GSU JOURNAL OF ACCOUNTING & FINANCE (GJAF)

PRIMUS INTERPARES

GSU JOURNAL OF ACCOUNTING AND FINANCE

Vol. 1 ISSUE 1 June/July 2024

PUBLICATION OF:
THE DEPARTMENT OF ACCOUNTING,
GOMBE STATE UUNIVERSITY GOMBE

GSU JOURNAL OF ACCOUNTING AND FINANCE

PRIMUS INTERPARES

GSU JOURNAL OF ACCOUNTING AND FINANCE

Vol. 1 ISSUE 1 June/July 2024

Table of Contents

EFFECT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE ON CORPORATE VALUE OF LISTED INDUSTRIAL GOODS COMPANIES IN NIGERIA

Lukman Ojedele Lawal[1] Mamman Suleiman[2] and Mohammed Ola Maroof[3]

1Department of Accounting Gombe State University, Gombe, Nigeria. +2348037325265
E-mail: awwalu969@gmail.com, llawal.edu.gsu.com (Corresponding Author)

2Department of Accounting, Nasarawa State University, Keffi, Nigeria +2348065360403
E-mail:mammansuleiman68@gmail.com

3Department of Accountancy. School of Business and Management Technology. Federal Poly., Bali. Taraba State +2348069264670. E-mail:maroofolamohammed8@gmail.com

Abstract

This study investigates the effect of Environmental, Social, and Governance (ESG) disclosures on the corporate value of industrial goods companies listed on the Nigerian Exchange Group (NGX). The research utilizes an ex post facto design. The sample comprises 10 listed industrial goods companies, with secondary data spanning from 2013 to 2022, resulting in 100 firm-year observations. The study employs panel regression analysis to evaluate the relationship between ESG disclosures and corporate value. The results indicate that environmental disclosure has an insignificant negative effect on corporate value, while social and governance disclosures show a positive and significant influence. These findings underscore the varying impact of different ESG components on firm value and suggest that improving ESG reporting practices could enhance corporate valuation. Based on these results, the study recommends that the management of industrial goods firms should focus on enhancing their social reporting practices. This includes providing detailed and transparent information about labor practices, community engagement, and human rights initiatives. Management should also prioritize strengthening governance structures and transparently reporting these improvements.

Keywords: corporate value, environmental disclosure, governance disclosure and social disclosure.

Introduction

In recent years, the importance of sustainability reporting has grown significantly, driven by concerns about environmental degradation, climate change, ethical lapses, and corporate misconduct. Investors now consider a company's long-term sustainability and ESG factors, in addition to financial performance. Sustainability reporting has become essential for companies to demonstrate transparency, accountability, and commitment to stakeholders. ESG considerations are integral to a sustainable development framework, offering potential benefits like enhanced reputation, customer loyalty, cost savings, improved access to capital, and better risk management. Despite growing interest in ESG factors, research on their impact on firm value has yielded mixed results, with some studies finding a positive association and others failing to establish a conclusive link. In Nigeria, research on sustainability reporting's impact on corporate value has focused mainly on financial firms, leaving a significant knowledge gap in the industrial goods sector However, in today's business environment, investors are growing more risk-conscious and are extending their evaluation criteria beyond financial metrics to assess a company's long-term sustainability and prosperity. They are increasingly acknowledging that environmental, social, and governance (ESG) factors can exert a profound influence on a company's performance and firm value. Sustainability reporting is regarded as a means to elevate transparency, accountability, and engagement with stakeholders. Through the disclosure of data related to environmental performance, social endeavors, and governance standards, companies seek to showcase their dedication to sustainable development and foster trust among investors, customers, employees, and various other stakeholders (Sila & Cek, 2018). Incorporating Environmental, Social, and Governance (ESG) considerations as the central pillar of a sustainable development framework within corporate strategy offers several potential advantages in theory. These encompass bolstered reputation, strengthened customer trust and loyalty, reduced operational costs, improved access to capital, more effective human resources management, enhanced innovation capabilities, and more robust risk management, as highlighted by Ferrero-ferrero et al. (2016).

