

## Sustainability reporting and environmental, social, and governance (ESG) assurance in Nigeria: A conceptual review

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### Abstract

**Purpose:** This study examines the state of sustainability reporting and Environmental, Social, and Governance (ESG) assurance in Nigeria. It explores the institutional drivers, regulatory developments, challenges, and emerging trends influencing the adoption and implementation of sustainability reporting and ESG assurance practices among Nigerian organizations.

**Methodology:** The study adopts a conceptual review approach, drawing evidence from existing literature, regulatory frameworks, professional reports, and empirical studies on sustainability reporting and ESG assurance in Nigeria and comparable emerging economies. Relevant theoretical and institutional perspectives were reviewed to provide insights into current practices and developments.

**Results and Conclusion:** The study reveals that sustainability reporting and ESG assurance are gaining traction among listed companies and organizations operating in highly regulated sectors. The growing demand for transparency, accountability, and responsible corporate behavior has contributed to increased ESG disclosures. However, the adoption of ESG assurance remains constrained by inadequate professional expertise, weak regulatory enforcement, inconsistent reporting frameworks, and the high cost of assurance services. The study concludes that although progress has been made, significant gaps remain in achieving credible and comparable sustainability disclosures across industries.

**Implication of Findings:** The findings suggest the need for stronger regulatory coordination, enhanced institutional capacity, professional training, and the development of standardized sustainability reporting and ESG assurance frameworks. These measures will improve the credibility of ESG disclosures, strengthen stakeholder confidence, and support sustainable corporate development in Nigeria.

**Keywords:** Sustainability reporting, ESG reporting, ESG assurance, Assurance standards, Board oversight.

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### 1. Introduction

In recent years, sustainability reporting has become an essential component of corporate accountability, enabling organizations to communicate their environmental, social, and governance (ESG) performance to stakeholders. As stakeholders increasingly demand reliable, transparent, and verifiable sustainability information, the need for independent verification of sustainability disclosures has grown significantly. This has led to the emergence of sustainability assurance as an important mechanism for enhancing the credibility and trustworthiness of sustainability reports. The procedure by which an independent group evaluates the validity and dependability of an organization's sustainability reports, assertions, or projects is known as sustainability assurance (Hazaea et al., 2022). This assurance procedure evaluates the completeness and quality of data on an organization's sustainability performance (environmental, social, and governance, ESG) indicators. By offering an impartial evaluation, sustainability assurance boosts the legitimacy of corporate sustainability reporting. It is frequently mandated by external stakeholders and authorities that demand greater openness in corporate responsibility practices. The process by which an impartial third party examines and confirms a company's sustainability disclosures to make sure the data is correct, reliable, and compliant with established reporting criteria is also known as sustainability assurance. The idea behind this procedure is to make sustainability reporting more credible, which will boost stakeholders' confidence in the company's handling of ESG issues (Manetti & Becatti, 2009).

In the last decade, stakeholders such as investors, customers, and regulators have put more pressure on businesses to produce transparent and verifiable information, which has increased demand for sustainability assurance. A company's sustainability report's qualitative and quantitative data are typically evaluated as part of sustainability assurance. (O'Dwyer & Owen, 2005).

There are different levels of assurance that can be offered, ranging from minimal to reasonable. While reasonable assurance offers a more thorough and in-depth evaluation, akin to a financial audit, limited assurance, which is frequently used to sustainability reporting, entails a reduced level of scrutiny and concentrates on particular indicators or areas of the report (Simnett et al., 2009). Corporate sustainability practices gain legitimacy and nationalization through sustainability assurance. Because it exposes sustainability claims to outside examination, it also reduces the potential of greenwashing. Stakeholders can make well-informed decisions about a company's real environmental and social performance thanks to this degree of assurance (Zadek et al., 2004).

