages influence disclosure decisions within emerging market contexts.

A recurring methodological weakness across the literature is the treatment of firm characteristics as exogenous controls rather than potentially endogenous determinants of sustainability reporting. Firm size, profitability, leverage, and industry position are themselves influenced by strategic choices, governance quality, and stakeholder relationships that may also affect disclosure behaviour. Consequently, simultaneity and omitted-variable bias may distort reported relationships, while the limited use of advanced econometric techniques reduces confidence in causal interpretations (Salawu et al., 2022; Ogunleye & Adebayo, 2024; Uwuigbe et al., 2023). Overall, the evidence suggests that firm characteristics significantly influence sustainability reporting in Nigeria, but their effects are neither uniform nor independent of broader governance and institutional dynamics. Future research should therefore adopt more integrated and methodologically rigorous approaches capable of capturing these interrelationships and establishing clearer causal inferences.

3.0 Methodological Trends in Nigerian Studies

Methodological approaches in Nigerian research on corporate governance and sustainability reporting are predominantly quantitative, with most studies relying on panel data analysis, multiple regression models, and content analysis-based disclosure indices (Nwobu et al., 2023; Salawu et al., 2022). This reflects the broader positivist orientation in accounting and governance research, which prioritizes statistical testing of relationships between governance variables and disclosure outcomes. While these approaches have generated valuable evidence on patterns and correlations, they also tend to reduce complex organizational and institutional dynamics into measurable proxies such as board size, independence, ownership concentration, and gender diversity.

A consistent finding in this literature is that governance mechanisms are positively associated with sustainability disclosure quality and extent (Adegboye et al., 2022; Uwuigbe et al., 2022; Razaq et al., 2023). However, these studies often provide limited explanation of the mechanisms through which such relationships operate. For instance, while statistical results may show that board independence improves disclosure scores, they rarely clarify whether this reflects genuine accountability, regulatory compliance, stakeholder pressure, reputational concerns, or impression management. Consequently, quantitative studies frequently establish the existence of relationships without adequately explaining their underlying causes or contextual conditions (Ogunleye & Adebayo, 2024; Oyerogba et al., 2024; Ezeani et al., 2024).

Qualitative studies offer a contrasting perspective by revealing that formal governance structures do not always translate into substantive sustainability reporting practices (Adegboye et al., 2022; Ezeani & Oladele, 2023). Evidence from interviews and case-based research suggests that

independent directors may have limited influence in contexts characterized by concentrated ownership, dominant chief executives, or political board connections. In such settings, governance mechanisms may function primarily as symbolic compliance tools, thereby explaining why quantitative studies may observe positive associations that do not necessarily reflect effective oversight. This also aligns with evidence on symbolic disclosure, where firms achieve high disclosure scores based on volume rather than credibility or impact (Salawu et al., 2022; Nwobu et al., 2023).

Beyond firm-level governance, qualitative research highlights the importance of institutional and socio-political factors that are often omitted in quantitative models. Managerial attitudes, organizational culture, regulatory uncertainty, political connections, and informal governance arrangements significantly shape disclosure decisions in ways not easily captured by archival data (Ezeani & Oladele, 2023; Adegboye et al., 2022). These factors help explain inconsistent empirical findings, as firms operating under similar regulatory conditions may still exhibit divergent reporting behaviours due to differences in leadership commitment, stakeholder orientation, and reputational risk perceptions. Additionally, qualitative insights raise concerns about endogeneity, suggesting that firms committed to transparency may self-select stronger governance structures rather than governance structures independently driving disclosure outcomes (Salawu et al., 2022; Ogunleye & Adebayo, 2024; Nwobu et al., 2024).

Despite their value, qualitative approaches remain underrepresented in Nigerian studies, limiting deeper understanding of behavioural and contextual dimensions of sustainability reporting. Recent mixed-method research has begun addressing this gap by integrating statistical analysis with interviews and documentary evidence, offering more nuanced explanations of governance–reporting relationships (Uwuigbe et al., 2023; Oyerogba et al., 2024; Ezeani et al., 2024). Overall, methodological diversity is essential for advancing the field. While quantitative methods identify broad empirical patterns, qualitative approaches clarify mechanisms and contextual influences, often challenging the interpretation of statistically significant relationships. Future research should therefore prioritize mixed-method and longitudinal designs to generate more robust and contextually grounded explanations of sustainability disclosure practices in Nigeria.

The Nigerian literature on corporate governance and sustainability reporting exhibits notable contradictions and inconsistencies. Empirical findings vary considerably, particularly regarding the effects of governance mechanisms and ownership structures on sustainability disclosure (Egbunike & Okerekeoti, 2023; Nwobu et al., 2023). These disparities are largely attributable to differences in research design, sample composition, and measurement proxies, especially in the operationalization of sustainability reporting and governance variables.

