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ESG Disclosure and Shareholders Value: The Moderating Role of Gender Diversity

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Abstract: *The persistent adoption of unsustainable business practices and inadequate environmental, social, and governance (ESG) disclosure systems has weakened shareholder confidence and reduced shareholder value. Consequently, this study examined the effect of ESG disclosure on shareholder value, with gender diversity as a moderating variable. An ex post facto research design was adopted, and secondary data were utilized. The population of this study comprised 52 listed manufacturing companies, and purposive sampling technique was employed to select 44 companies. Panel regression analysis was used to analyse the data, and the statistical package employed was STATA 17. The findings of the study revealed that environmental performance disclosure (coeff. = -0.132 [0.030]) has significant negative effect on dividend yield, social performance disclosure (coeff. = 0.001 [0.977]) has nonsignificant effect on dividend yield; governance performance disclosure (coeff. = -0.357 [0.021]) has significant negative effect on dividend yield and gender diversity significantly moderated the relationship between ESG disclosures and shareholder value of listed manufacturing companies in Nigeria. It was thus concluded that ESG disclosure exhibit limited direct value relevance but become significantly more meaningful when conditioned on gender diversity. Based on the*

findings of this study, it was recommended, among others, that the management of manufacturing firms should promote balanced and competence-driven board composition, ensuring that female directors are actively involved in ESG-related decision-making processes, as their presence has been shown to influence how sustainability disclosures translate into shareholder value.
Keywords: ESG disclosure, shareholders value, dividend yield, gender diversity, critical mass.

INTRODUCTION

The traditional view that the primary responsibility of a business is to maximise shareholders' wealth is increasingly being reconsidered in a corporate environment characterised by heightened environmental concerns, social expectations, governance reforms, and growing demands for organisational accountability. According to Almulhim (2024), investors are no longer concerned solely with the financial returns generated by companies; they are also interested in how such returns are created and whether corporate activities are environmentally responsible, socially sustainable, and governed by transparent and ethical practices. Consequently, Environmental, Social, and Governance (ESG) disclosure has emerged as an important mechanism through which companies communicate their sustainability practices, non-financial risks, and long-term value-creation strategies to shareholders and other stakeholders. ESG disclosure has therefore shifted from being viewed as a voluntary corporate social responsibility activity to an increasingly important component of corporate transparency, accountability, and investment decision-making (Aydoğmuş et al., 2022; Bamel et al. 2025). ESG disclosure refers to the communication of information relating to a company's environmental, social, and governance practices, policies, activities, outcomes, and associated risks (Fernando et al., 2022). The environmental dimension of ESG disclosure reflects the extent to which a company reports its interactions with and impacts on the natural environment. Such disclosure may also enhance corporate reputation, reduce potential regulatory and environmental costs, and strengthen investor confidence. Consequently, improved environmental performance disclosure is expected to have a positive effect on shareholders' value, particularly where investors perceive environmental responsibility as an indication of effective risk management and sustainable long-term performance (Chen & Xie, 2022).

The social dimension of ESG disclosure concerns the extent to which a company communicates information regarding its relationships and responsibilities towards employees, customers, suppliers, host communities, and other stakeholders. Social performance disclosure may include information relating to employee welfare, occupational health and safety, workforce development, human rights, product quality and safety, customer satisfaction, community development, and corporate social responsibility initiatives (Fernando et al. 2022). Effective social performance disclosure may strengthen stakeholder relationships, improve organisational legitimacy, enhance corporate reputation, and reduce the likelihood of operational disruptions arising from labour disputes, community conflicts, or reputational concerns. Governance performance disclosure refers to the communication of information relating to the structures, policies, processes, and mechanisms through which a company is directed, monitored, and controlled (Mohammad & Wasiuzzaman, 2021; Okpo, 2026). It includes disclosures concerning board composition, board independence, board committees, executive compensation, shareholders' rights, risk management, internal control, ethical conduct, accountability, and compliance with relevant corporate governance regulations. Strong governance practices are expected to promote transparency, discourage managerial opportunism, improve accountability, and enhance the efficient utilisation of corporate resources. Consequently, governance performance disclosure may increase shareholders' confidence in the quality of corporate decision-making and contribute positively to shareholders' value.

