THE 17TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

Environmental Management Reporting – An Aid to Sustainable Business Practice

Adeoye Ebunoluwa Tokunbo[1], **Isinkaye Temitope Peter**[2], **Omilegan Paul Oladunmomi**[3]

Abstract: The economy of the whole world is transitioning into a new period, one in which environmental and social concerns will play a more important role in all actions carried out by business groups. The purpose of this research is to investigate the level of environmental management reporting in relation to the achievement of sustainable business practice, with specific reference to a number of non-financial businesses in Nigeria. In order to choose fifty non-financial companies that are listed on the main board of the Nigerian Stock Exchange, a method called purposeful sampling was utilized. The selection was based on the availability of the companies' annual reports from 2014 to 2021. The data that was sourced included both quantitative and qualitative information. The gathered information was evaluated with the assistance of descriptive statistics like ratio, percentage, and graph. The study found that existing policies in place to encourage environmental management for existing policies in place to encourage environmental management for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 9.1%, 10%, 11.9%, 12.1%, 13%, 13.1%, 13.2% and 13.3% respectively; also 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 is 8.1%, 8.8%, 9.1%, 10.0%, 11.9% and 12.1% respectively; also environmental impact assessment during implementation phase of project for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 1.5%, 1.8%, 2.2%, 2.9%, 3%, 3.1%, 3.3% and 3.4%; company compliance with environmental laws by relevant authority for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 2%, 2.1%, 2.7%, 3%, 3%, 3.1% and 3.2%; and the aggregate percentage of change in the overall environmental index for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 20.9%, 23.6%, 28.3%, 31.2%, 32.6%, 33.1%, 33.9% and 34.5% respectively, indicating that the overall extent of environmental management reporting is low (below 50%) in Nigeria. The study recommended that business should be environmentally responsible and emphasize sustainable business practice.

Keywords: Environmental; Management; Reporting; Sustainable; Business

1 Introduction

The economy of the whole world is transitioning into a new period, one in which environmental and social concerns will play a more important role in all actions carried out by business groups. The degree to which the business and accounting professions interact with these challenges will affect the quality of life for citizens as well as other animals. This pleasure with the environment has been steadily declining over the course of many decades as a direct consequence of rising industrialization and activities associated with industrialization all over the globe, both of which unequivocally affect the environment. The idea of making an open declaration about the state of a company's finances can be

[1] Lecturer, PhD, Department of Accounting, Faculty of Business and Social Sciences, Adeleke University, Ede, Nigeria, Address: QF66+4JM, Osogbo Road, 232104, Ede, Nigeria, E-mail: ebunoluwa.adeoye@adelekeuniversity.edu.ng
[2] Department of Accounting, Faculty of Administration, Obafemi Awolowo University, Ile- Ife, Nigeria, Address: Obafemi Awolowo University, P.M.B. 13: Ile-Ife: Osun: 220282: Nigeria.
[3] Department of Accounting, Faculty of Management Science, Federal University Oye-Ekiti, Nigeria, Address: Oye-Are Road, Oye-Ekiti, Ekiti State, Nigeria.

traced all the way back to the 1850s (ACCA, 2004). At that time, the reporting on environmental and social concerns was not as integrated as it is today into the financial report of the company. The presentation of financial statement information by management only included the financial accounting component of the company; environmental and social concerns were not taken into consideration at any point in the presentation.

In the meanwhile, the marginal benefit of environmental quality is low in less developed markets whose economies are still in the early stages. This is in contrast to the practice in developed economies, where it is high. This suggests that the external stakeholders and governments are focused on the growth of the economy, and are not as attentive to information on the environment (Haixia & Jianping, 2022).

The passage of time, on the other hand, has led all of the many parties involved to the conclusion that it is more vital to keep the water, air, and land clean than it is to lower the prices that consumers pay for goods and services. Because of this, customers are more likely to be willing to pay a premium price for products and services that are helpful to both society and the environment.

Since the year 1990, there has been a considerable growth in the usage of environmental accounting as a valuable tool for environmental management. This increase may be attributed to the fact that environmental accounting provides relevant information. Environmental accounting is being used by industry leaders all over the world, particularly in Australia, Bangladesh, China, Japan, Malaysia, the Netherlands, New Zealand, Norway, and Turkey, in order to improve their eco-efficiency and resource productivity. This is particularly the case in countries such as China, Japan, Malaysia, the Netherlands, New Zealand, and Norway. Countries such as Australia, Bangladesh, China, Japan, Malaysia, and Norway are examples of some of these nations (Banerjee, 2002). A growing number of stakeholders, such as financial institutions, socially responsible investors, the government, and community lobby groups (i.e. members of host communities), amongst others, are exerting more pressure on businesses from the outside, which is another factor that is causing businesses to take a greater interest in issues pertaining to environmental accountability. Due to the rapidly increasing costs that are connected with the environment, businesses have lately started to include environmental concerns into management decisions at all levels in order to stay up with this trend (Dorweiler & Yakhou, 2002).

The procedure of evaluating and reporting environmental issues is still in its infantile stage, despite the emergence of a diversity of ways and practices. This is the case despite the fact that there are now many different approaches and practices. Within the context of this conversation, environmental reporting has come to be seen as one of the most critical resources for putting into practice efficient environmental management. This would imply that the standard accounting system, which treats the majority of environmental expenditures as overhead costs, is not sufficient to provide managers with the appropriate information upon which they may base their strategic decision-making. This is because the standard accounting system treats the majority of environmental expenditures as overhead costs (Fryxell & Vryza, 1999). The ability of a company to successfully compete in today's global economy requires, among other things, a paradigm shift away from the traditional, profit-oriented management style and toward the innovative, environmentally conscious management style. This shift is necessary in order for the company to increase its ability to compete successfully in today's global economy. The most successful companies in the world have come to the realization that environmental accounting can play an important role not only in preventing or limiting negative effects on the environment, but also in facilitating positive and proactive activities. This is a realization that has occurred as a result of the realization that environmental accounting can play an essential role (Owen & Lehman, 2000).

