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SUSTAINABILITY DISCLOSURES AND TAX AGGRESSIVENESS OF QUOTED DEPOSIT MONEY BANKS IN NIGERIA

ADETUNDE, ADEDOTUN; &
OKOUGHENU, SUNDAY AZEITA (Ph.D)
Department of Accounting and Finance, Faculty of Management Sciences, Ajayi Crowther University, Oyo, Oyo State, Nigeria.
Corresponding Author: azetasunny@gmail.com
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Abstract

This research investigated the effect of sustainability disclosures on tax aggressiveness in quoted Deposit Money Banks (DMBs) in Nigeria. The study adopted judgmental sampling technique to select a sample size of eight (8) banks from the period 2016 to 2025 making ten (10) years. Data collected from the banks were analysed with multiple regression technique and it was found that environmental, social, economic and governance sustainability disclosures have positive and significant effect on tax aggressiveness in quoted DMBs in Nigeria. The research concluded that quoted DMBs in Nigeria hide under the sustainability disclosures to engage in tax aggressiveness because increase environmental, social, economic and governance sustainability disclosures have led to increase in tax aggressiveness. Hence, it is recommended to the stakeholders of quoted DMBs in Nigeria particularly the government that there should be need to engage on continuous sustainability tax audit, strictly enforcement of tax laws and punish those who engage in tax aggressiveness practices. In addition, the shareholders should strengthen the internal control mechanisms of the banks to help detect and minimse the chance of tax aggressiveness to reduce the risk of government punishment.

Keywords: Effective tax rate, Environmental sustainability disclosures, Economic sustainability disclosures, governance sustainability disclosures, Social sustainability disclosures.

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Introduction

In the new global tax economy, tax aggressiveness has become a central issue for stakeholders' concern. In fact, tax aggressiveness is about paying lesser tax using accounting measures deliberately by companies. Tax aggressiveness is a deliberate attempt by firms to reduce their tax obligations or liabilities using various accounting strategies (Liao, *et al,* 2025) to meet a specified motive. Tax aggressiveness is an action in an effort to reduce the tax burden imposed on companies through tax planning in the form of legal (tax avoidance), illegal (tax sheltering or evasion) or both (Pham, *et al*., 2024). Tax aggressiveness also assessed on how much a company takes tax avoidance steps by utilizing gap in tax regulations that result in the non-achievement of the state's goal to maximize earnings. Tax aggressiveness can potentially benefit as well as harm a firm and its stakeholders.

Corporate entity may engage in tax aggressiveness through sustainability activities like environmental, social, economic and governance. Sustainability performance is the amount of involvement on disclosure of corporate environmental, social, economic and governance by a business organisation. Business activities like tax aggressiveness may be affected by sustainability disclosures (Wang, *et al.,* 2025). Therefore, understanding how tax aggressiveness related with sustainability performance is important for several reasons, affecting various types of stakeholders, regulators, capital providers, society and reputation. As companies pursue to attain higher market share growth, the alignment and commitments to tax disclosures with sustainability disclosures is significant and vital.

Statement of the Problem

Although, the research regarding tax aggressiveness has considerably expanded in recent years, relevant gaps remains; particularly the extent sustainability disclosures relate to tax aggressiveness. For instance, apart from the mixed finding documented by Ijoma and Orjinta (2024) on the how corporate social disclosures drives tax aggressiveness, Olarinde, *et al* (2024) provided empirical evidence on how environmental and economic sustainability disclosures drive tax aggressiveness but leaving social, economic and governance disclosures which are important elements of sustainability disclosures. Therefore, this create possible gap this research filled by providing empirical on the effect of sustainability disclosures (proxy with environmental, social, economic and governance) on tax aggressiveness in Nigerian quoted deposit money banks.

Research Questions

i. How do environmental sustainability disclosures affect tax aggressiveness of quoted DMBs in Nigeria?

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ii. What effect does social sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria?
iii. How do economic sustainability disclosures affect tax aggressiveness of quoted DMBs in Nigeria?
iv. To what extent does governance sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria?

Objectives of the Study

This research generally aimed at investigating the effect of sustainability disclosures on tax aggressiveness of quoted DMBs in Nigeria. Specifically, this research aimed at:

i. examine the effect environmental sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria.
ii. assess the effect social sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria.
iii. determine the effect economic sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria.
iv. evaluate the effect governance sustainability disclosures have on tax aggressiveness of quoted DMBs in Nigeria.

