Graduate Journal of Interdisciplinary Research, Reports & Reviews
(Grad.J.InteR^3)
ark:/85846/JPR3.2024AR.02020131

ISSN(E): 2584-2919
Vol.02, No.02 (2024)
pp.131-141

Environmental Disclosure and Share Price Performance

Monday Olade Izevbekhai[1] and Owa Frederick[2]

[1]*Accountancy Department, Auchi Polytechnic, Auchi, Edo State, Nigeria.* ,
[1]*https://orcid.org/0009-0000-3563-6568* , Email[1]: mondayizevbekhai75@gmail.com (corresponding author)
[2]*Accountancy Department, Auchi Polytechnic, Auchi, Edo State, Nigeria.* ,
[2]*https://orcid.org/0009-0005-0474-3690* , Email: chukwumenimefred@yahoo.com

(Received:27-09-2024; Accepted: 18-11-2024; Published Online:16-12-2024)

ABSTRACT:
Background: Businesses are working to create sustainability plans and give investors non-financial data reports that capture other aspects that aren't covered in regular financial reports because they now have a broader perspective than just making a profit. This study underscores the importance of addressing the environmental and social disclosure and share price performance of firms in Nigeria.
Purpose: The objective of the study was to investigate whether environmental reporting, social reporting, governance reporting and environmental and social governance have significant effect on share price performance of listed conglomerate firms in Nigeria.
Methods: The secondary source of data collection was adopted in the study where the purposive sampling technique was used to select a sample size of ten (10) selected firms for the study. Least Square regression analysis was used in this study.
Results: The findings revealed that social reporting have no significant effect on share price performance while environmental reporting, governance reporting environmental and social governance has significant effect on share price performance of listed conglomerate firms in Nigeria.
Conclusions: It was concluded that the since environment where human being lives are being distorted with substances that are dangerous to his life, the need for sustainability has resulted in the appearance of various international organizations expressing a range of attitudes that guide and direct human dealings with the environment. Finally, it was recommended that there is need for investors and analysts to utilize indicators that factor the social and environmental issues into context prior to investment advice or decisions.

Keywords: Environmental reporting, social disclosure, share price performance, environmental reporting, social reporting, governmental reporting, environmental and social governance.

1. Introduction

No business, no matter how big or small, private or public, profit- or non-profit-making, exists in a vacuum or runs in a closed system with no connection to the outside world. Pollution, global warming, and climate change are just a few of the terrible environmental effects of business operations [1]. The aforementioned problems have raised public awareness of the risky operations these companies are engaging in for the host community. As a result, companies are expected to demonstrate their commitment to environmental policies and the necessity of disclosing environmental information in their annual and sustainability reports. In the context of developing nations like Nigeria, this requirement appears to be even more pressing [2].

Businesses everywhere need to be mindful of environmental and social governance (ESG) in light of the global pandemic and the lockdowns that followed. Businesses cannot exist without people and the environment, so it is paradoxical for them to report financial performance to stakeholders without also disclosing how their operations impact the environment and people while generating profits.

A variation of integrated reporting frameworks and sustainability-based reporting, environmental and social governance (ESG) aims to broaden the scope of a company's reporting by incorporating non-financial and largely voluntary data. Businesses are working to create sustainability plans and give investors non-financial data reports that capture other aspects that aren't covered in regular financial reports because they now have a broader perspective than just making a profit.

As the use of sustainability-based reporting has grown, nations all over the world have begun to take steps to improve the quality of sustainability reporting. These actions are a response to the bankruptcies brought on by the financial crisis. Realizing how important this information is to all parties involved, several countries have enacted laws mandating the exchange of sustainability data. Nonetheless, although reporting on sustainability is required and regulated in certain countries, it is voluntary and uncontrolled in others [3]. It is evident from this that the concept of ESG disclosure has garnered significant interest within the corporate realm.

Research from developed countries, including that of [4] and [5] research revealed a negligible negative correlation between a company's performance and its social and environmental disclosures. As a result, opinions on how environmental and social disclosures affect the performance of developed-nation companies differ, necessitating further analysis and explanations. Similarly, [6] found a strong positive correlation between environmental and social disclosures and business performance in developing countries. On the other hand, a small negative correlation was observed by certain researchers between a company's performance and its level of environmental and social disclosures. These researchers include [7], as well as [8].

Consequently, drawing the conclusion that environmental and social activities improve a firm's financial performance in developing nations, or that financial performance causes environmental and social activities, is biased. This also necessitates additional analysis using more reliable techniques.

