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The Impact of Sustainability Accounting and Reporting on Firm Value-A Case of Listed Companies on Lusaka Stock Exchange

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ABSTRACT
There is a growing interest among stakeholders on the subject of Sustainability Accounting and Reporting (SAR). Literature based on SAR has reviewed that there exists a relationship between SAR practices and firm value. However, this has not been confirmed on the listed companies at Lusaka Stock Exchange (LuSE). The aim of this research was to investigate the impact of SAR on firm value, focusing on companies listed on the LuSE. The Overall objective of this research was to drive positive change, improve company performance, and ensure that companies operate in a socially, environmentally and economically responsible manner. This objective was achieved by three specific objectives firstly by examining the SAR practices among LuSE listed companies in Zambia, secondly by analyzing the relationship between SAR and firm value and lastly by identification of the key drivers to implementing SAR practices among LuSE listed companies. In doing so, the study adopted a quantitative approach to collect and analyze data. The results revealed that the level of sustainability practices has been increasing over time. However there has been gaps with regards to smaller firms which are still struggling with financial stamina. It was also found that SAR has impacted firm value and overall firm performance. A weak correlation was observed which was also significantly tested at 5% confidence level. The findings indicate that a weak association between the dependent variable Return on Assets (ROA) and the independent variables that is environmental and social sustainability indicators with overall mean of 0.164 and SD= 0.169. Based on the model, it was revealed that environmental and social sustainability indicators played a pivotal role in firm value. These results show that corporate sustainability reporting index has positive and significant impact on firm performance for the listed companies on LuSE. The main drivers of SAR practices were firm size, media visibility and ownership structure and these have been important with regards to disclosure of sustainability reports, while corporate governance only seems to have an influence on the existence of audit or sustainability committees. Therefore, it was recommended that there is need to educate and improve SAR awareness among LUSE listed companies and beyond in order to achieve sustainable development for all stakeholders.

Keywords: *sustainability, sustainability accounting and reporting, firm value, lusaka security exchange, environmental sustainability, social sustainability*

I. INTRODUCTION

In today's business world, preparation of traditional financial statements alone is not useful since it only focuses on financial data hence, the need to incorporate sustainability accounting and reporting (SAR) (Ozili, 2022; Alshehhi, Nobanee and Khare, 2018). SAR is considered a sub category of financial accounting that focuses on the disclosure of non-financial information. SAR Connects companies and strategies from a sustainable framework, by publishing information in three-dimension namely (environmentally, economically and socially) (Yondrichs *et al.*, 2021, 2021; Ozili, 2022). Sustainability accounting stems from the need to ensure that accounting promotes the continuity of society and the environment (Ibid). This concern led to the early development of sustainability accounting (Gebel *et al.*, 2020; Ozili, 2022). This means that companies are now responsible for measuring and reporting non-financial information in addition to financial information. For example, a company can report on its greenhouse gas emissions, diversity and inclusion initiatives or practices (Thuc and Nguyen, 2020; Yondrichs *et al.*, 2021; Van Linh, Hung and Binh, 2022).

The concept SAR has gained significant attention in recent years, as businesses are increasingly recognizing the importance of integrating environmental, social and economic factors into their decision-making processes (Khan, 2020). In quest to render and guarantee consistency in sustainability reporting, in 1997, the Global Reporting Initiative (GRI) was established to develop guidelines for sustainability reporting to ensure that environmental and social reports are comparable to financial reporting. This is achieved through developing reporting principles and information qualities similar to those used in corporate financial reporting (Roberts, 2007). The GRI framework has since become the most widely used standard for SAR. The GRI is an organization that provides a framework for sustainable reports and guidelines

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that can be used by various organizations and these guidelines are being widely used in providing sustainability reports (McCartney, 2022). In developing countries like Zambia, SAR practices are particularly important because these countries often face significant environmental and social challenges, such as poverty, climate change, and natural resource depletion. By measuring and reporting on their sustainability performance, organizations in Zambia can play a vital role in promoting sustainable development and address these challenges.

