Impact of Corporate Social Responsibility on Firms' Profitability: Evidence from Nigeria and Sierra Leone

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Since the beginning of the 21st century, companies' main motive of owners' wealth maximisation is gradually metamorphosing into all-inclusive stakeholders' reporting because of intense agitations for corporations to be socially responsible. However, the impact of such activities on firms' profitability has produced mix results especially in the developing countries because such activities involve cost which lowers profits and simultaneously reduces operational disruption (cost reduction). Thus, this study seeks to close the gap by examining the impact of such Corporate Social Responsibility (CSR) activities/disclosures on profitability of Nigerian and Sierra Leonean firm between (2004-2013). It also establishes the effect of financial leverage and firms; profitability in the two countries with a view to clear the air on such unresolved relationship. Ten (10) firms but Five (5) firms from five(5) sectors were selected from each country while secondary data used were profitability (proxy by profit after tax) and CSR (proxy by dummies (1) and (0) respectively for disclosure and non-disclosure of CSR variables: Environmental Costs (EC), Human Resources Costs (HRC), Product Quality (PQ), Consumer Relation (CI) and Community Involvement (CI) while financial leverage was proxy by (ratio of total debt to total assets). A trend analysis of the relationship between profitability and (CSR & leverage) was presented descriptively while Pearson Product Moment Correlation Coefficient and Multiple Regressions (OLS methods) were used to analyse the data after non-existence of serial/auto correlation was established. The study finds that the correlation between firm size and CSR disclosure is 0.80 in Nigeria while in Sierra Leone the correlation between firm size and CSR disclosure is 0.78. Furthermore, a negative correlation of -0.71 exists between Leverage and CSR disclosure in Nigeria with Sierra Leonean firms having -0.69 correlation between Leverage and CSR disclosure. The study concludes that Nigerian firms' profitability are impacted more by their community involvement activity (3.09%) while environmental cost disclosure accounts for greater effect on Sierra Leonean firms' profits (2.3%). Finally, 82.3% and 79.4% of changes in profits of Sierra Leonean firms and Nigerian firms respectively are accounted by their CSR disclosure. The study therefore recommends that companies should invest and disclose CSR expenditure in their accounts with a view to improve their profit performance while highly geared firms should reduce their debt ratio to raise their involvement in CSR so that their profit can also be raised.

Key words: *CSR, Profitability, Leverage, Corporate Social Responsibility*

INTRODUCTION

Business organizations until recently were established with the main aim of creating economic values for their owners through profitable business activities and as such, profit is seen both as the means of fulfilling the financial satisfaction of the business owners and as compensation for the owners' risk to invest their capital in business enterprise. Over time, this profit motive created a wider gap between business owners and the society in which they operate resulting in agitation by pressure groups and even government for a fair play.

Tremendous economic and social changes that occurred in developing countries particularly over the past decades had made business environment to be more complex and demanding. Given that the contract between the firm and its host community typically does not define such expanded responsibility, justification for this added burden, at best, remains arguable (Babbie, 1990). This is so especially in view of the fact that actions taken to protect the environment and/or promote the interest of host communities expectedly come with substantial underlying costs and for most firms, cost are decisive in corporate performance. Therefore, as pressure to behave in a socially responsible way heightens, its effect on the financial performance of firms continues to generate intense debate.

The big corporate scandals of Enron, British Petroleum, and Parmalat was a worldwide shock as they revealed lack of social, ethical and environmental corporate concern. Subsequently, business organizations according to (Babalola, 2012) were compelled to develop a variety of strategies for dealing with this interaction of societal needs, the natural environment and corresponding business imperatives with respect to how deeply and how well they are integrating social responsibility approaches into both strategy and daily operations worldwide. This approach is called corporate social responsibility (CSR) and it helps firms to extend aid to societies needs, use business resources to promote the interests of all stakeholders affected by a company's operations and to respond to changing public needs and expectations while it helps in the correction of some problems caused by the business,(environmental degradation and pollution (water, air or land pollutions). All these have adversely affected agriculture and environment leading to shortage of food, unemployment and reduction in standard of living and per capital income. Lack of Petroleum Company's sensitivity to these CSR concepts led to crisis in the Niger Delta areas of Nigeria with resultant effect of loss of lives, properties, disruption of petroleum operations as well as kidnapping of oil sector staff and negative consequences on the economy. The economic implication is a form of revenue loss and diversion of government attention from developmental objectives (For instance, government of Nigeria had spent billions of naira in intervention scheme such as establishment of Niger Delta Development Commission (NDDC), Ministry of Niger Delta as well as granting of amnesty to the militants that were involved in the kidnapping and economic disturbances. More so, a number of money have been spent on oversees training of these militants with the sole aim of rehabilitating them and make them economically useful instead of disrupting the developmental activities.

The experience was not different in Sierra Leone as the country derives over 50% of its revenue in form of taxation from multinational companies which carry out mining of minerals such as Diamond, Rutile, Bauxite, Iron ore and fishing. This made the government to heavily protect these firms since 1932 when diamond was first discovered in Kono District, Eastern Sierra Leone. Invariably, over time their activities made the host communities vulnerable to water borne and air borne diseases and their farmlands have been flooded by abandoned trenches. Many people have relocated with little or no incentive resulting in so many vices in these host communities.

All these troubles could have been averted if the oil companies have been environmentally responsible and practice some levels of CSR. They were only concerned with profit generation and repatriation with the notion that spending on CSR will reduce their returns/ profit. This believe is not at variance with theoretical and accounting translation, which generally held that CSR could reduce firms' profits the same way other expenditures would. However, in the literature, there seem to be no agreement as to the effect of CSR on corporate performance. For instance, (Ajide and Aderemi, 2014) pointed out that CSR could promote respect for firms in the market place which can result in higher sales, enhance employees' loyalty and attract better personnel to the firms. Also, CSR activities focusing on sustainability issues may lower costs and improve efficiencies and serves as an added advantage for public companies who wish to gain a possible listing on the Stock Exchange or other similar listing (Robins, 2011). This may enhance the firm's stock price, making executives stock and stock options more profitable and shareholders happier (Chek, Mohamed, Yunus and Norwani, 2013). Going by these expositions, one may be tempted to say that being CSR compliant might enhance corporate performance, but then, why are firms running away from CSR activities?. Investigating into such relationship is a worthy academic exercise which untaken in this study.

This supposition of ours is also in line with Jo and Harjoto (2011) who find a strongly positive impact for firms that engage in CSR activities on their values but contrast with that of Nelling and Webb (2009) which concludes that CSR is driven more by unobservable firm characteristic than by financial performance. At the extreme, Mulyadi and Anwar (2011); Apria (2011) conclude that there is no significant impact of CSR on firm's value. Other studies with contradictory conclusions on the relationship between CSR and corporate performance include Friedman (2008); Babalola (2012); Eragbhe and Oshodin (2014).

The observable inconclusive results call for a more recent, an academic ingenuity in establishing the relationship between CSR and profitability. This study answer the call and is distinct from other ones as it examines the impact of CSR activities and their disclosure on firm's profitability in Nigeria and Sierra Leone, (being countries that are oil and mineral dependent respectively and have suffered from CSR failure) considering differences in their legal and reporting environment since firms cannot ignore the problems of the environment in which they operate. In addition to resolving this heating conflict among researchers, this study comparatively analyzes the effect of CSR disclosure on firms' profitability in Nigeria and Sierra Leone in order to establish whether there is any similarity and/or difference between Nigerian and Sierra Leonean firms operational impact on their host communities.