This study's logic is bolstered by a number of strong arguments. First, sustainability reporting is a key instrument for promoting corporate accountability and sustainable development given Nigeria's socioeconomic and environmental issues (Adekoya & Ekpenyong, 2020). Second, in order to stay competitive, Nigerian companies must apply globally accepted reporting and assurance practices because of the growing emphasis on ESG performance caused by investor expectations, international capital markets, and transnational regulatory changes (Eccles & Klimenko, 2019). Third, prior studies reveals that a large number of Nigerian sustainability reports are erratic, lacking, and untrustworthy, which raises questions regarding greenwashing and the general veracity of corporate sustainability narratives (Oyekanmi & Oyerogba, 2024). ESG assurance thus becomes crucial in providing independent validation of provided information, according to Abiloro et al. (2025). Fourthly, research on ESG assurance and sustainability reporting in Nigeria is still scarce and primarily exploratory (Musa et al., 2025). Therefore, the need for conceptual clarity and studies to highlights opportunities for future research while synthesizing present knowledge. Finally, as Nigeria progresses toward sustainability-focused reforms including energy transition laws, strategies for climate change adaptation, and governance restructuring, the need for ESG reporting and assurance grows (Amadi & Abdullah, 2022). Therefore, this paper tries to develop an understanding of the developing dynamics of ESG and sustainability reporting in Nigeria. It advances the larger goal of sustainable national development, aids business decision-making, informs regulatory development, and adds to scholarly discourse.

## 2. Conceptual Framework

The ESG framework that directs businesses, investors, and stakeholders about responsible decision-making, has occurred as a key part of sustainable business practices in recent years. ESG is a triumvirate of variables that measure a business's social effect and role in terms of sustainability and ethics. This detailed examination goes systematically into each component, enlightening the nuances and consequence of understanding Environmental, Social, and Governance elements in today's business environment. The "E" in ESG stands for environmental factors, highlighting a business's defiance and responsibility to the environment. Carbon emissions, energy efficiency, waste management, water conservation, and biodiversity safeguarding are just a few of the many topics it covers (Shen, 2023). Strong ESG environmental policies are applied by businesses in the guest to reduce their adverse environmental effects and promote ecological sustainability.

This entails using renewable energy sources, cutting greenhouse gas emissions, putting effective waste disposal methods into practice, and making investments in environmentally friendly technologies.

Evaluating a company's commitment to reducing climate change, protecting natural resources, and promoting environmental stewardship requires an understanding of the environmental component (Lee, 2017). The "S" in ESG refers for social elements, which is all about the interactions between the business and the communities and stakeholders. Several issues are involve when it comes to social elements, including labor practices, employee relations, diversity and inclusion, consumer happiness, community development, and charitable endeavors (Li, Yang, Chen, & Wenqing, 2021). Fair labor standards, safe working conditions, employee well-being, and cultivating a diverse and inclusive workforce are top priorities for businesses that focus on the social aspect of ESG. Additionally, they interact with local communities, tackling social injustices and supporting healthcare and education projects. Assessing the social component of ESG enables stakeholders to comprehend how a business upholds human rights, advances social justice and equality, and contributes to societal well-being (Shaikh, 2022).

The 'G' in ESG stands for governance factors, highlighting the significance of moral and open corporate governance procedures. Board composition, executive compensation, shareholder rights, adherence to legal and ethical standards, anti-corruption initiatives, and financial reporting openness are all considered parts of governance. Accountability, integrity, and moral decision-making are given top priority by organizations with robust governance procedures. They indorse regulatory compliance, pledge the fortification of shareholder rights, and preserve operational openness. Side-stepping conflicts of interest, bribery and corruption; Humanising ethical culture within the company are other mechanisms for active governance. Also Evaluating a company's internal controls, risk management measures, and overall ethical integrity entails assessing the governance component of ESG (Sadiq, Singh, Raza, & Mohammad, 2020).

The move from the conventional profit-centric strategy to a more comprehensive, sustainable business model is represented by the incorporation of ESG variables into accounting frameworks. Companies are energetically endorsing a more sustainable and just world by recognising the links of social well-being, environmental preservation, and economic prosperity (Christensen, Serafeim & Sikochi, 2022). The study will consider the procedures used to integrate ESG thoughts into accounting measures in greater detail in the parts that follow, as well as the innovative effects this incorporation has on sustainability performance. Moreso, the study will consider the tactics used by innovative businesses and the lessons that can be learn from past experiences through in-depth data analysis and real-world case studies. The key issue here is that businesses should disclose their social and environmental effects and also their financial performance (Igbinovia & Agbadua, 2025). The connexion of social welfare, environmental protection, and economic affluence is recognised in this expanded disclosure.