Shareholders' value refers to the economic benefits accruing to shareholders as a result of their ownership interest in a company. Dividend yield represents the annual dividend paid per share relative to the market price per share and indicates the return received by shareholders in the form of dividend income relative to the market value of their investment. The relationship between ESG disclosure and dividend-related outcomes has produced mixed empirical evidence. Albitar et al. (2022) examined ESG disclosure and dividend policy and reported that governance mechanisms influence the relationship between ESG disclosure and corporate dividend decisions. Almulhim (2024) found that ESG performance affects dividend policy among firms listed on the Saudi stock market, while Bilyay-Erdogan (2023) provided evidence that ESG performance is associated with dividend payout policy among European firms. Similarly, Ellili (2022) examined the relationship among ESG disclosure, ownership structure, and dividend policy in the United Arab Emirates and showed that ESG-related information has implications for corporate dividend decisions. Heinzel (2022) also provided international evidence that corporate social responsibility disclosure influences dividend policy. These findings suggest that sustainability-related practices may affect the resources available for distribution and the incentives underlying corporate dividend decisions.

The importance of ESG disclosure within Nigeria is further reinforced by the increasing emphasis on corporate accountability and responsible business conduct. The Nigerian Code of Corporate Governance seeks to promote transparency, ethical conduct, accountability, and sustainable corporate practices among companies. Public companies are expected to comply with the Nigerian Code of Corporate Governance and relevant corporate governance guidelines, while increased disclosure is encouraged as a means of improving transparency and strengthening stakeholder confidence (Umeanozie & Ofoegbu, 2022). Nevertheless, the extent and quality of ESG disclosure among Nigerian companies remain uneven, and sustainability reporting practices are still developing. The relationship between environmental, social, and governance (ESG) disclosures and shareholder value has been widely examined in prior literature, with mixed but largely positive evidence suggesting that transparent ESG disclosures can enhance firm valuation, reduce information asymmetry, and lower agency costs (Nadeem (2020).The rationale for a positive relationship between ESG disclosures and shareholder value is rooted in stakeholder theory, which posits that managing the interests of a broader set of stakeholders secures the firm's longterm sustainability and profitability, thereby benefiting shareholders. ESG disclosures generally enhance shareholder value by building trust, improving risk management, and attracting long-term, sustainability-oriented investors. When companies disclose their ESG practices clearly, it signals openness and accountability. This transparency reduces information asymmetry between management and investors. Shareholders gain confidence that the company is managing risks and opportunities responsibly, which can increase share demand and, in turn, share price.

However, the strength and direction of this relationship are contingent upon corporate governance characteristics, particularly board composition. One of such governance mechanisms that has attracted growing scholarly attention is gender diversity on corporate boards**,** commonly proxied by the presence or proportion of female directors ((Almaqtari et al., 2024). Gender diversity may significantly influence the ESG – shareholder value relationship, especially in the manufacturing companies, where female representation in leadership position remains notably low. As noted by Omenihu et al. (2025), a gender-diverse board may ensure that ESG initiatives are strategically implemented and genuinely integrated into the business model, not just used for "greenwashing," thereby strengthening the positive market reaction to the disclosures. Empirical evidence indicates that female directors exhibit higher attendance rates, stronger monitoring intensity, and greater independence in board decision-making (Yenev & Saraswati, 2025). These attributes can enhance the board's oversight of ESG-related strategies and disclosures, ensuring that reported ESG activities reflect genuine performance improvements. As a result, the market is more likely to capitalize ESG disclosures into firm value when female directors are actively involved in governance. Accordingly, this study investigated the moderating role of gender diversity on the effect of ESG disclosures on the dividend yield of listed manufacturing companies in Nigeria.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Environmental performance disclosure and dividend yield

Environmental Performance Disclosure (EPD) refers to the extent to which firms report their environmental policies, impacts, initiatives, carbon emissions, waste management practices, pollution control measures, environmental risk mitigation, and compliance with environmental regulations (Matope, 2022). When firms disclose strong environmental performance, they signal transparency, responsibility, and long-term resilience. This can improve market confidence and improved market confidence increases demand for the company's shares. And as the share price increases, the dividend yield tend to decrease when there is no corresponding increase in dividend pay-out. The empirical literature identifies several mechanisms through which environmental disclosure influences dividend outcomes. First, the signaling mechanism suggests that transparent environmental reporting reduces uncertainty and information asymmetry, encouraging investor confidence and influencing dividend decisions (De Villiers et al., 2024). Second, the risk-reduction mechanism implies that strong environmental performance lowers regulatory and operational risks, thereby enhancing firm value, which can reduce dividend yield through increased share prices (Almulhim, 2024). Finally, the governance channel shows that firms with high-quality environmental reporting often possess strong governance systems, making them more likely to adopt stable or higher dividend policies (Albitar et al., 2022).