II. LITERATURE REVIEW

2.1 Empirical Review

The impact of companies' activities on social and environmental issues varies depending on the specific industry and practices of each company. Zambian listed companies now recognize the importance of reporting on sustainability and most companies have particularly focused on social and ecological pillars. There is empirical evidence that most sustainability reports by companies in Zambia across different sectors such as energy, mining, consumer and infrastructure have concentrated on reporting on the social pillar as supported by the EY Zambia report which reported that 9% of companies listed measured and reported on social dimensions,50% disclosed on emission metrics with the aim of reducing carbon emission and 21 percent of companies reported on governance dimensions (EY Zambia, 2022).The compliance with SAR among LuSE listed companies has been ongoing on voluntary basis despite lack of legal framework' ,research has identified laws which address issues of corporate governance in Zambia and these include ''.the company's Act 26 in part V11,the Lusaka stock exchange code of corporate governance of 2005(LuSE Code) for listed companies, the IODZ corporate governance code for small and medium enterprise and the Bank of Zambia corporate governance directory for financial institutions, among these laws only the LuSE Code guidelines has integrated the concept of sustainability and it is also limited to Public listed companies (Ngulube, 2022).

Most of the researchers who have studied SAR have a consensus that there is increase of knowledge in the accounting literature which has been supported by growth on theories associated with sustainability Accounting. Some of the theories that have been associated with SAR include the legitimacy theory, the stakeholder's theory, Agency theory, value creation theory, value destruction theory and Institutional theory. Another study done by (Dias, 2017) used the Institutional, legitimacy and stakeholder's theory to understand research advancement in social and environmental Accounting. The Research concluded that legitimacy theory among others is the most dominant theory that has been used to promote research on SAR studies though it is related to other theories. This view is supported by (Al-Amin, 2020) who reviewed that legitimacy theory is the most widely applied in the accounting literature. "The theory has its roots from the social contract theory that holds that a social contract represents a set of expectations from the part of society on how a firm should operate in society which implies that society expects a business to operate in a certain manner". Using the methodological approach concept of theory synthesis (Jacob Horish, 2020) holds that the stakeholder theory has been an influential approach in many areas of business studies.

Similarly, Ting, (2021) looked at progress in the research of SAR. His study "reviewed that the theoretical basis on SAR research is centralized and diverse, mainly based on Institutional theory and Stakeholder's theory: "A number of Research work has reviewed that the stakeholder theory offers a better alternative view of firm value creation as it helps to explain the relationship between sustainability accounting and firm value. This is because the stakeholder's theory postulates'' that for a company to be successful it must create value for various stakeholders such as customers, suppliers, employees, community, trade unions, political groupings, shareholders and banks among others (Tsang, 2022).

A comparable theory to the stakeholder's theory is the Legitimacy theory, the legitimacy theory postulates that firms should function within the expected norms and boundaries of respective societies within which they operate and as such perceived as being legitimate (Dewiyanti, 2021). According to (Ngulube, 2022) ''the legitimacy theory is the most widely used accounting theory that has been used in research work to explore SAR reporting practice of organizations''.

This is supported by (Walsh, 2022) who postulates that an organization's survival depends upon whether they conform to shareholders expectations and thereby establish its legitimacy. The Research approach used by Ngulube was both qualitative and quantitative approach commonly referred to as mixed method, and data collection approach included both primary and secondary. The use of mixed method model is justified because it enables a researcher to ''integrate quantitative estimates of benefit and harm with more qualitative understanding from peoples'' lives which in turn help determine effects of interventions and appropriateness. (Ngulube, 2022).

There are some familiar methodologies that have been used in sustainability accounting based on deductive and inductive reasoning as well as descriptive and comparative analysis (Zyznarska, 2020). Similar research done by (Anifowose, 2016) used content analysis methodology to analyze published secondary data on SAR by organizations. Content analysis methodology was also used by (Nnamani, 2017) whose approach was collecting secondary data from financial statements of organization to investigate the effect of sustainability accounting and reporting on financial performance. The use of secondary data is also prominent in the research work done by (Ionel, 2012) in his empirical study to explain how disclosure of SAR varies across different entities in the petroleum industry. Further a quantitative research method was done (Ting, 2021) to investigate the practice of ESG using secondary data that was collected from the web of science (WOB) database.