In order to show value creation over time, integrated reporting which links financial results with non-financial performance indicators is becoming more and more associated with sustainability reporting in Nigeria (KPMG, 2022). Certain industries, particularly the financial services sector, have seen regulatory guidelines requiring or promoting sustainability disclosures, even though full sustainability reporting is not yet required across all sectors (Central Bank of Nigeria, 2014). These frameworks place a strong emphasis on social effect, environmental risk assessment, and responsible lending. Sustainability reporting is reinforced by Nigeria's changing environmental regulations and corporate governance standards, which exert pressure on businesses to disclose more information (Financial Reporting Council of Nigeria, 2018).

In industries where there are significant environmental or social hazards, this pressure is particularly intense. As a result, sustainability reporting turns into a tool for upholding credibility and proving that

you are attentive to stakeholder issues. Nigerian businesses are impacted by global best practices in sustainability and ESG reporting as they engage in foreign markets more and more.

Due diligence from international stakeholders and investors frequent calls for sustainability disclosures, and exposure to international standards like IFRS Sustainability Standards and GRI has sped up adoption among top Nigerian businesses (KPMG, 2022). Thus, globalization encourages sustainability reporting by acting as a normative and mimetic force (Oyekanmi & Oyerogba, 2024). Additionally, businesses utilize sustainability reporting to signal long-term value creation, improve company reputation, and set themselves apart from rivals, particularly in high-risk industries (Musa et al., 2023).

Nigerian sustainability reporting is still in its early stages, with varying degrees of progress being made by various industries. Due to their adoption of international standards and production of thorough ESG reports, large corporations and their foreign subsidiaries have achieved significant progress (Dagunduro et al., 2023). The most active industries are banking, telecommunications, consumer goods, and energy due to investor and regulatory pressures. However, in Nigeria many small enterprises cannot engage in sustainability reporting (Igbinovia & Agbadua, 2025). Moreso, as business provide evidence of sustainability reporting mostly for public relation rather than as indication of adopted ideals, experiencing, consistency, evenness, and comparison unfold (Oyekanmi & Oyerogba, 2024). Despite these challenges, awareness is still rising. Industry associations, authorities, and professional bodies are gradually encouraging sustainable reporting in addition to offering technical assistance, guidelines, and training (KPMG, 2022). Sustainability reporting in Nigeria is gradually transitioning from being an optional activity to a necessary component of corporate transparency, according to the increasing momentum.

### **3. Sustainability Reporting in Nigeria: Practices, Drivers, and Challenges**

#### ***Sustainability Reporting Practices in Nigeria***

Sustainability reporting has gained considerable traction in Nigeria in recent years as organizations increasingly recognize the importance of environmental, social, and governance (ESG) disclosures in promoting transparency and accountability. Although sustainability reporting remains largely voluntary across many sectors, Nigerian firms, particularly large listed companies, have gradually embraced sustainability reporting as part of their corporate reporting practices.

Current sustainability reporting practices in Nigeria reveal a gradual transition from traditional corporate social responsibility disclosures to more structured and comprehensive ESG reporting frameworks. Many organizations, especially in the banking, telecommunications, manufacturing, and oil and gas sectors, now provide disclosures on environmental performance, employee welfare, community development initiatives, governance structures, ethical conduct, and risk management practices (Dagunduro et al., 2023). Furthermore, integrated reporting, which combines financial and non-financial information into a single report, is becoming increasingly popular as organizations seek to provide a holistic account of value creation and long-term sustainability performance (Uwuigbe et al., 2022).

Many leading Nigerian companies have adopted internationally recognized reporting frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the United Nations Sustainable Development Goals (SDGs) as benchmarks for sustainability disclosures (Onyali & Okafor, 2023). The growing use of sustainability dashboards, digital reporting platforms, and real-time data analytics has further enhanced the quality, accessibility, and timeliness of sustainability information. Nevertheless, the level of adoption varies considerably across industries, with large

corporations demonstrating more advanced reporting practices than small and medium-sized enterprises (SMEs).

### ***Drivers of Sustainability Reporting in Nigeria***

The increasing adoption of sustainability reporting in Nigeria is influenced by several institutional, regulatory, market, and stakeholder-related factors. One of the major drivers is the evolving regulatory environment. Regulatory institutions such as the Securities and Exchange Commission (SEC), the Financial Reporting Council of Nigeria (FRCN), the Nigerian Exchange Group (NGX), and the National Environmental Standards and Regulations Enforcement Agency (NESREA) have introduced various guidelines and frameworks that encourage sustainability disclosures (SEC, 2018; FRC Nigeria, 2020; NGX, 2021; NESREA, 2022). The Nigerian Code of Corporate Governance (NCCG) 2018 also promotes responsible business conduct and increased transparency in corporate reporting.

