

## **ENVIRONMENTAL DISCLOSURES AND FINANCIAL PERFORMANCE OF FOOD AND BEVERAGE COMPANIES IN NIGERIA**

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**ABSTRACT:** This study examined the relationship between environmental disclosure and financial performance of listed food and beverage companies in Nigeria from 2015 to 2024. The research was motivated by growing global concern for non-financial reporting and the need for credible disclosure practices by firms. Specifically, the study scrutinized how environmental protection expenditure disclosure, waste disposal and remediation cost disclosure, and prevention and environmental management cost disclosure influence financial performance indicators such as return on equity (ROE) and return on capital employed (ROCE). The study adopted an ex-post facto research design and relied on secondary data obtained from the annual reports of ten listed food and beverage companies on the Nigerian Exchange Group (NGX). Panel data covering a ten-year period were analyzed using fixed effect and random effect. Findings revealed mixed results: while certain environmental cost disclosures (such as waste disposal and protection expenditures) showed positive but insignificant associations with financial performance, prevention and environmental management costs had a negative and significant effect on ROE. It was recommended that environmental disclosure should be made compulsory for firms with stiffer sanctions for non-compliance. Also, there is need for regulatory authorities in Nigeria to beam a searchlight on disclosure practices of Cooperative Organizations.

**Keyword:** Environmental Disclosure, Financial Performance, Sustainability Reporting, Corporate Accountability, firms leveraging digital innovation, sustainability initiatives, and diversified investment portfolios between 2020 and 2024 reported improved performance compared to those dependent on single revenue streams (KPMG, 2023). Additionally, environmental, social, and governance (ESG) reporting gained prominence during this period, with investors increasingly linking financial performance

### **Background of the Study**

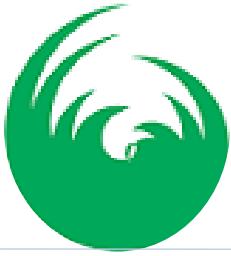
Financial performance refers to the measurement of how well a firm utilizes its assets to generate revenue, profits, and value for shareholders. Profitability indicators such as Return on Assets (ROA) and Return on Equity (ROE) have remained central in evaluating financial performance. Studies show that

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to long-term sustainability and corporate responsibility (Deloitte, 2024).

Environmental disclosure refers to the voluntary or mandatory reporting of a firm's environmental impact, policies, and practices in its financial statements or sustainability reports. It includes information on waste management, emissions, environmental compliance, use of resources, and other ecological responsibilities that organizations are expected to uphold (Akinlo and Olayinka, 2012).

On a daily basis, activities of companies, most especially environmentally sensitive ones threaten human existence. This is observed through environmental pollution, soil pollution, water pollution, air pollution, environmental degradation activities and numerous other ways through which these actions make life difficult for people. In the Nigerian context for instance, the people of Niger Delta over the past few decades have been lamenting on the dangers accruable from the operations of oil companies in the region, as this make life unbearable and render the farming populace completely idle, while drinking water is claimed to be largely unsafe. This exemplifies the negative tendencies arising from productive activities of environmentally sensitive companies, and equally account for the reasons why environmental right activists are demanding corporate responsibilities from these multinationals to ameliorate the suffering of the affected populace amongst other reasons.

The linkage between environmental disclosures and financial performance has received global attention. Studies suggest that companies with strong environmental, social, and governance (ESG) practices are more likely to enjoy investor confidence, customer loyalty, and regulatory support, which positively affect financial performance (Clark et al., 2015). Conversely, poor or manipulated

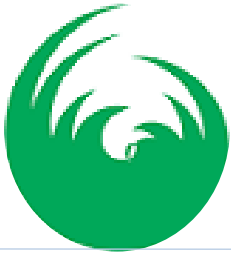
environmental disclosures can erode investor trust, distort financial performance indicators, and damage corporate reputation. In Nigeria, weak regulatory frameworks, lack of enforcement mechanisms, and widespread fraudulent manipulation of financial reports exacerbate these challenges (Okoye and Ezejiofor, 2013). This account for the rationale why investors are increasingly demanding transparent and credible reports to inform their decision-making, and the global shift toward sustainability accounting has made it imperative for Nigerian firms to adopt credible disclosure practices (GRI, 2018).

