



ESG STATE OF PLAY REPORT IN NIGERIA

Table of Contents

Foreword	3
Executive Summary	4
Introduction and Context	6
Methodology	10
Overview of ESG Landscape in Nigeria	14
Sectoral ESG Assessment	20
Cross-Cutting Findings and Analysis	23
Stakeholder Perspectives and Alignment	26
Opportunities for Scaling ESG Practices	30
Policy and Strategic Recommendations	33

Glossary

CBN	Central Bank of Nigeria
CDP	<i>Formerly</i> Carbon Disclosure Project
COSO	Committee of Sponsoring Organizations of the Treadway Commission
ESG	Environmental Social Governance
FRCN	Financial Reporting Council of Nigeria
GIZ	German Cooperation
GRI	Global Reporting Initiative
ISSB	International Sustainability Standards Board
SDGs	Sustainable Development Goals
NAICOM	National Insurance Commission
NCCC	National Council on Climate Change
NECA	Nigeria Employers' Consultative Association
NESREA	National Environmental Standards and Regulations Enforcement Agency
OECD	Organisation for Economic Co-operation and Development
PENCOM	National Pension Commission
PIEs	Public Interest Entities
SASB	Sustainability Accounting Standards Board
SEBI	Securities and Exchange Board of India
SEC	Securities Exchange Commission
SMEs	Small Medium Enterprises
SOEs	State-Owned Enterprises
TCFD	Task Force on Climate-related Financial Disclosures
YOY	Year-on-Year

Foreword

By the Director-General, Nigeria Employers' Consultative Association (NECA).

I am delighted to present this ESG State of Play Report in Nigeria, a ground-breaking assessment developed to deepen understanding, strengthen awareness, and foster collective action on ESG practices among employers and key stakeholders across the country.

The pace at which the business environment has changed in recent years globally, wherein ESG factors have become core to organizational sustainability, competitiveness, and long-term value creation, makes such a guide urgent. Indeed, for large corporations, financial institutions, regulators, and the vibrant MSME sector in Nigeria, the adoption of ESG considerations is no longer a choice but an imperative one that underlines national development priorities and global best practices.

NECA remains committed to supporting businesses through this transition. This report provides a broad review of the current ESG landscape in Nigeria, the progress made so far, the challenges that persist, and the opportunities that lie ahead. It highlights gaps that must be addressed and offers actionable insights that can guide employers in strengthening their ESG structures, policies, and implementation capacity.

We are especially proud of the collaborative spirit behind this publication. This report embodies the overall perceptions of Nigeria's private sector, regulators, development partners, and civil society through stakeholder consultations, validation sessions, and engagements across the sector. I am grateful to the International Labour Organization for its partnership in producing this and to all contributors whose insights further enriched this work.

As the voice for organized businesses in Nigeria, NECA will continue to lead the charge for responsible business conduct, decent work, sustainability, and improved corporate governance. We, therefore, hope this report would be a useful tool for employers and policymakers in strengthening the ESG ecosystem in Nigeria.

I hereby call on all stakeholders to deeply consider the findings and commit to meaningful action in a bid to create a more sustainable, inclusive, and resilient business environment for Nigeria.

Adewale-Smatt Oyerinde

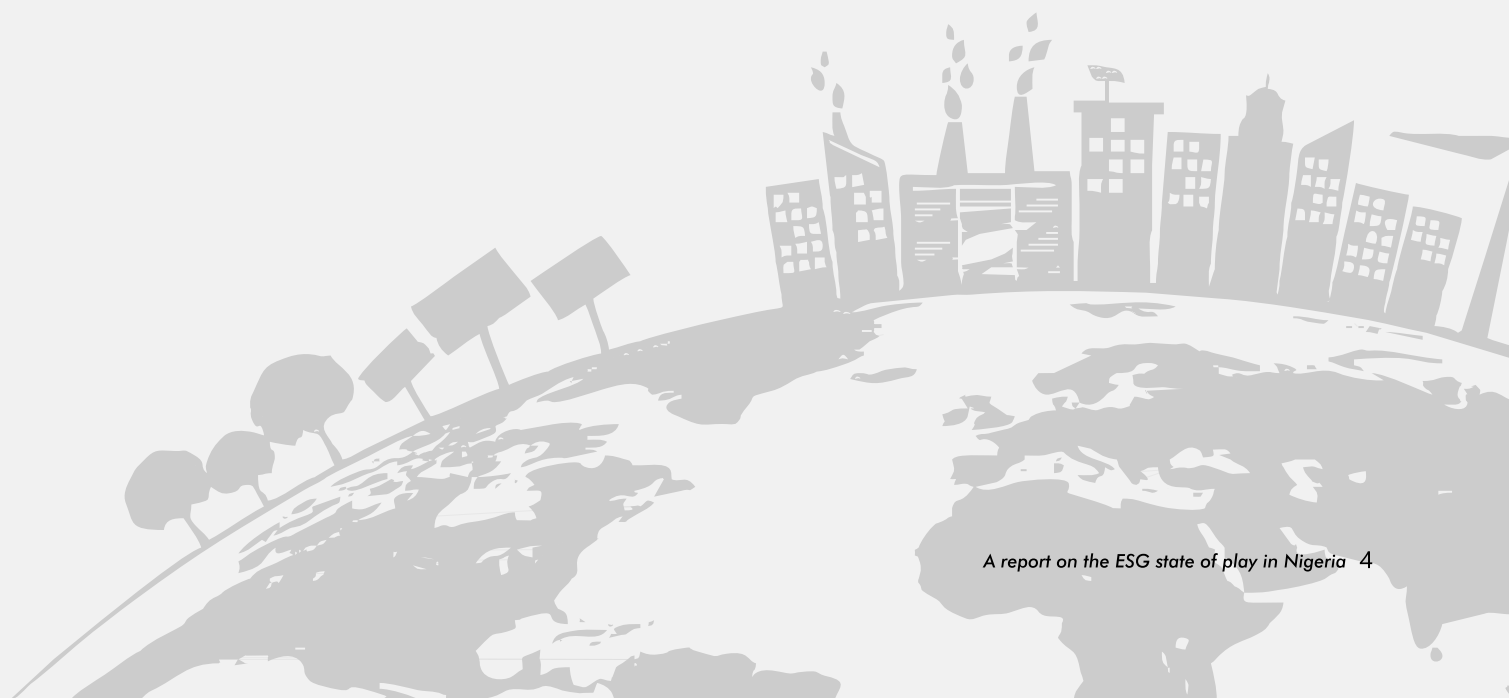
Director-General/CEO

Nigeria Employers' Consultative Association (NECA)





02 EXECUTIVE SUMMARY



Executive Summary

Background of the Study

There has been a growing global focus on Environmental, Social and Governance (ESG) practices, along with the need for transparent reporting that aligns with recognised standards such as GRI, SASB and CDP.

Nigeria has also demonstrated increasing commitment to sustainability through national policies like the Climate Change Act and the Energy Transition Plan, which target net-zero emissions by 2060. In addition, regulators have been issuing guidelines to strengthen ESG requirements, especially for public companies and the financial sector. The Securities and Exchange Commission now mandates sustainability disclosures for listed entities, while the Central Bank of Nigeria has introduced sustainable banking principles. Private companies are equally responding to these expectations from regulators, investors and stakeholders.

Given the inconsistency of ESG frameworks across organisations, Nigeria recognised the need for a unified global baseline and adopted the ISSB Standards to guide sustainability reporting across all sectors. Following Nigeria's announcement at COP27 to adopt the ISSB Standards, the Financial Reporting Council (FRC) released an adoption roadmap in March 2024 and inaugurated the Adoption Readiness Working Group (ARWG). Nigeria's adoption of these standards aims to strengthen investor confidence, improve comparability, unlock capital, and support increased foreign direct investment.

Objective of the Research

The primary objective of this report is to present a comprehensive, evidence-based report on Nigeria's ESG landscape by assessing:

- The current status of ESG adoption, implementation, and reporting in Nigeria;
- Key actors, initiatives, and regulatory frameworks shaping ESG practices;
- Sectoral insights and best practices from leading organisations; and
- Gaps, challenges, risks and opportunities for scaling ESG compliance and performance in SMEs and large corporates.

Stakeholder Perspectives and Alignment

Our research shows that ESG adoption in Nigeria is still at an early stage. About 40% of respondents are not yet measuring or reporting ESG, and 21% report only to internal management. Only 16% produce integrated reports, while 23% publish annual sustainability reports. More mature ESG awareness and practice are mainly seen in the Financial Services, Manufacturing, Agriculture, Consulting, Services (non-financial), and Energy/Oil & Gas sectors.

Among SMEs, 61% indicated they are not yet reporting ESG, and only 8% publish some form of sustainability reports. The most common challenges highlighted are the absence of clear national ESG standards, limited awareness and technical expertise, and a paucity of reliable data and measurement tools. Reporting costs, weak incentives, low executive commitment, and limited funding are also highlighted as other barriers, showing that many organisations face structural and capacity-related constraints.

Organisations are at different levels of ESG readiness: 28% reported advanced integration, 28% are in early planning, 28% are moderately implementing ESG, and 17% still have low readiness. This survey report reflects a growing interest in ESG, but also significant gaps in systems, skills and processes.

Respondents consistently indicated that mandatory, standardised ESG reporting, backed by strong regulatory enforcement, would be the most effective catalyst for driving ESG adoption nationwide. They also emphasised the need for large-scale awareness programmes, training, and government-supported incentives to build capacity and foster greater accountability.

Summary of Recommendations

Respondents have made strong recommendations for the adoption of the ISSB Framework as the National ESG Framework, supported by simplified reporting templates, capacity building, incentives and regulatory reliefs, especially for SMEs.

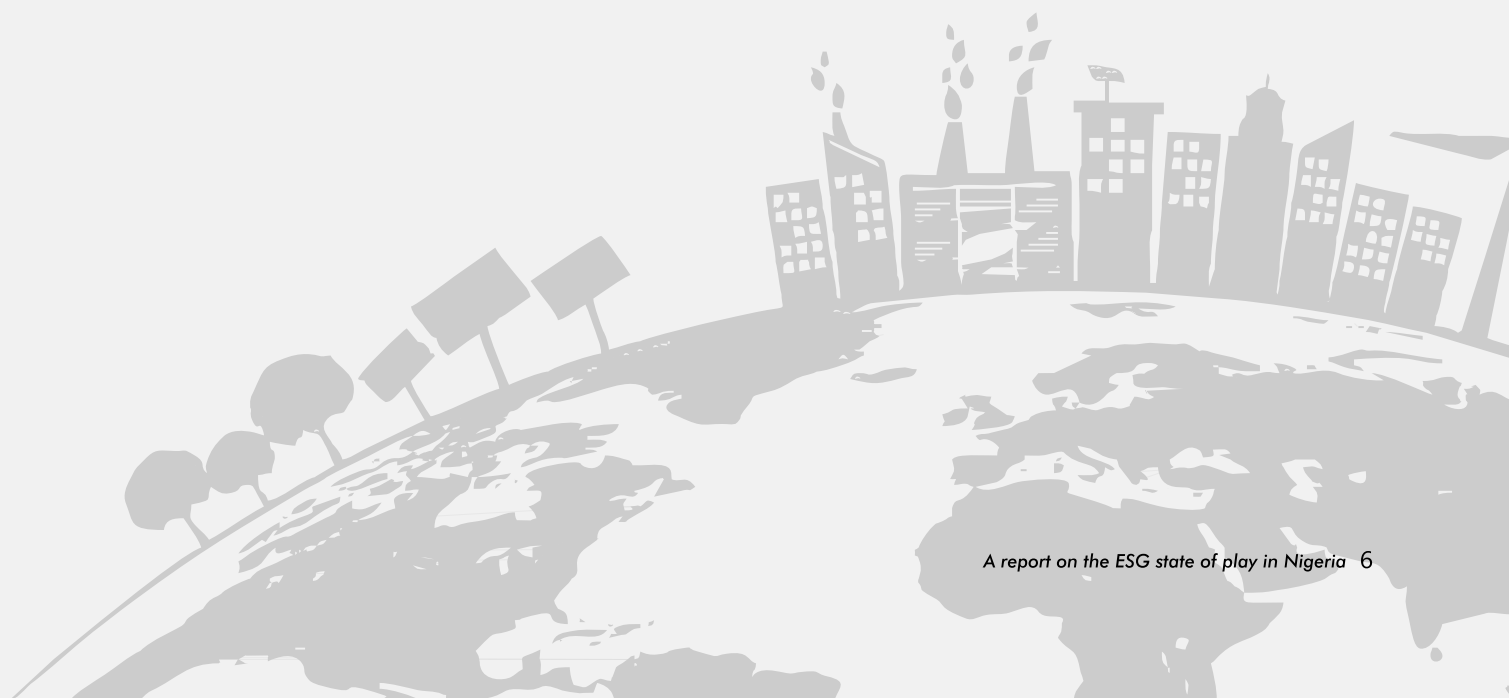
NECA will be looking to:

- Introduce tiered ESG training programmes (from basic literacy to advanced integration and assurance readiness);
- Provide practical toolkits such as materiality assessment guides, data-collection templates, and supplier due-diligence checklists;
- Champion advocacy for harmonised ESG policies across regulators.

Development partners and investors are encouraged to support businesses through concessional financing, guarantees and blended finance instruments that can attract commercial capital into green and sustainable investments including renewable energy, waste management, water efficiency and other climate-friendly initiatives.



03 INTRODUCTION & CONTEXT



Introduction and Context

The ESG Concept

ESG, which stands for **Environmental, Social, and Governance**, is a framework used to evaluate a company's broader impact and performance beyond just financial results. It measures how businesses manage risks and opportunities related to environmental sustainability, social responsibility, and corporate governance practices.