2. Review of Literature and Hypotheses Development

2.1. Share Price Performance

The cost of a single share of a company's stock is known as the share price. On the other hand, supply and demand in the market typically determine the price of a publicly traded company's shares. Because share prices are based on the expectations of both buyers and sellers, they can be highly volatile. When new information is released into the market, stock price volatility tends to rise; however, the degree to which it rises depends on the relevance of that new information as well as how much the news surprises investors [9]. Stock price volatility is an indicator that is most frequently used to find changes in trends in the market place. Typically, an increase or decrease in volatility results from changes in investor reaction in the market place.

The amount of naira that investors are willing to pay for one share of the company's stock is known as the market price per share of stock, or simply "share price." It is unrelated to the value of the business's assets, as determined by factors found in a financial report, such as book value per share. Increasing their bottom line is almost always their ultimate goal. Businesses most likely have unique wealth distribution policies, but if they don't grow their profits, they may find it difficult to raise the money they need to fund their operations. Consequently, raising the value of the company's stock to the shareholders and management is crucial. Any publicly traded company's share price can be used to determine its value. Nonetheless, the influence of both macro and microeconomic factors causes share prices to fluctuate. Accounting data is typically used by managers to gauge the company's performance, and prospective investors can use this data to choose the right stocks [10].

2.2. Environmental Reporting and Share Price Performance

This includes reports on the environmental sustainability initiatives that a company has undertaken. Therefore, environmental reporting is the presentation or disclosure of data regarding the management and disposal of sewage and firm secretions into the environment. It includes the application of techniques and materials to reduce or completely stop the production of pollutants' wastes. This includes activities that reduce the consumption of substances, energy, water, and other resources that pose a risk to human health and the environment [11]. [12] stated that most production-related waste needs to be processed before it can be released into the environment. While some waste can be handled more effectively by outside waste material treatment companies, some waste can be used by the businesses themselves. Companies incur environmental costs when managing waste materials. One category of costs related to the environment is waste material transportation costs. The depletion of natural resources, effects on creativity and noise, water emissions, leftover air, and long-term waste disposal are additional environmental costs.

The National Environmental Standards and Regulations Enforcement Agency (Establishment) Act 2007 & 2008, the Environmental Impact Assessment Act 2004, the Hazardous Waste Act 2004, the Nuclear Safety and Radiation Protection Act 2007, and other legislation in Nigeria made it abundantly evident which conforms requirements businesses with environmentally harmful operations had to strictly follow. Good environmental disclosure has a positive effect on a company's performance.

Korolo, A.S. [13] investigated the impact of sustainability reporting on the financial performance of businesses listed on the Nigerian Stock Exchange. Using the ex-post factor research design, a sample of 70 listed companies was selected after the population of listed companies was filtered. The results of the application of multicollinearity, correlation, and descriptive statistics showed that the net profit margin of companies listed on the Nigerian Stock Exchange is not significantly impacted by environmental performance disclosure. According to the study, environmental disclosures have been significantly behind social and economic disclosure; as a result, businesses should focus more on addressing and disclosing information about their environmental practices.

Rabi [11] investigated the impact of environmental reporting on the financial performance of listed Nigerian consumer goods and industrial firms. 42 Nigerian listed industrial and consumer goods companies make up the study's population. The firm's annual reports provided secondary data that was taken from and utilized. STATA 13 statistical software was used for the study analyses. According to the regression analysis, product safety has a negative significant impact on ROA, employee health and safety has a positive significant impact on ROA, and environmental information has a significant positive impact on ROA. The study concluded that environmental reporting affects the financial performance of Nigerian listed consumer and industrial goods companies.

Muhammad, & Shuaibu [3] ascertained environmental disclosure and financial performance of Nigerian listed non-financial companies between 2013 and 2020. A sample of 76 companies with a non-financial listing was selected. For data extraction, audited annual reports and accounts were utilized. Multiple regressions and descriptive statistics were used in the analysis. To validate the findings, robustness tests including the Hausman specification test, heteroscedasticity test, multicolinearity test, and normality test were carried out. The study revealed that a negative correlation with TQ of listed non-financial companies in Nigeria, but a positive and significant correlation with environmental reporting disclosure.

Dhar, & Asharaful [14] investigated the impact of environmental accounting reporting (EAR) practices on the financial performance of Bangladesh's banking sector. This study used panel data from the Dhaka Stock Exchange (DSE) covering 25 listed banks from 2012 to 2016. The analysis, which used Pooled OLS, showed that after the Bangladesh Bank guideline was published, there was an increase in environment reporting. A substantial positive correlation between EAR and profit margin (PM) was revealed by the empirical analysis. On the other hand, EAR is not significantly correlated with ROAA, EPS, or ROAE (return on average equity). Size, capital ratio, overhead costs, and loan ratio are among the control variables that significantly affect financial performance.