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2.2 Historical Background of SAR

The concept of SAR is not a new phenomenon but dates back to the late 1980's when companies were required to respond to environmental concerns caused by firms that affected other stakeholders. There is no universal definition of SAR, however many researchers refer to the United Nations 1987, Bruntand report ''that calls for sustainable development that meets our need today without compromising the needs of those in future' (Brundtland, 1987). Research has reviewed that practices in SAR can align with emerging global investment and capital market opportunities and as such research regarding SAR has grown up in recent past two decades (Afrooz, 2019). SAR refers to the practice of measuring, analyzing and reporting a company's social and environmental aspects. (Lamberton, 2005). The development of SAR concept was boosted by formation of GRI in 2000 that provides periodically reviews guidance to companies to effectively implement sustainability reporting (Dave, 2016).The GRI main agenda is to help firms and stakeholders understand and communicate the impact of business economic activities on sustainable issues such as climate change, Human rights and corporate governance issues by integrating non-financial information such as SAR and Corporate Social Responsibility (CSR) reports (Dave, 2016).

2.3 Firm Value

Firm value refers to the measurement of a company's success and prosperity, which is closely related to the price of its shares. 'It is an unbiased and reliable metric that stakeholders, shareholders, potential investors and managers use to assess the performance and operations of a company (Ahmad, 2017). A number of studies devoted to sustainability have been done on the relationship between sustainability and financial performance of firms. Recent studies have shown a positive relationship between sustainability and firm value (Swarnapali, 2018) Researchers have reported in their findings that listing on the ESG index does influence higher firm value as measured by Tobin's Q (Aboud, 2018). This is seconded by Lawrence (2017) who has concluded in his study as follows ''Using the Dow Jones Sustainability Index that wealth maximization is associated with sustainability leadership.''

2.4 SAR Practices Impact on Firm Value

There are several studies that have examined issues in the sustainability accounting literature. A study by (Abhayawansa, 2022) has shown that literature on investment practices that consider SAR factors is growing and mostly concentrated in developed markets. His findings have shown that over 70% of investment worldwide considered SAR factors during the 2017 investment process and this was dominated by the United States (US) which alone increased by 42% to 17.1 trillion investment strategies in 2020.His findings have also indicated that investors consider SAR factors in assessing a firm's growth expectation. This is also supported by Hvidkjær, (2017) who addressed the question on how SAR consideration affect the value of the investor's portfolio. His findings indicated that, the stock market with SAR rating exhibited high future returns with evidence strongest between 1991 and 2004 and in contrast, other studies have shown that stock markets do not respond positively to certain SAR initiatives taken by firms. Research on SAR has been both contradictory and inconclusive as shown by Kam, (2017) who examined the needs of SAR practices and its impact on firm value of listed companies. His findings have shown both positive and negative relationships between SAR disclosure practices and firm value.

2.5 Current State on SAR by Zambian Listed Companies

The impact of companies' activities on social and environmental issues varies depending on the specific industry and practices of each company. Zambian listed companies now recognize the importance of reporting on sustainability and most companies have particularly focused on social and ecological pillars. There is empirical evidence that most sustainability reports by companies in Zambia across different sectors such as energy, mining, consumer and infrastructure have concentrated on reporting on the social pillar as supported by the EY Zambia report which reported that 9% of companies listed measured and reported on social dimensions, 50% disclosed on emission metrics with the aim of reducing carbon emission and 21% of companies reported on governance dimensions (EY Zambia, 2022).

III. THEORETICAL AND CONCEPTUAL FRAMEWORK

3.1 Theoretical Framework

The theoretical framework was based on two theories, namely legitimacy and stakeholder theories. These theories were chosen to help broaden the knowledge and understanding of leadership, authority, rules and regulations on SAR. The theories that have been used to explain the relationship between SAR and Firm value, among them are the stakeholder's theory, the legitimacy theory and institutional theory and the agency theory (Lawrence, 2017). Furthermore, this is research work was supported by a study done by (Frank, 2018) who asserted that stakeholder theory is closely related to the legitimacy theory are the two theories are complimentary. Both theories emphasize the importance considering the interest and expectations of stakeholders in organization decision-making. The stakeholders value creation theory focuses on creating value for all stakeholders, while the legitimacy theory highlights the need for organizations to maintain legitimacy in order to gain stakeholder support. By incorporating these theories into their strategies and actions, organizations can enhance their relationships with stakeholders and improve their overall performance and sustainability.

3.2 Conceptual Framework

Based on the research theme and the theories revealed, this study developed the conceptual framework below to help organize and guide research or analysis in a prescribed field or discipline manner. It gave the roadmap to research work that guided this research to define the scope of the study, identify key variables and their relationships, and provide a framework for interpreting and analyzing data. As such this research conceptual framework was based on the Stakeholders value creation theory and legitimacy theory of accounting. The stakeholders and legitimacy theory provided appropriate variables that were used in this research to examine the relationship between SAR and firm value. The study developed conceptual variables of sustainability with full insight of the stake holder and legitimacy theories in mind. Thus, the independent variables measured in this study include; Social and environmental sustainability, and the dependent factor in this research is firm value which was measured through annual returns over time.