This effort is closer to non-existent and it will serve as a useful source of information for: managers for making prudent and financial decision, business stakeholders in their relations with firms, government agencies and some other interested bodies (like NGOs and International agencies) for knowledge expansion and policy direction.

The above scenarios led to the following research questions:

(i) Does firm involvement in CSR reduces or increase their profit level?

(ii) Is there any difference in the effect of CSR on firms' performance among sectors in Nigeria and in Sierra Leone?

(iii) What is the effect of the major components of CSR activities undertaken by the selected firms in Nigeria and Sierra Leone on their profitability?

To achieve these objectives and address the research questions raised, the study hypothesized as:

Ho_1: effect of CSR on firms' performance do not differ significantly among company sectors in Nigeria and in Sierra Leone

Ho_1: There is no significant relationship between CSR activities/ disclosure among sector in Nigeria and Sierra Leone.

Ho_2: There is no significant effect of CSR activities on profitability of sampled firms in Nigeria and Sierra Leone.

LITERATURE REVIEW

Conceptual Framework

In 1953 Howard Bowen coined the concept of CSR in its modern form and is thus recognized as the father of CSR. Since the 1950s different academics and institutions all around the world have tried to define CSR. For instance, Carroll (1989) states that the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations placed by society at a given point in time while Balza and Radojicic, (2004) revealed that these four part models are still use as a reference in almost every CSR discussion.

Gray, Owen and Adams (1996) define corporate social responsibility disclosure (CSRD) as the process of communicating the social and environmental effects of organization economic actions to particular interest groups within the society and to the society at large. (Dowhings and Pferrer, 1975) pointed out that (CSRD) assists to evaluate the congruence between the social value implied by corporate activities and social norms.

The European Foundation for Quality Management (EFQM) presents some common characteristics of CSR which are:

i. Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand;

ii. Adopting CSR voluntarily, rather than as legal requirement because it is seen to be in the long-term interests of the organization;

iii. Integrating social, environmental and economic policies in day to day business; and

iv. Accepting CSR as a core activity that is embedded into an organization's management strategy.

However, the membership Organization, EFQM (The EFQM Framework for Corporate Social Responsibility, 2004) presents a number of direct benefits for the organizations for engaging in CSR activities diligently to include: increased brand value, greater access to finance, a healthier and safer workforce, stronger risk management and corporate governance, motivated people, customer loyalty, enhanced confidence and trust of stakeholders and an enhanced public image. Consequently Solihin (2009) presents five key benefits of CSR a firm achieve for being socially responsible to stakeholders and the environment in general. These benefits are: increase in sales and market share, strengthen brand position, increase image of corporation, decrease in operation cost and increase appeal of corporation for investors and finance analysts.

Summarily therefore, social responsibility of firms is necessary for the following reasons: it helps firms to extend aid to societies need; it helps firms to use business resources to promote the interests of all stakeholders affected by a company's operations; social responsibility helps the firm to respond to changing public needs and expectations; it helps the firm or business to recognize its moral obligations; and social responsibility facilitates a firm's correction of some problems caused by the business, for example, pollution of the environment.

Corporate Social Responsibility and Profitability Measurement

Developing countries which have been greatly affected by the hazardous activities of firms especially multinationals have not benefited immensely from their profits. This is due to the fact that while regulations guiding their operations exist in their developed countries of origin, such are normally not available and even if they exist they are inadequate, vague and incomplete in the developing countries where they carry out their operations. As a result, these firms circumvent these structures for their personal gains. At the wake of 1990s, pressure groups canvassed and was able to draw the attention of the international community to these unprecedented operations. For instance, the Movement for the Survival of Ogoni People was able to launch a massive campaign against Shell in the early 1990s forcing Shell to close operations in the Niger Delta area of Nigeria. Similarly, in Sierra Leone was the 2012 uprising of Labour Union against African Minerals for their bad labour policy.

The history of formalized corporate social responsibility in Nigeria can be traced back to the corporate social responsibility practices in the oil and gas multinationals with the focus on remedying the effects of their extraction activities on the local communities. The companies were forced to provide pipe-borne waters, hospitals and schools but these initiatives were ad hoc and not always sustained. However, firms have realised that operating in an environmentally friendly society yields favourable results. Nevertheless, many executives are not aware of these benefits while some are even unwilling since it comes with costs and for many firms costs are decisive in major decisions. In response, the

Governments of Nigeria and Sierra Leone signed and enacted the Extractive Industry Transparency Initiative (EITI) in 2006 which mandate firms and governments to respectively publish amounts incurred or received on CSR and taxes and royalties.

Corporate Social Responsibility Issues in Nigeria and Sierra Leone

Nigeria CSR experience is the common story that happened in many newly independent African nations. Almost all of them have been transformed into corrupted and ineffective dictatorships that usually heavily rely on Western or Soviet subsidies and that are often plagued in guerrilla fighting and civil wars whenever the changes of governments happen. These changes of governments are usually done by means of a coup d'état (Manby, 2002). For instance, Nigeria produces around 2 million barrels daily of crude oil and has estimated huge reserves of oil (over 22 billion barrels), mostly found in the coastal areas of Niger Delta (the land of Ogoni people with over 500,000 natives and their habitants that include fishing, hunting, and farming) have been destroyed by extraction of oil. Unfortunately, Ogoni received no compensation for the environmental damage done by oil companies (Johansen, 2002).

Unfortunately, going by Nigeria's constitution all minerals, gas and oil belong entirely to the federal government who negotiate the exploitation contracts with international oil companies. However, oil exploration by Shell, Mobil, Texaco, Chevron, Elf and Agip which started in 1956 resulted to an average of 190 oil spills per year happened in this Ogoni area with resultant pollution of the lakes, rivers and ponds. Consequently, almost all of the land became unusable for agriculture, canals and the fragile ecosystem have been permanently damaged. Moreover, polluted water has brought cholera and death. Severe respiratory problems and other kinds of illness are related with the constantly gas flaring that Ogonis have been exposed to (Johansen, 2002).

In 1990 Ogonis' protests of such conditions were met with an atrocious and brutal repression by Nigerian authorities. According to Gedicks (2002), more than 2000 people were killed and 37 villages were substantially destroyed. About 30,000 Ogonis were displaced from their homes forced by troops that have secured the area in order to protect Shell's assets. In 1993 nongovernmental organization "The Movement for the Survival of the Ogonis People" (MOSOP) was founded in order to protest the violation of Ogonis human rights. This organization demanded that the local control should be established regarding the political and environmental issues and its activists blamed Shell for full responsibility in the Ogonis genocide. However, their leaders, Ken Saro-Wiwa (the most notable leader) and eight prominent leaders were hung in the 1990s. While the group continued their operations, the government never took measures to protect them until recently when President Mohammadu Buhari ordered all participating parties in oil business to contribute $10million to CSR fund.

Conversely, in Sierra Leone in 1955, the monopoly that allows only the Imperial Sierra Leone Selection Trust Ltd (SLST) to mine in Sierra Leone was broken and in 1956 the Alluvial Diamond Mining Scheme (ADMS) was enacted which gave provision for Sierra Leoneans to mine and sell diamonds. In the case of gold, practically the entire production from 1930-1951 came from artisanal miners. However, these multinationals through government agencies acquired almost all the mining areas leaving little for artisanal miners by 1980s. Consequently, severally border conflicts ensued between the large scale miners and the local poor artisanal miners who were already out of work.

