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Sustainability Reporting and Firm Value of Quoted Consumer Goods Firms in Nigeria

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Abstract: The growing emphasis on environmental, social, and governance (ESG) practices has made sustainability reporting an important mechanism for enhancing corporate transparency, accountability, and long-term value creation. This study examined the effect of sustainability reporting on firm value of quoted consumer goods firms in Nigeria. The population comprised of all the twenty-one (21) consumer goods firms quoted on Nigeria Exchange Group while purposive sampling technique was used to arrive at sixteen (16) sampled consumer goods firms covering the periods of eleven (11) years ranging from 2015 to 2025. The hypotheses were tested using the robust effect regression model after conducting some diagnostics tests. The findings revealed that both environmental reporting and social reporting has a significant negative effect on market share price of quoted consumer goods firms in Nigeria. The findings also indicated that governance reporting has an insignificant positive effect on market share price of quoted consumer goods firms in Nigeria. The study recommended among others that consumer goods firms in Nigeria should strengthen environmental reporting by providing detailed, accurate and measurable information on waste management, energy consumption, pollution control, emissions reduction, recycling, environmental protection and the efficient use of natural resources. The study further recommended that Firms should demonstrate how effective governance mechanisms contribute to accountability, transparency and long-term value creation. Strong governance reporting can reduce information asymmetry and increase investors' confidence in the reliability of corporate decisions.

Keywords: *Consumer Goods Firms, Firm Value, Nigeria, Sustainability Reporting.*

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Introduction

Firm value has remained a central concept in corporate finance and accounting because it reflects investors’ assessment of a firm’s current performance and future wealth-creation potential. Historically, corporate finance was largely concerned with profit maximisation, efficient allocation of capital and enhancement of shareholders’ wealth (Freeman *et al.,* 2020). Over time, however, the concept of firm value has expanded beyond accounting profits to incorporate expectations about future cash flows, growth opportunities, risk, investment decisions, competitive position and other factors that influence investors’ valuation of a firm (Koller *et al.,* 2020).

Firm value is a profitable measure reflecting the assessment of a business in the market Soomiyol (2024). It is a long-term measure of firm performance that is forward looking (Nkechi Emeka-Nwokeji, 2017). The benefit of every firm reflects the business worth of the company. Firm value is perceived not merely as a numerical outcome on financial statements but as a dynamic reflection of an entity's principles, strength or tenacity, and flexibility in the face of evolving challenges involving a delicate balance between tangible and intangible assets, blending financial prosperity with societal contributions and environmental stewardship (Aliyu *et al.,* 2024).

Globally, the understanding of firm value has progressively moved from a narrow shareholder-centred perspective toward a broader conception in which the interests and relationships of multiple stakeholders can influence corporate value. This transformation has been encouraged by growing concerns about environmental sustainability, climate change, social responsibility, ethical business conduct and corporate governance. Recent stakeholder literature emphasises that firms create value through relationships with diverse stakeholders, including customers, employees, suppliers, investors, communities and regulators, rather than shareholders alone (Freeman *et al.,* 2020; Jones *et al.,* 2021). In addition, the increasing integration of environmental, social and governance considerations into investment decisions has strengthened the relevance of stakeholder-oriented corporate practices to firm valuation (Gillan *et al.,* 2021).

In Nigeria, the concept of firm value has become increasingly important with the growth of the Nigerian capital market and the increasing reliance of companies on equity financing to support business expansion and long-term investment. Quoted firms are now evaluated not only on their accounting profitability but also on their market valuation, growth prospects, corporate governance quality, transparency and ability to create sustainable shareholder wealth (Olaleye *et al.,* 2024). For listed companies, changes in share prices, market capitalization and other market-based indicators provide important signals of investors' assessment of corporate performance and future prospects. Consequently, investors increasingly consider both financial and non-financial information when assessing the value of quoted firms in Nigeria, making firm value a critical indicator of corporate success and market confidence (Agunbiade & Oladejo, 2024; Shokomi & Yahaya, 2024).

Sustainability reporting is the disclosure and communication of economic, environmental, social, and governance objectives or targets of a company as well as its progress towards them. Sustainability reporting by Camelia *et al.* (2020) is the incorporation of the environmental, social, and economic aspects of an organization to the reporting and communication to the interested parties. In the explanation of Rojana *et al. (*2023), sustainability reporting discloses information about the economic, environmental and social consequences of company's activities. Common standards and frameworks that firms are using to report on their sustainability initiatives include the Global Reporting Initiative (GRI), GHG (Green House Gas) Protocol, International Organization for Standardization (ISO) 14000, TCFD (Task Force on Climate-related Financial Disclosures) that is now taken over by the IFRS Foundation through the sustainability accounting standards frameworks from the SASB (Sustainability Accounting Standards Board). Studies have affirmed that firms which are implementing sustainable protocols are likely to have better business performance and brand image (Closs *et al.*, 2011; Camelia *et al*., 2020).

