SUSTAINABILITY PRACTICES AMONG SMES IN NIGERIA: ISSUES, CHALLENGES, AND PROSPECTS

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Abstract

Research Problem
Small and medium-sized enterprises (SMEs) play a vital role in Nigeria's economic growth through contributions to GDP, employment, and innovation. However, despite the global shift toward sustainable development, many SMEs in Nigeria have been slow to adopt sustainable business practices, with limited understanding of the challenges and opportunities associated with such adoption.

Methods
The study adopts a quantitative research design, using a self-administered questionnaire distributed to 283 SME owners and managers in Lagos State. Data were analyzed using the Statistical Package for Social Sciences (SPSS), employing both descriptive and inferential statistical techniques.

Theory
The study is anchored on sustainability and stakeholder theory, which emphasize the integration of economic, environmental, and social considerations into business operations, as well as the influence of stakeholders in shaping organizational practices.

Results
Findings reveal that SMEs are significantly engaged in certain sustainable practices, including waste minimization through recycling and reuse, local community engagement, and the adoption of green technologies. These practices are largely driven by customer preferences and the availability of financial incentives, although such incentives are often insufficient. Key barriers identified include financial constraints, lack of awareness, and unfavorable government and regulatory policies. The study also highlights the potential benefits of sustainability adoption, including economic gains (innovation, competitive advantage, and cost reduction), environmental improvements (resource conservation and reduced carbon footprint), and social outcomes (enhanced customer perception, workplace safety, and inclusivity). Additionally, sustainability engagement was found to improve corporate reputation, foster innovation, reduce long-term costs, enhance competitiveness, and attract

collaborative investments.

Conclusion

The study concludes that while SMEs in Nigeria are making progress in adopting sustainable practices, significant barriers continue to limit full integration. Nonetheless, the long-term benefits of sustainability adoption outweigh the challenges.

Key Contribution to Knowledge

This study contributes to existing literature by providing empirical evidence on the level of sustainability adoption among SMEs in Nigeria, identifying key drivers and barriers, and highlighting the multidimensional benefits of sustainable business practices.

Recommendations

The study recommends that government agencies and relevant stakeholders organize workshops, seminars, and training programs to educate SME operators on the importance, implementation, and long-term benefits of sustainability practices. Improved policy support and financial incentives are also necessary to enhance adoption and sustain outcomes.

Introduction

Small and Medium-sized Enterprises (SMEs) are crucial to the economic growth and de-poverty of many countries, including Nigeria. According to the Micro, Small, and Medium-Sized Enterprises (MSEs) survey done by Price Waterhouse Coopers (PWC, 2020), the sustainability practices among SMEs in Nigeria are important for the country's environmental and economic future. Despite their significant contribution to the economy, accounting for nearly 50% of GDP and over 80% of employment, SMEs in Nigeria face substantial challenges in implementing sustainable practices (Egboboh,2022). According to Oduwole (2023), Nigeria is home to over 36.9 million MSMEs, accounting for 96.7% of all businesses in the country. 67% of these businesses are youth-owned. 98.8% of MSMEs fall into the smaller scale category, accounting for over 45% of the nation's GDP. Approximately 90% of all jobs in the nation are held by them. Olubiyi (2022) observed that small businesses, particularly those employing one to nine people, are common, largely unstructured, and run largely informally across the nation. Numerous small businesses, including grocery stores, dry cleaners, taxi services, trucking and transportation companies, beauty salons, neighborhood eateries, and others, do not have access to data sets or registration databases. He went on to say that several funding-related problems, such as a lack of or low business capital, or profitability and revenue erosion, are also related to the failures of SMEs. Journeault, Perron, and Vallières (2021) explained that many SME owners and managers are not fully aware of the benefits of sustainability practices or lack the knowledge to implement them effectively. There is also a deficiency in training programs and resources that could help bridge this knowledge gap and equip SMEs with the necessary skills for sustainable practices (Chikezie et al., 2022). Small and medium-sized businesses (SMEs) face difficulties implementing sustainable practices due to uneven enforcement of environmental legislation and a lack of clear,supportive government policies. (Ezeokoli et al., 2023).