Reporting on the environment that is standardized is a requirement for a significant number of stakeholders, particularly those in the financial community. The quality of choices that are made by corporate directors, investors, and financial analysts would all increase as a result of the implementation of such a system, which would connect the financial and environmental performance of organizations (Ranagnathan & Ditz, 1996). The implementation of environmental reporting would be of great benefit to all industries, particularly those in the oil and gas, agricultural, building and construction, manufacturing, mining, banking, maritime technology, and transportation industries. This is because it would contribute to meeting the ever-increasing demand for environmental and management information. In addition, the implementation of environmental reporting would be of great benefit to all industries. It would encourage responsible management in terms of economics and finances in relation to issues that affect the environment. This would be a positive step. In addition to this, the implementation of environmental reporting would motivate corporations to improve their environmental performance, and it would also assist in creating the impression that the company has a moral duty to account for the interests of its many stakeholders. These benefits would be achieved through the creation of an impression that the company has a duty to report on its environmental performance (Ahmad, Salah & Lutz, 1989).

Throughout the course of the previous decade, a number of industrialized nations in Asia, Australia, Europe, North America, and South America have shown an increased degree of concern in their responses to the issue of environmental disclosures made by businesses. This is due to the fact that many stakeholders have shown a growing interest in the concept of environmental disclosures made by businesses as well as in the specific components that such disclosures include. Even so, in Africa, despite the fact that Nigeria is the world's 14th largest manufacturer of crude oil with a current daily production of about 2,440,000 million bbl/day (Central Intelligence Agency, 2008); also and despite the fact that Algeria, Egypt, Libya, Morocco, and South Africa are ranked among the global highest sixty (60) steel producing nations; coupled with the increasing rapid industrialization and its impact on the environment; the continent's level of corruption; and the fact that (Osunbor, 1990; Belal, 1999; Belal, 2001; Hossain, Islam and Andrew, 2006). In addition, the research that was carried out shows that environmental disclosures made by companies in industrialized nations have increased in both the availability of data disclosed and the complexity of that information, despite the fact that there are differences across regions. This is true despite the fact that environmental disclosures have continued to increase in both the amount of information divulged and the complexity of that information. For example, a number of studies that were carried out in the United States reached the conclusion that the quantity of environmental information that is now accessible to the general public has risen over the course of time (Walden, 1993; Adams, Hill, and Robert, 1998).

Many countries, including the United Kingdom, Australia, China, Denmark, Japan, New Zealand, Norway, and Turkey, have recorded incidents that are strikingly similar to this one (Frost and Wilmshurst, 2000). However, this is not the case in the vast majority of developing nations, since the process of environmental disclosure on the part of corporations is still in its infancy in such nations. As a component of their reporting duties, several developed nations have started the process of introducing mandatory disclosures (Imam, 2000; Belal, 2001; Hjalte & Larsson, 2003; Lange, Hassan & Alfieri 2003; Adeyemi & Owolabi, 2008; Ngwakwe, 2008). As a consequence of this, the primary objective of this research was to investigate the level of corporate environmental reporting (or disclosure) practiced by Nigerian businesses. [Citation needed] The research used the disclosure requirements established by the International Organization for Standardization (ISO 14031) as a point of reference for comparison. This allowed the researchers to successfully accomplish their goal. These disclosure requirements include not only general principles but also specific requirements and voluntary standards for environmental reporting.

The topic of environmental disclosures has been the subject of a significant amount of pertinent research in the scientific community. According to the findings of the study that was carried out by Ahmad, Simon, and Mohammad (2017), the level of quantitative environmental disclosure has a positive but negligible effect on return on assets and profits per share, respectively. The findings of a study that was carried out by Nnamani, Onyekwelu, and Ugwu (2017) indicate that sustainability reporting has a positive and significant influence on the financial performance of companies that were evaluated. The research that was conducted by Utile Tarbo and Ikya (2017) revealed that environmental reporting has a significant bearing on the level of monetary success that a company enjoys. In a manner analogous to this, Gatimbu and Wabwire (2016) found that environmental disclosure has a positive significant influence on mean financial performance. [Citation needed] [Citation needed] The fact that there is a positive correlation between the two pieces of evidence lends credence to their findings. There is a specific role for finance teams to play in becoming more involved in the process of creating value that is sustainable. This is because the requirements have become more specific and more strategic.

There is a significant lack of literature on the subject in economies that are still growing, such as Nigeria's economy; this is despite the fact that issues pertaining to the environment have received a significant amount of attention in economies that have developed. It is widely acknowledged that the dissemination of social and environmental information is a powerful instrument that can be used to re-educate both society and commercial organizations toward more environmentally responsible forms of behavior. a. Within the context of this framework, the objective of this study is to evaluate the potential contribution that environmental management reporting may make to the growth of environmentally responsible corporate practices. The research that has been done in the past has a number of significant gaps, and the purpose of the study that is now being done is to fill those gaps with a fresh and unique perspective on the subject matter. To the best of our knowledge, none of the previous studies in Nigeria have investigated the level of environmental management reporting toward the achievement of sustainable business practice in the setting of non-financial enterprises in Nigeria. This is the position that we have taken.

2 Literature Review

2.1 Underlying Theory

In this study, the stakeholder theory is used as a theoretical basis in order to pave the way for the development of an empirical framework that will be used to evaluate the social and environmental accounting practices of listed corporations in Nigeria. [Citation needed] [Citation needed] [Citation needed] [Cit According to the stakeholder theory, “the company's continued existence requires the support of the stakeholders and their permission must be sought and the activities of the firm must be amended to reach that consent.” [Further citation...] (Chan, 1996). Several writers in the domains of accounting, management, and finance, such as Ullman (1985), Roberts (1992), and Gray, Owen, and Maunders, have used and relied on the stakeholder approach (1987). When stakeholders have more influence, it places a greater demand on the company to adjust. Because of this, social disclosure is seen as an essential part of the conversation that takes place between a company and the people it represents as its stakeholders (Gray, Kouhy & Lavers, 1995).

Gray, Owen, and Maunders (1987) argue that stakeholders have the right to certain knowledge in order to make certain choices, and that stakeholders should be provided with appropriate information, which should include information pertaining to the environment. The influence and control of a company's many stakeholders may be exercised over the company's resources. This gives more proof of their power as a consequence of the degree of control that they wield over the resources that are now accessible to them. The power balance that exists between businesses and its many stakeholders is rarely consistent from one company to the next (Deegan, 2000). In addition to this, he felt that power may express itself in the form of command over limited resources such as money and labor, access to influential media, the capacity to legislate against enterprises, or the ability to influence firms' procurement of goods and services. As a result, the significance of the control exercised by the stakeholders is inversely proportional to the likelihood that businesses would comply with the standards established by those stakeholders (Ullman, 1985).