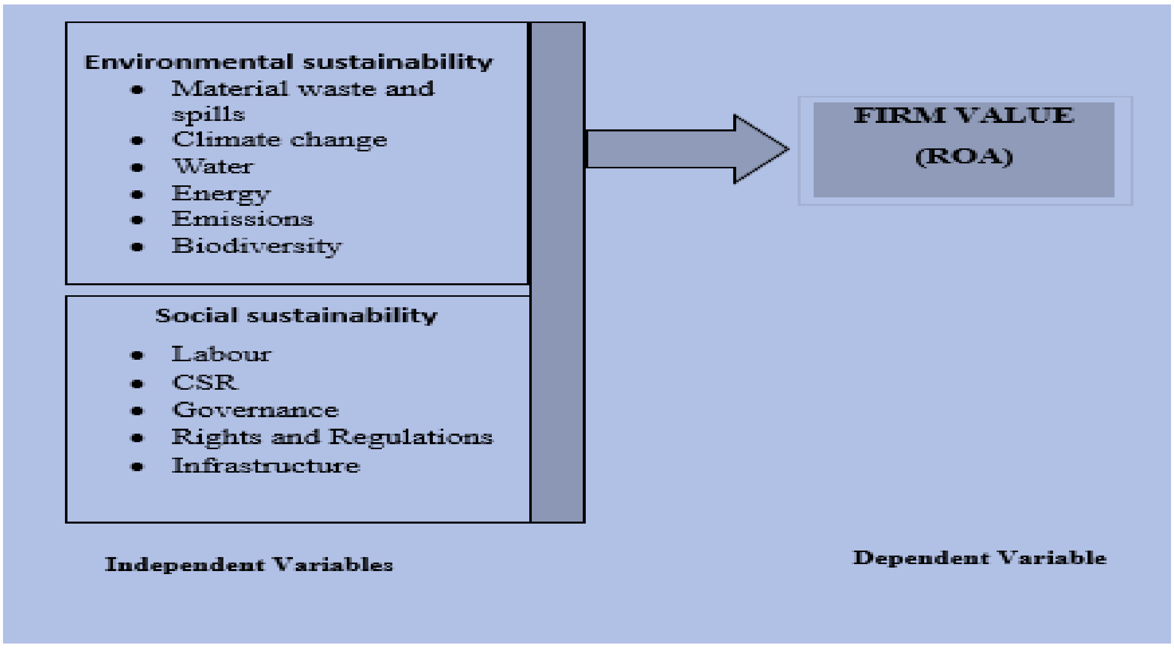

Figure 1: Conceptual framework

3.3 Hypothesis

The conceptual framework is operationalized by the following research hypothesis;

Null Hypothesis (Ho): There is no significance difference between sustainability accounting and reporting and firm value

Alternative Hypothesis (H1): There is a significance difference between sustainability accounting and reporting and firm value.

IV. METHODOLOGY

The research was conducted using a descriptive research design to which a quantitative approach was undertaken. This study targeted all companies listed on LuSE and a sample size of 22 was considered. According to the LuSE website, there were only 22 listed companies in Zambia as of December, 2023. Using document review, data was collected from the company annual reports. The regression analysis using the Software Package for Social Sciences (SPSS) was conducted to analyze the collected data. The data collected was reliable because it was collected from the annual reports produced by listed companies on LuSE. However, the validity of the data might not be fully guaranteed because of some extraneous variables especially that of history and selection bias. This is due to limited time of the research where it was feasible enough to institute control measures to improve the validity of the responses

V. FINDINGS

5.1The Extent Sustainability Accounting and Reporting Practices Among Luse Listed Companies in Zambia

The information used in this research was exclusively taken from the official websites of the companies of the sampled banks, on the Bank of Zambia website, from the reports on transparency and publication requirements for 2012, 2013 2014, 2015 and through to 2022. The listed companies were grouped in terms of sectors for easy analysis of the levels of sustainability accounting and reporting among listed companies in Zambia. Table 1 shows the comparative levels of disclosure of sustainability practices by sector on the LUSE from 2012 to 2022 As indicated by Table 1, the finance and

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mining sectors from the sample had the highest levels of disclosure at 91% while manufacturing and Agri-forest sectors from the study the lowest levels of disclosure at 71% and 76% respectfully.

