

Green Accounting Practices and Investors' Confidence of Industrial Goods Firm in Nigeria

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ABSTRACT

This study examined the effect of green accounting practices on investors' confidence in listed industrial goods firms in Nigeria from 2010 to 2024. Tobin's Q was used as a proxy for investors' confidence, while green accounting practices were measured using environmental remediation cost, environmental training cost, pollution control cost, renewable energy investment cost, environmental regulatory compliance cost, waste recycling disclosure, and effluent disclosure. Anchored on Stakeholder Theory, Legitimacy Theory, and Signaling Theory, the study adopted an ex-post facto research design using data from annual reports of 11 sampled firms. Hierarchical regression analysis based on pooled OLS was employed for estimation. The results revealed that environmental remediation cost, environmental training cost, renewable energy investment cost, environmental regulatory compliance cost, and waste recycling disclosure have positive and statistically significant effects on investors' confidence. However, pollution control cost and effluent disclosure were not statistically significant. The model explained 37.9% of the variation in Tobin's Q, indicating moderate explanatory power. The study concluded that green accounting practices enhance investors' confidence in Nigerian industrial goods firms. It recommended that firms integrate environmental sustainability into core strategies and improve disclosure practices to strengthen investor trust and market valuation.

Keywords: Green accounting practices; investors' confidence; Tobin's Q; environmental disclosure; industrial goods firms; Nigeria.

INTRODUCTION

Background to the study

Green accounting has emerged as an extension of traditional reporting due to growing environmental concerns, integrating environmental costs and sustainability disclosures into corporate reporting to enhance transparency and accountability (Olaoye & Alao, 2023; Nnamani et al., 2024). In Nigeria, weak regulation and inconsistent enforcement have limited effective environmental reporting, causing many environmental costs to be treated as non-core business expenses (Nnamani et al., 2024). However, rising investor attention to sustainability has increased the importance of green accounting as a signal of risk management and long-term value creation (Seun et al., 2023).

Key green accounting practices such as environmental remediation, pollution control, environmental training, renewable energy investment, and compliance costs reflect firms' commitment to sustainability and regulatory adherence (Ikpor et al., 2022; Olaoye & Alao, 2023; Nnodim, 2025). In addition, disclosures on waste recycling and effluent management improve transparency and reduce information asymmetry, thereby strengthening investor confidence (Fraklin et al., 2025). Overall, these practices influence investors' confidence (Tobin's Q) by signaling lower environmental risk and stronger long-term sustainability, although empirical evidence in Nigeria remains limited, especially in the industrial goods sector.

Statement of the problem

Despite increasing global attention to environmental sustainability, manufacturing firms especially in developing economies—continue to contribute significantly to environmental degradation through high emissions, waste

generation, and resource depletion (Azeez & Ofoegbu, 2025). In Nigeria, weak environmental enforcement has made it difficult to ensure adequate environmental management and transparent reporting, raising concerns about firms' sustainability practices and disclosure quality (Ibiang et al., 2023).

Green accounting has emerged as a tool for improving environmental accountability by incorporating environmental costs, liabilities, and sustainability disclosures into corporate reporting. While it is expected to reduce information asymmetry and improve investors' confidence, its application in Nigeria remains largely voluntary and inconsistent, making it difficult for investors to properly assess environmental risks and firm value implications (Azeez & Ofoegbu, 2025).

Existing studies have largely focused on broad ESG or aggregate environmental disclosure measures, with limited attention to specific green accounting components such as environmental training costs, compliance costs, renewable energy investments, waste recycling, and effluent disclosures (Chude et al., 2022; Yusuf et al., 2021; Benson et al., 2021). In addition, many studies rely on accounting-based performance indicators, which may not fully capture market-based investor confidence (Ajinwo & Dokubo, 2025; Nnodim, 2025). Furthermore, prior research has concentrated more on sectors like oil and gas, leaving the industrial goods sector underexplored despite its significant environmental impact (Ibeanu et al., 2023; Horsfall & Womenazu, 2022).

