



## Environmental Accounting Disclosure and Economic Value of Listed Agricultural Firms in Nigeria

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### ABSTRACT

This study investigated the nexus between environmental accounting disclosure and economic value of listed agricultural firms in Nigeria. This study employed *ex-post facto* research design, and data collected from the annual reports and sustainability disclosures of agricultural firms listed on the Nigerian Exchange Group (NGX) as at December 31<sup>st</sup>, 2023. The population comprised of 5 agricultural firms listed on the NGX and the study adopted a census sampling technique to include the entire population. The study covered a 10-year period, from 2014 to 2023, consisted of the transition of the Nigerian Stock Exchange (NSE) to the Nigerian Exchange Group (NGX). Descriptive statistics were used for data analysis. Through the regression analysis conducted, this study found that environmental accounting disclosure had a positive and significant effect on the economic value of these firms. This suggests that environmental transparency and accountability enhance the financial performance of agricultural firms in Nigeria. This study concluded that environmental accounting disclosure is an important factor in improving the economic value of listed agricultural firms in Nigeria. It is therefore important for agricultural firms in Nigeria to enhance their environmental reporting practices to provide more comprehensive and transparent information about their environmental impact.

**Keywords:** Environmental Accounting Disclosure, Economic Value, Agricultural Firms

**JEL Classifications:** L25, M41, Q56

### 1. INTRODUCTION

A major contributor to GDP, employment, and livelihoods, especially in emerging countries, agriculture continues to be a pillar of the global economy. Therefore, a key metric for sectors performance and economic health is the economic value of listed agricultural companies (Frimpong and Amaoko, 2023). Contrasting the ways in which developed and underdeveloped countries behave. Food security, employment, and general economic growth are all greatly aided by the agricultural industry (Hernandez and Martinez, 2023). Listed agricultural companies are essential to increasing agricultural productivity, innovation, and value addition in both developed and developing countries. Large-scale

farming, biotechnology, agrochemicals, and food processing are common activities of listed agricultural companies in these nations. Significant capital expenditure, cutting-edge research and development (R&D), and a high level of market integration are characteristics of these companies (Kim and Lee, 2023).

Scholars, decision-makers, and stakeholders have all paid close attention to the relationship between environmental sustainability and business financial success in recent years (Adediran & Alade, 2013; Dagunduro et al., 2024). Businesses are facing mounting pressure to incorporate environmental considerations into their operations and reveal pertinent information about their environmental impacts and initiatives due to growing concerns

about climate change, resource depletion, and environmental degradation (Akinleye & Olaoye, 2021; Lawal et al., 2024). Understanding the connection between environmental accounting disclosure and economic value is especially crucial in developing nations like Nigeria, where the agriculture industry is a major contributor to the economy. In Nigeria, the relationship between listed agricultural companies' economic value and environmental accounting disclosure is intricate and poorly understood (Boluwaji et al., 2024; Dada et al., 2023).

Environmental sustainability is given a lot of attention worldwide, but Nigerian agricultural companies rarely include it into their financial reporting. Regulatory compliance issues and a lack of data for decision-making are just two of the difficulties brought on by this incomplete disclosure (Ismail & Kamarudin, 2023; Oladipupo & Oluwaseun, 2015; Smith & Johnson, 2023). There is a dearth of studies explicitly looking at the Nigerian agriculture sector because the majority of current research is on developed nations and non-agricultural sectors (Hassan and Kouhy, 2015; Uwuigbe et al., 2018). Few studies examine the difficulties in Nigeria's agriculture industry, even though several deal with environmental disclosure in general (Akinlo and Iredele, 2014). There is a lack of knowledge regarding investor attitudes and responses (Owolabi, 2017) and no evidence connecting environmental disclosure to the financial worth of Nigerian agricultural companies (Ofoegbu et al., 2018).