Background of the Study

Environmental, Social, and Governance (ESG) issues have rapidly evolved from niche concerns to mainstream business priorities over the past decade, and begins to shape how organizations manage resources, risks and create long-term value. Today, ESG remains central, gaining attention and focus at the global stage.

Across Africa, ESG considerations are becoming an important lens through which businesses, investors, and regulators evaluate performance and long-term resilience. There is a growing awareness of climate risks, social impact, and governance standards, prompting companies to adopt sustainability practices, with reporting and compliance gradually becoming part of mainstream business operations.

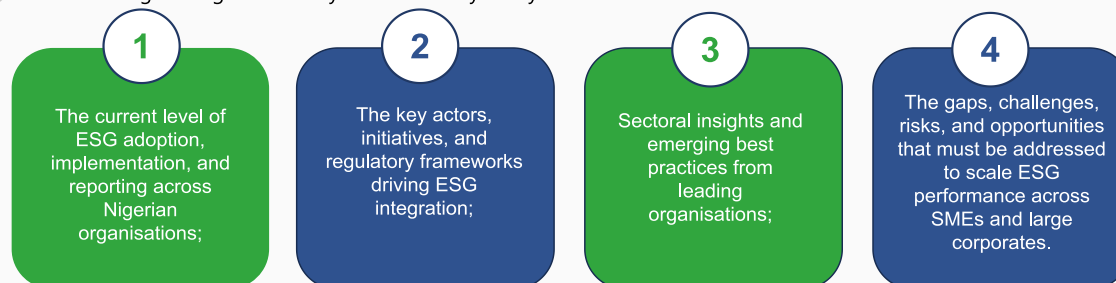
In Nigeria, this trend is gaining momentum as regulators, capital market actors, and investors increasingly expect businesses to operate responsibly and transparently. Regulatory bodies have been developing ESG reporting guidelines and frameworks to ensure companies are disclosing relevant sustainability information, managing their environmental and social risks effectively, and aligning their practices with national and global standards. Companies are beginning to integrate ESG principles into their policies, strategies, operations, and reporting frameworks.

Despite these developments, awareness and structured adoption of ESG principles remain fragmented across the corporate landscape. Many organizations still struggle to understand the concept, benefits, applicable frameworks, and practical steps required to embed ESG into their core operations.



Although there is considerable work to be done, the development of this ESG State of Play Report signifies a practical step to assess the current ESG landscape in Nigeria and support more informed engagements and dialogues across the business community.

This ESG State of Play Report brings together a detailed, evidence-based assessment of Nigeria's ESG landscape. It highlights four core areas essential to strengthening the country's sustainability ecosystem:



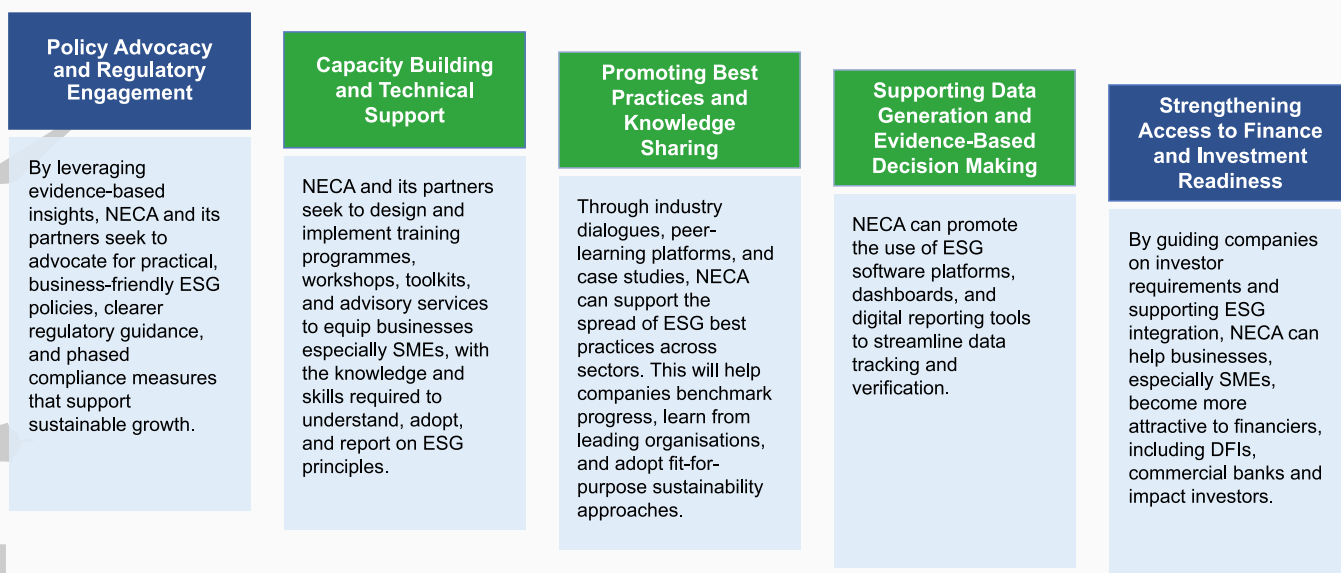
These blend of insights provide practical approach to informed decision-making, stronger stakeholder collaboration, and the advancement of responsible and resilient business practices in Nigeria. Through this report, NECA can better advocate more effectively with government and regulators for policies that support businesses, on issues such as compliance timelines, reporting requirements, and capacity building. In addition, the identified gaps and challenges will form the basis for tailored ESG training, workshops, and toolkits for NECA members (particularly SMEs that struggle with implementation).

Importance of ESG adoption in Nigeria's economic and development context

Adopting ESG principles promotes impactful change, inclusive prosperity, builds resilience, and helps stakeholders balance people, profit, and planet.



Role of NECA and partners in advancing sustainable private-sector practices



Scope and Coverage

This ESG State of Play Report provides a comprehensive assessment of the current sustainability landscape in Nigeria, accessing the level of Environmental, Social, and Governance (ESG) integration across key economic sectors, institutions, and stakeholder groups. The scope and coverage are defined as follows:

1. Sectoral Coverage

The ESG State of Play assessment covers a broad range of priority sectors that represent the backbone of Nigeria's economic activity and sustainability landscape. The sectors were selected based on their material ESG risks, national development relevance, and potential for scalable impact.

The sectors include:

- ✓ Financial Services: Banking, insurance, pensions, microfinance, investment management.
- ✓ Energy & Extractives: Oil and gas, renewable energy, power generation and distribution.
- ✓ Manufacturing & FMCG: Food and beverage, chemicals, consumer goods, industrial processes.
- ✓ Construction & Real Estate: Infrastructure development, construction firms
- ✓ Agriculture & Agribusiness: Crop production, agro-processing, supply chain sustainability.
- ✓ Public Sector & State-Owned Enterprises: Ministries, agencies, and regulatory bodies
- ✓ Cross-cutting sectors: ICT, transportation, education, and logistics



2. Stakeholder Coverage

The analysis includes insights from a broad range of stakeholders, such as:

- ✓ Regulators and policymakers
- ✓ Industry associations
- ✓ Large corporates and SMEs
- ✓ Financial institutions, Investors, and ESG rating agencies
- ✓ NGOs, SOEs, academia, labour unions, media, and advocacy groups

This multi-stakeholder approach ensures balanced, evidence-based findings.





04 METHODOLOGY



Methodology

Our Approach

1. Overview of the Research Approach

The methodology adopted for this study is a mixed-methods approach, combining both quantitative and qualitative techniques to generate a comprehensive and evidence-based understanding of ESG awareness, adoption, implementation, and reporting practices across Nigeria.

This approach ensures:

- ✓ Representative industry coverage
- ✓ Multiple sources of evidence
- ✓ Cross-validation of findings
- ✓ Sector-specific insights
- ✓ Balanced perspectives from regulators, companies, investors, and civil society

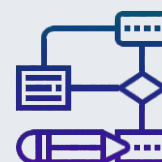


2. Research Design Framework

The research design followed a two-stage process:

Stage 1 – Scoping and Desk Review

- ✓ Review of global ESG frameworks (GRI, SASB, ISSB, TCFD, UNGC, SBTi).
- ✓ Review of Nigeria-specific policies (CBN Guidelines, SEC Guidelines, Climate Change Act, NESREA Regulations, Corporate Governance Codes).
- ✓ Benchmarking against ESG trends in emerging markets (South Africa, Kenya, Ghana, India, Brazil).
- ✓ Mapping of relevant institutions, Industry Associations, Business Groups, NGOs, Academia, and Corporate ESG Leaders.



Stage 2 – Stakeholder Identification & Categorisation

Stakeholders were categorised using three primary lenses:

Type of Organizations

A

- ✓ Regulators
- ✓ Policymakers
- ✓ Industry Associations
- ✓ Large Corporates & SMEs
- ✓ Financial Institutions, Investors & Rating Agencies
- ✓ NGOs, Academia & Advocacy Groups

B. Sectoral Classification

B

- ✓ Energy
- ✓ Finance
- ✓ Manufacturing
- ✓ Agriculture
- ✓ ICT & Telecoms
- ✓ Services
- ✓ Public Sector
- ✓ Development Organisations etc.

ESG Influence Pathways

C

- ✓ Environmental impact
- ✓ Social responsibility
- ✓ Governance structures

3. Stakeholder Mapping and Rating Methodology

A Stakeholder Influence-Interest Matrix was used to evaluate and prioritise stakeholders. Each stakeholder was rated using the following criteria:

Criteria	1 (Low)	3 (Moderate)	5 (High)
Influence	Minimal impact on ESG ecosystem	Moderate impact	High ability to drive or shape ESG outcomes
Interest	Limited or no involvement in ESG	Emerging engagement	Active promoter or implementer of ESG
Sectoral Representation	Non-priority sector	Moderately relevant	Core ESG sector (energy, finance, manufacturing, etc.)



4. Data Collection Methods

The data collection methods involve a quantitative and qualitative data gathering approach, as discussed below:

4.1 Quantitative Data (Survey)

A nationwide survey was deployed using a structured questionnaire designed on Microsoft Forms for ease of access and automated analytics

A. Survey Components

The questionnaire consisted of:

- ✓ Organisation demographic information
- ✓ ESG awareness & strategy adoption
- ✓ Drivers of ESG adoption
- ✓ Barriers and capacity gaps
- ✓ ESG governance and reporting practices
- ✓ Influence and policy alignment
- ✓ Sector-specific sustainability insights
- ✓ Perceptions of Nigeria's ESG regulatory landscape

B. Sampling Strategy

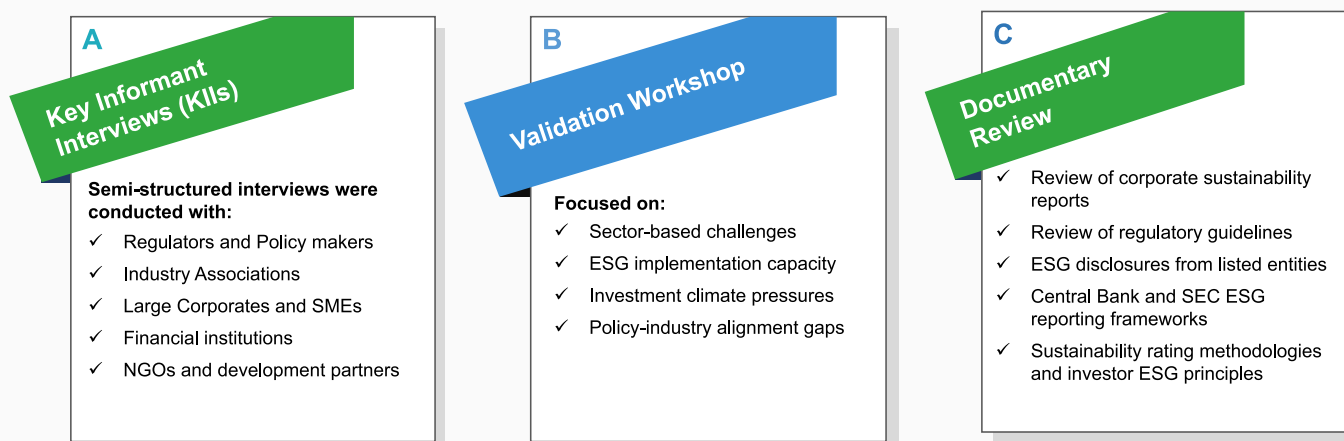
Purposive sampling + snowball sampling + sector-balanced selection were applied to ensure representation across all categories. Minimum representation targets:

- ✓ Regulators & policymakers - 10%
- ✓ Industry Associations - 10%
- ✓ Large Corporates - 20%
- ✓ SMEs - 20%
- ✓ Financial Institutions & Investors - 20%
- ✓ NGOs, Academia & Development Agencies - 20%

Response verification checks were embedded to avoid bias toward only high-performing ESG organisations.

4.2 Qualitative Data (Interviews, Focus Sessions, Policy Review)

A nationwide survey was deployed using a structured questionnaire designed on Microsoft Forms for ease of access and automated analytics.

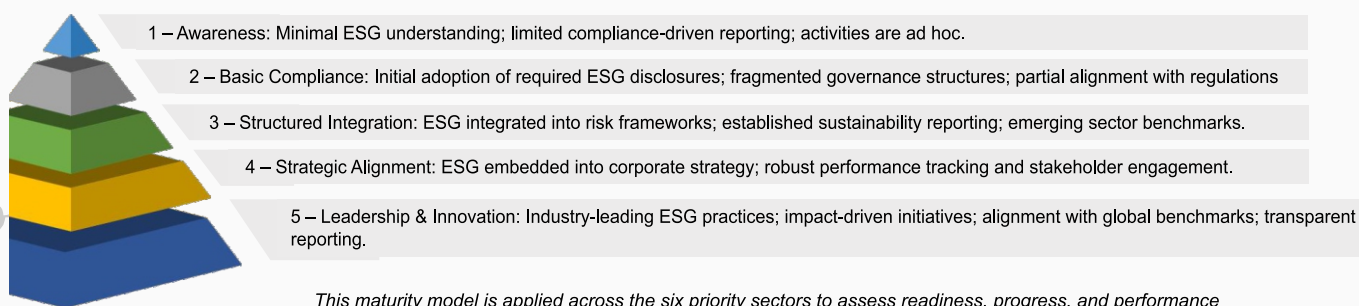


5. Analytical Framework

The analysis is guided by a structured and multi-dimensional framework designed to assess the current state, maturity, and effectiveness of ESG adoption across Nigeria. The framework draws from both national regulatory requirements and globally recognized standards, ensuring that the assessment aligns with international best practices while remaining grounded in Nigeria's institutional realities.

