

## **SUSTAINABILITY REPORTING QUALITY AND FINANCIAL SECTOR IN AFRICA: A CRITICAL MEASURES AND SYSTEMATIC REVIEW**

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### **Abstract**

This paper offers all-inclusive synthesis of old and recent qualitative and quantitative literature on the participation of financial sector to sustainability practices in their style of reporting to meet international standard. Evidence accumulated over the last decade (2015-2025) indicates that financial institutions like banks, and microfinance banks that embrace sustainability reporting quality attract foreign investors and survive economic crisis. However, most African banks find it difficult to indoctrinate sustainability practices or SDGs in their reporting style which make most banks in Africa not survive economic crisis and fail to attract foreign investors. The paper examined how sustainability reporting quality indoctrinate in the activities of financial sector. The review revealed that banks and other financial institutions that embrace and adopt sustainability reporting quality compete and meet up international standard which enhance more foreign investors and improve economic growth. Despite broad push by United Nation sustainability commitments, financial institutions still face substantial accountability and transparency gaps which hinder sustainability reporting quality of banks in developing countries like Africa. Thus, policymakers and bank managers need to strengthen sustainability reporting quality to enhance transparency and align national practices with international standards which leads to sustainable growth in Africa.

**Keywords:** Financial sector; Reporting quality; Sustainability; Sustainability reporting quality; Systematic Review

### **1.0 Introduction**

Financial sector major role focused on financial intermediary actions between the surplus unit and deficit unit in order to create and finance economic activities among economic agents such as firms, Governments, individual and populace. For financial sector intermediary continuity, sustainability reporting practices play significant role. This financial intermediary role majorly carried out by banks which serves as their traditional activities, restricted to acceptance of all types of deposits and other liabilities and granting or allocation of pooled deposits in an objective, efficient and judicious manner in line with stipulated regulatory framework by the Central Bank or financial system regulatory authority as well as by the management of the bank (Dong et al., 2023; Fakunmoju et al., 2022).

Weber (2014) asserted that despite significant economy role play by the banks, its impact on Sustainable Development Goals (SDG) is low and play reactive role rather than proactive to sustainability risks and opportunities, especially in Africa. Following the global financial meltdown 2007-2009 and SDG 17 led to increased recognition and intervention of financial sector into sustainability programmes (Dong et al., 2023; Weber, 2014); this implies that in order to support the shift to a low-carbon, green economy and other SDGs, the financial sector's intermediation function needs to be rearranged with the objectives of sustainable development.

Financial sector, as major player in capital market and institutionalized intermediary agents have inimitable and influence role in mobilizing and directing financial resources towards SDGs projects that enhance environment, social and economic sustainability compare with an investment that drain natural capital (Dong et al., 2023). Besides, the Sustainable Development Goals (SDGs) conference adopted and dated back in the year 2015 by the United Nations Sustainable Development Summit and the Paris Climate Agreement recognized headship role for the financial sector in combating climate change to achieve a low-carbon, climate-resilient economy and achieve SDGs goals across the globe.

Authorities across the globe including developed, emerging and developing economies should force banks to indoctrinate sustainability considerations into the financing and investment choices of client proposal since the financial sector can be a major driver of environmentally and socially sustainability responsible across other industries through their intermediary role. Financial institutions can advance this role by channeling capital and directing financial flows toward activities that support sustainability goals low-carbon transitions, while simultaneously strengthening the data architecture, analytical instruments, and disclosure practices needed to integrate climate-related risks and opportunities into market operations (De la Cuesta-González et al., 2006; Dong et al., 2023; Matei & Voica, 2013). Achieving this role by banks further depends on broadening and institutionalising transparency requirements for sustainability reporting and performance within the financial system itself, thereby ensuring consistent and comprehensive reporting across financial actors (Matei & Voica, 2013) and this will enhance quality of sustainability reporting by banks.