Environmental sustainability reporting explains how a company reports environmental impacts of their business activities to the public and the initiatives undertaken to mitigate those impacts. Measures include greenhouse emissions, air and water quality, energy consumption, natural resources, solid and toxic waste and land use/land cover. Social sustainability reporting involves reporting the responsibility of a business to society (Sodhi, 2015). Measures of social sustainability include fundamental rights and public relations, labour practices, data security, health, product quality and safety, employee engagement, diversity and inclusion.

In recent decades, the global business environment has experienced a paradigm shift from purely profit-oriented objectives to a more inclusive model that integrates environmental, social, and governance (ESG) concerns. Sustainability Reporting (SR) has emerged as a strategic communication tool through which organizations disclose their impact and performance in these areas. CSR practices help firms demonstrate accountability, transparency, and a commitment to long-term stakeholder value creation (GRI, 2020; Eccles & Krzus, 2018). In Nigeria, the demand for corporate sustainability reporting has gained momentum due to increasing awareness of environmental degradation, social inequality, and governance failures, alongside rising expectations from investors, regulators, and the public. The Central Bank of Nigeria (CBN), the Financial Reporting Council of Nigeria (FRCN), and the Nigerian Stock Exchange (now NGX) have taken steps to encourage sustainability disclosure among listed companies, including consumer goods firms), through various guidelines and codes of corporate governance (CBN, 2012; FRCN, 2018).

Environmental activities such as waste management, pollution control, energy efficiency, greenhouse-gas reduction and climate-related **initiatives** can influence a firm's operating costs, reputation, regulatory exposure and overall risk. Environmental disclosure provides investors and other stakeholders with information about how firms identify and manage these environmental risks and opportunities. As investors increasingly consider environmental, social and governance (ESG) information in corporate valuation, environmental disclosure can potentially reduce information asymmetry and improve investors' assessment of a firm's long-term prospects (Gillan *et al*., 2021; Christensen *et al.*, 2021).

The issue is particularly relevant to quoted consumer goods firms because their activities commonly involve manufacturing, packaging, energy consumption, transportation and waste generation. Poor environmental practices may expose these firms to regulatory sanctions, reputational damage and loss of consumer confidence, while effective environmental practices may strengthen their competitive position. Nevertheless, empirical evidence remains mixed. Some studies find that environmental performance and disclosure can be associated with improved corporate value, whereas others suggest that the costs of environmental initiatives may outweigh their immediate financial benefits (Broadstock *et al.*, 2021; Gillan *et al.*, 2021). Therefore, the extent to which environmental disclosure contributes to the firm value of quoted consumer goods firms in Nigeria remains an important.

The main objective of this study is to examine the effect of sustainability reporting and firm value of quoted consumer goods firms in Nigeria. Other specific objectives are to:

- Determine the effect of environmental reporting on market share price of quoted consumer goods firms in Nigeria.
- Examine the effect of governance reporting on market share price of quoted consumer goods firms in Nigeria.; and
- Analyze the effect of social reporting on return on market share price of quoted consumer goods firms in Nigeria.

Based on the specific objectives, the following hypotheses have been formulated:

- **Ho_1:** Environmental reporting has no significant effect on return on market share price of quoted consumer goods firms in Nigeria.
- **Ho_2**: Governance reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria.
- **Ho_3**: Social reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria.

Materials

Conceptual Framework

The conceptual framework of this study comprises of three proxies of sustainability reporting, environmental reporting (ENVR), governance reporting (GOVR) and social reporting (SOCR) representing independent variable and a dependent variable of firm value proxied by market share price (MSP) with a control variable of firm leverage

