International Journal of Humanities and Social Science Invention (IJHSSI)
ISSN (Online): 2319 – 7722, ISSN (Print): 2319 – 7714
www.ijhssi.org ||Volume 11 Issue 4 Ser. II || April, 2022 || PP. 66-74

Effect of Environmental Accounting Information Disclosure on Financial Performance of Manufacturing Companies in Nigeria (A Study of Selected Cement Companies in Nigeria)

[1]Awa Felix N., [2] Larry E. Udu and [3]Udu, Gabriel Obasi Chigozie
[1]Department of Accountancy Ebonyi State University, Abakaliki, Nigeria
[2]Department of Public Administration Ebonyi State University
[3]Dept of Business Management & Entrepreneurship Ebonyi State University, Abakaliki

ABSTRACT
The study assessed the effect of Environmental Accounting Information Disclosures on Financial Performance of Cement Manufacturing Companies in Nigeria. Ex-post facto research design was adopted in carrying out the study. Data were gathered from the annual reports of the company to actualize the objectives stated for the work. The panel data gathered were analytically estimated using the multiple regression techniques with the aid of E-view 9.0 econometric software to test the hypotheses. Descriptive statistical techniques, correlation test and diagnostic test were used to assess the multicollinearity of the variables under study. While statistical tests such as F-statistic and Hausman test were carried out to test the overall significance of the regression equation. It was revealed that corporate social responsibility disclosure, such as health and safety disclosure and remediation/pollution control disclosures have significant effects on return on assets of the listed companies in Nigeria. Whereas, environmental fines and penalties disclosure have statistical insignificant effect on return on assets. The study concluded that disclosures of environmental activities in the annual reports of the companies have effect on their financial performance. It was recommended that companies should ensure sustainability reporting in their annual reports. Government should liaise with both national and international accounting standard setting bodies to ensure that environmental disclosures are mandatory.

KEYWORDS: *Corporate Social Responsibility, Environmental Disclosure, Sustainability reporting, pollution control.*

I. INTRODUCTION

In recent years, there has been an increasing need for corporate entities to voluntarily disclose their activities as part of their corporate social responsibility to its stakeholders. Extant literature has attempted to explain succinctly this aspect of corporate environmental disclosure which apparently lie outside the whims and caprices of conventional framework of accounting information disclosures. Although, it is considered worthwhile due to its capacity in providing the much needed information that is quintessential in maintaining an efficient corporate sustainability (Kaeser and Busch, 2015).

The Global Disclosure Initiative (GDI) Standards explains that environmental accounting information disclosure is the practice of being accountable to both internal and external Stakeholders of Organizations by measuring and disclosing firms' performance in relation to the goal of the organization (Mohammad, Fakhrul and Rezaur, 2016, 2006). It is the reason why corporate organizations disseminate the environmental effects of their operational activities to their Stakeholders and to the Society at large (Ezeiofor, John-Akamelu and Chigbo, 2016). This practice however, serves as a means of providing pertinent environmental accounting information on firms' efforts which have the potentiality of influencing the perception of the stakeholders on the performance of the organizations. The information contents as set out in the International Accounting Standard (IAS 1) contain mandatory disclosures and also allow companies of some voluntary disclosures as the directors of the company desire for transparency and accountability. With a full disclosure of environmental accounting information, it is believed that investors would have full information on economic activities of the company they invested in and potential investors will also have ample information that will spur their confidence on the financial performances of the company hence, they can invest accordingly.

Research findings according to Oyedokun, Egberioyinemi and Tonade, (2019), Okafor, (2018) and Oraka et al (2016) have identified some issues that could predispose most corporate organizations especially cement manufacturing firms to disclose pertinent accounting information to their environment. Some of those issues are but not limited to occupational health and safety, corporate social responsibility, remediation/pollution

control, environmental clean-up/preservation cost, recycling cost, environmental fines and penalties among other environmental issues.