2.3. *Social Reporting and Share Price Performance*

In recent times, businesses have placed a great deal of emphasis on demonstrating to their stakeholders their commitment to corporate social responsibility through the information they provide. Researchers refer to the same thing when they refer to this disclosure, which is informing the public about the companies' CSR activities, even though they use different names for it [4]. These names include corporate social responsibility reporting, corporate social disclosure, environment and social reporting, and corporate social reporting. To highlight the awareness of the practice of corporate social responsibility, researchers from all over the world examined the extent of corporate social responsibility disclosure in their respective countries.

One of the most important tools for successfully informing stakeholders about a company's social and environmental responsibility initiatives is social responsibility. Social reporting is the process of informing specific societal groups as well as the general public about the social and environmental repercussions of an organization's economic decisions. It serves as a channel by which businesses tell their stakeholders about how much they have done to address social issues. Examples of disclosure tools include annual reports, booklets outlining the company's social activities, community development reports, environmental reports, product labeling that promotes environmental and other concerns, press releases, interim reports produced as supplements to the annual reports, websites, and video cassettes.

Dzugwahi, & Ola [15] investigated the impact of reporting on economic, social, and governance sustainability on the financial performance of eighty-two listed non-financial companies in Nigeria between 2012 and 2021. The analysis was conducted using STATA 16 application software and multiple regression. The study found that financial performance is significantly improved by social sustainability reporting. The study suggested that in order to generate value and boost financial performance, management of non-financial companies should report more on social and economic sustainability.

Ogah, et al., [2] examined the impact of social and governance sustainability reporting on the financial performance of Nigerian listed oil and gas companies. With the help of secondary data from listed oil and gas companies' annual reports, the ex-po facto study design was implemented. Using the Hausman test and panel regression estimation, which is a random effect, E-Views 10 was used for analysis. The results demonstrated that the return on equity of Nigerian oil and gas companies is significantly positively impacted by social and governance sustainability reporting. According to the study, management should adhere to social and governance sustainability reporting, which should be made required for businesses.

Dordum, et al.,[1] examined the impact of social accounting on the financial performance of Nigeria's publicly traded manufacturing companies. The study covered data from the Nigerian Stock Exchange for the years 2012 through 2019. The data was analyzed using panel data techniques. The outcome showed that the return on equity is significantly and favourably impacted by social accountability. According to the study, manufacturing companies can increase their long-term financial success by being more socially responsible and offering basic amenities to the people and communities in which they operate.

Abdulsalam, & Babangida,[16] investigated the implication of corporate social cost on the profitability of oil marketing companies in Nigeria. Data were sourced from audited accounts and reports of three sampled firms for fifteen years (2004 to 2018). Panel regression analysis was used in analyzing the data while economic, social, environmental, and health costs were used as proxies for sustainability reporting. The study reveals that corporate social responsibility has a positive and significant effect on the profitability of firms studied. Based on this finding, they recommended that firms that prioritized returns on their investment should invest heavily in social issues.

2.4. *Governance Reporting and Share Price Performance*

The process of informing stakeholders about a company's governance practices is known as corporate governance reporting. The company's policies and procedures, management structure, ethical and social responsibility policies, and board of directors information can all be found here. Effective corporate governance has the potential to attract investors and impact the value of the stock. In the US, investors who are willing to pay an average premium for good governance are estimated to be between 11% and 16%. Better corporate governance has been linked to higher firm performance in Europe, as demonstrated by [17] research, which found that well-governed firms outperform poorly governed firms.

Governance sustainability reporting refers to the governance factors of decision-making, from sovereigns' policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders, and stakeholders. The purpose of the corporation, the role and makeup of boards of directors, and the compensation and oversight of top executives have emerged as core issues in companies' corporate governance structures. When analyzing environmental, social, and governance factors, the element is often forgotten amid considerations over climate risk, societal implications and other risks and opportunities. However, understanding governance risks and opportunities in decision-making is critical, as poor corporate governance practices have stood at the core of some of the biggest corporate scandals.

Ikponmwosa,& Bamidele [18] investigated the relationship between environmental, social, and governance (ESG) reporting and value-based performance in Nigerian quoted manufacturing firms. They also looked at the moderating effect of firm advantage on this relationship. Regression analysis, correlation, and descriptive statistics were used in the analysis of secondary data from the 2017–2021 annual reports of 20 manufacturing companies. According to the study, firm value was not significantly impacted by governance reporting during the study period, but the effect was amplified and significant when firm advantage—profitability less capital cost—was taken into account. The performance of Nigerian quoted firms based on firm value is significantly impacted by firm advantage.