This study, therefore, seeks to explore the interplay between environmental disclosure and financial performance of food and beverage companies in Nigeria.

### **Literature Review and Hypothesis Development**

From the review of the previous studies, it was revealed that study on environmental disclosure and financial performance has gained prominence with interest by different scholars across the world. From the review, 13 of the studies were conducted in Nigeria (Aniesodo et al, 2024; Ojo and Balogun, 2019; Oyerogba et al, 2023; Okafor, Anichebe and Emeka-nwokeji, 2020; Nwaiwu and Oluka, 2018; Okwy et al, 2019; Toluwa et al, 2016; Akinleye et al, 2022; Shafiulam et al, 2019; Ali et al, 2021; Junaidu and Kabiru, 2022; Peter and Mbu-ogor, 2018; Oke et al, 2024). Also, two studies were conducted in Spain (Isabel et al, 2018; and Fernando et al, 2007). Furthermore, three of the studies reviewed were conducted in Australia (Cowan et al, 2021; Nazli and Salat, 2013; and Sutantopuratra et al 2012), While one study was conducted in India (Deepika.and Pooja, 2016).

Furthermore, two studies were conducted in Malaysia (Siow-hooi et al 2017: and Malcolm et al., 2007), one



of the studies was also conducted in China (Yingying. et al 2020), also one of the studies were conducted in Portugal (Carreira et al 2009), while one of the studies were conducted in Pakistan (Muhammad et al, 2022). Moreover, one was also conducted in USA by (Sulaiman. et al 2004). However, one of the studies was conducted in France (Elisabeth et al, 2014). Also, one of the studies was conducted in Netherland (Dion et al, 2014). Then two of the studies were conducted in Germany (Hnhdoan et al, 2020; and Patrick et al 2019).

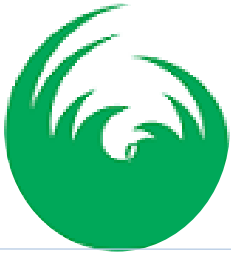
Furthermore, the review also shows that 11 studies reported positive relationship environment disclosure and financial performance (Aniesodo and Onuora, 2024; Okafor, Anichebe and Emeka-nwokeji, 2020; Toluwa, et al 2016; Akinleye et al., 2022; Isabel and Cowan, 2021; Siow-hooi et al 2017; Ali et al 2021; Junaidu and Kabiru 2022; Peter and Mbu-ogar, 2018; Aniesodoebele et al., 2024) while, four studies were negatives (Sutantoputra et al., 2012; Hanhdoan et al., 2020; Muhammad et al, 2022; Malcolm et al., 2007), and one of the study was mixed finding (Ojo, and Balogun, 2019), and the remaining fourteen revealed neutral finding (Oyerogba et al., 2023; Okwy et al., 2019; Fernando et al, 2007; Yingying et al, 2020; Siow-hooitan and Zahidulislam, 2017; Elisabeth et al., 2014; Dion and Rui José 2014; Deepika and Pooja 2016; Patrick et al 2019; Oke and Olatunji, 2024)

Empirical findings show that Aniesodo et al., (2024) examined environmental disclosures and firms value in Nigerian firms, findings of the study showed that government agencies should encourage corporate organizations to comply with environmental laws regarding their environmental activities as this will encourage environmental reporting by them. The study concludes that environmental disclosures determine firm value in Nigeria. Similarly, Ojo and Balogun (2019) explored the effect of environmental

accounting disclosure and firms' profitability in Nigeria, and finding of the study shows that there is significant negative relationship between environmental accounting disclosure and return on capital employed (ROCE), earnings per share (EPS) and a significant positive relationship and net profit margin (NPM) and dividend per share (DPS). In the same vein, Alamu, and Adeyemi (2023) scrutinized environmental accounting disclosure and sustainable financial performance of quoted basic materials companies in Nigeria, the results show that there is relatively low disclosure of environmental accounting information in the financial statement of the listed basic material companies in Nigeria.

