

**ENVIRONMENTAL INVESTMENTS AND FINANCIAL PERFORMANCE OF
LISTED MANUFACTURING COMPANIES IN NIGERIA**

BY

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THE AWARD OF THE DEGREE OF MASTERS (M.Sc.) IN ACCOUNTING**

JUNE, 2017

DECLARATION

I, Okere Wisdom, declare that this dissertation titled ‘Environmental Investments and Financial Performance of Listed Manufacturing Companies in Nigeria’ was done entirely by me under the supervision of Dr U. Uwuigbe and DR Obigbemi. The dissertation has not been presented either wholly, or partly, for any degree of this or any other University. All sources of scholarly information and references to prior studies are duly acknowledged.

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Signature & Date

CERTIFICATION

The undersigned certify that they have read and hereby recommend for acceptance by Covenant University a dissertation/thesis entitled: ‘Environmental Investments and Financial Performance of Listed Manufacturing Companies in Nigeria’ in partial fulfilment of the requirements for the Masters Of Science (MSc) in Accounting of Covenant University, Ota, Nigeria.

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DEDICATION

This study is dedicated to the Almighty God, who provided the resources both physical and spiritual to ensure completion of this work. Unto thy name, O Lord be all the glory.

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Abstract

There has been a long-standing debate on the significance of environmental investments. In line with this, the primary objective of this research is to ascertain the relationship between environmental investments and financial performance in Nigerian manufacturing firms. The hypotheses tested looked at the effect on internal environmental investments and external environmental investments on firm's financial performance and also to determine if there was a significant difference between the profitability of environmentally conscious and environmentally non-conscious firms in Nigeria. Descriptive analysis was used to explain the variables applied and panel regression analysis was used to find out if there exists a relationship between internal environmental investments (Employee Benefits, Staff Training Cost), external environmental investments (Donations) and firm's financial performance. The study, therefore, observed that there was a positive and significant relationship between internal environmental investments and firm's financial performance and also a positive but non-significant relationship between external environmental investments and firm's financial performance. Furthermore, paired sample t-tests were used to reveal that there was a significant difference between the profitability of environmentally conscious and environmentally non-conscious firms. That is, firms with higher environmental investments had a higher profitability level than environmentally non-conscious firms. The study recommends that companies should be more environmentally conscious and pay more attention to the welfare of their workforce and community they dwell in.