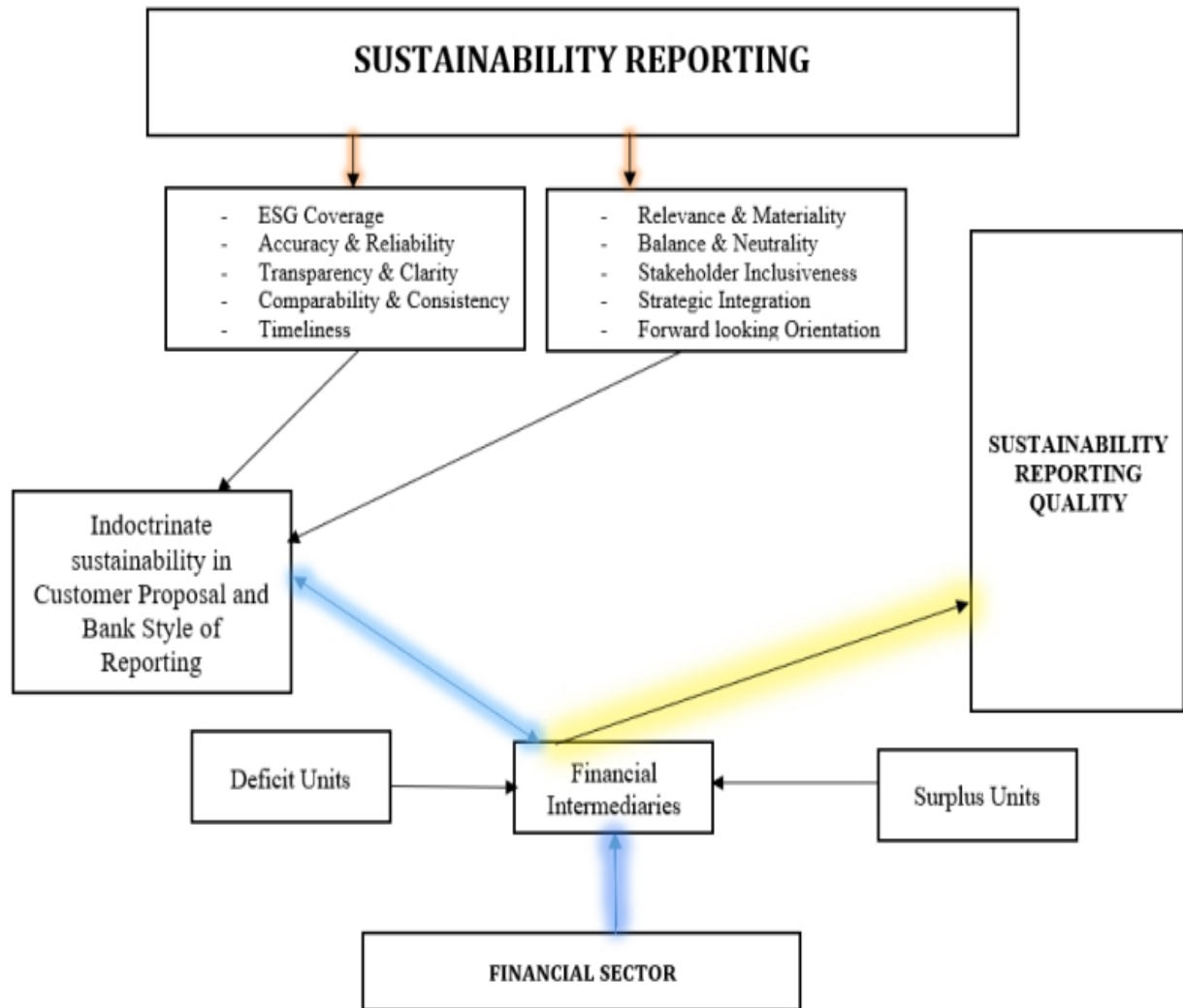
Due to significant contribution gain by financial institutions from quality reporting, the United Nations Environment Programme (UNEP) Finance Initiative around 1997 urged financial institutions to articulate clear sustainability commitments and to issue periodic reports outlining how SDGs were being incorporated into their internal processes of reporting and decision-making frameworks (Weber, 2014). In response to the global momentum generated by the Sustainable Development Goals (SDGs), UNEP's network of banking and investment members introduced the "*Positive Impact Manifesto*" (PIM) in October 2015. Considering the significant role to be played by financial sector in the area of sustainability practices or SDGs, the United Nation (UN) push for sound recording and transparency in the disclosure of SDGs programs associated with bank products, investments, and strategic interventions (Houston & Shan, 2022). This is supported by Financial Stability Board (FSB) task force on Climate-Related Financial Disclosures in the year 2016 that financial sector should indoctrinate effective reporting of climate-related risks within annual disclosures. The Task Force argued that enhanced transparency in such disclosures would promote earlier identification and evaluation of climate-linked financial exposures, reinforce market discipline, and incentivize firms to actively manage the risks they monitor and report (Houston & Shan, 2022).

Growing emphasis on sustainability practice via environmental, social, and governance (ESG) in the banking sector financial and non-financial decision models is driven by mounting pressure from shareholders and a diverse range of stakeholders (Houston & Shan, 2022). This

pressure on banks has created a shift and given rise to developing research agenda that seeks to understand how ESG sustainability practices influence banks' reporting on their operational and financial outcomes. Empirical observations indicate that, during recent periods of economic volatility, certain banks demonstrated resilience and even achieved expansion, while others were unable to withstand the pressures and ultimately failed (Mohamed Buallay et al., 2023). This indicates that those banks failed because they refused to embrace sustainability reporting quality. Whereas, Andania and Yadnya (2020) asserted that financial institutions that indoctrinate SDGs into their yearly report financials with customers inclusiveness through loan proposal and credit extension enhance sound performance and financial survival to significantly partake in ESG reporting, thereby influencing sustainability reporting quality of banks.