Three perspectives have been used to examine sustainability: social, economic, and environmental. Although academics debate the relative importance of these factors, the environmental dimension is frequently deemed the most essential (Rantala, 2022).expansion and environmental conservation. Akomea et al.

(2023) examined how promoting an entrepreneurial mindset could help SMEs in developing nations, such as Nigeria, adopt sustainable practices. The study found that sustainability practices mitigate the association between entrepreneurial orientation and SME performance, suggesting that SMEs can successfully compete even in highly competitive situations by adopting sustainable practices. Tseng (2017) highlighted how complicated and unclear sustainability challenges are. To improve the effectiveness and caliber of solutions, social media, quantitative data, and qualitative information must be included in the discussion of the triple bottom line (TBL). The significance of sustainability practices for SMEs cannot be overstated, as they make a business more appealing to customers seeking high-quality products and services, as well as to investors seeking lucrative, long-term growth. Small and medium-sized enterprises (SMEs) do not consider sustainability part of their business; instead, they believe that large corporations, with the time, money, people, and resources, should be the only ones to care about it.However, SMEs must participate in the transition to sustainability because they are vital to both national economies and global supply networks (Gonçalves, 2020). The potential advantages of sustainable practices for Nigerian SMEs are substantial, notwithstanding the difficulties. By addressing these problems through targeted interventions and supportive policies, SMEs' sustainability can be improved, supporting broader sustainability objectives.

This study examines the sustainability practices of SMEs in Nigeria. In particular, we pinpoint the variables affecting adoption levels, the difficulties encountered, and the prospects and opportunities for sustainable practices among SMEs in Nigeria.

Literature Review

Small and Medium-Sized Enterprises (SMEs)

SMEs are usually defined by several quantitative criteria (Samuel, 2017). The number of workers and the amount of capital involved are important factors to consider when defining SMEs. Businesses classified as small or medium-sized are those whose employee and revenue counts fall below predetermined thresholds. Small businesses employ between five and 99 people, and medium-sized businesses employ between 100 and 400 people. The Federal Ministry of Commerce and Industry defines SMEs as firms with a total investment (excluding the cost of land but including capital) of up to N750,000 and paid employment of up to fifty (50) people. According to Nigeria's Small and Medium Industries Enterprises Investment Scheme (NSMIEIS) (2024), an SME is any business that employs fewer than 50 people and has an asset base of no more than ₦100 million, excluding working capital and land. SMEs can be sole proprietorships or partnerships. However, some could be registered as limited liability companies and characterized by a simple management structure, an informal employer-employee relationship, labor-intensive operations, simple technology, the fusion of ownership and management, and limited access to capital. In this chapter, we adopted the definition of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), which defines SMEs as businesses that employ fewer than 200 people and generate less than N100 million in annual revenue.

SMEs are usually characterized by having small numbers of employees, being privately owned and managed by a group of individuals or a single person, and serving niche markets, though some export goods and services. The number of people in the companies, the

amount of capital spent, the size of the facility, the sophistication of the machinery, the turnover of sales, the profit margin, and maybe the market share are some examples of these criteria. These businesses contribute to the GDP and help create jobs (Oduwole, 2023). Because of their adaptability to changing trends and technology, they are also seen as a fertile ground for innovation.

Masocha and Fatoki (2018) conducted a study on how coercive constraints affect small firms' sustainability practices in South Africa. The study used a survey research methodology, providing 222 self-administered questionnaires to managers and owners of small and medium-sized firms (SMEs). The data were analyzed using structural equation modeling (SEM), utilizing Maximum Likelihood Estimation (MLE) in Amos Version 24. The primary findings of this study are that the economic, environmental, and social facets of sustainable development are strongly impacted by coercive isomorphic pressures. Because of their adaptability to new trends and technology, they are also seen as a fertile ground for innovation. The implication is that, to force small businesses to adopt more sustainable practices, the government, environmental organizations, and other stakeholders should consider coercive measures such as laws and regulations. The study looks at how coercive pressures affect SMEs' sustainability-related behavior and practices. The research suggests that coercive isomorphism explains why small businesses are expected to behave consistently over time when implementing sustainable practices. The study's conclusions add to our understanding of sustainable development in theory and practice.