A. ESG Maturity Model

A five-level ESG maturity model is used to evaluate organizations and sectors:



B. National Standards and Regulatory Frameworks Referenced

The assessment references key Nigerian regulations and guidelines, including:

1. Central Bank of Nigeria (CBN) - Sustainable Banking Principles and climate-related risk guidelines
2. Securities and Exchange Commission (SEC) - Sustainability Disclosure Guidelines
3. Nigerian Exchange Group (NGX) - ESG Disclosure Guidelines and Climate Reporting Requirements
4. Financial Reporting Council (FRCN) - Corporate Governance Codes
5. NESREA & Federal Ministry of Environment - Environmental compliance and standards
6. NAICOM & PENCOM - Sector-specific ESG-related regulatory expectations.
7. National Council on Climate Change (NCCC) - National Climate Change Act (2021) establishes institutional structures for carbon budgeting and climate governance, and outlines climate change obligations MDAs, public entities, and private entities.

C. Global Frameworks and Standards Referenced

To ensure comparability and alignment with emerging global norms, the analysis incorporates:

- ✓ Global Reporting Initiative (GRI)
- ✓ Sustainability Accounting Standards Board (SASB)
- ✓ Task Force on Climate-related Financial Disclosures (TCFD)
- ✓ UN Global Compact (UNGC) Principles
- ✓ IFRS Sustainability Disclosure Standards (ISSB IFRS S1 & S2)
- ✓ UN Sustainable Development Goals (SDGs)
- ✓ OECD Guidelines for Multinational Enterprises

The combination of local and global frameworks helps assess Nigeria's current ESG position relative to international expectations while identifying gaps and opportunities for improvement organisations.



Limitations and Assumptions

A. Limitations

While rigorous methods are applied, the analysis is impacted by the following constraints:

1. Variability in ESG Reporting Practices: Many organisations, particularly SMEs do not publish ESG reports, limiting the availability of standardised data.
2. Inconsistent Regulatory Compliance: Differences in adoption of SEC, NGX, CBN and environmental guidelines create uneven sectoral comparisons.
3. Limited Public Data: Some regulatory and corporate disclosures are not publicly available or updated regularly.
4. Stakeholder Availability: Scheduling interviews with senior executives, regulators, and public sector representatives tends to extend consultation timelines.
5. Possible Response Bias: There is a likelihood of stakeholders presenting more favourable ESG commitments or performance than actual practice.

B. Assumptions

To ensure consistency across sectors and respondents, the following assumptions underpinned the analysis:

1. Self-Reported Data is Accurate: Information provided through interviews, surveys, and corporate documents are assumed to be truthful unless contradictory evidence is found.
2. Regulatory Guidelines Remain Stable: The analysis assumes no significant policy reversals during the timeline for the review.
3. Comparability Across Sectors: ESG indicators used for cross-sector benchmarking are assumed to be sufficiently adaptable for sector-specific contexts.
4. Representative Sample: The stakeholder sample is assumed to adequately reflect Nigeria's ESG ecosystem.



05 OVERVIEW OF ESG LANDSCAPE IN NIGERIA



Literature Review

1. Nigeria's Economic Landscape

Nigeria remains one of Africa's most populous and economically pivotal countries, with a rapidly evolving economic structure that directly shapes its Environmental, Social, and Governance (ESG) landscape. The 2025 GDP rebasing, which updated the base year to 2019, revealed a larger and more diversified economy in prior years, reflecting significant growth in the services sector such as: digital services, pension funds, and the informal sector. This diversification is critical for ESG considerations, as it signals a shift away from heavy reliance on oil revenues toward sectors with distinct environmental and social footprints.

In line with a [press statement](#) released by the Ministry of Finance on July 23, 2025, Nigeria's economic growth was estimated at 3.13% in Q1 2025 and accelerated to 4.23% YOY in real terms in Q2 2025, primarily driven by the strong performance in the services sector, which now accounts for the largest share of GDP. This shift underscores the increasing importance of sectors such as telecommunications, trade, and finance, all of which present unique ESG challenges and opportunities. However, the economy continues to face structural constraints, including infrastructural deficits and regulatory bottlenecks, which impact sustainable development and governance standards.

1.1 Sectoral Dynamics and ESG Implications

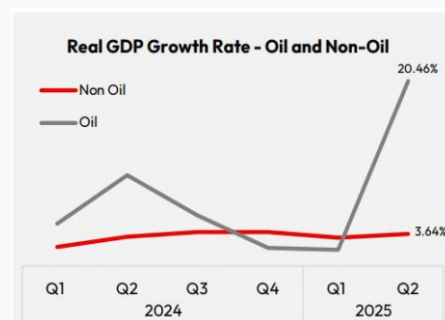
Nigeria's economic revolution is marked by the rising prominence of non-oil sectors, each with specific ESG dimensions:

- ✓ **Trade and Informal Economy:** As a major contributor to GDP, trade raises social considerations around labor rights, inclusion, and fair practices. The informal sector's scale also poses governance challenges in regulation and transparency.
- ✓ **Agriculture:** Still a backbone of the economy, agriculture's environmental impact is significant, involving land use, water management, and biodiversity. Socially, it supports rural livelihoods but faces issues related to labor conditions and access to sustainable inputs.
- ✓ **Telecommunications and ICT:** Rapid growth in this sector drives digital inclusion and financial access, key social priorities. However, it also demands attention to data privacy, cybersecurity, and equitable access.
- ✓ **Construction and Infrastructure:** Infrastructure development is accelerating, with implications for environmental sustainability through emissions and resource use, as well as governance in project transparency and community engagement.
- ✓ **Oil and Gas:** Although its direct GDP share declined relatively according to the Ministry of Finance press statement of July 23, 2025, the oil and gas sector remains central to Nigeria's economy and presents some of the most pressing ESG risks, particularly environmental degradation, social conflicts, and governance challenges related to transparency and regulatory enforcement.

1.2 Economic Drivers, Risks, and ESG Integration

Key economic drivers such as digital innovation, and infrastructure investment offer pathways to sustainable growth but also highlight persistent risks:

- ✓ **Power and Infrastructure Deficits:** Inadequate electricity supply and poor infrastructure continue to hinder industrial growth and sustainable development, underscoring the need for investments aligned with clean energy and resilient infrastructure principles.
- ✓ **Digital Economy Expansion:** Nigeria's burgeoning ICT and FinTech sectors are catalysts for social inclusion and economic diversification, yet they require robust governance frameworks to manage risks related to data protection and equitable access.
- ✓ **Policy and Regulatory Shifts:** There is growing governmental focus on value addition and local processing, which reflects an ESG-driven agenda to enhance economic resilience, reduce environmental impact, and improve social outcomes. For example, export restrictions on raw agricultural products aim to stimulate domestic industries and sustainable practices.



Source: [United Capital Research GDP Report](#), October 2025

1.3 ESG Landscape and Strategic Relevance

The evolving Nigerian economy presents a complex ESG landscape that is increasingly shaping corporate and regulatory priorities:

- ✓ **Environmental:** The shift towards agriculture, trade, and construction intensifies focus on sustainable land use, emissions reduction, clean energy adoption, and resource efficiency. Meanwhile, the oil and gas sector's environmental footprint remains a critical concern.
- ✓ **Social:** Labor conditions in informal trade and agriculture, digital inclusion, community engagement, and equitable access to services are central social issues. The rapid growth of the digital economy offers opportunities to address social disparities but also requires inclusive governance.
- ✓ **Governance:** Strengthening corporate transparency, regulatory oversight, and infrastructure governance is essential to managing ESG risks. Nigeria is in the early stages of developing comprehensive sustainability reporting frameworks, with increasing regulatory momentum and stakeholder demand driving improvements in ESG disclosure and accountability.

Recent commitments by the Nigerian government to adopt international sustainability standards marks a turning point, signaling a move from voluntary ESG initiatives towards structured, standards-driven practices. This transition presents both challenges and opportunities for Nigerian businesses to enhance their ESG performance, improve access to sustainable finance, and contribute to long-term economic and social resilience.

2. ESG Initiatives in Nigeria: Historical and Emerging Landscape

2.1 National and Voluntary ESG Initiatives

Nigeria has made significant achievements in incorporating ESG principles into its financial and corporate sectors, driven by both regulatory mandates and voluntary frameworks. A milestone initiative is the Nigeria Sustainable Banking Principles (NSBP), introduced by the Central Bank of Nigeria (CBN) in 2012. The NSBP requires banks and financial institutions to systematically integrate environmental and social risk considerations into their lending and investment decisions. This framework also mandates regular reporting on ESG-related metrics, fostering greater transparency and accountability within the banking sector.

Complementing this, the Securities and Exchange Commission (SEC) has developed Sustainable Financial Principles aimed at capital market participants. These principles establish mandatory ESG disclosure and reporting guidelines, encouraging listed companies and market actors to align with global sustainability standards. The SEC's approach reflects a growing regulatory emphasis on ESG risk management and performance tracking, signaling a shift from voluntary to more structured ESG compliance. Nigeria's engagement with international ESG networks, such as the International Organization of Securities Commissions' Global Emerging Markets Committee (IOSCO GEMC), further demonstrates its commitment to aligning domestic practices with global sustainability norms. On the environmental policy front, institutions like the National Council on Climate Change (NCCC) and the National Environmental Standards and Regulations Enforcement Agency (NESREA) coordinate frameworks for climate action and environmental compliance, reinforcing the regulatory ecosystem supporting ESG objectives.

2.2 International Commitments and their Influence

Nigeria's ESG landscape is also shaped by its international commitments. As a signatory to the Paris Agreement, Nigeria is obligated to enhance climate risk disclosure and develop transition plans that align with global climate goals. This international framework drives domestic policy and corporate action towards reducing greenhouse gas emissions and managing climate-related risks. The United Nations Sustainable Development Goals (SDGs) serve as a foundational reference for ESG agenda across Nigerian corporates, and development agencies. These goals emphasise inclusive growth, environmental stewardship, and social equity, which are increasingly integrated into corporate strategies and reporting.

3. Corporate ESG Reporting in Nigeria

3.1 Leading Corporate ESG Disclosures

Several Nigerian companies have emerged as leaders in ESG reporting, setting benchmarks for transparency and sustainability practices:

- ✓ **Seplat Energy Plc** is notable for its comprehensive Sustainability Reports that extensively cover environmental management, community development, and governance. The company's disclosures include climate-related financial risks aligned with the Task Force on Climate-

related Financial Disclosures (TCFD), demonstrating advanced climate risk management and social investment practices. Seplat's commitment to ESG excellence has been recognized through multiple awards, including the Sustainability Reporting Award from the ICAN-NGX RegCo Corporate Reporting Award in 2024, Best in Social Impact/Human Capacity Development at the SERAS Africa Awards 2024, and the Sustainable Energy Company of the Year award at The Industry Awards and Summit in May 2025.

- ✓ **MTN Nigeria Plc** is widely recognized for its strong governance and sustainability initiatives, earning commendations from the Financial Reporting Council of Nigeria (FRCN). MTN Nigeria has also received several accolades, notably the Africa Procurement & Supply Chain Awards (APSCA) for Sustainability and the Local Content Champion of the Year award, reflecting its leadership in responsible business practices.
- ✓ **The Dangote Group**, a major industrial conglomerate, frequently receives accolades for sustainability transparency and reporting excellence. Some of its awards include the Institute of Chartered Accountants of Nigeria (ICAN) and NGX Regulation Limited (NGX REGCO)'s Corporate Reporting Award, the Best Company in Sustainability Reporting by CSR Reporters Awards, and the Best Company in Reporting and Transparency at the SERAS Africa Awards for 2019, 2020, and 2022. These recognitions highlight the growing corporate commitment to ESG principles in Nigeria's industrial sector.

3.2 Focus Areas in ESG Reporting

Environmental management remains a core focus, particularly for energy and manufacturing companies, addressing emissions, energy efficiency, and pollution control. Social investments typically target community development, education, health, and capacity building, reflecting the social priorities within Nigeria's diverse population. Governance disclosures emphasize board composition, risk management, ethical conduct, anti-corruption measures, and sustainability oversight, underscoring the importance of strong institutional frameworks.

3.3 Frameworks and Standards Adoption

Many Nigerian companies reference internationally recognized frameworks such as the Global Reporting Initiative (GRI) in their sustainability disclosures. Climate risk reporting aligned with TCFD is gaining traction, especially among energy firms like Seplat. Additionally, there is growing interest in the International Sustainability Standards Board (ISSB) and IFRS Sustainability Standards, although full adoption remains in early stages.

On November 26, 2025, at [the CGI Nigeria Directors' Engagement Series](#) in Lagos, the FRC made it clear to corporate boards that climate and sustainability governance is now a core fiduciary duty, companies that want to stay competitive and trusted must treat ESG reporting as a serious Board-level responsibility.

Nigeria is implementing the IFRS Sustainability Disclosure Standards through a phased approach, with mandatory reporting set to begin for applicable entities from January 1, 2028. This timeline allows organizations to prepare for compliance, enhancing sustainability reporting across the country and aligning with international standards.