Environmental accounting information disclosures are sacrosanct in setting up an institutional framework that would directly influence a company's level of financial performance within the ambit of their operations. The environmental accounting disclosure as indentified by Deril (2016) is the potentiality of enhancing corporate performance and reputation as they disclose their environmental antecedents as part of their social responsibilities in the areas of provision of health and educational facilities, assisting the physical challenged, road rehabilitation, environmental cleanup, remediation, recycling, occupational health and safety of staff. It is against this background that this study is aimed at examining the influence of environmental accounting information disclosures of financial performance of selected listed cement manufacturing companies in Nigeria.

Statement of Problem

The need for environmental disclosures and goals of increasing shareholders' wealth have been a conflicting issue such that many companies in order to better shareholders wealth have abandoned sustainability activities they should have been involved in. It has also been observed that despite the call for environmental improvements from concerned stakeholders, companies in Nigeria especially cement manufacturing companies are still complacent in reporting their environmental activities in their annual financial statements (Oraka and Egbunike 2016). Full disclosures of every activity both financial and non-financial are expected to be made in the financial statements of every company in order to establish the true economic status of such company and to ensure the extent of its wealth creation for its stakeholders in relation to the environment involved.

Meanwhile, the influence of environmental accounting information disclosures on profitability of cement manufacturing companies in Nigeria has been an issue of serious concern as the findings of previous studies are still at variance and mixed, hence necessitating this study.

Objectives of the Study

The main objective of this study is to examine the effect of environmental accounting information disclosures on the financial performance of cement manufacturing companies in Nigeria. Specifically, this study sought to; Determine the effect of occupational health and safety care disclosure, Ascertain the effect of Corporate Social Responsibility, Investigate the effect of remediation/pollution control disclosure and Examine the effect of environmental fines and penalties disclosure on the financial performance of selected listed cement manufacturing companies in Nigeria.

Justification for the Study

A higher level of disclosure of environmental accounting information by manufacturing companies could result in greater support for the companies from the society. This support will result in equity gains for the company that discloses its information. Therefore, the greater the level of disclosure of environmental information; the greater the firm's profit and return on equity. This will enable stakeholders such as investors; creditors etc, to be aware of their activities and this will affect their decisions to invest in such companies.

II. LITERATURE REVIEW

Environmental Accounting Information Disclosure

The Global Disclosure Initiative standards defines environmental accounting information disclosure as the practice of being accountable to both internal and external stakeholders of organizations by measuring and disclosing firms' performance in relation to the goal of the organization (Rotimi, 2015). It is the way by which corporate organizations disseminate the environmental effects of their operational activities to their stakeholders and to the society at large (Jemmy, 2016). This practice however, serves as a means of providing pertinent accounting information on firms' efforts which have the potentiality of influencing the perception of the stakeholders on the performance of the supposed organizations.

Islam, Hosen and Islam (2005) showed in their definition of environmental accounting information disclosure as a general term that describes various means through which the environmental activities that in quality and quantity are disclosed in the annual financial report of the organization. Pramanik et al (2007) defined it as a process that involves the communication of organizational information that relate to environmental activities to its stakeholders. Environmental accounting disclosures which is synonymous to environmental accounting reporting is therefore involves the assessment of environmental impact of an organization through its activities on its operating environment and disclosing its remediating efforts which include the cost incurred and the benefit accruable.

Corroborating the view of Islam et al (2005) Kuo and Chen (2013) agreed that environmental disclosure is a set of information items that relate to the past, present and future environmental management

activities of a company to its immediate environment. Disclosure can be in qualitative or quantitative form in the financial statement. Attention diverted on environmental disclosure is claimed by many scholars to be more pronounced in developed countries than in developing ones and the focus is more on quantitative rather than qualitative disclosure.

Financial Performance

Financial performance is the level of performance of a firm over a specified period of times, expressed in terms of overall profit or losses during that time (Tian and Zeitun, 2007). It is measuring the results of a firm's policies and operation in monetary terms. These results are reflected in the firm's return on investment, return on assets and valued added (Abor and Biekpe, 2015). For a long time, financial performance has been perceived only through its ability to obtain profits. This has changed over time, today the concept of performance have different meanings depending on the user's perspective of financial information. A company can be categorized as globally performing, if it can satisfy the interests of all stakeholders and also the environment in which it operates.