Furthermore, there is a dearth of study on the efficacy of Nigerian laws and policies in this field (Odia and Oghoghomeh, 2013), and little is known about how corporate governance might improve environmental disclosure (Akbas, 2016). By examining the relationship between environmental accounting disclosure and the market value of Nigerian listed agricultural companies, this study seeks to close these disparities. With a particular focus on Nigeria's agriculture industry, this study contributes to the body of knowledge on environmental accounting disclosure and its effects on stakeholder involvement, sustainability, and business performance. It seeks to close the gap between economic value creation and environmental accounting methods, offering perspectives for managerial decision-making and scholarly discussion that promote sustainable development objectives. The research highlights the potential implications of environmental accounting for the economic performance and sustainability of agricultural firms in Nigeria by analysing the environmental disclosures of these companies, including their practices, expenditures, and performance, as well as evaluating financial performance metrics like profitability, market value, and investor perception. Policymakers, investors, and other stakeholders in the agricultural value chain must comprehend the economic worth of these companies.

## 2. LITERATURE REVIEW

### 2.1. Economic Value

The worth or utility that an item, service, or good possesses in an economic setting is referred to as its economic value. It frequently depends on how the market views the product's value, demand, scarcity, and other elements that affect pricing (Awotomilusi et al., 2023; Lawal et al., 2024). Market conditions, personal

tastes, and other outside variables can all affect economic worth. More broadly, the advantage or satisfaction that people or society receive from the trade, production, or consumption of products and services is reflected in economic value (Boluwaji et al., 2024). Understanding resource allocation, market behaviour, and overall economic wellbeing all depend on this basic economics idea (Oluwagbade et al., 2023).

The value generated by a business's operations and activities is referred to as economic value in the context of this study. It includes the monetary gains made by the company for all of its stakeholders, such as creditors, shareholders, staff, and clients. In this context, economic value is usually determined by evaluating the firm's capacity to produce returns and profits that outweigh the expenses of its investments and resources. It displays how effectively and efficiently the company uses its resources to produce income and build wealth. Economic value in firm performance analysis frequently and entails assessing a range of financial metrics, including market-based measures (e.g., market capitalisation, share price, economic value added), profitability ratios (e.g., return on investment, return on assets), and other indicators of financial health and viability. Ultimately, the goal of assessing economic value in firm performance is to gauge the company's ability to generate sustainable profits and deliver value to its stakeholders over the long term. This study measures economic value using economic value added (EVA).

### 2.2. Environmental Accounting Disclosure

The process of revealing details on a business's environmental performance, impacts, and policies in its financial reports, sustainability reports, or other public disclosures is known as environmental accounting disclosure (Kolawole et al., 2023). It entails giving comprehensive details about the business's environmental programs, expenses, hazards, and performance metrics, including waste production, energy use, greenhouse gas emissions, and pollution management methods (Dagunduro et al., 2024). By educating investors, regulators, consumers, and other stakeholders about the company's environmental practices and their effects on sustainability and financial performance, environmental accounting disclosure seeks to improve transparency, accountability, and stakeholder engagement (Ismail & Kamarudin, 2023). It is essential for advancing ecologically conscious business practices, motivating organisations to successfully manage environmental risks and opportunities, and coordinating operations with sustainable development goals.

### 2.3. Theoretical Framework

Stakeholder theory, the conceptual foundation of this subject, offers a paradigm for comprehending business ethics and organisational governance. Stakeholder theory, first presented by Freeman in 1984, emphasises how crucial it is to consider the moral and ethical aspects of a company's activities (Dada et al., 2023). It highlights that businesses have obligations to many different groups of people in addition to shareholders, such as creditors, consumers, suppliers, workers, the government, the community, the environment, and future generations. Businesses should put the interests of all stakeholders first, according to stakeholder theory, rather than just concentrating on increasing shareholder

value (Dagunduro et al., 2022; Oluwagbade et al., 2023). As several empirical investigations have shown, stakeholder theory has been widely used in accounting and finance. As an illustration, Aremu and Adegbe (2024) used stakeholder theory as their theoretical framework to investigate the effects of environmental conservation costs on sustainable business practices among listed Nigerian oil and gas corporations. Similar to this, Kolawole et al. (2023) examined, within the framework of stakeholder theory, how environmental accounting practices affected the financial performance of Nigerian aviation companies, concentrating on topics like waste management, pollution control regulations, and environmental research and development. Furthermore, using stakeholder theory as the theoretical foundation, Dagunduro et al. (2022) investigated the relationship between social responsibility and the financial performance of Micro, Small, and Medium Scale Enterprises (MSMEs) in Nigeria.