Empirical studies examining the relationship between environmental performance disclosure (EPD) and dividend outcomes have produced diverse and sometimes conflicting evidence. But majorly, ESG disclosures tend to have a negative effect on dividend yield because of improved market price. Several studies report a positive association between environmental disclosure and dividend distribution**,** suggesting that environmentally responsible firms are more likely to pay higher dividends. For instance, Matope, (2025) and De Villiers et al. (2024) found that firms with strong environmental and broader ESG disclosures exhibit higher dividend payouts and a greater propensity to pay dividends. These studies argue that improved environmental transparency enhances cash-flow predictability, strengthens governance mechanisms, and signals long-term strategic discipline, all of which encourage firms to make higher distributions to shareholders. In contrast, a different stream of empirical evidence found that environmental disclosure is associated with lower dividend yield, even when dividend payout levels remain constant (Almulhim, 2024; Loan et al., 2024; Matuszewska-Pierzynka, 2023). This inverse relationship is largely driven by the market valuation effect. Environmental disclosure typically enhances investor confidence, reduces perceived environmental and regulatory risk, and improves firm reputation. These outcomes often translate into higher firm valuation and increased share prices. However, Umeanozie and Ofoegbu (2022) found no significant relationship between environmental performance and dividend yield of the companies under review. Thus, this study hypothesized that;

H_{01}: Environmental performance disclosure has no significant effect on dividend yield of listed manufacturing companies in Nigeria

Social performance disclosure and dividend yield

Social Performance Disclosure (SPD) refers to the reporting of a firm's activities concerning employee welfare, community development, customer relations, human rights practices, labor conditions, occupational health and safety, and other social responsibility initiatives (Bilyay-Erdogan, 2023). The effect of SPD on dividend yield depends on how capital markets interpret social investments and disclosures. Many studies find that social performance disclosure is associated with lower dividend yield, primarily because of the share price appreciation effect. According to Almulhim (2024), social performance disclosure enhances firm reputation, stakeholder trust, and customer loyalty. Investors reward socially responsible firms with higher valuation and as share price rises, dividend yield falls unless dividend payments increase proportionately. If market price increases due to social reputation premiums, dividend yield naturally decreases. A different argument suggests that social performance disclosure can lead to higher dividend yield (Loan et al., 2024), especially where investor protection is weak. Thus, firms with strong social performance disclosure may deliberately pay higher dividends to strengthen investor confidence. According to Loan et al. (2024), socially responsible investors (SRI or ESG investors) tend to value social performance disclosure highly. These investors prioritize sustainability over high dividends and their demand for ESG-compliant firms raises prices and lowers required dividend yield. Social Performance Disclosure generally reduces dividend yield, mainly through increased firm valuation and reduced free cash flows due to social investment costs (Matuszewska-Pierzynka, 2023).

Most empirical studies revealed that credible social disclosure raises firm valuation, which, holding dividends constant, reduces dividend yield (dividend/price) (Matuszewska-Pierzynka, 2023; Almulhim, 2024). On the other hand, other studies confirmed that firms that translate social investments into operational benefits (employee productivity, customer loyalty, brand value) may generate higher and more stable cash flows, which empirically leads to higher higher yields (Bilyay-Erdogan, 2023; Ellili, 2022; Heinzel, 2022). On this note, this study hypothesized that;

H_{02}: Social performance disclosure has no significant effect on dividend yield of listed manufacturing companies in Nigeria

Governance disclosures and dividend yield

Governance performance disclosure (GPD) refers to the extent to which firms report information about their corporate governance structures, board practices, ownership structure, audit committee activities, internal controls, risk oversight, and managerial accountability mechanisms (Ayishetu et al., 2024). Governance performance disclosure generally has an inverse (negative) relationship with dividend yield, although some studies found positive or mixed results depending on the context. This means that firms with high governance disclosure often have lower dividend yields, mainly because their share prices are higher due to improved investor confidence. Good governance disclosure signals transparency, credibility, and reduced risk. When governance disclosure improves, investors confidence increases and their demand for high dividends decreases making firms to reduce dividends or maintain lower yields.