The idea of legitimacy is predicated on the assumption that in order for a company to be granted permission to continue doing business, the activities that it partakes in must be seen as acceptable by members of the community in which it operates. According to the legitimacy hypothesis, in order for organizations to attain and keep their legitimacy, they must make it a priority to ensure that they operate in accordance with the standards and restrictions imposed by society (Gray, Kouhy and Lavers, 1995; Tilt, 1999; Suchman, 1995). Businesses are reliant on the contributions made by a variety of stakeholders in order to continue operating successfully. If the company is unable to continue functioning lawfully, then it will be forced to dissolve as a separate entity.

The risk society theory proposes that business activities provide a considerable risk to society. As a consequence, businesses have a responsibility to develop risk management methods with the goals of reducing anxiety, developing trust, and communicating with various stakeholders. A depiction of "a society faced with high consequence Social, Ethical, and Environmental (SEE) concerns" was offered by both Unerman and O'Dwyer (2004) and Solomon (2005). Solomon (2005) recognizes this as a different lens viewpoint that may be used to the study of volunteer social and environmental reporting (SER). It was stated to me that the works of Giddens (1990) and Lupton (1999) reveal that "society was becoming increasingly characterized by a decrease in faith in institutions and organizations in general," and that this is something that can be seen in both of those authors' works.

In a nutshell, the responsibility role on the right to receive information and the need to give it might perhaps help decrease the potential conflicts that may arise between business organizations and the community. These disagreements might perhaps surface as a result of the right to obtain information. The goal of this study is to analyze the elements that impact social and environmental reporting, which is regarded one of the most critical internal control mechanisms in the process of dispute settlement between the corporate body and the numerous stakeholders.

2.2 Prior Studies

Environmental reporting is only done on a voluntary basis by a tiny fraction of Bangladesh's publicly traded companies, according to the conclusions of a study that was carried out by "Rahman and Muttakin" (2005) on a selection of enterprises that were chosen at random. In the same vein, the quantity of information that was disclosed was quite little, and although it did include some descriptive details, none of the constituent parts were quantified. The study has also proposed several solutions to the difficulties that have been found as being linked with environmental reporting. These solutions aim to ease the difficulties.

Another important piece of research was conducted in 2005 by Shil and Iqbal and titled “Environmental Disclosure: A Bangladesh Perspective.” This study is also worth mentioning. The results of the study indicate that environmental reporting processes do not seem to be a prevalent concept among the companies that have been included up to this point. In addition, the study discovered that environmental disclosure in Bangladesh is still in its formative phases despite the country's progress in other areas.

Ngwakwe (2008) investigated the connection between the social responsibility policies of businesses and the performance of those businesses in his study entitled “Environmental Responsibility and Firms' Performance in Nigeria.” The title of the study is “Environmental Responsibility and Firms' Performance in Nigeria.” Even though the study only focused on the manufacturing industry, it concluded that there is a positive correlation between the social responsibility policies of firms and the performance of such organizations.

Adekanmi, Adedoyin, and Adewole (2015) did study on the variables that impact the socio-environmental accounting of listed firms in Nigeria. Their findings were published in the academic journal Accounting, Auditing, and Finance. The findings of this study shed light on how improving a company's long-term financial viability may be accomplished via the use of socio-environmental accounting. According to the findings of this study, the three characteristics that had a positive effect on socio-environmental reporting in Nigeria listed businesses were firm size, profitability, and the number of analysts studying the company. This was the case regardless of whether or not the businesses were publicly traded. They concluded that socio-environmental accounting was a tool that could be used to promote sustainable business practices in publicly listed companies. This led them to the conclusion that socio-environmental accounting was a tool.

The authors of the research that was carried out by Noodzeh and Moghimi (2015) investigated the effects that the advancement of technology and industry has had on the natural world as a result of human civilizations. As a result, modifications to the environment may have the same impact on people as they do on other species of animals. First, the failure to report environmental costs in financial statements causes environmental costs to remain hidden and unknown to the management, which results in a failure to take the necessary actions to control those costs. Secondly, the failure to report environmental costs as a part of the final cost would undermine the most important qualitative characteristic of the products or services. Given the significance of environmental costs, it is reasonable to consider them to be included as a component of the total cost of goods or services provided by business units. As a consequence of this, the environmental expenses continue to be concealed from view and are unknown to the public as a result of the failure to record these costs in the financial accounts.

Research was carried out by Emeakponuzo and Udih (2015) to investigate the possibility that environmental accounting is becoming an issue in emerging nations like Nigeria. In addition to that, the study studied the impact that legislation had on environmental accounting processes and compared such practices to those used by organizations that are active in other economic sectors. It was found out that the contribution of plant environmental employees to the development of an adequate Environmental Management System (EMS) is essential, and that they should work in partnership with accountants. This was found to be the case after it was discovered that the input of plant environmental employees is crucial. This recommended that accounting professionals need to be trained in environmental accounting methods and that the Financial Reporting Council (FRC) should develop an accounting standard that will incorporate full consideration of the financial and physical impacts of business activity on the environment. Additionally, this recommended that environmental accounting methods be taught to accounting professionals. In addition, the findings of this research suggested that environmental accounting techniques should be included in the curriculum of accounting schools.

The authors Fernando, Wojciech, and Justyna (2016) conducted research on the impact of corporate sustainability activities on stock market returns for companies included on the FTSE 350 index between the years 2006 and 2012. Their investigation covered the years 2006 through 2012 comprehensively.

After collecting the data, we analyzed them using Pearson correlation and multiple regression to draw conclusions. According to the findings of the study, an investment strategy that consisted of buying shares in companies that maintained a healthy balance between their financial, social, and environmental activities would have resulted in an annual four-factor alpha for a value-weighted portfolio of 3.54 percent per year during the period of the sample, which is 2.98 percent more than the averages for the relevant industry benchmarks. This would have been the case if the strategy had been implemented. Research has shown that investing in companies that have CS not only leads in superior returns during bull phases but also minimizes the amount of loss sustained by shareholders during bear phases. This is because CS has a negative association with the volatility of stock returns. In addition, during the years 2013–2015, an additional study was carried out as part of the research that was not dependent on the sample, and the results of that analysis corroborated our earlier conclusions.