All small and medium-sized enterprises (SMEs) face challenges, such as restricted access to financing and financial services, managing complex regulatory frameworks, difficulty reaching larger markets due to competition, limited market knowledge, and high entry costs. Their contributions to sustainable development underscore the need for ongoing support and funding in this field, despite the substantial obstacles they face.

Sustainability and Sustainable Practices by SMEs

The World Commission on Environment and Development (WCED, 1987) defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs," after the United Nations first proposed the concept. Since then, this concept has gained popularity and is generally regarded as essential to effective business administration. The majority of company executives and organisations struggling to incorporate sustainability into their operations believe it is crucial, according to Milanese et al. (2022). Sustainability emerged as a distinct social, environmental, and economic goal in the late 1970s and early 1980s.The English terms "sustainable" and "sustainability" are derived from the Latin word "sustinere," which means "to maintain," "support," "sustain," "endure," or, perhaps most poignantly, "to restrain." Because it serves as the basis for sustainability evaluation, comprehension of the sustainability concept is essential (Farsi et al., 2017). The concept of sustainability is intricate and often includes three main aspects: social, environmental, and economic. Sustainability is hard to measure (Tseng, 2017). Two examples of sustainability metrics for businesses are corporate sustainability reporting and Triple Bottom Line accounting (Richard, 2024). These include estimates of the level of sustainability governance or quality-of-life indicators for specific nations, as well as environmental evaluations such as the Environmental Sustainability Index and the Environmental Performance Index (Peter, 2019).

An integrated approach that considers both environmental concerns and economic growth is necessary for sustainable development. If we continue to follow sustainable practices that contribute to the development of our environment, future generations will have access to all the resources nature provides to meet their needs. The economy, people, and environment all benefit from sustainable practices. In general, sustainability seeks to secure a prosperous and resilient future for everybody by integrating and balancing social well-being, economic prosperity, and environmental health.

Environmental sustainability, according to Patterson (2024), is the wise use of natural resources to meet current demands without endangering future generations' ability to meet their own. Environmental sustainability frameworks address environmental concerns by providing measures for lowering pollution, climate vulnerability, environmental degradation, land use, and biodiversity loss (Ikram et al., 2020). For SMEs, environmental sustainability involvesimplementing strategies that reduce their environmental impact while preserving growth and profitability. Due to their vast numbers and pervasiveness across numerous industries, SMEs together have a significant environmental impact, regardless of their size.

The precise definition of sustainability's social component is unknown. One definition holds that a society is socially sustainable if its people do not face structural obstacles in key areas. Important dimensions include impartiality, intentionality, competence, influence, and health (Missimer, Karl-Henrik, Göran, 2017).

To reduce hunger and poverty, the economic aspect of sustainability aims to balance protecting the environment with meeting basic needs such as food, housing, water, and health (Berg, 2020). The core of Sustainable Development Goal 8 is this.

Ajibola (2020) carried out a study. This qualitative multiple-case study investigates the tactics SME owners employ to keep their companies operating for more than 5 years. To take part in this study, three (3) SME owners from the Southwest region of Nigeria who have operated their businesses for five (5) years were chosen. Through semi-structured interviews and additional business documentation, data was gathered. Seven themes were identified through the use of thematic analysis and a comparison method to analyze the data: financial management practices, fostering customer satisfaction and loyalty, a business community aligned with sustainable development goals, innovation management that provides social, economic, and environmental values to stakeholders, leadership and entrepreneurial skills, and a positive work environment. One of the main recommendations is for small- and medium-sized business owners to identify their internal and external stakeholders and participate in sustainability strategies that benefit all stakeholders across the economy, society, and the environment. According to the study's findings, promoting social, economic, and environmental value to SMEs' stakeholders could increase their sustainability over a five-year period in Nigeria.

