The Impact of Sustainability Disclosures on the Liquidity of Listed Manufacturing Firms in Nigeria.

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ABSTRACT

This study examines the impact of Sustainability Reporting Disclosures (SRD) on the Liquidity (LIQD) of listed manufacturing firms in Nigeria over the period 2012 to 2023. A purposive sampling technique was employed to select 35 firms from a total population of 69. Liquidity was measured using the current ratio, while SRD was assessed through environmental (ENVR), social (SOCR), and governance (GOVN) reporting metrics. The analysis utilized descriptive statistics and the Difference Generalized Method of Moments (GMM) estimation. The results show that environmental (ENVR), social (SOCR), and governance (GOVN) disclosures each exert a statistically significant negative impact on liquidity, as indicated by t-statistics of -3.6470, -8.1315, and -2.3009, respectively, with all corresponding p-values below the 0.05 threshold. While this indicates a short-term adverse effect, the study concludes that sustainability reporting significantly influences the liquidity of manufacturing firms in Nigeria. The study recommends that firms and investors approach sustainability disclosures with a long-term strategic outlook. While environmental, social, and governance (ESG) reporting may initially exert downward pressure on liquidity, these practices are instrumental in building long-term value, financial resilience, and sustainable growth. Rather than viewing the short-term liquidity impact as a deterrent, stakeholders should recognize sustainability reporting as an investment in the future stability and competitiveness of Nigeria's manufacturing sector.

Keywords: *Environmental Disclosures, Social Disclosures, Current Ratio, Sustainability Disclosures*

Introduction

Maximizing shareholder wealth is a fundamental goal of any business, achievable when a firm's rate of return exceeds the market's required rate. This increase in profitability enhances the firm's market value. In recent years, sustainability reporting has emerged as a strategic tool that can contribute to this goal by fostering transparency, improving stakeholder engagement, and encouraging responsible business practices. Environmental, social, and governance (ESG) dimensions play a central role in assessing the sustainability and ethical standing of corporate investments (Igbinovia, 2023). Globally, the significance of sustainability disclosure has led to its regulation in countries such as China, Singapore, Malaysia, the United Kingdom, and Canada. In contrast, other jurisdictions including Nigeria still treat sustainability reporting as largely discretionary (Eccles & Seraferm, 2020). This regulatory gap presents a challenge for consistent implementation and benchmarking of sustainability disclosure practices, especially in emerging economies.

Liquidity management, which involves a firm's ability to meet short-term obligations, is a critical aspect of financial health. Firms with strong liquidity positions can manage operations smoothly, negotiate better credit terms, and attract investment at favorable rates (Kallberg & Parkinson, 2019). The current ratio—defined as current assets divided by current liabilities is a widely accepted proxy for liquidity, with the ideal benchmark set at 2:1 (Akinsulire, 2014). However, this ratio may vary across industries and firms. Despite growing attention to sustainability reporting, there remains a significant research gap in understanding its direct implications for financial liquidity, especially in the manufacturing sector. The manufacturing industry is particularly relevant due to its environmental footprint, high energy consumption, and exposure to regulatory and sustainability-related scrutiny. Integrating ESG principles can help these firms improve resource efficiency, enhance social responsibility, and strengthen governance practices—all of which may influence their liquidity position. Although several studies have examined the relationship between sustainability reporting and corporate performance (e.g., Igbinovia & Agbadua, 2023; Karacayir & Afsar, 2024; Yin et al., 2023), few have focused specifically on the link between sustainability disclosure and liquidity. Research efforts that have considered this dimension (e.g., Bramanti et al., 2021; Chinonso & Meshack, 2023; Sarumpaet & Suhardi, 2020) are limited in scope and often overlook the manufacturing sector in developing economies.

In Nigeria, where sustainability reporting remains largely unregulated, listed manufacturing firms face increasing pressure to disclose non-financial information amid growing environmental and social concerns. However, the financial implications particularly on liquidity of such disclosures are not well understood. This lack of clarity makes it difficult for firms to weigh the trade-offs between adopting sustainability practices and maintaining short-term financial flexibility. Consequently, there is a pressing need to investigate whether sustainability disclosure, despite its long-term strategic value, imposes short-term liquidity constraints on manufacturing firms.This study fills the gap by thoroughly examining how environmental, social, and governance (ESG) disclosures influence firms' current ratio over the period 2012–2023. By addressing this gap, the research aims to provide insights for corporate decision-makers, investors, regulators, and other stakeholders on the financial trade-offs and long-term benefits associated with sustainability reporting.