	Phase 1 (Early Adopters)	Phase 2 (Voluntary Adopters)	Phase 3 (Mandatory Adoption)		Phase 4 (Governments and government organizations)
			All PIEs	SMEs	
Accounting Period	Ending in December 31, 2023	January 1, 2024 – December 31, 2027)	January 1, 2028	January 1, 2030	A review will occur once the International Public Sector Accounting Standards Board (IPSASB) finalizes sustainability reporting standards for public sector entities, determining when these disclosures will be required.
Requirement	Entities must pass a readiness test assessment to qualify.	Entities must be subject to the readiness test assessment.	A readiness assessment is compulsory before the first sustainability report.		

Early Adopters in Nigeria include:



Voluntary adopters include:

FirstBank, Zenith Bank, Stanbic IBTC, Julius Berger, Globus Bank, Wema Bank, Sunbeth Global Concepts, NEM Insurance, Unilever, FCMB

4. ESG Regulatory and Policy Frameworks in Nigeria

4.1 Capital Markets: Securities and Exchange Commission (SEC)

The SEC's Guidelines on Sustainable Finance Principles mandate ESG risk management, reporting, and performance monitoring for capital market participants. The SEC encourages the use of GRI and other global frameworks and is guiding firms toward phased adoption of ISSB standards, reflecting a strategic move to harmonize Nigeria's ESG reporting with international best practices.

4.2 Banking Sector: Central Bank of Nigeria (CBN)

The CBN's NSBP requires banks to incorporate ESG risk assessments into credit decisions and client due diligence. Banks are also encouraged to report annually on ESG exposures, resource efficiency, and social lending activities. This regulatory push aims to embed sustainability into financial sector operations and promote green financing.

4.3 Corporate Governance & Roadmap Report For Adoption of IFRS Sustainability Disclosure Standards In Nigeria: Financial Reporting Council of Nigeria (FRCN)

The FRCN's Corporate Governance Code integrates ESG-related risk management, board oversight, and stakeholder engagement. The Roadmap report recommended the ISSB standards and the Council is expected to align future guidance with ISSB sustainability standards, signaling a move toward more rigorous and standardized ESG governance frameworks.

4.4 Environmental Regulation: Ministry of Environment and NESREA

NESREA enforces environmental compliance through regulations on emissions, waste management, and pollution control. While it does not mandate comprehensive ESG reporting, its environmental laws provide a critical foundation for the environmental pillar of ESG disclosures.

4.5 Social and Financial Regulators: PENCOM and NAICOM

Regulatory emphasis on ESG from pension and insurance regulators remains limited, particularly regarding social disclosures and sustainable investment mandates. This gap highlights an area for potential development to strengthen ESG integration across financial sectors.

5. Trends, Overlaps, and Gaps in Nigeria's ESG Frameworks

5.1 Emerging Trends

Nigeria is witnessing a clear shift toward alignment with international ESG standards such as ISSB, TCFD, and the SDGs. Regulatory bodies like the SEC, CBN, FRCN are combining principle-based approaches with phased implementation strategies, encouraging voluntary adoption alongside increasing regulatory expectations. Sector-specific ESG governance is also evolving, with different regulators tailoring ESG requirements to their respective domains.

5.2 Overlaps

There is notable overlap in ESG risk management between banking (CBN), capital markets (SEC) and reporting standards (FRCN), creating a degree of regulatory coherence. These frameworks encourage the use of global reporting standards, fostering consistency in ESG disclosures.

5.3 Persistent Gaps

Despite progress, Nigeria lacks a unified national ESG standard, resulting in fragmented reporting and compliance landscapes. ESG expectations for small and medium-sized enterprises (SMEs) remain limited, with most frameworks targeting larger firms.

Social metrics and disclosures are underdeveloped and less standardized compared to environmental and governance aspects. Enforcement mechanisms are generally weak, with many ESG principles remaining voluntary. Additionally, ESG capacity constraints persist, especially among smaller firms and less mature sectors.



Policy / Initiative	Issuing Body	ESG Pillar(s)	Status / Notes
Nigeria Sustainable Banking Principles (NSBP)	CBN / Bankers Committee	E / S	Operational; banks required to manage E&S risk in lending.
SEC Guidelines on Sustainable Financial Principles	SEC	E / S / G	Guideline for ESG disclosures; includes SEC reporting template. (SEC Guidelines)
Corporate Governance Code (NCCG 2018)	Financial Reporting Council / SEC	G	Mandates ESG-related ethical disclosures, risk management, and governance. (SEC Nigeria)
BOI ESG / ESMS Framework	Bank of Industry	E / S / G	Environmental & Social Risk Framework aligned with Paris Agreement, SDGs. (BOI Sustainability Principles)
ISSB Standards Adopted by FRCN	FRCN	E/S/G	Recommended sustainability framework for Nigerian entities; adoption roadmap published in April 2024; phased implementation planned with full enforcement by 2027. (FRCN Roadmap)



Overview of ESG Landscape in Nigeria

National and Sectoral ESG Policy Environment

The ESG and Sustainability environment in Nigeria is shaped by several mandatory, sector-specific and voluntary sustainability frameworks and guidelines, which collectively steer the corporate behaviour towards responsible and transparent practices.

This section provides an overview of Nigeria's evolving ESG policy landscape, highlighting the regulatory frameworks, voluntary initiatives, and international commitments influencing corporate sustainability practices across the country. It also maps the stakeholder ecosystem shaping ESG adoption at national and regional levels.

1. Policies, Regulations, and Guidelines Issued by National Bodies

Nigeria's ESG ecosystem is shaped by a diverse set of regulatory agencies issuing sector-specific or cross-cutting sustainability requirements. Key institutions and their contributions include:

- a. **Securities and Exchange Commission (SEC)**
SEC Corporate Governance Guidelines (2020): Mandates disclosures on board composition, risk oversight, sustainability considerations, and whistleblowing.
- b. **FRCN' Sustainability Disclosure Requirements for Public Companies:** Encourages listed entities to report environmental and social impacts in alignment with global standards.
- c. **Nigerian Code of Corporate Governance (NCCG):** Provides governance expectations for transparency, ethics, stakeholder engagement, and risk management.
- d. **Central Bank of Nigeria (CBN)**
 - i. **CBN Sustainable Banking Principles (2012):** Requires financial institutions to incorporate environmental and social risk management (ESRM), climate risk, gender policies, capacity building, and sustainability reporting.
 - ii. **Sector-Specific Guidelines:** Covers power, agriculture, oil and gas, and infrastructure, emphasizing climate and social due diligence.
- e. **Nigerian Stock Exchange (NGX)NGX Sustainability Disclosure Guidelines (2019):** Encourages listed companies to adopt GRI-aligned sustainability reporting.
- f. **Federal Ministry of Environment:** Oversees environmental regulation, climate policy, and national climate commitments.
- g. **National Climate Change Act (2021):** Establishes institutional structures for carbon budgeting and climate governance.
- h. **National Environmental Standards and Regulations Enforcement Agency (NESREA):** Issues and enforces Environmental Regulations across sectors, on waste management, air quality, Extended Producer Responsibility (EPR), and industrial emissions.
- i. **Financial Reporting Council of Nigeria (FRCN):** Mandates sustainability-related narrative reporting within annual reports. Drives alignment with global governance codes (e.g., OECD Principles, COSO, IFRS S1&S2).
- j. **Pension Commission (PENCOM):** Integrates ESG considerations in pension fund investment guidelines. Encourages trustees to adopt sustainable investment practices.



Regulatory and Voluntary Initiatives Shaping ESG Practices

1	CBN' Nigerian Sustainable Banking Principles	6	NGX' Sustainability Disclosure Guidelines
2	SEC' Guidelines on Sustainable Financial Principles	7	GRI Reporting Framework
3	The Nigerian Code of Corporate Governance	8	SASB Standards
4	International Sustainability Standards Board's IFRS S1 and S2 standards	9	The Petroleum Industry Act (PIA) 2021
5	The Climate Change Act 2021		

Benchmarking Analysis

South Africa	Kenya	Ghana	India	Brazil
South Africa leads Africa in ESG integration, with well-established regulatory frameworks, active stock exchange ESG indices (e.g., FTSE/JSE Responsible Investment Index), and demonstrated positive links between ESG ratings and corporate financial performance. South African firms benefit from mature ESG disclosure practices and investor demand, driving better market valuation and risk management.	Kenya is recognized as a growing ESG market in East Africa, with increasing regulatory focus and voluntary ESG disclosure guidelines. The country emphasizes capacity building, awareness, and sector-specific initiatives to promote ESG adoption. While not as mature as South Africa, Kenya shows promising momentum in integrating ESG into investment decisions and corporate governance.	Ghana alongside South Africa, with emerging ESG regulations and growing interest in sustainability practices. ESG adoption is supported by stock exchange initiatives encouraging voluntary disclosures, though enforcement and standardization remain limited. Ghana's ESG market is developing steadily but still lags behind South Africa's maturity.	India, has a more advanced and dynamic ESG ecosystem compared to Nigeria. It has implemented mandatory ESG disclosures for large companies, integrated ESG into corporate governance, and developed sustainability-linked financing mechanisms. India's ESG market benefits from strong regulatory frameworks and growing investor engagement, positioning it ahead of many emerging markets in ESG maturity.	Brazil exhibits high persistence and maturity in ESG markets, with established mandatory reporting standards and active sustainability initiatives. Brazilian companies increasingly link ESG performance to financial outcomes, supported by regulatory enforcement and investor pressure. Brazil's ESG landscape is more developed than Nigeria's, with better integration of ESG into business strategy and capital markets.

	Nigeria (Baseline)	South Africa	Kenya	Ghana	India	Brazil
Key Frameworks	SEC, CBN, NGX guidelines	JSE Sustainability & Climate Disclosure Guidance	Nairobi Securities Exchange (NSE) - ESG Disclosures Guidance Manual	Ghana Stock Exchange (GSE) – ESG Disclosures Guidance Manual	SEBI – Business Responsibility & Sustainability Reporting (BRSR).	Regulatory and policy movement toward mandatory sustainability/ESG reporting for listed companies
Market Practice & Examples	Large banks, telecoms, select manufacturers and oil & gas firms publish sustainability reports. Reporting depth varies and independent assurance is not universal.	High disclosure coverage among JSE-listed firms; many companies provide climate disclosures and obtain independent assurance. South Africa has the most mature market disclosure ecosystem in Africa.	Rising adoption among listed companies following NSE guidance; donor support and investor demand are important drivers.	Growing number of listed firms using the manual as a baseline; with emphasis on practical reporting steps and capacity building.	BRSR requires detailed disclosures across governance, environment and social themes; mandatory scope drove rapid uptake and improved data quality.	Many Brazilian companies publish ESG and climate reports; green bond issuance and sustainable debt markets are active.
Lessons	Continue alignment with ISSB/IFRS S1 & S2; phase in assurance requirements; scale green finance products and SME access mechanisms	Use exchange-level guidance (NGX) to phase mandatory disclosure for largest listed firms; and develop investor reporting expectations.	NGX could issue more sector-specific templates and capacity support for listed firms and SMEs.		A phased mandatory reporting approach for largest firms (as India did) can dramatically raise disclosure coverage and data comparability.	Mandatory reporting combined with active capital-market incentives (green bond markets) accelerates corporate ESG investment and transparency.
Regulatory Status	Mandatory for listed companies and financial institutions, Largely voluntary for other companies	Voluntary, however, there is growing momentum toward mandatory ESG / sustainability reporting,	Mandatory for listed companies under the Nairobi Securities Exchange (NSE) ESG Disclosures Guidance, but voluntary for non listed companies	GSE – ESG Disclosures is mandatory for listed companies	ESG reporting mandatory for top 1,000 listed companies under BRSR (FY 2022–23 onward).	Mandatory/compulsory for public companies to provide ESG disclosures or give a formal explanation for non-compliance.
Enforcement	Weak enforcement; minimal statutory penalties; non-disclosure mostly carries reputational or investor risk.	Limited legal penalties; non-compliance carries reputational, investor, and regulatory risk.	Rising adoption among listed companies following NSE guidance; donor support and investor demand are important drivers.	Legal action possible under sectoral laws; no universal ESG-reporting penalties.	SEBI imposes fines for non-compliance, and reputational risk; value-chain reporting deferred.	Non-compliance exposes firms to regulatory sanction and market/investor consequences.
Mandatory Adoption / Cut-off Date	For Public Interest Entities (PIEs), mandatory adoption starts 1 Jan 2028.	Expected phased adoption; full regulatory integration timeline not yet fixed.	PIEs: 1 Jan 2027; Large non-PIEs: 1 Jan 2028; SMEs: 1 Jan 2029.	Significant Public Interest Entities (SPIEs): 1 Jan 2027. Other Mandatory Adopters (OMAs): 1 Jan 2028	2023– 24 FY: Voluntary for top 150 listed companies. 2024– 25 FY: Voluntary for top 250 companies. 2025– 26 FY: Mandatory for top 250 companies, 2026– 27 FY: Mandatory for top 500 companies. Beyond 2026– 27 FY: Gradual expansion to more companies.	Voluntary adoption from 2024 FY. Mandatory adoption from 2026 FY, for all public companies.



06

SECTORAL ESG ASSESSMENT



Sectoral ESG Assessment

Financial Services (Banking, Insurance, Asset Managers)

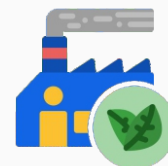


The Nigerian financial sector is prominently represented among ESG reporters. Several major banks and financial institutions publish annual sustainability or climate reports. The Nigerian Exchange Group (NGX) recognizes banks as early adopters of ESG and IFRS sustainability reporting guidance, with regulatory bodies like NGX and the Financial Reporting Council (FRC) listing banks among early adopters of IFRS/ESG frameworks.

Nigerian banks are rapidly aligning with global ESG frameworks such as ISSB/IFRS S1 & S2, GRI, TCFD, and sector-specific tools like ESRM and NSBP. ESG is increasingly integrated into credit risk and lending decisions, signaling a shift from CSR to strategic ESG governance. These institutions have strong board-level oversight, with dedicated sustainability committees and ESG mandates embedded in risk and governance structures. Boards actively supervise climate risks and social impacts, reflecting regulatory expectations.