Theoretical Framework

Stakeholder Theory

The term "sustainability" was first used by Freeman (1984), who argued that companies should consider the needs and concerns of various stakeholders, including the environment, communities, suppliers, workers, and customers. According to him, a stakeholder is any group or individual who has the potential to influence or be affected by an organisation's goal achievement. Since its inception, stakeholder theory has been closely linked to the concept of strategy, and its early development and origins were unmistakably

aimed at improving the efficacy of business strategy and policy (Freeman, Phillips, & Sisodia, 2020). Importantly, the unit of analysis should be the stakeholder relationship and its relationships with other relationships rather than "the most common unit of analysis," which is the "economic transaction." Business success is ultimately determined by adding up all of the economic transactions. However, relationships are not the culmination of a string of exchanges. Focusing on the value created for investors is far too narrow and limited a focus for building a great and successful company" (Freeman et al., 2020).

According to Freeman, Dmytriyev, and Strand (2017), stakeholder theory defines "sustainable" as the result of creating and preserving sustainable stakeholder relationships. According to stakeholder theory, a system's sustainability is mostly determined by how much it considers the interests of its stakeholder communities. According to stakeholder theory, sustainability is inherently beneficial because it prioritises stakeholders' interests (Freeman, 2021). This theory highlights the advantages of striking a balance between economic, environmental, and social concerns, making it extremely pertinent to sustainability practices among SMEs. According to stakeholder theory, sustainable practices can improve relationships with stakeholders in the context of Nigerian SMEs, boosting their reputation, encouraging client loyalty, and giving them a competitive edge.

Resource-Based View (RBV)

The resource-based view hypothesis was first presented by Barney (1991). It implies that businesses can perform better if they have uncommon, valuable, distinctive, and inimitable resources. SMEs can successfully adopt sustainable practices by utilising their own resources, including innovation, human capital, and technology. RBV emphasizes the necessity for Nigerian SMEs to create and utilize internal resources for sustainability projects. According to Chikezie et al. (2022), corporate performance and resilience can be improved by investing in sustainable technology, employee training, and innovation. According to Ezeokoli et al. (2023), skilled workers and ongoing training initiatives have been identified as essential resources that help SMEs implement and sustain sustainable practices. The key elements of the resource-based vision (RBV), according to Serafini (2022), are the company's assets, knowledge, and skills, as well as its intangible assets, such as its internal resources, which determine its strategic advantage.

Methodology

We collected responses from Nigerian small and medium-sized businesses using a survey research design. McCombes (2021) characterized this study design as an all-encompassing plan that includes choices regarding the general research methodology, data collection strategies, and data analysis methods. Ininger and Emem (2018) state that survey research is used to answer questions, address issues, and establish benchmarks for future comparisons.

Over 36.9 million MSMEs exist in Nigeria, according to Oduwole's (2023) report. With 2,693,700 SMEs, or 7.3% of all SMEs in the country, Lagos State has the biggest concentration of SMEs, according to Augusto & Co.'s 2023 SME Industry Report. This study uses convenience sampling, a method of gathering data from a research population that is readily accessible to the researcher (Rahi, 2017). We sampled the opinions of 283 SMEs in Lagos due to the city's high number of SMEs. This represents about 71% of the 400-sample size derived by applying the Taro Yamane sample size formula ($n = N/(1+N(e)^2$) to the estimated 2,693,700 SMEs in Lagos State.

A structured questionnaire, designed on a five-point Likert scale (ranging from 5 to 1, with 5 indicating strongly agree and 1 indicating strongly disagree), was used to collect primary data for the study. The reliability of the instrument will be confirmed using Cronbach's alpha coefficient method. The reliability result is shown in Table 1.

Table 1: Statistics for the Reliability of the Instrument

Variables	Cronbach's Alpha	Number of Items
Adoption of sustainability practices	.854	5
Factors influencing sustainability	.851	5
Current issues	.849	5
Challenges faced	.868	5
Economic, environmental, and social impacts	.931	15
Prospects and opportunities	.810	5

Source: Authors (2025)

Empirical Results and Discussion

In this subsection, we present the results of the analysis of questionnaire data collected fromselected SME owners/managers in Lagos State.