Categories	**2012**	2014	**2016**	2018	2020	2022
Financial & services sector	30	71%	37%	76%	88%	91%
Agri-forest sector	59%	74%	62%	76%	71%	79%
Mining sector	32%	86%	29%	79%	74%	82%
Manufacturing sector	33%	86%	32%	91%	81%	71%
Energy sector	34%	70%	34%	75%	63%	76%

Table 1: Disclosure of sustainability practices by sector among LuSE listed companies

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5.2 Sustainability Disclosure Pattern of Public Limited Listed Companies in Zambia

Table 2 shows the component-wise and overall sustainability disclosure pattern of public limited listed companies in Zambia. It shows that environmental disclosure is more prominent reported on than social sustainability indicators. All the companies included in the sample make higher disclosure and show more compliance for environmental disclosure patterns. The table shows that environmental disclosure is increasing steadily from 2012 to 2022. Accordingly, the sustainability reporting index is also an increasing trend, as in 2012; sustainability reporting indices are 0.37 and 0.47 in 2022.

		Sustainability reporting level			
	2014	2016	2018	2020	2022
ENI	0.42	0.44	0.45	0.46	0.49
SOI	0.38	0.41	0.43	0.44	0.47

Table 2: Description and Measurement of Variables
Note. **ENI** = environmental indicators; SOI = social indicators

5.2.1 Levels of Disclosure of Social Responsibility Practices

According to table 3 level of disclosure of social responsibility practices among LuSE listed firms was found to be gradually increasing in all item factors of social responsibility. However, disclosure was found to be high in rights and regulations, IT application. On the other hand, the disclosure was found to be low on corporate strategy and awareness of level of manager. All in all, the disclosure of social responsibility was deemed to be good.

Sector	**2016**	2018	**2020**	**2022**
Corporate strategy	10%	52%	13%	53%
CSR	10%	61%	26%	69%
Rights and Regulations	0%	90%	0%	90%
Labour	50%	63%	38%	70%
Infrastructure	38%	88%	63%	88%

Table 3: Levels of Disclosure of Social Responsibility Practices
Source: Authors' calculations based on research results

5.2.2 The Disclosure of Environmental Sustainability Practices

Table 4 reflects the levels of disclosure of environmental performance by sector of companies listed on LUSE for 2012 and 2020. It shows that companies performed quite well. Environmental sustainability performance based on indicators among LuSE listed companies. The study found that most LuSE sample had relatively low levels of environmental sustaining activities.

	2014	**2016**	2018	2020
Material waste and spills	13%	48%	9%	65%
Climate change	4%	42%	4%	57%
Water	9%	52%	9%	65%
Energy	9%	52%	9%	65%
Emissions -	9%	48%	9%	61%
Biodiversity	4%	26%	4%	30%

Table 4: Comparative levels of Disclosure of Environmental
Source: Authors' calculations based on research results

5.3 The Impact of Sustainability Accounting and Reporting on Firm Value
5.3.1 Trends in ROA from All Five Sector of Firms Listed Companies

To determine how sustainability and accountability affects firm value, this research analyzed the firms return on assets rations for all the businesses listed on LuSE by sectors. The study utilized average return of assets per sector each year to come up with trend. The retain assets ratio for the year 2012 to 2022 were computed for all five selected grouped sectors as depicted in figure 2; Financial and services sector, Agri-forest sector, mining sector, Manufacturing sector and Energy sector and were all above 5%. The ratio greater than 5% is considered good. In the simplest form ROA ration measures how effective a company's asset can generate revenue. With this ratio, the firm is able to know what it can do with what it has in its possession in long run it also acts as an indicator for the firm value. From the observation the trend in ROA has been increasing from 2012 to 2022.