In addition, banks' sustainability reports increasingly follow ISSB, GRI, and SASB frameworks, resulting in harmonized disclosures on emissions, gender diversity, climate risks, and governance. Despite progress, independent external assurance remains limited. Many banks disclose ESG data without full third-party verification, which undermines data credibility. Expanding phased assurance approaches, is critical to improving reliability and stakeholder trust.

Manufacturing & Industry (FMCG, Heavy Manufacturing)



Large manufacturers such as Flour Mills, Unilever Nigeria, and Dangote Group lead ESG reporting, focusing on resource efficiency, waste reduction, and community engagement. ESG governance is evolving, with sustainability increasingly integrated into operational and strategic decision-making, though SMEs lag behind. Board-level ESG oversight is growing but less formalized than in banking. Many firms embed sustainability within risk or corporate governance committees, with roles and responsibilities becoming clearer.

Most manufacturers in Nigeria follow GRI standards for sustainability reporting, with some seeking third-party assurance on key performance indicators. Reporting maturity varies significantly: larger firms tend to produce more comprehensive disclosures, while SMEs often lack the capacity or incentives to do so. This disparity is partly driven by the association of many Nigerian manufacturers with multinational enterprises (MNEs) that have established global ESG policies and reporting requirements.

Industry bodies such as the Manufacturers Association of Nigeria (MAN) also play a role in promoting ESG awareness and capacity building, leveraging their connections with MNEs to drive adoption of global best practices across the sector.

Third-party assurance is sporadic and mostly limited to large firms. Expanding assurance coverage and harmonizing reporting templates would improve data quality and comparability across the sector.

Energy & Extractives (Oil & Gas, Power, Renewables)



Major oil and gas companies, including Oando and Seplat, publish detailed sustainability reports emphasizing emissions management, flaring reduction, community investment, and energy transition planning. ESG governance is formalized with clear board oversight aligned to regulatory frameworks like the Petroleum Industry Act (PIA).

Boards actively oversee climate and social risks, supported by sustainability committees and integrated risk management. This governance focus is critical given the sector's environmental footprint and social license to operate. Reports align with GRI, ISSB, and sector-specific standards, focusing on environmental performance, transition strategies, and social impact. This alignment supports transparency and stakeholder engagement.

Independent assurance is growing among major players but remains inconsistent, especially among local firms. Challenges include inconsistent Scope 3 emissions measurement and limited local enforcement capacity.



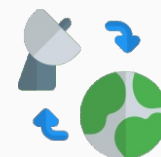
Agriculture & Agro-Allied

ESG reporting is less prevalent, mainly by large processors and exporters. Focus areas include sustainable sourcing, input management, food safety, and community extension services. Governance structures for ESG are nascent, with limited board-level oversight.

Board engagement with ESG is limited and often embedded within broader governance frameworks. SMEs dominate the sector and generally lack ESG awareness and reporting capacity. Reporting is sporadic and often integrated into broader corporate disclosures rather than stand-alone sustainability reports.

External assurance is rare. Strengthening traceability, farmer training, and climate-smart financing could enhance ESG governance and reporting credibility.

Telecommunications & ICT



Major telecommunications companies such as MTN Nigeria and Airtel publish regular sustainability reports focusing on energy efficiency (e.g., solarisation), digital inclusion, data privacy, and community connectivity. ESG governance is formalized with dedicated sustainability teams and board oversight.

Boards oversee ESG risks, particularly data governance and environmental impacts, supported by sustainability committees. This governance focus aligns with growing regulatory and stakeholder expectations.

Reporting aligns with group-wide standards, referencing GRI and ISSB frameworks. This ensures consistency and comparability across markets. Assurance is limited, especially among smaller ICT firms. Strengthening e-waste management and data privacy disclosures through independent verification would improve stakeholder confidence.

Construction & Real Estate



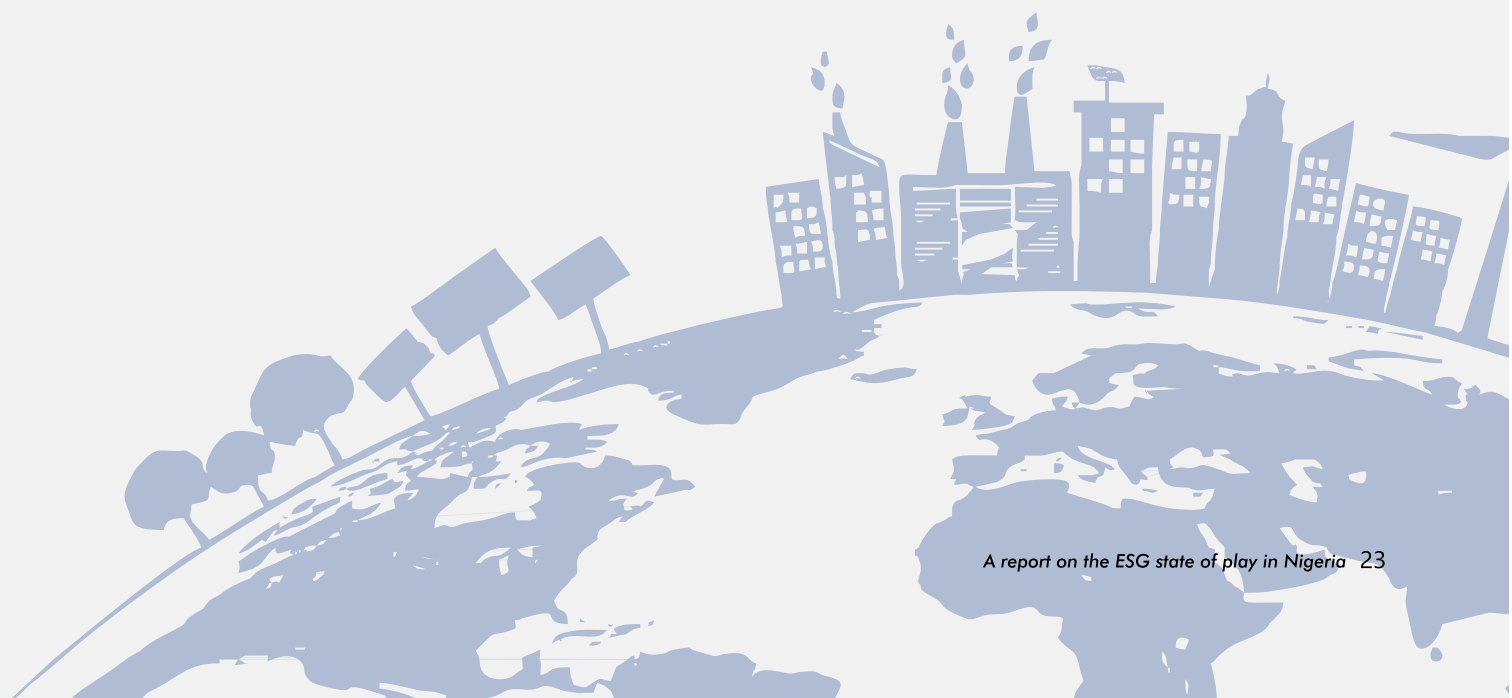
ESG reporting is emerging, primarily among large contractors like Julius Berger and real estate groups. Focus areas include energy-efficient design, safety management, and green building certifications. The Green Building Council Nigeria (GBCN) actively promotes ESG best practices.

Board oversight is developing, often integrated with risk and compliance functions. GBCN's advocacy supports capacity building and governance improvements. Reporting is often integrated into corporate disclosures, with increasing adoption of green building standards and certifications.

Independent assurance is minimal. Incentivizing green building codes, certifications, and green financing products could drive better reporting and verification.



07 CROSS-CUTTING FINDINGS AND ANALYSIS



Cross-Cutting Findings and Analysis

Comparative ESG Maturity Across Sectors

ESG maturity in Nigeria varies significantly across industries, driven by regulatory exposure, access to capital, international market integration, and operational risks. The assessment below outlines relative readiness and adoption trends across key sectors.

Financial Services (High Maturity): This sector has the strongest ESG adoption due to the CBN Sustainable Banking Principles, IFRS governance requirements, and exposure to global investors. Banks increasingly integrate climate risk, gender finance initiatives, and sustainability reporting. Early adopters include top-tier banks publishing GRI-aligned sustainability reports.	Agriculture & Agribusiness (Low–Moderate Maturity): Growing awareness of climate-smart agriculture and sustainable sourcing. ESG uptake largely driven by donor programmes (e.g., USAID, GIZ). There is limited formal reporting structures, but strong potential for improvement.
Oil & Gas (Moderate–High Maturity): Driven by international scrutiny, decarbonisation pressure, and gas flaring penalties, operators implement environmental impact assessments, community investment plans, and HSE standards. However, ESG maturity varies between IOCs and indigenous players.	Real Estate & Construction (Low–Moderate Maturity): Slow adoption due to weak enforcement of green building codes, and rising interest in energy-efficient buildings and sustainable materials.
Telecommunications & ICT (Moderate Maturity): There is significant focus on data privacy, governance, and energy efficiency, and growing investments in renewable-powered buildings. Also, sustainability reporting is improving but remains inconsistent.	MSMEs Across All Sectors (Low Maturity): Limited awareness of ESG concepts, low financial and technical capacity for implementation, and minimal sustainability disclosures.
Manufacturing (Moderate Maturity): Increasing adoption of environmental management systems (ISO 14001), pressure from NESREA, and export standards encourages compliance. Social and governance practices are still emerging, especially among SMEs.	

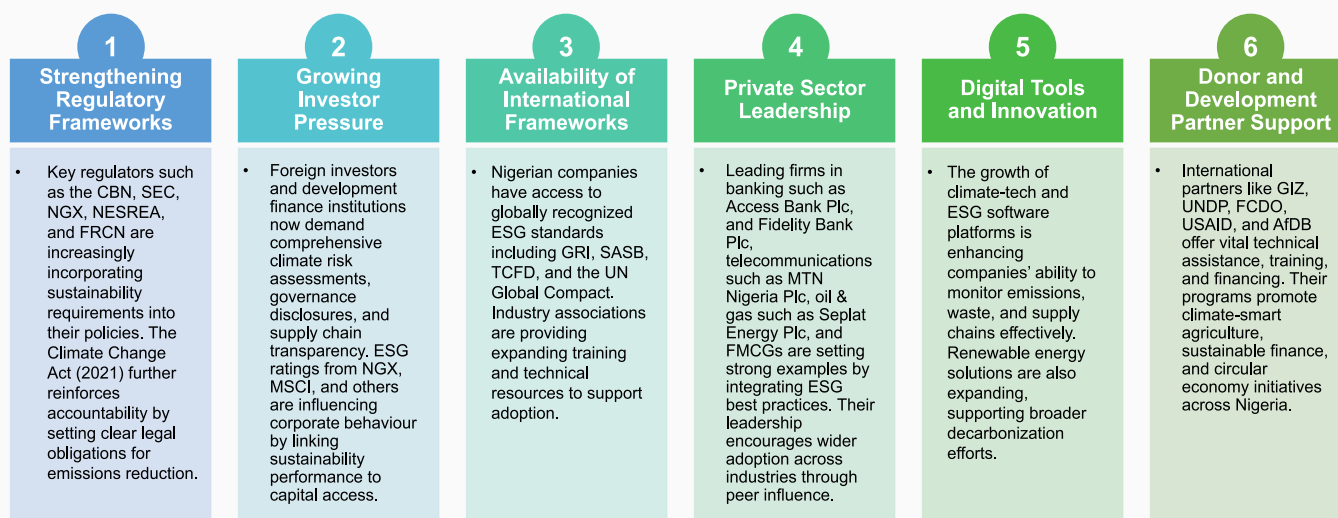
Common Challenges Across Sectors

Nigeria's ESG landscape is constrained by systemic and sector-specific challenges. The major cross-cutting issues include:

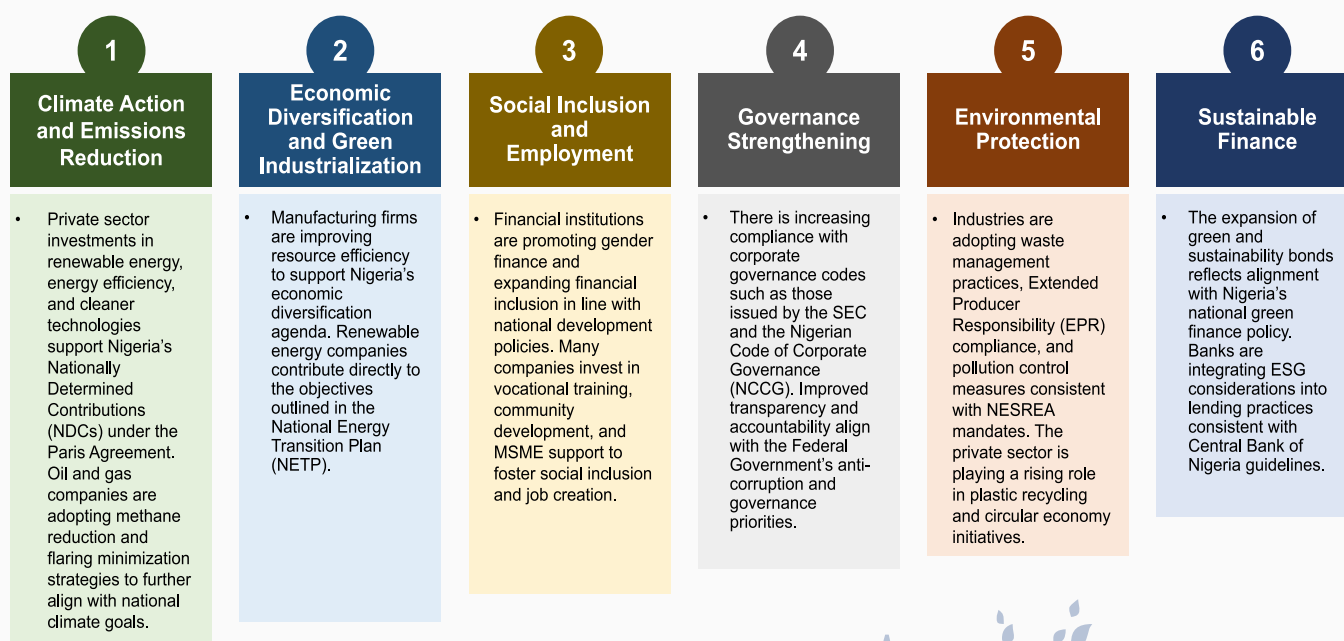
Limited Data Availability and Quality ✓ Inconsistent ESG disclosures. ✓ Lack of sector-wide baselines. ✓ Inadequate tools for monitoring emissions, waste, and social impacts.	Capacity and Technical Skills Gaps ✓ Few trained sustainability professionals within firms. ✓ Limited awareness of frameworks such as GRI, SASB, TCFD, and NSBP. ✓ Difficulty translating ESG principles into operational practices.
Regulatory Gaps and Overlaps ✓ Fragmented ESG mandates issued by multiple agencies (SEC, CBN, NESREA, NGX, FMoE). ✓ Weak enforcement of environmental laws. ✓ Lack of unified national ESG reporting standards.	Low Awareness and Cultural Resistance ✓ ESG still perceived as “philanthropy” rather than value-adding. ✓ Limited understanding of business value (efficiency, reputation, investor attractiveness).
Financial Constraints ✓ ESG-aligned investments require capital that many companies, especially MSMEs cannot mobilise. ✓ Limited access to green finance, despite emerging instruments like green bonds.	Infrastructure Limitations ✓ Poor waste management systems. ✓ Inconsistent power supply undermining clean energy transitions. ✓ Limited recycling and circular economy ecosystems.