Also, Okafor et al., (2020) investigated sustainable environmental disclosure and financial performance of oil and gas companies in Nigeria, the study found that environmental protection disclosure has positive but not significant effect on financial performance of oil and gas companies in Nigeria the study concludes among others that firm should reduce their spending on environmental protection or make it cost effective in other to increase firms' return on assets. In a related development, Nwaiwu and Oluka, (2018) researched the influence of environmental cost disclosure on the financial performance of oil and gas in Nigeria, the econometric results show that there is adequate disclosure on environmental cost, compliance to corporate environmental regulations have positive significant effect on financial performance measures. Moreover, Okwy et al., (2019) delved into an exploratory analysis of the level of social and environmental disclosures by listed firms in Nigeria, The study showed that the level of SED in Nigeria has improved over the years with a slight improvement from previous years.

Furthermore, Akinleye et al., (2022), External environmental costs and corporate financial



performance of selected listed firms in Nigeria, the findings showed that external environmental cost had a significant positive effect on return on asset revealing that a 1% rise in external environmental expenses resulted in a 0.098 percent increase in return on asset as a measure of financial performance of the sampled firms.

Isabel et al (2018) assessed corporate environmental issues in international companies, and the study finds out that the size of the company does indeed affect whether companies disclose more or less environmental information. Also, Cowan and Gadenne, (2021) analyzed Australian corporate environmental reporting with a comparative analysis of disclosure practices across voluntary and mandatory disclosure systems, the study showed that Australian listed companies have a propensity to disclose higher levels of positive environmental disclosures in the voluntary sections of the annual report than in the statutory sections of the annual report. Also, Deepika and Pooja, (2004) examined environmental accounting as a pillar of corporate social responsibility and disclosure, they found out that the companies tend to spend more on environmental activities whenever there is increase in their net profit and vice-versa.

Similarly, Siow-hooitan and Zahidulislam, (2017) explored the impact of the dimensions of environmental performance on firm performance in travel and tourism industry, the study finds out that environmental performance positively affects financial performance in the hotel industry when aggregate environmental performance is used. When individual dimensions of environmental performance are considered, resource reduction is found to positively (negatively) affect the performance in the hotel (airline) industry, while product innovation positively affects the performance in the restaurant

industry. The positive moderating effect of slack resources on the relationship between the individual dimensions of EP and FP in the travel and tourism industry, and, hence, are supportive of the slack resources hypothesis. These effects, however, vary depending on the travel and tourism industry under investigation

Fernando et al., (2007) probed into environmental disclosures and compulsory accounting standards in Spain and the findings show a significant increase in the environmental information compared with the 1992–94 period.

Shafiuham and Zahidul (2019) examined the role of environmental corporate social responsibility in building green corporate image and green competitive advantage. The study findings shows that the ECSR dimensions have critical role to play over building GCI and GCA at the firm level. Also, Muhammad (2022) probed into environmental sustainability and the role of environmental accounting. The findings of this study show that environmental accounting with sustainability has a significant negative effect on both proxies of the FP (ROA and ROE). Similarly, Sutantoputra et al., (2012) investigated the relationship between environmental performance and environmental disclosure. This study finds out that the level of environmental disclosure of Australian listed companies, and tested whether better performing companies with either lower emissions or more positive corporate monitor environmental ratings were likely to disclose more information on their environmental performance. Also, Ali and Christopher (2021) delved into corporate environmental disclosure associated with firm value. The study was a multicounty study of gulf cooperation council (GCC) firms. The study finds that that both managers and policymakers in GCC



countries should take a positive view of expanded CED.

Moreover, Junaidu and Kabiru (2022) explored environmental disclosure and financial performance of listed non-financial companies in Nigeria. The study finds that there is positive significant relationship between EPED, WDCD, PMCD AND EPS while negative with the listed Nigerian non-financial companies. In a related development, Peter et al., (2018) analyzed environmental and social disclosure & financial performance of selected quoted oil and gas companies in Nigeria (2012-2016), the study finds out that disclosure on employee health and safety and community development do not significantly affect financial performance while disclosure on waste management had a positive and significant effect on firm's financial performance.

**H01:** There is no significant relationship between environmental disclosure and the return on capital employed of food and beverage companies in Nigeria.