It is often a measuring tool which indicates the financial strengths, weaknesses, opportunities and threats. Those measurements are return on assets (ROA), return on investment (ROI), residual income (RI), earning per share (EPS), dividend yield, price earnings ratio, growth in sales, market capitalization etc (Brief and Lawson, 1992). All these yields to profitability which can be decomposed into its main components: net turnover and return on assets.

Empirical Review:

Bassey, Effiok and Eton (2013) examined the impact of environmental accounting and reporting on organizational performance of selected oil and gas companies in the Niger Delta region of Nigeria using the Pearson Product Moment Correlation Coefficient to analyze the data collected. It was discovered that environmental friendly firms will report and disclose environmental related issues in their annual financial reports. They however recommend that firms should adopt disclosure techniques on environmental related issues in the financial statements and reports; this they believed will enhance environmental performance measurement through established local and international accounting standards to regulate and enforce reporting on environmental related issues.

Jerry, Teru and Musa (2014) studied and analyzed environmental accounting disclosure practice of Nigerian quoted firms focusing on consumer goods companies in Nigeria from 2013-2018 as published in the annual reports of the selected firms. The hypotheses generated were tested using ANOVA. The study was aimed at the variability in environmental accounting disclosures as embraced by companies in Nigeria since it is not a mandatory accounting disclosure. It was however noticed that many companies in Nigeria do not embrace environmental disclosures and the few that report it do not have a specific standard that could be followed to encourage uniformity in their disclosures. They, therefore, maintained that lack of environmental accounting standards to unified reporting created variations in the reporting of different companies in Nigeria. It was however recommended that international accounting standards setting body should get a unifying environmental accounting standard that will help companies in environmental reporting and disclosures in their annual reports.

Umoren, Udo and George (2015) reported on the extent of environmental information dissemination by listed firms on the Nigerian Stock Exchange. In their seminal work on environmental, social and governance disclosures, a call for integrated reporting in Nigeria, using descriptive statistics, correlation and linear regression to measure the relationship that may exist among the identified variables in the work, it was revealed that environmental disclosures among firms in Nigeria is very low to the extent of 7% compared to social disclosures of 66% and governance disclosures of 81%. They recommended that every firm should cultivate the habit of adopting integrated reporting system that will encompass information needs of users. They also stress that financial regulatory bodies in Nigeria should partner with other professional accounting bodies to develop well acclaimed integrated reporting framework to guide in corporate reporting in Nigeria.

Oraka and Ebgunike (2016) conducted a study on the appraisal of environmental accounting information in the financial statements of consumer goods manufacturing companies in Nigeria with the objectives of determining the effect of environmental disclosure themes on total asset turnover, cash flow ratio, current ratio, return on equity and return on assets. They used descriptive research design to analyze the annual reports of twenty-two companies related to consumer goods in Nigeria. They found that environmental disclosure has positive effect on return on equity and the total assets turnover. However, it has no significant effect on cash flow ratio, return on assets and the current ratio of the companies. They recommended that a well spelt out environmental disclosure theme be established to reflect quantitative and qualitative environmental disclosures in the financial statement of firms.

Okafor (2018) reported on environmental cost accounting and reporting on firm financial performance on quoted Nigerian oil companies using regression analysis with the aid of SPSS 20 to analyze the effect of

environmental costs on the firm performance between 2006 and 2015. With the objectives of determining the effect of cost of environmental remediation and pollution control; environmental laws compliance and penalty costs; donations and charitable contributions costs on return on assets, the research discovered that business value is positively influenced by environmental accounting. This he believed will make organizations reduce their environmental and social costs which invariably will spur a better financial performance.

Awodiran (2019) in his empirical investigation on the effect of Corporate Governance on Sustainability Disclosure of Listed Industrial Goods Companies in Nigeria between 2010 and 2017 employed descriptive and inferential statistics (OLS Regression) to analyze the secondary data gathered on 12 companies resulting to 96 firm-year observation, the author concluded that large board size with full independence and the presence of Corporate Social Responsibility Committee will ensure better sustainability reporting through proper monitoring and strict control measures on management decisions. Impliedly, Corporate Governance well implemented will spur sustainability reporting by listed Nigerian Industrial Goods Firms.