The influence ESG factors on firm value is a subject of growing interest and research (Loh, et al 2017) ESG factors encompass a wide range of issues related to a company's environmental impact, its social responsibilities and practices, and its governance structure. ESG factors are increasingly considered by investors when making investment decisions. Entities with strong ESG performance may have easy to access capital, as they are more likely to attract investors who prioritize sustainable and responsible investments. This increased demand for the company's stock can drive up its value. Nigeria's oil-rich regions, particularly the Niger Delta, have long struggled with severe oil spills. These spills cause extensive damage to land, water sources, and local communities, leading to long-term environmental and health problems. Rapid urbanization and industrial activities in Nigerian cities have resulted in high levels of air pollution. Poor air quality has serious health implications for residents and impacts overall quality of life. The impact on the community was catastrophic. The United Nations Environment Programme (UNEP) found that the oil pollution had infiltrated groundwater and posed long-term health risks to the local population. This case highlights the significant impact of oil spills on the environment and public health in Nigeria. The interface between sustainability reporting index and value has produced mixed and inconclusive findings. Previous research conducted in different countries, as indicated by Mita & Susi (2019) and Mutiha (2022), has suggested a positive association between sustainability reporting and corporate value. It is posited that companies actively disclosing their sustainability endeavors and performance may reap benefits such as an improved reputation, reduced risk exposure, strengthened stakeholder relationships, and enhanced access to capital. However, contrasting studies have failed to establish a definitive causal link between sustainability and corporate value. For instance, the research by Yondrichs et al. (2021); Jin and Lei (2023); Cohen, (2023); Jung (2023) did not identify any significant positive effect between the variables. This diversity in research outcomes underscores the complexity and context-dependent nature of the relationship between sustainability reporting and firm value.

In the Nigerian context, research on the impact of sustainability reporting on corporate value has been relatively limited, with a few notable studies, such as those conducted by Uwalomwa et al. (2018), Fatai et al. (2021), and Ezejiofor & Emeneka (2022); Nwaigwe, et al (2022); Ibrahim and Tahir, (2023); Donatus et al (2023); Izuagie, et al (2023). Unfortunately, these studies primarily focused on financial firms, leaving a significant gap in our understanding of how sustainability reporting affects the corporate value of listed industrial goods companies in Nigeria. This research aims to address this gap by conducting an empirical investigation specifically within the Nigerian industrial goods sector. The role of this sector on the Nigerian economy cannot be underestimated encompassing various industries involved in the production of essential goods, materials, and infrastructure. Understanding the impact of sustainability reporting within this sector is important as a result of its unique challenges and opportunities. It is against the backdrop that study attempt to examine the effect of sustainability reporting on corporate value of listed industrial goods firms in Nigeria. The sub objectives include to:

i. Examine the effect of environmental disclosures on corporate value of listed industrial companies in Nigeria.
ii. Assess the effect of social disclosures on the corporate value of listed industrial companies in Nigeria.
iii. Ascertain the effect of governance disclosures on corporate value of listed industrial companies in Nigeria.

Literature Review

Concept of ESG Disclosures

Environmental, Social, and Governance (ESG) disclosures refer to the practices through which companies report on their environmental, social, and governance activities and impacts (Li, et al 2021). These disclosures are intended to provide transparency and accountability to stakeholders about how a company manages and performs in these critical areas. In financial reporting, ESG disclosures are detailed reports provided by companies that describe their environmental impact, social responsibilities, and governance practices. These disclosures aim to inform investors and stakeholders about the non-financial factors that might affect the company's long-term performance and sustainability. According to Tsang et al (2023), ESG disclosures are the reports and information companies are required or encouraged to publish regarding their adherence to environmental standards, social responsibilities, and governance policies. These disclosures are often guided by frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

Concept Corporate Value

Corporate value refers to the overall worth or value of a company, considering both its tangible and intangible assets. It encompasses several dimensions and can be measured through various financial and non-financial metrics (Purbawangsa, et al 2020). From a strategic perspective, corporate value refers to the importance of a company’s market position, competitive advantages, and alignment with its long-term strategic goals. It includes the company's ability to leverage its unique strengths and resources to sustain growth and outperform competitors.

Environmental Disclosure

Environmental disclosure is a company's practice of publicly reporting environmental performance, initiatives, and impacts. Comprehensive and transparent environmental disclosure can enhance a company's reputation, leading to increased trust and loyalty among stakeholders, potentially boosting firm value. Existing empirical findings have yielded mixed results both positive and negative interface between environmental disclosure and market valuation indicators (Utomo et al., 2020; Muhammad et al., 2020), while others found no significant effect (Akabom et al., 2018).