**H02:** There is no significant relationship between environmental disclosure and the return on equity of food and beverage companies in Nigeria

### Methodology

This study adopts an ex-post facto research design (also known as causal-comparative design). This design is appropriate because the variables of interest environmental disclosure, financial performance, and earnings manipulation are already in existence and cannot be manipulated or controlled by the researcher. The study was carried out within the Nigerian corporate environment, with particular focus on listed food and beverage companies on the Nigerian Exchange Group (NGX). The study therefore concentrates on a sample of listed non-financial firms across selected sectors within a period

of ten years. Also, the population of this study consists of all the listed food and beverage companies on the Nigerian Exchange Group (NGX) as at the period under review. However, the study will purposively focus on food and beverage companies covering the period 2015–2024.

Furthermore, the sample size for the study is ten (10) listed food and beverage companies on the Nigerian Exchange Group (NGX) for a period of ten years as earlier indicated, producing an estimated 100 firm-year observations over the study window. This is considered adequate for panel data analysis and provides sufficient statistical power for testing the hypotheses. In testing the hypotheses, the study adopted the static panel (Fixed effect and random effect).

The model for this variable will estimates the effect of ED and financial performance which is a modification of Nguyen and Tran (2019) as follows:

$$\text{ROCE}_{it} = \alpha_0 + \beta_1 \text{EPED}_{it} + \beta_2 \text{WDCD}_{it} + \beta_3 \text{PMCD}_{it} + \beta_4 \text{LEV}_{it} + \beta_5 \text{BSIZE}_{it} + \epsilon_{it} \dots \text{(i)}$$

$$\text{ROE}_{it} = \alpha_0 + \beta_1 \text{EPED}_{it} + \beta_2 \text{WDCD}_{it} + \beta_3 \text{PMCD}_{it} + \beta_4 \text{LEV}_{it} + \beta_5 \text{BSIZE}_{it} + \epsilon_{it} \dots \text{(ii)}$$

Where; EPS= Earnings per Share

EPED = Environmental Prevention Expenditure Disclosure

WDCD = Waste disposal, emission treatment and remediation cost disclosure

PMCD = Prevention and environmental management cost disclosure

LEV= Leverage

BSIZE = Board Size

$\alpha$  = Constant Term

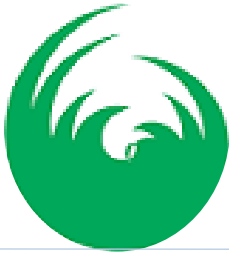
$\beta$  = Coefficient Term

i = No of firms

t = Time Period

e = Error term

### Variables and Measurement

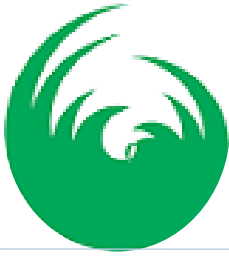


The means by which the various variables adopted in this study are measured or computed are shown below

Variables	Acronyms	Measurement
<b>Dependent Variables</b>		
Financial performance	ROE	Net Income / Total Equity (often multiplied by 100 to express as a percentage)
	ROCE	Net Income / capital employed (often multiplied by 100 to express as a percentage)
<b>Independent Variables</b>		
Environmental protection expenditure disclosure	EPED	When the EI is fully in compliance with GRI
Waste disposal, emission treatment and remediation cost disclosure	WDCD	When the EI is partially in compliance with GRI
Prevention and environmental management cost disclosure	PMCD	Presence of EI not in compliance with GRI
		No environmental information disclosure as used by Mohammad, et.al ,(2020).
<b>Control Variables</b>		
Leverage	LEV	Leverage is measured as the Total debt divided by total asset as used by Okpala and Iredele, (2018).
Board Size	BSIZE	Total number of directors on the board of the organization as used by Okpala, and Iredele, (2018).

**Result and Discussion**  
**Descriptive Analysis Results**

In an effort to examine and analyze the environmental disclosure and financial performance Table 1 reports the summary statistics for all the variables, that is,



Return on Equity and Return on Capital employed, and environmental disclosure proxies such as environmental protection expenditure cost (EPED), Waste disposal emission treatment and remedy cost disclosure (WDCD) and Prevention and environmental management cost disclosure (PMCD). The result showed that, most of the variables displayed a high level of consistency as their mean values are within the maximum and minimum values of each series. As shown from the table, the average value of Waste disposal emission treatment and remedy cost disclosure is 2.61, minimum of 2.00, to a maximum of 4.00 with a standard deviation of 0.54.