Given these gaps, there is a need to examine how specific green accounting practices such as remediation costs, training costs, pollution control costs, renewable energy investments, compliance costs, and environmental disclosures affect investors' confidence in Nigerian industrial goods firms.

Objectives of the study

The broad objective of this study was to examine the effect of green accounting practices on investors' confidence of listed industrial goods firms in Nigeria. The specific objectives of the study to:

- i. Examine the effect of environmental remediation costs on investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria.
- ii. Assess the effect of environmental training cost on investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria.
- iii. Evaluate the effect of pollution control costs on investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria.

Research questions

The following research questions were raised to guide this study:

- i. What effect does environmental remediation costs have on investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria?
- ii. How does environmental training costs affect investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria?
- iii. What is the effect of pollution control costs on investors' confidence (Tobin's Q) of listed industrial goods firms in Nigeria?

Significance of the study

The study is relevant to key stakeholders in Nigeria's industrial goods sector.

For policymakers and regulators (FRCN, SEC, NESREA, NGX), it provides evidence to strengthen environmental disclosure and sustainability reporting standards to improve transparency and market confidence. For management of industrial goods firms, it offers guidance on how green accounting practices influence

investors, helping improve environmental investment and disclosure decisions that support firm value. For investors, it enhances understanding of how environmental disclosures affect investment decisions, risk assessment, and portfolio choices. For academics, it contributes to literature on green accounting and firm value in emerging economies using disaggregated environmental measures.

Overall, the study promotes awareness of environmental accountability and sustainable industrial practices in Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual framework

This framework shows the studied variables inter-relationship. The study examines the effect of green accounting practices on investors' confidence. Green accounting practices were measured using environmental remediation costs, environmental training costs, pollution control costs, renewable energy investment costs, environmental compliance costs, waste recycling disclosures, and effluent disclosures, as illustrated in Figure 2.1.

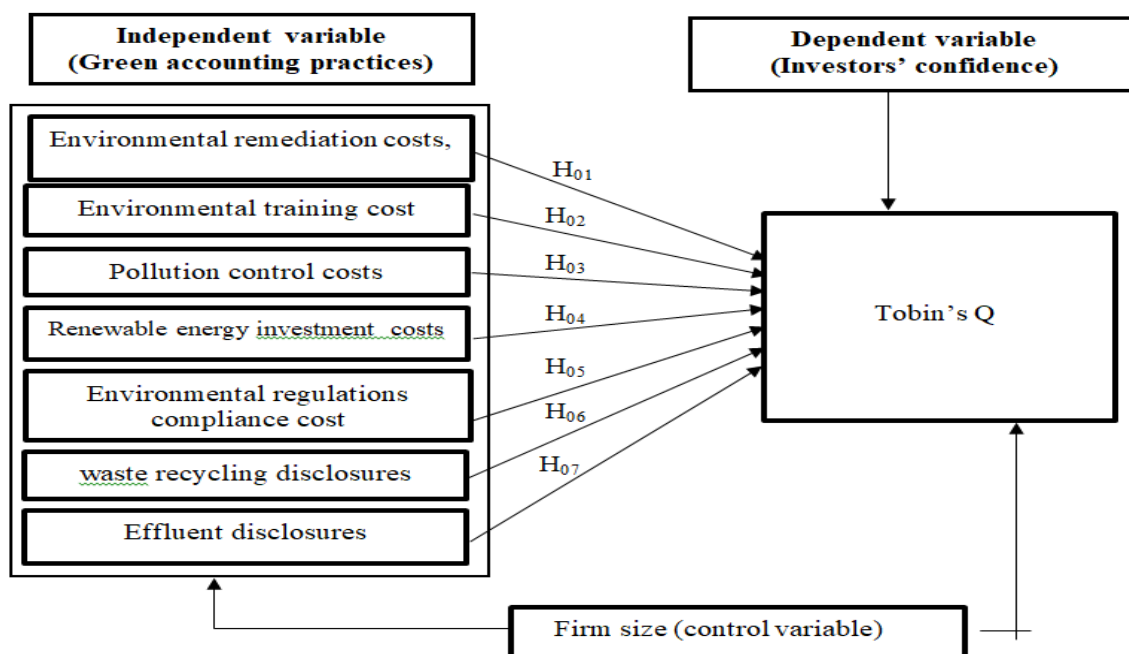


Fig. 2.1: Diagrammatic representation of the green accounting practices and investors' confidence