Literature Review/ Conceptual Review

Sustainability Disclosures (SRD)

The **Triple Bottom Line (TBL)** concept expands the traditional focus on financial performance by incorporating social and environmental dimensions into the evaluation of an organisation's overall success. According to Goel (2010), TBL provides a comprehensive framework for assessing organisational performance based on the economic, social, and environmental consequences of its operations. In this context, **sustainability reporting (SR)** serves as a strategic tool for communicating a company's sustainability practices to various stakeholders. It requires organisations to manage and disclose the impacts of their operations on the environment and society, thereby fostering transparency and accountability.Integrating environmental and social considerations into core management processes is a key element of sustainability practices. This not only enhances organisational openness but also requires companies to be accountable for both their positive and negative contributions to sustainable development. Olagunju et al. (2023) describe sustainability as a strategic framework that ensures both corporate longevity and environmental stewardship. Sustainability disclosures are commonly categorised into three dimensions: Environmental, Social, and Governance (**ESG**). Environmental disclosure includes policies and practices related to pollution control, resource efficiency, product sustainability, and emissions reduction. Social disclosure highlights a

company's involvement in and commitment to societal well-being, while governance disclosure focuses on the structure and conduct of the organisation's leadership and board members. Unlike environmental disclosure, which focuses on the company's external impact, governance disclosure centers on internal corporate operations. Eccles et al. (2020) define ESG disclosure as the voluntary release of information regarding an organisation's environmental, social, and governance practices.

Liquidity (LIQD)

The ability to get readily available funds for short-term investments, debt repayment, and the acquisition of goods and services is the core concept of liquidity. The cash on hand for the foreseeable future after subtracting the related financial obligations is what the International Financial Reporting Standards (2006) defined as liquidity. According to Liargovas and Skandalis (2018), a business may use liquid assets to finance its operations and investments if outside funding is not available. On the other hand, more liquidity can assist a company in fulfilling its commitments and managing unanticipated events during periods of low profitability. The current ratio is among the most widely used indicators of liquidity. A measure of relative liquidity that accounts for variations in absolute size is the current ratio (CR). The ratio of current assets to current liabilities, or CR, is a key indicator of a company's success since liquidity affects a company's ability to make profitable investments, which can improve performance.

A company's liquidity ratios show how solvent it is; while it won't go bankrupt suddenly, a decline in these ratios is a sign of insolvency. There is a risk of insolvency if a business cannot pay off its short-term debts unless it can turn a sizable portion of its present assets into cash. A current ratio of 2:1 is thought to be a sign that a business has enough LIQD to shield it from the risk of going bankrupt. The ability of a business to meet its funding needs is known as liquidity (Biety, 2013). Making sure a business has enough cash and liquid assets on hand to meet the demands of its creditors and suppliers is known as liquidity management. Within a given accounting period, it entails a daily study and a thorough estimation of the amount and timing of cash flows and outflows. A formal LIQD policy should be created and established by officials in a corporate organisation with management's help. In addition to being flexible enough to allow managers to respond swiftly to any unforeseen circumstances, the policy should be reviewed and updated as necessary, ideally within a year (Omolehinwa, 2016).

Sustainability Disclosures and Liquidity

Long-term survival has long been regarded as a strategic achievement in the business sector. As a result, organisations refocus and adjust their operations to reflect changing conditions in order to remain strong and experience continual growth. Corporate survival, according to Adeyemi et al. (2022), is the capacity of an organisation to continuously create wealth through innovation, increase its market share, sustain profitability, and remain solvent in spite of the vagaries of the business environment, which frequently disrupt operations and obstruct progress. While some businesses continue to grow for many years, too many fail and some depart the business world as strangely as they came.

Therefore, long-term prosperity and liquidity are strategic accomplishments for businesses. Organisational survival, then, is the amount of time that an organisation may stay in business, generate enough revenue, or accomplish its objectives while expanding or holding onto its current place in the market and industry. Adeyemi et al. (2022), Rahmawati et al. (2024), and Rozak et al. (2024) asserted; that a company's capacity to endure demonstrates its level of success and efficiency with regard to expansion, profitability, cost containment, and productivity. Every business aspires to survive, and achieving this goal aids the organisation in achieving its other goals.