For environmental protection expenditure cost, the average value is 2.90, minimum value is 2.00, maximum value of 4.00 and standard deviation of 0.74. The average value for Prevention and environmental management cost disclosure is 3.0, with minimum value of 2.00 and maximum value of 4.00., and standard deviation of 0.68

Furthermore, ROE and ROCE showed the largest deviation from the mean. ROCE shows an average value of 67 with lowest and highest values of -222 and 17.3 respectively and standard deviation of 286. Also, the disperse deviation of these variables showed that each of the variables are not close to their mean.

**Table 2: Descriptive results of Environmental disclosure of selected food and beverage companies in Nigeria**

	WDCD	ROE	ROCE	LEV	EPED	PMCD
Mean	2.610000	-9.328000	67.14400	2.820000	2.900000	3.000000
Median	3.000000	10.80000	17.30000	2.100000	3.000000	3.000000
Maximum	4.000000	123.7000	2656.100	56.70000	4.000000	4.000000
Minimum	2.000000	-2533.700	-222.0000	0.500000	2.000000	2.000000
Std. Dev.	0.548552	257.8665	286.3957	5.707624	0.745356	0.681650
Observations	100	100	100	100	100	100

Source: Author’s Computation 2025

#### 4.2 Preliminary Test Result

This section presents the various tests conducted to determine the suitability or otherwise of pooled regression estimators in order to justify the rationale for performing other higher level estimations such as fixed effects or random effects.

##### 4.2.1 Normality Test Result

Normality problem arise when as a result data not normally distributed around the mean, which violates one of the conditions for using ordinary least square (OLS) estimation technique. The data in Table 4.2.1

below shows that all the four dependent variables were not normal. This is because the Jarque-Bera statistics for the variables were significant even at 10 percent, as indicated by their P-values, which indicated that the null hypothesis of normality should be rejected and the data does not follow normal distribution.

However, the P-values for the other variables, were not significant and indicated that the null hypothesis of normality should be accepted indicating that the variables satisfy normality condition. These results showed that the estimates from pooled OLS regression analysis would not be efficient and



reliable because the condition of normality was violated already hence, alternative methods such as random- effect or fixed-effect should be considered.

**Table 3: Normality Test**

	WDCD	ROE	ROCE	LEV	EPED	PMCD
Skewness	0.109856	-9.519793	7.788541	8.629014	0.161808	4.42E-17
Kurtosis	2.060600	93.71138	68.91568	81.22507	1.829091	2.173913
Jarque-Bera	3.878104	35796.09	19114.68	26737.50	6.148981	2.843415
Probability	0.143840	0.000000	0.000000	0.000000	0.046213	0.241302
Sum	261.0000	-932.8000	6714.400	282.0000	290.0000	300.0000
Sum Sq. Dev.	29.79000	6583017.	8120225.	3225.120	55.00000	46.00000
Observations	100	100	100	100	100	100
Decision	Normal	Not normal	Not normal	Not normal	Normal	Normal

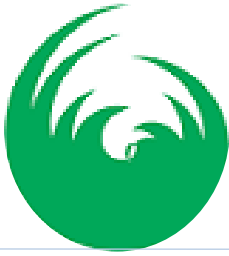
**Source: Author’s Computation 2025**

**Multicollinearity Test Results**

Multicollinearity problem occurs when there is evidence of strong linear relationships among explanatory variables in a multiple regression model. We used multiple correlation to examine the existence or otherwise of collinearity problem among the explanatory variables of this study. The rule of thumb for using this technique is that the correlation between any two variables must not be higher than 0.8 (Lewis-Beck, 1993). The data in Table 3 showed that all the variables had a correlation less than 0.8, pairwise thus, there was no evidence of multicollinearity among the variables.