Green accounting practices

Green accounting (environmental or sustainability accounting) integrates environmental costs and impacts into traditional financial reporting to support better decision-making and sustainability (Dwianika et al., 2024). It involves identifying and reporting environmental costs, resource depletion, and ecological impacts alongside financial information, helping firms align economic activities with environmental goals.

Studies show that green accounting improves corporate performance, strategic decision-making, transparency, and stakeholder trust, especially when linked with green innovation and sustainability reporting (Akpan & Nkanta, 2023; Rangkuti & Kumalasari, 2023). In Nigeria and other emerging economies, it is associated with better financial performance and stronger alignment between economic growth and environmental protection (Aliyu & Ndah, 2024), while also supporting policy development and regulatory compliance (Franklin et al., 2025).

Despite its benefits, challenges such as inconsistent reporting standards, measurement difficulties, and weak institutional capacity limit its adoption (Munir & Pratama, 2025). Conceptually, green accounting captures

environmental social costs, mitigation expenditures, and inefficiencies in production processes, including emissions and waste-related costs (Makori & Jagongo, 2023; Yulita et al., 2025). Overall, it provides a framework for integrating environmental responsibility into corporate financial systems and improving sustainability-driven decision-making (Adebanjo & Wisdom, 2024).

Components of Green Accounting

Green accounting in this study comprises key environmental cost and disclosure elements: environmental remediation costs, environmental training costs, pollution control costs, renewable energy investment costs, environmental regulation compliance costs, waste recycling disclosures, and effluent disclosures.

Environmental Remediation Costs

Environmental remediation costs refer to expenditures incurred in cleaning, restoring, and rehabilitating degraded or polluted environments (Amosun & Akintoye, 2021). These costs cover activities such as pollution removal, soil and water treatment, and compliance with environmental laws (Tantua, 2023). Although often expensive, remediation improves environmental quality, protects public health, and enhances long-term corporate sustainability and reputation (Kansilembo et al., 2023). In Nigeria, such costs are particularly relevant due to pollution from industrial activities, oil spills, and waste mismanagement, with firms incurring both compliance and restoration-related expenses that can affect short-term profitability but improve long-term value (Nnodim, 2025; Chiamogu & Okeye, 2020).

Environmental Training Costs

Environmental training costs represent expenditures on educating employees about environmental management, compliance, and sustainability practices (Jimoh et al., 2023). These investments enhance employee competence, improve environmental awareness, and support organisational sustainability performance (Ikpore, 2022). Firms undertake such training to meet regulatory expectations, respond to stakeholder pressure, and build competitive advantage through improved environmental capabilities (Ibrahim et al., 2024; Hutabarat, 2024). Effective environmental training strengthens compliance, reduces environmental risks, and fosters a culture of sustainability within organisations.

Pollution Control Costs

Pollution control costs are expenditures aimed at preventing or reducing environmental pollution through technologies such as waste treatment systems, emission controls, and environmental monitoring infrastructure (Omole & Diisu, 2025). These costs ensure regulatory compliance and reflect firms' commitment to environmental responsibility (Dwianika et al., 2024). Although they increase operational expenses in the short term, pollution control investments reduce environmental risks, enhance corporate reputation, and may improve long-term financial performance and investor confidence (Henry & Ndubuisi, 2024). However, challenges such as inconsistent reporting standards and weak enforcement in developing economies limit their effective measurement and disclosure (Odum & Arinomor, 2023).

Investors' Confidence

Investors' confidence refers to the trust and optimism investors have in a firm's transparency, governance quality, and ability to generate sustainable returns (Rangkuti & Kumalasari, 2023). It reflects investors' willingness to engage in investment opportunities based on perceived risk and return (Aifuwa et al., 2023) and is influenced by factors such as regulatory quality, corporate governance, transparency, and market integrity (Confidence & Eddo, 2024). Strong disclosure practices and efficient market systems enhance investor confidence by reducing information asymmetry and improving decision-making (Yulita et al., 2025).