This can enhance their reputation among stakeholders, including investors, customers, employees, and regulatory authorities. A positive reputation can contribute to increased trust and loyalty, potentially boosting the company's firm value. Environmental disclosure can help companies identify and manage environmental risks and liabilities effectively. By addressing these risks proactively, companies may avoid costly environmental incidents and regulatory fines that could otherwise erode firm value (Labatt & White, 2002; Huang, et al 2014; Alsaifi, et al 2021) Some studies have found a positive relationship between environmental disclosure and market valuation indicators such as Tobin's Q or market-to-book ratio. Utomo, et al (2020) found a positive relationship between environmental disclosure and firm value Muhammad, et al (2020) investigated the connections between environmental, social and governance (ESG) practices and how their disclosure affect firm's value for the period 2011 to 2019. The study used three stage regressions models related to ESG disclosure and the interface between the strength, concern, and disclosure of ESG and use a second stage regressions analysis to determine the relationship between ESG activities, ESG disclosure and firm value. The study revealed that environmental disclosures reduce the firm value

Sun, et al (2022) studied the influence of carbon emissions and voluntary carbon disclosure on firm value of listed companies in the Shanghai and Shenzhen 300 (CSI 300) Index. Probit regression model was used to ascertain the chances and probability distribution of voluntary disclosure of information on carbon emission. The findings confirmed that carbon emissions have a detrimental negative influence on firm value. Considering the mixed and inconclusive findings, the hypothesis can be rephrased as follows:

H01: There is no significant relationship between environmental disclosures and the corporate value of listed industrial goods firms in Nigeria.

Social Disclosure

Social disclosure includes information about a company's social responsibility initiatives, employee relations, community engagement, and other social aspects (Toppinen & Korhonen-Kurki, 2013). Transparent and positive social disclosure practices can enhance a company's reputation, leading to increased trust and favorability among stakeholders, including investors, customers, employees, and the wider community (Riyadh et al., 2022). A strong reputation can contribute to higher firm value, as investors who prioritize social responsibility factors may prefer to invest in companies that disclose their social initiatives and performance.

This can also increase trust among various stakeholders, including investors, customers, employees, and the wider community. A strong reputation can contribute to higher firm value. Investors who prioritize social responsibility factors may prefer to invest in companies that disclose their social initiatives and performance. Such demand can lead to increased demand for the company's stock, potentially driving up stock prices and contributing to firm value. Riyadh, et al (2022) studied the effect of social responsibility disclosures on firm value of manufacturing companies listed on the IDX (Indonesian Stock Exchange) in 2017-2019. The data was analysed using Moderated Regressions Analysis (MRA). The results indicated that social responsibility affected firm value. Erhirhie and Ekwueme (2019) assess the effect of corporate social sustainability reporting on financial performance of Nigerian oil and gas companies. The study utilizes secondary data using content analysis. Consistent with other previous studies, multiple regression analysis model is used to analyse the data. The findings revealed a negative but not significant influence of social sustainability reporting ROA, ROE and ROCE of Nigerian Oil and Gas companies.

Swarnapali and Le (2019) ascertained the effect of corporate sustainability on the market value in a developing country. The independent variable SR was measured using dichotomous variable of zero and one while firm value was proxy by Tobin's Q. Regression analysis was used and result revealed a positive relationship between sustainability reporting (SR) and market value. Given the mixed and inconclusive findings, the hypothesis can be reframed as follows:

H02: There is no significant relationship between social disclosures and the corporate value of listed industrial goods firms in Nigeria.

Governance Disclosures

Governance disclosures include information about a company's corporate governance framework, board composition, executive compensation, internal controls, and ethical standards. A strong and independent board can make informed decisions, guiding the company toward value-enhancing strategies, and positively impacting firm value. When investors have a clear understanding of a company's governance practices, they may perceive the company as well-managed and less prone to governance-related risks. This can positively impact firm value. Aydoğmuş, et al (2022) examined the influence of Environment, Social, Governance (ESG) performance on value and profitability. Findings suggest that ESG has a positive and significant influence on firm value, however, Social and Governance variables individually have a positive and significant effect on value but Environment score does not significantly influence value.

Submitter et al (2018) investigated the extent and level of environmental, social and governance (ESG) disclosures of listed companies in Thailand Sustainable Investment (THSI) group from the Stock Exchange of Thailand (SET), Population and samples were 60 listed companies in THSI group from the SET. Content analysis by word counting was used to quantify the extent and level of ESG disclosures in corporate annual reporting during 2015 to 2019, while firm value was collected by the market price. Descriptive analysis, correlation matrix, and multiple regression were used to analyze the data from the SET. The study found the positive influence of environmental and social disclosures on firm value, while there was a negative influence of governance disclosure on firm value.

Quintiliani (2022) investigated the correlations between ESG score and firm value. The study applied linear regression to a panel data using Bloomberg ESG disclosure scores from a sample of 115 companies listed in Europe. The time under study was from 2016 to 2020. Findings suggest a positive and significant relationship between the variables. Given the mixed and inconclusive findings, the hypothesis can be reframed as follows:

H03: There is no significant relationship between governance disclosures and the corporate value of listed industrial goods firms in Nigeria.