Although numerous initiatives have been introduced to strengthen transparency in sustainability reporting across the financial sector, public opinion continues to reflect a belief that these reporting fall short, particularly in addressing core issues related to sustainability practices and sustainable investment (Houston & Shan, 2022). Comparative assessments further indicate that banks tend to lag behind other industries in several sustainability dimensions, including ethical conduct, responsibilities toward customers, labor-related practices, and the overall quality of sustainability reports (Weber, 2014). Consistent with these findings Sethi et al. (2017) and Dong et al. (2021) observed that sustainability practices reports issued by major global financial institutions generally demonstrate limited quality especially Africa financial institutions who have fail to embrace quality reporting of sustainability practices.

Though studies on sustainability practice reporting, bank value and financial performance have progressed in the developed and emerging economies, substantial limitations and lacuna remain in the area of financial sector or banks embracing and adopting sustainability practices in their reporting and financial decision models in playing intermediary role or extending credit facilities to customer in Africa countries. Much of the existing systematic review of literature concentrated on sustainability practices reporting of banks in developed and emerging economies while systematic review of sustainability practices quality reporting of banks in developing economies like Africa remain unexplored, thus there exist gap in the literature that motivated this study. This study pursues to address the gap through a systematic review of 80 studies published between 2015 and 2025.



**Figure 1:** Connection of bank and their customer in intermediaries’ transactions to embrace and indoctrinate quality reporting of sustainability practices.

**Source:** Researcher’s Conceptual Model (2026).

The figure 1 diagram above depicted that bank play intermediary role with bank customer who are deficit and surplus units and both bank and their customers should indoctrinate components of sustainability reporting quality such as ESG coverage, accuracy & reliability, transparency & clarity, comparability & consistency, timeliness, relevance & materiality, balance & neutrality, stakeholder inclusiveness, strategic integration and forward looking orientation when carrying out customer proposal and bank financing decision model. This will enhance adoption of sustainability reporting quality by the bank and inclusiveness of the bank customer in the SDGs.

### **3.0 Research Methodology**

This study utilises a Systematic Literature Review (SLR) to research on sustainability reporting quality and financial sector in Africa countries. The choice of a systematic review framework allows for a clarity, transparent, replicable, and comprehensive procedure for identifying, screening, and synthesising relevant studies, in line with established PRISMA standards. The review concentrates on the period between 2015 and 2025, a timeframe characterised by global financial sector support for SDGs and increasing scholarly attention to quality reporting of banks sustainability practices so as to improve global practice of SDGs. Within the literature, the adoption of sound sustainability reporting quality was measure by ESG coverage, accuracy & reliability, transparency & clarity, comparability & consistency, timeliness, relevance & materiality, balance & neutrality, stakeholder inclusiveness, strategic integration and forward-looking orientation while on the other hand, financial sector proxied with deficit and surplus units as well as financial intermediary. These variables were consolidated to develop the analytical foundation for coding and thematic assessment, drawing from the previously outlined set of “Core Indicators and Variables.”

#### **Tactical Search and Selection**

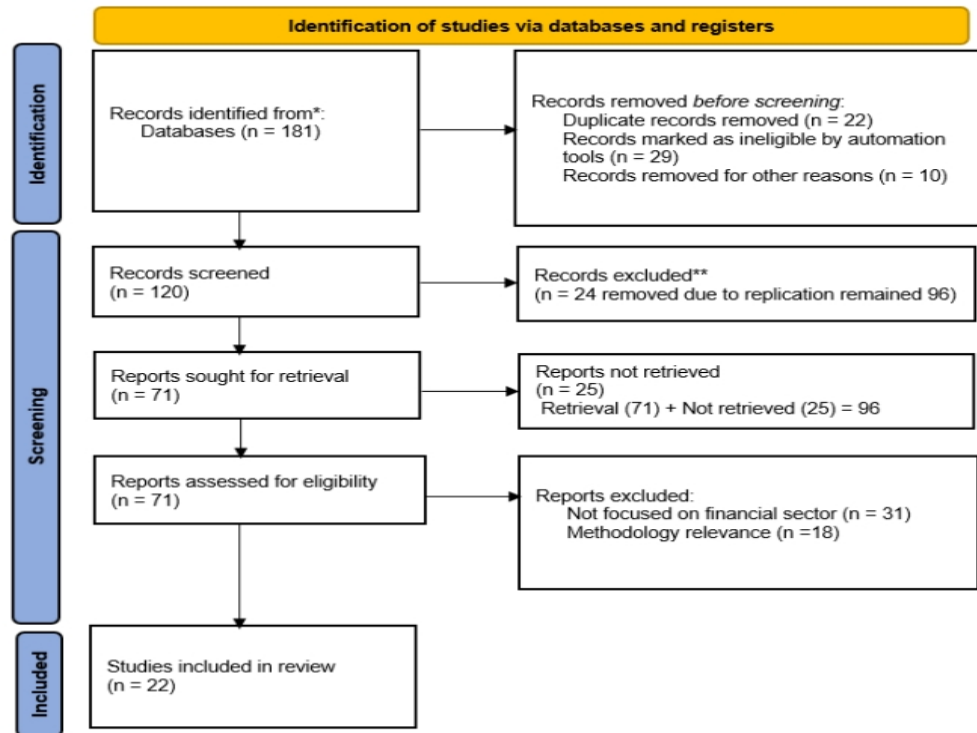
A structured exploration procedure was carried out using five major academic databases which include; Web of Science, Elsevier, Scopus, EBSCO and Google Scholar so as to ensure broad coverage of high-quality publications as well as recent emerging studies. Given the diverse nature of sustainability reporting quality, the literature search employed an extensive array of keywords, such as sustainability reporting quality and financial sector. These keywords were mixed AND and OR in the literature database to find all possible studies relevant to the keywords in the study. This keyword strategy enabled the systematic identification of studies that explore how different forms of sustainability reporting quality embedded in the practice of financial sector (banks).