Investor confidence is also driven by optimism about future returns and protection against losses. High confidence increases demand for shares and raises prices, while low confidence leads to market decline and reduced trading activity (Shakil, 2022). In this context, corporate governance and transparency—particularly

through green accounting disclosures play a key role in strengthening investor trust by reducing agency problems and information asymmetry (Jensen & Meckling, 1976; Olaoye & Alao, 2023).

In this study, investors' confidence is proxied by Tobin's Q, a market-based measure of firm value introduced by Tobin (1969). Tobin's Q reflects the ratio of market value to asset replacement cost and captures investors' forward-looking expectations about growth, risk, and performance. A higher Tobin's Q indicates stronger investor confidence and better perceived firm prospects (Shakil, 2022). It is widely used in sustainability research because it incorporates market reactions to disclosure quality and reduces information asymmetry effects (Clarkson et al., 2018; Tantua, 2023).

Overall, Tobin's Q is considered an appropriate proxy for investors' confidence as it reflects how the market values firms' environmental responsibility, governance quality, and sustainability performance, particularly in emerging economies like Nigeria where environmental risk is significant (Adebanjo & Wisdom, 2024).

Theoretical Framework (Reduced)

The theoretical framework of this study is anchored on Stakeholder Theory, Signaling Theory, Legitimacy Theory, Agency Theory, and Real Option Theory. These theories collectively explain how green accounting practices influence investors' confidence in firms.

Stakeholder Theory (Freeman, 1984)

Stakeholder Theory posits that firms are accountable not only to shareholders but also to a wide range of stakeholders, including investors, regulators, employees, and communities (Freeman, 1984). Effective stakeholder management requires transparency and disclosure to reduce information asymmetry and build trust.

Within green accounting, environmental disclosures such as pollution control costs, compliance reporting, and sustainability practices enhance transparency and strengthen investor confidence (Schaltegger & Burritt, 2020). Investors interpret such disclosures as indicators of ethical governance and long-term sustainability, thereby improving firm valuation.

Signaling Theory (Spence, 1973)

Signaling Theory explains how firms communicate private information to external stakeholders through observable signals. In the context of green accounting, environmental disclosures, compliance costs, and sustainability reporting serve as signals of firm quality and risk management (Connelly et al., 2011).

For Nigerian firms, such signals reduce information asymmetry and uncertainty, allowing investors to assess environmental responsibility and managerial efficiency. As a result, credible green accounting disclosures enhance investor confidence and positively influence investment decisions.

Legitimacy Theory (Dowling & Pfeffer, 1975)

Legitimacy Theory suggests that firms seek to operate within socially accepted norms and values to maintain societal approval (Dowling & Pfeffer, 1975). Environmental reporting is therefore used as a legitimacy tool to demonstrate compliance with societal expectations.

Green accounting disclosures help firms justify their environmental impact and maintain legitimacy in the eyes of stakeholders. In this way, firms enhance reputation, reduce legitimacy risks, and improve investor perception of sustainability performance.

Agency Theory (Jensen & Meckling, 1976)

Agency Theory highlights conflicts of interest between managers and shareholders arising from information asymmetry. Managers may under- or over-invest in environmental activities for personal or strategic motives.

Green accounting disclosures help reduce agency problems by improving transparency and monitoring managerial behavior. However, excessive environmental spending without value justification may reduce firm value, making disclosure quality important for investor confidence.

Real Option Theory (Black & Scholes, 1973; Merton, 1973)

Real Option Theory views investment decisions as flexible options that can create future value under uncertainty. Environmental investments such as pollution control and renewable energy provide firms with strategic flexibility.

Green accounting disclosures help investors recognize the future option value embedded in sustainability investments. This reduces uncertainty and enhances market valuation and investor confidence, particularly in volatile environments.

REVIEW OF EMPIRICAL STUDIES

The related empirical studies will be carried out in this section covering each objective of the study.