Theoretical Framework

This research is grounded in Stakeholder Theory, which emphasizes the importance of considering the interests and concerns of various stakeholders affected by a company's actions and decisions (Freeman, 1984). By effectively managing and addressing the needs of multiple stakeholders, a company can achieve long-term success and create sustainable value. In Freeman's Stakeholder Theory, he proposed that businesses should not only prioritize the interests of shareholders (owners) but also take-into account the interests of other stakeholders such as employees, customers, suppliers, communities, and society at large. The theory suggests that by effectively managing and addressing the needs of multiple stakeholders, a company can achieve long-term success and create sustainable value. Stakeholder. In the context of sustainability reporting, this theory encourages companies to communicate with various stakeholders about their environmental, social, and governance (ESG) practices, emphasizing the importance of considering a wide range of stakeholders beyond just shareholders.

When companies effectively communicate their Environmental, Social, and Governance (ESG) practices to stakeholders, several potential impacts on firm value can occur. These effects can be understood through the lens of Stakeholder Theory, which emphasizes the importance of addressing the interests and concerns of various stakeholder groups. Companies that focus on ESG practices often achieve greater operational efficiency through energy savings, waste reduction, and improved supply chain management. This can enhance profitability and overall financial performance. Effective ESG communication can demonstrate a company's commitment to complying with regulations and avoiding legal issues, which can protect against potential fines and penalties.

Methodology

This study adopted an ex post facto research design. The population for the study comprises all thirteen (13) industrial goods firms listed on the Nigerian Exchange Group (NGX) as of 2022. The analysis covers the period from 2013 to 2022.

Table 3.1 Population of the Study

	Firms	Years of Listing
1	AUSTIN LAZ & COMPANY PLC	2012
2	BERGER PAINTS PLC	1974
3	BETA GLASS PLC	1986
4	BUA CEMENT PLC	2020
5	CAP PLC	1978
6	CUTIX PLC	1987
7	DANGOTE CEMENT PLC	2010
8	GREIF NIGERIA PLC	2000
9	LAFARGE AFRICA PLC	1979
10	MEYER PLC	1979
11	NOTORE CHEMICAL IND PLC	2018
12	PREMIER PAINTS PLC	1995
13	TRIPPLE GEE AND COMPANY PLC	1991

Source: Nigerian Exchange Group (NGX)

The filter criteria required companies to have complete and consistent records of Environmental, Social, and Governance (ESG) disclosures and financial data for the entire study period (2013 to 2022). Consequently, three companies BUA Cement PLC, Tripple Gee & Company PLC, and Notore PLC were eliminated due to incomplete records. As a result, only ten (10) firms met the inclusion criteria and were considered as the adjusted population for this study.

Model Specification

This study adopted the model used by Wahua et al. (2021), which involves regressing independent variables against the dependent variable to analyze the impact of ESG disclosures on firm performance.

$MVA_{it} = \beta 0 + \beta_1 ED_{it}\text{-}_1 + \beta_2 SD_{it} + \beta_3 GD_{it} + \beta_4 FS_{it} + \varepsilon_{it}$

Where:

MVA= Market value added

EP= Environmental Disclsure

SP= Social Disclsure

GP= Governance Disclsure

FS= Firm Size

β0= Intercept

β1to β4 = coefficient of slop or regression coefficient

ε = error term

Table 3.1 Variables of the study and their Measurement

Variables	**Definitions**	**Measurement**
dependent Variable		
MVA	Market value added	Shares Outstanding x Current Share Price) - Shareholder's Equity. Imberman and Lovenheim 2016
Independent Variables		
ED	Environmental Disclosure	Content Analysis based on the Global Reporting Initiative (GRI, 2021). Assigned a value of 1 if the company provides information on environmental impacts, initiatives, and performance according to the Global Reporting Initiative (GRI, 2021) guidelines; otherwise, 0. Cohen (2023).
SD	Social Disclsure	Content analysis based on the Global Reporting Initiative (GRI, 2021) Checklist. Assigned a value of 1 if the company reports on social aspects such

		as labor practices, community engagement, and human rights as per the GRI (2021) checklist; otherwise, 0. Cohen (2023).
GD	Governance Disclosure	Content analysis based on Global Reporting Initiative (GRI, 2021) Checklist. Assigned a value of 1 if the company includes information on governance structures, ethics, and management practices according to the GRI (2021) checklist; otherwise, 0. Cohen (2023).
FS	Firm Size	Firm size is the natural logarithm of total assets. Doğan (2013).