Lawrence, [19] examined the impact of sustainability reporting compliance on the financial performance of listed firms in Nigeria. Secondary data was collected from annual reports of a sample of fifty seven companies listed on the Nigerian Exchange Group. Simple disclosure index was used to score sustainability reporting compliance using economic, environmental (EVM) social and governance disclosures in the annual reports of the sampled firms. Using least square panel data analysis, the results show that listed companies in Nigeria have significantly complied with the sustainability disclosure guideline. It was also found that there is a significant association between sustainability Reporting Compliance and Net Profit Margin as well as Return on Capital Employed. It was recommended that companies, both local and international should adopt sustainability in their day-today policies to be legitimate in their daily activities on the planet and also enjoy better financial performance. The researcher believe that if a robust data analysis was used the finding could have given a good result and conclusion.

2.5. Environmental and Social Governance and Share Price Performance

A company's value can be increased by lowering information asymmetry and cutting agency costs through appropriate and strategic ESG disclosures. A company's reputation can be enhanced through strategic ESG disclosure, which modifies public perceptions of the organization. Positive opinions like these can significantly reduce the risk to a company's reputation. It is also possible to argue that this kind of reporting could help reduce transactional and operating risk because it promotes corporate transparency and builds confidence among a company's economic stakeholders [20]. [21] stated that companies with objectively and widely disclosed social and environmental data are likely to have higher projected cash flow growth rates. Furthermore, [22] found that companies with more robust CSR-related disclosures encounter fewer unique capital constraints and find it simpler to obtain financing. In the same way, [23] argues that financial investments in social and environmental issues, along with their disclosure, are viable managerial strategic and operational options that can help reduce business risk through increasing transparency and reducing the level of uncertainty and asymmetry.

Investor decisions regarding the distribution of their capital are influenced by corporate disclosures pertaining to environmental, social, and governance (ESG) issues. Increased disclosure could result in increased information availability, which would mitigate the problem of information asymmetry. Without sufficient information, investors are unable to distinguish between good and bad investments [24].

The goal of integrated reporting frameworks and sustainability-based reporting, both of which focus on broadening a company's reporting scope to include non-financial and largely voluntary information, is what environmental, social, and governance (ESG) stands for. Businesses are working to create sustainability plans and give investors non-financial data reports that capture other aspects that aren't covered in regular financial reports because they now have a broader perspective than just making a profit. As the use of sustainability-based reporting has grown, nations all over the world have begun to take steps to improve the quality of sustainability reporting. These actions are a response to the bankruptcies brought on by the financial crisis. Realizing how important this information is to all parties involved, several countries have enacted laws mandating the exchange of sustainability data. Reporting on sustainability is optional and unregulated in some countries, but it is required and regulated in others. According to [24], it is evident that the concept of ESG disclosure has garnered significant interest within the corporate sector.

MohammadW,& Wasiuzzaman [25] investigated the moderating effects of firm advantage in addition to the effects of firms' Environmental, Social, and Governance disclosures on the performance of particular firms. A sample of the data consists of 3966 firm year observations from 661 firms listed on the Bursa Malaysia between 2012 and 2017. After adjusting for firm advantage, the regression result shows that ESG disclosure considerably boosts firm performance.

Lucia, et al., [26] used logistic regression and machine learning models for a sample of European businesses to investigate the possibility that ESG disclosures will increase a company's profitability. The empirical investigation's conclusion shows that the machine language technique accurately predicts Return on Equity (ROE) and Return on Assets (ROA). It also shows that there is a positive correlation between ESG practices and the financial indicators, as indicated by the ordered logistic regression model.

[27] compared the performance of the firm before and after integrated reporting to assess the impact of ESG disclosure. Two-stage least squares regression was used in the study with data gathered from Capital IQ and Bloomberg. They discover that, among the sampled firms, the ESG score had a favourable and significant impact on firm performance both before and after 2013.

Using a sample of 400 US stock market companies, [28] looked into the connection between a company's financial performance and its Environmental, Social, and Governance (ESG) components. The Return on Asset, Tobin's Q, Earnings per Share, Weighted Average Cost of Capital, Market Capitalisation, and Free Cash Flow of the firms are the metrics used in the study to assess financial performance. Mixed results were found in the regression between the various proxies of firm performance and the ESG; a favourable relationship between ESG and EPS. However, a weak negative correlation was found between firm value and ESG and ROA.