Both “AND” and “OR” were applied to the keywords set to generate a wide range of search combinations. Examples such as “Sustainability report quality AND Financial Sector” and “Sustainability report quality OR Financial Sector” were used to capture studies addressing the ways in which sustainability reporting quality indoctrinated in financial sector. The initial search results were 181 articles, then refined to include only peer-reviewed articles written in English and published between 2015 and 2025 which reduced to 120 articles. Replica papers were eliminated, making it 96 articles and this ensure conceptual and methodological relevance. All the papers underwent a three-phase screening processes involving title inspection, abstract review, and full paper assessment. Publications presenting qualitative and empirical evidences on the connection of sustainability reporting quality and financial sector were retained which was 71 articles.

The study selection process was governed by well-defined inclusion and exclusion parameters to ensure methodological rigour. Only peer-reviewed articles, book in chapter and conference papers published in English between 2015 and 2025 were deemed eligible. To qualify, a study

needed to analyse either how sustainability reporting quality has been embedded in the practice of banks or capital market as well as the factors that shape and enhance usage of sustainability reporting among institutions in the financial sector. Related papers that dwell on technical reports, opinion, and commentary articles were removed. These tactics guaranteed that the systematic review processes remained comprehensible, sincere, and grounded in scholarly research. Beyond the peer-reviewed qualitative and empirical studies that constitute the foundation of this review. These documents were used only to provide contextual background and to outline broader international practice of bank in sustainability reporting quality and regulatory trends. They were not incorporated into the set of 22 peer-reviewed studies included in the formal review sample or in the quantitative synthesis. This separation was intentionally maintained to uphold methodological integrity and ensure that the core analysis remained grounded in rigorously reviewed academic research, while still acknowledging relevant insights from institutional sources.

The systematic review adopted a structured, three-step screening approach consistent with PRISMA standards. The first step involved examining article titles to exclude publications that were evidently unrelated to the study's thematic focus, as indicated by their keywords and stated scope. In the second step, abstracts were scrutinised to verify that each study addressed the core objectives of the review. The third step entailed full-text analysis, during which key information was extracted and the methodological soundness of each remaining study was evaluated. This systematic procedure ensured that the final sample comprised only studies of clear relevance and sufficient methodological quality. The comprehensive search across all selected databases produced 181 articles, including repeated entries. After duplicates were removed and the title and abstract screening phases were completed, 71 articles proceeded to full-text evaluation. From this set, 22 empirical and qualitative papers met the established inclusion criteria while 49 articles were excluded. Though the excluded paper wrote on sustainability reporting quality but not focused on financial sector (see Figure 2).



**Figure 2:** PRISMA flow for study selection (2015–2025).

**Source:** Author’s compilation based on PRISMA framework.

### Quality Assessment and Limitations

All studies reviewed were evaluated through a structured appraisal of their methodological soundness. This assessment considered several criteria, such as the suitability of the research design (whether survey-based, econometric, or case-oriented), the sufficiency of the sample size, the trustworthiness of the data sources, and the precision with which results were presented. Any study that did not demonstrate sound qualitative analysis, clear methodological procedures or lacked empirical evidence was removed from consideration. To further reduce potential bias, only peer-reviewed publications written in English were included, and duplicate entries were eliminated during the screening process. Although the review cannot entirely dismiss the possibility of publication bias, the systematic quality-check procedures applied enhance the overall reliability, coherence, and validity of the evidence synthesized.