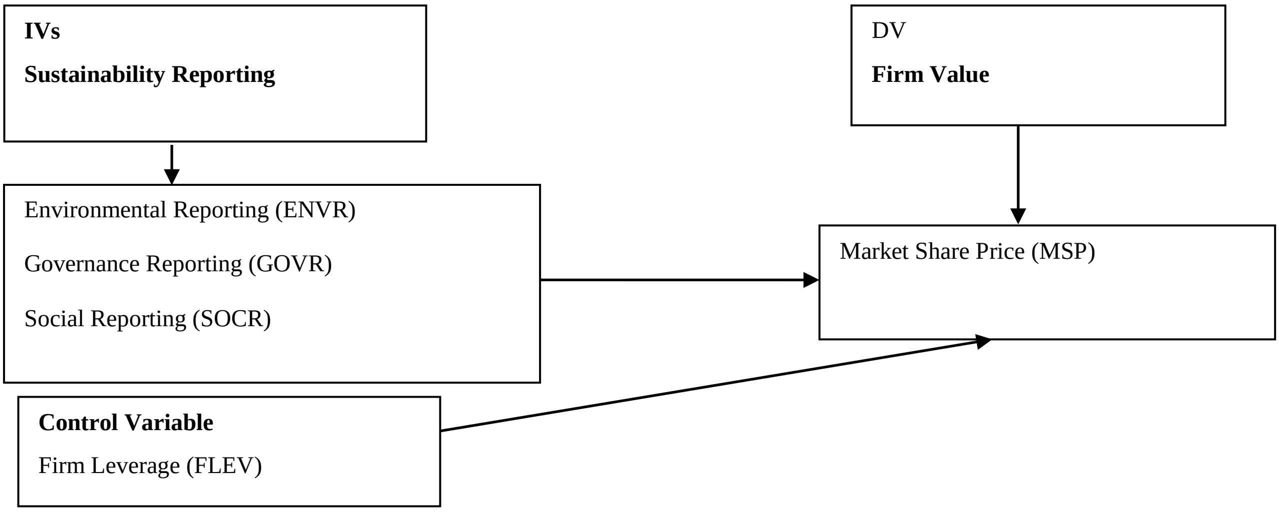

Figure 1: Adapted Conceptual Framework of the Study (Igwe *et al.*, 2023)
Researcher's Compilation, 2026

Sustainability Reporting

Sustainability reporting is the disclosure and communication of economic, environmental, social, and governance objectives or targets of a company as well as its progress towards them. Sustainability reporting by Camelia *et al*. (2020) is the incorporation of the environmental, social, and economic aspects of an organization to the reporting and communication to the interested parties. In the explanation of Rojana *et al.* (2023), sustainability reporting discloses information about the economic, environmental and social consequences of company's activities. Common standards and frameworks that firms are using to report on their sustainability initiatives include the Global Reporting Initiative (GRI), GHG (Green House Gas) Protocol, International Organization for Standardization (ISO) 14000, TCFD (Task Force on Climate-related Financial Disclosures) that is now taken over by the IFRS Foundation through the sustainability accounting standards frameworks from the SASB (Sustainability Accounting Standards Board). Studies have affirmed that firms which are implementing sustainable protocols are likely to have better business performance and brand image Closs et al. (2011), Camelia *et al.* (2020).

Environmental Reporting

Environmental reporting and its later development into sustainability reporting has been the most important aspect of accounting and the environment especially in the last two decades (Gray, 2014). A strategic framework for accomplishing a comprehensive reevaluation of company performance is offered by environmental reporting. Environmental reporting is not a novel idea, but it is nevertheless a topic of great interest for scholars and a hotly debated one for corporate executives and their stakeholders. Corporate environmental sustainability reporting, according to Deegan (2002), is the process by which a business informs specific interest groups within society as well as society at large about the environmental effects of its operations. Businesses may try to change the public's opinion of their operations by using environmental communication. A company's use of natural resources and its impact on Earth's ecosystems, adherence to environmental regulations, leadership in addressing climate change, energy-efficient operations, renewable energy, natural resource conservation, pollution.

Governance Reporting

Khan and Morrow (2021) define governance reporting as the articulation of a company governance framework and practices, serving as a tool for accountability and enhancing stakeholder relations. Ferri & Marra (2015) define corporate governance reporting as the disclosure of information concerning the structures, processes, and practices that govern an organization, aimed at enhancing transparency and accountability. Wang *et al.* (2024) note that governance reporting facilitates the assessment of a company's governance effectiveness, enabling stakeholders to evaluate whether the organization is fulfilling its responsibilities. Governance reporting involves the systematic presentation of a company's governance practices, including the roles of the board, risk management strategies, and ethical compliance, to stakeholders (Tricker, 2019). Muth & Donaldson (2015), governance reporting serves to inform stakeholders about the effectiveness of governance structures and the alignment of interests between shareholders and management. Governance reporting is a crucial component of corporate governance that addresses how well a company adheres to governance standards and regulations, providing stakeholders with insights into organizational integrity (Brown & Caylor, 2016).