Theoretical Framework

Ross and Mitnick (1973) were the first to present Agency Theory, while Jensen and Meckling (1976) introduced the idea that a firm owner is separate from a manager. It conceptualizes a contractual arrangement wherein one or more principals hire an agent to carry out activities on their behalf, giving the agent the power to make decisions.. This theoretical framework emphasises a contractual arrangement in which management (agents) and shareholders (principals) provide managerial responsibility to one another. According to the notion, when both parties are trying to maximise their interests, the agent may act opportunistically, endangering the goals of the principal. The conflicts that occur when the interests of the principal and the agent diverge, making it difficult to interpret the agent's action, are the main emphasis of agency theory (Eisenhardt, 1989).

To solve the issue of information asymmetry, Frias-Aceituno et al. (2022) suggested that businesses improve information transparency. A balance between the interests of principals and agents can be achieved by the application of ESG principles, which will ultimately increase

financial performance. Monitoring or control methods are required when the firm's manager is appointed as an executive director to the board and has authority over management to shield shareholders and management from numerous conflicts of interest. To guarantee their personal interests in the company and to work in their best interests, the shareholders decided to form the board (Chong, 2019). When managers place reputational rewards ahead of honest or economically relevant disclosures, agency difficulties can lead to reduced liquidity.

Empirical Review

Rahmawati et al. (2024) used liquidity as one of the variables for evaluating the financial conditions of the chosen Indonesian enterprises throughout the 2018–2022 time frame in order to examine the effects of corporate governance and financial conditions on sustainability disclosures. While the common effect model served as the estimating model, secondary data served as the source of the data. The study's findings showed that SRD is generally positively impacted by liquidity, business size, and the COVID-19 epidemic.

Ubandawaki (2024) looked on the relationship between ESG reporting and business success in manufacturing businesses that are listed in Nigeria. The data came from the yearly sustainability reports and stand-alone sustainability reports of Nigerian listed manufacturing companies. The results of the Generalised Least Square regression analysis and the Pooled-corrected standard error applied to 400 firm-year observations indicate that SOCR, ENVR, and GOVN affect market performance as shown by Tobin's Q. TQ is positively impacted by GOVN, but negatively by SOCR and ENVR. The study also demonstrated that SOCR and ENVR had no effect on an organization's operational or financial success, as indicated by ROA and ROE, respectively. It was found that GOVN had a positive effect on ROA and ROE.

The impact of SRD on PT Jamkrindo's financial performance (FP) from 2019 to 2021 was evaluated by Rozak et al. (2024). Secondary data used for this research was collected from the Annual Report and Sustainability Report of PT Jamkrindo for 2019-2021. The data analysis was done using content analysis and correlations. FP, ROA, and ROE were all proxied using the current ratio. According to the study's findings, SRD significantly and favourably affects liquidity.

The impact of liquidity on the relationship between sustainability and business specificity in the Indian manufacturing industry was studied by Farhan et al. (2023). The Prowess IQ Database, India's premier source of financial data, provided the secondary data used in this

study for the years 2015–2021. With 525 years of observations, 75 manufacturing companies make up the sample size for this study. Economic, social, and environmental factors were used as stand-ins for sustainability. A panel regression model was used to examine the data. The authors claim that panel data offer better control over individual variability and multicollinearity. In the same context, the results show that there is an insignificant moderating effect of liquidity with a company's financial performance, meaning that the liquidity of companies with higher financial performance does not strengthen and enhance their ability to spend more on sustainability expenses.

Wu et al. (2023) looked into the connection between capital structure, liqudity, and the financial sustainability of 28 non-financial institutions in Ghana that were quoted. The research was conducted using panel data for the years 2008 through 2019. Furthermore, return on equity (ROE) was used as a sustainability metric. The generalized method of moments (GMM) estimator was used to analyze the data, and the findings indicate that the businesses' financial sustainability was enhanced by liquidity, as measured by the current ratio.

Uyar and Kuzey (2023) used the cash conversion cycle (CCC) as a liquidity proxy to investigate the two-way causality between liquidity and CSR. The data were taken from the Thomson Reuters Eikon database, which included 20,016 firm-year observations from ten business sectors and 60 countries. The empirical part of the study used a fixed-effects panel regression analysis. The results showed that firms with higher liquidity, as measured by CCC, engage in more CSR initiatives, but that firms with higher liquidity do not treat all environmental and social performance dimensions equally.