Lancee conducted research to investigate the impact that reporting on a company's sustainability efforts has on the profitability of the business (2017). He used a hand-collected representative sample of 95 publicly listed American companies in 2015-2016 to investigate the relationship between corporate sustainability reporting and the financial success of companies. The sample was used to investigate the relationship between corporate sustainability reporting and the financial success of companies. Companies operating in a wide range of fields were represented here. According to the findings, sustainability reporting has a positive and statistically significant influence on the return on equity, return on assets, and profit margin of a firm in the year after the reporting period. This was determined by analyzing the data collected. According to these results, it would seem that a logical use of corporate resources for this set of firms would be to report on their efforts to promote sustainability. This would be the case if they did anything like write a report. Additionally, it has been shown that sustainability reporting by enterprises may serve as an effective alternative for monitoring by institutional investors. [Citation needed] [Citation needed]

In their study published in 2018, Okere, Imeokparia, Ogunlowore, and Isiaka investigate the relationship between corporate social responsibility and investment choices made by listed manufacturing enterprises in Nigeria. Specifically, they focus on the choices that are made by companies that are in compliance with Nigerian regulations. Corporate social responsibility, commonly known as CSR, is becoming an issue that is becoming more vital for economic agents all over the world as a result of the continually expanding attention that is being given to all aspects of a firm's activities and their interactions with stakeholders. In a similar vein, an increasing number of companies in developing nations like Nigeria are voluntarily contributing information to corporate social responsibility (CSR) reports (also known as supportability reports, natural reports, ecological and social reports, or corporate social obligation reports). The purpose of this study is to investigate the impact that a company's level of commitment to its social and environmental responsibilities has on the investment decisions made by publicly traded manufacturing companies in the African nation of Nigeria. The study was carried out using a panel technique, and the results indicate that there may be a positive and considerable correlation between CSR and the investment decisions made by stakeholders in manufacturing firms in Nigeria. These results suggest, in general, that increased CSR investment is beneficial to shareholders, which would encourage positive performance in investment level in the company in addition to improved firm performance. The results of the study indicate that activities related to corporate social responsibility

(CSR) should be connected to the processes that firms employ to produce value. To put it another way, CSR should only be considered as a tool for increased performance.

Peter and Mbu-Ogar (2018) investigate the study of environmental and social disclosure as well as the financial performance of a variety of publicly traded oil and gas companies in Nigeria. Their focus is on environmental and social disclosure because the authors believe that it is important for stakeholders to be informed (2012-2016). In order to conduct an analysis of the time series data that we gathered over the course of five years, we turned to a technique known as ordinary least square regression. The stakeholder and legitimacy theories, which define the relationship between companies and the social/societal strata demand for transparency and financial performance, served as the basis for the core tenets of the theoretical framework. The relationship between companies and the social/societal strata demand for transparency and financial performance is discussed in more detail in the next section. The outcomes of the statistical study revealed that the company's financial performance was not considerably impacted by the publication of information about the health and safety of its employees as well as community development. On the other hand, the disclosure about waste management did have a beneficial and noticeable influence on the company's overall financial performance. The results of the study suggest that oil and gas companies should regularly examine their waste management strategy and make use of specialized technologies in order to decrease the detrimental impacts that their operations have on the local ecology. In addition, in order for oil and gas companies to raise their total firm value, they need to adjust their purpose and vision statements regarding the health and safety of its personnel. These statements should focus on how the company will ensure the wellbeing of its workforce. Businesses should also ensure the continued growth of the communities in which they are located in order to prevent hostility from developing among the various stakeholder groups, which would have a negative impact on the operations of the company, which would, in turn, have an effect on the performance of the company.

The authors of the research, Fabian, Onuora, and Ezeogidi (2022), evaluated the impact that environmental accounting disclosure had on the profitability of publicly listed firms in Nigeria between the years 2017 and 2021. Their findings were published in the journal Accounting and Finance. The hypothesis put up by the stakeholders served as the investigation's starting point. A research design that was carried out after the fact was the one that was employed for this investigation. We collected data from a representative sample of five main kinds of enterprises operating throughout the economy. The annual reports and statements of accounts of the selected firms were combed through in order to get the information that was required for this study. The investigation of the data included the use of descriptive statistics, an analysis of correlation, and regression using ordinary least squares. The results of the study indicate that the disclosure of environmental accounting information has a significant effect on the rate of return on assets produced by publicly listed firms in Nigeria. The outcomes of the study indicate that environmental accounting disclosure has a significant impact on the overall profitability of a firm. For the sake of quality control and performance evaluation, it is suggested that enterprises establish universal reporting and disclosure requirements of environmental operations. This recommendation is based on the results of the study.

3. Methodology

3.1 Population and Sampling

During the period of 2014–2021, this research was carried out on the non-financial companies that were traded on the Nigerian Stock Exchange (NSE). The method of purposeful sampling was used to pick a sample of fifty different companies for the purpose of analysis. The fact that the actions of non-financial enterprises have the greatest influence on the environment led to their selection as candidates for the study. Companies whose financial reports are either out of date or were delisted before to December 2021 were also not allowed to participate in the study. The ultimate sample set is made up of fifty different companies that were collected over a span of eight years.

3.2 Methodologies for the Collection of Data

This research relied on a variety of secondary sources for its data. The Annual Reports of the Selected Non-Financial Companies in Nigeria that Were Quoted Provided the Source for the Qualitative Data. The combination of the Global Reporting Initiative and the Global Environmental Management Initiative in terms of policies that are currently in place to encourage environmental management; various environmental elements that are protected and sustained; environmental impact assessment during the implementation phase of a project; compliance with corporate policy on environmental protection; achievement of company business environment target; and company compliance with environmental laws by relevant authority (disclosure and non-disclosure was represented by 1 and 0 respectively). Descriptive statistics were used in the analysis of the data that was obtained.

4. Result and Discussion

Content analysis was used in order to determine the degree to which environmental reporting was carried out by non-financial businesses in Nigeria. The results of this study were analyzed using descriptive vis-à-vis ratio, percentage, graph, and chart. The outcomes are shown in the charts and graphs that can be seen below.

4.1 Results

From the result in figure 4.1, the percentage change in existing policies in place to encourage environmental management for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 9.1%, 10%, 11.9%, 12.1%, 13%, 13.1%, 13.2% and 13.3% respectively indicating that though the level is low, there is growth in environmental existing policies.