Social Reporting

Gray (2015) defines social reporting as the process by which organizations publicly disclose their social, ethical, and environmental performance to their stakeholders, beyond traditional financial reporting. This type of reporting aims to address corporate accountability to society. Wang and Liu (2024) describe social reporting as a process through which companies disclose their contributions to social justice, labour standards, and community development, providing a narrative that connects social goals to corporate strategy. Adams & Frost (2016) describe social reporting as a component of sustainability reporting, focusing on how companies communicate their social impacts, such as labour practices and community engagement, to a broad audience. Dumitru and Dyduch (2017) state that social reporting serves as a means for corporations to provide information on their social responsibilities, including their contributions to community development, employee welfare, and ethical business practices. Chapple & Moon (2018) emphasize that social reporting allows companies to communicate how they address their social responsibilities, including their efforts in improving employee conditions, promoting equality, and supporting local communities.

Firm Value

Firm value is a forward-looking measure of company performance. The market-based approach evaluates the value of a firm on the basis of prices already quoted on the stock exchange, that is, the current quoted price at which investors buy or sell shares of a company or a bond at a given time often referred to as market capitalization (Akinlo & Iredele, 2014). Market value is often different from book value in that market–based approach values a company based on quoted price on the stock exchange. The market value is usually different from the book value because market value factors in future earnings and market sentiments (Okpala & Iredele, 2018). Bowerman & Sharma (2016) revealed that the market-based measures were more influential in managerial decision making of the US firms. Also, Caeseria & Basuki (2017) reported that sustainability Disclosure as a whole and its aggregate elements (environmental, social and economic) have more positive relation with market value (TobinsQ) than ROE. Accounting-based measures are not only subject to management discretion and manipulation but also reflect past events and performance with no idea of the future. A market measure like Tobin's Quotient (TQ) which is adopted for the study uses current market price which reflects actual market performance of each stock on the market and is therefore used as a market measure in this study.

Theoretical Review

Stakeholder Theory

The stakeholder theory was developed by Edward Freeman in 1984. The theory places premium on the importance of employees, shareholders, suppliers, business partners and their relationship with the company's managers. The theory suggests that firms report ESG-related activities to address stakeholder concerns and maintain positive relationships. The theory affirms that stakeholders are concerned with the accomplishment of a corporation where they have stake which implies that stakeholders are affected by the firm's goals. Amba (2013) posited that stakeholders provide resources for firm since every corporation needs human and capital resources to survive and create value. The external providers are crucial to the success of any firm. Therefore, firm should recognize valuable contributions of stakeholders and promote their embedding in firm's long time plan (Ali & Nasir, 2014). Assumptions of stakeholder theory: Stakeholder theory assumes that a company exists not only to maximize shareholders' wealth but also to create value for all stakeholders including employees, customers, suppliers, creditors, government, and the community. It assumes that firms must balance stakeholder expectations to achieve sustainable performance. The theory assumes that managers have ethical obligations to consider the interests of all stakeholders in their decisions, not just those of shareholders.

Theories Relevant to the Study

Stakeholder theory, which states that businesses should produce value for all stakeholders' employees, consumers, regulators, communities, suppliers, and investors, is the foundation of this study. The theory outlines activities related to ethics, society, government, and the environment that are significant to different stakeholder groups. Additionally, it asserts that improved stakeholder interactions can result in long-term profitability, loyalty, trust, and less conflict. This hypothesis provides a clear explanation of why businesses provide financial information and how doing so can affect financial results.

Empirical Review of Literature

Audu *et al.* (2026). Looked at how corporate sustainability reporting affected the financial performance of Nigerian quoted deposit money banks. The study used an ex-post facto research methodology, and the population consisted of all thirteen (13) deposit money institutions that were listed on the Nigerian Exchange Group as of December 31, 2023. The sample size was determined using the census sampling technique. The study's secondary data came from the annual reports of Nigeria's deposit money institutions between 2013 and 2024. The Economic, Social, and Environmental (EES) Index, which was modified from the ESE Disclosure Index, was used to collect data using content analysis. The study revealed that the return on asset of quoted deposit money banks in Nigeria is negatively impacted by both environmental and economic disclosure (ECD). However, social disclosure has a significant positive impact on quoted deposit money banks return on assets in Nigeria.

Abiloro and Omotehinse (2026) examined sustainability reporting and firm value of listed consumer goods firms in Nigeria, with particular emphasis on the moderating role of audit quality. The study used panel data obtained from the annual reports and financial statements of 20 listed consumer goods firms covering 2015–2024. Sustainability reporting was represented by environmental, social and governance disclosures, while firm value was measured using a market-based measure. The researchers employed a robust regression model after diagnostic tests indicated heteroskedasticity. The findings revealed that social and governance disclosures had positive and significant effects on firm value, whereas environmental disclosure had a weak and insignificant effect.