Taha et al. (2023) investigated how stock price volatility and liquidity moderated the impact of Corporate Sustainability Performance (CSP) on profitability in the Jordanian manufacturing sector. The empirical multivariate panel data model was the instrument used to analyse the effect of sustainability (environmental, social, and governance) on business profitability in this study, which involved 56 Jordanian industrial firms. The study finds a strong positive correlation between CSP and profitability; the impact of CSP on the profitability of industrial enterprises listed on the ASE is also moderated by liquidity and stock price volatility.

A study by Chinonso and Meshack (2023) examined the impact of FP and LIQD on the SRD of ten publicly traded Nigerian manufacturing companies during a five-year period, from 2017 to 2021. The data collected from annual reports and accounts of these ten firms for the study

was estimated using a panel regression model. According to the research's findings, FP and LIDQ significantly improve SRD.

Sarumpaet and Suhardi (2020) looked at how company size and financial performance affected the SRD of companies included in the Kompas 100 between 2012 and 2016. One of the variables utilised as a stand-in for financial performance was liquidity. Leverage and profitability are the other two. Nine of the 100 companies that make up the study's population were selected through non-probability sampling methods. The regression technique used for this review was multiple linear regression. The results of the study showed that while LEV has a negative impact on SRD, partial LIQD and PROF have a notable positive impact.

Nugroho & Arjowo (2014) used the current ratio as one of the FP proxies to examine the effect of SRD on financial performance. Selected companies from the Indonesian stock exchange market make up the sample size. The methods for estimating the data were linear regression. The study's findings showed that while SRD has no discernible impact on the current ratio, it has a favourable and notable influence on ROA.

Methodology

An ex post facto research design was used in this study. The population of the study consisted of the 69 manufacturing firms listed on the Nigerian Exchange Group. Using a purposive sample technique, the study then chose 35 businesses from five (5) of the seven (7) major manufacturing industry sectors from the Nigeria Exchange Group. The selection process was conducted over a twelve-year period, from 2012 to 2023. These industries include oil and gas, consumer products, healthcare, industrial goods, and conglomerates. Secondary data was used to examine the ESG and performance of manufacturing firms listed on the Nigerian Exchange Group. The accounts and financial statements (annual reports) of the selected industrial enterprises were the source of the secondary data, which was collected between 2012 and 2023. This study data estimation tool employed in this study are the descriptive statistics and Generalized Methods of Moments.

Table 1: Summary of Variables and Measurement

Variable Type	Variable Name	Measurement	Empirical Sources
Dependent Liquidity	Current Ratio	$\dfrac{Current\ Assets}{Current\ Liabilities}$	Adeyemi et al. (2022)
Independent Sustainability Reporting	Environmental	Computed as the average of all environmental disclosure elements (%) and presented in accordance with the GRI sustainability guidelines.	Donatus (2023)
	Social	Determined by taking the average of all social disclosure elements (%) from the GRI sustainability criteria.	Igbinovia (2023)
	Governance	Computed as the mean of all governance disclosure elements that comply with the GRI sustainability requirements (%).	Olagunju et al. (2023)

Source: Researcher's Compilation, 2025

Model Specification

The model specification is presented in this part in compliance with the stated objectives of the study. The model is specified using the theoretical framework and the contributions of previous pertinent empirical literature. In this study, Donatus (2023) models were modified. The model for achieving the study's objective is as follows:

$$CR_{it} = \alpha CR_{t-1} + SUST_{it} + \omega_i + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (1)$$

$$CR_{it} = \delta CR_{it-1} + \delta_1 ENVR_{it} + \delta_2 SOCR_{it} + \delta_3 GOVN_{it} + \delta_4 GRT_{it} + \delta_5 FS_{it} + \omega_i + \varepsilon_{it}$$
$$(3.2)$$

CR $_{it-1}$ = lagged of Current Ratio

$\alpha, \beta, \delta, \gamma$ = autoregressive (persistence)

SUR $_{it}$ = Endogenous regressors ($ENVR_{it}, SOCR_{it}, GOVN_{it}$)