Demographic Information

The socio-demographic information presented in Table 2 (see Appendix 1) demonstrates that 133 respondents, or 47% of the sample, were male and 150 respondents, or 53% of the sample, were female. This suggests that more women are engaged in self-managed businesses, thereby actively participatingin economic development. Age-wise, the sampled SME owners/managers are mainly aged 20 to 30. Besides, about one-third of the respondents possessed a secondary school certificate, while almost half of the SME owners/managershave a first degree. Approximately 16% have a national diploma or a national certificate in education. In addition, 47% of respondents are affiliates of professional accounting bodies, while the remaining 53% hold other professional qualifications. Thus, the educational/professional characteristic suggests that most of the respondents have a solid theoretical foundation and understanding of sustainability in business.

Also, in Table 2, 59 SMEs engaged inthe beauty, cosmetics, and personal care business, 50 respondents engaged in the education industry, 32 respondents, representing 11.3%, are in the event planning, decoration, and baking industry, and 49 respondents, representing 17.3%, are in the shopping and retailing business. Moreover, about one-third(93 respondents) are in other industries. The surveyed SMEs provided employment opportunities ranging from 5-20 employees (about 89%) to 21-100 employees (11%). Furthermore, while most SMEs (62.2%) have been in business for 2 years or less, about 38% have been in existence for 3 to 10 years or more.Regarding sustainability practices, most (about 55%) of the surveyed SMEs have moderate awareness.Finally, only 7.4% believe sustainability is not important, while about 16% are unsure. 218 respondents, representing 77%, believe that sustainability is important.

Descriptive Statistics

Table 3: Sustainability Practices in the Sampled SMEs

	Mean	Std. Dev.
Investment in businesses that contribute to sustainable development goals	3.56	1.904
Engagement in corporate social responsibility (CSR) initiatives	3.48	.998
Minimization of waste and promotion of recycling and reusing	3.73	.966
Contribution to the local community through outreach, education, and support	3.58	.998
New technologies and practices that reduce environmental impact	3.53	1.011
Allocation of funds for sustainability initiatives	3.33	1.035
Provision of training for employees on sustainability practices	3.41	.965
Usage of renewable energy sources, such as solar or wind power	3.44	.996
Implementation of effective waste management practices	3.69	.995
Engagement with the local community to promote sustainability	3.54	.916

Source: Authors (2025)

Table3 illustrates the measurement of sustainability practices in the sampled SMEs. The Table showed that waste minimization and management dominate SMEs' sustainability practices, especially through fruitful engagement with the local communities and investment in sustainability-oriented business dealings. Each item has a mean value above 3.00 on a five-point Likert scale. Also, the standard deviation shows a high level of variability, meaning that while many respondents rated the item close to the mean-that is, they engaged in the highlighted sustainability practices, there is still some variation in their responses.

Table 4: Determinants, Challenges, and Prospects of Sustainability Practices

Determinants	Mean	Std. Dev.
Resources (time, budget, and staff) for sustainability efforts	3.49	1.036
Expected return on investment	3.49	.943
Customer demand for sustainable products or services	3.63	.912
Financial incentives (e.g., grants, tax breaks) for sustainability efforts	3.67	.964
Employees' active involvement in sustainability initiatives	3.48	1.012

Challenges	Mean	Std. Dev.
Financial constraints in implementing sustainability practice	3.57	1.090
Unfavourable government policies when implementing sustainability	3.52	.965
Insufficient incentives and support from the government	3.67	.972
Customers' unwillingness to pay a premium for sustainable products	3.37	1.038
Limited access to technology and other resources	3.39	1.074
Prospects	Mean	Std. Dev.
Attraction of investment and collaboration from outsiders	3.70	.911
Gaining a competitive edge in the industry	3.69	.884

Enhanced brand reputation	3.83	.882
Long-run cost saving	3.71	.930
Innovation	3.75	.865

Source: Authors (2025)

Table 4 illustrates the determinants, challenges, and prospects of SMEs' sustainability practices. The Table shows that access to financial incentives from government- such as grants and tax breaks- and customers' preference for sustainable products and services (mean = 3.67, 3.63) are the most viable drivers of SMEs' indulgence in sustainable practices. However, SMEs' efforts to adopt sustainable business practices are still hampered by a lack of government support, budgetary constraints, and unfavourable government regulations. Sustainability activities are expected to pay off, as they can improve SMEs' corporate reputation, inspire creative business ideas, reduce long-term costs, attract cooperative investments, and provide competitive advantages. Additionally, the scores for sustainability prospects were less than unity (1.00), whilst the standard deviation values for the determinant and difficulties indicate a high degree of variability. This implies that there is still some range in the responses, even though many respondents rated the item near the mean, indicating its relevance as a factor, problem, and opportunity in sustainability practices.