Data quality remains a critical concern, as sustainability disclosures in Nigeria are largely voluntary and lack standardization, limiting comparability across firms and studies (Uwuigbe et al., 2022; Salawu et al., 2022). Institutional weaknesses, including regulatory gaps and socio-political influences, further contribute to inconsistent outcomes. Additionally, the evolving nature of governance and sustainability practices introduces temporal dynamics often overlooked in cross-sectional analyses. Collectively, these issues underscore the need for more rigorous, standardized, and context-sensitive research approaches.

4.0 Synthesis and Discussion

The evidence synthesized in this review demonstrates that sustainability reporting in Nigeria is shaped by the interaction of governance mechanisms, ownership structures, institutional conditions, and firm-specific characteristics rather than by any single determinant. Although governance quality is generally associated with enhanced sustainability disclosure, the strength and credibility of this relationship vary considerably across firms and sectors. Governance mechanisms such as board independence, gender diversity, audit quality, and ownership monitoring contribute to improved disclosure by strengthening oversight, reducing information asymmetry, and enhancing managerial accountability (Adegboye et al., 2022; Razaq et al., 2023; Ogunleye & Adebayo, 2024). However, their effectiveness is contingent upon stakeholder engagement, managerial commitment, and disclosure incentives, while institutional factors frequently moderate their influence on reporting outcomes. Consequently, governance structures that appear robust in form do not always translate into substantive reporting improvements, particularly where dominant shareholders or politically connected executives constrain independent oversight (Uwuigbe et al., 2022; Ezeani & Oladele, 2023).

A recurring theme across the literature is that institutional weaknesses influence sustainability reporting through observable disclosure patterns rather than merely through abstract governance deficiencies. Weak regulatory enforcement often results in boilerplate sustainability statements, selective disclosure of favourable ESG outcomes, and limited reporting of adverse impacts, thereby undermining transparency and comparability (Adegboye et al., 2022; Uwuigbe et al., 2022). Political influence and inadequate monitoring further reduce incentives for comprehensive disclosure, while the absence of rigorous assurance mechanisms contributes to substantial variation in reporting credibility across firms and industries (Salawu et al., 2022; Ezeani & Oladele, 2023; Oyerogba et al., 2024). Similarly, the effects of gender diversity, board characteristics, and ownership structures remain context-dependent. Although female board representation, institutional ownership, and foreign ownership generally promote transparency and stakeholder responsiveness, evidence also points to instances of symbolic compliance, suggesting that governance mechanisms affect sustainability reporting indirectly through legitimacy concerns, stakeholder pressures, and managerial incentives rather than through structural arrangements alone (Egbunike & Okerekeoti, 2023; Ibrahim & Danjuma, 2023).

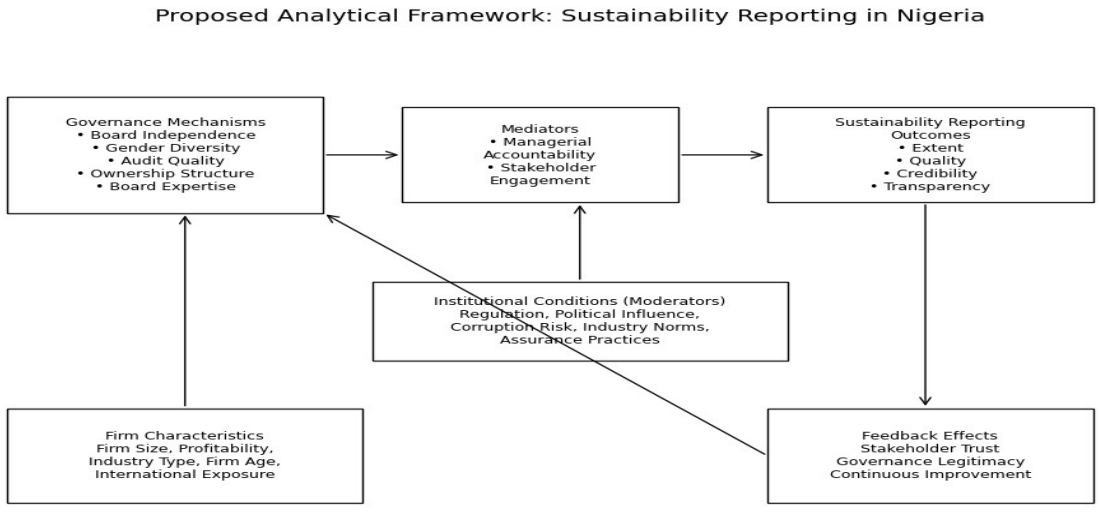
Comparative evidence reveals both convergence and divergence between Nigeria and other emerging economies. Nigerian firms increasingly adopt internationally recognized sustainability reporting frameworks and ESG disclosure practices in response to coercive, normative, and mimetic institutional pressures associated with globalization and international capital markets (FRCN, 2023; Salawu et al., 2022). Nevertheless, significant disparities persist in disclosure quality, assurance practices, and reporting consistency when compared with jurisdictions characterized by stronger enforcement systems. This suggests that while global pressures encourage the adoption of sustainability reporting frameworks, local institutional conditions largely determine whether such reporting remains symbolic or becomes substantively embedded within corporate governance processes.