Grasp the relationship between environmental costs and organisational economic value requires a grasp of stakeholder theory. By considering the interests of various stakeholders, including workers, consumers, suppliers, communities, and regulators, businesses may solve environmental issues while generating profits. Costs associated with waste management, pollution control, and regulatory compliance are identified with the use of stakeholder engagement. Sustainable business practices and efficient cost control improve a company's image, lower risks, and draw in investment, all of which increase its long-term economic worth. Stakeholders also influence sustainability and financial performance by holding businesses responsible for their environmental effects. Businesses must thus take stakeholder perspectives into account in order to manage the intricate link between environmental costs and the development of economic value.

In recent years, stakeholder theory has become more closely linked to business operations, emphasising the need to include all stakeholders in value creation activities. Businesses recognise the importance of meeting the needs of non-target audiences and are looking into ways to improve stakeholder interactions (Murphy et al., 2017). However, critics of stakeholder theory have emerged, raising concerns about its ability to effectively balance the interests of many stakeholders and handle potential conflicts (Post et al., 2002). Sceptics believe that stakeholder approaches cannot be used universally across all organisations due to differences in stakeholder dynamics, necessitating customised stakeholder management solutions (Post et al., 2002).

Nonetheless, stakeholder theory remains relevant as it offers a comprehensive framework for delineating the relationships between organizations and their stakeholders, underscoring the importance of transparency, integrity, and stakeholder engagement in achieving long-term organizational objectives (Igbekoyi, 2017).

#### 2.4. Empirical Review and Hypothesis Development

Jafari and Nikbakht (2023) used a mixed-methods approach, including surveys and interviews, to investigate the impact of environmental accounting on Iranian enterprises' competitive advantage. The empirical findings revealed that environmental

accounting procedures considerably improve competitive advantage by increasing efficiency, lowering expenses, and promoting a positive business image. Kim and Lee (2023) evaluated how environmental accounting disclosure affects the credit ratings of South Korean enterprises. Using an ex-post facto research approach and logistic regression analysis on data from 100 firms, they discovered a link between environmental disclosures and higher credit ratings, implying that transparent environmental measures can boost a company's creditworthiness.

Liu and Wang (2023) conducted a content study of 150 Chinese enterprises' CSR reports to determine the impact of environmental accounting on corporate social responsibility (CSR) performance. The study concluded that full environmental accounting disclosures lead to improved CSR performance. Matovu and Ssempijja (2023) conducted a qualitative study using interviews and case studies to investigate the relationship between environmental accounting disclosure and business reputation in Ugandan companies. The findings revealed that corporations that provide extensive environmental disclosures had a better reputation. Nguyen and Pham (2023) conducted a survey of 200 investors and used regression analysis to investigate the impact of environmental accounting disclosure on investment decisions in Vietnamese enterprises. It was discovered that robust environmental accounting disclosures have a beneficial influence on investment decisions.

Okeke and Nnadi (2023) conducted a panel data econometric analysis on a sample of 90 Nigerian firms and found a significant positive relationship between environmental accounting practices and economic performance. Kolawole et al. (2023) did a thorough examination of how environmental accounting methods affect the financial performance of Nigerian aviation enterprises. Their study used an ex-post facto research design and analysed data from 2016 to 2021, indicating that investments in environmental R&D and waste management had a negative influence on return on assets, whereas pollution control regulations had a favourable impact on financial performance. This demonstrates that, while certain environmental activities may be costly, effective pollution control can improve financial status by lowering future liabilities and operating inefficiencies.