**Table 4: Multicollinearity Test**

ROCE	ROE	EPED	WDCD	PMCD	BSIZE	LEV
ROCE   1.0000						
ROE   -0.0887	-0.0687	1.0000				
EPED   -0.0261	-0.1895	0.1358	1.0000			
WDCD   0.0905	-0.1738	-0.0491	0.5460	1.0000		
PMCD   -0.0366	-0.2335	0.0104	0.9145	0.7024	1.0000	
BSIZE   0.1765	-0.1058	-0.0092	0.1093	0.3657	0.3101	1.0000
LEV   0.0932	0.2000	-0.9623	-0.1057	0.0290	-0.0057	-0.0265
						1.0000



**Source: Author’s Computation 2025**

**Relationship between Environmental Disclosure and Return on capital employed of food and beverage companies in Nigeria**

The regression model in equation 1 was used to determine the effect of environmental disclosure practices on the return on capital employed of food and beverage companies. EPED, WDCD and PMCD are the independent variables, and ROCE is the dependent variable. Result of the regression analysis shows that random effect is preferred. Findings from random effect result shows that Waste

disposal treatment and remediation cost disclosure, and environmental protection expenditure disclosure are positive but has insignificant relationship with Return on capital employed. The effect of this is that expenditures in these areas do not add any value to the company’s capital employed.. Also, Prevention and environmental cost management has a negative and insignificant relationship with ROCE, as this infers that the expenditure by the companies on Prevention and environmental cost management does not also add value capital employed at the long run.

**Table 5: Regression result on the effect of environmental disclosure on ROCE**

VARIABLES	(1) POLS	(2) FE	(3) RE
Eped	128.4 (112.7)		144.5 (187.3)
Wdcd	10.59 (76.11)	43.66 (84.45)	20.46 (77.93)
Pmcd	-235.9 (142.9)	-99.67 (70.44)	-258.9 (206.5)
Bsize	3.817 (14.59)	65.49 (64.36)	9.247 (22.51)
Lev	11.66** (5.116)	12.36** (5.512)	10.39** (4.769)
Constant	306.0* (166.4)	-401.6 (739.1)	254.9 (256.3)
Observations	100	100	100
R-squared	0.108	0.110	
country effect	NO	YES	YES
year effect	NO	NO	NO
Rmse	277.7	253.2	252.9



F-test	2.265	2.654	
Prob > F	0.0542	0.0384	
Number of coy		10	10
F-test(u <sub>i</sub> =0)		3.002	
Prob > F(u <sub>i</sub> =0)		0.0384	
chi-squared			10.76
Prob > chi2			0.0563
Prob>chi2 = 0.9381			

Source: Author's Computation 2025

Standard errors in parentheses

### Relationship between Environmental Disclosure and Return on equity of food and beverage companies in Nigeria

The regression model in equation e was used to determine the effect of environmental disclosure practices on the return on capital employed of food and beverage companies. EPED, WDCD and PMCD are the independent variables, and ROE is the dependent variable. Result of the regression analysis shows that random effect is preferred.

Findings from random effect result shows that Waste

disposal treatment and remediation cost disclosure, and environmental protection expenditure disclosure are positive but has insignificant relationship with Return on equity. The effect of this is that expenditures in these areas do not add any value to the company's equity. Also, Prevention and environmental cost management has a negative and insignificant relationship with ROE, as this infers that the expenditure by the companies on Prevention and environmental cost management does not also add value equity at the long run.

Table 6: Regression result on the effect of environmental disclosure on Return on equity

VARIABLES	(1) POLS	(2) FE	(3) RE
EPED	62.88** (28.03)		65.45 (40.87)
WDCD	-6.862 (18.94)	10.99 (19.07)	1.851 (18.25)
PMCD	-56.86 (35.56)	1.976 (15.90)	-63.73 (45.75)
BSIZE	-0.248 (3.630)	11.06 (14.53)	0.252 (4.962)



LEV	-42.63*** (1.273)	-43.05*** (1.245)	-43.23*** (1.123)
o.eped		-	
Constant	119.4*** (41.40)	-27.03 (166.9)	106.8* (56.48)
Observations	100	100	100
R-squared	0.932	0.952	
country effect	NO	YES	YES
year effect	NO	NO	NO
Rmse	69.09	57.17	59.78
F-test	257	427.8	
Prob > F	0	0	
Number of company		10	10
F-test(u <sub>i</sub> =0)		5.696	
Prob > F(u <sub>i</sub> =0)		0	
chi-squared			1612
Prob > chi <sup>2</sup>			0
Hausman Prob>chi <sup>2</sup>	= 0.4934		
Breusch and Pagan Lagrangian multiplier	Prob > chibar <sup>2</sup> = 0.0000		