Audu, F., Usman, H. & Adeleye, T. J. (2026). The study examined the effect of environmental accounting practices on firm value of quoted oil and gas firms in Nigeria. An ex post facto research design was employed in this study. All ten (10) oil and gas companies listed on the Nigerian Exchange Group as of December 31, 2024, make up the population. Ten (10) oil and gas companies were chosen as the sample size for this study, which uses a census approach to examine the entire population. The annual reports and accounts of ten oil and gas companies that were quoted on the Nigerian Exchange Group floor across a ten-year period, from 2015 to 2024, were used to create a panel of data. The random effect regression technique was used to evaluate the data. According to this study, economic accounting practices disclosure has a negligible beneficial impact on the share price of listed oil and gas companies in Nigeria, whereas environmental accounting practices disclosure has a large negative impact.

Udoh *et al.* (2025) examined the effect of integrated reporting on the firm value of listed consumer goods firms in Nigeria. The study adopted a correlational research design and used panel data from 15 listed consumer goods firms covering 2014–2023. Firm value was measured using Tobin's Q and market price, while integrated reporting captured financial and non-financial information disclosed by the firms. Panel multiple regression was employed, with firm size included as a control variable. The findings showed that integrated reporting had a significant positive effect on firm value, suggesting that greater disclosure of financial and non-financial information can enhance investor confidence and corporate valuation. The study recommended that firms should integrate sustainability information with financial reporting. Rather than treating sustainability reporting as a separate compliance activity, management should demonstrate how environmental, social and governance activities contribute to long-term financial performance and value creation. The study focused on listed consumer goods firms, the relatively small sample may limit the generalisability of the findings

Okonkwo *et al.* (2025) investigated the influence of sustainability disclosures on firm value in the Nigerian industrial goods sector. The researchers adopted a longitudinal design and analyzed secondary data from 15 firms over the period 2016–2024. Financial performance was measured using Tobin's Q and return on equity. Using generalized least squares regression, the findings indicated that environmental disclosure significantly enhanced market valuation, while governance disclosure positively affected return on equity. Social disclosure had limited direct impact but improved stakeholder perception. The study concluded that sustainability disclosure strengthens long-term corporate competitiveness. The study recommended that management should integrate sustainability disclosure into overall corporate strategy rather than treating it as a compliance requirement. The study does not clearly explain how sustainability disclosure was measured. Without a detailed disclosure index or coding framework, it is difficult to assess whether the measurement captures the quality of disclosures.

Igbinovia and Ekwueme (2024) examined the mediating channels through which non-financial disclosures influence the firm value of quoted consumer goods companies in Nigeria. The study covered non-financial firms in the Nigerian consumer goods sector over the period 2011–2018 and adopted a quantitative research approach. Structural equation modelling (SEM) and path analysis were employed to examine the proposed channels through which non-financial disclosures affect firm value. The findings showed that non-financial disclosures significantly influence the firm value of quoted consumer goods firms in Nigeria. The study recommended that management should identify and strengthen the channels through which non-financial disclosure creates value. The study covered the period 2011–2018, which may limit the relevance of its findings to the current sustainability reporting environment. Therefore, more recent data could provide evidence that better reflects current reporting practices.

Methods

This study utilized the ex-post facto research design that makes use of quantitative data derivable from existing documents. The design has the benefit of being easily verified. The study population comprises twenty-one (21) consumer goods firms quoted on the Nigerian Exchange Group as of December 31st, 2025. The sample size consisted of sixteen (16) quoted consumer goods firms in Nigeria. The sampling technique adopted for this study was purposive sampling method which considers only those entities that fully meet the requirement of the study in having data for the complete ten (10) years covered by the study. The secondary sources of data were utilized in generating the data used for this study. The sustainability reporting initiatives were obtained from the Global Reporting Initiative score sheets, while firm value measured by the market share price in was extracted from the financial statements of the firms. The model estimation was by random effect regression analytical method determined after the conduct of the Lagrangian Multiplier test whose p-value less greater than 0.05. Diagnostic tests conducted were descriptive statistics, correlation for multicollinearity, normality test and heteroscedasticity test for variance constancy level determination.

