ENVIRONMENTAL DISCLOSURE PRACTICES AND CORPORATE ACCOUNTABILITY OF LISTED MANUFACTURING FIRMS IN NIGERIA

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Abstract

The aim of this study is to investigate how environmental disclosure regulations influence corporate responsibility of publicly listed Nigerian manufacturing companies. The study usedboth ex post facto and correlational designs. Of the sixty-four (64) companies listed on the Nigerian Exchange Group (NGX), the study concentrated on thirty-four (34) manufacturing companies using a three-filtering criteria technique. The data in the research came mostly from secondary sources. Content analysis enabled environmental data from the annual reports of the listed manufacturing companies from 2018 to 2022 to be obtained using an environmental disclosure index with 25 elements consistent with the Global Reporting Initiative (GRI). Descriptive statistics, correlation analysis, and regression analysis were used to investigate the data. The findings revealed that among the Nigerian manufacturing companies assessed, environmental disclosure practices were a significant indicator of corporate responsibility.

The poll indicates that companies that open more about their environmental policies usually show better corporate accountability. According to the study, publicly traded industrial companies should take environmental reporting to the next level by forming sustainability committees to keep tabs on the companies' environmental activities and disclosure practices.

Keywords: *Environmental Disclosure, Corporate Accountability, Firm Size, Sustainability Committee*

1.0 Introduction

Corporate responsibility reporting extends beyond traditional financial accounting. The long-term goal is to make companies accountable for the social consequences of their decisions, both good and bad. Beyond the confines of an organization's financial accounts, these effects are referred to as externalities. Positive externalities include community development projects, whilst negative externalities involve environmental degradation or excessive impact on law. Incorporating these externalities, accountability reporting may provide a more thorough representation of a company's environmental disclosure procedures (Ramanna, 2013). Organisations in every industry must prioritise environmental disclosure procedures. These disclosures may provide more insight into the company's environmental effect for those interested. Honesty may enhance your company's image and the value offered to shareholders, thus facilitating future financial and operational success. Udo (2019) asserts that a company's environmental policies are essential for long-term sustainability.

Corporations face growing pressure to disclose their environmental impact and to undertake responsible measures in response to public demand (Ashfaq & Rui, 2019; Chaklader& Gulati, 2015). Increasing sea levels and deforestation exemplify significant environmental issues attributable to

corporate activities. Anazonwu et al. (2018) identified issues including climate change, natural resource depletion, and global warming. In some sectors, such as manufacturing, there are lucrative prospects in the recycling and repurposing of waste materials and toxins, including lead, mercury, and cadmium.

Many sources, including Nigerian industrial companies, have led to elevated levels of environmental degradation, prompting a global need for a climate change agreement. Air and water contamination, solid waste, and dangerous substances constitute these emissions. Community members, activists, and residents in resource-extracting areas sometimes experience frustration due to environmental deterioration and inadequate recompense for the detrimental effects on their property. Manufacturing may be disrupted by demonstrations and violence stemming from this rage. The Nigerian government and enterprises share the financial responsibility of diminished output and impaired infrastructure (Welbeck, 2017). Businesses must prioritise environmental disclosure practices to maintain stakeholder confidence and achieve sustainable success.

Consequently, these revelations amplify public apprehensions around resource depletion and climate change, as well as corporate responsibility. This openness is essential for promoting sustainable practices and ensuring corporate accountability for environmental impact. Businesses risk alienating stakeholders and harming their reputation if they fail to provide environmental data.

2.0 Literature Review

2.1 Concept of Environmental Disclosure

Environmental disclosure rules may enhance businesses' communication efficacy. Annual reports provide a comprehensive analysis of the company's impact on the community; this information may be advantageous for

investors and communities interested in the company's social and environmental obligations. Sen et al. (2011) define environmental disclosure as "data presented to assess a company's environmental practices and the economic consequences of these actions." The revealed information encompasses both financial and non-financial components. Uwuigbe and Jimoh (2012) assert that environmental disclosure obligations include the compilation of data about a company's current and prospective environmental operations. Ramanna (2013) characterises environmental disclosure as "a declaration that delineates a company's environmental initiatives, encompassing its objectives, policies, and ecological effects." This word encompasses all environmental disclosures. Ojong et al. (2014) assert that environmental disclosure methods enable companies to understand public sentiment.