Theoretical Framework: Legitimacy Theory: This is a theory propounded by Dowling and Pfeffer in 1975 and it assumes that a company should not be in existence unless it can match its value with the one expected by the society in which it operates. Since, provision of timely useful accounting information to users is paramount for their appropriate decision-making. Magness (2006) explained that Legitimacy theory is an integral part of accounting studies which provide explanations on reasons for certain items as handled by the corporate management of the company in their relations to the outside world. Legitimacy theory is therefore issues that relate to the perception of the society based on the information on the company. This means that the management should take advantage to unwittingly disclose information upon which outside users can base their opinions about the company by using their annual reports as legitimate means of disseminating voluntary and mandatory information. (Magness, 2006)

III. METHODOLOGY

Research Design

Ex-post facto research design was adopted in carrying out the study. The justification for using this design is that the study will utilize already existing quantitative data on past events for which the relevant variables cannot be manipulated.

Area of Study

The study focused on the influence of environmental accounting information disclosures and financial performance of selected cement manufacturing companies listed on the Nigerian Stock Exchange. This study covered only three selected cement companies which were assumed to be a good representation of the cement companies. They were purposively selected due to the availability of the required data for the relevant years under consideration from the published annual financial statements of the companies since we are using secondary source of data for the analysis. They are; Dangote Cement Company, Lafarge Africa (WAPCO) Ltd and Cement Company of Northern Nigeria.

Sources of Data

The data used for the study were from secondary sources and were based on historical cross-sectional time series panel data analysis covering from 2004-2020. The secondary quantitative panel data were obtained from the published annual reports/financial statements of the quoted cement manufacturing companies at the Nigerian Stock Exchange (NSE) using their websites for the data covering a period of 17 years (2004-2020).

Model Specification

To estimate the regression equation, the study adopted the general multiple ordinary least square (MOLS) regression model base in line with the specific objectives variables of the study.

The regression model is as specified by Frances Galton (1974)

Where; $Y = a + bx$ … (1)

Thus, financial performance is a function of environmental amounting information disclosure. However, for proper flow and measurement of variable functions in this study, we proxy financial performance with return on assets (ROA), while environmental accounting information disclosures was proxy with environmental disclosure indices.

Therefore;

Return on Assets = Environmental accounting information disclosures (Occupational, Health and Safety disclosure, Corporate Social Responsibilities disclosure, Remediation and Pollution Control Disclosure and Environmental Fines and Penalties Disclosure).

To empirically express the relationship between return on assets and Environmental accounting information disclosures indices of quoted cement manufacturing companies, the base line model equation is specified thus;

$ROA = \beta 0 + \beta_1 OHSD + \beta_2 CSRD + \beta_3 RPCD + \beta_4 EFPD + \varepsilon$...... (2)

Where;

ROA = Return on Assets of listed cement manufacturing Companies, β_0 = the constant term,
OHSD = Occupational, Health and Safety, CSRD = Corporate Social Responsibilities disclosure,
RPCD = Remediation and Pollution Control Disclosure and EFPD = Environmental Fines and Penalties Disclosure, β_{1-4} = Coefficients estimated or the Coefficients of slope parameters. ε = Error term.

Description of Model Variables

From the above specified panel multiple regression equation, we proxy financial performance with Return on Assets (ROA).

Return of Assets (ROA): It is the quotient of dividing profit after tax by total assets. We used return on assets (ROA) as dependent variables, because it is an indicator of managerial efficacy vis-à-vis assets.

$$ROA \quad \frac{PAT}{\text{Total Assets}}$$

Occupational Health and Safety Disclosure (OHSD): This involved the value or the amount of money as disclosed in the financial statements of the listed cement companies which they expended under the period concerned on occupational health and safety services.