Enablers of Successful ESG Adoption

Despite challenges, several structural enablers are driving improved ESG performance across Nigeria:

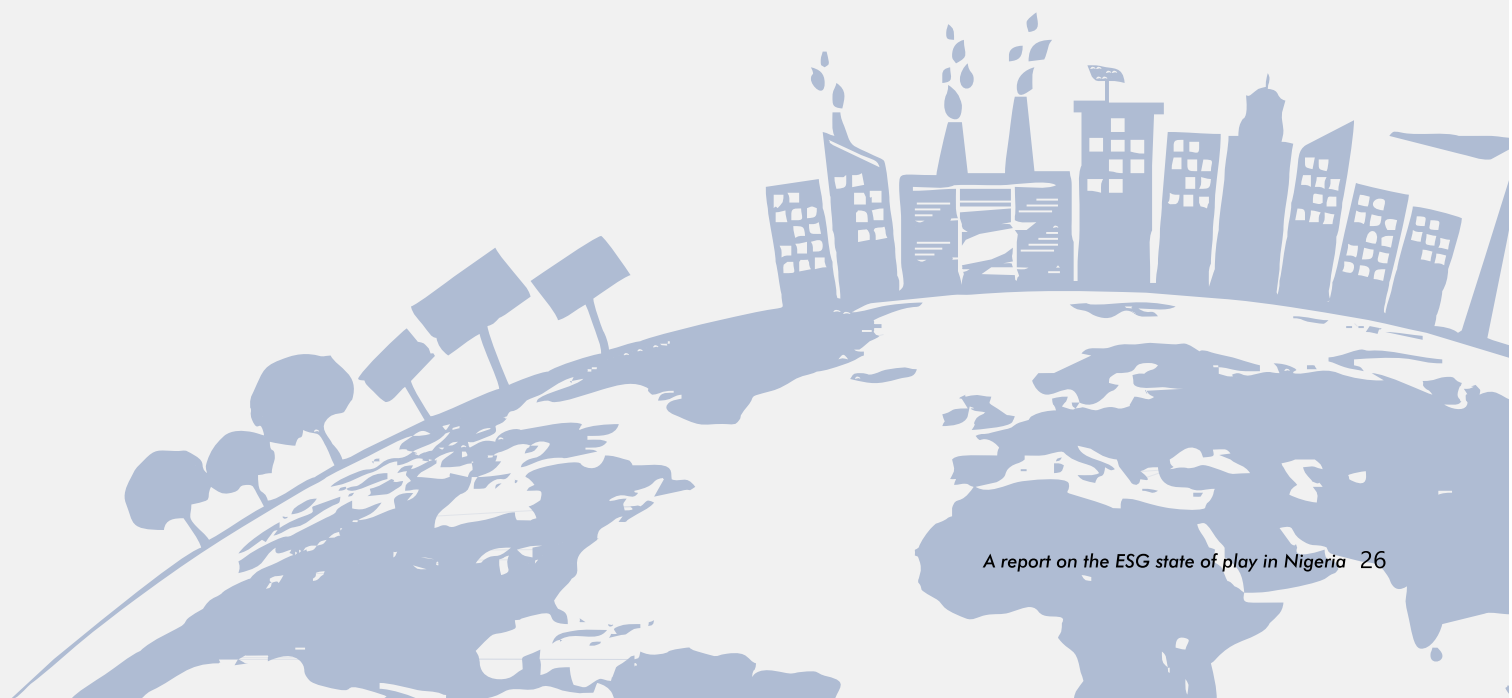


Alignment of Private Sector ESG Efforts with National Sustainability Priorities





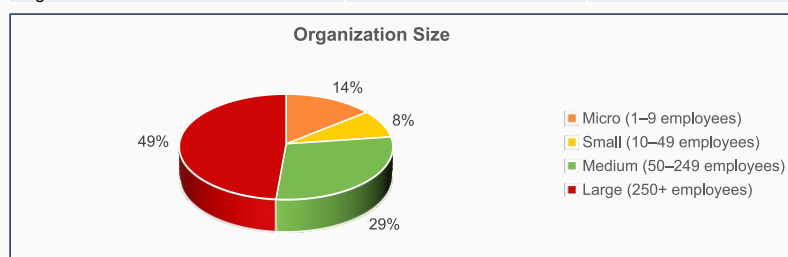
08 STAKEHOLDER PERSPECTIVES AND ALIGNMENT



Stakeholder Perspectives and Alignment

Summary of insights from interviews

Sample Group	Minimum Representation Target	Actual Representation
Regulators & Policy makers	10%	3%
Industry associations	10%	7%
Large Corporates	20%	39%
SMEs	20%	37%
Financial Institutions & Investors	20%	11%
NGOs, Academia & Development Agencies	20%	3%



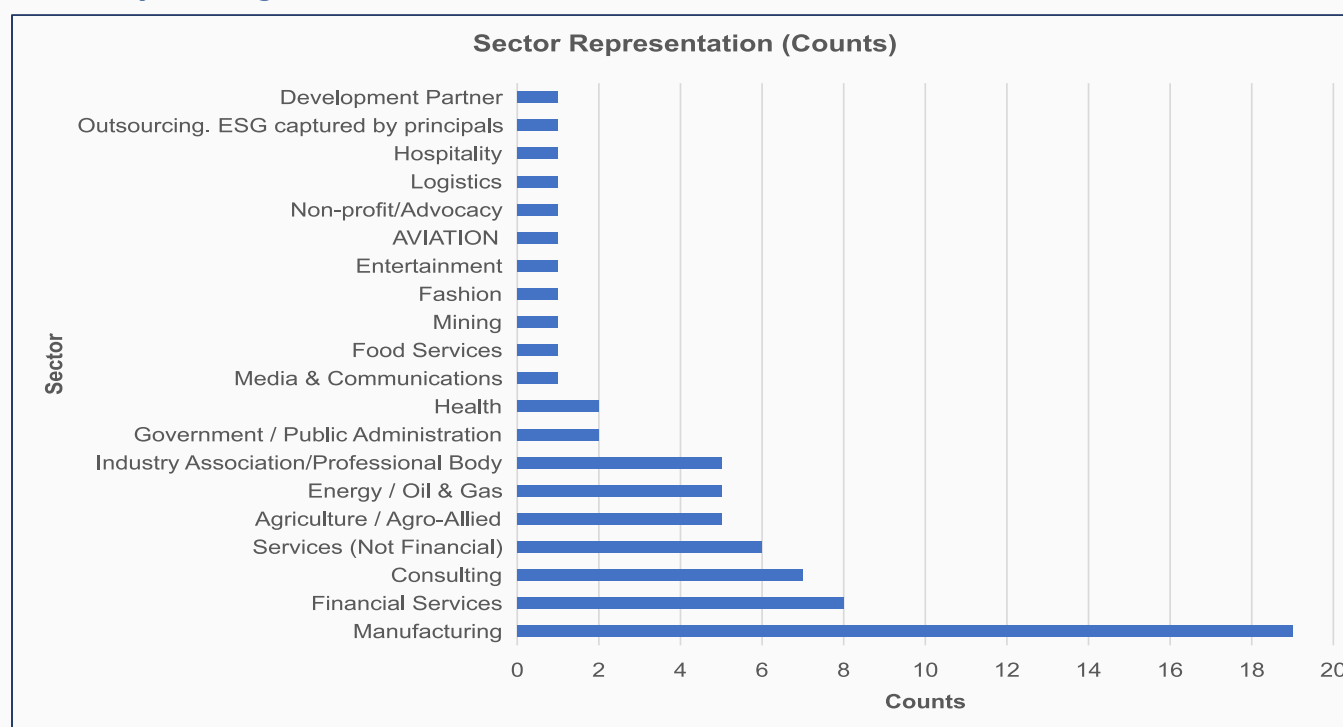
Respondent Group

The sample group representation shows that large corporates and SMEs significantly exceeded their minimum targets, with 39% and 37% actual representation respectively, indicating strong engagement from these sectors. In contrast, regulators, policymakers, NGOs, academia, and development agencies were notably underrepresented, with actual participation well below their 10-20% targets.

About 46% of respondents are large companies with over 250 employees, while 41% are SMEs with fewer than 250 employees. In addition, 3% comprise government/public administration institutions and industry associations with more than 250 employees, and 10% are NGOs, industry associations, government/public administration institutions, and development partners with fewer than 250 employees



Summary of insights from interviews



Sector Representation

Manufacturing represents the largest share of respondents (27%), followed by Financial Services (11%), Consulting (10%), and other service-oriented sectors, while Regulatory & Public Administration agencies, Non-profit/Advocacy organizations have the least share of respondents.



Summary of insights from interviews

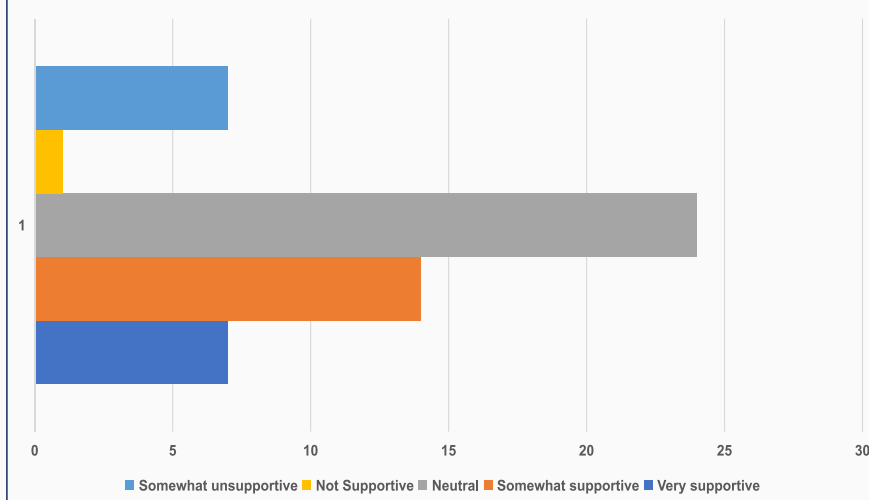


ESG Reporting

About 40% of organisations are not yet measuring or reporting ESG, while 21% report only internally, showing that most sectors remain at an early stage of ESG adoption. Only 16% produce integrated reports and 23% publish annual sustainability reports, indicating that mature ESG reporting is concentrated in just a few sectors such as Financial Services, Manufacturing, Agriculture, Services (Non-financial), Consulting, and Energy/Oil & Gas.



Overall Enabling Environment for ESG Adoption in Nigeria



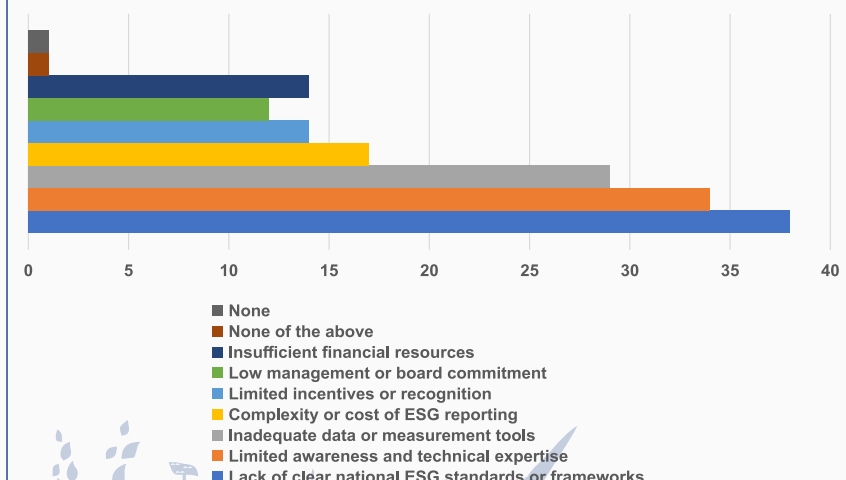
ESG Adoption Environment

Companies' perceptions of the overall enabling environment for ESG adoption in Nigeria are generally positive, with most rating it as very supportive or somewhat supportive.