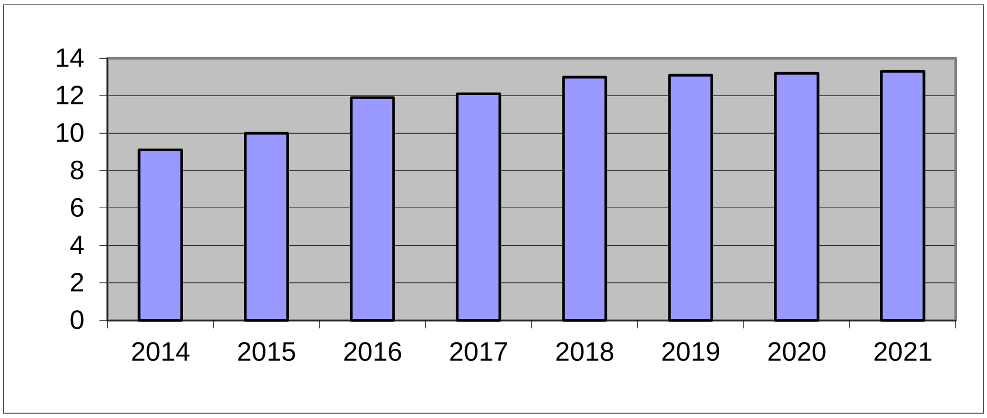

Figure 4.1. Percentage change in existing policies in place to encourage environmental management

From the result in figure 4.2, the percentage of change in various environmental elements protected and sustained for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 3.7%, 4.3%, 5.1%, 5.7%, 5.8%, 5.9%, 5.9% and 6% respectively, indicating that the level of environmental elements protected and sustained is low in Nigeria, though there is growth in level form one year to the other.

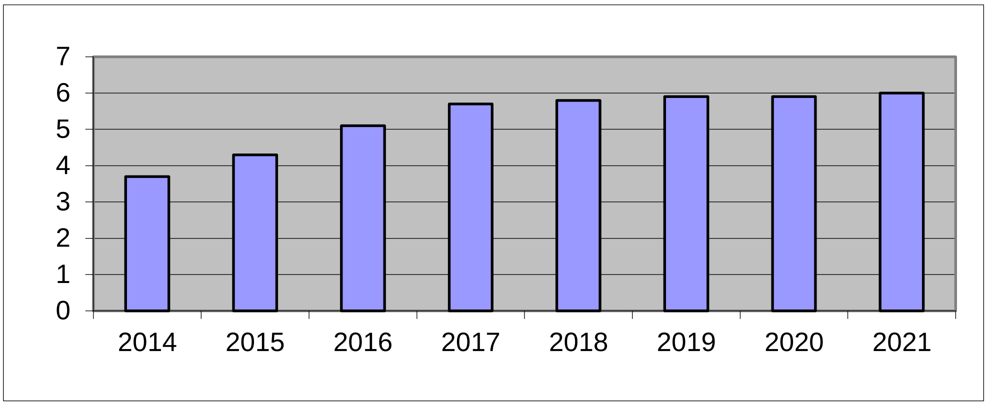

Figure 4.2. Percentage change in various environmental elements protected and sustained

From the result in figure 4.3, the percentage of change in environmental impact assessment during implementation phase of project for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 3.1%, 3.6%, 4.2%, 4.6%, 4.7%, 4.8%, 5.2% and 5.3% respectively, indicating that the level of environmental impact assessment during implementation phase of project is low in Nigeria, there is growth in level form one year to the other.

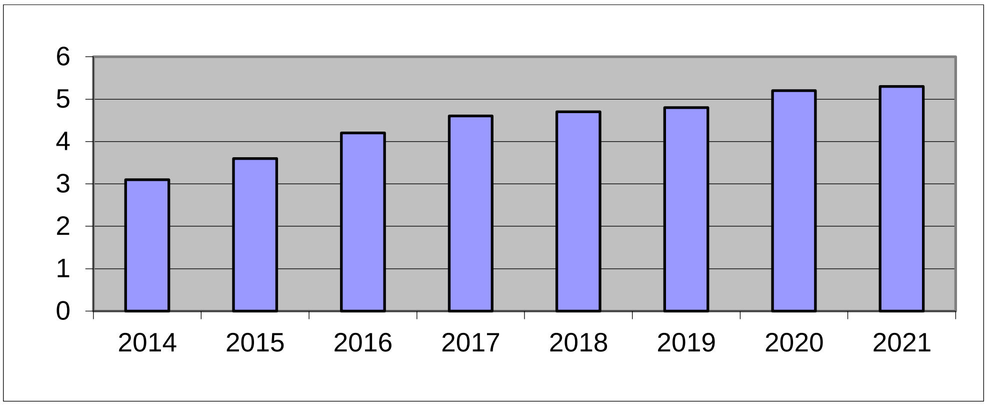

Figure 4.3. Percentage change in environmental impact assessment during implementation phase of project

From the result in figure 4.4, the percentage of change in compliance with corporate policy on environmental protection target for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 1.5%, 1.8%, 2.2%, 2.9%, 3%, 3.1%, 3.3% and 3.4% respectively, indicating that the level of environmental compliance with corporate policy on environmental protection is low in Nigeria, there is growth in level form one year to the other.

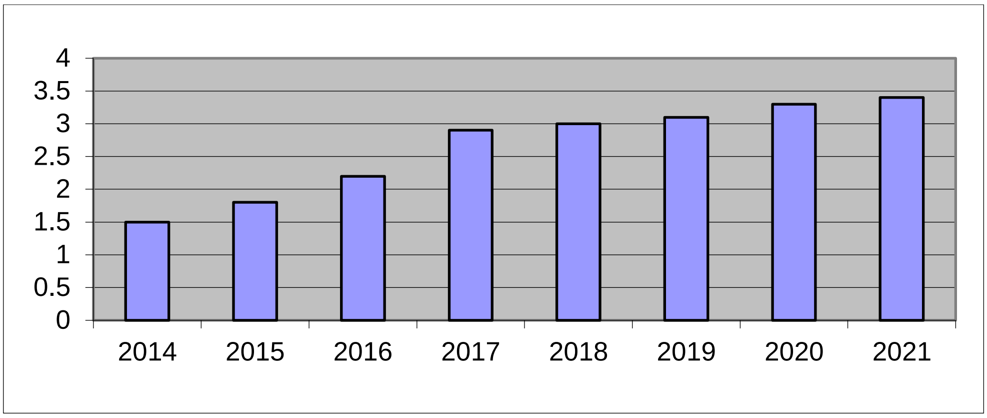

Figure 4.4. Percentage change in compliance with corporate policy on environmental protection

From the result in figure 4.5, the percentage of change in achievement of company business environment target for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 1.5%, 1.8%, 2.2%, 2.9%, 3.1%, 3.1% and 3.3% respectively, indicating that the achievement of company business environment target is low in Nigeria, though there is growth in level form one year to the other.