Corporate Social Responsibilities Disclosure (CSRD): This has to do with the amount of money as disclosed in the financial statements of the listed cement companies which they expended under the period consideration on Corporate Social Responsibilities.

Remediation and Pollution Control Disclosures (RPCD): This has to do with the amount of money as disclosed in the financial statements of the listed cement companies which they expended under the period concerned on Remediation and Pollution Control.

Environmental Fines and Penalties Disclosure (EFPD): This has to do with amount of money as disclosed in the financial statements of the listed cement companies which they expended under the period concerned on Environmental Fines and Penalties.

Model Test of Reliability and Validity: In order to test the reliability and validity of the historical panel data, diagnostic tests were carried out on the regression model. Major assumptions of linearity, multicollinearity, normality and heterogeneity were ascertained. Hansen test and Jarque-Bera normality test were used for the validity and normality of instruments used. While the validity and reliability of the model were based on the outcome the assumption/diagnostic tests conducted.

Analytical Techniques

The panel data gathered were analytically estimated using the Multiple Ordinary Least Square (MOLS) regression techniques with the aid of E-view 9.0 econometric software to test the hypotheses and establish the effect of environmental accounting information disclosures on corporate profit performance. The descriptive statistical technique was used to examine and analyze the characteristics of the collected panel data (the dependent and independent variables). Correlation test was used to ascertain the strength and magnitude of the relationship between the dependent and independent variables. Diagnostic tests such as normality test and homogeneity tests were performed to ascertain the nature of the relationship that exists between the dependent and independent variables. While statistical tests such as F-statistic and Hausman test were carried out to test the overall significance of the regression equation. Hansen test and Jarque-Bera normality test were used for the validity and normality of instruments used.

IV. RESULTS

Data Presentation

Table 1: Descriptive Statistics

	ROA	LCSRD	LHSD	LRPD	LEFPD
Mean	19.87911	10.98132	11.90141	11.27592	10.68201
Maximum	63.87000	15.21003	14.70995	12.20332	11.99934
Minimum	-12.13000	6.687109	10.12579	9.344871	8.834046
Std. Dev.	13.77558	2.09002	1.243343	1.010423	0.947073
Skewness	0.774768	0.178309	0.907438	0.323002	-0.367363
Kurtosis	4.243453	2.208188	2.883979	2.284838	1.694615
Observations	45	45	45	45	45

Source: ***Authors' Computation, 2021***

The result in table 1 presents the information on the descriptive statistic of the variables employed in the study. The result shows that all the variables have low mean and standard deviation values which are within the maximum and minimum values. The result further shows that return on asset, log of corporate social responsibility disclosure, log of health and safety disclosure and remediation and log of population discourse are positively skewed while log of environmental fines and penalties disclosure is negative.

Table 2: Correlation Matrix

	ROA	LCSRD	LHSD	LRPD	LEFPD
ROA	1.000000				
LCSRD	-0.261545	1.000000			
LHSD	0.014732	0.785831	1.000000		
LRPD	0.091085	0.788391	0.919274	1.000000	
LEFPD	-0.058536	0.793577	0.769020	0.875812	1.000000

Source: Authors' Computation, 2021

The result in table 4.2 indicates the correlation matrix for the adopted variables. The result shows that the independent variables namely log of corporate social responsibility disclosure, log of health and safety disclosure, log of remediation and population disclosure and log of environmental fines and penalties disclosure are not perfectly correlated with the dependent variable namely return on asset indicating the absence of multi co-linearity. Nevertheless, the result shows that log of corporate social responsibility disclosure and log of environmental fines and penalties disclosure have weak and negative correlation with return on asset while log of health and safety disclosure, log of remediation and population discourse have weak and positive correlation with return on asset.