Environmental disclosure guidelines enable a company to convey information to its many stakeholders, as stated by Jerry et al. (2015). Welbeck (2017) emphasises the need for transparency protocols regarding corporate environmental damage. Joyce (2020) posits that Environmental Disclosure Initiatives provide stakeholders and society with information on environmental impacts. This information educates stakeholders and society. The authors assert that Environmental Disclosure Policies must include all pertinent information on a company's environmental initiatives, regardless of their status as ongoing, in progress, or completed. This information is typically disseminated yearly and may include quantitative, qualitative, financial, and non-financial data. The annual report typically includes all information on the company's environmental impact. Annual reports are increasingly required to include corporate environmental information either by legal mandate or voluntary accord.

A company's environmental impact disclosure provides stakeholders and the public with this information. Literature indicates that annual reports facilitate the dissemination of environmental information by companies. Prior research

has examined the beneficial and detrimental impacts of Environmental Disclosure Practices on Corporate Accountability.

2.2Empirical Review

Udo (2019) analysed the environmental accounting disclosure methods of publicly listed Nigerian oil and gas firms from 2009 to 2018. The annual reports showed inadequate disclosure of both financial and non-financial environmental information. Disclosure procedures provide minimum and maximum values of 0.0283 and 0.2727, respectively. The study identifies financial factors such as profitability, leverage, and liquidity as the primary determinants of EADP in Nigerian organisations. The publication recommends that Nigerian businesses prioritise environmental financial reporting and develop an industry-specific Environmental Accounting Disclosure Protocol (EADP).

Gerged (2020) examined Corporate Environmental Disclosure (CED) and internal corporate governance mechanisms. The research focussed on growing economies such as Jordan. The CED practices of the examined companies showed signs of advancement throughout the examination, while they remained significantly inferior to those of more established organisations. CED had a negative correlation with managerial ownership, institutional ownership, board concentration, and the volume of published environmental information. Positive relationships exist between CED and larger boards, board independence, CEO duality, and foreign ownership. Board structures are superior to ownership structures in mitigating agency disputes, controlling information asymmetry, and supplying environmental data. Emerging economies must enhance the alignment of environmental policy and governance to attain sustainability. The paper culminates with tailored recommendations for managers, proprietors, and politicians.

Rezaee et al. (2020) investigated the role of corporate governance (CG) in mitigating risk and enhancing the quality of environmental disclosure. Ordinary least squares regression analysis was used to investigate corporate, industry, and temporal variables. The team used data from publicly listed Iranian companies between 2011 to 2016, including 762 company years. Statistics demonstrate an inverse relationship between EDQ and business risk. Board independence reduces the relationship between risk and executive decision-making in comparison to other corporate governance factors like CEO duality and board size. The results are consistent regardless of whether a regression model or sensitivity analysis is used in the research trial. The increasing focus on environmental initiatives may influence legislators, regulators, and corporate leaders; yet, the research's restricted global scope constituted a significant limitation. This research contributes to the existing literature by assessing the relationship between corporate risk-taking and EDQ in emerging economies.

Iliemena (2020) analysed the corporate performance of publicly listed oil and gas mining companies in Nigeria from 2012 to 2018. Annual reports from particular companies, corporate sustainability reports, and stock market reference materials provide data for theoretical frameworks. Conventional linear regression was used in ex-post facto analysis. These management strategies did not influence net profit, despite environmental accounting methods statistically enhancing turnover and ROCE. The Performance Improvement Theory (PIT) posits that businesses should use sustainable accounting to improve corporate performance by reducing costs and enhancing reputation. Numerous researches indicate that environmental accounting enhances corporate performance. A study revealed that companies must integrate environmental accounting into their financial reporting and management accounting frameworks to ensure their long-term viability.