Ajinwo and Dokubo (2025) examined environmental costs and financial performance of listed consumer goods firms in Nigeria using ex-post facto design and multiple regression analysis. Their findings revealed that environmental remediation cost and community development cost have positive and significant effects on return on capital employed. The study recommended increased investment in environmental and community initiatives. However, the study is limited conceptually because it focused only on remediation and community development costs, excluding broader green accounting dimensions such as disclosure quality, compliance costs, and sustainability reporting. This study addresses this gap by adopting a more comprehensive green accounting framework.

Nnodim (2025) investigated green accounting and financial performance of listed oil companies in Nigeria using panel data regression. Green accounting was measured through environmental remediation, waste management, and renewable energy costs, while performance included ROCE, EPS, and NPM. The results showed an insignificant relationship between green accounting variables and financial performance, suggesting weak market responsiveness to environmental costs in the Nigerian oil sector.

Kansilembo et al. (2023) used qualitative content analysis to examine environmental costs and financial performance in two South African manufacturing firms. Findings indicated a positive relationship between environmental remediation costs and profitability, showing that environmental investments can enhance long-term financial sustainability.

Ibeanu et al. (2023) found that environmental remediation and pollution control costs significantly improve return on assets of Nigerian oil firms, supporting environmental quality cost theory. Similarly, Horsfall and Womenazu (2022) reported mixed results, where environmental costs showed both positive and negative relationships with ROE and ROA depending on the cost type.

Tantua (2023) examined green accounting and corporate viability in Nigerian oil firms and found a positive but insignificant relationship between environmental costs (remediation, redemption, compensation) and return on investment, suggesting weak statistical influence despite theoretical relevance.

Chude et al. (2022) studied consumer goods firms in Nigeria and found that green accounting practices positively and significantly affect return on assets, but negatively affect return on equity (insignificant). This shows mixed financial outcomes depending on performance measures used.

Illelaboye et al. (2022) found that restoration and community development costs negatively affect financial performance, while health and safety costs show a positive but insignificant effect in family-owned firms.

Idowu and Agboola (2021) reported that environmental remediation and administrative costs positively affect performance, while business location costs negatively affect financial performance in extractive firms.

Oraka (2021) found that environmental remediation and compliance costs significantly improve Tobin's Q in oil and gas firms, indicating positive market-based valuation effects.

Yusuf et al. (2021) established a positive correlation between environmental performance and financial performance, suggesting that sustainability improves profitability.

Benson et al. (2021) and Amosun and Akintoye (2021) also found that environmental cost accounting significantly improves financial performance in oil and gas and natural resource firms.

Samuel et al. (2020) reported that environmental cost disclosures (waste management, health and safety, remediation) significantly improve net profit margin, reinforcing the value relevance of environmental transparency.

Summary of Empirical Gap

Overall, existing studies show mixed but generally positive relationships between green accounting and firm performance. However, most studies focus on oil and gas or use limited cost-based measures. There is also limited attention to comprehensive green accounting dimensions and market-based performance measures in the Nigerian industrial goods sector, which this study addresses.

RESEARCH METHODOLOGY

This chapter presents the methodological framework adopted in examining the relationship between green accounting practices and investors' confidence in Nigerian industrial goods firms. It covers the research design, population and sampling procedures, sources of data, measurement of variables, model specification, and techniques of data analysis employed to achieve the study objectives.

Research Design

The study adopted an ex-post facto research design. This design is appropriate because it enables the examination of the effect of green accounting practices on investors' confidence using historical secondary data without manipulation of variables. The design is particularly suitable for studies relying on financial statement data and sustainability disclosures extracted from annual reports of listed firms.

Population of the Study

The population of the study comprised all industrial goods firms listed on the Nigerian Exchange Group (NGX) as at 31st December 2024. According to the NGX Factbook (2024), a total of 13 industrial goods firms were listed during the period under review.