Panel Data Analysis

Table 3: Pooled Regression Analyses

Dependent Variables: ROA				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
LCSRD	-0.172978	0.020845	-3.191533	0.0028
LHSD	-0.310088	0.187501	-4.579332	0.0056
LRPD	0.155342	0.016151	2.539880	0.0151
LEFPD	-0.152819	0.405227	-0.942703	0.3515
C	-26.62450	24.63478	-1.080768	0.2863
R-squared	0.798667			
Adjusted R- squared	0.705341			
F-statistic	4.677117			
Prob (F-statistic)	0.003426			
Durbin-Watson Stat	1.919384			

Source: Authors' Computation, 2021

Table 3 presents the pooled or constant regression result. The result shows that log of corporate social responsibility disclosure and log of health and safety disclosure have negative and significant effect on return on asset. However, log of remediation and pollution disclosure has positive and significant effect on return on asset. Finally, log of environmental fines and penalties is found to have negative and insignificant effect on rerun on asset.

Table 4: Hausman Test

Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f**	**Prob.**
Period random	1.320733	4	0.8578

Source: Authors' Computation, 2021

From table 4, the chi-square (x^2) with p-value of 0.8578 is statistically insignificant at 5% significance level, thus leading to the acceptance of the null hypothesis. This implies that the random effect model produces better and consistent estimates than the effects model, thus the random effects is considered appropriate and reported for this study.

Table 5: Random Effect Regression Result

Dependent Variables: ROA				
LCSRD	-0.172978	0.010642	-2.856986	0.0068
LHSD	-0.310088	0.114429	-3.518605	0.0069
LRPD	0.155342	0.032339	2.273642	0.0284
LEFPD	-0.415281	0.321070	-0.843885	0.4038

C	-26.62450	27.51946	-0.967479	0.3391
R-squared	0.818667			
Adjusted R- squared	0.750534			
F-statistic	4.677117			
Prob (F-statistic)	0.003426			
Durbin-Watson Stat	1.819384			

Source: Authors' Computation, 2021

Table 5 reveals the result of the random effect result for the study. The result from the table 5 indicates that there is negative and significant relationship between log of corporate social responsibility disclosure and return on asset with a coefficient of -0.172978 which implies that 1% increase in corporate social responsibility disclosure will lead to 17% fall in return on asset.

Also, the result reveals that log of health and safety disclosure has negative and significant effect on return on asset with a coefficient of value of -0.310088 such that 1% increase in health and safety disclosure will lead to 31% fall in return on asset.

However, is showed in table 5 that log of remediation and pollution disclosure has positive and significant effect on return on asset with a coefficient of 0.155342 indicating that higher remediation and pollution disclosure will bring about 15% increase in return on asset. Finally, log of environmental fines and penalties produce negative and insignificant effect on return on asset with a coefficient of -0.41528 meaning that increase in environmental fines and penalties will lead to 41% fall in return on asset.

The Adjusted R-squared of 0.750534 as reported in table 5 implies that 75% variation in return on asset is caused by changes in log corporate social responsibility disclosure, log of health and safety disclosure, log of remediation and population disclosure and log of environmental fines and penalties disclosure.

Furthermore, the result shows that Durbin-Watson statistic has a value of 1.819384 which is close to 2 indicating the absence of autocorrelation in the residuals of the model.

F-statistic is use to test the joint effect of log of corporate social responsibility disclosure, log of health and safety disclosure, log of remediation and population discourse and log of environmental fines and penalties disclosure on return on asset. The result which is presented in table 5 shows that the F-statistic is given as 4.677117 with a probability value of 0.003426 which is significant at 5%. This implies that log of corporate social responsibility disclosure, log of health and safety disclosure, log of remediation and population discourse and log of environmental fines and penalties disclosure jointly and significantly influence return in asset.

Test of Hypotheses

The hypotheses formulated in this study are tested using t-statistic and the corresponding probability value. The result of the random effect regression reported in table 5 shows that corporate social responsibility disclosure has a statistic value of -2.856986 and probability value of 0.0068 which is significant at 5% leading to the rejection of the null hypothesis that corporate social responsibility disclosure has no significant effect on financial performance of selected listed cement manufacturing companies in Nigeria.

The result also indicates that health and safety disclosure has a statistical significant effect on return on asset with a t-statistic and probability value of -3.518605 and 0.0069 respectively. Thus the null hypothesis there is Health and Safety disclosures do not have significant effect on financial performance of selected listed cement manufacturing companies in Nigeria is rejected.