CR= Current Ratio

GRT = Growth

FS = Firm size

ω_i = Fixed-effect error term

ε = iid disturbance term and $\varepsilon \sim N(0, \sigma^2{}_\varepsilon)$

Results and Discussion

Table 2: Descriptive Statistics

	CR	ENVR	GOVN	SOCR	GRT	SIZ
Mean	0.0969	0.232	1.378	0.691	14.06	6.65
Median	0.0875	0.111	1.897	0.660	7.09	7.46
Maximum	4.0843	1.000	1.955	2.000	291.76	16.67
Minimum	-1.1310	0.000	-1.155	0.000	-38.27	-14.48
Std. Dev.	0.3432	0.221	0.983	0.421	24.27	3.11
Skewness	3.4964	1.262	-1.368	0.676	4.075	-1.94
Kurtosis	47.827	3.714	2.94	4.176	43.63	10.95
Jarque-Bera	3516.3	117.5	127.7	54.89	2932	1336
Probability	0.0000	0.000	0.000	0.000	0.000	0.000
Sum	39.733	94.96	564.8	283.2	576	2726
Sum Sq. Dev.	48.183	19.91	394.8	72.5	2410	3946
Observations	420	420	420	420	420	420

Source: Researcher's Computation, 2025

The stand. dev., which is 0.3432, shows the variability or spread of the data around the mean. The median, maximum, and minimum current ratios are 0.0875, 4.0843, and -1.1310, respectively, with a mean of 0.0969. The average value of the dependent variables indicates that ENVR (Environmental Disclosure) has a mean of around 0.23, a median of 0.11, a maximum value of 1.00, and a minimum and standard deviation of 0.00 and 0.22, respectively. The average value of the GOVN (Governance Disclosure) variables is 1.38, while the median, maximum, lowest, and stand-alone values are 1.89, 1.96, -1.16, and 0.98, respectively. The SOCR (Social Disclosure) variable has an estimated average value of 0.691, a median score of 0.669, a maximum score of 2.00, a minimum score of 0.00, and a standard deviation of 0.42. While ENVR, CR, SOCR, and GRT are short-tailed, the variables GOVN and SIZ are negatively skewed. The kurtosis coefficients of almost all the variables are platykurtic (below 3.00000) and leptokurtic (above 3.0000) in relation to normal, suggesting that the distribution produces fewer and less extreme outliers than the normal distribution.

Table 3: Pearson Correlation Matrix

Variables	CR	ENVR	GOVN	SOCR	GRT	SIZ	VIF	1/VIF
CR	1.00							
ENV	-0.07	1.00					1.08	0.019
GOV	-0.15	-0.157	1.00				1.41	0.001
SOC	-0.13	-0.06	0.48	1.00			1.32	0.0065
GRT	-0.098	-0.18	0.28	0.14	1.00		1.13	1.72
SIZ	0.106	0.21	-0.13	-0.09	-0.19	1.00	1.08	0.0001

Source: Researcher's Computation, 2025

Table 3 results reflect the correlation matrix, which displays pairwise correlations between the various variables employed in the study. There is a weak negative but minor correlation (about -0.07) between CR and ENVR; a weak negative correlation (about -0.15) between CR and GOVN; a small and adverse (about -0.13) relationship between CR and SOCR; a weak and adverse (about -0.098) relationship between CR and GRT; and a weak but positive (about 0.106) correlation between CR and SIZ. The VIF values in the table, which range from 1.08 to 1.41, confirmed that there was no multi-collinearity among the factors under investigation.

Table 4: Summary of Serial Correlation and Heteroscedasticity Tests Results

	Test	Results	Remarks
Current Ratio	Breusch-Pagan	Chi2 = 6.59	Existence of Serial correlation problem
		Chi2 P-Value = 0.010	
	Harvey test for Heteroscedasticity	F stat = 5.40 Chi2 P-Value = 0.05	Existence of Heteroscedasticity problem

Source: Researcher's Computation, 2025

Table 4 displays the findings of the additional diagnostic tests for serial correlation and heteroscedasticity that were carried out in order to achieve the study's goal. The model's results, which indicate an estimated Breusch-Pagan p value of 0.010, reject the null hypothesis that there is no first order serial link at the five percent level. Furthermore, the findings of the Harvey test revealed a heteroscedasticity issue with a p value of 0.005, indicating that the homoscedasticity null hypothesis is rejected at the 5% level. Given the fact that the data used

defy the heteroscedasticity assumption, the study use generalized methods of moments to arrive at its conclusions.

Presentation and Analysis of Generalized Method of Moments Results

Ho: Sustainability disclosures does not have significant impact on the liquidity of Nigerian listed manufacturing firms.