Corporate governance considerations constitute another important driver. Boards of directors, audit committees, and sustainability committees increasingly recognize the influence of ESG issues on organizational reputation, risk management, financial performance, and long-term business sustainability (Iredele & Akinyele, 2021). Consistent with Agency Theory, sustainability reporting helps reduce information asymmetry between managers and stakeholders while demonstrating accountability and responsible stewardship (Jensen & Meckling, 1976).

Stakeholder pressure has also significantly contributed to the growth of sustainability reporting. Investors, customers, employees, communities, civil society organizations, and international development partners increasingly demand transparency regarding environmental and social impacts (Musa et al., 2025). Institutional investors often consider ESG disclosures as indicators of risk management capability and long-term value creation, thereby encouraging companies to improve reporting quality (Dagunduro et al., 2023).

Additionally, globalization and international economic integration have accelerated sustainability reporting adoption. Nigerian companies operating in global markets or participating in international supply chains are increasingly required to comply with international sustainability standards and reporting frameworks. Exposure to multinational business practices and international investment requirements has encouraged many organizations to align their reporting practices with global best practices (UN Global Compact, 2022). Reputational considerations and the desire to attract foreign investment have further strengthened the commitment to sustainability reporting.

### ***Challenges of Sustainability Reporting in Nigeria***

Despite the progress recorded in sustainability reporting practices, several challenges continue to hinder its effective implementation in Nigeria. One of the major challenges is the absence of comprehensive and mandatory sustainability reporting regulations applicable across all sectors. Although various guidelines exist, enforcement remains relatively weak, resulting in inconsistent disclosure practices and limited comparability among organizations (Igbinovia & Agbadua, 2025). Consequently, many sustainability disclosures remain voluntary, selective, and non-standardized.

Financial and resource constraints also pose significant challenges, particularly for SMEs. Many organizations lack the financial capacity, technical expertise, and human resources required to collect, analyze, and report ESG-related information effectively (Akinyele & Ofoegbu, 2018). The costs associated with sustainability reporting systems, data collection processes, staff training, and external assurance services often discourage widespread adoption.

Technical challenges relating to data availability and measurement further constrain reporting quality. Weak internal reporting systems, inadequate information technology infrastructure, and the absence of standardized ESG performance metrics make it difficult for organizations to generate reliable sustainability information (Okoye, 2012). As a result, reported information may be incomplete, inaccurate, or difficult to compare across organizations and industries.

Organizational and cultural barriers also limit sustainability reporting adoption. In many Nigerian organizations, sustainability issues are still perceived as secondary to short-term financial objectives. Limited awareness of the strategic benefits of sustainability reporting, coupled with economic uncertainties and infrastructural challenges, often results in insufficient management commitment to ESG initiatives (Akinyele, 2010). Consequently, sustainability reporting is sometimes viewed as a compliance exercise rather than an integral component of corporate strategy.

Overall, while sustainability reporting in Nigeria has witnessed significant progress, its effectiveness continues to be constrained by regulatory weaknesses, resource limitations, technical deficiencies, and organizational barriers. Addressing these challenges through stronger regulatory frameworks, capacity building, stakeholder engagement, and improved reporting infrastructure will be critical for enhancing the quality and credibility of sustainability disclosures in Nigeria.

#### **4. ESG Assurance in Nigeria: Issues, Prospects, and Institutional Dynamics**

##### *Institutional Dynamics of ESG Assurance in Nigeria*

Environmental, Social, and Governance (ESG) assurance has emerged as an important mechanism for enhancing the credibility, reliability, and transparency of sustainability disclosures. Globally, investors, regulators, and other stakeholders increasingly demand independent verification of ESG information to reduce information asymmetry and improve confidence in corporate sustainability reporting (KPMG, 2022; PwC, 2023). ESG assurance involves the independent examination and validation of non-financial disclosures relating to environmental performance, social responsibility, and governance practices. Unlike financial audits, which are conducted under well-established accounting standards, ESG assurance focuses on diverse and often qualitative disclosures such as carbon emissions, labour practices, stakeholder engagement, board diversity, and climate-related risks (GRI, 2021).