3. Materials and Methodology

3.1. Analytical framework and model specification

The ex-post factor research design is used in this study due to the fact that the variables cannot be manipulated by the researcher. This method was adopted since social scientific research problems do not lend themselves to experimental and controlled inquiry of the ex-post factor kind. Also, this research design makes it impossible to select, control and manipulate the factors necessary to study cause-and-effect relationships directly. The population of this study consists of companies listed on Nigerian Exchange Group (NGX) as at 31st December, 2023. The population comprises of one hundred and fifty six (156) firms listed on Nigerian Exchange Group. Since the entire listed firms cannot be used for the study, the study is limited to ten (10) listed industrial goods firms in Nigeria. The basic criteria of selecting these firms are the capitalization prowess and their specialization. In selecting the sample, purposive sample technique was used to derive the sample size. The purposive sampling was used to ensure that the sample represents a diversity of perspectives. The secondary source of data collection was used for this study where data was gathered from audited annual reports of selected listed industrial goods firms in Nigeria. However, for the purpose of this study, eight (8) years annual reports of ten (10) selected consumer goods firms were adopted. The study employed multiple regression technique of analysis using Least Squares regression estimation. This method was adopted because it enhances easy presentation and interpretation of data. The empirical model of the study is mathematically expressed as follows;

$$\mathrm{SPP}_{it} = \alpha+\beta_1\mathrm{ENV}_{it}+\beta_2\mathrm{SOC}_{it}+\beta_3\mathrm{GOV}_{it}+\beta_4\mathrm{ESG}_{it}+\varepsilon_{it}$$

Where: SPP_{it}: Share Price Performance
ENV_{it}: Environmental Reporting
SOC_{it}: Social Reporting
GOV_{it}: Governance Reporting
ESG_{it}: ESG Performance
ε_{it}: Error term
α: Intercept
$\beta_1, \beta_2, \beta_3, \beta_4$: Coefficients of parameters estimated

4. Results and Discussion

From the above table, the dependent variable, share price performance (SPP) has a mean value of 6.1607, standard deviation of 11.21947, minimum value of 0.44 and maximum of 67.00. The independent variables; social reporting (SOC) has a mean value of 0.2896 and a standard deviation of .18143, a minimum and maximum value of 0.00 and 0.71respectively. Environmental reporting (ENV) has a mean value of 0.0589, standard deviation of 0.17245, minimum value of 0.00 and maximum value of 0.75.

Governance reporting (GOV) has a mean value of 0.4144, standard deviation of .20398, minimum value of 0.00 and maximum of 0.70. ESG performance (ESG) has a mean value, standard deviation, minimum and maximum values of 0.578, 0.4995, 0.00and 1.00respectively.

Table 2 above shows the 2-tailed correlation analysis of the variables at 5% (0.05) level of significance. This shows that social reporting (SOC) is negatively correlated with environmental reporting (ENV) and governance reporting (GOV) while positive correlated with ESG performance (ESG). Likewise, environmental reporting (ENV) is negatively correlated with social reporting (SOC) and ESG performance (ESG) while positively correlated with governance reporting (GOV). The B column discusses the coefficient of the model. This indicates that a 354.3% decrease in share price performance is influenced by 1395.9% decrease in social reporting, 706.7% increase in environmental reporting, 2973.6% increase in governance reporting and 175.0% increase in ESG performance. The cumulative adjusted R^2 (0.196) which is the multiple coefficient of determination gives the proportion or percentage of the total variation in the dependent variable as explained by the independent variables jointly. Hence, it signifies that 19.6% of the total variation in share price performance of listed conglomerate firms is caused by the proxies of environmental and social disclosure. This is quite fair so predictions from the regression equation are fairly reliable. It also means that 80.4% of the variation is still unexplained so adding other independent variables could improve the fit of the model. This indicated that the model is fit and the explanatory variable are properly selected, combined and used. The findings have theoretical, practical and regulatory significance. This significance represents the contributions of the study which are expected to benefit the existing body of knowledge within the accounting and finance research, regulators and providers of accounting services.

Considering the significant effect of environmental reporting on share price performance of listed conglomerate firms in Nigeria, the regression result in table 4 indicate that environmental reporting has a positive and significance influence on share price performance of listed conglomerate firms in Nigeria. This was proved by the beta coefficient value of 0.109 and a

Table 1: Summary of Descriptive Statistics

	N	Min	Max	Mean	Std. Dev	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std.Error	Statistic	Std.Error
SPP	45	0.44	67.00	6.1607	11.21947	4.204	0.354	20.437	0.695
SOC	45	0.00	0.71	0.2896	0.18143	0.838	0.354	0.037	0.695
ENV	45	0.00	0.75	0.0589	0.17245	3.338	0.354	10.867	0.695
GOV	45	0.00	0.71	0.4144	0.20398	-0.245	0.354	-1.220	0.695
ESG	45	0.00	1.00	0.5780	0.49950	-0.326	0.354	-1.984	0.695
N	45								

Source: Output of data analysis by author using SPSS (2024).