Sources: Author's Computation based on literature Review 2023

Result and Discussions

In this section results are presented and discussed in the light of the research findings. First, a set of descriptive statistics are presented, then followed by the regression results.

Table 4. 1: Descriptive Statistics

Variables	Mean	Std. Dev.	Min	Max
MVA	2.071733	1.313683	.1923586	6.88347
ED	.0796111	.0822865	0	.3405185
SD	.0833678	.1106302	0	.6984127
GD	.2820139	.2037012	.0134	.8518519
FS	7.012609	.2488403		

Source: STATA, Output 2023

From table 1, the minimum and maximum values of corporate value are .1923586 and 6.88347 respectively. The average value of MVA is 2.071733 which signifies that the average corporate value of listed industrial goods firms in Nigeria is 2.71. The average of environmental disclosure (ED) in the sample is about .0796111%. The mean of social disclosure (SD) is .0833678 % and the mean of governance disclosure (GD) is about .2820139% Among the three pillars of ESG of sustainability disclosure, governance seems to have the largest amount value. This suggests that the firms disclosed governance information more than environmental and social disclosure. It is also noteworthy that the standard deviation of ED, SD and GD are relatively high as .0822865%, .1106302% and .2037012 % respectively. With the minimum value of 0, 0 and .0134, and Maximum of .3405185%, 6984127% and .8518519% respectively. Meanwhile, the mean firm size is approximately 7.012609 with a standard deviation of .2488403. FS has minimum and Maximum value of 6.596505 and 7.903774 respectively.

Table 4. 2 Correlation Matrix

Variable	MVA	ED	SD	GD	FS
MVA	1.0000				
EP	-0.2835	1.0000			
SP	0.2148	0.2471	1.0000		
GP	0.0863	0.0462	0.1967	1.0000	
FS	0.0654	-0.1591	-0.1269	0.0787	1.0000

Source: Output of data analysis using Stata, 2023

Table 2 above is a correlation matrix table, which shows the relationship between all pairs of variables in the regression model. The result reveals a negative correlation between environmental disclosure and corporate value, as evidence from-0. 2835.This implies that environmental disclosures and corporate value move in opposite direction. While social disclosure, governance disclosure and firm size are positively correlated with shareholders value from the coefficients of 0.2148, 0.0863 and 0.0654 respectively. This signifiers SD, GD and FS moves in the same direction.

Table 4. 3: Test for Multicollinearity

Variable	VIF	1/VIF
EP	1.08	0.922218
SD	1.12	0.893422
GD	1.05	0.950235
FS	1.05	0.955405
Mean VIF	1.08	

Source: Output of data analysis using Stata, 2023

From Table 3 above, VIF values for all the independent variables were consistently below the benchmark of 10 which is considered harmful for regression analysis. This is supported by a mean VIF value of 1.08 which is above the benchmark of 1 considered suitable for regression analysis. Also, the TV for all the variables was above 0 and close to 1 which is recommended for regression analysis. The results of these two collinearity tests further confirmed the absence of multicollinearity problem earlier revealed by the weak correlation coefficient among the independent variables of the study.

Table 4. 4: Hausman test

chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B) = 15.35	0.0001

The results of the Hausman test reveals a chi2 value of 15.35 and p-value of 0.0001. The implication of the significant p-value is that the fixed effect model is preferred to the random effect model. The summary of the fixed effect regression result is presented in table 5

Table 4. 5 Regression result

	Coefficient	Std. Err.	T	p-value
ED	-.0107652	.0433497	-0.25	0.804
SD	.0805732	.013623	5.91	0.000
GD	.233597	.0471596	4.95	0.000
FS	1.473405	.6627696	2.22	0.029
_cons	-8.215677	4.62029	-1.78	0.079
R-Square=0.3150				
F(4,95) = 91.25				
Prob > F = 0.0009				

Source: output from STATA, 2023

The R-square value showed the level at which the explanatory variables explain the dependent variable., The result of R^2 of 0.3150% signifies that of total variation in corporate value is caused by environmental, social disclosure, governance disclosure and firm size of quoted industrial goods firms in Nigeria. The value of F - statistic is 91.25 with probability of chi2 = 0.0009. The probability of chi2 is significant at 5%, indicating that the model is fit.

From the table the result shows that environmental disclosure has negative effect on corporate value and insignificant at 5% with coefficient of -.0107652 and p- value of 0.804. This implies that for every 1% increase in environmental disclosure, there is a consequent 1% decrease in corporate value holding all other variables constant. The result is in line with findings of Erhirhie and Ekwueme (2019).