Bui (2021) asserts that evaluations of corporate environmental responsibility often need a tripartite theoretical framework. This study examines stakeholder participation in corporate environmental accountability, the trustworthiness of environmental disclosure data, and the relationship between environmental practices and disclosure in corporations. The program enhances understanding of how transparency and systemic thinking foster environmental accountability. The combination of environmental disclosure information and business data will accomplish this. This program seeks to reduce conflicting accountability statements and enhance environmental transparency for stakeholders. The author provides a theoretical analysis centred on legitimacy, stewardship, and stakeholders rather than doing empirical research. Stakeholder theory and stewardship theory analysed environmental transparency, corporate legitimacy, and reputation.

Johnson et al. (2021) investigated the use of accounting by publicly listed Nigerian cement companies to attain financial success, highlighting its environmental repercussions. The financial statements and annual reports of three cement companies from the Nigerian Stock Exchange for the years 2011 to 2019 facilitated ex post facto analysis. Researchers used descriptive statistics and panel regression for their study. Nigerian cement companies listed on the stock exchange enhanced their financial performance after the adoption of environmental accounting transparency. The study revealed that environmental accounting disclosure enhances return on equity (ROE) and return on assets (ROA). The paper asserts that the Financial Reporting Council and other regulatory bodies should rigorously oversee the environmental accounting disclosures of Nigerian cement companies. This disclosure is essential since it impacts the profitability and long-term viability of these companies.

Yusuf (2022) analysed the impact of Nigeria's publicly listed industrial firms on corporate environmental disclosure rules. Multiple objectives were established, including the evaluation of how environmental disclosure regulations, performance metrics, pricing, and product/process information affect publicly traded manufacturing companies. The analysis used an ex-post facto methodology and concentrated on 76 publicly traded industrial firms. Regression analysis was conducted using descriptive statistics and a standard error model with panel correction on data extracted from yearly reports spanning 2013 to 2020. Research indicates that environmental disclosure regulations impact publicly traded industrial companies in the United States. The examination of environmental disclosure measures may serve as valuable performance indicators for Nigerian companies, as shown by the study.

Almaqtari et al. (2023) examined Environmental, Social, and Governance (ESG) performance in Asia and Europe, focusing on board characteristics, business attributes, and environmental disclosure. Panel data analysis with fixed effect models quantified the study's results. This analysis used the Refinitiv Eikon database, including data on 8,094 enterprises from 2016 to 2021. The results indicate that corporate openness about emissions, innovations, controversies, sustainable products, proactive investments, expenditures, and regulatory fines significantly enhances environmental and ESG performance measures. Larger, more independent boards with extended tenures and frequent meetings enhance sustainability reporting and environmental disclosures. The presence of a diverse board does not affect environmental disclosures, particularly in Asia. Firms with higher market capitalisation, performance, and sales growth are more inclined to reveal their sustainability and environmental policies. Through an examination of institutional structures, regulatory environments, legislation, and the enforcement of sustainability measures in each nation, the study presents

policymakers with recommendations for complete environmental and sustainability reporting legislation.

Helfaya et al. (2023) investigated the EGD practices of Egyptian companies via an empirical analysis of the impact of EGD on corporate sustainability ratings and business value. The analysis indicates that the EGDs of Egyptian companies are inconsistent. There exists a positive correlation between corporate value and EGD levels. Capital markets favour companies exhibiting a greater number of Environmental, Governance, and Disclosure (EGD) indicators. This is due to the increased likelihood of these companies being included in the Egyptian Sustainability Index and achieving superior scores. These findings will influence governments, corporations, investors, and environmentalists in emerging nations. This study enhances the understanding of corporate social responsibility (CSR) in developing economies and elucidates corporate governance methods in Egypt. Socio-political theory and voluntary disclosure theory elucidate the connections among sustainability ratings, corporate performance, and disclosures about environmental, social, and governance practices.