Complementary research by Bessong et al. (2023), Akinleye (2022), and Chukwu et al. (2020) investigated the financial effects of environmental spending. Bessong et al. (2023) discovered that fines and penalties reduced Nigerian oil and gas corporations' profits per share, whereas Akinleye (2022) underlined the financial burden of internal environmental expenses on return on assets. Chukwu et al. (2023) found that environmental responsibility policies had no significant effect on wages stability. Collectively, these studies highlight the need for proactive environmental management in improving financial performance and compliance with regulations. Additional insights from Onyekachi et al. (2020), Okoro and Okafor (2023), Mensah and Asante (2022), and Ndlovu and Moyo (2021) highlight the benefits of strategic environmental expenditures and waste management strategies in promoting financial performance and sustainability across industries.



Agyemang and Ansong (2023) conducted a panel regression analysis of 100 Ghana-listed enterprises and discovered a favourable association between environmental accounting disclosure and firm performance. Similarly, Bashir and Umar (2023) conducted a cross-sectional assessment of 150 manufacturing enterprises in Pakistan and discovered that environmental accounting methods considerably improve financial performance. Chen and Zhang (2023) used structural equation modelling to analyse data from 200 publicly traded Chinese enterprises and found a substantial positive association between thorough environmental disclosures and corporate profitability. Desai and Joshi (2023) used an event study methodology on 50 large-cap Indian corporations and found that improved environmental disclosures considerably raise market value.

Further supporting this theme, El-Gamal and Shehata (2023), Frimpong and Amoako (2023), Gupta and Singh (2023), and Hernandez and Martinez (2023) extended the analysis to other performance metrics and regions. El-Gamal and Shehata (2023) used a qualitative approach with case studies and interviews in Egyptian firms, showing that environmental disclosures enhance corporate governance practices. Frimpong and Amoako (2023) conducted a longitudinal study on South African firms, indicating that environmental disclosures positively impact shareholder value. Gupta and Singh (2023) found a lower cost of capital associated with higher environmental disclosures in a sample of 120 Indian firms. Hernandez and Martinez (2023) demonstrated that firms with robust environmental accounting practices in Mexico exhibit higher operational efficiency using Data Envelopment Analysis (DEA). Collectively, these studies reinforce the notion that environmental accounting disclosure is beneficial for firm performance, including financial stability, governance, operational efficiency, and market valuation.

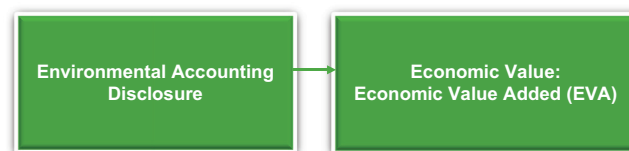
While existing studies have explored the impact of environmental accounting disclosure on various sectors such as oil and gas, aviation, and manufacturing, there is a notable gap in research focused specifically on the agricultural sector in Nigeria. Secondly, previous research has predominantly examined general financial performance indicators like Return on Assets (ROA), Earnings Per Share (EPS), and credit ratings. However, there is limited understanding of how environmental accounting disclosures impact broader economic value within agricultural firms. Lastly, the studies by Okeke and Nnadi (2023) and Kolawole et al. (2023) have explored the economic performance of Nigerian firms in general, there remains a paucity of research specifically tailored to the agricultural industry in Nigeria. This study intends to bridge this gap by investigating the relationship between environmental disclosures and comprehensive economic value indicators, thereby providing a more holistic view of the benefits and potential trade-offs associated with environmental accounting in the agricultural sector. Based on the above findings, this study hypothesized that:

H<sub>1</sub>: Environmental accounting disclosure has a significant effect on the economic value of listed agricultural firms in Nigeria.

## 2.5. Conceptual Framework

Figure 1 depicts the interaction between the variables under study. Environmental Accounting Disclosure (independent variable) and

**Figure 1:** Conceptual framework



Source: Authors' Design (2024)

Economic Value (dependent variable).