We examined the significance of the factors identified as obstacles and determinants of SMEs' sustainable practices. We found that the availability of resources, return on investment, customers' demand, availability of financial incentives, and active employees' involvement in sustainability initiatives are significant drivers of SMEs' sustainability indulgence ($p<0.01$, $\beta = 0.608$, $t = 11.983$). In addition, the five highlighted challenges constitute a significant hindrance to SMEs' involvement in sustainability practices ($p<0.01$, $\beta = 0.460$, $t = 9.036$).

Table 5: Sustainability Dimensions Impact

Economic	**Mean**	**Std. Dev.**
Reduction in operational costs	3.26	1.008
Opening new market opportunities	3.49	.962
Competitive market advantage	3.54	1.062
Driving innovation	3.65	.964
Improved profitability	3.53	.896
Environmental	**Mean**	**Std. Dev.**
Reduced carbon footprint	3.56	.985
Effective waste management practices	3.62	.980
Better resource conservation (water, energy)	3.66	.952
Usage of renewable energy sources for operations	3.50	.994
Compliance with environmental regulations and standards	3.56	.952
Social	Mean	Std. Dev.
Increased employee satisfaction and morale	3.55	1.024
Active engagement with the local community	3.48	.873
Customers' positive perception	3.63	.923
Promotion of social equity and inclusivity	3.60	.926
Improved health and safety conditions in the workplace	3.63	.956

Source: Authors (2025)

Table 5 uses the three pillars of sustainability—economic, environmental, and social—to show the different implications of SMEs' involvement in sustainability. Environmental (better resource conservation and efficient waste management), economic (boosting innovation and competitiveness), and social (better consumer perception, enhanced health and safety, and promotion of social fairness and inclusivity) are only a few of these aspects. Although the standard deviation values for most items are less than 1.00, they are still high enough to indicate substantial variability. This implies that there is still some range in the responses, even though many respondents rated the items near the mean, indicating that the sustainability effect is present.
We investigated whether these three aspects of sustainability were crucial factors for SMEs to consider when implementing sustainable practices, using linear regression analysis. According to our findings, the three factors—economic, environmental, and social—have a substantial influence ($p<0.01$, ECI = 0.229 ($t = 3.599$), ENI = 0.347 ($t = 5.399$), and SOI = 0.200 ($t = 2.820$).

Table 6: Regression Result of SustainabilityDimensions Impact

Model	Unstandardized Coefficients		Standard Coefficients	t	Sig. value
	B	Std.Error	Beta		
ECI	.229	.064	.225	3.599	.001
ENI	.347	.064	.347	5.399	.001
SOI	.200	.071	.188	2.820	.005

Source: Authors (2025)

4.3 Discussion of Findings

The analysis's conclusions indicate that one of the biggest challenges SMEs encounter when adopting sustainable practices is a lack of funding. Nigerian SMEs frequently lack the funds to invest in sustainable technologies, such as renewable energy or waste management systems. A study by Onuoha (2022) found that the upfront costs of adopting sustainable practices are often viewed as too high, especially for smaller companies with narrow profit margins. This outcome is also consistent with earlier research by Adewale and Agbo (2020), who found that Nigerian SMEs struggle to adopt eco-friendly technologies due to insufficient funding.

Additionally, we discovered that SMEs may stand out in more competitive markets by implementing sustainable practices. Sustainable business practices can improve a company's reputation and client loyalty. Eniola (2021) found that Nigerian SMEs focused on sustainability were more likely to attract foreign partners and customers due to the rising demand for ethically manufactured goods worldwide. Furthermore, SMEs in the food and beverage sector that adopted sustainable practices saw increased consumer loyalty and brand awareness, according to Ojo and Awodoyin (2021).