Similarly, remediation/pollution control disclosures has t-statistic and probability values of 2.273642 and 0.0284 respectively which is significant at 5% leading to the rejection of the null hypothesis that remediation/pollution control disclosures have no significant influence on financial performance of selected listed cement manufacturing companies in Nigeria.

Finally, environmental fines and penalties disclosure has a statistical insignificant effect on return on asset with a t-statistic and probability value of -0.843885 and 0.4038 respectively which is insignificant at 5%. Thus, the null hypothesis that environmental fines and penalties disclosure do not have significant influence on the financial performance of selected listed cement manufacturing companies in Nigeria is accepted.

Implication of Findings

The findings of this study is that the various components/variables to be disclosed are significantly relevant such that if properly disclosed, the companies will be at advantage for it will greatly attract investors, potential investors, stakeholders, among others to invest in their companies.

V. SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

The study examined the relationship that existed between environmental accounting information disclosures and financial performance of cement manufacturing companies in Nigeria covering a period of 2004 to 2018. The study was carried out by examining the influence of environmental accounting information

disclosures on financial performance of the selected companies with specific regard to return on assets as a measuring tool. Statistical analysis was done on the panel data gathered from the financial statements of the companies for the period involved with the aid of E-view 9. It was discovered that.

Conclusion and Recommendation

The main objective of the study was to ascertain the effect of environmental accounting information disclosures on the financial performance of cement manufacturing companies in Nigeria. This was decomposed to determine the effect of disclosures of corporate social responsibility, remediation and pollution control; environmental fines and penalties; and occupational health and safety on return on assets of the companies involved. The Multiple Ordinary Least Square Regression analysis employed revealed the influence of environmental accounting information disclosures on financial performance with varying degrees of influence.
The study provided ample evidences that with increase in CSR, health and safety and environmental fines and penalties disclosures, there is a corresponding decrease in the return on assets of the companies. However, every remediation and pollution disclosure increases in the return on assets correspondingly. The study concluded that every disclosure of the impact of environmental remediation and pollution on its community improves the financial performances of the company. This may implies a better patronage of their products by the community and the international world. Voluntary disclosures on some activities that are not captured by regulatory authorities but found useful to place credence on the financial report of the company should be adopted to boost the confidence of investors and other users of financial statements of the company. Regulatory authorities in Nigeria should review the level of disclosures and ensure that activities on environmental related issues are grafted into the mandatory disclosure regime. Regulatory bodies and other professional bodies in Nigeria should ensure strict compliance to regulations on disclosures by Nigeria companies to enhance the credibility of information contents in financial statements Companies should, as a matter of fact, ensure strict compliance to code of conducts that will make them put at bay environmental penalties and fines. This will enable them to improve more on their financial profitability and eventually attract more investors into the company.