Wei et al. advocated for the compulsory implementation of Environmental Information Disclosure (EID) prior to 2024 to enhance corporate environmental accountability and sustainability. The ownership structure significantly influences companies' readiness and ability to provide environmental information. Various institutional circumstances may influence this effect in distinct ways. This study investigated the impact of ownership structures of Chinese firms on their environmental disclosures. The ownership framework comprises managerial concentration, institutional ownership, and governmental ownership. Both the legitimacy theory and the voluntary disclosure theory are used. A study using panel data from the Shanghai Shenzhen 300 Index companies between 2009 and 2019 revealed that China is disseminating more environmental information. Studies indicate

a robust correlation between managerial ownership and environmental openness. Institutional and governmental ownership exert detrimental impacts. Subsequent research indicates that managerial and state ownership influence EID variably based on the size of the business. The relationship between ownership structure and EID is more pronounced in deregulated industries. The 2014 Environmental Protection Law of the People's Republic of China offers an improved correlation between Environmental Impact Disclosure (EID) and ownership structure. This offers significant advantages.

2.2 Theoretical review

Max Weber introduced Legitimacy Theory in 1947, which was further developed by Lindblom in 1994 and Suchman Mark in 1995. "Legacy is a condition that arises when an entity's value system aligns with the value system of the broader social system to which the entity belongs," he holds. The Legitimacy Theory posits that firms endeavour to comply with society norms and standards. The Legitimacy Theory also posits that environmental disclosures may help reconcile the disparity between corporate actions and societal expectations. This paradigm may enhance our comprehension of the voluntary social and environmental disclosures by companies and facilitate productive public discourse on these issues. According to Deegan (2002), a company must meet the expectations of the community in which it works to remain viable. The notion of legitimacy is pertinent in this context. Freeman proposed stakeholder theory in 1984. Companies share environmental information in response to demands from various interest groups, as articulated in the theory. Certain companies use strategic disclosures to mitigate the worries and expectations of key stakeholders. The word "stakeholder" refers to all individuals and entities having an interest in a company's social and environmental initiatives, including communities, creditors, workers, consumers, and suppliers. Freeman regarded these groups as having a vested interest.

The operations of a company are vulnerable to the diverse impacts of its many stakeholders. To sustain a productive work environment, companies depend on the ongoing support of various stakeholders, as noted by Roberts (quoted in Udo, 2019). The primary objective of stakeholder theory is to identify the elements that influence a company's sustainability.

Tetlock introduced the notion of responsibility theory in 1983. Accountability is seen as a process and system in which an individual may be obliged to explain their actions to another entity possessing the authority to evaluate them and impose possible consequences, as noted by Tetlock and Lerner in Udo (2019). According to Grey et al., accountability theory examines the dynamics of groups, people, and organisations, as well as the informational rights that arise from these connections. Accountability is the readiness to justify our choices and actions when confronted and to assume personal responsibility for them. Responsibility fundamentally entails the need to account for one's conduct. Diverse types of connections exist, and individuals' rights to information varies based on the societal context of the interaction. There will always exist connections between an organisation and its stakeholders.

3.0 Methodology

The researchers in this study used a correlational and ex post facto research methodology, since these methodologies are effective for assessing the extent to which independent variables elucidate dependent variables. The reductionist technique is used because of the quantitative nature of the variable measurement. Given that the study's data is quantitative, the positivist paradigm serves as its foundational philosophical framework. By using three criteria, we identified 34 manufacturing firms among the 64 listed on the Nigerian Exchange Group (NGX) as of December 31, 2023. Companies must satisfy three criteria: first, they must have been operational throughout the research time; second, they must have issued yearly reports

during the study duration; and third, their reports must include environmental disclosure standards. This study used secondary sources, namely an index for content analysis disclosure, to gather information on the companies examined from 2018 to 2022. Statistical techniques like correlation, regression analysis, and descriptive statistics were used.