Though the systematic review framework is intended to support transparency and replicability, several constraints must be recognised. To begin with, the review focused exclusively on peer-reviewed studies published in English. This scope may have resulted in the omission of valuable insights available in non-English publications, as well as in governmental or institutional reports that fall outside conventional academic channels. Moreover, the exclusion of unpublished and grey literature raises the possibility of publication bias, given that studies with notable or statistically significant findings are more likely to be formally published. Lastly, the search process relied predominantly on global academic databases including

Scopus, Web of Science, and Google Scholar which may not fully capture national research repositories, policy documents, or context-specific evidence. Although these limitations may constrain the breadth of the evidence reviewed, they were necessary to maintain methodological consistency and ensure a coherent basis for comparing studies.

### Scope of the Review Analysis

The scope the analysis depicted chronological order of final paper selected in the systematic review.

**Table 1:** Studies on sustainability reporting quality and financial sector (2015–2025).

S/N	Author(s)	Focus Area	Methodology	Country	Findings
1	Aguado-Correa et al. (2023)	Evaluation of SDGs in the Spanish banking sector	Content analysis methods and descriptive analysis	Spain	Enhancing the credibility of reporting and established a more coherent regulatory system are key to improving how consistently and comparably banks disclose their sustainability information
2	Al Astal et al. (2024)	Environmental, Social, and Governance (ESG) reporting in Financial Sectors of Bahrain	Systematic review technique	Bahrain	Bahrain has increasingly prioritised the integration and progression of (ESG) both its corporate landscape and financial system.
3	AlHares (2025)	Quality of Sustainability Reporting in the corporate governance	Panel regression GMM	Switzerland	The results show that larger boards and more experienced directors contribute positively to the quality of sustainability reporting.
4	Bellucci et al. (2024)	Integrated reporting quality in ESG coverage from South Africa	Systematic review technique	South Africa	The findings indicate that higher levels of adverse ESG media attention are linked to improvements in integrated reporting (IR) quality. Financial sector subjected to intensified media pressure tend to enhance the depth and clarity of their IR disclosures as a means of addressing scrutiny, managing reputational threats, and sustaining

					or regaining their legitimacy.
5	Carmo and Miguéis (2022)	Voluntary Sustainability Disclosures using Exploratory Study	Content analysis	Portugal	Voluntary sustainability reporting is mainly motivated by meeting client and parent-company expectations and by strengthening communication with core stakeholders such as customers, communities, and suppliers
6	Carp et al. (2019)	Sustainability reporting and firm's growth in the Romanian capital market	Correlation and quantile regression	Romanian	The study finds that sustainability reporting has little effect on firm growth because investors, lenders, and partners regard the disclosures as insufficiently detailed and not useful for decision-making.
7	Chagas et al. (2022)	Sustainable development, stakeholders and the SDGs disclosure from Brazilian banks	Sustainability disclosure measurement	Brazil	Brazilian banks produce relatively low-quality sustainability reports, but disclosure quality improves with more comprehensive information, and integrated reporting is recommended for presenting non-financial results.
8	Cho et al. (2020)	Sustainability Reporting in Canada	Content analysis	Canada	Canada's developing reporting sectors need to mature to meet market expectations, and financial markets are expected to respond to U.S. business leaders' recent commitment to pursue stakeholder-oriented corporate governance.
9	Costa et al. (2022)	Sector-specific reporting of microfinance institutions in Italy	Content analysis and regression	Italy	Cooperative banks in Italy issue non-financial reports that follow the national sector standard and are notable for their

					substantial content and high quality.
10	Dewi and Wardhani (2018)	Market performance and sustainability reporting of top 5 ASEAN countries	Regression	Indonesia, Malaysia, Singapore, Philippines and Thailand	The study's evidence indicates that the adoption of sustainability practices meaningfully enhances a company's market performance.
11	Dong et al. (2021)	Financial sector sustainability and green finance reporting in China	Content analysis	China	China's financial institutions have progressed from nascent to more environmentally focused sustainability reporting over time.
12	Henriques et al. (2022)	"Sustainability Reporting Quality and Stakeholder Engagement Assessment"	Correlation	Peninsula	Firms that closely follow Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC) standards and actively engage stakeholders produce reports with greater materiality and overall higher quality.
13	Hla et al. (2021)	"Financial reporting disclosure quality of listed firms in Malaysia"	Panel regression model	Malaysia	Strengthening sustainability disclosure quality among listed firms enhances the Malaysian capital market's international competitiveness.
14	Kumari et al. (2024)	Sentiment Analysis for Sustainability Reporting in Banking Sector: GRI-based Quality Control Approach	Content analysis	India	Despite broad sustainability commitments, financial institutions still face substantial accountability and transparency gaps.
15	Monteiro et al. (2024)	Sustainability reporting quality of Portuguese firms	Panel Regression	Portugal	The European Union non-financial disclosure mandate has little impact on Portuguese firms' sustainability reporting quality, except for improvements in environmental reporting.