## 3. METHODOLOGY

This study employed *ex-post facto* research design. Data on both firm environmental accounting disclosure and economic value were collected from annual reports, sustainability disclosures, and financial databases of agricultural firms listed on the Nigerian Exchange Group (NGX). The research targeted a population of five agricultural firms listed on the NGX, using a census sampling technique to include the entire population. The study covered a ten-year period, from 2014 to 2023, encompassing the transition of the Nigerian Stock Exchange (NSE) to the Nigerian Exchange Group (NGX). Multiple statistical methods were used for analysis.

### 3.1. Model Specification

This study utilized the model developed by Igbekoyi et al. (2021) to elucidate the relationship between environmental accounting disclosure and economic value. The model is specified as follows:

$$EVA = f(EAD)$$

$$EVA = \beta_0 + \beta_1 EAD + \epsilon$$

Where:

EVA = Economic Value Added

EAD = Environmental Accounting Disclosure

$\beta_0$  represents the intercept, while  $\beta_1$  represents the mean coefficients of independent variables,  $\epsilon$  represents the error term. Description and measurements of variables are presented in Table 1.

## 4. DATA ANALYSIS AND DISCUSSION OF FINDINGS

### 4.1. Descriptive Statistics

Table 2 shows the key characteristics of the data used in the panel regression study. This shows the overall quality of the data collected. EAD is used to assess the independent variable (environmental accounting disclosure), while EVA represents the independent variable (economic value). The average EVA value was -0.0192. While these were measured in billions, they indicate that the enterprises under consideration were not generating value from the finances they put into the business. The distribution is extremely distributed at 0.0536, with minimum and maximum values of -0.2541 and 0.0065 respectively. To demonstrate a normal univariate distribution, skewness between -2 and +2 is

**Table 1: Description and measurements of variables**

Variables	Measurements	Source
Environmental Accounting Disclosure (EAD)	The aggregate of these disclosures as stated in the index: Environmental; Materials; Energy; Water; Biodiversity; Emissions; Effluents and waste disposal; Product and service environmental impact; Compliance with environmental laws and regulations.	Dagunduro et al. (2024); Igbekoyi et al. (2021); Odugbemi and Igbekoyi (2021).
Economic Value Added (EVA)	EVA (Economic Value Added) is a metric that evaluates a company's financial performance by focusing on the creation of shareholder value. It measures whether the company has generated returns exceeding its cost of capital. To calculate EVA, the company's cost of capital is subtracted from its net operating profit after taxes (NOPAT), and the result is multiplied by the total invested capital. The formula for EVA is: $EVA = NOPAT - (\text{Cost of Capital} \times \text{Total Invested Capital})$ . In this context: NOPAT (Net Operating Profit After Taxes) refers to the company's operating profit after accounting for taxes. The Cost of Capital is the weighted average cost of capital (WACC), which represents the minimum return expected by investors. Total Invested Capital is the combined total of equity and debt used to fund the company's operations.	Awotomilusi et al. (2023); Boluwaji et al. (2024); Dada et al. (2023); Dagunduro et al. (2023); Kolawole et al. (2023); Oluwagbade et al. (2023); Lawal et al. (2024)

Source: Authors' Compilation (2024)

**Table 2: Overall descriptive statistics**

Variable	Obs	Mean	Standard deviation	Min	Max	Skewness	Kurtosis
EVA	60	-0.0192	0.0536	-0.2541	0.0065	-3.1473	12.0732
EAD	60	0.1683	0.2487	0	0.8	1.1060	2.9438

Source: Researchers' Computation (2024)

deemed appropriate (George and Mallery, 2010), while the kurtosis between -7 and +7 is deemed normal (Bryne, 2010; Hair et al., 2010). In this regard, EVA's skewness is -3.1473 and the kurtosis is 12.0732, denoting a departure from normal distribution. Again, EAD had an average value of 0.1683. This indicates an average disclosure of 16.83%. The largest disclosure is represented by 0.8, whilst 0.0000 indicates no disclosure. However, there is a 0.2487 deviation from the mean here. In terms of shape, the skewness is 1.1060. Although this is deemed appropriate, EAD is moderately symmetrical. The kurtosis of EAD is 2.9438. Although a normal distribution has kurtosis exactly 3, EAD is approximately mesokurtic.