Model Specification

The model for this study is made up of an independent variable as sustainability reporting represented by 3 proxies namely: environmental reporting, governance reporting and social reporting and dependent variable firm value measured by the market share price of the examined firms as used by Igwe *et al.***,** 2023) is expressed mathematically as follows:

MSP = *f*(ENVR, SOCR, GOVR

The above linear equation is represented in the econometric form as follows:

$MSP_{it} = \beta_0 + \beta_1 f(ENVR_{it} + \beta_2 SOCR_{it} + \beta_3 GOVR_{it}\ \mu_{it}$ ………. (Model)

Where:

MSP: represents a predictor for market share price that measures the dependent variable

(Firm Value);

f = represents the functional relationship of the model;

$\beta_{0\,=}$ represents the coefficient of the constant term;

ENVR = represents environmental reporting;

SOCR = represents social reporting;

GOVR = represents governance reporting;

FLEV= Firm Leverage

μ = Error term;

i = represents firms; and

t = Time.

Results and Discussion

Descriptive Statistics

Table 2 Summarises the descriptive statistics of the entire data set.

Variables	Obs	Mean	Std. Dev.	Min	Max
MSP	176	10.254	1.250	6.769	12.091
ENVR	176	0.073	0.052	0	0.6
GOVR	176	0.092	0.061	0	0.6
SOCR	176	0.107	0.043	0.01	0.2
FLEV	176	1.538	4.061	0.054	36.694

Source: Researcher's Computation using STATA 17 software (2026)

The descriptive statistics showed that over the period under study, sustainable reporting measured by environmental reporting (ENVR) and governance reporting (GOVR) and social reporting (SOCR) has positive mean value which ranges from 0.073 for environmental reporting (ENVR), 0.092 for governance disclosure (GOVR), 0.107 for Social Disclosure (SOCR) and 1.538 for firm leverage, The detail of the descriptive analysis is discussed below.

Table 2 showed that the market share price (MSP) has a minimum value of 6.769, a maximum value of 12.091 and a mean value of 10.254 that is within the minimum and maximum values indicating a good spread within the period studied. The table also revealed that ROE has a standard deviation of 1.250 that is less than the mean, which implies that it had slow growth for the period under review.

Table 2 also showed that board environmental reporting (ENVR) has a minimum value of 0, a maximum value of 0.6 and a mean value 0.073 that is within the minimum and maximum indicating a good spread within the period studied. The table also revealed that ENVR has a standard deviation of 0.052 that is less than the mean, which implies that it had slow growth during the period under review.

Table 2 further showed that governance reporting (GOVR) has a minimum value of 0, a maximum value of 0.6 and a mean value of 0.092 that is within the minimum and maximum indicating a good spread within the period studied. The table also revealed that GOVR has a standard deviation of 0.061 that is less than the mean, which implies that it had slow growth during the period under review.

Table 2 equally showed that the social reporting (SOCR) has a minimum value of 0.01, a maximum value of 0.1 and a mean value of 0.107 that is within the minimum and maximum values indicating a good spread within the period studied. The table also revealed that SOCR has a standard deviation of 0.043 that is less than the mean, which implies that it had slow growth for the period under review.

Table 2 equally showed that the firm leverage (FLEV) has a minimum value of 0.054, a maximum value of 36.694 and a mean value of 1.538 that is within the minimum and maximum values indicating a good spread within the period studied. The table also revealed that SOCR has a standard deviation of 4.061 that is greater than the mean, which implies that it had strong growth for the period under review.

Normality Test (Shapiro Wilk)

The decision rule is that the data is symmetrically (normally) distributed with p-value higher than 0.05 or asymmetrically (abnormally) distributed with p-value less than or equal to 0.05 around the mean.

Table 3: Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
MSP	176	0.948	6.829	4.392	0.000
ENVR	176	0.634	48.859	8.890	0.00
GOVR	176	0.621	50.515	8.966	0.000
SOCR	176	0.963	4.921	3.643	0.000
FLEV	176	0.284	95.587	10.424	

Source: Researcher's Computation using STATA 17 software (2026)

Table 3 above displays the normality test using Shapiro Wilk on both independent variables (environmental reporting (ENVR), governance reporting (GOVR) and social reporting (SOCR). The rule is that the data is symmetrically (normally) distributed with p-value higher than 0.05 or asymmetrically (abnormally) distributed with p-value less than or equal to 0.05 around the mean. Thus in the table the variables are not normally distributed evidenced by p-value of 0.0000. Based on the Shapiro–Wilk test with p = 0.0000, it is concluded that the variables are not normally distributed.

Test for Autocorrelation

Table 4 presents the result of the Wooldridge test for serial correlation.

Wooldridge test for autocorrelation in panel data	
H0 =	no first-order autocorrelation
F(1, 86) =	1.33
Prob > F =	0.250

Source: Researcher's Computation using STATA 17 software (2026)

The Wooldridge test for serial correlation is insignificant at 0.250 indicating the absence of first-order autocorrelation as shown in Table 4 above.