Adverse environmental impacts of unsustainable mining activity in Sierra Leone include deforestation, land degradation, and water and air pollution from waste dumps and tailings disposal. In many cases, environmental problems are a legacy of past mining operations that require funds to restore degraded lands or compensate affected communities. Artisanal and small-scale mining (ASM) activity, an important source of livelihood for around 200,000 local miners, is characterized by poor technological practices, with adverse environmental and social impacts. 80,000 to 120,000 hectares of land have been mined out in different parts of the country, with almost no efforts of reclamation. This kind of diamond mining has caused massive deforestation, health problems and significant loss of bio-diversity (FIAS, 2006).

In localized areas, large pieces arable land have also been destroyed by miners. In another case Koidu Holdings (KH), a joint venture of Branch Energy Ltd and Magma Diamond Resources Ltd opened their Kimberlite mine in Kono in 2003. They have another Kimberlite mine in Koidu as well as three additional exploration properties elsewhere in Sierra Leone the operation of which led to destruction of several houses and use of harmful dynamite in their operation with its consequences on human life.

Profitability according to Hackston and Milne (1996), is the company's ability to produce a profit that would sustain long term and short term growth. The higher the level of corporate profitability, all things being equal the greater should be the level of social disclosure, he concluded.

Poddi and Vergali (2009) classified profitability in the context of CSR into three (3):

i. Market variables market capitalization (MKTCAP);

ii. Accounting Variables- Profit After Tax, Return on Capital Employed (ROCE), Return on Assets (ROA), Return on investment (ROI), Return on Equity (ROE); and

iii. Mixed variables- Market Value Added (MVA).

Although one might have expected a certain diversity of measures of corporate social responsibility disclosures, Uwuigbe and Egbide (2012) opined that there is no real consensus on the proper measures of corporate financial performance either. However, most of the measures of firms' financial performance fall into the three broad categories: (i). Investor based; (ii). Accounting based; and (iii). Market based. The literature in this study area including (Johnson and Greening, 1999; Mahoney and Thorne, 2005; Orlitzky, Schmidt and Rynes, 2003; Wu, 2006; Babalola, 2012; Kanwal, Khanam, Nasreen and Hameed (2013), Poddi and Vergali (2009) and Uwuigbe and Egbide (2012) reveal that the accounting based variables are often used as proxies for profitability due to the following advantages:

i. It enjoys popularity among researchers and academia over considerable period of time due to its simplicity;

ii. Accounting data are easily available from published annual reports of companies; and

iii. There is little effect of personal judgment leading to its reliability to some extent.

Each of these variables however provides a credible measure and as such most research preferred accounting variables as proxy for firm's profitability. For profitability testing, many studies used the following accounting indicators: ROCE, ROE, ROA, and Profit after Tax and Net Profit Margin (Mulyadi et al., 2014; Ventila, 2013; Cyrus and Oyenje, 2013).

Theoretical Background

Should companies seek only to maximize shareholders value or strive to serve the often conflicting interest of all stakeholders?. Guidance can be found in exploring exactly what theory does and does not say (Smith, 2003). Thus, the Shareholders, Stakeholders, Social Contract and legitimacy theories are relevant to the concept of CSR and profitability.

Shareholder Theory purports that corporations are established to make profit for their shareholders such that the only exclusive social responsibility of

business is to make profits by using the companies' resources in legal activities. Thus, profit was considered as the reward to the people that take the risk of investing their capital necessary to run the company. However, the theory according to Smith (2003) has been criticized by adversaries on three grounds: (i) shareholder view encourages management executives to do anything in order to achieve profits (ii) it promotes short-term goals for businesses and (iii) it forbids spending money in charitable projects or investing in improvement of employee's self-confidence. Smiths conclusion however was that although shareholder theory supports the idea of profitability as the company's only goal, it has to be achieved by performing legal activities, thus, it encourage firms to engage their goals both in short and long term.

Stakeholder Theory believes that beyond the shareholders, a firm has a number of stakeholders such as employees, customers, suppliers, creditors, host communities and the government and the performance and success of the firm depends on how well is able to manage its relationship with these stakeholders (Freeman and Philips, 2012). Generating a positive relationship with these group naturally include the provision of social projects and other actions that are normally costly for the firm at least in the short run. Profits may however be the assumed outcome of this association once value is created. The positive association between CSR and financial performance by Orlitzky, et al (2003); Preston and O'Bannon (1997); Spencer and Taylor (1987); Babalola (2012); Eragbhe and Oshodin (2014) partly reinforce and justify the logic of the stakeholder theory.

Social Contract Theory underpins the fact that extant societal law forms the basis of the social contract between the firm and the society. In the absence of express or clear requirement for firms to act in socially responsible ways, the social contract therefore becomes the basis upon which the relationship is anchored. Mathew (1993) states that voluntary disclosure is indicative of firm's commitment to this relationship and it represents a credible way to subtly pressuring firms to act in socially responsible way. Social reporting has been the main driver of firm's recent social responsible act and it continued emphasis will lead to practice that facilitate sustainable development of better accountability and stakeholder democracy (Hess, 2008). Consequently failure to report such activities leads to costs like fines and penalties, increased regulatory sanctions, negative publicity and unfavorable corporate image, customers' loss and boycott (Adams, 2002; Deegan and Godor, 1996).

Legitimacy Theory proposes that in order to survive, the firm must perform those socially desirable actions which the society imposes on the firm as an obligation. By doing this credibly, the firm becomes requited with favorable outcomes such as acceptance and approval and by extension patronage and loyalty to the firm's products and even attraction of high quality staff (Duke and Kankpang, 2013). However the firm must disclose these critical information needed to rate or assess its social performance if it is to succeed.

Empirical Evidence

The apparent conflict between corporate social responsibility and firm objectives was noticed early by the Nobel Laureate Milton Friedman who averred that any effort to use corporate resources for purely altruistic purposes would constitute socialism. In fact Friedman recommended that corporation law should be modified to discourage corporate social responsibility (Babalola, 2012). Yet, more than thirty years after Friedman made his declaration, CSR has become the norm.

Surprisingly empirical evidences have indicated positive, neutral and even negative impacts of CSR on firms' financial performance. Among such studies is Griffin and Mahons (1997) that examine the relationship between CSR and Corporate Financial Performance (CFP). They mapped studies on the relationship between CSR and CFP for the periods of 1970s (16 studies), 1980s (27 studies) and 1990s (8 studies) totaling around 51 articles. In the 1970s, out of the 16 studies, 12 revealed a positive direction of the relationship between CSR and CFP. Similarly in 1980s and 1990s the positive association had been accounted for 14 out of 27 studies and 7 out of the 8 studies respectively. Negative results were supported by 1 study in the 1970s, 17 studies in the 1980s and 3 studies in the 1990s while 4 and 5 studies in the 1970s and 1980s respectively provided inconclusive (neutral) findings.

Furthermore, Babalola (2012) examines the relationship between CSR and Firms' profitability in Nigeria with the use of secondary data sourced from ten (10) randomly selected firms' annual reports and financial summary from 1999-2008. The study make use of ordinary least square method of analysis and finds that the sampled firms invested less than 10% of their annual profit on CSR. The coefficient of determination of the result obtained shows changes in the selected firms financial performance (PAT) are caused by changes in CSR in Nigeria and recommends that laws and regulations that will obligate firms to recognize and pay adequate attention to social accounting should be enacted.