Table 2: Summary of Coefficient of Correlation

Coefficient Correlations	SOC	ENV	GOV	ESG
SOC	1.000	-0.559	-0.584	0.538
ENV	-0.559	1.000	0.309	-0.317
GOV	-0.584	0.309	1.000	-0.454
ESG	0.538	-0.317	-0.454	1.000

Source: Output of data analysis by author using SPSS (2024)

Table 3: Summary of Regression Result

Model Summary

A	B
Multiple R	0.519
R Square	0.269
Adjusted R Square	0.196
Std. Error of the Estimate	10.058

t-value of 0.666 which has a p-value of 0.003 which is significance at 5% significance level. This leads to the acceptance of alternative hypothesis and rejection of null hypothesis. Hence, it is concluded that environmental reporting has significant effect on share price performance of listed conglomerate firms in Nigeria.

Considering the significant effect of social reporting on share price performance of listed conglomerate firms in Nigeria, the regression result in table 4 indicate that social reporting has a negative and insignificance influence on share price performance of listed conglomerate firms in Nigeria. This was proved by the beta coefficient value of -0.226 and a t-value of -1.118 which has a p-value of 0.270 which is insignificance at 5% significance level. This leads to the acceptance of null hypothesis and rejection of alternative hypothesis. Hence, it is concluded that social reporting has no significant effect on share price performance of listed conglomerate firms in Nigeria.

Considering the significant effect of governance reporting on share price performance of listed conglomerate firms in Nigeria, the regression result in table 4 indicate that governance reporting has a positive and significance influence on share price performance of listed conglomerate firms in Nigeria. This was proved by the beta coefficient value of 0.541 and a t-value of 3.176 which has a p-value of .003 which is significance at 5% significance level. This leads to the acceptance of alternative hypothesis and rejection of null hypothesis. Hence, it is concluded that governance reporting has significant effect on share price performance of listed conglomerate firms in Nigeria.

Considering the significant effect of ESG performance on share price performance of listed conglomerate firms in Nigeria, the regression result in table 4 indicate that ESG performance has a positive and significance influence on share price performance of listed conglomerate firms in Nigeria. This was proved by the beta coefficient value of 0.077 and a t-value of 0.473 which has a p-value of 0.000 which is significance at

Table 4: Coefficients

	Unstandardized Coefficients				
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	-3.543	4.220		-0.840	.406
SOC	-13.959	12.490	-0.226	-1.118	0.270
ENV	7.067	10.614	0.109	0.666	0.003
GOV	29.736	9.362	0.541	3.176	0.003
ESG	1.740	3.680	0.077	0.473	0.000

Source: Output of data analysis by author using SPSS (2024)

5% significance level. This leads to the acceptance of alternative hypothesis and rejection of null hypothesis. Hence, it is concluded that ESG performance has significant effect on share price performance of listed conglomerate firms in Nigeria.

4.1. Discussion of Findings

The results indicate that almost all the variables are significantly normally distributed at 5% level of significance. The correlation matrix indicates the variables have mixed relationships. The results also indicate the absence of multi-colinearity.

The findings from the first hypothesis revealed that environmental reporting has significant effect on share price performance of listed conglomerate firms in Nigeria. This findings is in agreement with the findings of [13], [11] and [3] but in disagreement with the results of [14].

The findings from the second hypothesis revealed that social reporting has no significant effect on share price performance of listed conglomerate firms in Nigeria. This findings correlates with the findings of [15], [2] and [1] while it negates the findings of [16].

The findings from the third hypothesis revealed that governance reporting has significant effect on share price performance of listed conglomerate firms in Nigeria. This result agrees with the findings of [18] and [19] while it negates the findings of [20].

The findings from the forth hypothesis revealed that ESG performance has significant effect on share price performance of listed conglomerate firms in Nigeria. This is further strengthened by the position of [25] and [26] while it disagrees with the results of [27] and [28].

5. Conclusion and Recommendations

5.1. Conclusion

Businesses are turning their focus back to environmental compassion as a result of the increased global awareness of environmental values and the pressing need for sustainable social and economic development. Substances that endanger human life shouldn't be allowed to alter the environment in which people live. As a result, the necessity for sustainability has led to the emergence of numerous international organizations that represent a variety of viewpoints that direct and govern how people interact with the environment. Industries are using more natural resources and releasing more gases into the atmosphere worldwide. Businesses are now required to report on environmental, social, and governance issues as a means of demonstrating their commitment to greater transparency in their operations due to mounting pressure on them to do so. Nonetheless, because such reporting is voluntary, different firms typically report in different ways. Following a thorough investigation, this study comes to the conclusion that social reporting has no bearing on share price performance, but governance, environmental, and ESG reporting have a significant impact.