Research Hypotheses

Ho_1: Environmental sustainability disclosures do not have significantly effect on tax aggressiveness of quoted DMBs in Nigeria.
Ho_2: Social sustainability disclosures do not have significant effect on tax aggressiveness of quoted DMBs in Nigeria.
Ho_3: Economic sustainability disclosures have no significant effect on tax aggressiveness of quoted DMBs in Nigeria.
Ho_4: Governance sustainability disclosures have no significant effect on tax aggressiveness of quoted DMBs in Nigeria.

Tax Aggressiveness

There are many definitions of tax aggression exist within accounting literature. These definitions were focused on a similar concept, namely, tax aggression within legal parameters. As defined by Okoh, *et al.,* (2025), tax aggressiveness as a strategy aimed at minimising tax income through planning, employing tactics which may be either legitimate or illegitimate. Tax aggressiveness may be advantageous or disadvantageous to the company. For instance, Pavlou, *et al.,* (2025) stated that tax aggressiveness can increase shareholders' earnings but have adverse consequences on the business in case of sanctions imposed by tax authorities. According to Saragih *et al*. (2021), tax

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aggressiveness can be quantified through various methodologies which include book-tax difference, Desai and Dharmapala book-tax difference, Manzon and Plesko book-tax difference, and effective tax rate. But this research considered effective tax rate as measure of tax aggressiveness because according to and Monday, *et al* (2025) and Yanto, *et al.,* (2025), effective tax rate provided a detain disclosure of the extent at which current tax expenses related to net profit before tax.

Sustainability Disclosures

The concept of sustainability disclosures have been considered by many researchers in different dimensions. For instance, according to Okoh, *et al.,* (2024), sustainability requires a fundamental integration into corporate strategy and culture, which is difficult to capture through standardized disclosures. According to Wang, *et al.,* (2025), sustainability disclosures involves providing information on the financial statements on environmental, social and governance activities of a business entity.

The environmental disclosure according to Augoye, *et al.,* (2025) is a form of corporate responsibility to the society as a result of activities which emerging a negative impact on the environment. The term 'environmental disclosure' is defined as the process through which the information was presented on the environmental obligations, which are resulting from a corporate daily activities (Anggraeni, 2023). According to Ijoma and Orjinta (2024), environmental sustainability is the art or science of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Meanwhile, environmental disclosure is as the accountability of fulfilling the information needs of the company for investors, shareholders, customers, and other parties.

Social sustainability disclosures represent a holistic business model wherein a company proactively integrates ethical, social, and environmental considerations into its core strategic operations and decision-making processes (Dzugwahi & Ola, 2024). With actively involved in the activities of social responsibility, the company can increase their positive image emerge to the society. Also, social sustainability disclosures can bring advantage to the companies with having increasing number of investors invest in the company and attract more supplier cooperates with them (Nwaobia & Omoniyi, 2025).

Governance sustainability disclosures involve providing information about a business entity's core operational and strategic frameworks on corporate governance (Naeem, *et al.,* 2022).

Economic disclosure involves maximizing returns for shareholders, but with a forward-looking perspective that considers the economic needs of future generations (Dzugwahi & Ola, 2024). Furthermore, economic responsibility extends beyond mere profit to encompass ethical economic conduct, including adherence to anti-corruption norms and

protecting the moral rights of all stakeholders, thereby ensuring that financial success is not achieved at the expense of ethical compromise (Asmoro, *et al.,* 2024).

Theoretical Review

There are a lot of theories that prior studies used to explain sustainability disclosures and tax aggressiveness. However, this research is underpinned in stakeholders' theory and legitimacy theory. In 1984, stakeholder theory was propounded by Freeman, postulating that organizations should be accountable to the stakeholders (Qaderi, *et al.,* 2023). Stakeholders' theory suggests that a diverse skill set is linked to an independent board, know-how, background and participants which could resolve the dispute between the diverse interests of stakeholder groups and thus assist preserve the equilibrium between the monetary and non-monetary goals of businesses (Akwuobi, 2022). Furthermore, stakeholders' theory assumed that a business entity should have balance relationship between stakeholders with their various interests in the business.