The findings further support a multi-theoretical explanation of sustainability reporting behaviour. Agency Theory explains the role of governance mechanisms in reducing information asymmetry and managerial opportunism, Stakeholder Theory highlights responsiveness to the demands of investors, regulators, communities, and other stakeholders, Legitimacy Theory explains the use of sustainability reporting to secure social acceptance and reputational benefits, while Institutional

Theory clarifies the influence of regulatory requirements, professional norms, and competitive pressures (Adegboye et al., 2022; Nwobu et al., 2023; Uwuigbe et al., 2022; Ogunleye & Adebayo, 2024). Collectively, these perspectives support an integrated conceptual model in which governance mechanisms board independence, diversity, audit quality, ownership structure, and expertise affect sustainability reporting outcomes through managerial accountability and stakeholder engagement, with institutional conditions serving as moderators and firm-specific characteristics functioning as contextual controls. The model further recognizes a feedback effect whereby improved sustainability reporting enhances stakeholder trust, strengthens governance legitimacy, and reinforces incentives for further governance improvements.

The proposed analytical framework (Figure 1) conceptualizes sustainability reporting in Nigeria as a multidimensional process in which governance mechanisms (board independence, gender diversity, audit quality, ownership structure, and board expertise) shape reporting outcomes through the mediating effects of managerial accountability and stakeholder engagement. These mechanisms influence the extent, quality, credibility, and transparency of sustainability disclosures, while their effectiveness is moderated by institutional conditions such as regulatory enforcement, political influence, corruption risk, industry norms, and assurance practices. Firm-specific characteristics, including firm size, profitability, industry type, firm age, and international exposure, further condition these relationships. The framework also incorporates a feedback mechanism whereby enhanced sustainability reporting strengthens stakeholder trust, reinforces governance legitimacy, and promotes continuous improvements in governance practices. Overall, the review suggests that sustainability reporting in Nigeria is best understood as a dynamic and context-dependent phenomenon shaped by the interaction of governance, institutional, stakeholder, and organizational factors, thereby providing a robust foundation for future empirical inquiry.

Figure 1: Analytical Framework



Research Gaps and Future Research Directions

Despite the growing body of literature, significant research gaps remain. A major limitation is the continued reliance on cross-sectional and short-panel designs, which restrict the ability to establish causal relationships and capture the evolving interplay among governance mechanisms, sustainability disclosures, regulatory reforms, and stakeholder expectations over time. Existing studies acknowledge this methodological weakness and call for longitudinal, quasi-experimental,

and causally oriented research designs capable of generating stronger theoretical and policy-relevant insights within the Nigerian context (Adegboye et al., 2022; Nwobu et al., 2023; Adeyemi & Olowookere, 2022). Equally important is the limited sector-specific focus of current research. The dominance of studies on banking and oil and gas sectors has constrained understanding of industry-level variations in sustainability reporting practices, despite substantial differences in environmental exposure, regulatory pressures, and stakeholder demands across sectors (Oyerogba et al., 2024; Ezeani et al., 2023).

Future research should also extend beyond traditional governance indicators to examine emerging dimensions such as board-level sustainability expertise, ESG committees, and directors' professional competencies, which are increasingly relevant to disclosure quality, transparency, and strategic sustainability integration (Razaq et al., 2023; Salawu et al., 2022). Furthermore, the predominance of quantitative methodologies has limited insight into the behavioural, organizational, and institutional dynamics underlying reporting practices. Greater adoption of qualitative and mixed-method approaches including interviews, case studies, and field-based investigations—would provide richer contextual understanding of managerial motivations and regulatory challenges. Such efforts should be complemented by empirical examination of emerging global sustainability frameworks, particularly the IFRS Sustainability Disclosure Standards, to assess their adoption, implementation challenges, and implications for reporting quality in Nigeria (FRCN, 2023; Uwuigbe et al., 2022; Omodero & Erah, 2023). Collectively, these directions offer a pathway for advancing both the theoretical sophistication and practical relevance of sustainability reporting research in Nigeria.