FIAS (2006) looks at CSR of mining and tourism firms in Sierra Leone as industry based solutions. Using a descriptive analysis, FIAS observed a trend in Sierra Leone referred to as an emerging “clash of expectations” about the benefits that will accrue to the government, local communities and business respectively, following the reactivation and expansion of Large Scale Industrial Mining (LSM) operations. It is also this clash of expectations that provides the rationale for corporate social responsibility and explains why it should be considered as a factor that will help promote and sustain foreign investment in the mining sector. Simply stated, CSR practices such as stakeholder identification and engagement, adequate community relations, capacity building, sustainable community development and measurement of social and environmental impacts can help prevent or minimize such clashes. Creating awareness of CSR among local businesses and international investors by including CSR issues in SLEDIC strategy, information-sharing, and stakeholder engagement with strong private sector participation were recommended.

Although a large body of literature generally exists on the concept of CSR, there is observably scanty empirical evidence emanating from countries in sub-Saharan Africa that have become most vulnerable to ecological degradation problems as a result of environment related business activities (Duke II and Kankpang, 2013). This study therefore seeks to contribute to closure of this gap with its examination on a comparative basis of the impact of CSR activities on selected firms' profitability in Nigeria and Sierra Leone. This type of study is novel, nonexistent and appropriate due to similarities of environment such as high poverty rate, high illiteracy rate, high interest rate, poor governance system, inadequate infrastructure, energy crises among others of these two countries.

METHODOLOGY

Analytical Technique

The relationship between CSR activities/disclosures and profitability is such that profitability is the dependent variable while CSR activities/disclosures are the explanatory/independent variable and is represented by:

PAT= f (ENV, HR, PQC, CI) .... (i)

When specified, it becomes:

$Y_{PAT} = \beta_o + \beta_1 ENV + \beta_2 HR + \beta_3 PQC + \beta_4 CI + \mu$ .... (ii)

Where:

Y_{PAT} = Profit after Tax and total assets as proxy of firm's profitability;

β_o = Intercept parameter (constant);

ENV = Environmental Costs;

HR = Human Resources Costs;

PQC = Product Quality and Consumer Relation;

CI = Community Involvement;

β_1-β_4 = Parameters of the Estimate; and

μ = Error term, representing factors other than those specified in the model.

The import of this relationship is that the amount of expenditures on ENV, HR, PQC and CI is represented or proxy by the CSR activities / disclosure and it determines the magnitude and direction of firms' profitability.

Ability of firms to be Socially responsible depends on the magnitude of its total assets and its gearing structure such that theoretically, the higher the firms' asset base (firm size) the higher is its strength in generating profits and thereby ability to commit fund to societal demands/needs. Conversely, firms that are highly geared all things being equal are expected to spends more in their debt servicing and less on CSR and vice versa for firms that are lowly geared. Thus, with respect to the determinants of CSR expenditure/activities, the relationship is expressed as:

CSRDLS = f(TOASS+FINLV) .... (iii)

Where:

CSRDLS = Involvement or Expenditure on CSR Activities

TOASS = Total Assets of the Firms

FINLV = Financial Leverage of the Firms (total debt)

Data type and Sources

Five sectors: banking, manufacturing, construction, mining and oil and gas that mostly impact on the environment are covered in this study. Using panel data methodology, ten firms in all (five each) from Nigeria and Sierra Leone were judgmentally selected from industries whose activities impact mostly on the host communities (Table1). This study model is amenable to secondary data which on firms CSR disclosure and financial performance were sourced for ten (10) years 2004-2013 from the selected firms' annual audited accounts and reports. Branco and Rodrigues (2006) CSR Disclosure Scoring System (Appendix II & III) was adopted to measure CSR activities /disclosure by the selected firms (1 for disclosure of a particular component of the scoring system by a firm and 0 for non-disclosure) while total assets and profit after tax are measures of firm size and profitability respectively. Total asset, which measures firm size is used to test the assertion that bigger firms participate more in CSR activities than smaller ones.

Pearson Product Moment Correlation was used to test hypothesis one and three while hypothesis two was tested using Multiple Regression of OLS method.

Data Presentation and Analysis

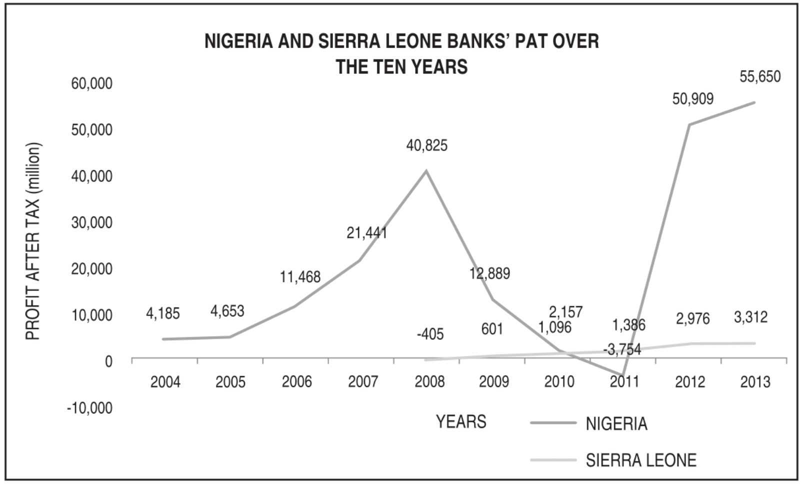
The first segment of this analysis explains the behavior of the variables used in the study as to whether the trend or movements differ significantly or are in similar pattern between Nigeria and Sierra Leone.

Table 1 Selected Companies in each sector for Nigeria and Sierra Leone

Sectors	Banking	Manufacturing	Construction	Mining	Oil and Gas
Nigeria	UBA Nig. Plc.	Nestle Nig. Plc.	Julius Berger Plc.	Oando Plc.	Total Nig.Plc.
Sierra Leone	UBA Sierra Leone	Sierra Bottling Co.	Jinreimond SL	Sierra Ruttle	Unipetrol (SL)

Figure a: Profit after Tax (PAT) by Sectors for Nigeria and Sierra Leone (2004-2013)

Figure a



Source: Author's Analysis, (2015).

Figure b

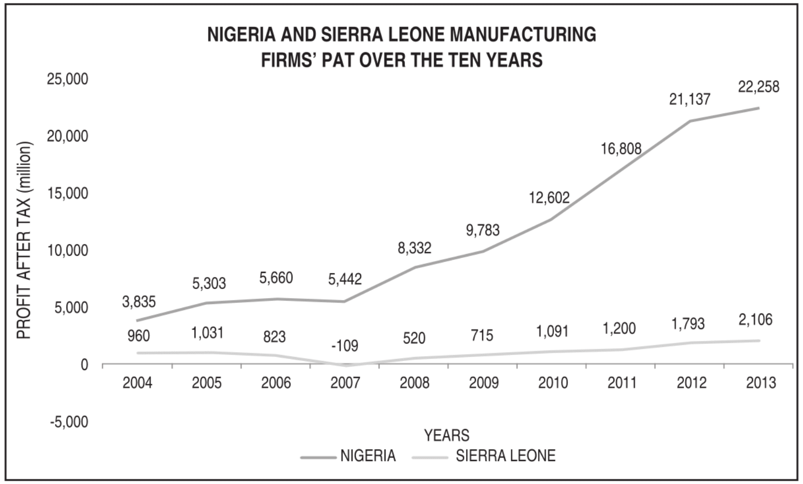


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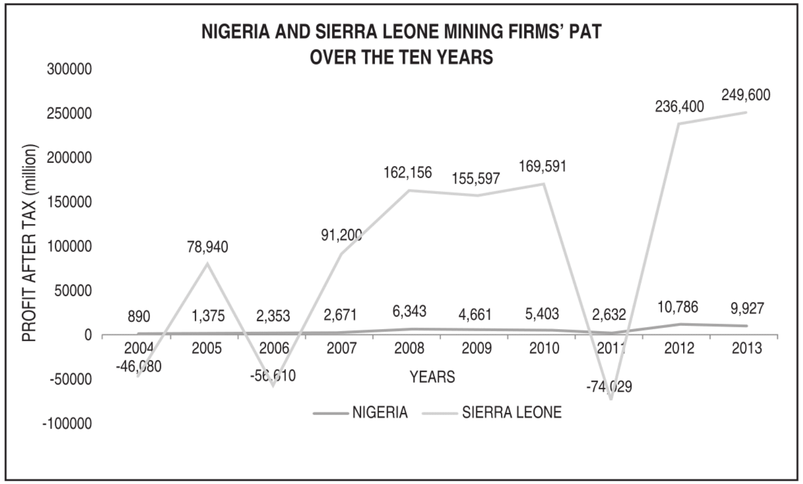
Figure c