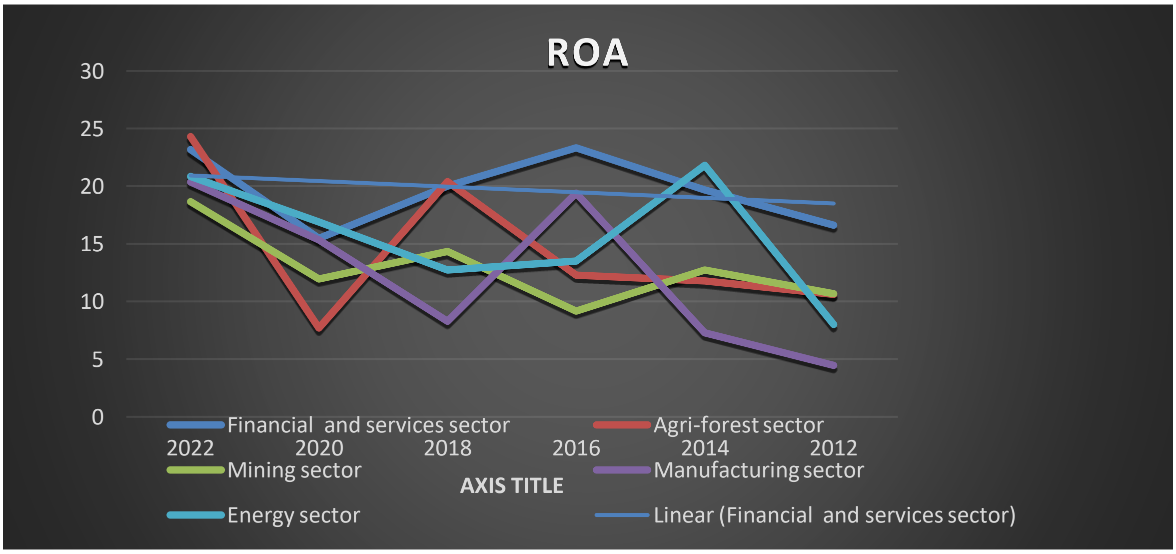

Figure 2: Trends in ROA from all Five Sector of Firms Listed Companies

5.3.2 Relationship between Environmental and Social Sustainability and Firm Value (ROA).

Overall, the regression model was significant, [0.001], P< 0.0 5, R^2 = 0.032. We reject the null hypothesis and accept the alternative hypothesis since the overall F- test is less than the significant level. Since the p-value is less than the significance level, the data provide sufficient evidence to conclude that your regression model fits the data better than the model with no independent variables. This finding means that the independent variables in the model improve the fit. Hence, the study has determined that sustainability accounting and reporting has an impact on firm value.

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Likelihood Ratio Tests				
Effect	**Model Fitting Criteria**	**Likelihood Ratio Tests**		
	-2 Log Likelihood of Reduced Model	**Chi-Square**	**df**	**Sig.**
Intercept	101.674[a]	.000	0	-.
ENI	191.675	90.001	1	**.000**
SOI	128.713	27.039	29	.570
Intercept: Return on Assets (ROA)				

Table 5: Summary of the chi-square Analysis on the Relationship between Environmental and Social Sustainability and Firm Value (ROA)

Key. Dependent variable: ROA= Return on assets. ENI = environmental indicators; SOI = social indicators

5.3.3 Correlation Analysis between Dependent and Independent Variables

A weak correlation was observed which is also significant tested at 5% level was found with R squared of 0.32. Thus, the findings indicate that weak association between the dependent variable ROA and the independent variables that is Environmental and social sustainability indicators. With overall mean of 1.64 and SD= 0169. Based on the model, it was determined that Environmental and social sustainability indicators played a pivotal role in firm value. These results show that corporate sustainability reporting index has positive and significant impact on firm performance in Zambia.

Coefficients							
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**95.0% Confidence Interval for B**	
	B	Std. Error	Beta			**Lower Bound**	Upper Bound
(Constant)	1.223	.323		3.784	**.001**	.588	1.857
ENI	.211	.158	.055	1.340	**.018**	-.098	.520
SOI	.032	.021	.013	.624	0.57	.067	.187
a. Dependent Variable: ROA							

Table 6: Correlation Analysis between Dependent and Independent Variables

Key. Dependent variable: ROA= Return on assets. ENI = environmental indicators; SOI = social indicators

5.4 The Drivers to Implementing SAR Practices in Luse Listed Companies

The further desk review was conducted to determine some of the drivers that motivate companies implementing sustainability accounting and reporting practices among LuSE listed companies. 48 studies were analyzed and several factors were identified as key drivers of the implementing sustainability accounting and reporting practices in LuSE listed. However, studies were excluded if they examined determinants of sustainability reporting but did not analyze SAR reporting as a dependent variable (LuSE).