This survey also found that SMEs in Nigeria are only moderately aware of sustainable practices. This implies that where some level of awareness exists, many business operators still lack a clear understanding of sustainability concepts and their practical application. Studies show that awareness is growing, especially among SMEs that are more integrated into global markets, receive outside support, or operate in a particular

sector, even though there is still a sizable gap in sustainability awareness among many SMEs.

Conclusion and Recommendations

This study examines the adoption of sustainable practices by SMEs in Nigeria, the problems and difficulties encountered, and the opportunities involved. It was found that although implementing sustainable practices has certain drawbacks, it also offers valuable opportunities for growth and progress. If substantial progress is to be made in the adoption of sustainable practices by Nigerian SMEs, more funding must be allocated to training, education, and infrastructure support programs.

The following are suggestions for SMEs in Nigeria to implement sustainable practices in light of the research findings:

To promote SMEs, governments should work with financial institutions to offer sufficient financial incentives, including grants, loans, and other forms of support. This would lessen the difficulty of having limited funds. Additionally, government organisations should host training courses, seminars, and workshops to teach SMEs the value of implementing sustainable practices. Furthermore, the sustainability practices of Nigerian SMEs must be regularly observed and evaluated. This is to monitor their development and pinpoint areas that need work.

Future research can consider some of the suggestions made in this work. For example, examining the impact of current government regulations and incentives on SMEs' adoption of sustainable practices in Nigeria could be a significant subject for future research. This could help determine whether new policies are needed or whether those in place are sufficient.

It is recommended that future research examine different geographic locations, as the results may not be directly transferable to other regions or industries, even though respondents in Lagos were selected for the study to obtain meaningful information.

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Appendix 1

Table 2: Demographic Information

Gender	**Frequency**	**Percentage (%)**	**Cumulative %**
Female	150	53	53
Male	133	47	100
Age	**Frequency**	**Percentage (%)**	**Cumulative %**
Below 20	26	9.2	9.2
20-30	203	71.7	80.9
31-40	28	9.9	90.8
41-50	14	4.9	95.7
51& above	12	4.2	100
Educational Qualification	**Frequency**	**Percentage (%)**	**Cumulative %**
SSCE	96	33.9	33.9
OND/NCE	45	15.9	49.8
B.Sc./ HND	130	45.9	95.8
M.Sc./MBA	12	4.2	100
PhD	0	0	
Professional Qualification	**Frequency**	**Percentage (%)**	**Cumulative %**
ACA	60	21.2	21.2
CNA	12	4.2	25.4
AAT	36	12.7	38.2
NIM	25	8.8	47.0
Others	150	53.0	100
Industry Sector	**Frequency**	**Percentage (%)**	**Cumulative %**
Beauty, Cosmetic & Personal care	59	20.8	20.8
Education	50	17.7	38.5
Event Planner, Decoration, and Baking	32	11.3	49.8
Shopping and Retailing	49	17.3	67.1
Others	93	32.9	100
Employees Strength	**Frequency**	**Percentage (%)**	**Cumulative %**
Less than 5	187	66.1	66.1
6-20	66	23.3	89.4

21-50	19	6.7	96.1
51-100	7	2.5	98.6
More than 100	4	1.4	100
Years of Company Operation	**Frequency**	**Percentage (%)**	**Cumulative %**
Less than 1 year	80	28.3	28.3
1-2 years	96	33.9	62.2
3-5 years	62	21.9	84.1
5-10 years	24	8.5	92.6
10 years above	21	7.4	100
Awareness of Company's Sustainability Practices	**Frequency**	**Percentage (%)**	**Cumulative %**
Very low	23	8.1	8.1
Low	42	14.8	23.0
Moderate	155	54.8	77.7
High	50	17.7	95.4
Very high	13	4.6	100
Importance of Sustainability	**Frequency**	**Percentage (%)**	**Cumulative %**
No	21	7.4	7.4
Not sure	44	15.5	23.0
Yes	218	77.0	100

Source: Authors (2025)