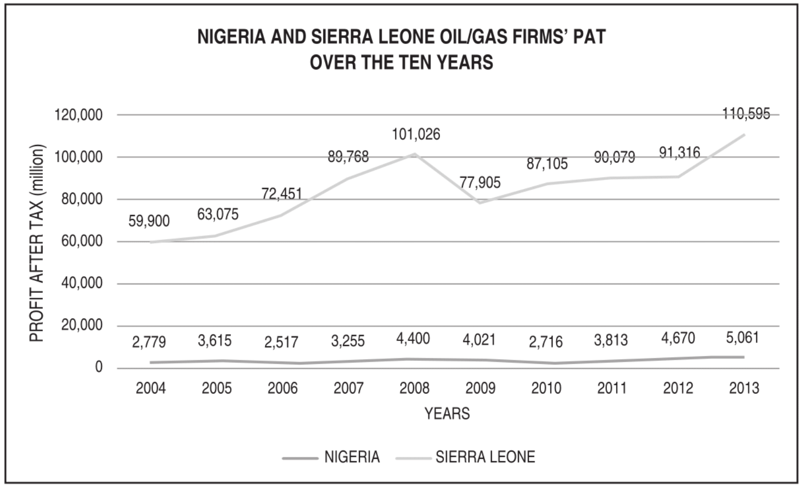
Source: Author's Analysis, (2015).

Figure d



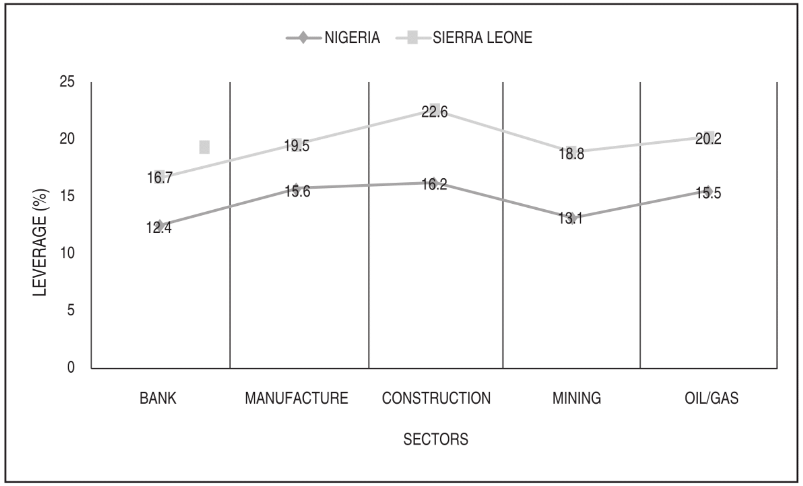
Source: Author's Analysis, (2015).

Figure e



Source: Author's Analysis (2015).

Figure f: Financial Leverage by Sectors in Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

While holding differences in value of money constant, as evident from (Figure a) in Nigeria, banking sector tends to be more profitable than in Sierra Leone whose commercial banking services revitalized in 2004 after the civil war ended in 2002. Similarly, as shown in (figures b and c), Nigerian manufacturing and construction firms outperformed the Sierra Leonean counterpart. However, the situation is quite different in the mining and oil/gas industries where Sierra Leonean firms tend to be more profitable than the Nigerian firms as reflected in (figure d and e) respectively. This is due to the diversion of the little infrastructure to these sectors by government of Sierra Leone as the country is mineral dependent.

Conversely, in Nigeria the banks' consolidation in 2005 led to emergence of mega banks enabling them avert risks in interests, exchange and market rates that affect other sectors in the economy. At the other extreme, the construction firm reported the lowest profits since its profits are mainly from one-off contracts.

It can be seen from (figure f) that on the average, the construction sector in Nigeria and Sierra Leone, is highly geared though in different magnitudes. This is followed by oil and gas, manufacturing and banking sectors respectively. The banking sector has to be lowly geared at least in the long run so as to easily sustain the market shocks mainly from external markets and also for meeting the strict regulations by the apex banks in both countries. Specifically, the banking sector (UBA Nig Plc.) in Nigeria has been able to diversified operations to 17 other countries since 2005 banking consolidation exercise enabling it to easily absorb any risks posed in one or few of its operating markets. Comparatively, firms in Nigeria appears to be more risky (highly geared) than Sierra Leonean firms.,

Presentation of Regression Results

The result of the multiple regression analysis for Nigerian and Sierra Leonean firms between CSR disclosure variables (CSR Activities) and profitability is shown in (tables 1 and 2) respectively.

Table 1: Multiple Regression Result for Nigerian Firms

$PAT = \beta_0 + \beta_1{*}ENV + \beta_2{*}HR + \beta_3{*}PQC + \beta_4{*}CI$

PAT = 41.05417+0.111512ENV + 1.576338HR + 0.423327PQC + 3.092606CI

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	41.05417	186.1128	0.220588	0.8341
ENV	0.111512	0.103275	1.079756	0.3296
HR	1.576338	1.843778	0.854950	0.4316
PQC	0.423327	2.289282	0.184917	0.8606
CI	3.092606	4.700384	0.657948	0.5397
R-squared	0.793952	Mean dependent var		8.391970
Adjusted R-squared	0.580887	S.D. dependent var		6.752134
S.E. of regression	7.052303	Akaike info criterion		7.051438
Sum squared resid	248.6749	Schwarz criterion		7.202731
Log likelihood	30.25719	Hannan-Quinn criter.		6.885471
F-statistic	4.812542	Durbin-Watson stat		2.158397
Prob(F-statistic)	0.045747			

Source: Author's Analysis, (2015).

Table 2: Multiple Regression Result for Sierra Leonean Firms

$PAT = \beta_0 + \beta_1{*}ENV + \beta_2{*}HR + \beta_3{*}PQC + \beta_4{*}CI$

PAT = 40.40060+2.296883ENV + 1.226462HR + 2.041818PQC + 0.270278CI

Dependent Variable: PAT

Method: Least Squares

Sample: 1 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	40.40060	13.74210	2.939916	0.0323
ENV	2.296883	0.646897	3.550615	0.0164
HR	1.226462	0.690802	1.775417	0.1360
PQC	2.041818	0.818118	2.495750	0.0548
CI	0.270278	1.284484	0.210417	0.8416
R-squared	0.825342	Mean dependent var	15.84530	
Adjusted R-squared	0.685615	S.D. dependent var	9.325267	
S.E. of regression	5.228677	Akaike info criterion	6.453047	
Sum squared resid	136.6953	Schwarz criterion	6.604339	
F-statistic	5.906841	Durbin-Watson stat	1.715718	
Prob(F-statistic)	0.039054			

Source: Author's Analysis, (2015).