On the other hand, most empirical evidence revealed that enhanced governance disclosure tends to be associated with lower dividend yield (Umeanozie & Ofoegbu, 2022) Matuszewska-Pierzynka, 2023; Almulhim, 2024). The dominant explanation is valuation-mediated: improved governance transparency reduces information asymmetry and perceived agency risk, raising investor demand and share prices; if cash dividends do not increase proportionally, the dividend yield (dividend ÷ price) falls. A contrasting body of work found that better governance disclosure correlates with higher dividend payouts or higher propensity to pay dividends (Restrepo et al., 2022; Ayishetu et al., 2024). Akpan (2024) found that environmental and governance disclosure have significant positive effect on economic value added. These studies usually emphasize the monitoring complementarity argument: governance disclosure is a visible sign of board effectiveness and managerial discipline, which, together with other governance mechanisms, encourages managers to distribute cash rather than retain it for private benefits (Ayishetu et al., 2024). Hence, this study hypothesized that;

H_{03}: Governance performance disclosure has no significant effect on dividend yield of listed manufacturing companies in Nigeria

The Moderating effect of gender diversity on ESG and shareholders' value

Gender diversity is commonly defined as the presence, proportion, or influence of female directors on a firm's board, reflecting heterogeneity in gender composition within corporate leadership (Almaqtari et al., 2024). Gender diversity captures the extent to which women are involved in strategic oversight, monitoring, and sustainability-oriented decision-making. The relationship between environmental, social, and governance (ESG) disclosures and shareholders' value has been widely examined in prior literature, with mixed but largely positive evidence suggesting that transparent non-financial disclosures can enhance firm valuation, reduce information asymmetry, and lower agency costs (Eccles et al., 2015; Friske et al., 2023). However, the strength and direction of this relationship are contingent upon corporate governance characteristics, particularly board composition. One such governance mechanism that has attracted growing scholarly attention is gender diversity on corporate boards, commonly proxied by the presence or proportion of female directors. The effectiveness of these signals, however, depends on their perceived credibility. Gender-diverse boards are often associated with enhanced transparency, ethical sensitivity, and stronger monitoring functions (Saeed et al., 2021). Consequently, ESG disclosures issued by firms with higher female board representation are more likely to be perceived by investors as credible and substantive rather than symbolic, thereby strengthening their positive effect on shareholders' value. In addition, Sopian and Mulya (2025) suggest that effective board monitoring reduces managerial opportunism and aligns managers' interests with those of shareholders (Jensen & Meckling, 1976). Empirical evidence indicates that female directors exhibit higher attendance rates, stronger monitoring intensity, and greater independence in board decision-making (Said et al., 2024). Yenev and Saraswati (2025) documented that gender diversity on the board strengthened the positive effects of social and governance disclosures on return on assets and Tobin's Q. Similarly, Omenihu et al. (2025) found that firms with a minimum of three female directors demonstrate a significant positive relationship between board gender diversity and ESG disclosure. Tanjung and Wahyudi (2022) show that firms with greater female board participation exhibit higher levels of environmental disclosure quality, which enhances investors' confidence. CEO gender as a moderating variable in the relationship between ESG and financial performance. Hachicha et al. (2025) found limited influence of BGD on the CSR disclosure -FS nexus. Muttaqi and Nur (2025) found that the positive effect of ESG disclosure on performance is weakened when boards have greater female representation, as these boards often prioritize reinvestment in sustainability initiatives over immediate dividend payouts. Based on these conflicting findings, this study hypothesized that;

H_{04}: Gender diversity does not significantly moderate the relationship between ESG disclosure and shareholders value of listed manufacturing companies in Nigeria.