Legitimacy theory can also be used to explain and understand why business organization engaged in sustainability reporting (Zarefar *et al.,* 2022). Legitimacy theory postulated that stakeholders' expectations and the norms must be met by the organizations. Therefore, corporate sustainability disclosures by organization can be used to demonstrate that the expectations and norms are met and this can be done by organsation providing information about their environmental, social and governance activities which in turn enhanced their reputation and legitimacy (Shaban & Barakat, 2023). Legitimacy theory suggests that corporate sustainability disclosures by business organisation not only fulfill an ethical obligation which could be inform of avoiding tax aggressiveness (Sohag & Apsara, 2024).

Empirical Review

The three pillars of sustainability performance "ESG" was examined by Mitroulia, *et al* (2025) and the study focused on how it influence tax aggressiveness (TA) of 125 observations from 33 articles covering the period 2012–2023. It was proved by meta-regression that both ESG and TA indicators account for the different findings of the primary studies. On the finding of the meta-regression, it proved that small-to-moderate association between ESG and TA, suggesting that companies tend to separate ESG strategies from TA which required for more measurement practices consistently. Also, from 39 countries during the period of 2000–2023, board characteristics was examined by Pavlou, *et al* (2025) and the study focused on how it affects tax avoidance and the moderating role of industry regulation on the effect. The regression analysis demonstrated that higher board size is significantly associated with higher effective tax rates, thus implying that there was a decrease in tax avoidance. Furthermore, in Nigeria

over the period 2009 to 2023, board characteristics were explored by Isaac, *et al.*, (2025) to investigate how it relates with tax avoidance in listed industrial goods companies. Board size was found by the study to significantly influenced firms' tax avoidance practices among the companies. A sample of 60 firms in Nigeria were used to investigate tax planning by Akpan, *et al* (2025) and the study focused on how it is affected by board attributes from the period 2015–2024. The regression result indicated that tax planning is not significantly impacted by board size.

Corporate social responsibility disclosure was examined by Ijoma and Orjinta (2024) and the study focused on how it affected tax avoidance of listed manufacturing firms in Nigeria from 2013 to 2022. A sample of 50 manufacturing firms were drawn from a population of fifty-nine (59) listed manufacturing firms in Nigeria and ex- post facto research design and cross sectional data analysis was adopted by the study. The regression analysis revealed that employee relation information disclosure and customer relation information disclosure have positive but insignificant effect with tax avoidance. In the same vein, social donation and gifting information disclosure have positive and significant effect on tax avoidance. Contrarily, it was further revealed by the result that employee health and safety information disclosure has negative and non-significant effect on tax avoidance. Also, sustainability disclosure was assessed by Olarinde, *et al* (2024) and the study focused on how it affects tax aggressiveness among listed multinational companies in Nigeria. The study used panel data with fixed effects regression model and the results showed that tax aggressiveness measured by non-debt tax shields (NDTS) is positively and significantly affected by environmental sustainability disclosure.

Furthermore, twelve (12) quoted oil and gas firms in Nigeria was used to examine tax aggressiveness by Okoh and Orjinta (2024) and the study focused on how it is been influenced by corporate social responsibility from 2014 - 2023. The result of the fixed effect regression proved that environmental cost negatively and insignificantly affects tax aggressiveness. Again, data were collected from ten (10) transportation and logistics firms listed in Indonesia to investigate tax avoidance by Rahmi and Novriadi (2024) and the study focused on how it is affected corporate governance mechanisms from 2016 to 2020. The OLS regression analysis indicated that tax avoidance proxy with ETR was not significantly related with corporate social responsibility. In the same vein, corporate environmental, social and governance was examined by Asmoro, *et al* (2024) and the study focused on how it affects tax aggressiveness in basic materials and energy sector companies listed on the Indonesia and Malaysian stock exchanges between 2018 and 2019. It was revealed by the study that the effectiveness of ESG disclosure in mitigating tax aggressiveness varies depending on the specificity and clarity of reporting standards.

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Moreover, tax aggressiveness from twelve (12) listed Nigerian oil and gas companies was examined by Okoh, *et al* (2024) and the study focused on how it is influenced by corporate social responsibility from 2014 to 2023. The result of the panel least squares regression demonstrated that tax aggressiveness is negatively and insignificantly related with environmental costs. In Indonesia, 23 listed mining companies between 2019 and 2022, financial performance, green accounting, and corporate social responsibility (CSR) was examined by Ivanda, *et al* (2024) and the study focused on how it affects tax avoidance. This study employed multivariate correlational methods and the result revealed financial success increases tax avoidance more than green accounting. Also, the result revealed that CSR which affects corporate tax avoidance is also improved by green accounting. Furthermore, it was revealed that CSR mediates the relationship between green accounting and tax avoidance, not financial success and tax avoidance. From Nigeria, data from 73 quoted non-financial firms were used to assess tax aggressiveness and corporate governance by Lawrence and Gospel (2024) from the period 2009 to 2020. The regression results of the GMM indicated that tax avoidance is related negatively and insignificantly with board size.