The result of the regression analysis as shown in tables 1 and 2 led the following equation:

$PAT = \beta_0 + \beta_1{*}ENV + \beta_2{*}HR + \beta_3{*}PQC + \beta_4{*}CI$

PAT = 41.05417 + 0.111512ENV + 1.576338HR + 0.423327PQC + 3.092606CI

The coefficients of 0.11, 1.57, 0.42 and 3.09 suggest that there are positive impact of corporate social responsibility disclosure in terms of environment, human resource, product quality and consumer relation and community involvement on firms' financial performance (PAT) in Nigeria as shown in table 1. This suggest that, a unit (1N) increase in environmental cost by firms will lead to 0.11% increase in firms' profitability, a unit (1N) increase in community involvement in form of scholarships, donation to charities etc. will lead to firm profit increase by 3.09%. Conversely, if no CSR activity/ disclosure is undertaken, profit rises by 41.05%.

The coefficient of determination (R2) of 79.4% depicting that the explanatory variables of CSR activities accounted for about the changes in the financial performance of profit after tax. The remaining 20.6% accounted for the other variables (Stochastic error) not measured in this study. The study further reveals that there is no serial /autocorrelation for the regressed model under study as indicated by Durbin Watson value of 2.158397. Finally, the F-calculated of 4.812542 is a clear indication that the model passes the test of overall significance at 5% level of significance.

Sierra Leone results

$PAT = \beta_0 + \beta_1{*}ENV + \beta_2{*}HR + \beta_3{*}PQC + \beta_4{*}CI$

PAT = 40.40060+2.296883ENV + 1.226462HR + 2.041818PQC + 0.270278CI

The model above emanate from table 2. The coefficients of 2.296, 1.226, 2.041 and 0.270 indicate positive relationships between CSR disclosure activities of environment, human resource, product quality and consumer relation and community

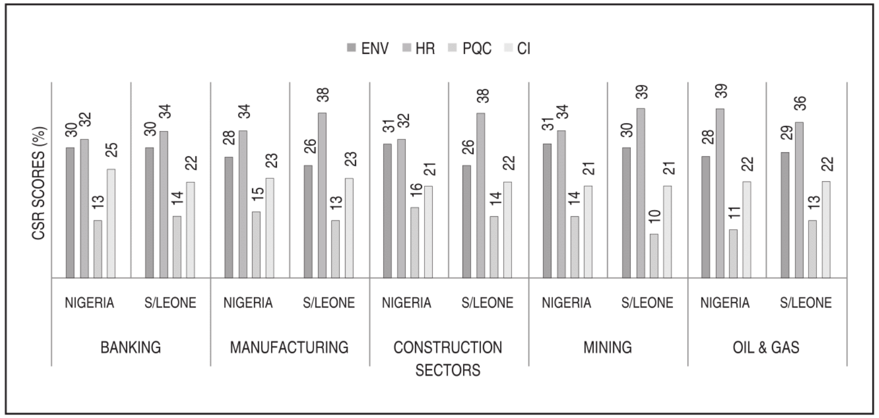
involvement of Sierra Leonean firms' profitability leading to the rejection of the null hypothesis. This implies that a unit (1N) change in environmental cost, human resource, product quality and community involvement will lead to increase in profit by 2.29%, 1.22%, 2.04% and 0.27% respectively. When pooled together, the impact of CSR activities/ disclosures on profitability amounted to 5.82% which can be translated to be significant. However, if firms do not engage in any CSR activities, their profits will increase by 40.4%.

The R2 of 82.5% shows how much change in profit is accounted for by the independent variables (CSR disclosure variables). The remaining 17.5% was not accounted for by the model and therefore was represented by the stochastic error term. This high value of R2 did not occurred by chance as F- statistic of 5.9068 was on the high level too. This therefore confirms that the model has high predictive power and as such can be used to forecast financial performance fairly.

In a nutshell, the two models depict that there is an significant effect of CSR activities /disclosure on firms' annual audited reports in Nigeria and Sierra Leone on the profitability of these firms. Hence, the null hypothesis is rejected in favor of the alternative hypothesis. By extension, this implies that the more CSR activities Nigerian firms undertook, the more profits were earned. This suggests that these organisations' survival and growth in the long run could be threatened by various stakeholders particularly host communities if they do not undertake one form of CSR activities or the other and disclose same in their annual audited accounts. The results of earlier empirical studies of Cochran and Wood (1984), Spencer and Taylor (1987), Freeman (2012), Bodi (2009), Babalola (2012), Duke II and Kankpang (2013), Kanwal, Khanam, Nasreen and Hameed (2013) that found positive association between CSR and the financial performance of firms as well as stakeholders theory corroborate this finding.

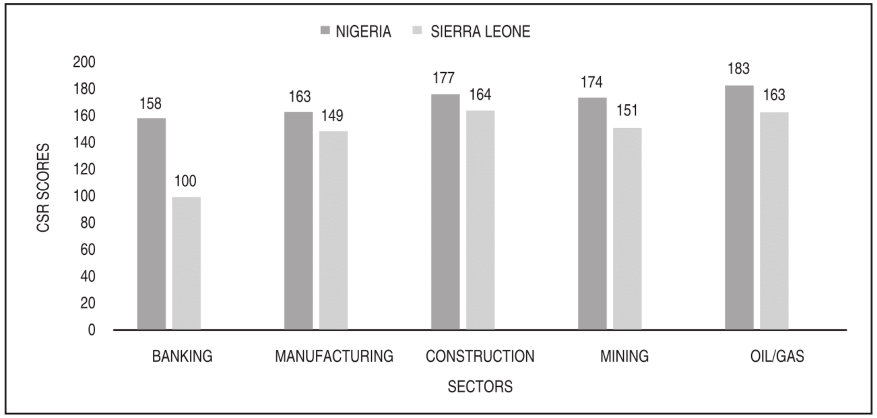
Other analysis in form of CSR disclosure by the two countries (Nigeria and Sierra Leone) are presented in figure (g and h) on a comparative basis for easy understanding as follows:

Figure g: Sectorial Composition of CSR Disclosure by Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

Figure h : Total CSR Disclosure by Sectors for Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

As shown in (figure g), in Nigeria 30%,32%, 13% and 25% of the CSR disclosure of the bank relate to environment, human resource, product quality and community costs respectively. Similarly 30%, 34%, 14% and 22% of CSR disclosure of Sierra Leonean banks relate to environment, human resource, product quality and community costs respectively. For the Nigerian manufacturing companies, 28%, 34%, 15% and 23% of their CSR disclosure relate to environment, human resource, product quality and community costs respectively. The other results for the other sectors are as shown in the figure.

Summarily therefore, it can be deduced from the figure g that in Nigeria and Sierra Leone, companies CSR disclosure or expenditure are highest on human resource followed by environment, community involvement and lowest and maybe none on product quality/consumer relation.

From (figure h), on the average, oil and gas, mining and construction firms in both Nigeria and Sierra Leone disclosed more CSR activities in their audited financial statements than other companies/sectors. The implication of this is that stakeholders are more concerned about the impact of these companies on their host companies as non-disclosure is often met with increased fines and penalties as enshrined in the various regulatory laws (e.g. Sierra Leone Mining Act 1994).