Policy and Practical Implications

As a systematic synthesis of existing literature rather than a primary empirical investigation, the implications of this review should be interpreted as evidence-informed insights rather than definitive policy prescriptions. The findings suggest that sustainability reporting quality in Nigeria is frequently associated with the strength of governance arrangements, regulatory enforcement, and stakeholder engagement. For regulatory institutions, particularly the SEC and FRCN, the literature highlights a persistent gap between formal reporting requirements and actual disclosure practices, manifested through selective reporting, boilerplate disclosures, and variations in reporting credibility. While these patterns indicate the potential importance of stronger compliance monitoring, disclosure guidance, enforcement capacity, and assurance mechanisms, the existing evidence remains insufficient to determine which regulatory approaches are most effective, thereby necessitating further empirical evaluation.

For corporate boards and senior management, the review indicates that governance attributes such as board independence, diversity, audit quality, and sustainability expertise are often linked to improved disclosure practices. However, the evidence also reveals substantial variation across firms, suggesting that formal governance structures alone are insufficient to guarantee credible and decision-useful sustainability reporting. Rather, governance effectiveness appears to depend on how well organizational structures align with stakeholder expectations, strategic objectives, and reporting requirements. Similarly, investors, civil society organizations, and other stakeholders emerge as important drivers of transparency through mechanisms such as institutional ownership, shareholder activism, media scrutiny, and advocacy. Yet, the literature provides limited evidence regarding the relative effectiveness of these mechanisms, highlighting an important area for future research.

At a broader level, the review underscores that sustainability reporting outcomes are shaped not only by firm-level governance arrangements but also by the wider institutional environment, including regulatory effectiveness, political influence, accountability structures, and implementation consistency. Although the literature increasingly points to convergence with international ESG reporting standards, it simultaneously suggests that formal adoption of reporting frameworks does not necessarily translate into substantive implementation. Consequently, policymakers may need to focus on strengthening reporting quality, comparability, assurance, and stakeholder confidence alongside the development of reporting standards. Overall, the principal contribution of this review lies in identifying recurring patterns, theoretical insights, and empirical gaps within the Nigerian literature, demonstrating that meaningful improvements in sustainability reporting are likely to depend on the interaction of governance mechanisms, stakeholder pressures, regulatory systems, and institutional conditions, thereby requiring a holistic and context-sensitive approach to policy and practice.

5.0 Conclusion

This study systematically reviewed and synthesized the Nigerian literature on corporate governance and sustainability reporting, integrating empirical findings, theoretical perspectives, and methodological approaches. The evidence reveals that sustainability reporting is shaped by a complex interplay of governance mechanisms, ownership structures, institutional conditions, and firm-specific characteristics rather than by any single determinant. Although sustainability reporting has become increasingly visible among Nigerian firms, its development remains uneven and highly context-dependent. While many organizations have embraced international reporting frameworks and ESG disclosure practices, the literature consistently indicates that such adoption is often constrained by weak enforcement, inconsistent disclosure quality, selective reporting, and symbolic compliance. Consequently, convergence with global sustainability reporting norms appears largely procedural in many instances, with disclosures frequently serving legitimacy-seeking purposes rather than providing comprehensive representations of environmental, social, and governance performance.

The review further demonstrates that governance mechanisms (including board independence, gender diversity, audit quality, and ownership structure) are important but insufficient predictors of sustainability reporting outcomes. Their influence is mediated and moderated by broader institutional realities, including regulatory effectiveness, political influence, accountability structures, and socio-economic conditions. From a theoretical perspective, the findings challenge the adequacy of any single explanatory lens. While Agency Theory explains monitoring and accountability functions, Stakeholder, Legitimacy, and Institutional Theories provide critical insights into the pressures, expectations, and constraints shaping disclosure behaviour. The evidence therefore supports a multi-theoretical interpretation in which firms simultaneously respond to efficiency considerations, stakeholder demands, legitimacy concerns, and institutional pressures, particularly in contexts where symbolic reporting and institutional decoupling remain prevalent.

The principal contribution of this review lies in its integration of fragmented evidence into a coherent analytical framework that clarifies areas of convergence, inconsistency, and methodological limitation within the Nigerian literature. In doing so, it highlights persistent gaps, including the limited use of longitudinal and causal research designs, inadequate attention to disclosure quality relative to disclosure quantity, underutilization of qualitative and mixed-method approaches, and insufficient examination of symbolic compliance and institutional decoupling as

central explanatory phenomena. Overall, the findings suggest that sustainability reporting in Nigeria should be understood as an evolving and contested process shaped by the interaction of governance structures, institutional environments, and organizational incentives. Future research should therefore move beyond simple governance–disclosure associations and focus on the mechanisms through which sustainability reporting is implemented, interpreted, and potentially decoupled from underlying corporate practices, thereby advancing both theoretical development and empirical understanding in Nigeria and comparable emerging economies.

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