The three dimensions of corporate social responsibility (CSR) disclosures were examined by Anggraeni and Palupi (2023) and the study looked into how it influenced tax aggressiveness of 72 manufacturing companies listed on the Indonesia Stock Exchange for 2019 – 2021. The multiple regression analysis revealed that tax aggressiveness is not positively significantly affected by environmental performance. From 2011 to 2020, tax incentives were investigated by Zhu *et al.* (2023) and the study focused on how it related with corporate ESG performance. The study used a two-way fixed effects model, and the result revealed corporate ESG performance is positively and significantly enhanced by tax incentives granted to Shanghai and Shenzhen A-share listed companies.

Methodology

This research adopted *Ex-post facto* research design because the design helped the study to make use of historical data to examine the effect of sustainability disclosures on tax aggressiveness of quoted DMBs in Nigeria. The population of this research is twenty-four (24) quoted DMBs on the NXG as at 31st December, 2025. This study adopted Ewododhe (2011) formula and filtration approach to select a sample size eight (8) from the total population. This research employed descriptive statistics and ordinary least square regression technique for the data analysis. The research adapted the model specified by Chen *et. al.* (2019) and the original model is as followed:

$$ETR_{it} = \beta_o + \beta_1 INST_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 ROA_{it} + \beta_5 CSR_{it} + \varepsilon it \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.1)$$

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Where: ETR = Effective Tax Rate, SIZE= Firm Size, INST = Institutional Ownership, ROA = Return on Asset, LEV = Firm Leverage, CSR = Corporate Social Responsibility, $\beta_o - \beta_{it}$ = coefficient of the regression, I = number of multinational companies, t = number of years, and Ɛ= Error term. For the purpose of achieving the stated of objectives of the research, the model is modified as followed:

$$ETR_{it} = \beta_o + \beta_1 ESD_{it} + \beta_2 SSD_{it} + \beta_3 GSD_{it} + \beta_4 EcSD_{it} + \varepsilon it \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.1)$$

Where: ETR = Effective Tax Rate, ESD= Environmental Sustainability Disclosures, SSD= Social Sustainability Disclosures, GSD= Governance Sustainability Disclosures, EcSD= Economic Sustainability Disclosures, $\beta_o - \beta_{it}$ = coefficient of the regression, I = number of quoted DMBs, t = number of years, and Ɛ= Error term.

Table 3.1 Measurement of Variables

Variable	Type	Proxy and Measurement	Sources
Tax Aggressiveness	Dependent Variable	ETR = Current tax expenses divide net profit before tax.	Monday, *et al* (2025)
Sustainability Performance	Independent Variable	Economic Sustainability Performance: this measured using indicators such as economic value added (EVA), revenue diversification, and stakeholders' engagement in economic decision making.	Triwacananingrum and Wijaya (2022)
		Environmental Sustainability Performance: This measured using indicators relating to environmental impact reduction, resource conservation, and sustainable production practices. Social Sustainability Performance: This measured using indicators relating to social responsibility, human right, employee welfare, and community engagements. Governance Sustainability Disclosures: This measured using indicators relating to size of the board.	Saeed, *et al.,* (2025)

Source: Authors' Compilation (2026)

Table 4.1 Descriptive Statistics

	ETR	GSD	ESD	SSD	EcSD
Mean	0.027333	6.244444	4.036364	3.211818	12.03033
Median	0.035	7	2.360000	3.450000	17.01012
Maximum	0.07	9	16.08000	9.020000	22.00923

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	ETR	GSD	ESD	SSD	EcSD
Minimum	0.01	4	8.460000	5.050000	10.02272
Std. Dev.	0.01602	1.392686	3.891858	0.028334	9.918383
Observations	80	80	80	80	80

Source: Authors' Computation (2026)