16	Onyshchenko et al. (2025)	Sustainable reporting development of Ukrainian banks	In-depth case study analysis	Ukraine	Ukrainian banks are only beginning to implement sustainability reporting, and current disclosure quality remains below international norms.
17	Pratama et al. (2022)	Environmental, Social, Governance- Sustainability Disclosure among Asian Companies	Disclosure quality matrix	Thailand, Singapore, Indonesia and Malaysia.	Ukrainian banks are only beginning to implement sustainability reporting, and current disclosure quality remains below international norms.
18	Rukmiyati et al. (2023)	Sustainability reporting quality, firm value and investor recognition	Structural equation model (SEM)	Indonesia	Better-quality sustainability reporting increases firm value because investors view strong disclosures as evidence of credible sustainability practices.
19	Sklavos et al. (2025)	Finance Greenwashing, Evaluation of ESG Disclosure and Green Accounting Alignment	Panel regression method of analysis	365 publicly listed financial institutions across European Union	The evidence shows marked variation in ESG performance across institutions, with many achieving strong disclosure scores yet lacking meaningful environmental substance.
20	Trần et al. (2025)	Sustainability reports by companies in the Vietnamese stock market	Quantitative and qualitative research methods – Regression	Vietnam	Vietnamese policymakers and managers need to strengthen sustainability reporting to enhance transparency and align national practices with international standards.
21	Zieba and Johansson (2022)	Sustainability reporting across Europe	In-depth systematic literature review	Global economy	The industry lacks a common framework for defining and measuring sustainability, resulting in inconsistent sustainability reporting practices.
22	Zsóka and Vajkai (2018)	“Corporate sustainability reporting: the requirements of comparability, transparency and reflection of sustainability performance”	Qualitative analysis	Romania	It remains challenging to determine the extent to which the reports are comparable and transparent, and to assess whether they

					accurately represent the actual sustainability performance of the reporting firms.
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Source: Author’s compilation (2025)

Table 1 depicted the link flow between on sustainability reporting quality and financial sector. It was shown that few of the study directly focused on the link between sustainability reporting quality and financial sector while majority of the study indirectly explained the link. However, most studies in the Scopus database regarding the link between sustainability reporting quality and financial sector in Africa especially in sub-Saharan Africa close to non-existence. This indicates majority of banks in Africa have not adopted the idea of sustainability reporting quality in their financials day to day transaction with customers and yearly financial report.

### 3.0 Literature Review and Thematic Findings

The 22 studies examined in this systematic review offer an extensive account of the various channels through which sustainability reporting quality can be embrace by financial sector. Overall, the evidence underscores the growing importance of sustainability reporting quality in broadening contribution of financial sector towards SDGs, and enabling greater participation in sustainability activities. Despite push from United Nation on sustainability practices among stakeholders in 2015, the pace and depth of progress differ markedly across countries, but in Africa the adoption of sustainability practices among banks yearly financial reporting is yet to manifest and embedded in their day-to-day activities.

Ongoing obstacles such as weak regulatory and supervisory frameworks, lack of standardized reporting metrics and methodologies, limited internal capacity and expertise, poor data availability and data quality, high reporting costs and resource constraints, greenwashing incentives and reputational motivations, weak corporate governance and board oversight, underdeveloped stakeholder pressure and market demand and inadequate integration of sustainability into core banking operations continue to restrict the achievement of comprehensive inclusion in bank sustainability practices reporting. Table 1 provides an overview of the defining attributes and empirical insights of the selected studies, followed by thematic discussions in the subsequent subsections that elaborate on their major contributions.

From table 1 for thematic finding shown that Aguado-Correa et al. (2023), Al Astal et al. (2024), AlHares (2025), Carmo and Miguéis (2022), Chagas et al. (2022), Cho et al. (2020), Costa et al. (2022), Dewi and Wardhani (2018) and Dong et al. (2021) pointed that enhancing the credibility of bank reporting, non-financial reporting and establishing a more coherent regulatory system are key to improving how consistently and comparably banks and capital market disclose their sustainability information.