References

[1]. Abor, J and Biekpe, N. (2005). What Determines the capital structure of Ghanaian Firms. African Finance Journal, 7 (1): 37-48.
[2]. Akinlo, O.O. and Iredele, O.O. (2014). Corporate environmental disclosures and market value of quoted companies in Nigeria. The Business and Management Review, 5 (3).
[3]. Ala, M.R. (2019). Board Characteristics and Environmental Disclosure: Evidence from Jordan. International Journal of Business and Management; 14 (2): 57-65.
[4]. Awodiran, M.A. (2019). Corporate Governance and Sustainability Disclosure: Evidence from Listed Industrial Goods Firms in Nigeria. Journal of Economics, Management and Social Sciences, 5: 67-82
[5]. Bassey, E.B., Effiok, S.O. and Eton, O.E. (2013). The Impact of Environmental Accounting and Reporting on Organizational Performance of Selected Oil and Gas Companies in Niger Delta Region of Nigeria. Research Journal of Finance and Accounting; 4(3): 57:73.
[6]. Brief, R.P., and R.A. Lawson (1992). The Role of the Accounting Rate of Return in financial Statement Analysis. The Accounting Reviews 67(2): 411-426.
[7]. Dowling, J. and Pfeffer, J. (1975). Organizational Legitimacy: Social Values and Organizational Behaviour. Pacific Sociological Review; 18(1): 122-136. Htt://dx.doi.org/10.2307/1388226.
[8]. Ejoh, N.O., Orok, E.O. and Sackey, J.A. (2014). The Development of Environmental Accounting and Disclosure Practices of Manufacturing Companies in Nigeria. Journal of Economics and Sustainable Development; 5 (12): 70-79.
[9]. Eziofor, R.A., John-Akamelu, R.C. and Chigbo, B.E. (2016). Effect of Sustainability Environmental Cost Accounting on Financial Performance of Nigerian Corporate Organizations. International Journal of Scientific Research and Management (IJSRM). 4(8): 4536-4549.
[10]. Islam, S., Hosen A., and Islam, M. (2005). An Examination of Corporate Environmental Disclosure by the Bangladesh Public Limited Companies. Pakistan Journal of Social Sciences, 3(9): 1095-1102.
[11]. Jerry, M.S., Teru, P. and Musa, B. (2014). Environmental Accounting Disclosures Practice of Nigerian Quoted Firms: A Case Study of some selected Quoted Consumer Goods Companies. Research Journal of Finance and Accounting; 6(22): 31-37.
[12]. Kaeser, J. and Busch, R. (2015). Sustainability Information 2015, an Addendum to the Siemens Annual Report. http:sg.siemens.com.zDoc/aboutUS/Profile/Siemens_sustainability_information2015.pdf cited on 14/01/2020.
[13]. Lightshone, K. and Driscoll, C. (2008). Disclosing Elements of Disclosure: A Test of Legitimacy Theory and Company Ethics. Canadian Journal of Administrative Sciences; 25 (1): 7-12. http://dx.doi.org/10.1002/cjas.50.
[14]. Magness, V. (2006). Strategic Posture, Financial Performance and Environmental Disclosure: An Empirical Test of Legitimacy Theory. Accounting, Auditing and Accountability Journal, 19(4): 540-563. http://dx.org/10.1108/09513570610679126.
[15]. Mohammad, R., Fakhrul, I. and Rezaur, R. (2016). Environmental Accounting Reporting Disclosure and Company Profitability. A case study on listed Manufacturing Companies of Bangladesh. International Journal of Ethics in Social Sciences, 4(2): 19-34.
[16]. Muhammad, F. (2014). Leadership, Governance and Public Policy Implementation Competencies in the Broader Public Sector. European Journal of Business and Management, 6(36).
[17]. Okafor, T.G. (2018). Environmental Costs Accounting and Reporting on Firms Financial Performance: A Study of Quoted Nigerian Oil Companies. International Journal of Finance and Accounting; (7(1): 1-6, DIO: 10.5923/j.ijfa.20180701.01.
[18]. Oraka, A.O. and Egbunike, F.C. (2016). Appraisal of Environmental Accounting Information in the Financial Statements of Consumer Goods Manufacturing Companies in Nigeria. NG-journal of Social Development, 5(5): 6-28.
[19]. Osemene, O.F., Kasum, A.S. and Yahaya, K.A. (2012). Environmental Audit Practices in Small and Medium Scale Enterprises in Nigeria. Annals of Management Sciences. International Centre for Business and Management Excellence, 1(1): 10-40.

[20]. Oyedokun, G.E., Ebgerioyinemi, E. and Tonade, M.A. (2019). Environmental Accounting Disclosure and Firm Value of Industrial Goods Companies in Nigeria. IOSR Journal of Economics and Finance; 10(1): 7-27.
[21]. Tian, R. and Zeitun, G.G. (2007). Capital Structure and Corporate Performance: Evidence from Jordan. The Australasian Accounting Business & Finance Journal, 1(4): 40-61.
[22]. Umoren, A.O, Udo, E. J and George, B.S. (2015). Environmental, Social and Governance Disclosures: A Call for Integrated Reporting in Nigeria. Journal of Finance and Accounting; 3(6): 227-233. DOI: 10.11648/j.jfa.20150306.19.