Table 4.1 and it showed that effective tax rate has an average value of 0.027, maximum value of 0.07, minimum value of 0.01 and standard deviation of 0.016. This implies that some of the banks indicate exceptionally high tax aggressive, revealing differences in the involvement. The average number of governance sustainability disclosures (GSD) is six (6) indicating average, maximum and minimum numbers 9 and 4 respectively indicating that the banks do not reported the same disclosure of governance sustainability. This is confirmed by the standard deviation which showed approximately 1 member among the size of the board in the sampled banks. Also, environmental sustainability disclosures (ESD) have an average of 4.04, though certain companies indicate exceptionally high scores, revealing differences in environmental involvement. In comparison, the social sustainability disclosures (SSD) achieved an average score of 3.21, showing minimal differences among quoted DMBs, indicating that banks are more uniform in their social responsibility efforts than in environmental activities. The economic sustainability disclosures (EcSD) have averages approximately N12.03Billion, maximum value of N22.00Billoion, minimum value of N10.02Billion and standard deviation of N9.91Billion. This showed significant variability and extreme outliers.

Table 4.2 Correlation Results

	ETR	GSD	ESD	SSD	EcSP
ETR	1.000				
GSD	.229*	1.000			
	(0.022)				
	(0.026)	(0.099)			
ESD	.162*	.298*	1.000		
	(0.000)	(0.033)			
SSD	.180*	.119*	.141*	1.000	
	(0.027)	(0.000)	(0.000)		
EcSD	-.231	.181*	.237*	-.123*	1.000
	(0.099)	(0.012)	(0.022)	(0.000)	

Source: Authors' Computation (2026). Note: * denotes significance at 5%

Table 4.2 showed that in Nigerian quoted DMBs, effective tax rate (ETR) is positively correlated with governance sustainability disclosures (GSD) with correlation coefficient

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value (r=0.229). This implies that an increase in governance sustainability disclosures lead to increase in tax aggressiveness by the DMBs. Furthermore, the result showed the correlation between environmental sustainability disclosures (ESD) and ETR is positive and significant with correlation coefficient value of (r=0.162). This means that increase in environmental sustainability disclosures exhibited increase in tax aggressiveness of DMBs in Nigeria. Also, the correlation between social sustainability disclosures and ETR is positive and significant with correlation coefficient value of (r=0. 180). This means that increase in social sustainability disclosures exhibited increase in tax aggressiveness of quoted DMBs in Nigeria. Moreover, the correlation between economic sustainability disclosures (EcSD) and ETR is negative and significant with correlation coefficient value of (r= -0.231). This means that increase in economic sustainability disclosures exhibit decrease in tax aggressiveness of quoted DMBs in Nigeria. The level of correlation between the variables is showed that the variables are within the maximum of 0.229 and -0.231. This suggests that there is absence of serial correlation between the variables because according to Peck, *et al* (2015), there will be presence of serial correlation if correlation coefficient values are between 1 and 0.5.

Table 4.3 Sustainability Disclosures and Tax Aggressiveness

	Pooled OLS			Fixed Effect			Random Effect		
Variable	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.
C	0.025079	3.505151	0.0007	0.027203	2.661481	0.0094	0.026438	2.791242	0.0064
ESD	2.093373	1.844848	0.0337*	1.258878	1.432990	0.0229*	0.102809	2.012777	0.0000*
SSD	1.099873	1.903642	0.0000*	1.543998	1.321100	0.0000*	0.291337	1.382919	0.0000*
EcSD	1.227162	1.283940	0.0000*	1.917273	1.991722	0.0087*	0.291820	1.873322	0.0000*
GSD	0.023231	1.474213	0.0001*	0.002568	0.802706	0.0008*	0.002809	1.012126	0.0001*
R-squared	0.524101			0.518056			0.511635		
Adjusted R-squared	0.013012			0.044393			0.030403		
S.E. of regression	0.015915			0.012971			0.012899		
Sum squared resid	0.02929			0.013292					
Log likelihood	225.9507			269.215					
F-statistic	2.173304			1.675199			1.035899		
Prob(F-statistic)	0.00000			0.000002			0.00001		
Durbin-Watson stat			1.256487			1.098043			1.307459
Hausman Test									
		Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.					
		0.52303	5	0.0024					

Source: Authors' Computation (2026). Note:* denotes significance at 5%.