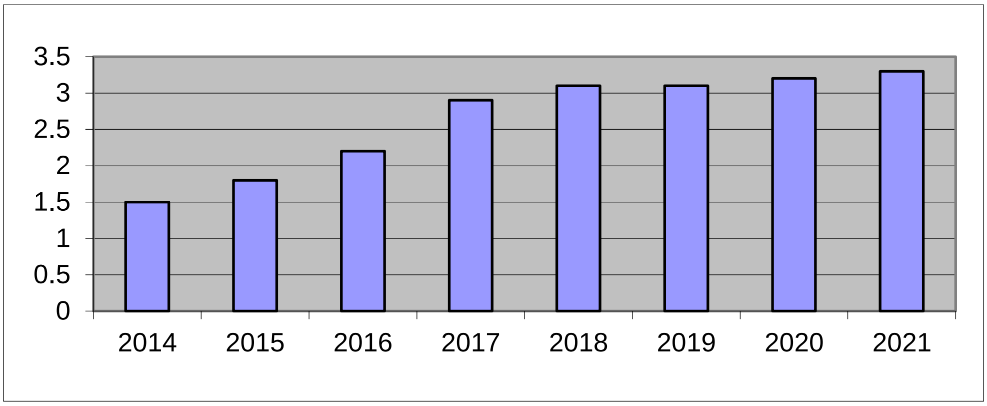

Figure 4.5. Percentage change in the achievement of company business environment target

From the result in figure 4.6, the percentage of change in the company compliance with environmental laws by relevant authority for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 2%, 2.1%, 2.7%, 3%, 3%, 3.1% and 3.2% respectively, indicating that the company compliance with environmental laws by relevant authority is low in Nigeria, though there is growth in level form one year to the other.

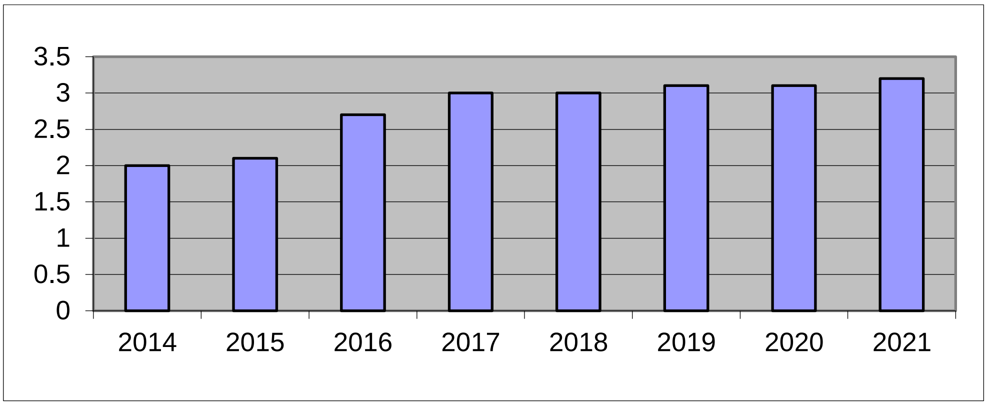

Figure 4.6. Percentage change in the company compliance with environmental laws by relevant authority.

From the result in figure 4.7, the aggregate percentage of change in the overall environmental index for 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 is 20.9%, 23.6%, 28.3%, 31.2%, 32.6%, 33.1%, 33.9% and 34.5% respectively, indicating that the overall environmental management reporting is low in Nigeria (below 50%), though there is growth in level form one year to the other.

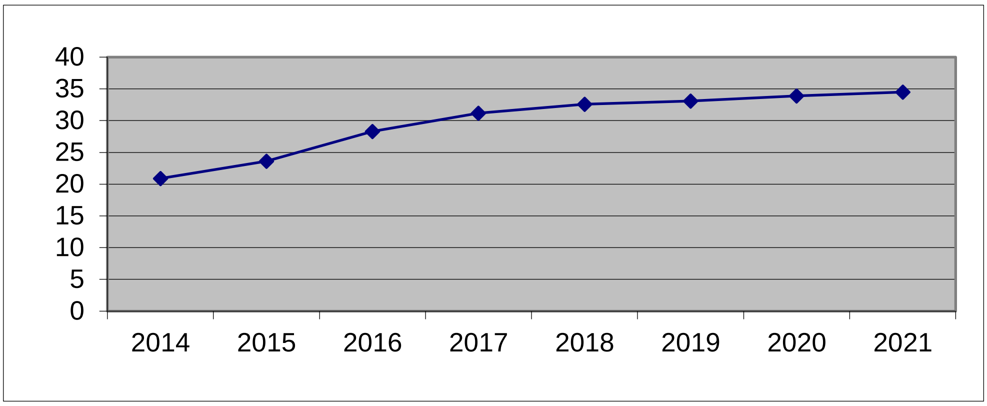

Figure 4.7. Aggregate percentage of change in the overall environmental index

4.2. Discussion

This research investigates the degree to which non-financial businesses in Nigeria report on their environmental management practices. Several variables were examined based on audited annual reports of companies based on the Global Reporting Initiative and the Global Environmental Management Initiative vis-à-vis policies in place to encourage environmental management; various environmental elements protected and sustained; environmental impact assessment during the implementation phase of project; compliance with corporate policy on environmental protection target; achievement of company business environment target; and According to the findings shown in figures 4.1 through 4.7, the level of environmental management reporting that is done in Nigerian enterprises is lower than average. This might be the result of lax governmental control, the absence of established pressure groups, and a lack of consumer understanding about how to influence the conduct of corporations.