5.2. Recommendations

The following recommendations are hereby made:

I Before giving investment advice or making decisions, analysts and investors must also make use of indicators that take the social and environmental issues into account. This is the result of numerous large corporations collapsing after widely reported ESG reporting scandals.

II It is recommended that investors keep an eye on social reporting as well, as there has recently been evidence linking it to managerial opportunism. Therefore, unusually high commitments might require more thorough investigation to determine causes and justification.

III Businesses should view governance-friendly services with optimism and include more of this information in their financial statements, as the degree of this information's disclosure has a significant impact on businesses' financial performance over time.

IV Policy makers should enhance regulatory framework on environmental, social and governance indicators to further strengthen institutional reporting. The ongoing effort of the Nigerian Stock Exchange (NSE) in developing the Sustainability Reporting/Reporting Guideline is highly commendable.

Authorship contribution: The two authors are accountable for the accuracy, originality, and integrity of the work.

Funding: No funding by any agency.

Conflict of interest: Authors has no conflict of interest with anyone.

Declaration: It is an original data and has not been sent or published anywhere.

Similarity Index: The authors hereby confirm that there is no similarity index in abstract and conclusion while overall is less than 10% where individual source contribution is 2% or less than it.

References

[1] Dordum, P.Y., Ibanichuka, E.A. & Ofurum, C.O. (2024). Social accounting and financial performance of quoted manufacturing companies in Nigeria. *International Journal of Business & Law Research*, 9(4), 46 – 57. https://www.seahipublications.org/wp-content/uploads/2024/05/IJBLR-D-4-2021.pdf .

[2] Ogah, I., Lambe, I.& Aza, M.S. (2024). Governance and Social Sustainability Reporting and Financial Performance of Listed Oil and Gas Firms in Nigeria. *International Journal of Research and Innovation in Social Science*, 8(1), 651 – 670. https://dx.doi.org/10.47772/IJRISS.2024.801050.

[3] Muhammad, J. K., & Shuaibu, K. (2022). Environmental disclosure and financial performance of listed non-financial companies in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 10(2), 31-51. https://doi.org/10.37745/ejaafr.2013.

[4] Amran, A., & Siti-Nabiha, A. (2009). Corporate social reporting in Malaysia: A case of mimicking the west or succumbing to local pressure. *Social Responsibility Journal*, 5(3), 358–375. https://doi.org/10.1108/17471110910977285.

[5] Domenico, P. (2014). Italian mutual banks: Corporate social and financial performance. *European Scientific Journal*, 10(4), 1857- 1890. researchgate.net.

[6] Yahaya, O.A. (2018). Environmental reporting practices and financial performance of listed environmentally sensitive firms in Nigeria. *Journal of Environmental and Social Sciences*, 24(2), 403 -412. researchgate.net.

[7] Ezejiofor, R. A., Racheal, J., & Chigbo, B. E. (2016). Effect of sustainability environmental cost accounting on financial performance of Nigerian corporate organizations. *International Journal of Scientific Research and Management*, 4(8), 4536-4549. https://doi.org/10.18535/ijsrm/v4i8.06.

[8] Dibua, N. O., & Onwuchekwa, J. C. (2015). Determinants of environmental disclosures in Nigeria: A case study of oil and gas companies. *International Journal of Finance and Accounting*, 4(3), 145-152. https://doi:10.5923/j.ijfa.20150403.01.

[9] Ajayi, S.D., & Ovwarhe, L.U. (2016). The effect of corporate social responsibility on the performance and growth of the oil & gas industry in Nigeria: A case study of Nigeria LNG Limited. *Social Science Research Network*, 3(1), 234-340. http://dx.doi.org/10.2139/ssrn.2745079.

[10] Abdul-Satta, M. S. (2019). Cost of capital: The effect to the firm value and profitability; empirical evidences in case of personal goods (textile) sector of KSE 100 Index. *Journal of Poverty, Investment and Development*, 17(1), 24-29. https://iiste.org/Journals/.

[11] Rabiu, I., Yazid, K. I. & Muhammad, S. H. (2023). Environmental reporting and financial performance of listed industrial and consumer goods firms in Nigeria. *Journal of Accounting and Finance Research*, 1(2), 123 – 140. https://doi.org/10.33003/fujafr-2023.v1i2.41.123-140.

[12] Ngwakwe, C. (2018). Environmental responsibility and firm performance: Evidence from Nigeria. *World Academy of Science, Engineering and Technology*, 4(6), 22-29. https://doi.org/10.5281/zenodo.1079958.