Table 4.3 is regression result of on the effect of sustainability disclosures (proxy with environmental, social, economic and governance disclosures) on tax aggressiveness of quoted DMBs in Nigeria. The result of the F-statistics and probability values pooled OLS, FE and RE are 1.173 (0.000), 1.675 (0.000) and 1.036 (0.000) respectively. The regressors have the power of explaining 52%, 45% and 51% for Pool, FE and RE results respectively of the changes in effective tax rate (ETR) of the banks. The Hausman Test probability less than 5%, chi-square =0.52303, probability val. = 0.0024 allowed this study to choose fixed effect model as a preferred one over random effect model for the interpretation.

In that sense, environmental sustainability disclosures have positive and significant effect on tax aggressiveness with a coefficient of 0.103 and p-val. of 0.000 less than 5%. This implies that holding all other factors constant, a 1% increase in the score of environmental sustainability disclosures leads to a 0.103% increase in tax aggressiveness of the quoted DMBs in Nigeria. This finding highlights the fact that the quoted DMBs investment more on environmental activities to engage in tax aggressiveness. Hence, increase in the environmental sustainability disclosures would suggest increase tax aggressiveness of the quoted DMBs. Therefore, this research rejects the null hypothesis one ($H0_1$) which stated environmental sustainability disclosures do not have significantly effect on tax aggressiveness of quoted DMBs in Nigeria.

Also, social sustainability disclosures have positive and significant effect on tax aggressiveness with a coefficient of 0.291 and p-val. of 0.000 less than 5%. This implies that holding all other factors constant, a 1% increase in the score of social sustainability disclosures leads to a 0.291% increase in tax aggressiveness of the quoted DMBs in Nigeria. This finding highlights the fact that the quoted DMBs investment more on social activities to engage in tax aggressiveness. Hence, increase in the social sustainability disclosures would suggest increase tax aggressiveness of the quoted DMBs. Therefore, this research rejects the null hypothesis two ($H0_2$) which stated social sustainability disclosures do not have significant effect on tax aggressiveness of quoted DMBs in Nigeria.

Furthermore, economic sustainability disclosures have positive and significant effect on tax aggressiveness with a coefficient of 0.292 and p-val. of 0.000 less than 5%. This implies that holding all other factors constant, a 1% increase in the score of economic sustainability disclosures leads to a 0.291% increase in tax aggressiveness practice among the quoted DMBs in Nigeria. This finding highlights the fact that the DMBs banks investment more on economic activities to engage in tax aggressiveness. Hence, increase in the social sustainability disclosures would suggest increase tax aggressiveness of the quoted DMBs. Therefore, this research rejects the null hypothesis three ($H0_3$) which stated economic sustainability disclosures do not have significant effect on tax aggressiveness of quoted DMBs in Nigeria.

Moreover, governance sustainability disclosures have positive and significant effect on tax aggressiveness with a coefficient of 0.003 and p-val. of 0.000 (less than 5%). This implies that holding all other factors constant, a 1% increase in governance sustainability disclosures leads to a 0.003% increase in tax aggressiveness of the quoted DMBs in Nigeria. This finding highlights the role plays by the board of directors in formulating policies and strategies that will enhance the financial performance of bank. Hence, increase in the governance sustainability disclosures would suggest formulating policies and strategies that increases tax aggressiveness of the DMBs. Therefore, this research

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rejects the null hypothesis four (Ho_4) which stated governance sustainability disclosures do not significantly affect to tax aggressiveness of quoted DMBs in Nigeria.

Discussion of Findings

The first objective of this research examined the effect of environmental sustainability disclosures on tax aggressiveness of quoted deposit money banks in Nigeria. The result showed that environmental sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. This finding is not consistent with the stakeholders' theory which posits emphasises on the needs, consideration of the interests and influence of the parties involved in the company with the policies and operations of the company (Qaderi, *et al.,* 2023). Engaging in tax aggressiveness is a reflection of the government and the general public has been sideline in the chain of stakeholders' expectation. Therefore, this finding revealing that the more the quoted DMBs invest on environmental activities, the more they engage in tax aggressiveness is against the positive prediction of the stakeholders' theory. Empirically, this finding agreed with the study of Olarinde, *et al* (2024) who showed that tax aggressiveness is positively and significantly affected by environmental sustainability disclosure. However, this finding is not consistence with the result obtained by Okoh and Orjinta (2024) that proved that environmental cost negatively and insignificantly affects tax aggressiveness in Nigeria.