Table 5: Estimated Generalized Methods of Moments Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CR (-1)	0.2543	0.0763	3.3325	0.0000
GOVN	-0.1468	0.0638	-2.3009	0.0000
SOCR	-0.0927	0.0114	-8.1315	0.0000
ENVR	-0.0434	0.0119	-3.6470	0.0000
GRT	-0.0054	0.0354	-0.1525	0.0000
SIZ	0.0354	0.0175	2.0228	0.0000
Sangan Test (J-	29.6084			
Prob(J-statistic)	0.4858			
AR (2) P-value	0.3007			
Wald Test x2	13.540			
p-value	0.0037			
Instrument Rank	35			

Researcher's Computation, 2025

The results are displayed in Table 5 and revealed a p-value of 0.4858 and a J-statistics value of 29.608 overall. The J-statistic p-value is greater than 0.25 but less than 1, indicating that the null hypothesis of overidentifying limitation is not rejected. This strengthens the validity of the dynamic panel model formulation. The findings also showed coefficients of lag profitability of 0.2542, which are significant and positive at the 5% level for all manufacturing company sectors, indicating a modest level of persistence and statistical significance. The result of the lagged dependent variable is crucial in dynamic generalised methods of moment, especially when the coefficients of the lagged variable are between 0 and 1. Furthermore, the findings of the Arellano-Bond Serial Correlation test AR (2) p-value = 0.3007 show no evidence of second-order serial correlation. The study's control variables and sustainability were taken into account as determinants of financial success, according to the Wald Test x2 (13.540, p-value = 0.0037).

All sustainability reporting indicators have a negative but significant impact on CR, according to the results shown in table 4.10. (t-stat. = -3.6470; $p<0.05$), social (t-stat. = -8.1315; $p<0.05$),

and governance (t-stat. = -2.3009; p<0.05). The current ratio will drop by 14% for every unit rise in governance disclosure, 9% for every level increase in social disclosure, and 4% for every unit increase in environmental disclosure, per the sustainability reporting index coefficients. This finding validated the shareholder theory's assertion that sustainability disclosure reduces liquidity since it increases disclosure costs, which lowers market prices and hinders performance rather than enhances it. A negative but significant relationship exists between GRT and CR (t-stat. = -2.0228; p<0.05), whereas SIZ and CR have a positive and significant relationship (t-stat. = -0.1525; p<0.05).

Discussion of Findings

In this study objective, the relationship between sustainability measures and liquidity was explored, and the results showed that SRD had a negative effect on the current ratio. Businesses' liquidity is expected to rise as a result of sustainability, which is viewed as a means of meeting the public's desire for information that conveys their plans and initiatives to balance the interests of stakeholders and shareholders. SRD provides information about the organization's risk profile and long-term worth. The lack of attention paid to ESG issues in the annual reports, which was more in line with management's opinion than the IIRC (2013) Guidelines, might have had the negative effect. It is clear that Nigerian manufacturing firms are genuinely mediocre as they have not implemented sustainable practices that are up to standards. While this study disagreed with the work of Mukatia et al. (2018), it did support the results of Lourenco et al. (2012), Cho et al. (2012), and Luo et al. (2017). On the other hand, SRD has a positive, noticeable impact on LIQD, according to research by Chinonso and Meshack (2023), Rahmawati et al. (2024), Rozak et al. (2024), Nugroho & Arjowo (2014), and Sarumpaet and Suhardi (2020). Additionally, Nugroho & Arjowo (2014) found no meaningful correlation between SRD and current ratio.

Conclusion and Recommendations

Sustainability has become a major concern for manufacturing companies around the world in an era of growing demands for social responsibility, environmental awareness, and transparency. According to the study, ESG significantly and negatively affects the liquidity of the sampled enterprises. According to the study's findings, the conclusion drawn is that listed Nigerian manufacturing companies' liquidity is significantly impacted negatively by sustainability disclosures. Therefore, this study suggests that even if sustainability disclosure

negatively affects liquidity, both investors and companies should be aware that the benefits of ESG disclosure are often recognised over a long period of time. A commitment to sustainability and moral corporate conduct can improve the liquidity, stability, and growth of Nigerian manufacturing firms.

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Citation: Blessing Onyi AKINDE & Aderemi Olalere ADEBAYO (2025): The Impact of Sustainability Disclosures on the Liquidity of Listed Manufacturing Firms in Nigeria. 2(1), 117-133.