Theoretical framework

This study was supported by three major theories, which were stakeholder theory, signaling theory and critical mass theory. Stakeholder theory, advanced by Freeman (1984), posits that the survival, legitimacy, and long-term success of a firm depend on its ability to recognise, balance, and respond to the interests and expectations of stakeholders. Unlike the traditional shareholder-centred view, which considers the maximisation of shareholders' wealth as the primary objective of a firm, stakeholder theory recognises that corporate organisations interact with several stakeholder groups, including shareholders, employees, customers, suppliers, creditors, government agencies, host communities, regulators, and the wider society (Okpo, 2020). The theory provides a relevant foundation for explaining the relationship between ESG disclosure and shareholders' value. Environmental performance disclosure enables firms to communicate their efforts towards environmental protection, pollution reduction, efficient resource utilisation, climate-risk management, and compliance with environmental regulations. Such disclosure may demonstrate that a firm is responsive to the concerns of regulators, host communities, customers, investors, and other environmentally conscious stakeholders. Similarly, social performance disclosure reflects the extent to which a firm communicates its responsibilities towards employees, customers, suppliers, host communities, and other relevant stakeholder groups. Firms that effectively address social expectations may experience improved employee commitment, stronger customer loyalty, greater community acceptance, and reduced operational disruptions. Governance performance disclosure is also consistent with stakeholder theory because effective corporate governance promotes transparency, accountability, ethical conduct, and the protection of stakeholder interests. As noted by Chen and Xie (2022), effective governance may also reduce agency conflicts, discourage opportunistic managerial behaviour, and promote the efficient allocation of corporate resources. Accordingly, stakeholder theory supports the expectation that environmental, social, and governance performance disclosures may positively influence dividend yield by strengthening stakeholder relationships, improving corporate legitimacy, reducing sustainability-related risks, and supporting long-term financial performance (Al Farooque et al., 2022; Almaqtari et al., 2024; Omenihu et al., 2025).

Signalling theory was developed by Spence (1973) and explains how parties with superior information communicate credible information to parties with limited access to such information. In the corporate environment, managers possess more information about a firm's operations, risks, strategies, sustainability practices, and future prospects than external investors and other stakeholders. This information imbalance creates information asymmetry, which may make it difficult for shareholders to accurately assess corporate quality and long-term value. Corporate disclosures can therefore serve as signals through which managers communicate information about the firm's performance, quality, and future prospects to investors. ESG disclosure is relevant within this framework because it provides non-financial information that may not be adequately captured in conventional financial statements.The signalling perspective suggests that the value of ESG disclosure depends not only on the quantity of information disclosed but also on its credibility, quality, consistency, and relevance. High-quality ESG disclosure may provide investors with reliable information regarding a firm's sustainability performance and long-term prospects, whereas vague or symbolic disclosure may provide a weak signal and may not significantly influence investors' decisions. Friske et al. (2023) argued that voluntary sustainability reporting may create value by signalling favourable information about corporate quality and long-term performance. Similarly, evidence from prior studies indicates that ESG disclosure may improve financial performance by reducing information asymmetry and strengthening investor confidence (Chen & Xie, 2022; Mohammad & Wasiuzzaman, 2021).

Critical mass theory (CMT) was propounded by Rosabeth Moss Kanter, 1977), in her book "Men and Women of the Corporation". She argued that when women are very few in leadership (e.g., one or two on a board), they are often treated as tokens, with little real power. But once women make up around three or more directors (or about 30% of the board), they begin to exert genuine influence over board deliberations and corporate policies. This theory states that for minority groups (like women in leadership) to have a meaningful influence on decision-making, they must reach a certain threshold or "critical mass" within the group (Kanter, 1977). Below this threshold, their impact tends to be limited, as they may be perceived as tokens or symbolic appointments (Al Farooque et al. 2022). Once the threshold is crossed, the minority group becomes visible, influential, and capable of shaping outcomes.This theory is relevant to this study because gender-diverse boards (at critical mass) are more likely to push for robust ESG disclosures, which investors interpret as signals of good governance and sustainable profitability → leading to higher shareholder value. Without critical mass, gender diversity may be symbolic, meaning women's voices may not alter disclosure quality or shareholder value significantly.

METHODOLOGY

This study adopted ex-post facto research design based on the secondary data collated from annual financial reports of selected listed manufacturing companies in Nigeria. This design was suitable for this study since the event had already taken place therefore, the event was conducted after the fact**.**This research work covered a population of 52 manufacturing companies and 44 companies were purposively selected as the sample size. Secondary data were used and content analysis was employed to generate data for ESG performance disclosures. Data used were analysed using descriptive statistics, correlation analysis and regression analysis. The model used in this study was adapted from the model specified by Akpan et al. (2024) which was modified to fit this study as given below;

Dividend yield = f(Environmental performance disclosure, social performance disclosure, governance performance disclosure) (i)