Furthermore, Hla et al. (2021) and Kumari et al. (2024) found that strengthening sustainability disclosure quality among listed firms enhances the Malaysian capital market’s international competitiveness as well as Monteiro et al. (2024) pointed that the EU’s non-financial reporting

mandate has not significantly improved Portuguese firms' sustainability reporting quality, except in the environmental area. Onyshchenko et al. (2025) emphasized that Ukrainian banks are only beginning to implement sustainability reporting, and current disclosure quality remains below international norms, while in Africa, specifically in South Africa by Bellucci et al. (2024) indicates that financial sector subjected to intensified media pressure tend to enhance the depth and clarity of their disclosures as a means of addressing scrutiny, managing reputational threats, and sustaining or regaining their legitimacy. Considering the thematic findings from Table 1, it was shown that there exist scanty studies linking sustainability reporting quality and financial sector in developing economies like Africa. This is due to majority of financial institutions in financial sector never report sustainability practices in their yearly book from customer and bank participations.

#### **4.0 Methodological and Measurement Approach in the Literature**

The reviewed of 22 studies demonstrates a wide methodological spread, shaped by both the scope of scholarly interest and disparities in data accessibility across different regions. Most studies as well as related studies employ survey instruments, content analysis, descriptive, correlation and panel regression techniques, generating important micro-level perspectives but offering limited generalizability. A smaller number of studies use econometric analyses often based on cross-sectional or panel datasets to investigate the drivers and implications of sustainability reporting quality in the financial sector. In contexts where reliable data remain limited or scanty due to non-participation and recording by financial institutions and their customers on sustainability practices, particularly in many developing economies like Africa, researchers frequently rely on case studies and conceptual discussions.

Overall, this imbalance in methodological depth shows that, despite the growing volume of research, the field continues to be dominated by exploratory and descriptive inquiry especially in advance countries like Europe. Only a few studies utilise econometric frameworks like correlation and regression, restricting the ability to draw causal inferences or develop policy-relevant insights. None of the study employ questionnaire measure instruments for sustainability reporting quality and its adoption by financial sector in Africa using advance econometric techniques for analysis, this created questionnaire instrument measurement gap. This underscores key gaps for future research: the need to integrate large-scale questionnaire instrument with rigorous econometric methods to better illuminate the complex contribution of sustainability practices to quality reporting system for banks, other financial institutions and their customers. Table 2 focused on components and questionnaire instrument for sustainability reporting quality and financial sector adoption proposed by this study.

**Table 2: Components Measures for Sustainability Reporting Quality and Financial Sector Inclusiveness**

	<b>Sustainability Reporting Quality Features</b>	<b>Financial Sector Inclusiveness</b>
<b>Components</b>	1. Environmental, Social, and Governance (ESG) Coverage	1. Financial Inclusion indicator (SDG1, SDG 5, SDG 8 and SDG 10) practice by financial sector
	2. Accuracy and Reliability on sustainability	2. Sustainable Finance and Green Investment (SDG 7, SDG 9, SDG 12, SDG 13) by banks and capital market
	3. Balance and Neutrality on reporting sustainability	3. Governance, Ethical Conduct, and Transparency (SDG 16, SDG 17) of financial sector in recording
	4. Comparability of sustainability reporting	4. Financial Stability and Systemic Resilience (SDG 8, SDG 17) achieve by financial sector due to sustainability practices
	5. Clarity and Understandability on sustainability reporting	5. Contribution to Climate Adaptation and Disaster Risk Reduction (SDG 13) by financial sector
	6. Timeliness on sustainability disclosure	6. Partnerships and Global Financial Cooperation (SDG 17) by financial sector especially banks
	7. Materiality on sustainability capturing	
	8. Stakeholder Inclusiveness on SDGs	
	9. Strategic Integration of sustainability practices	
	10. Assurance Quality on sustainability reporting	

Source: Author’s Compilation (2025)

### 5.0 Results and Discussion

The analysis of the 22 reviewed studies demonstrates a consistent recognition that sustainability reporting quality is becoming increasingly important in advancing banking world due to significant financial role financial institutions would play in achieving SDGs. While this review does not undertake a meta-analytic estimation of effect sizes, it integrates the core empirical insights to outline the dominant patterns across the literature. To enhance clarity, the study generated a straightforward more qualitative and scantier quantitative overview based on the coded evidence from the studies. Table 1 reports the aggregate effect tendencies and their regional distribution, providing a means of converting predominantly content and descriptive findings into more structured and comparable analytical observations.

The study additionally identified notable consistencies between the stated goals and results of the studies with various methods employed. A number of few investigations sought to determine key drivers of sustainability reporting quality especially in Europe but most of these past studies in Europe never established components or indicators of sustainability reporting quality for financial institutions in the financial sector, but they relied predominantly on content and systematic review analyses, which provided limited capacity to explain underlying components of sustainability reporting quality for financial institutions especially banks. These observed shortcomings indicate a clear need for future research that financial institutions aligns

its objectives with SDGs using more robust components of sustainability reporting quality to be embraced and embedded in the recording and operations of banks with bank customers inclusiveness. Overall, the few studies in Europe and China such as Costa et al. (2022), Aguado-Correa et al. (2023), Onyshchenko et al. (2025), Pratama et al. (2022), Dong et al. (2021) among few others found that sustainability reporting quality enhanced financial institutions to produce reports with greater materiality and overall higher quality that meet international reporting standard which engage more stakeholders to partake in SDGs across continents.