Moreover, the coefficient for social disclosure reveals a positive significant effect on corporate value. It shows a coefficient of .0805732 and p-value of 0.000. The implication is that for every 1% increase in social disclosure, the corporate value increase by 8%. This implies that social disclosure has positive significant effect on corporate value of listed industrial goods firms in Nigeria. The result is in agreement with the studies conducted by Swarnapali and Le (2019)

The coefficient for governance disclosure reveals a significant positive effect on firmvalue since the coefficient is .233597, t-value is 4.95 and p-value is 0.000. This implies that for every 1% increase in governance disclosure there is a resulting 23% increase in firm value. By implication, governance disclosure increases with increase in corporate value of listed disclosure goods firms in Nigeria. This finding is in line with the studies conducted by Aydoğmuş, et al (2022).

Furthermore, the coefficient for the control variable, firm size reveals a positive significant effect on firm value. It shows a coefficient of 1.473405 and t-value of 2.22 and p-value of 0.029. The effect is that for every 1% increase in firm size, the cooperate value increases by 3%.

Conclusion and Recommendations

This study examined the effect of ESG disclosures on corporate value of listed industrial goods firms in Nigeria. The study specifically, revealed that environmental reporting has a negative insignificant effect on corporate value. This implies that disclosing information related to environmental performance, sustainability initiatives, and related practices does not significantly influence investors' perceptions of the firm's value or its financial performance. It may imply that in the context of Nigerian industrial goods firms, environmental disclosures alone may not be a primary driver of corporate value. In contrast, the study reveals that social reporting has a positive and significant effect on corporate value. This implies that companies that prioritize and engage in socially responsible practices, such as philanthropy, community involvement, diversity and inclusion, and ethical business conduct, are more likely to enhance their overall value. The study also finds that governance reporting has a positive and significant effect on corporate value. Strong governance practices, including transparent board structures, ethical standards, and effective risk management, contribute to investor confidence and trust in a company. Based on the findings of this study, which indicate differential effects of environmental, social, and governance (ESG) disclosures on corporate value.

The study recommends that the management of Listed industrial goods firms should focus on enhancing their social reporting practices. This includes providing detailed and transparent information about labor practices, community engagement, and human rights initiatives.

Management should also prioritize strengthening governance structures and transparently reporting these improvements.

Management should not disregard the importance of environmental disclosure; however, they may need to critically evaluate and refine how this information is communicated and aligned with the company's broader corporate strategy. Rather than treating environmental reporting as a mere compliance obligation, management should focus on presenting it in a way that highlights its strategic value to investors and stakeholders.

References

Akabom I., Dada E. T., & Onyeogaziri, U.R. (2018). The Effect of Sustainability Reporting on Corporate Performance of Selected Quoted Brewery Firms in Nigeria. *International Journal of Business & Law Research* 6(3):1-10,

Alsaifi, K., Elnahass, M., & Salama, A. (2020). Carbon disclosure and financial performance: UK environmental policy. *Business Strategy and the Environment*, *29*(2), 711-726.

Aydoğmuş, M., Gülay, G., & Ergun, K. (2022). Impact of ESG performance on firm value and profitability. *Borsa Istanbul Review*.

Bassen, A., & Kovacs, A. M. M. (2008). Environmental, social and governance key performance indicators from a capital market perspective. ZeitschriftfürWirtschafts- und Unternehmensethik, 9(2), 182-192. https://doi.org/10.5771/1439-880X-2008-2-182.

Cadman, T. (2011). Re-Casting the Frame of Corporate Social Responsibility and Responsible Investment: *An Environmental ans Social Perspective*. https://doi.org/10.2139/ssrn.1975546.

Cheg, B., Ioannou, I., & Serafeim, G. (2014). Corporate social responsibility and access to finance. *Strategic Management Journal*, 35(1), 1-23.

Cohen, G. (2023). The impact of ESG risks on corporate value. *Review of Quantitative Finance and Accounting*, *60*(4), 1451-1468.

Cohen, G. (2023). The impact of ESG risks on corporate value. *Review of Quantitative Finance and Accounting*, *60*(4), 1451-1468.

Dhaliwal, D. S., Li, O. Z., Tsang, A., & Yang, Y. G. (2011). Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting. The *Accounting Review,* 86(1), 59-100.

Doğan, M. (2013). Does firm size affect the firm profitability? Evidence from Turkey. *Research journal of finance and accounting*, *4*(4), 53-59.