The sharp fall in CSR disclosure and expenditure in the Sierra Leone banking sector compared to Nigeria is due partly to the hostile and immature nature of the industry followed by inefficient management. Suffice to say that on several occasions the apex bank in Sierra Leone, (Bank of Sierra Leone) has to take over the management of highly indebted banks (E.g. Sierra Leone Commercial Bank) with the latest takeover being Rokel Commercial bank after consecutive three years' massive loss reporting.

Test of Hypotheses

Here, the hypotheses of the study are subjected to validation and testing using Pearson Product Moment Correlation of ordinary least square techniques in tables 3 and 4 for the two countries respectively.

Ho_1 There is no significant relationship between firm size and CSR Activities/ disclosures in Nigeria and Sierra Leone.

Table 3: Correlation between Firms' Total Assets (Size) and CRS Disclosure			
Nigeria	TA	CRS	p-values
TA	1.000000	0.800114	0.0002
CRS	0.800114	1.000000	0.0002
Sierra Leone			
TA	1.000000	0.778578	0.0004
CSR	0.778578	1.000000	0.0004

Source: Author's Analysis, (2015).

Ho_2 There is no significant relationship between financial Leverage (Gearing) and CSR Activities / disclosure in Nigeria and Sierra Leone.

Table 4: Correlation between Firm's Financial Leverage (Gearing) and CRS Disclosures			
Nigeria	LEV	CRS	p-values
LEV	1.000000	-0.710420	0.0004
CRS	-0.710420	1.000000	0.0004
Sierra Leone			
LEV	1.000000	-0.698006	0.0005
CSR	-0.698006	1.000000	0.0005

Source: Author's Analysis, (2015).

The test of whether or not a significant relationship exist between firm size and CSR Activities/ disclosures by Nigerian and Sierra Leonean firms is shown in table 3 and is better explained in terms of p-values. As the table reveals, the associated p-value with the correlation between firm size and CSR disclosure by Nigeria firms 0.0002 which is statistically significant.. Similarly, for Sierra Leonean firms, the p-value is 0.0004 which is also statistically significant. Thus, the null hypothesis is rejected for the acceptance of alternative hypothesis. Hence, there is a statistically significant relationship between firm size and CSR Activities/ disclosures by Nigerian and Sierra Leonean firms.

However, the dimension of the relationship as measured by correlation coefficients was 0.80 and 0.78 respectively for Nigeria and Sierra Leonean firms. By reference therefore, as firm increases in size, its CSR expenditure, activities/ disclosure also increases both in Nigeria and Sierra Leonean. It can also be said that big companies are more socially responsible than small firms in Nigeria while in Sierra Leone, corporations see CSR activities and disclosure thereof as a priority due to high expectations from stakeholders than small firms, who are always scared of undertaking heavy CSR due to their small asset base.

This finding is in tandem with the legitimacy theory which states that for firms to survive; they must perform and disclose those socially desirable actions which the society imposes on them as obligation. This result is also in agreement with the findings of Chek, Mohamed, Yunus and Norwani (2013) and Ventila (2013) who assert that larger and higher income companies disclosed higher level of CSR in their reported audited financial statements than smaller companies.

Ho_2 Financial leverage does not significantly influence firm's CSR Activities/ Disclosure in Nigeria and Sierra Leone

With respect to financial leverage and CSR activity disclosure among Nigeria and Sierra Leonean firms the respective p-values are 0.0004 and 0.0005 which are statistically significant. By inference therefore, the null hypothesis is rejected for the acceptance of alternative hypothesis. However, the dimension of this relationship is negative (-0.71) and -0.698 respectively for Nierian and Sierra Leonean firms. As such, the higher the financial leverage of a firm, the lower its CSR disclosure and vice versa or as firms borrowing increases, its CSR disclosure and activities decline.

Thus, financial leverage exerts a significant influence, precisely, an opposing relationship on firms CSR activities disclosure in Nigeria and in Sierra Leonean. This result may be due to the fact that highly geared firms incur more expenses in servicing debts through finance charges leading to inadequate funds left /available to meet other commitments such as CSR activities. In other words, since firms with high debt to equity ratio tends to have difficulties in their long term solvency, inherently, they will be unwilling to devote any extra cost to CSR and their commitment and compliance level to creating a sustainable environment in which they operate is greatly hampered. These results are in tandem with the findings of Mulyadi and Anwar (2012); Uwuigbe and Egbide (2012) that a significant negative relationship exists between financial leverage and CSR disclosure.

CONCLUSION

Based on the findings of this study, it can be concluded as follows:

i. On the average, Oil and Gas, Mining and Construction companies invest in and disclosed CSR activities more than Manufacturing and Banking sectors both in Nigeria and in Sierra Leone.

ii. These companies invest more on human resource development followed by environment, community involvement but spend less on socially responsible products and consumer relation since developing countries consumers are powerless.

iii. Firm size (asset base) and financial leverage (gearing) are important determinants of CSR such that big firms (multinationals) invest and disclosed more CSR activities than smaller companies while highly geared companies spend most of their funds servicing their debts leaving with little to invest in CSR activities than lowly geared companies.

iv. Undertaking and disclosing CSR activities by firms in their audited financial statements may enhance their profitability greatly partly due to positive association between CSR and profitability and partly due to savings of such costs like fines, penalties, sanctions, closure threats, loss of goodwill associated with non-disclosure. Compliance also reduces the clash of expectations among interest groups and cost of resolving such clashes in Nigeria and Sierra Leone.

v. While community involvement disclosure impacts more on Nigeria firms' profitability, environmental cost has the least effect on profitability. However, the opposite is the case for Sierra Leone. This implies that the profits of Sierra Leonean firms are influenced more by their environmental expenditure while community involvement has the least impact.

RECOMMENDATIONS

The following recommendations are put forward as policy guide for all the stakeholders in firms profitability and CSR movement:

i. Firms should invest more on CSR as they will get more financial benefits(profitability enhancement) and reputation enhancement by creating good image in the mind of customers, suppliers and other stakeholders than what is invested in CSR since CSR is now considered as an investment not as expenditure. It will also help firms in retaining their stakeholders and protect firms from complaints, objections, and lawsuits which occur if the environment is destroyed and employees are injured as a result of firms' hazardous operating activities.

ii. Additionally, companies should not only invest on CSR but also disclose its spending on CSR to all stakeholders as to how, where and what amount they have invested in CSR. Companies invest a lot of money on advert to create a good image in the mind of customers but if they also invest a little portion of this amount on CSR, this can build better image

iii. Policy framework should be designed for corporate social responsibilities in Nigeria and Sierra Leone by the governments and ensure compliance by setting mechanisms and institutions for their implementation. This may be achieved by entrenching social accounting and social costs in their listing and registration requirements to enlist voluntary compliance.

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APPENDIX I: The Corporate Social Responsibility Disclosure Scores

Theme	Indices
Environmental Factors	1. Environmental policies of the bank
	2. Environmental management system and audit
	3. Environmental awards
	4. Lending and investment policies
	5. Conversion of natural resources and recycle
	6. Disclosure concerning energy and efficiency
	7. Sustainability `
	8. Employee numbers
	9. Employment remuneration
	10. Employee share ownership
	11. Employee consultation
	12. Employee training and education
	13. Disable employee
	14. Trade union activity information
	15. Employee health and safety
	16. Employee assistance benefit
Product Quality and Consumer Relation	17. Third party attestation
	18. Customer feedback on product and services channels
	19. Customer satisfaction of the quality of the product
	20. Customer complaint channels
Community Involvement Factors	21. Charitable activities and donation
	22. Support for education
	23. Support for art and culture
	24. Support for public health
	25. Support for sporting or recreation project

Source: Branco & Rodrigues, (2006).