However, a notable share of respondents remain neutral, and a smaller portion perceive the environment as unsupportive, highlighting opportunities for further enhancement.

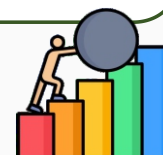


Key Challenges Organizations faces in Implementing ESG practices



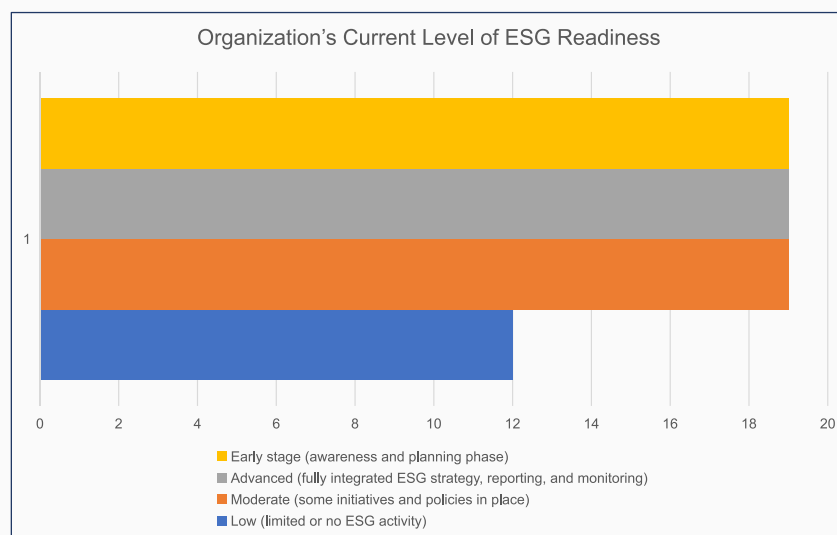
Challenges in Implementing ESG Practices

The most frequently cited ESG challenges among respondents were the lack of clear national ESG standards or frameworks (38 mentions), limited awareness and technical expertise (34 mentions), and inadequate data or measurement tools (29 mentions), indicating fundamental capacity and guidance gaps across organisations. Other notable barriers include the complexity or cost of ESG reporting, limited incentives, low management commitment, and insufficient financial resources, which appeared less frequently but still highlight structural constraints that slow ESG adoption.



Cross-Cutting Findings and Analysis

Summary of insights from interviews



ESG Readiness

Organizations are at varying stages of ESG readiness, with 17% at low readiness, 28% in the early awareness and planning phase, 28% implementing moderate initiatives, and 28% operating at an advanced, fully integrated ESG level.

This shows that while ESG adoption is growing, many organizations are still developing their strategies and systems



Respondents shared a range of ESG initiatives including tree planting, energy efficiency improvements, waste recycling, community empowerment programs, and adoption of clean energy solutions, reflecting diverse efforts toward sustainability and social impact. However, some organizations reported no current ESG projects or are still in the preparation phase, indicating varying levels of ESG implementation across these sectors.

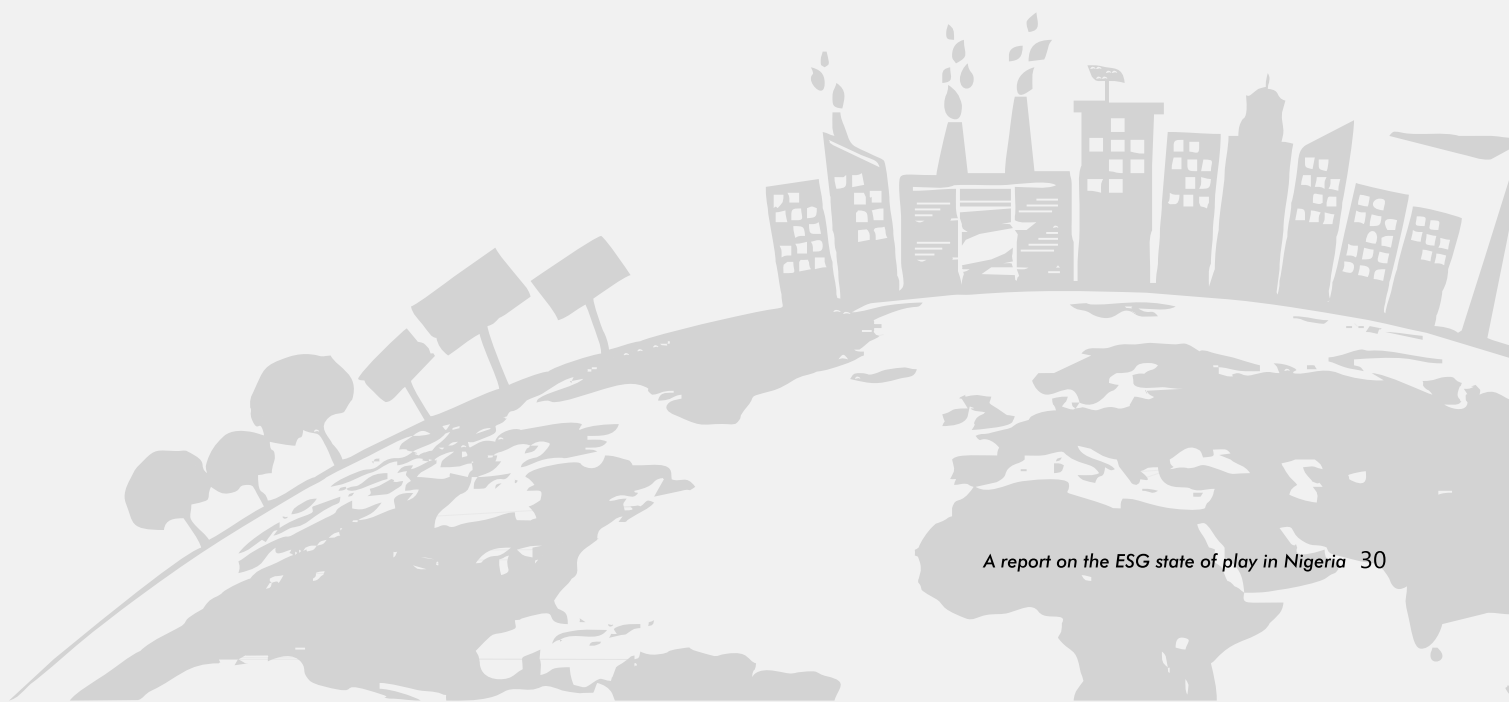
Among financial services companies surveyed, ESG-aligned or sustainable assets currently make up a relatively small portion of portfolios, with most reporting between 0-50%, and some not measuring this at all. A few companies indicated they do not offer ESG-themed financial products, highlighting an opportunity for growth in sustainable investment offerings.

Respondents overwhelmingly identified the mandatory implementation of standardised ESG reporting frameworks, supported by strong regulatory enforcement, as the single most impactful action to accelerate ESG adoption across Nigeria's public and private sectors. Additionally, widespread awareness, training, and government-backed incentives were frequently highlighted as essential to drive compliance, accountability, and sustainable investment.



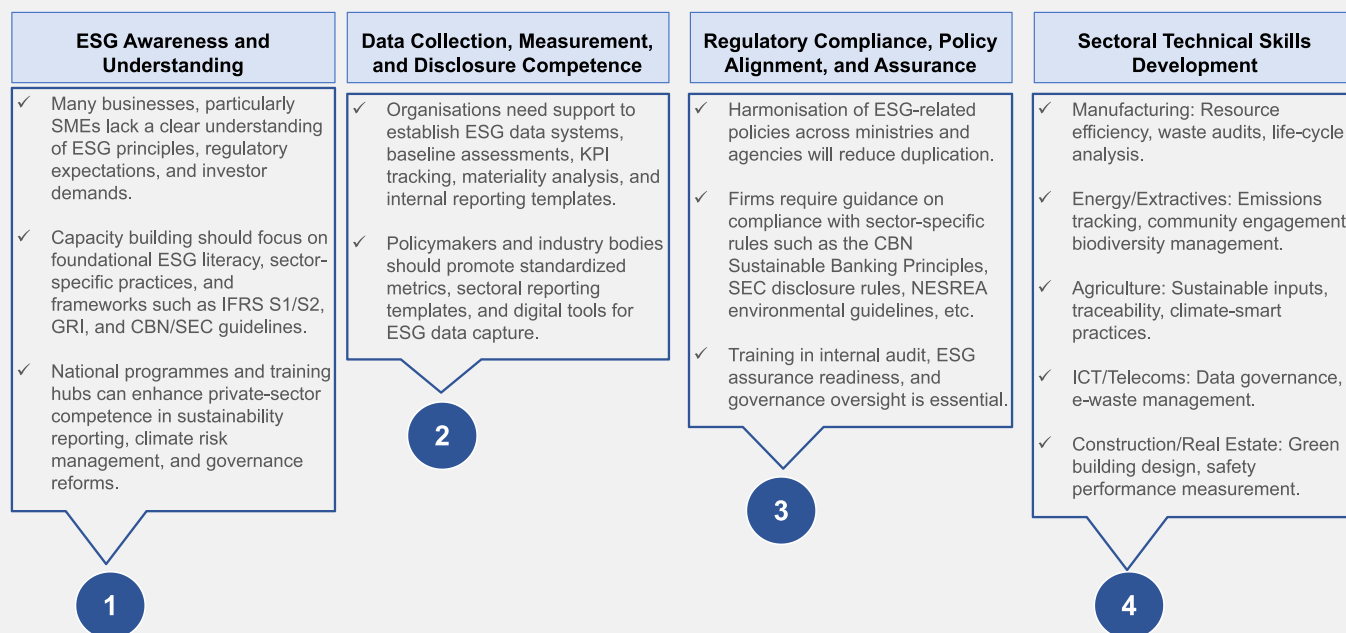


09 OPPORTUNITIES FOR SCALING ESG PRACTICES

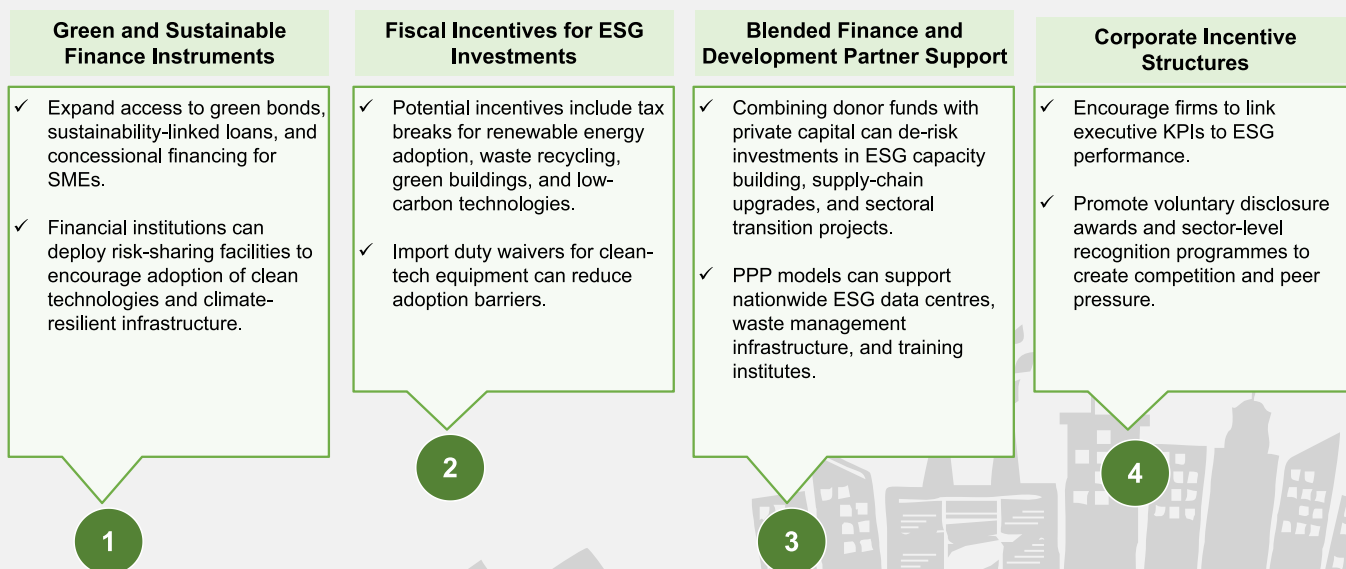


Opportunities for Scaling ESG Practices

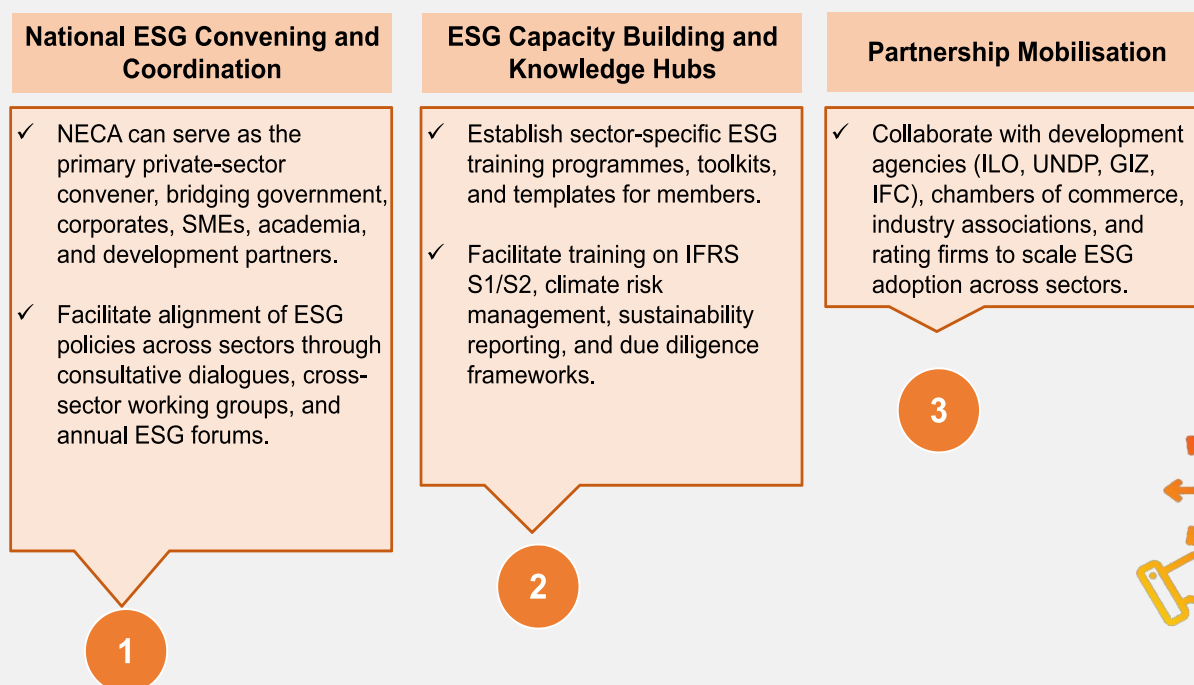
Priority Areas for Capacity Building and Policy Support