The following are the item Drivers, based on the extensive literature review:

Profitabilit

Listed companies sage 2020 with higher and good profitability were more likely to implement sustainability reporting than companies with low profitability, SAR implementation was seen as an extra cost to the business hence some companies tried to avoid it.

Capital Structure

Capital structure refers to the mix of various forms of external funds also known capital, used to finance a business, this includes shareholder equity, debt and preferred stock. Therefore, Businesses with high capital structures are more inclined to implement sustainability accounting and reporting framework since it helps them to better run their companies.

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Media Visibility

Media visibility is a medium for transparency of firm information with its aim of being recognized by the public (Humanities & Ghozali, 2018) and communicating with investors (OuYang et al., 2017). One of the past studies stated that media visibility is an external determinant which is consistently found to have a significant positive impact on SR disclosure (Dienes et al., 2016). This is aligned with research by Gavana et al. (2017) which stated that media visibility increases corporate voluntary disclosure and shows that media visibility significantly impacts SR.

Corporate Governance Structure

Corporate governance refers the whole set of measures taken within the social entity that is an enterprise to favor the economic agents to take part in the productive process, in order to generate some organizational surplus, and to set up a fair distribution between the partners, taking into consideration what they have brought to the organization (Maati, 1999). In other terms it can be defined as the system by which companies are directed and controlled''. From these definitions it may be stated more generally that different systems of corporate governance will embody what are considered to be legitimate lines of accountability by defining the nature of the relationship between the company and key corporate constituencies. So, by definition just it can be seen that firms with established governance are more likely to implement sustainability accounting and reporting framework than firms without an independent board no existing board.

Ownership Structure

Companies with good and large ownership structures were able to report on their sustainability accounting, sole and family held enterprise tend not to avoid SAR implementation, hence ownership structures play a major role in the implementation of SAR framework.

Firm Size

In Zambia the main source of corporate capital comes from third parties or creditors is firm size and performance perception, thus firms with high financial leverage will tend to disclose more information to creditors, suppliers, and investors with the aim of creating greater confidence in creditors that the firm can meet its financial obligations and increase opportunities. Get a good investment from financial institutions (Nguyen & Nguyen, 2020). Leverage is used by firms to fund their operations. Firms that have a high level of leverage are more likely to allow firms to violate credit agreements, so that firms could report sustainability reports to persuade and get credit loans from stakeholders.

Firm Age

Companies that have been established or operated for a long time usually disclose information about the company's social and environmental activities (Fahad & Nidheesh, 2020). When a firm has a great and big reputation, the firm experiences greater pressure in maintaining its strong reputation, like fulfilling the demands of stakeholders by expressing and engaging in their social responsibility activities (Yu & Liang, 2020).

VI. DISCUSSION

Based on the result of this study, it was gathered that though the level of sustainability was relatively low, there was an increase in environmental sustainability activities of listed companies and have a positive and significant effect on the firm value. The low levels of disclosure in among small companies could have been due to failure to fully report sustainable activities rather than due to a lack of the activities themselves. From the result of the study, it was gathered that an increase in environmental sustainability activities of listed companies would have a positive and significant effect on the firm value. Environmental reporting issues are considered a vital component of sustainability reporting thus the increasing need for organizations to voluntarily disclose in their non-financial statement's activities carried out between them and the society but this does not seem to be the case as either the studied firms are not involved in sufficient disclosure or are not adequately engaged in environmental sustainability activities to their society. If the listed firms have high environmental impact on its society, it will in turn have positive effect on its performance and also its assets which will ultimately impact higher sustainability reporting. This finding is in line with the findings of Roy and Gosh (2011); Aliyu (2018); Olayinka and Oluwamayowa (2014); Khaveh, Nikhasemi, Haque and Yousefi (2012) but disagree with the findings from Sejati & Prastiwi (2015) whose findings stated that the reason for the insignificant effect of the disclosure of sustainability reports on firm value may be that investors are more interested in buying shares of companies that generate expected profits and do not care about the disclosure of sustainability reports.

Regarding the impact of sustainability, that is environmental and social sustainability, the study utilized average return of assets ratio per sector for the year 2012 to 2022 from all five selected sectors under LuSE listed companies. The ROA for Financial and services sector, Agri-forest sector, mining sector, Manufacturing sector and Energy sector and were all above 5%. The ratio greater than 5% is considered good. In the simplest form ROA ration measures how effective a company's asset can generate revenue. With this ratio, a firm is able to know what it can do with what it has in its possession in long run it also acts an indicator for the firm value. From the observation the trend in ROA has been increasing from 2012 to 2022.