Unmoderated model

$$DIVY_{it} = \beta_0 + \beta_1 ENPD_{it} + \beta_2 SOPD_{it} + \beta_3 GOPD_{it} + \beta_4 FIMZ_{it} + \mu_{it} \quad \text{(ii)}$$

Moderated model

$$DIVY_{it} = \beta_0 + \beta_1 ENPD_{it} * GEND + \beta_2 SOPD_{it} * GEND + \beta_3 GOPD_{it} * GEND + \beta_4 FIMZ_{it} * GEND + \mu_{it} \quad \text{(ii)}$$

Where:

ENPD	=	Environmental performance disclosure
SOPD	=	Social performance disclosure

GOPD	=	Governance performance disclosure
GEND	=	Gender diversity
β_0	=	Constant
β_1- β_4	=	Slope Coefficient
μ	=	Stochastic disturbance
i	=	i^{th} manufacturing goods firms
t	=	time period

ANALYSIS AND DISCUSSIONS

Table 4.1: Descriptive statistics of the effect of ESG on dividend yield

Variable	Obs	Mean	Std. Dev.	Min	Max
DIVY	440	.062	.138	0	1.37
ENPD	440	.512	.181	0	.875
SOPD	440	.509	.168	0	1
GOPD	440	.511	.192	0	1
GEND	440	.153	.131	0	.667
FIMZ	440	16.972	2.065	12.871	22.58

Source: Author's computation (2026)

Table 4.1 presents the descriptive statistics for all the variables employed in this study covering the period 2015–2024. For the dependent variable, dividend yield (DIVY), the results reveal an average value of 0.062, indicating that, on average, investors received a dividend return of approximately 6.2% on their investments in the sampled firms during the period under review. The standard deviation of 0.138 suggests a relatively high variation in dividend yield across firms, implying that dividend distribution policies vary considerably within the manufacturing sector. The environmental performance disclosure (ENPD) recorded an average score of 0.512. Given that the disclosure index was based on eight checklist items, this implies that the average firm disclosed approximately 5 out of the 8 environmental disclosure items. This suggests a moderate level of environmental disclosure practices among the sampled firms. The standard deviation of 0.181 indicates a moderate level of variability in environmental disclosure across firms. Similarly, social performance disclosure (SOPD) shows an average value of 0.509, indicating that firms disclosed roughly 4 out of the 8 social disclosure items on average. This suggests that social disclosure practices among the sampled firms are also moderate but not comprehensive. The standard deviation of 0.168 points to a moderate variation in the level of social disclosures among firms. In the same vein, governance performance disclosure (GOPD) recorded a mean value of 0.511, implying that the average firm disclosed approximately 4 out of the 8 governance disclosure items. This again indicates a moderate level of governance-related disclosures within the sector. The minimum value of 0 indicates the absence of governance disclosures for some firms, while the maximum value of 1 signifies that certain firms fully complied with all governance disclosure requirements by reporting all 8 checklist items.For the moderating variable, gender diversity (GEND), the results indicate an average value of 0.153, suggesting that female representation on corporate boards constitutes about 15.3% on average across the sampled firms. This implies that while women are represented in board membership, their participation remains relatively low within the manufacturing sector. Firm size (FIMZ) recorded an average value of 16.972 for firms in the sector with a standard deviation of 2.065. This indicates a moderate level of variability in the size of firms within the sector, suggesting that while firms differ in their asset base, the variation is not extremely wide. The minimum firm size recorded was 12.871, while the maximum value was 22.580. This range suggests that the sector comprises both relatively smaller firms and considerably larger firms, reflecting differences in operational scale and asset accumulation among the companies.

Table 4.2 Spearman's rank correlation coefficients for the association between ESG disclosure and dividend yield

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) DIVY	1.000					
(2) ENPD	-0.066	1.000				
(3) SOPD	0.022	0.003	1.000			
(4) GOPD	-0.062	0.077	0.055	1.000		
(5) GEND	0.279	-0.089	0.029	-0.077	1.000	
(6) FIMZ	0.003	-0.027	0.067	0.066	0.100	1.000
Spearman rho =	-0.077					

From table 4.2, DIVY shows weak negative correlations with environmental disclosure (ENPD, rho = -0.066) and governance disclosure (GOPD, rho = -0.062). Social disclosure (SOPD) is weakly positive (rho = 0.022). Gender diversity (GEND) shows a moderate positive correlation with DIVY (rho = 0.279). This suggests that firms with higher female board representation tend to pay slightly higher dividends, while ESG disclosures do not show strong associations with dividend payout across all firms. Firm size (FIMZ) shows an almost zero positive correlation with dividend yield (rho = 0.003), indicating that the size of firms does not appear to have any meaningful association with dividend payout in the combined sample. The overall Spearman rho of -0.077 reflects the weak association in the combined sample.