Pearson Correlation

Below shows the coefficient in the Pearson Correlation test for multicollinearity among the independent variables in the study. The decision rule is to accept the presence of multicollinearity among the independent variables if correlate above 0.8, otherwise reject the presence of multicollinearity in the model if no two independent variables correlate above 0.8 (Gujarati *et al.* 2012)

Table 5 Correlation Test

Variable	MSP	ENVR	GOVR	SOCR	FLEV
MSP	1.000				
ENVR	-0.046	1.000			
GOVR	0.111	-0.007	1.000		
SOCR	0.102	0.100	0.292	1.000	
FLEV	-0.070	0.147	-0.007	-0.122	

Source: Researcher's Computation using STATA 17 software (2026)

The correlation matrix determines the degree of relationships between the proxies of an independent variable and the dependent variable. It is also used to show whether there are associations among the proxies of independent variables themselves, to detect if a multicollinearity problem exists in the model. The result from table 5 shows that there exists 4% negative and weak relationship between environmental reporting (ENVR) and market share price (MSP) of quoted consumer goods firms in Nigeria from the correlation coefficient of -0.046. The table also shows that there is 11% positive and weak relationship between governance reporting (GOVR) and market share price (MSP) of quoted consumer goods firms in Nigeria from the correlation coefficient of 0.111.

Furthermore, the table shows 10% positive and weak relationships between social reporting (SOCR) and market share price (MSP) of quoted consumer goods firms in Nigeria from the correlation coefficient of 0.102. Finally, the table shows 1% negative and weak relationships between firm leverage (FLEV) and market share price (MSP) of quoted consumer goods firms in Nigeria from the correlation coefficient of -0.070. Finally, the relationships between proxies of independent variables themselves suggest being mild as all coefficients are below the threshold of 0.80 as suggested by (Gujarati, 2003) which indicates there is no presence of multicollinearity in the model.

Variance Inflation Factor (VIF)

Table 6: Variance Inflation factor

Variable	VIF	1/VIF
SOCR	1.13	0.885
GOVR	1.10	0.912
FLEV	1.04	0.957
ENVR	1.04	0.962
Mean VIF	1.08	

Source: Researcher's computation using STATA 17 software (2026)

Another test for collinearity is VIF which suggests presence of Multicollinearity if the VIF is more than 10 (Gujarati *et al*. 2012). In the table, the VIF is 1.08 which affirms absence of collinearity in the model. Also, the inverse VIF 1/VIF is less than 1 which also indicate non- existence of collinearity.

Heteroscedasticity Test Results

The decision rule is to reject the null hypothesis of constant variance if the model has p-value less than or equal to critical p-value of 0.05 or accept the hypothesis if the p-value is higher than the critical value of 0.05.

Table 7: Heteroscedasticity test

Type of test	Chi2	Prob Chi2
Heteroskedasticity	0.10	0. 000

Source: Researcher's computation using STATA 17 software (2026)

Table 7 showed the heteroskedasticity test using Breusch-Pagan/Cook-Weisberg method to determine the stability of the residual variance in the model. The decision rule is to reject the null hypothesis of constant variance if the model has p-value less than or equal to critical p-value of 0.05 or accept the hypothesis if the p-value is higher than the critical value of 0.05. From the table, the model has p-value of 0.000 which is less than 0.05 hence the null hypothesis of constant variance is accepted. This implies that the alternative which implies absence of heteroskedasticity in the model is accepted. This indicates strong predicting value.

Breusch-Pagan Lagrangian Multiplier Test

The Lagrangain Multiplier test examines the presence of unobserved effect in the random effect model. If the calculated value of the test exceeds the critical value (p-value less than 0,05), the null hypothesis is rejected and the random effect model of panel data is chosen and vice versa.

Table 8: Breusch and Pagan Lagrangian multiplier test

Variable	Chi2	P-Chi2
ROE	773.80	0. 000

Source: Researcher's computation using STATA 17 software (2026)

From table 6, the chi2 result is 1.40 with corresponding probability of 0.018. The model multiplier result is significant as p-value is less than 0.05. Since the multiplier result is 0.018 then the random model is the appropriate estimation technique for the study.

Hausman Specification Test

Decision rule for Hausman Test is that if the p-value is equal to or less than 0.05, the null hypothesis which states that the model is Random (not systematic) is rejected indicating that fixed effect is appropriate for the study. However, if the p-value is more than 0.05, then null is accepted and the appropriate estimation model is random.