Donatus, l. B., oluwagbade, i. O., igbekoyi, o. E., igwe, c., abdullahi, a., evinemi, e. A., & chinshaka, a. S. (2023) Corporate sustainability practices and the financial performance of listed financial Companies in Nigeria. *Economic,* 26,(2) 301–325,

Emeka-Nwokeji, N. A. &Osisioma, B. C., (2016). Corporate governance and firm value: Evidence from quoted in Nigeria. *Finance and Accounting Research Monitor*, *Special* Edition, 227-241.

Ezejiofor, R. A., &Emeneka, O. L. (2022). leverage and social sustainability reporting on listed oil and gas firms in Nigeria. *International Journal of Advanced Academic Research*, *8*(3), 1-14.

Fama, E. F. & Jensen, M. C.(1983) "Separation of ownership and control," *Journal of Law and*

Fatai Abiodun, A., Florence, O., & Helen F, O. (2021). Sustainability reporting and firm value: Evidence from selected deposit money banks in Nigeria. *Global Journal of Accounting*, *7*(1), 47-68.

Ferrero-ferrero, I., Fernández-izquierdo, M. Á., & Muñoz-torres, M. J. (2016). The Effect of Environmental, Social and Governance Consistency on Economic Results. Sustainability, 8. https://doi.org/10.3390/su8101005.

Friede, G., Busch, T., & Bassen, A. (2015). ESG and Financial performance: Aggregated Evidencefrom more than 2000 Empirical Studies. *Journal of Sustainable Finance and Investment*, 5(4), 210–233. https://doi.org/10.1080/20430795.2015.1118917.

Handayati, P., Sumarsono, H., &Narmaditya, B. S. (2022). Corporate Social Responsibility disclosure and Indonesian firm value: The moderating effect of profitability and firm's size. *Journal of Eastern European and Central Asian Research (JEECAR)*, *9*(4), 703-714.

Hardiningsih, P. (2020). The effect of sustainability information disclosure on financial and market performance: Empirical evidence from Indonesia and Malaysia. *International Journal of Energy Economics and Policy*.

Hariyani, D. S., Wahyuandarib, W., &Salatnayac, L. H. A. (2021). Sustainability Reporting and Company's Value. *Journal of Accounting, Finance and Auditing Studies*, *8*(1), 60-74.

Ibrahim, M., & Tahir, F. A. (2023). ESG Sustainability and Firm Value: evidence from Listed Oil Marketing Firms in Nigeria. *Technology-Driven Business Innovation: Unleashing the Digital Advantage: Volume 2*, 61.

Imberman, S. A., & Lovenheim, M. F. (2016). Does the market value value-added? Evidence from housing prices after a public release of school and teacher value-added. *Journal of Urban Economics*, *91*, 104-121.

Izuagie, E., & Abdullahi, A. (2024). Environmental, Social and Governance (ESG) Disclosure and Market Based Performance of Petroleum Marketing Firms in Nigeria. *International Journal of Accounting, Finance and Administrative Research*, *1*(3), 122-137.

Jasch,, C. (2006) "Environmental management accounting (EMA) as the next step in the evolution of management accounting," *Journal of Cleaner Production*, 14 (14) 1190–1193, Jin, X., & Lei, X. (2023). A Study on the Mechanism of ESG's Impact on Corporate Value under the Concept of Sustainable Development. *Sustainability*, *15*(11), 8442.

Jung, H. (2023). The Impact of ESG Performance on Corporate Value of Chinese Companies. *International Journal of Advanced Culture Technology*, *11*(3), 33-38.

Klettner, T. Clarke, U., & Boersma, T. (20140 "The governance of corporate sustainability: Empirical insights into the development, leadership and implementation of responsible business strategy," *Journal of Business Ethics*,122, (1) 145–165,

Labatt, S., & White, R. R. (2002). *Environmental finance: a guide to environmental risk assessment and financial products* (Vol. 98). John Wiley & Sons.

Li, T. T., Wang, K., Sueyoshi, T., & Wang, D. D. (2021). ESG: Research progress and future prospects. *Sustainability*, *13*(21), 11663.

Loh, L., Thomas, T., & Wang, Y. (2017). Sustainability reporting and firm value: Evidence from Singapore-listed companies. *Sustainability*, *9*(11), 2112.

Malaysian Code on Corporate Governance 2012. [Online]. Available: Http://www.mia.org.my/new/downloads/circularsandresources/circula.

Melnyk, S. A., Sroufe, R. P. &Calantone, R. (2003) "Assessing the impact of environmental management systems on corporate and environmental performance," *Journal of Operations Management,* 21329–351

Möller, V., Koehler, D. A., & Stubenrauch, I. (2015). Finding the Value in Environmental, Social and Governance Performance New Perspectives on Corporate Social Responsibility, pp. 275-283. *Springer*. https://doi.org/10.1007/978-3-658-06794-6_14.