Sample Size and Sampling Procedure

The study initially considered the full population of 13 listed industrial goods firms. However, following the application of sampling criteria, a final sample of 11 firms was obtained. The sampled firms are presented below:

S/N	Sampled Firms
1	Austin Laz & Co
2	Berger Paints Plc
3	Beta Glass Plc

4	CAP Plc
5	Cutix Plc
6	Dangote Cement Plc
7	Greif Nigeria
8	Lafarge Africa Plc
9	Meyer Plc
10	Premier Paints Plc
11	Triple Gee and Company Plc

Sampling Technique

Purposive sampling technique was employed in selecting the firms used in the study. The selection was based on the availability and consistency of financial and sustainability data over the study period (2010–2024). Firms were included if they were continuously listed on the NGX and had complete annual reports for the period under review. Firms listed after 2010, delisted before 2024, or involved in mergers and acquisitions during the period were excluded to ensure data consistency and comparability. Based on these criteria, BUA Foods Plc and Notore Chemicals were excluded from the study.

Sources of Data and Data Collection

The study relied on secondary data obtained from the annual reports and financial statements of the sampled firms, as well as the Nigerian Exchange Group (NGX) Factbook for the period 2010–2024. Secondary data were preferred due to their reliability, objectivity, and verifiability.

Data on environmental disclosures, particularly waste recycling disclosures and effluent disclosures, were obtained through content analysis of annual reports.

Content Analysis

Content analysis was used to convert qualitative environmental disclosure information into quantitative data. A disclosure checklist developed in line with the Global Reporting Initiative (GRI) framework was employed to systematically code and measure waste recycling and effluent disclosure variables. A score of “1” was assigned where such disclosures were present, and “0” where they were absent.

Data Analysis Technique

The study employed both descriptive and inferential statistical techniques. Descriptive statistics such as mean, standard deviation, minimum, and maximum values were used to summarize the dataset. Inferential analysis involved correlation analysis and hierarchical regression analysis.

Hierarchical regression, a form of pooled Ordinary Least Squares (OLS), was used to estimate the incremental effect of green accounting variables on investors’ confidence. The adoption of pooled OLS was justified based on the Lagrange Multiplier (LM) test, which indicated the absence of significant panel effects, thereby rendering fixed and random effect models unnecessary.

All analyses were conducted using STATA 17.

Model Specification

The empirical model for the study was adapted from Confidence and Eddo (2024), with modifications to suit the objectives of the present study. The functional relationship is specified as:

Investors' confidence = $f(\text{green accounting practices})$

This is expressed econometrically as:

$$\text{TOBQ}_{it} = \beta_0 + \beta_1 \text{ENRC}_{it} + \beta_2 \text{ENTC}_{it} + \beta_3 \text{POCC}_{it} + \beta_8 \text{FIMS}_{it} + \varepsilon_{it}$$

Where:

TOBQ = Tobin's Q (proxy for investors' confidence)

ENRC = Environmental remediation cost

ENTC = Environmental training cost

POCC = Pollution control cost

FIMS = Firm size (control variable)

β_0 = Constant term

β_1 – β_8 = Coefficients of explanatory variables

ε = Error term

i = Firm

t = Time period

Operationalization of Variables

Variable	Measurement	Source	Expected Sign
Tobin's Q	(Market value of equity + total liabilities) / Total assets	Confidence & Eddo (2024)	—
Environmental Remediation Cost	Natural log of remediation cost	Ajinwo & Dokubo (2025)	+
Environmental Training Cost	Natural log of training cost	Adedipe et al. (2025)	+
Pollution Control Cost	Natural log of pollution control cost	Ibeanu et al. (2023)	+
Firm Size	Natural logarithm of total assets	Igboke et al. (2021)	+

Decision Rule

The study adopted a 5% level of significance as the basis for hypothesis testing. The null hypothesis was rejected where the p-value was less than 0.05, and accepted where the p-value was equal to or greater than 0.05.

Data Presentation, Analysis and Discussion of Findings

This chapter presented the empirical results on the relationship between green accounting practices and investors' confidence in Nigerian industrial goods firms. The analysis was based on 165 firm-year observations and employed descriptive statistics, normality tests, correlation analysis, and regression estimation.

