

**Sustainability Reporting and Financial Performance of Upstream Oil and Gas Companies
in South - South of Nigeria**

**Jones Michael, BOO
LCU/PG/002923**

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of Management & Social Sciences, Lead City University Ibadan, Oyo State
Nigeria**

**In Partial Fulfilment of the Requirements for the Awards of Master of Science Degree
(MSc) in Accounting**

Certification

This is to certify that **Jones Michael BOO** with the matriculation number **LCU/PG/002923** carried out this research work titled: **Sustainability Reporting and Financial Performance of Upstream Oil and Gas Companies in South - South of Nigeria** in the Department of Management & Accounting, Faculty of Management & Social Sciences, Lead City University, Ibadan, Nigeria for the award of Master of science Degree (MSc) in Accounting and this has not been previously submitted.

Dr. Olusola. James A. Oladejo
Supervisor

Date

Dr. T. M. Akinbo
Head of Department

Date

Dedication

This work is dedicated to God Almighty

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Acknowledgement

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Even though the above institution and persons have assisted in the process of this research, I alone stand responsible for the errors, if any, found in the work.

Abstract

The Nigerian economy heavily relies on oil and gas revenue, which significantly contributes to its development. However, competition for financial performance among oil and gas companies has raised concerns among residents in the South-South region. This study examines the impact of sustainability reporting on the financial performance of six upstream oil and gas companies in South-South Nigeria, using an ex-post facto design. A total of 54 observations were drawn from nine years (2015–2023) of audited financial statements and sustainability reports sourced from company websites and the Nigerian Stock Exchange. Environmental, economic, and social reporting metrics were analyzed using content analysis based on Global Reporting Initiative (GRI) standards. Data validity was ensured through audited reports and diagnostic tests, including Variance Inflation Factor (VIF) for multicollinearity and the Breusch-Pagan test for heteroskedasticity. Descriptive statistics summarized data trends, while multiple regression analysis evaluated the relationships between sustainability reporting and financial performance, with results presented through tables, charts, and graphs. The study evaluates the impact of sustainability reporting on financial performance, revealing mixed outcomes. Environmental reporting positively but insignificantly affects ROA ($\beta = 0.138$, $p = 0.063$), while economic reporting has a significant negative effect ($\beta = -0.015$, $p < 0.01$), and social reporting shows no significant impact ($\beta = -0.187$, $p = 0.596$). For ROE, environmental ($\beta = 0.0177$, $p = 0.8709$), economic ($\beta = 0.0314$, $p = 0.7596$), and social ($\beta = 0.1101$, $p = 0.3895$) reporting display positive but insignificant effects. Economic reporting significantly influences ROCE ($\beta = 0.179$, $p = 0.0051$), whereas environmental ($\beta = 0.198$, $p = 0.113$) and social reporting ($\beta = -0.149$, $p = 0.303$) remain insignificant. The models, while statistically significant, exhibit weak to moderate explanatory power (R^2 : 0.011–0.379), indicating a limited overall impact of sustainability reporting on financial performance. Economic reporting stands out as the most influential, particularly for ROCE, highlighting the importance of strategic economic disclosures. Further research into additional determinants of financial performance is recommended to deepen understanding of these relationships.

Keywords: Sustainability Reporting, Financial Performance, Environmental Reporting, Social Reporting, Economic Reporting.

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List of Acronyms

Abbreviation	Meaning
ANAN	Association of National Accountants of Nigeria
BITC	Business in the Community
CBN	Central Bank of Nigeria
CS	Corporate Sustainability
DMBs	Deposit Money Banks
EPS	Earning Per Share
ESG	Environmental, Social, and Governance
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
ICAN	Institute of Chartered Accountants of Nigeria
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organisation for Standardisation
JV	Joint Venture
MOU	Memorandum of Understanding
NNPC	Nigeria National Petroleum Corporation
NSBPs	Nigerian Sustainable Banking Principles
OECD	Organisation for Economic Co-operation and Development
PBIT	Profit Before Interest and Tax
PSC	Production Sharing Contracts
ROA	Return on Asset
ROCE	Return on Capital Employed
ROE	Return on Equity
UNPRI	United Nations Principles for Responsible Investment
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institut

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