#### 4.2. The Panel Regression Analysis between Environmental Accounting Disclosure and Economic Value

Pearson correlation analysis was employed in the study to investigate the dependent variables' functional relationship with the independent variable. The results revealed a moderate linear association between EAD and EVA, with a value of 0.2328 and a significance level of 0.0734. To examine multicollinearity in panel variables, the study used the variance inflation factor test. The mean VIF score was 1.00, showing no substantial multicollinearity between independent variables. The study used the Breusch-Pagan/Cook-Weisberg test to investigate if independent factors improved or added value to model predictions. The data demonstrated heteroskedasticity, with a Chi-value of 13.68 and a  $P=0.0002$  for the Breusch-Pagan/Cook-Weisberg test.

Furthermore, the Durbin-Watson d-statistic test for autocorrelation in panel data was performed to detect whether or not serial correlation was present in the data distribution, proving its independence and absence of effect. At a statistic of 0.4450, the model exhibits a positive serial correlation. The Shapiro-Wilk W test was used in

the study to determine the normality of regression model residuals. The residuals are not normally distributed ( $P=0.0000$ ). To enable reliable inferences, the variables were changed to be normally distributed. At a  $P=0.0000$ , there is no correlation between independent variables and residuals. With a mean residual value of  $-3.20e-11$ , the residuals are uniformly distributed around zero, indicating no bias in the model's predictions.

In terms of regression model specification, the study performed a regression specification error test for omitted variables. While the null hypothesis indicates the model has no omitted variables when the  $P>0.05$  level of significance, the alternate hypothesis indicates omitted variables. Based on the test result of 0.04 and  $P=0.9891$ , the study therefore concluded that there was no omitted variable in the model. To ensure that residuals have no link with the independent variables, the linear regression technique requires a zero correlation between error terms and independent variables. Error terms appear to grow when covariance is positive and decrease when covariance is negative. The covariance is practically zero, which supports the exogeneity hypothesis. The test results show a 0.0000 ( $P=1.0000$ ) correlation between the residuals and EAD. As a result, no association exists between error terms ( $r$ ) and independent variables.

#### 4.3. Model's Estimation, Prediction and Analysis

The study examined the effect of environmental accounting disclosure on the economic value of publicly traded agricultural companies. Two factors were examined: EVA, and EAD. It was critical to assess the model's distinct features (Pooled OLS, Fixed effect, and Random effect) to better understand the impact of EVA on economic value. In this case, the presence of multicollinearity, autocorrelation, non-normality and heteroskedasticity required the use of robust regression analysis. As a result, the effectiveness of pooled OLS, fixed effect, and random effect were not assessed.

**Table 3: Regression estimate on environmental accounting disclosure and economic value**

Variables	Coeff	t-value	P-value
EAD	0.0048	3.28	0.002
Constant	-0.0022	-4.96	0.000
F-statistic	10.78		
P-value	0.0017		
Mean Residual	-3.20e-11		
Ramsey reset test	0.04 (0.9891)		
VIF	1.0000		
Breusch-Pagan/ Cook-Weisberg test for heteroskedasticity	13.68 (0.0002)		
Durbin-Watson d-statistic test	0.445		
Shapiro-Wilk W test for normal data	6.950 (0.0000)		
Correlation Residual- EAD	0.0000 (1.0000)		
Linearity- EAD, EVA	0.2328 (0.0734)		

Source: Researchers' Computations (2024)

According to the robust regression analysis results, the Wald test statistic is 10.78, with a 0.0017 P-value. Table 3 shows the model's estimated parameters and their statistical significance. A positive coefficient indicates that as the value of the output variable increases by one unit, the coefficient of the isolated variable increases as well. A negative coefficient indicates that as the standalone variable grows by one unit, the output variable drops by the same coefficient. The EAD has a coefficient of 0.0048 and a P=0.002, which are deemed statistically significant. This implies that for every unit rise in the environmental accounting disclosure of agricultural firms, the economic value of such firms increases by 4.8%.