The second objective of this research examined the effect of social sustainability disclosures on tax aggressiveness of quoted deposit money banks in Nigeria. The result showed that social sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. This finding is not consistent with the stakeholders' theory which posits emphasises on the needs, consideration of the interests and influence of the parties involved in the company with the policies and operations of the company (Qaderi, *et al.,* 2023). Engaging in tax aggressiveness is a reflection of the government and the general public has been sideline in the chain of stakeholders' expectation. Therefore, this finding revealing that the more the quoted DMBs invest on social activities, the more they engage in tax aggressiveness is against the positive prediction of the stakeholders' theory. Empirically, this finding agreed with the study of Ijoma and Orjinta (2024) in Nigeria who showed that social donation and gifting information disclosure have positive and significant effect on tax avoidance. However, this finding is not consistence with the result obtained by Rahmi and Novriadi (2024) who indicated that tax avoidance proxy with ETR was not significantly related with corporate social responsibility.

The third objective of this research examined the effect of economic sustainability disclosures on tax aggressiveness of quoted DMBs in Nigeria. The result showed that economic sustainability disclosures have positive and significant effect on tax

aggressiveness of quoted DMBs in Nigeria. Theoretically, this finding is not consistent with the stakeholders' theory which posits emphasises on the needs, consideration of the interests and influence of the parties involved in the company with the policies and operations of the company (Qaderi, *et al.,* 2023). Therefore, this finding revealing that the more the quoted DMBs invest on economic activities, the more they engage in tax aggressiveness is against the positive prediction of the stakeholders' theory. Empirically, this finding agreed with the study of Olarinde, *et al* (2024) in Nigeria who showed that tax aggressiveness measured by non-debt tax shields (NDTS) is positively and significantly affected by economic sustainability disclosure. However, this finding is not consistence with the result obtained by Rahmi and Novriadi (2024) and Anggraeni and Palupi (2023) in Indonesia who indicated that tax avoidance proxy with ETR was not significantly related with corporate social responsibility.

The forth objective of this research examined the effect of governance sustainability disclosures on tax aggressiveness of quoted DMBs in Nigeria. The result showed that governance sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. Theoretically, this finding is not consistent with the stakeholders' theory. Empirically, this finding agreed with the study of Pavlou, *et al* (2025), Isaac, *et al.*, (2025), Pham, *et al* (2024), Odunsi, *et al.*, (2024), Sanni *et al.,* (2024) who found that higher governance sustainability disclosures is significantly associated with higher effective tax rates. However, this finding is not consistence with the result obtained by Akpan, *et al* (2025) and Lawrence and Gospel (2024) concluded that tax avoidance is related negatively and insignificantly with governance sustainability disclosures.

Conclusion

This research investigated the effect of sustainability disclosures on tax aggressiveness of quoted DMBs in Nigeria. Hence, the research concluded environmental sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. This means that increase in the score of environmental sustainability disclosures exhibited an increase in tax aggressiveness practice of the quoted DMBs in Nigeria. It highlights the fact that the more the quoted DMBs invest on environmental activities, the more they engage in tax aggressiveness in Nigeria. Also, social sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. This means that increase in the score of social sustainability disclosures leads to increase in tax aggressiveness of the quoted DMBs in Nigeria. This highlights the fact that the quoted DMBs in Nigeria investment more on corporate social activities to engage in tax aggressiveness. Hence, increase in the social sustainability performance would suggest increase tax aggressiveness of the quoted DMBs in Nigeria.

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Furthermore, economic sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. This means that increase in the score of economic sustainability disclosures leads to increase in tax aggressiveness of the quoted DMBs in Nigeria. This highlights the fact that the quoted DMBs in Nigeria investment more on economic activities to engage in tax aggressiveness. Hence, increase in the economic sustainability performance would suggest increase tax aggressiveness of the quoted DMBs in Nigeria. More, governance sustainability disclosures have positive and significant effect on tax aggressiveness of quoted DMBs in Nigeria. Meaning that increase in number of the size of the board heighten tax aggressiveness practice among the quoted DMBs in Nigeria. This might be the attributed to the role plays by the board of directors in formulating policies and strategies that will encourage tax aggressiveness that will enhance the financial performance of bank.

Recommendations

This research recommended to the stakeholders of quoted DMBs in Nigeria particularly the government that there is need to engage on continuous sustainability tax audit, strictly enforce tax laws and punish those who engage in tax aggressiveness practices. In addition, the shareholders should strengthen the internal control mechanisms of the banks to help detect and minimse the chance of tax aggressiveness to reduce the risk of government punishment.

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