5. Conclusion, Limitation and Recommendation for Future Study

5.1 Conclusion

This investigation focuses on questions about ethical behavior and moral decisions. The world is on the verge of being plunged into a catastrophe as a direct result of climate change. There is a very clear connection between the activity of industrial corporations and the progression of climate change. If we go on as if nothing has changed, we will see a significant deterioration of the geopolitical and economic order of the world in the latter half of this century. This is a hypothesis that has little room for debate at this point. Massive prospective shifts and economic downturns on par with or even worse than those that were seen during the financial crisis of 2008-2009 are simple to anticipate. According to the results of this study, the majority of companies in Nigeria communicate considerable quantities of information with one another about the growth of society, the products they sell, their clients, and their employees. It has been brought to everyone's attention that the social and environmental reporting of these firms does not contain a large quantity of quantitative data. This is more proof that environmental reporting in Nigeria is still mostly haphazard and has a very general tone to it. This provides some preliminary evidence that environmental reporting in Nigeria represents attempts by companies to improve their corporate image and present themselves as responsible corporate citizens. In other words, environmental reporting in Nigeria is an attempt by companies to improve their corporate image. Environmental reporting in Nigeria is, to put it another way, an endeavor by businesses to enhance their standing in the eyes of the public. As a result of these results, we may draw the conclusion that there must be some kind of regulatory action in order to ensure sustainability and eco-efficiency and to enhance corporate reporting. This is due to the fact that voluntary disclosure on its own is not sufficient to result in environmental disclosure that is both high quality and adequate in level.

5.2. Criticisms of the Research and Suggestions for Further Investigation

In order to understand environmental disclosure as a tool for enhanced corporate reporting a combination of the Global Reporting Initiative and the Global Environmental Management Initiative vis-à-vis policies that are currently in place to encourage environmental management; various environmental elements that are protected and sustained; environmental impact assessment during implementation, secondary data were considered, and the analysis was limited to descriptive analysis only. This was done in order to comply with the objectives of this study. Because of this, the research suggests including primary data, which may be acquired via methods such as questionnaires and interviews, in addition to using inferential statistics. In addition, the scope of the research was limited to manufacturing enterprises, and it did not consider any other types of businesses, such as those operating in the financial sector. It is believed that a research on firms in the financial sector with the aim of validating and increasing the universality of the result obtained in this study should be conducted on such companies.

The following suggestions are offered as a way to implement the results of this research: Companies should understand the needs and interests of stakeholder groups and ensure that any reporting will meet those needs. Companies should also ensure that any reporting will meet the needs of stakeholders. Statutory disclosure of social and environmental information is quickly becoming the practice in developed countries. Companies should be required to form environmental, social, health and safety committees by mandate from the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE). In order to facilitate a smoother transition, the government may make use of various fiscal measures and incentives.

The government should take steps to establish environmental institutions, such as an environmental steering committee, environmental management teams, and environmental champions. These structures should be put in place. Additionally, the government need to include environmental concerns into national policies, performance evaluations, risk management, national budgets, and procurement procedures.

It is necessary to make it easier for several stakeholders to participate in the execution of voluntarily adopted environmental and sustainability standards.

References

ACCA (2004). The State of Corporate Environmental and Social Reporting in Malaysia 2004. Kuala Lumpur. ACCA Malaysia Sdn. Bhd, 1-25.

Adams, C.A., Hill, W.Y. & Roberts, C.B. (1998). Corporate Social Reporting Practices in Western Europe: Legitimating Corporate Behavior. *British Accounting Review.* 30, 1 - 21.

Adekanmi, A.D., Adedoyin, R.A & Adewole, J.A. (2015). *Determinants of Socio-Environmental Reporting of Quoted Companies in Nigeria.*

Ahmad, Y.J., Salah, S. and Lutz, E. (1989). *Environmental Accounting for Sustainable Development.* Retrieved June 9, 2017.

Ahmad, A. A., Simon, M., & Mohammad, B. I. (2017). Impact of environmental disclosure on performance of cement and brewery companies in Nigeria. *Civil and Environmental Research*, 9(10), 40 - 46.

Banerjee, S.B. (2002). Corporate Environmentalism: The Construct and Its Measurement. *Journal of Business Research,* 55 (3), 177 - 191.

Belal, A.T. (2001). A Study of Corporate Social Disclosures in Bangladesh, *Managerial Auditing Journal*. 16 (5), 274 - 289.

Central Intelligence Agency (2008). *World Fact book – Nigerian Economy*. Retrieved July 2017.

Chan, N. (1996). A stakeholder theory perspective to Corporate Environmental Disclosures. *Journal of Contemporary Business*. 3 (3), 27 - 33.

Deegan, C. (2000). *Financial Accounting Theory*. Sydney: McGraw Hill Book Company.

Dorweiler, V.P. & Yakhou, M. (2002). Dimensionality of Environmental Accounting. *Journal of Accounting and Finance Research*. 9 (4), 47 - 64.

Emeakponuzo, D.E. & Udih, M. (2015). Environmental Accounting Practices by Corporate Firms in Emerging Economies: Empirical Evidence from Nigeria**.** *Advances in Research, ISSN,* 3(2), 2348- 0394.

Enyi, P. E. (2012). Environmental and Social Accounting as an Alternative Approach to Conflict Resolutions In A Volatile and E-Business Environment. *Journal of Sustainable Development and Environmental Protection,* 4 (2), 1-7.

Fernando, G. Wojciech, P. and Justyna, P. (2016). Corporate Sustainability and Shareholder Wealth—Evidence from British Companies and Lessons from the Crisis. *Sustainability, 8(3), 276;* https://doi.org/10.3390/su8030276.

Frost, G. R. (2000). Environmental Practices within Australian Extractive Companies: An Analysis of the Influence of Corporate Public Exposure. *Paper presented at 21st EAA Congress*, Antwerp, April.

Fryxell, G. E. & Vryza, M. (1999). Managing Environmental Issues across Multiple Functions: An Empirical Study of Corporate Environmental Departments and Functional Co- ordination. *Journal of Environmental Management*. 55, 39 - 56.

Gatimbu, K. K., & Wabwire, J. M. (2016). Effect of corporate environmental disclosure on financial performance of firms listed at Nairobi Securities Exchange, Kenya. *International Journal of Sustainability Management and Information Technologies,* 2(1), 1 - 6.

Gray, R.H., Owen, D.L. and Maunders, K.T. (1987). *Corporate Social Reporting: Accounting and accountability*. Hempstead: Prentice Hall Hemel.

Gray, R., Kouhy, R., and Lavers, S. (1995). Corporate social and environmental reporting, A review of the literature and a longitudinal study of UK Disclosures. *Accounting, Auditing and Accountability Journal, 8(2), 47-77.*

Gray, R., Kouhy, R. and Lavers, S. (1995). Methodological themes – constructing a research database of social and environmental reporting by UK. *Accounting, Auditing and Accountability Journal*, 8 (2), 78-101.