### **Future Research Avenues and Contributions**

There are established gaps in the systematic review that in Africa majority of financial institutions have not subscribed fully into sustainability reporting quality of SDGs and components of sustainability reporting quality have not been considered in the day to day banking activities and reporting of most financial institutions in Africa, making setback for financial institutions, investors and populace in Africa to not fully consider SDGs in their way of life and investment. Future studies could substantially strengthen the current framework by addressing several key gaps identified in this study. Longitudinal research that monitors changes and contribution to sustainability reporting quality of SDGs scores across multiple periods would offer valuable evidence on how regulatory interventions shape quality disclosure practices and the alignment between reported and actual contribution of African financial institutions into SDGs, this could provide a more nuanced understanding of how quality reporting of SDGs manifests differently across contexts.

Similarly, Methodological advancements are also warranted in terms of questionnaire instrument to measure sustainability reporting quality and participation of financial institutions is scanty in the financial sector especially in Africa, thus study should employ suggested measures by this study to serve as questionnaire instruments that will be used to establish empirical quantitative investigation through sophisticated fuzzy multi-criteria techniques like Fuzzy AHP (Analytic Hierarchy Process), Fuzzy TOPSIS (Technique for Order Preference by Similarity to the Ideal Solution) and Fuzzy VIKOR which may enhance the analytical depth of sustainability reporting quality of SDGs when uncertainty is present. In addition, machine learning models, especially those incorporating explanatory features, present promising avenues for predicting sustainability reporting risk based on financial, governance, and ESG-related variables. Further research should also assess the broader implications of quality reporting of sustainability practices by banks, including regulatory enforcement outcomes, shifts in stakeholder trust, financial institutions and capital market responses. Together, these directions would contribute to validating the SDGs as a forward-looking indicator of reputational and systemic exposures for banks in Africa and would support stronger, more actionable sustainability reporting quality supervisory mechanisms for bank day to day activities in Africa.

### **Limitations of the Review**

This review is constrained by several factors related to the nature of the existing evidence and the methodological parameters adopted. A key limitation is that a few portions of the studies in the sample focus more on Europe while Africa nations were scanty on adoption of sustainability reporting quality by financial sector in Africa nations, this restricts the strength of the implications that can be drawn and limits the extent to which the conclusions can be applied to broader continents. Another limitation arises from how core variables of sustainability reporting quality and financial sector linkage are not defined and instrumentally measured for empirical investigation, reducing the degree of empirical studies and comparability in Africa. Thus, limits the extent to which advance and sophisticated technique can be used to study the link between Africa financial sector and sustainability reporting quality.

The review also covers literature published only between 2015 and 2025 and includes exclusively English-language and peer-reviewed sources. While this approach enhances methodological rigor and ensures a consistent standard of evidence, it may lead to the omission of relevant insights found in government documents, reports written in other languages, or studies that present neutral or non-significant outcomes. In comparison, biases related to language and publication selection appear to exert a smaller influence on the overall patterns observed, although they still narrow the breadth of the available evidence.

### **Conclusion and Policy Implications**

This review draws on 22 studies published between 2015 and 2025 to assess the contribution and participation of sustainability reporting quality by financial sector in the process of carrying out day to day banking activities and recording. Overall, the related scanty literature in Europe and China indicates that banks partially indoctrinate sustainability reporting especially in the area of environment but other area of sustainability practices were neglected, this make must banks sustainability report not quality enough to meet international standard conditions set for SDGs participation set by United Nation Assembly on sustainability. In developing economies like Africa, financial sector life financial institutions (banks) have not embraced and indoctrinate sustainability reporting practices in their day-to-day banking functions, and intermediary role with bank customers, this causes slow in the participation and unsubscribed of banks and populace in the SDGs of the United Nation.

Although, sustainability reporting is widely recognized as a key instrument through which organizations disclose information on their environmental and social performance alongside economic outcomes, while also signaling their commitment to sustainable development to a broad range of stakeholders. However, banks in Africa have not develop instrumental measurement items that should be reflected in records of banks and other stakeholders like bank customers, this measurement items can be adopted from table 2 in this study. Achieving meaningful advancement of sustainability reporting quality in the financial sector, Government must instruct financial sector regulators and authorities to command banks and other banks in Africa to indoctrinate habit of given priority to bank customers who consider sustainability practices in their proposal and bank must record their activities on sustainability agenda and

action in their yearly published financial statement or else be sanction and license might be withdraw. This will make banks and other financial institutions in Africa to comply with SDGs proposed by United Nation.

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