APPENDIX II : NIGERIAN FIRMS CRS SCORES

NIGERIA FIRMS CSR SCORES												
INDUSTRY	FIRM	CSR FACTORS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BANKING	UBA NIG PLC	ENV	3	6	4	4	5	3	6	5	6	6
		HR	2	2	5	6	7	5	6	3	7	8
		PQC	1	1	1	2	3	2	3	2	2	3
		CI	4	4	4	4	3	4	4	4	4	4
		TOTAL	10	13	14	16	18	14	19	14	19	21
		PAT(Nm)	4.185	4,653	11,468	21,441	40,825	12,889	2,157	-3.754	50,909	55,650
		TA(Nm)	208,806	248,928	851,241	1,102,348	1,520,093	1,400,879	1,432.632	1,656,465	1,933,065	2,217,417
		Lev(%)	10,6	13.1	16.9	15.7	17.2	14.6	12.8	8.7	7.8	7.5
MANUFACTURING	NESTLE NIG PLC	ENV	2	2	2	3	4	5	4	8	7	8
		HR	4	4	6	6	5	5	7	5	6	8
		PQC	1	1	2	3	3	3	3	3	3	3
		CI	3	2	4	4	4	4	4	4	4	4
		TOTAL	10	9	14	16	16	17	18	20	20	23
		PAT(Nm)	3,835	5,303	5,660	5,442	8,332	9,783	12,602	16,808	21,137	22,258
		TA(Nm)	13,399	16,875	18,908	21,252	29,159	47,251	60,347	77,728	88,963	108,207
		Lev(%)	17.8	18.7	19.2	16.5	16.1	15.8	14.8	12.9	12.3	1.6
CONSTRUCTION	JULIUS BERGER PLC	ENV	5	4	4	6	6	6	6	6	6	6
		HR	4	5	3	4	5	6	7	7	8	8
		PQC	2	2	3	3	3	3	3	3	3	3
		CI	2	3	4	4	4	4	4	4	4	4
		TOTAL	13	14	14	17	18	19	20	20	21	21
		PAT(Nm)	410	626	1,119	1.763	2,452	3,259	2,775	4,874	7,772	4,788
		TA(Nm)	17,303	20,087	22,660	24,213	28,770	49,472	71,075	68,379	175,478	220,244
		Lev(%)	20.3	18.7	16.9	14.9	19.2	18.2	17.5	14.1	11.8	10.5
MINING	OANDO OLC	ENV	3	4	5	5	6	6	6	6	6	6
		HR	3	4	4	5	7	5	7	8	8	8
		PQC	1	2	2	2	3	2	3	3	3	4
		CI	2	2	3	23	4	4	4	5	5	5
		TOTAL	9	12	14	15	20	17	20	22	22	23
		PAT(Nm)	89	1,375	2,353	2,671	6,343	4,661	5,403	2,632	10,789	9,927
		TA(Nm)	23,348	26.989	29,341	49,082	148,176	356,381	366,958	405,644	515,063	620,321
		Lev(%)	13.2	15.8	17.6	12.6	11.5	14.7	13.3	12.8	10.2	9.7
OIL & GAS	TOTAL NIG PLC	ENV	3	6	4	5	6	6	5	5	6	6
		HR	6	8	6	7	8	8	6	7	8	8
		PQC	1	1	1	1	2	3	2	3	3	3
		CI	4	4	3	4	4	4	4	4	4	4
		TOTAL	14	19	14	17	20	21	17	19	21	21
		PAT(Nm)	2,779	3,615	2,517	3,255	4,440	4,021	2,716	3,813	4,670	5,061
		TA(Nm)	9,765	9,204	15,855	24,008	32,570	48,472	54,601	58,719	76,067	80,027
		Lev(%)	21.6	23.4	14.9	15.8	14.8	13.2	15.1	12.9	12.5	11.1

APPENDIX III : SIERRALEONEAN FIRMS CSR SCORES

SIERRA LEONE FIRMS CSR SCORES												
INDUSTRY	FIRM	CSR FACTORS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BANKING	UBA SIERRA LEONE	ENV					3	5	4	4	6	8
		HR					5	3	5	7	7	7
		PQC					1	2	3	2	3	3
		CI					3	4	3	4	4	4
		TOTAL					12	14	15	17	20	22
		PAT(Lem)					-405	601	1,096	1,386	2,976	3,312
		TA(Lem)					7,580	7,620	10,140	10,389	10,530	12,196
		Lev(%)					39.1	42.6	27.5	21.9	19.3	17
MANUFACTURING	SIERRA BOTTLING CO.	ENV	4	4	4	3	3	3	4	4	4	6
		HR	4	5	4	4	5	5	6	7	8	8
		PQC	1	1	1	1	2	2	2	3	3	3
		CI	3	3	3	3	3	4	4	4	4	4
		TOTAL	12	13	12	11	13	14	16	18	19	21
		PAT(Lem)	960	1,031	823	-109	520	715	1,091	1,200	1,793	2,106
		TA(Lem)	9,090	11,290	12,500	12,111	12,120	12,009	14,893	14,921	16,460	17,303
		Lev(%)	21.9	20.7	19.3	24.2	22.5	20.1	18.8	17.5	16	14.7
CONSTRUCTION	JINREIMOND (SL)	ENV	2	2	4	3	3	6	5	5	6	6
		HR	6	5	3	6	8	7	8	6	6	8
		PQC	1	1	2	2	3	2	2	3	3	4
		CI	3	2	4	4	4	3	4	4	4	4
		TOTAL	12	10	13	15	18	18	19	18	19	22
		PAT(Lem)	1,041	-918	1,907	1,615	1,295	1,907	2,760	2,854	3,387	3,909
		TA(Lem)	220,066	250,783	240,098	270,765	300,480	320,199	330,001	360,009	410,920	420,211
		Lev(%)	29.7	32.1	27.6	26.1	21.4	20.2	18.2	16.7	15.9	17.8
MINING	SIERRA RUTILE	ENV	3	4	2	3	5	6	6	4	6	6
		HR	5	5	5	6	6	8	5	4	7	8
		PQC	1	1	2	1	2	1	2	1	2	2
		CI	2	3	2	4	4	4	4	2	3	4
		TOTAL	11	13	11	14	17	19	17	11	18	20
		PAT(Lem)	-46,080	78,940	-56,610	91,200	162,156	155,597	169,591	-74,029	236,400	249,600
		TA(Lem)	1,290,400	1,311,076	1,410,020	1,400,820	1,450,820	1,460,800	1,490,250	1,341,673	1,657,460	1,646,940
		Lev(%)	28.2	29.9	27.4	19.6	14.8	15.3	13.3	14.5	12.9	12.2
OIL & GAS	UNIPETROL (SL)	ENV	3	4	6	6	5	3	6	4	5	6
		HR	3	3	3	4	8	6	7	8	8	8
		PQC	1	2	1	2	3	2	2	2	3	3
		CI	3	3	3	4	4	3	4	4	4	4
		TOTAL	10	12	13	16	20	14	19	18	20	21
		PAT(Lem)	59,900	63,075	72,451	89,768	101,026	77,905	87,105	90,079	91,316	110,595
		TA(Lem)	140,040	107,829	172,038	221,752	371,378	401,279	411,455	392,063	412,120	512,400
		Lev(%)	25.9	23.1	24.2	24.3	22.4	19.5	17.8	16.1	15	14.6