This study used panel data regression analysis. The data's dual dimensionality (temporal or periodic and cross-sectional) necessitated the use of this regression methodology. The Hausman specification test was used to differentiate between fixed effect and random effect models. The random effects model was necessarily selected since it excludes the potential for correlation between the independent and unobserved variables.

3.1 Variables and their measurements

Corporate Accountability: composite score or index generated from many criteria including adherence to ethical standards, transparency in financial reporting, and environmental legislative compliance. This is assessed in line with accepted models such the Sustainability Accounting Standards Board (SASB) or the Global Reporting Initiative (GRI) to measure corporate accountability.

Environmental Disclosure Practices: This refers to Engagement in voluntary environmental reporting initiatives, volume of sustainability reports, and comprehensiveness of information provided in annual reports about environmental performance. The researchers aggregated environmental disclosures into an index or score that considers their comprehensiveness and transparency.

Firm Size: Measured as logarithmic transformation of total assets or market capitalization to account for potential non-linear relationships.

Sustainability committee: Score of 1 if a firm has sustainability committee otherwise 0.

Financial Health: Debt ratio (Leverage). This is measured as total debt divided by total assets.

3.2 Model Specification

The study examines the impact of environmental disclosure practices on corporate accountability of listed manufacturing firms in Nigeria with insights from prior studies (Joyce, 2020; Udo, 2019). The following regression models (functional form and econometrical) were used to test the hypotheses:

$$CORACC = f(EDP, FSIZE, SUSCOM, LEV, FAGE) \quad \text{(i)}$$

$$Yit = \beta_0 + \beta_1 Xit + \beta_2 Xit + \beta_3 Xit + \beta_4 Xit + \beta_5 Xit + Єit \quad \text{(ii)}$$

Where; CORACC is corporate accountability, EDP is environmental disclosure practice, FSIZE is firm size, SUSCOM is sustainability committee, LEV is leverage and FAGE is firm age. Therefore, the multiple regression equation was redefined as follows:

$$CORACCit = \beta_0 + \beta_1 EDPit + \beta_2 FSIZEit + \beta_3 SUSCOMit + \beta_4 LEVit + \beta_5 FAGEit + Єit \quad \text{(iii)}$$

Where: i,t = company i in year t (pooled data)

β_0 = Constant term; β_1- β_5= estimated coefficient of the independent variables

4.0 Results and Discussions

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
CORACC	175	0.1784	0.1342	0	0.5
ENVDISC	175	0.3920	0.2499	0	1
FSIZE	175	10.2585	0.8777	8.2394	11.7933
SUSCOM	175	0.1657	0.3729	0	1
LEV	175	0.1807	0.2270	0	1.5203
FAGE	175	54.2286	19.1757	13	99

Source: Author's computation using STATA

Table 1 indicates that the observed mean of corporate accountability (CONACC) is approximately 0.178, with a standard deviation of approximately 0.134. This indicates that, on average, companies get a score of 0.178 for their corporate accounting systems, reflecting significant heterogeneity in the data. This is corroborated by the minimum and maximum values of 0.5 and 0, respectively. The mean value of Environmental Disclosure Practices (ENVDISC) is 0.392, with a standard deviation of approximately 0.250. This indicates that, on average, companies disclose only a limited amount of information about their environmental actions, with disclosure levels varying across the companies in the sample. Additional validation is provided by the minimum and maximum values of 0 and 1. The mean firm size, represented by Fsize, is approximately 10.259, with a standard deviation of approximately 0.878. This indicates that, on average, the companies in the sample are of middling size, exhibiting considerable variance.

The acronym Suscom, with a mean of approximately 0.166 and a standard deviation of about 0.373, signifies the existence of a sustainability committee inside the organisation. This indicates that, on average, a minimal proportion

of enterprises has a sustainability committee, and that the sample exhibits considerable variety. The mean value of Lev is approximately 0.181, while the standard deviation is approximately 0.227. Lev denotes leverage. The sampled companies have a low average leverage ratio, with significant variance in leverage both within and between observations. The mean firm age is approximately 54.229 months, with a standard deviation of 19.176 months. The studied enterprises had an average existence of 54 months, exhibiting considerable age variance.