Mutiha, A. H. (2022, December). The Quality of Sustainability Report Disclosure and Firm Value: Further Evidence from Indonesia. In *Proceedings* (Vol. 83, No. 1, p. 26). MDPI.

Nwaigwe, N. G., Ofoegbu, G. N., Dibia, N. O., & Nwaogwugwu, C. V. (2022). Sustainability disclosure: Impact of its extent and quality on value of listed firms in Nigeria. *Cogent Business & Management*, *9*(1), 2079393.

Obodo, N. A. (2018). Content Analysis of Time Management as a Tool for Corporate Effectiveness. International Journal of Applied Economics, Finance and Accounting, 2(2). 12-33

Pamungkas, N. B., & Meini, Z. (2023). The effects of sustainability reporting and intellectual capital disclosure on firm value, with profitability as a moderator. JurnalEkonomi, 12(01), 327-334.

Ponnu, C. H. (2008) "Corporate governance structures and the performance of Malaysian public listed companies," International Review of Business Research Papers, 4, (2), 217–230.

Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020). Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). Social Responsibility Journal, 16(7), 983-999.

Quintiliani, A. (2022). ESG and firm value. Accounting and Finance Research, 11(4), 37.

Riyadh, H. A., Al-Shmam, M. A., & Firdaus, J. I. (2022). Corporate social responsibility and GCG Disclosure on firm value with profitability. International journal of professional business review, 7(3), e0655-e0655.

Said, R. Zainuddin, Y. H., & Haron, H. (2008) "The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed companies," Social Responsibility Journal, vol. 5 (2) 212–226, Sila, I., & Cek, K. (2018). The Impact of Environmental, Social and Governance Dimensions of Corporate Social Responsibility on Economic Performance: Australian Evidence. Procedia Computer Science, 120, 797–804. https://doi.org/10.1016/j.procs.2017.11.310.

Submitter, G. A. T. R., Yordudom, T., & Suttipun, M. (2020). The influence of ESG disclosures on firm value in Thailand. Journals and Yordudom, Thanyaorn and Suttipun, Muttanachai, The Influence of ESG Disclosures on Firm Value in Thailand (December 31, 2020). Reference to this paper should be made as follows: Yordudom, T, 108-114.

Thomson, R. (2015). Thomson Reuter's data stream ASSET 4 ESG content. URL. [Online]. Available: http://extranet.datastream.com/data/ASSET4%20ESG/documents/Thomson_Reuters_DS_ASSET4_ESG_Content_Fact_Sheet_April_201 5.pdf.

Tsang, A., Frost, T., & Cao, H. (2023). Environmental, social, and governance (ESG) disclosure: A literature review. The British Accounting Review, 55(1), 101149.

Turban, D. B., & Greening, D. W. (1997) "Corporate social performance and organizational attractiveness to prospective employees," The Academy of Management Journal, vol. 40, no. 3, pp. 658–672.

Untung, H., Rusdiah I., Ardi, P., Yana U. (2016). sustainability performance: it's impact on risk and value of the firm. Corporate Ownership & Control / Volume 14, Issue 1, Fall 2016, Continued – 1

Utomo, M. N., Rahayu, S., Kaujan, K., &Irwandi, S. A. (2020). Environmental performance, environmental disclosure, and firm value: empirical study of non-financial companies at Indonesia Stock Exchange. Green Finance, 2(1), 100-113.

Uwuigbe, U., (2018). Corporate diversity and corporate social environmental disclosure of listed manufacturing companies in Nigeria. Problems and Perspectives in Management, 16(3), 229-244.

Velte, P. (2018). Does ESG Performance have An Impact on Financial Performance? Evidence from Germany. Journal of Global Responsibility, 8(2), 169–178. https://doi.org/10.1108/JGR-11-2016-0029.

Wahua, L. A. W. R. E. N. C. E., & Ezeilo, F. I. (2021). Effects of environmental, social and governance imperatives on the performance of selected listed mortgage banks in Nigeria. Journal of Global Economics, Management and Business Research, 13(4), 34-48.

Yaghoub, A, Xiaoni L., & Xavier, C. (2020). Impact of Sustainability on Firm Value and Financial Performance in the Air Transport Industry. Sustainability 12 1-23

Yoon, Y., & Schwarz, N. (2006). The Effect of Corporate Social Responsibility (CSR) Activities on Companies with Bad Reputations. Journal of Consumer Psychology, 16(4), 377–390.