The descriptive results showed substantial variation across firms in Tobin's Q, environmental costs, disclosure practices, and firm size, indicating strong heterogeneity within the industry. Some firms recorded extremely high market valuations, while others showed relatively low values. Environmental expenditures such as remediation, training and pollution control, also varied widely across firms, reflecting differences in environmental commitment and operational practices.

The normality test revealed that most financial and environmental cost variables were not normally distributed, largely due to skewness and outliers, although disclosure variables (waste recycling and effluent disclosures) were approximately normally distributed. Despite this, the data remained suitable for regression analysis given the robustness of OLS with large samples.

Correlation results showed that environmental remediation cost was positively related to investors' confidence, while pollution control cost, renewable energy investment cost, and regulatory compliance cost had negative relationships. Disclosure variables and firm size showed weak or insignificant associations with investors' confidence.

The regression results indicated that the model explained 37.9% of the variation in Tobin's Q. Environmental remediation cost, environmental training cost and renewable energy investment cost and firm size were significant determinants of investors' confidence, while pollution control cost and effluent disclosure were not significant.

Diagnostic tests confirmed the validity of the model, showing no heteroscedasticity or multicollinearity and no significant panel effects. An outlier issue identified in Berger Paints Nigeria Plc was addressed through logarithmic transformation to improve model reliability.

Overall, the findings suggest that green accounting practices have a mixed but generally significant influence on investors' confidence in Nigerian industrial goods firms.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

This study investigated the effect of green accounting practices on investors' confidence in listed industrial goods firms in Nigeria from 2010 to 2024, using Tobin's Q as a proxy for firm value and grounding the analysis on Stakeholder Theory, Legitimacy Theory, and Signaling Theory. Based on the hierarchical regression results, the study established the following key findings:

Environmental remediation cost has a positive and statistically significant effect on investors' confidence (coeff. = 19.844, $p < 0.001$). This indicates that firms that invest in and disclose remediation activities are perceived more favourably by investors, as such expenditures signal environmental responsibility, risk mitigation, and long-term sustainability commitment.

Environmental training cost also shows a positive and significant effect on investors' confidence (coeff. = 12.708, $p = 0.002$). This suggests that investment in environmental training enhances firm value by improving employee awareness, regulatory compliance, and operational sustainability, thereby strengthening investor perception.

Pollution control cost has a negative but statistically insignificant effect on investors' confidence (coeff. = -1.022, $p = 0.883$). This implies that while such costs may reduce short-term profitability, they do not meaningfully influence investor valuation, as they are largely regarded as routine compliance expenditures rather than value-enhancing investments.

Conclusion

This study examined the effect of green accounting practices on investors' confidence in listed industrial goods firms in Nigeria. Based on hierarchical regression results, the study provides evidence that environmental accounting plays an important role in firm valuation.

The findings show that key green accounting variables—particularly environmental remediation costs, environmental training costs, renewable energy investment costs, environmental regulatory compliance costs, and waste recycling disclosures—have significant positive effects on investors' confidence. This suggests that investors in Nigeria increasingly view environmental expenditures and disclosures as indicators of good management, risk reduction, and long-term value creation rather than mere costs.

Overall, the study concludes that green accounting practices enhance investors' confidence in the Nigerian industrial goods sector and contribute positively to market valuation.

Recommendations

Based on the findings, the following recommendations are made:

Industrial goods firms should integrate environmental remediation into their strategic planning as a proactive value-creation activity rather than a compliance requirement. This will enhance sustainability and improve investor confidence.

Firms should strengthen environmental training through regular workshops and capacity-building programmes, and integrate sustainability competencies into performance evaluation systems to improve efficiency and transparency.

Pollution control should be repositioned as a strategic investment rather than a routine cost. Firms should adopt efficient technologies and improve disclosure of pollution control activities to enhance investor trust and operational performance.

Contribution to Knowledge

This study contributes to existing literature by providing empirical evidence that green accounting practices are both environmentally beneficial and value-relevant to investors. It enhances understanding of how environmental accounting influences investor behaviour in the Nigerian context, thereby advancing research in accounting, finance, and sustainability.

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