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Overall regression model was significant, [0.001], P< 0.0 5, R^2 = 0.032, and since the p-value was less than the significance level, the data provide sufficient evidence to conclude that your regression model fits the data better than the model with no independent variables. This finding means that the independent variables in the model improve the fit. Hence, the study has determined that sustainability accounting and reporting has an impact on firm value. Based on the model, it was determined that Environmental and social sustainability indicators played a pivotal role in firm value. These results show that corporate sustainability reporting index has positive and significant impact on firm performance in Zambia. Most of the studies in this respect have documented a positive relationship while investigating firm financial performance and corporate sustainability as suggested by Hillman and Keim (2001) and Al-Tuwaijri et al. (2004). These previous studies support the results given in the univariate and multivariate regression analysis for the positive association between corporate sustainability and firm performance. These results are also in accordance with instrumental stakeholders' theory stating that a firm can effectively benefit financially if it deals the entire stakeholder's relationship in an effective manner (Donaldson & Preston, 1995). Jones (1995), in this respect, also states that sustainability practices lead to competitive advantage by minimizing the transaction costs and agency costs as well.

The study determined that firm size, media visibility and ownership structure are the most important drivers of the disclosure of sustainability reports, while corporate governance only seems to have an influence on the existence of audit or sustainability committees. In contrast, other determinants such as profitability, capital structure, firm age or board composition as an indicator of corporate governance do not show a clear tendency. These results are also in accordance with findings of Kaur and Lodhia (2019) suggest that the effectiveness of stakeholder engagement can be undermined by certain difficulties and challenges faced by an organization. These include limited resources, lack of commitment from internal stakeholders, political factors, heterogeneous concerns, inadequate representation and unwillingness to engage.

This research does not consider as accidental the fact that the research sample answered practical issues, such as a possible difficulty in objectively measuring sustainability costs and benefits, while adopting sustainability accounting principles, are the less important reason why companies ignore them. In other words, it is assumed that through this placement, the research sample thinks that the problem begins from education, culture and the general way of thinking and values of companies and their managers and directors.

VII. CONCLUSION

This study was aimed at investigating the impact of SAR on Firm Value-A Case Study of Listed Company on Lusaka Stock Exchange (LUSE). Based on the results, it was concluded that there are reporting patterns emerging across and within the companies listed on the LuSE. The level of sustainability practices was found to be relatively high compared from the decades ago, the levels have been inconsistently increasing. This suggests that, while companies might seem to be following the LuSE Index guidelines for sustainability reporting to the letter, there could still be gaps in the definitions and lack of understanding of the criteria and the procedures for reporting. The results revealed that largest firms from various sectors chose to report more on environmental, than on social sustainability. This study revealed that non-economic disclosure of information based on regression model used in this study has significant impact on firm performance. The findings revealed that environmental disclosure indicators and social disclosure indicators are the influencing factors for explaining firm performance. Therefore, environmental and social disclosure leads to stakeholder's trust building. Listed companies in Zambia may use findings of this study to attract ethical investors and to legitimize their activities in society. This study also shows that traditional indicators for financial reporting may not accurately assess firm value. Stakeholders should also consider corporate sustainability reports for the accurate assessment of firm's value; it also helps to achieve the larger goal of sustainable development. The integration of sustainability reporting in a firm corporate strategy helps it to attain a sustainable competitive advantage.

It was also concluded that the main driver of sustainability accounting and reporting practices were firm size, media visibility and ownership structure are the most important drivers of the disclosure of sustainability reports, while corporate governance only seems to have an influence on the existence of audit or sustainability committees. In contrast, other determinants such as profitability, capital structure, firm age or board composition as an indicator of corporate governance do not show a clear tendency. However, these vary between three groups of countries: those with more developed reporting, those with less developed reporting and those with strong cultural constraints to reporting.

7.1 Recommendations for Further Studies

Therefore, based on the study findings and limitation of this study, the researcher recommends that there should be further studies to discuss following:

- To determine if the difference in disclosure levels was due to inexistence of sustainable activities or lack of reporting skills in the LUSE.
- The influence of the integrated reporting initiative on sustainability reporting and the role of accounting and accountants in this regard;
- Accounting study for specific environmental issues such as Carbon, Water, Waste and Biodiversity and the implications for sustainability.

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