[13] Korolo, A.S. (2024). Sustainability Reporting and Corporate Performance of Quoted Companies

in Nigeria. *International Journal of Social Sciences and Management Research*, 10(5), 91 – 106. https://doi.org/10.56201/ijssmr.v10.no5.2024.pg91.106.

[14] Dhar, S., & Asharaful, M., (2021). Impact environmental accounting practices on financial performance: Evidence from banking sector of Bangladesh. *International Journal of Asian Business and Information Management*, 12(1), 24-42. https://ideas.repec.org/a/igg/jabim0/v12y2021i1p24-42.html.

[15] Dzugwahi, H. & Ola, M.H. (2024). Effect of sustainability reporting on financial performance of listed non-financial companies in Nigeria. *International Journal of Research and Innovation in Social Science*, 8(6), 1636 – 1654. https://dx.doi.org/10.47772/IJRISS.2024.806123.

[16] Abdulsalam, N. K., & Babangida, M. A. (2020). Effect of sales and firm size on sustainability reporting practice of oil and gas companies in Nigeria. *Quest Journals Journal of Research in Business and Management*, 8(1), 1-8. https://www.questjournals.org/

[17] Brown, L. & Caylor, M. (2004). Corporate governance and firm performance. Working Paper (Georgia State University). http://dx.doi.org/10.2139/ssrn.586423.

[18] Ikponmwosa, L. & Bamidele, I. (2023). Corporate governance, investor protection, and performance in emerging markets. *Journal of Corporate Finance*, 195(1), 1–26. https://doi.org/10.1016/S0929-1199(03)00046-4.

[19] Lawrence, T.M (2022). Impact of sustainability reporting compliance on financial performance of listed firm in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 10(5), 25-73. https://doi.org/10.37745/ejaafr.2013/vol10n5pp2573.

[20] Yu, E. P. Y., Guo, C. Q., & Luu, B. V. (2018). Environmental, social and governance transparency and firm value. *Business Strategy and the Environment*, 27 (7), 987-1004. https://do.org/10.1002/bse.2047.

[21] Uwuigbe, U., Egbide, B., & Ayokunle, A. M. (2011). The effect of board size and board composition on firms corporate environmental disclosure: A study of selected firms in Nigeria. *Acta Universitatis Danubius Publication*, 7(5) 164-176. https://ideas.repec.org/a/dug/actaec/y2011i5p164-176.html.

[22] Cheng, B., Ioannou, I., & Serafeim, G. (2014). Corporate social responsibility and access to finance. *Strategic Management Journal*, 35(1), 1–23. https://doi.org/10.4018/IJABIM.20210101.oa2.

[23] Husted, B. W. (2005). Risk management, real options, and corporate social responsibility. *Journal of Business Ethics*, 60(2), 175–183. https://www.jstor.org/stable/25075258.

[24] Abubakar, A., A. (2017). Influence of firms attributes on environmental disclosure in listed Brewery companies in Nigeria. *Research Journal of Finance and Accounting*, 8(21), 31-35. https://core.ac.uk/reader/234632160.

[25] Mohammad W. M. W. & Wasiuzzaman, S. (2021). Environmental, social and governance (ESG) disclosure, firm advantage and performance of firms in Malaysia. *Cleaner Environmental Systems*, 2(1), 20 - 50. https://doi.org/10.1016/j.cesys.2021.100015.

[26] Lucia, C. D., Pazienza, P. & Bartlett, M. (2020). Does good lead to better financial performances by firms? Machine learning and logistic regression models of public enterprises in Europe. *Sustainability*, 12(1), 53-77. https://doi.org/10.3390/su12135317.

[27] Albitar, C. E., Hussainey, T. O., Kolade, J. C. & Gerged, U. (2017). Environmental accounting disclosures and financial performance: A study of selected food and beverage companies in Nigeria (2006-2015). *International Journal of Academic Research in Business and Social Sciences*, 7(9), 162-174. https://doi.org/10.6007/IJARBSS/v7-i9/3315.

[28] Deepak M. & Yash S. D. (2019). Relationship between ESG and financial performance of publicly listed firms on the S&P 500. Unpublished Master of Science in Finance Program of the Faculty of Business Administration Simon Fraser University, Canada. 1-22. https://www.academia.edu/.

Copyright and License

How to Cite?

Monday Olade and Owa Frederick (2024). Environmental Disclosure and Share Price Performance. *Graduate Journal of Interdisciplinary Research, Reports and Reviews*, 2(02), 131-141. Retrieved from https://jpr.vyomhansjournals.com/index.php/gjir/article/view/18