Table 9: below presents the result of a Hausman specification test conducted.

Type of test	Chi2	P-Chi2
Hausman Test	0.13	0.997

Source: Researcher's computation using STATA 17 software (2026)

From Table 9, the Chi2 p-value is 0.13 and p-value of 0.997 which is greater than 0.05 thus the random model is used for the study.

The Results of Random Effect Regression Model

Table 10: Random Effect Regression Model Conducted

Variable	**Coefficients**	**z-value**	**Prob.**
_Cons.	10.275	30.50	0.000
ENVD	-0.235	-0.54	0.592
GOVR	0.328	0.90	0.368
SOCR	-0.185	-0.30	0.764
FLEV	-0.008	-0.81	0.417
R-sq overall	0.010		
Wald Chi2	1.86		
Prob. >Chi2	0.760		

Note: ***1% and **5% Significance levels

Source: Researcher's Computation using STATA 17 software (2026)

Table 10 above showed that 1% variation of market share price (MSP) is predicted by the combined effect of environmental reporting (ENVR), governance reporting (GOVR) and social reporting (SOCR) with (Overall R-sq of 0.010).The Wald chi2 value 1.86 with a Prob>chi of 0.760 signified that the model is fit for the study. This indicated that the model of the study is fit and the independent variables are properly combined and used.

Test of Hypotheses

The decision rule is to reject the null hypothesis if the p-value is less than or equal to 0.05 and accept the alternative hypothesis but where higher than 0.05, the null hypothesis is accepted and alternative rejected.

To examine the effect of sustainability reporting and firm value of quoted consumer goods firms in Nigeria, the formulated hypotheses were tested using a random effect regression model.

- **Ho_1:** Environmental reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria.

The results in Table 10 above showed that ENVR has a z-value of -0.54 with a coefficient of -0.235 and the corresponding p-value of 0.592 indicated that environmental reporting has an insignificant negative effect on market share price of quoted consumer goods firms in Nigeria for the period under review. Based on this, the null hypothesis which says that environmental reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria is accepted.

- **Ho_2:** Governance reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria.

Table 10 also revealed that GOVD has a z-value of 0.90 with a coefficient of 0.328 and the corresponding p-value of 0.368 showed that governance disclosure has an insignificant positive effect on market share price of quoted consumer goods firms in Nigeria for the period under review. Based on this, the null hypothesis which says that governance reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria is accepted.

- **Ho_3:** Social reporting has no significant effect on market share price of quoted consumer goods firms in Nigeria.

Table 10 equally indicated that SOCD has a z-value of -0.30 with a coefficient of -0.185 and the corresponding p-value of 0.764 showed that social reporting has an insignificant negative effect on market share price of quoted consumer goods firms in Nigeria for the period under review. Based on this, the null hypothesis which says that social disclosure has no significant effect on market share price of quoted consumer goods firms in Nigeria is rejected.

Table 10 finally indicated that FLEV has a z-value of -0.81 a coefficient of -0.008 the corresponding p-value of 0.417 showed that firm leverage has an insignificant negative effect on market share price of quoted consumer goods firms in Nigeria for the period under review.

Discussion of Findings

- This study revealed that environmental reporting has an insignificant negative effect on market share price of quoted consumer goods firms in Nigeria.
- This study finally revealed that governance reporting has an insignificant positive effect on market share price of quoted consumer goods firms in Nigeria.
- This study finally revealed that social reporting has an insignificant negative effect on market share price of quoted consumer goods firms in Nigeria.

Conclusion and Recommendations

This study concludes that sustainability reporting is an important corporate reporting practice that can influence the firm value of quoted consumer goods firms in Nigeria. The increasing attention of investors, regulators, consumers and other stakeholders to corporate environmental, social and economic responsibilities has made sustainability information an important component of corporate decision-making. Sustainability reporting provides stakeholders with information beyond traditional financial statements and can improve transparency, accountability and confidence in corporate activities.

Recommendations

Based on the specific objectives of the study, the following recommendations are made:

1. Consumer goods firms in Nigeria should strengthen environmental reporting by providing detailed, accurate and measurable information on waste management, energy consumption, pollution control, emissions reduction, recycling, environmental protection and the efficient use of natural resources.
2. Firms should demonstrate how effective governance mechanisms contribute to accountability, transparency and long-term value creation. Strong governance reporting can reduce information asymmetry and increase investors' confidence in the reliability of corporate decisions.
3. Firms should enhance social reporting by providing adequate information about employee welfare, occupational health and safety, human rights, staff training and development, community development, customer protection, product quality and consumer safety.

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