Gray, R. H., Owen, D. L. & Adams, C.A. (1996). *Accounting and Accountability: Changes and Challenges in Corporate social and environmental reporting.* London: Prentice-Hall.

Gray, R., Owen, D. & Adams, C. (2010). Some theories for social accounting? A review essay and a tentative pedagogic categorization of theorizations around social accounting. Sustainability. *Environmental Performance and Disclosures Advances in Environmental Accounting*. 4, 1 - 54.

Giddens, A. (1984). *Hermeneutics and Social Theory:* In Shapiro, G. and Sica, A. (eds.) *Hermeneutics*. Amherst: University of Massachusetts Press, 215 - 230.

Haixia, W. & Jianping. L. (2022). An Assessment of the Impact of Environmental Accounting Disclosure on Profitability of Firm in Nigeria. *International Journal of Innovative Finance and Economics Research, 10(1), 92-103.*

Haixia, Wu & Jianping, Li (2022). The relationship between environmental disclosure and financial performance: mediating effect of economic development and information penetration, *Economic Research-Ekonomska Istraživanja, 1-27. DOI: 10.1080/1331677X.2022.2072355Haixia Wu & Jianping Li.*

Hossain, M., Islam, K. & Andrew, J. (2006). Corporate Social and Environmental Disclosure in Developing Countries: Evidence from Bangladesh. *Conference proceedings of the Asian pacific conference on international accounting issues*, Hawaii.

International Organization for Standardization (2002). ISO 14031: Environmental Performance Evaluation.

Kabir, H. & Akinnusi, D.M. (2012). Corporate social and environmental accounting information reporting practices in Swaziland. *Social Responsibility Journal, 8(2), 156- 173. https://doi.org/10.1108/17471111211234699.*

Lancee, L. W. (2017). The Impact of Sustainability Reporting on Firm Profitability. *Economic Review: 14 (4). Available at: https://digitalcommons.iwu.edu/uer/vol14/iss1/4.*

Lange, G. M., Hassan, R and Alfieri, A. (2003). Using environmental accounts to promote sustainable development: Experience in southern Africa. https://doi.org/10.1111/1477- 8947.00037.

Lupton, D. (1999). *Risk and Sociocultural Theory: New directions and Perspectives*. Cambridge: Cambridge University Press.

Ngwakwe, C. C. (2008, April 27). Environmental Accounting and Cost Allocation: A Differential Analysis in Selected Manufacturing Firms in Nigeria. *Paper presented at the fifth International Conference on Environmental, Cultural, Economic and Social Sustainability.* University of Technology.

Nnamani, J. N., Onyekwelu, U. L., & Ugwu, O. K. (2017). Effect of sustainability accounting and reporting on financial performance of firms in Nigeria Brewery Sector. *European Journal of Business and Innovation Research*, 5(1), 1 - 15.

Okere, W., Imeokparia, L., Ogunlowore, J.A. & Isiaka, M. (2018). Corporate Social Responsibility and investment decisions in listed manufacturing firms in Nigeria. *Journal of Economics, Management and Trade 21(4): 1-12, 2018; Article no. JEMT.40844 ISSN: 2456- 9216 (Past name: British Journal of Economics, Management & Trade, Past ISSN: 2278 -098X)*

Owen, D. L., Swift, T. A., Humphrey, C. & Bowerman, M. (2000). The New Social Audits: Accountability, Managerial Capture or the Agenda of Social Champions? *The European Accounting Review*, 9 (1), 81-98.

Peter, A.O. & Mbu-Ogar, G.B. (2018). Analysis of Environmental and Social Disclosure and Financial Performance of Selected Quoted Oil and Gas Companies in Nigeria (2012- 2016). *Journal of Accounting and Financial Management ISSN 2504-8856* 4 (2) 2018. www.iiardpub.org.

Ranagnathan, D. W., Ditz, D. W. & Bank, R. D. (1996). *Green ledgers: case studies in corporate environmental accounting.* World Resources Institute.

Rahman, & Muttakin, (2005). Corporate Environmental Reporting Practices in Bangladesh – A Study of Some Selected Companies. *The Cost & Management*, July - August.

Roberts, C. B. (1992). Determinants of Corporate Social Responsibility Disclosure: An Application of Stakeholder Theory. *Accounting, Organizations and Society*, 17 (6), 595-612.

Shil, & Iqbal, (2005). Environmental Disclosure – A Bangladesh Perspective. *The Cost & Management*, July-August.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy and of Management Review*, 20(3), 571-610.

Sundaram, A. & Inkpen, A. (2004). The corporate objective revisited: *Organization Science*, 15 (3), 350 - 363.

Solomon, J.F. (2005). From the Erotic to the Corporate: A Giddensian View of Trust Between companies and their stakeholders. *Working Papers*, Cardiff Business School.

The Guardian (2022). ACCA leaders urge Nigeria, others to adopt sustainability principles. https://guardian.ng/business-services/acca-leaders-urge-nigeria-others-to-adopt- sustainability- principles.

Trotman, K. T. & Bradley, G.W. (1981). Association between Social Responsibility Disclosure and Characteristics of Companies. *Accounting, Organizations and Society*, 6 (4), 355 - 362.

Uadiale, O. M., Fagbemi, T.O. (2011). Corporate social responsibility and financial performance in developing economies: the Nigerian experience. *Paper delivered at New Orleans International Academic Conference*.

Ullmann, A. E. (1985). Data in Search of a Theory: A Critical Examination of the Relationship among Social Performance, Social Disclosure and Economic Performance of Us Firms. *Academy of Management Review,* 10 (3), 540-557.

Unerman, J. and O'Dwyer, B. (2004). Theorizing CSR/CSD as a Hegemonic Risk Discourse. *Paper presented at the International Congress on Social and Environmental Accounting, Dundee*, September 1.

United States Environmental Protection Agency (1995). An Introduction to Environmental Accounting as a *Business Management Tool: Key Concepts and Terms*, EPA 742 - R- 95 001 June).

Utile, B. J., Tarbo, D. I., &Ikya, E. A. (2017). Corporate environmental reporting and the financial performance of listed manufacturing firms in Nigeria. *International Journal of Advanced Academic Research*, 3(8), 15 - 25.

Walden, W. D. (1993). An Empirical Investigation of Environmental Disclosures Analyzing Reaction to public policy and regulatory effects, *Paper presented at the Asian Pacific interdisciplinary Research conference.*