Table 4.1 Regression results for the effect of ESG disclosures on dividend yield

	Unmoderated model		**Moderated model**	
	(1) Pooled OLS DIVY	(2) Random Effects DIVY	(1) Pooled OLS DIVY	(2) Random Effects DIVY
Constant	0.061^{*} (0.065)	0.061^{*} (0.064)	0.042^{***} (0.000)	0.042^{***} (0.000)
ENPD	-0.132^{**} (0.030)	-0.029 (0.432)		
SOPD	0.001 (0.977)	0.001 (0.977)		
GOPD	-0.357^{**} (0.021)	-0.014 (0.724)		
GEND	0.144^{***} (0.004)	0.144^{***} (0.004)		
FIMZ	-0.004	-0.004		

	(0.254)	(0.253)		
ENPD_GEND			-0.357***	-0.357***
			(0.008)	(0.008)
SOPD_GEND			0.055	0.055
			(0.758)	(0.757)
GOPD_GEND			-0.389**	-0.389**
			(0.025)	(0.024)
FIMZ_GEND			-0.004	-0.004
			(0.647)	(0.646)
r2	0.321	0.324	0.425	0.325
N	440.000	440.000	440.000	440.000
F/W	12.372	9.494	12.838	11.354
p	0.032	0.050	0.024	0.023
hettest	0.15(0.968)		0.98(0.994)	
lagrange		0.00(1.000)		0.00(1.000)

p-values in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$
Source: Author's computation (2026)

Table 4.3 presents the regression results examining the effect of environmental, social, and governance disclosures on dividend yield (DIVY), both before and after incorporating the moderating role of gender diversity. In the unmoderated model, the F-statistic of 12.372 with a corresponding p-value of 0.032 indicates that the pooled OLS regression model is statistically significant and appropriate for inference. The model reports an R-squared value of 0.321, suggesting that approximately 32.1% of the systematic variations in dividend yield of the sampled firms are explained by the explanatory variables included in the model, while the remaining 67.9% of the variation is explained by other factors outside the model but captured in the error term. Similarly, the moderated model, which incorporates the interaction between gender diversity and the explanatory variables, yields an R-squared value of 0.425. This indicates that 42.5% of the systematic variations in dividend yield are explained by the combined influence of ESG disclosures and the moderating effect of gender diversity. The remaining 57.5% of the variation is accounted for by factors not included in the model. The F-statistic of 12.838 with a p-value of 0.024 further confirms that the moderated pooled OLS model is statistically significant and suitable for inference.

DISCUSSION OF FINDINGS

Environmental performance disclosure and dividend yield

The regression results presented in Table 4.7 indicate that environmental performance disclosures (ENPD) had a negative and statistically significant effect on dividend yield of listed manufacturing companies in Nigeria (coeff. = -0.132, p = 0.030). Since the probability value is less than 0.05, the null hypothesis was rejected. This implies that an increase in environmental performance disclosures significantly affects dividend yield, with higher disclosures associated with lower dividend yield. In other words, firms that provide more comprehensive environmental reporting tend to exhibit a reduction in dividend yield. Mostly, this finding is linked to the market valuation effect. Firms that disclose strong environmental performance signal transparency, responsibility, and commitment to long-term sustainability. These signals reduce perceived environmental and regulatory risks, enhance investor confidence, and improve the firm's reputation. The increased investor demand often drives up the company's share price. Since dividend yield is calculated as dividend per share divided by market price per share, a higher share price, without an immediate proportional increase in dividend payments; results in a lower dividend yield.

In the case of social performance disclosure, the regression results in Table 4.3 indicates that social performance disclosures (SOPD) exhibited a positive but statistically insignificant effect on dividend yield of listed manufacturing companies in Nigeria (coeff. = 0.001, p = 0.977). Since the probability value exceeds the 5 percent significance level, social performance disclosures do not have a significant effect on dividend yield. This suggests that increases in social performance reporting by firms do not meaningfully influence the dividends paid relative to share price. The capital market may not respond strongly to social disclosures in the short term, particularly when the initiatives do not immediately affect cash flows or distributable profits.