In Nigeria, ESG assurance remains at an emerging stage of development. However, several institutional forces are contributing to its gradual expansion. Regulatory developments at the international level, including the International Sustainability Standards Board (ISSB) standards, the European Union Corporate Sustainability Reporting Directive (CSRD), and other sustainability disclosure frameworks, have increased pressure on Nigerian firms operating within global markets to improve the quality and credibility of ESG disclosures (KPMG, 2024). Consequently, many large Nigerian corporations, particularly those in the banking, telecommunications, and oil and gas sectors, are increasingly aligning their sustainability reporting practices with internationally recognized frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

Stakeholder expectations also constitute a significant institutional driver of ESG assurance. According to Simnett et al. (2009), organizations voluntarily seek assurance services to demonstrate accountability and enhance stakeholder confidence. Similarly, Gipper, Ross, and Shi (2024) argue that firms increasingly pursue ESG assurance to maintain legitimacy and remain competitive within their industries. Agency theory further suggests that ESG assurance serves as a governance mechanism that reduces information asymmetry between management and stakeholders while strengthening corporate accountability.

### ***Issues and Challenges of ESG Assurance in Nigeria***

Despite the growing recognition of ESG assurance, several challenges continue to hinder its widespread adoption in Nigeria. One of the major issues is the absence of comprehensive regulatory requirements mandating ESG assurance. While sustainability reporting is gradually gaining acceptance, assurance engagements remain largely voluntary, resulting in inconsistencies in assurance quality, scope, and reporting practices across organizations.

Another significant challenge is the high cost associated with ESG assurance. ESG assurance involves both direct and indirect costs. Direct costs arise from fees paid to external assurance providers, while indirect costs include investments in internal control systems, data management infrastructure, personnel training, and monitoring mechanisms required to support assurance processes (Christensen et al., 2021; Rudzioniene & Brazdzius, 2023). These financial burdens are particularly difficult for small and medium-sized enterprises (SMEs), thereby limiting widespread adoption.

Technical and professional capacity constraints also pose serious challenges. ESG assurance requires specialized expertise in sustainability measurement, environmental reporting, climate risk assessment, and non-financial auditing. However, Nigeria currently faces a shortage of professionals with adequate ESG assurance competencies. In addition, many organizations still struggle with inadequate ESG data collection systems, weak internal controls, and the absence of standardized performance indicators, thereby affecting the reliability and comparability of sustainability disclosures.

Institutional weaknesses further complicate ESG assurance implementation. Limited regulatory enforcement, fragmented reporting frameworks, and low stakeholder awareness contribute to uncertainty regarding assurance expectations and standards. Consequently, many organizations view ESG assurance as a compliance cost rather than a strategic investment capable of enhancing long-term corporate value.

### ***Prospects of ESG Assurance in Nigeria***

Notwithstanding these challenges, the future of ESG assurance in Nigeria appears promising. Growing investor interest in sustainable finance, responsible investment, and ESG performance is expected to increase demand for independently assured sustainability disclosures. Institutional investors increasingly regard assured ESG information as an indicator of transparency, risk management capability, and long-term organizational resilience (Dhaliwal et al., 2011).

The ongoing harmonization of global sustainability reporting standards also presents significant opportunities for ESG assurance growth. The adoption of ISSB standards and increasing alignment with international reporting frameworks are likely to encourage greater consistency in sustainability reporting and create stronger demand for assurance services. As regulatory expectations continue to evolve, Nigerian organizations may increasingly view ESG assurance as a strategic necessity rather than a voluntary exercise.

Furthermore, ESG assurance offers several potential benefits to organizations. These include improved stakeholder trust, enhanced corporate reputation, reduced information asymmetry, improved access to sustainable and green financing, lower cost of capital, and stronger relationships with investors and business partners (Fuhrmann et al., 2017; Kristanto & Cao, 2024). Assured ESG disclosures may also improve organizational decision-making by strengthening internal control systems and sustainability performance measurement.