#### 4.4. Discussion of Findings

The relationship between environmental accounting disclosure and the economic viability of listed agricultural enterprises in Nigeria is complex and understudied. Despite the global focus on environmental sustainability, Nigerian agricultural enterprises' financial reporting is inadequate. This study seeks to fill these gaps by looking into the relationship between environmental accounting disclosure and the economic worth of Nigerian publicly traded agricultural enterprises. The regression study revealed that environmental accounting disclosure has a large and favourable impact on the economic worth of Nigeria's publicly traded agriculture enterprises. The findings imply that environmental openness and accountability improve the financial performance of Nigerian agricultural enterprises, supporting the notion that sustainable business practices can lead to improved economic outcomes.

Investors are increasingly focussing on environmental and ethical behaviours. Firms that openly disclose their environmental impact are more likely to attract investors looking to invest in responsible and sustainable businesses, and transparent environmental reporting reduces investors' perceived risk, resulting in a higher valuation and potentially lower cost of capital. The findings are consistent with original predictions and support the acceptance of the alternative hypothesis. They are also consistent with the findings of Jafari and Nikbakht (2023), Kim and Lee (2023),

Kolawole et al. (2023), Liu and Wang (2023), Matovu and Ssempijja (2023), Nguyen and Pham (2023), Okeke and Nnadi (2023), and others, who discovered a positive relationship between environmental disclosure and firm performance.

## 5. CONCLUSION AND RECOMMENDATIONS

This study investigated the relationship between environmental accounting disclosure and the economic worth of listed agricultural enterprises in Nigeria, addressing a complicated and understudied topic. Despite a global emphasis on environmental sustainability, Nigerian agricultural enterprises' financial reporting is still inadequate. According to the study's regression analysis, environmental accounting disclosure had a significant and beneficial effect on these enterprises' economic values. This implies that environmental openness and accountability improve the financial performance of Nigerian agricultural enterprises, supporting the idea that sustainable business practices can lead to improved economic outcomes. Furthermore, it emphasises that investors are increasingly prioritising sustainability and ethical standards, with enterprises that disclose their environmental effect clearly drawing more investors and reaching better valuations, perhaps lower costs of capital.

The study suggests that environmental accounting disclosure is a crucial aspect in increasing the economic worth of Nigeria's listed agricultural enterprises. The regression study revealed a substantial and positive association, indicating that enterprises who engage in transparent and accountable environmental practices benefit financially. This conclusion emphasises the need to include sustainability in financial reporting and corporate operations. It also implies that by improving their environmental disclosures, agricultural companies might attract more investors, lower perceived investment risks, and improve their overall financial performance.

Based on the findings of this study, it is recommended that agricultural enterprises in Nigeria improve their environmental reporting methods in order to give more thorough and transparent information about their environmental impact. Second, businesses should incorporate sustainable business practices into their operations to increase efficiency, lower costs, and improve their market reputation. Policymakers could also consider enacting legislation that requires all publicly traded companies to disclose environmental accounting information in order to guarantee a consistent approach to sustainability reporting. Furthermore, efforts should be made to educate investors about the importance of sustainability and how to assess organisations' environmental practices, resulting in more informed investment decisions. Finally, businesses should engage with stakeholders, such as consumers, investors, and the community, to explain their environmental initiatives and foster stronger, trust-based relationships.

This study contributes to the current body of knowledge by providing empirical evidence on the favourable impact of environmental accounting disclosure on the economic value



of agricultural enterprises in Nigeria, an area that has hitherto been underexplored. Second, the study closes the gap between environmental sustainability and financial performance by proving the actual benefits of sustainable practices in a poor nation setting. Furthermore, the findings suggest the need for regulatory frameworks that encourage or compel environmental disclosures, which can help inform policy discussions and development. It also educates investors on the need for environmental transparency in investment decisions, encouraging the incorporation of ethical and sustainable factors into investment plans. Finally, by emphasizing the advantages of environmental disclosures, the study encourages agricultural companies and other industries to adopt higher levels of environmental accountability and openness.

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