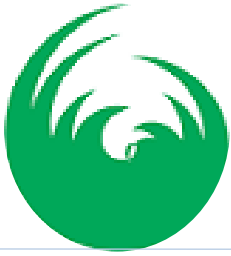
Source: Author's Computation 2025

### Result and Discussion

This study examined the relationship between environmental disclosure, financial performance, of listed food and beverage companies in Nigeria. Corporate organizations in Nigeria are under increasing pressure to disclose their environmental impact due to rising global emphasis on sustainability. However, disclosure practices remain inconsistent and fragmented, thereby raising questions about credibility and stakeholder trust.

The research was motivated by the need for regulators and government to enforce disclosure of environmental activities of companies and standalone reports. Against this backdrop, the study sought to determine whether environmental disclosure significantly influences firms' financial outcomes, particularly return on assets (ROA), return on equity (ROE), and return on capital employed (ROCE).

Adopting an ex-post facto design with panel data, the study analyzed secondary data from annual reports of ten listed food and beverage companies on the Nigerian Exchange Group (NGX), covering a ten-



year period. Regression models, including Ordinary Least Squares (OLS) and static panel techniques were applied to test the hypotheses. The proxies for environmental disclosure were Environmental Protection Expenditure Disclosure (EPED), Waste Disposal and Remediation Cost Disclosure (WDCD), and Prevention and Environmental Management Cost Disclosure (PMCD).

Findings revealed mixed relationships: while certain environmental cost disclosures (such as waste disposal and protection expenditures) showed positive but insignificant associations with financial performance, prevention and environmental management costs had a negative and significant effect on ROE. This suggests that while some forms of environmental spending may not directly enhance firm performance; others may even reduce short-term financial returns.

### **Recommendations**

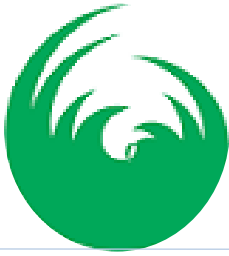
In light of the findings of this study, several recommendations were proposed to enhance the quality of environmental disclosure, strengthen corporate accountability, and promote sustainable financial performance in Nigeria as follows:

- i. There is a pressing need for regulators such as the Financial Reporting Council of Nigeria (FRCN), the Securities and Exchange Commission (SEC), and the Nigerian Exchange Group (NGX) to strengthen existing regulatory frameworks by enforcing mandatory environmental disclosure standards. Voluntary compliance has left room for inconsistency, undermining the credibility of corporate reports.
- ii. Also, environmental disclosure should be made compulsory, with clear sanctions for non-compliance, and disclosures should conform to Global Reporting Initiative (GRI) for uniformity.

- iii. Corporate organizations, on their part, must embrace transparency by providing full and verifiable information about their environmental activities.
- iv. Management should ensure that disclosures on environmental protection expenditure, waste management, and prevention costs reflect actual practices intended to impress stakeholders.
- v. Independent audits of environmental reports and financial audits should be institutionalized to improve reliability and restore investor confidence.
- vi. Environmental non-sensitive firms should also be encouraged to disclose their environmental reports.
- vii. Future studies should examine the activities of cooperative organizations and cooperative owned businesses in terms of their environmental disclosures strategies.
- viii. Government, regulators and professional bodies should work towards establishing a database and environmental awards to encourage more disclosures.

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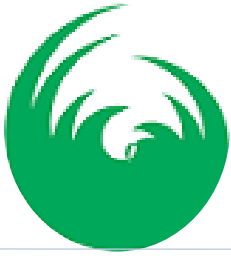
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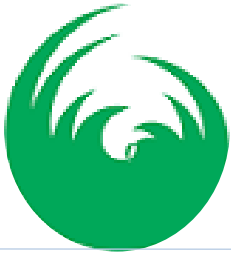
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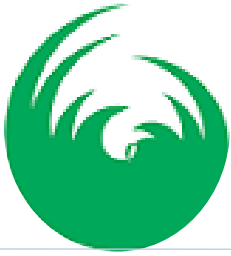
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