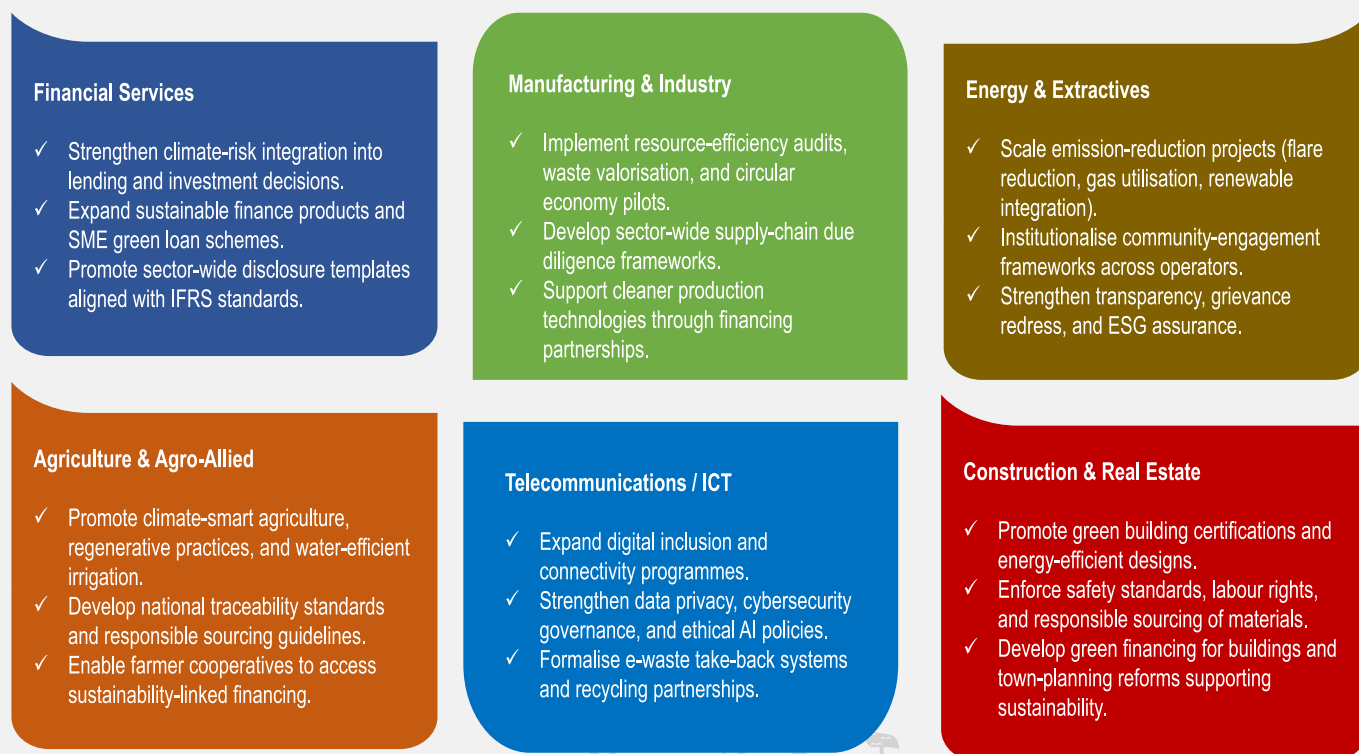
Financing and Incentive Mechanisms for ESG Transition



Potential Role of NECA and Partners in Driving Adoption and Advocacy

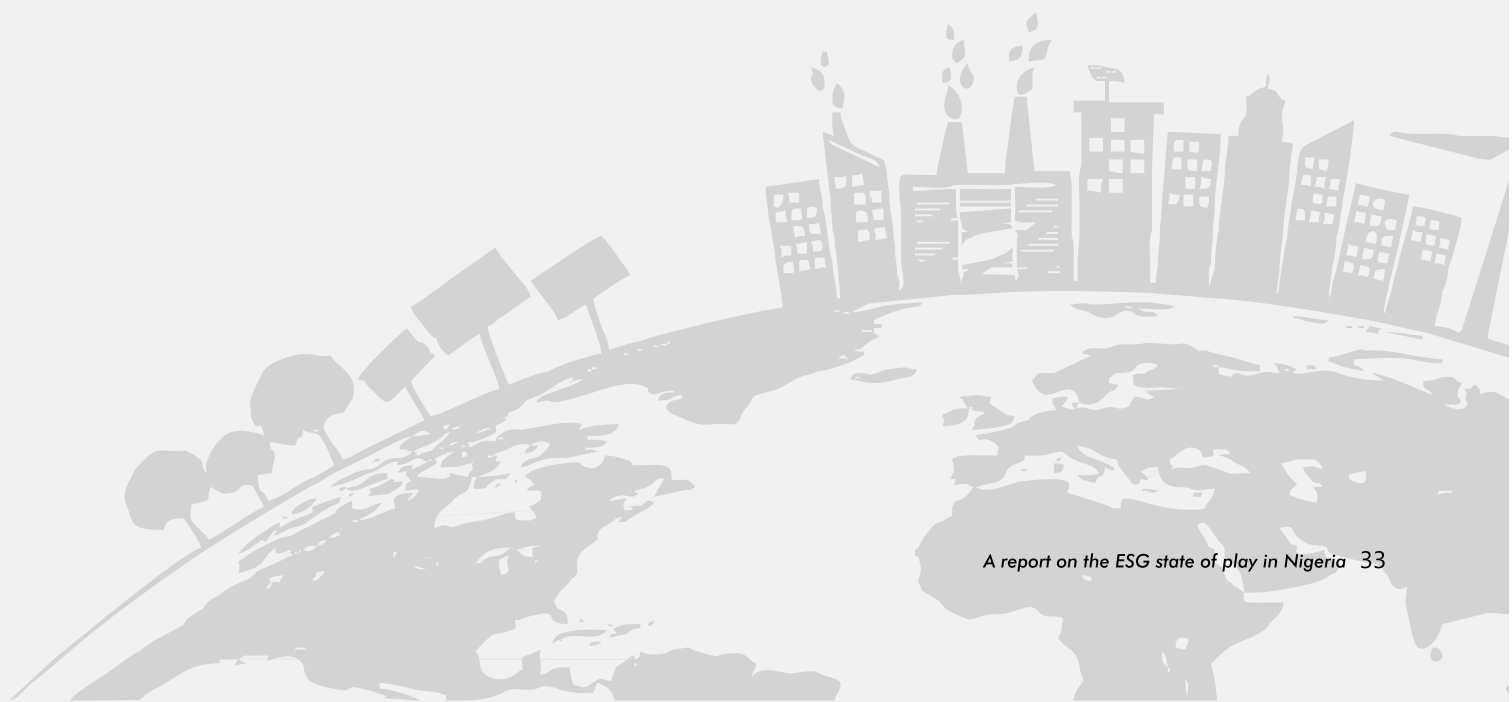


Sector-Specific Pathways for Scaling ESG Impact



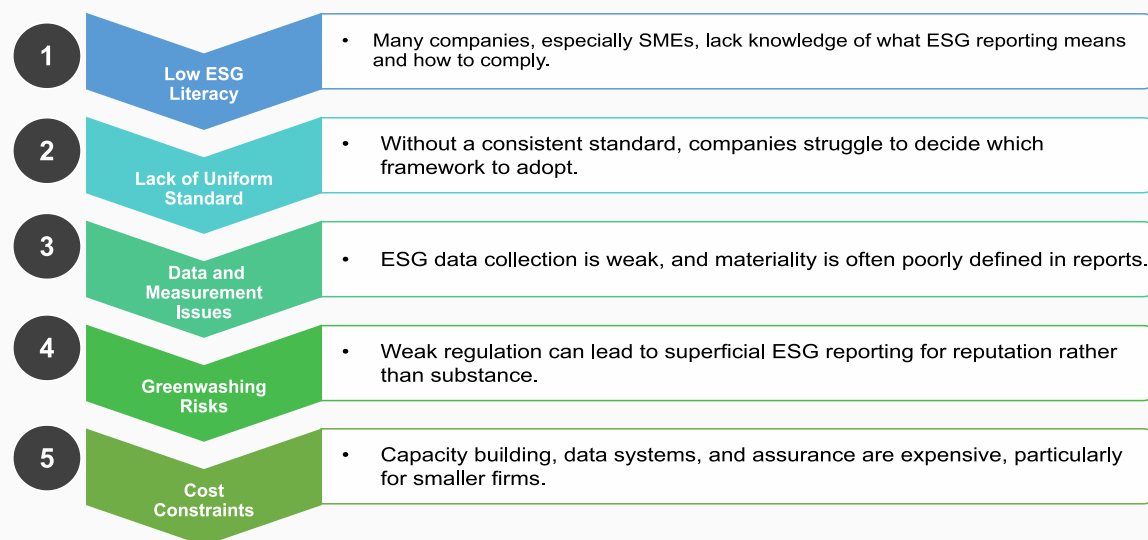


10 POLICY AND STRATEGIC RECOMMENDATIONS



Policy and Strategic Recommendations

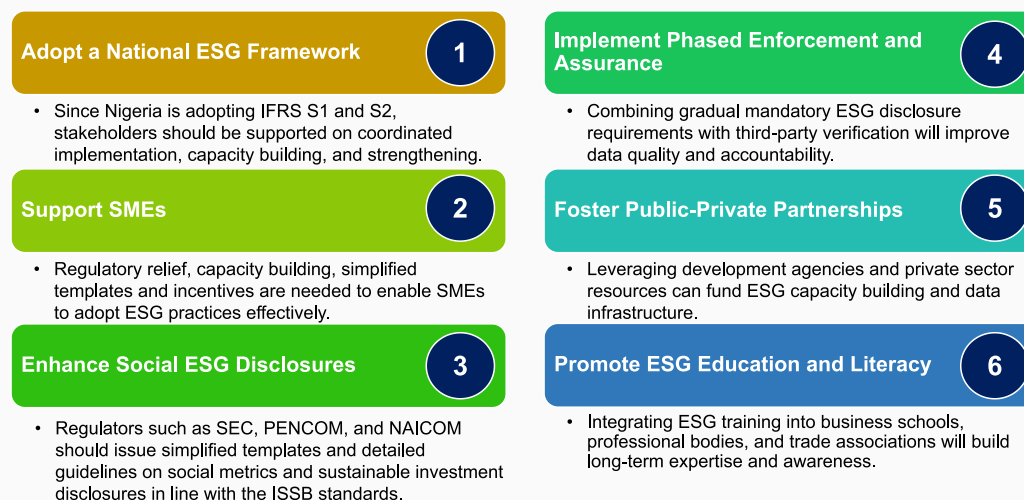
Challenges and Barriers



Regulatory Agencies

Strengthening Nigeria's ESG Ecosystem

To bridge existing gaps and accelerate ESG integration, the following actions are recommended:



NECA and Private Sector Associations



Policy and Strategic Recommendations

Businesses (especially SMEs)

1	2	3	4	5	6
Conduct a materiality check to identify 3-5 priority ESG issues relevant to the sector; focus on data that can be realistically collected and improved over 12 months.	Utilize Industry templates and low-cost digital tools (mobile surveys, spreadsheets) to capture ESG metrics (energy use, waste, employee health & safety, gender-disaggregated data).	Embed simple KPIs into existing functions (operations, procurement, HR, finance) and link performance reviews to clear, measurable targets.	Leverage NECA and donor-supported training; apply for blended finance facilities or green loan programmes; consider group approaches (cooperatives, clusters) to share costs of certification or equipment.	Start disclosure and build transparency by publishing a short annual statement. Launch industry awards, "ESG-ready" certifications, and procurement preferences for high-performing members to create market incentives.	Communicate expectations to suppliers and seek incentives (longer contracts, preferential terms) for improved sustainability performance in the supply chain.



Recommendations for Development Partners and Investors

- 1 Provide concessional capital, guarantees, that crowd in commercial finance for green investments (renewables, waste recycling, water efficiency).
- 2 Invest in sector-specific training programmes, incubators for circular-economy ventures, and assistance for assurance readiness.
- 3 Fund the development of national ESG data platforms, and sectoral templates for ESG to improve interoperability and transparency.
- 4 Ensure funding criteria support social inclusion (gender, smallholder farmers, informal collectors) and embed safeguards for just transition in energy and extractives projects.
- 5 Invest in early-stage, scalable ESG innovations, such as climate-tech, recycling value chains, water management, that may have longer payback periods but high systemic impact.



A report on the ESG state of play in Nigeria