Table 2: Correlation Matrix

VARIABLES	CORACC	ENVDISC	FSIZE	SUSCOM	LEV	FAGE	VIF
CORACC	1.0000						
ENVDISC	0.1334	1.0000					1.16
FSIZE	0.1964	0.3575	1.0000				1.15
SUSCOM	-0.0141	-0.0735	-0.0198	1.0000			1.04
LEV	0.1243	0.0858	0.0010	0.1456	1.0000		1.04
FAGE	0.2823	-0.0244	-0.0396	0.1168	0.1052	1.0000	1.02

Source: Author's computation using STATA

The correlation matrix table may be used to enhance comprehension of the relationships among key variables related to environmental disclosure procedures and corporate accountability in Nigerian listed industrial enterprises. The correlation coefficient, indicating the strength and direction of the association between two variables, is shown in each column of the table. An exemplary case is the positive correlation between environmental disclosure and corporate accounting, indicating that more disclosure correlates with more rigorous corporate accountability standards. This theory

posits that an elevated environmental transparency score may lead to increased corporate accountability within the manufacturing sector. Furthermore, the table indicates weak or absent connections across variables like business size, the inclusion of a sustainability committee, leverage, and company age. This suggests that these variables may have a negligible influence on environmental disclosure and corporate accountability within the Nigerian industrial context.

However, they may affect certain facets of corporate governance. The variance inflation factor (VIF) and the correlation matrix both indicate the existence or absence of multicollinearity among the variables. The VIF values range from 1.02 to 1.16, much below the traditional thresholds of 5 or 10, indicating that multicollinearity is not a substantial issue in the study. This indicates that the model's independent variables exhibit minimal interdependence, thereby reinforcing the validity of the regression analysis. Policymakers and stakeholders in Nigeria's publicly traded manufacturing companies can utilise the correlation matrix table, which elucidates the relationships between environmental disclosure practices and corporate governance.

This information elucidates critical variables influencing the industry's sustainable corporate accountability practices. The diagonal entries indicate the correlation of each variable with itself, consistently equal to 1.0000.The coordinates of non-diagonal variables indicate the pairwise correlations among those variables. A correlation of 0.1334 between corporate accounting and environmental disclosure indicates a slight positive link between the two variables. Likewise, concerning business size, corporate accounting and leverage have little or positive correlations. It examined the tenuous negative correlation between corporate accounting and the sustainability committee, as evidenced by the inverse relationship of the two variables. The VIF values of the study's variables indicate the extent of multicollinearity among them. VIF

scores near 1 indicate minimal multicollinearity, whereas values exceeding 5 or 10 are typically regarded as problematic. The VIF values range from 1.02 to 1.16, indicating a low level of multicollinearity among the variables examined.

Table 3: Random Effect Model

CORACC	Coef.	Std. Err.	z	P>z
CONS	.2290178	.118575	1.93	0.053
ENVDISC	.0438919	.012145	3.61	0.000
FSIZE	-.0067019	.011907	-0.56	0.574
SUSCOM	-.0016163	.005671	-0.29	0.776
LEV	.0138542	.0144299	0.96	0.337
FAGE	-.0000215	.0008559	-0.03	0.980
R-Squared: within	0.1003			
Between	0.0010			
Overall	0.0025			
Wald chi2 (5)	15.09			
Prob > chi2	0.0100			
Hausman test	0.3622			
LM test	0.0000			

Source: Author's computation using STATA

The regression analysis indicates that environmental disclosure (ENVDISC) has a statistically significant beneficial effect on corporate accounting (CORACC) ($p < 0.001$). The coefficient estimate is 0.0439, and the z-statistic is 3.61. This indicates that firms with higher levels of environmental disclosure possess more resilient corporate accounting systems. The additional independent variables examined in this analysis—firm size (FSIZE), presence of a sustainability committee (SUSCOM), leverage (lev), and firm age (FAGE)—exhibited no significant influence on corporate

accounting based on the standard significance levels of their coefficients. The R-squared values indicate that the regression model has little explanatory power, signifying that the independent variables account for just a small portion of the variance in corporate accounting collectively. The Wald chi-squared test indicates that the regression model is significant at the 0.05 level, hence it is reasonable to conclude that at least one independent variable substantially influences corporate accounting. Moreover, the random effects model is deemed appropriate for this analysis based on the Hausman test and the LM test. This indicates that the variability in corporate accounting across firms is accurately represented by including panel-specific factors.