Finally, the results in table 4.3 indicates that governance performance disclosures (GOPD) had a negative and statistically significant effect on dividend yield in the pooled OLS model (coeff. = -0.357, p = 0.021). This implies that higher levels of governance disclosure cause lower dividend yield among listed manufacturing companies in Nigeria. One possible explanation for this outcome is that stronger governance disclosure improves transparency and reduces perceived agency risk, thereby increasing investor confidence in the firm. As investors view such firms as more credible and well monitored, demand for their shares may rise, which pushes up share prices. When share prices increase without a proportional rise in dividends, dividend yield naturally declines.This result is consistent with the findings of Umeanozie and Ofoegbu (2022), Matuszewska-Pierzynka (2023), and Almulhim (2024), who reported that stronger governance disclosure is often associated with lower dividend yield. These studies explain the relationship largely through a valuation channel: improved governance transparency reduces information asymmetry and agency concerns, which increases firm valuation and lowers dividend yield when dividend payments remain relatively stable. However, the finding differs from studies such as Restrepo et al. (2022) and Ayishetu et al. (2024), which observed that firms with stronger governance disclosure may also exhibit higher dividend payouts or a greater likelihood of paying dividends. Those studies argue that effective governance mechanisms strengthen managerial discipline and encourage the distribution of cash to shareholders rather than retaining it for potential managerial discretion.

The moderated regression models presented in table 4.3 introduce interaction terms to capture the moderating role of gender diversity in the relationship between ESG disclosures and shareholders' value of listed manufacturing companies in Nigeria. The interaction between environmental performance disclosures and gender diversity (ENPD_GEND) was negative and statistically significant (coeff. = -0.357, p = 0.008), while the interaction between governance performance disclosures and gender diversity (GOPD_GEND) was similarly negative and statistically significant (coeff. = -0.389, p = 0.025). In contrast, the interaction between social performance disclosures and gender diversity (SOPD_GEND) was statistically insignificant (coeff. = 0.055, p = 0.758). In the unmoderated model, environmental and governance disclosures exhibited negative and significant effects on dividend yield, while social disclosure remained insignificant. The introduction of gender diversity strengthens the explanatory power of some ESG relationships, indicating that board gender composition plays an important role in shaping how ESG disclosures influence dividend-related outcomes. These findings are broadly consistent with several studies in the existing literature. For instance, Yenev and Saraswati (2025) report that board gender diversity strengthens the impact of social and governance disclosures on firm performance indicators such as return on assets and Tobin's Q. Similarly, Omenihu et al. (2025) found that firms with stronger female board representation demonstrate a more pronounced relationship between ESG disclosures and firm value.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of environmental, social, and governance (ESG) disclosures on shareholder value of listed manufacturing firms in Nigeria over the period 2015–2024. The moderating effect of gender diversity on this relationship was also studied. The study provided empirical insights into the value relevance of ESG disclosures. The findings revealed that, in isolation, ESG disclosure components, environmental, social, and governance, do not exert a statistically significant influence on shareholder value added. This suggests that the Nigerian capital market may not fully price or respond to ESG-related information in terms of value creation, possibly due to weak enforcement mechanisms, low investor sensitivity to sustainability disclosures, or information asymmetry. However, the study established that gender diversity plays a significant moderating role in the ESG–shareholder value nexus. This implies that board gender composition enhances the effectiveness and value relevance of ESG disclosures, suggesting that diverse boards may improve oversight, transparency, and strategic alignment of sustainability initiatives with shareholder interests. Therefore, while ESG disclosures alone may not directly translate into enhanced shareholder value, their interaction with gender-diverse boards creates a more impactful governance mechanism that strengthens firm value outcomes. Overall, the study concluded that ESG disclosures exhibit limited direct value relevance but become significantly more meaningful when moderated by gender diversity. The study therefore recommended that regulatory authorities such as the Securities and Exchange Commission (SEC) Nigeria and the Financial Reporting Council of Nigeria (FRCN) should strengthen enforcement mechanisms to ensure that environmental disclosures move beyond symbolic reporting to substantive, performance-based disclosures. Thus, firms should integrate environmental reporting with measurable financial outcomes such as cost savings from energy efficiency, waste reduction benefits, thereby enhancing the value relevance of such disclosures to investors.

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