Emerging developments such as artificial intelligence, digital reporting technologies, climate finance initiatives, and green investment instruments are expected to further shape the future of ESG assurance. As sustainability concerns become increasingly integrated into corporate strategy and regulatory frameworks, ESG assurance is likely to become a critical component of corporate governance and accountability in Nigeria. Consequently, strengthening regulatory support, professional capacity, and institutional infrastructure will be essential for realizing the full potential of ESG assurance within the Nigerian business environment.

## 5. Conclusion

In Nigeria, sustainability reporting and environmental, social, and governance (ESG) assurance have grown in significance in relation to corporate responsibility and investor decision-making (Oyekanmi & Oyerogba, 2024). Nigerian businesses are under growing pressure to explain how they generate long-term profit while managing environmental and social consequences, as global financial markets continue to place a high value on transparency, moral behavior, and responsible business practices (KPMG Nigeria, 2022). Over the past ten years, Nigeria's progress in sustainability disclosures has been spearheaded by regulatory bodies such as the Securities and Exchange Commission (SEC) Nigeria, the Financial Reporting Council of Nigeria (FRCN), and the Central Bank of Nigeria (CBN) (Adegbe et al., 2023). Despite these developments, industry standards remain uneven, and disclosures vary widely in terms of their scope, caliber, and dependability (Oyekanmi & Oyerogba, 2024). The prevalence of voluntary disclosure laws in Nigeria, which give businesses considerable latitude in the type and amount of information they disclose, significantly hinders effective sustainability reporting (Musa et al., 2023). Because of this, a lot of disclosures are still generic and lack measurable goals, consistent metrics, and clear reporting boundaries (KPMG Nigeria, 2022). According to Adegbe et al. (2023), Nigerian companies also face difficulties with insufficient internal data systems, a lack of technical know-how, and a lack of proficiency in gathering, validating, and evaluating sustainability data.

Additionally, adoption is still dispersed despite growing interest in international frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB). In Nigeria, ESG certification which improves the legitimacy and dependability of sustainability reporting is still relatively new (Abiloro et al., 2025). Only a few major companies, primarily in the banking, telecommunications, and oil and gas industries, are able to get independent confirmation of their sustainability data (KPMG Nigeria, 2022). Low-level ("limited") assurance is far more prevalent than comprehensive ("reasonable") assurance, and assurance engagements are frequently narrowly focused (Oladipupo & Izedonmi, 2023).

Wider application is hampered by a lack of a standardized assurance framework, insufficient professional experience, unclear regulatory requirements, and financial repercussions (Abiloro et al., 2025). The quality, comparability, and integrity of sustainability reports released by Nigerian companies are therefore frequently questioned by stakeholders, including investors, regulators, consumers, and civil society organizations (Musa et al., 2023). The atmosphere of lax enforcement is another major issue. The implementation of sustainability reporting regulations, such as those issued by the SEC, CBN, or industry-specific regulators, has proven difficult due to conflicting policy objectives, low monitoring capacity, and minimal fines (Adegbe et al., 2023).

Confusion among reporting entities is exacerbated by the lack of a consistent national sustainability reporting framework and scattered institutional initiatives (KPMG Nigeria, 2022). Significant policy gaps persist despite Nigeria's efforts to create a more cohesive ESG reporting environment and adhere to global best practices (IFRS Foundation, 2023).

In conclusion, Nigeria's ecosystem is still immature by international standards, despite the country's

notable advancements in sustainability reporting and ESG certification. Coordinated reforms, capacity building, stricter regulations, and improved assurance mechanisms are necessary to facilitate Nigeria's transition to a more transparent and sustainable business environment. Nigeria requires a comprehensive national sustainability reporting standard that integrates regional socioeconomic and environmental realities with international standards. (like GRI and IFRS S1/S2) (IFRS Foundation, 2023).

In addition to providing clarity on necessary disclosures, metrics, sector-specific indicators, and reporting borders, a unified, government-backed framework would lessen reporting disparities. Public interest groups, such as listed companies, banks, insurance companies, pension fund managers, and large public sector enterprises, ought to be required to submit sustainability reports. Regulations that are mandatory will improve comparability, lower selective disclosures, and establish uniform expectations. To ensure compliance, regulators like the SEC, FRCN, and CBN need to improve their monitoring capabilities. This necessitates careful evaluation of sustainability reports, prompt sanctions for non-compliance, regular revisions of guidelines, and interagency cooperation to prevent mandate overlap.

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