In conclusion, the analysis indicates that environmental disclosure is a significant predictor of corporate accounting practices, but firm age, sustainability committee participation, and leverage have little to no influence. These findings underscore the importance of environmental disclosure in the formulation of corporate accounting standards and highlight the need for companies to prioritise environmental disclosure practices to enhance the quality and transparency of their financial reporting.

Stakeholders, regulators, and publicly traded industrial enterprises in Nigeria might derive significant insights from the findings related to environmental disclosure practices and corporate accountability. The importance of transparency in environmental reporting is shown by the substantial positive impact of environmental disclosure on corporate accountability ratings. Companies may enhance their accountability to stakeholders, including investors, regulatory bodies, and the public, by implementing standardised and comprehensive disclosure of their environmental policies. This indicates that regulatory authorities need to endorse and incentivise efforts to enhance environmental transparency, maybe by implementing more rigorous reporting standards and requirements.

Secondly, traditional metrics of corporate governance may inadequately address the complexities of sustainability reporting in Nigeria's manufacturing sector, as variables such as firm size, the existence of sustainability committees, leverage, and firm age have a limited influence on environmental disclosure and corporate accountability. Consequently, a more advanced approach to corporate governance is necessary, one that explicitly considers environmental considerations and promotes the adoption of sustainable practices by firms. This may include the establishment of dedicated committees or task groups inside the organisation responsible for overseeing environmental initiatives and ensuring adherence to reporting standards. Furthermore, the findings underscore the need for initiatives to enhance corporate professionals' competencies and knowledge in environmental reporting and accounting standards. Stakeholders may foster a culture of accountability and transparency in the Nigerian manufacturing sector by equipping firms with the necessary tools to comprehend and adhere to environmental disclosure rules. According to the research's conclusions, regulatory interventions, institutional modifications, and industry-driven initiatives to enhance environmental transparency and corporate accountability should constitute a multifaceted approach to advance sustainable corporate governance standards.

5.0 Conclusions and Recommendations

The importance of environmental openness in influencing corporate behaviour is shown by an analysis of environmental disclosure practices and corporate accountability across publicly traded industrial firms in Nigeria. The regression analysis indicates a favourable and statistically significant relationship between environmental disclosure and corporate accounting procedures. This aligns with the principle of "greening the balance sheet," which posits that companies providing more extensive environmental information demonstrate a heightened degree of corporate accountability. The analysis indicated that other variables, including firm size, the inclusion

of a sustainability committee, leverage, and firm age, did not substantially influence corporate accountability in this setting. These variables may have significance in other domains of corporate governance; nevertheless, they seem to exert little influence on environmental disclosure and accountability within Nigeria's manufacturing sector. The results indicate that Nigerian manufacturing companies may enhance corporate accountability and fortify their environmental disclosure practices. Several regulatory agencies, such as the SEC and the FRCN, need to contemplate the establishment of more stringent standards on environmental disclosure in annual reports. These standards advocate for thorough and consistent reporting of environmental initiatives and their effects on corporate responsibility. Publicly traded industrial enterprises should proactively adopt best practices in environmental reporting, including the formation of sustainability committees to supervise environmental efforts and disclosure procedures. The environmental accounting and reporting requirements of corporate professionals may be more effectively addressed via the deployment of capacity-building programs and initiatives. Nigerian manufacturing enterprises that prioritise accountability and transparency may have several outcomes, such as engagement in sustainable development initiatives, enhancement of corporate governance standards, and increased investor trust.

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