

**ANUK COLLEGE OF  
PRIVATE SECTOR  
Accounting Journal**

**VOL. 2 NO. 4 DECEMBER, 2025**

**A Publication of College of Private Sector  
Accounting  
ANAN University Kwall, Plateau State, Nigeria.**

Copyright © College of Private Sector ANAN University Kwall, Plateau State, Nigeria.

Published December, 2025.

Web Address: <https://www.anukpsaj.com>, Email: [anukpsaj@gmail.com](mailto:anukpsaj@gmail.com)

All right reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the copyright owner,

Printed by:  
**MUSSAB Printers,**  
NB, 9 Muri road by gwari road, Kaduna State, Nigeria.  
**Phone contact:** 07038776658,  
**Email:** [meetsuleiman009@gmail.com](mailto:meetsuleiman009@gmail.com)

## **Structure of Manuscript**

Manuscripts must be typed on A size paper with 12 font size (Times New Roman), not more than 15 pages, double-spaced, and in English. The file name should include the corresponding author's name and a keyword from the title.

### **Sequence of Manuscript**

- I. Title page
- II. Abstract (150-250 words)
- III. Keywords (3-5)
- IV. Introduction
- V. Literature Review
- VI. Methodology
- VII. Results and Discussion
- VIII. Conclusion and Recommendations
- IX. References (APA 7th Edition)
- X. Appendices (if necessary)
- XI. Author Biographies (optional)

## **Plagiarism Policy**

ANUK is committed to maintaining high standards through an indept peer-review process with sound ethical policies. Any infringements of professional ethical codes, such as plagiarism; including self-plagiarism, fraudulent use of data, are seriously frowned at by the journal with zero tolerance.

ANUK implements the Code of Conduct of the Committee on Publication Ethics (COPE), and uses the COPE Flowcharts for Resolving cases of suspected plagiarism or any publication misconduct.

In order to avoid plagiarism cases with the ANUK, the following guidelines must be strictly adhered to by authors:

Authors should ensure that they have written entirely original works, and if authors have used the work and/or words of others that this has been appropriately cited or quoted.

An author should not, in general, publish manuscripts describing essentially the same research in more than one journal or primary publication. Submitting the same manuscript to more than one journal concurrently constitutes unethical publishing behavior and is unacceptable.

Proper acknowledgment of the work of others must always be adhered to. Authors should cite publications that have been influential in determining the nature of the reported work.

## Editorial Team

### Editor-in-Chief :

**Prof. Musa Adeiza Farouk**

Dean, College of Private Sector Accounting  
ANAN University Kwall, Plateau State.

### Associate Editor:

**Dr. Saidu Halidu**

Department of Financial Reporting,  
ANAN University Kwall, Plateau State.

### Managing Editor :

**Dr. Abubakar Ahmed**

College of Private Sector Accounting,  
ANAN University Kwall, Plateau State.

## Members Editorial Board

**Prof. Joseph Femi Adebisi**

DVC ANAN University Kwall, Plateau State.

**Prof. Tamunonimim Ngereboa**

Dean, Public Sector Accounting,  
ANAN University Kwall, Plateau State.

**Prof Kabir Tahir Hamid,**

Department of Accounting,  
Bayero University, Kano, Kano State.

**Prof. Ekoja B. Ekoja,**

Department of Accounting,  
University of Jos.

**Prof. Clifford Ofurum,**

Department of Accounting,  
University of Port Harcourt, Rivers State.

**Prof. Ahmad Bello Dogarawa,**

Department of Accounting,  
Ahmadu Bello University Zaria.

**Prof. Muhammad Junaidu Kurawa,**

Department of Accounting,  
Bayero University Kano, Kano State.

**Prof. Muhammad Habibu Sabari,**

Department of Accounting,  
Ahmadu Bello University, Zaria.

**Prof. Hassan Ibrahim,**

Department of Accounting,  
IBB University, Lapai, Niger State.

**Prof. Tochukwu Okafor,**

Department of Accounting,  
University of Nigeria, Nsukka.

**Prof. Muhammad Aminu Isa,**

Department of Accounting,  
Bayero University, Kano, Kano State.

**Prof. Ahmadu Bello,**

Department of Accounting,  
Ahmadu Bello University, Zaria.

**Prof. Musa Yelwa Abubakar,**

Department of Accounting,  
Usmanu Danfodiyo University, Sokoto State.

**Prof. Salisu Abubakar,**

Department of Accounting,  
Ahmadu Bello University Zaria, Kaduna State.

**Prof. Isaq Alhaji Samaila,**

Department of Accounting,  
Bayero University, Kano State.

**Prof. J.J. Adefila,**

Department of Accounting,  
University of Maidugu, Borno State.

**Prof. Chinedu Innocent Enekwe,**

Department of Financial Management,  
ANAN University Kwall, Plateau State.

**Dr. Dang Yohanna Dagwom,**

Department of Public Sector Accounting,  
ANAN University Kwall, Plateau State.

**Dr. Abdulrahman Abubakar,**  
Department of Accounting,  
Ahmadu Bello University Zaria.

**Dr. Aisha Nuhu Muhammad,**  
Department of Accounting,  
Ahmadu Bello University Zaria.

**Dr. Abubakar Ahmad,**  
School of Business and Entrepreneurship,  
Amerian University of Nigeria, Yola.

**Dr. Suleiman Salami,**  
Department of Accounting,  
ABU Business School,  
Ahmadu Bello University Zaria.

**Prof. Sunday Mlanga,**  
Director Academic Planning,  
ANAN University Kwall Plateau State

**Dr. Saheed Adebowale Nurein,**  
School of Business and Entrepreneurship,  
Amerian University of Nigeria, Yola.

**Prof. Isaq Alhaji Samaila,**  
Department of Accounting,  
Bayero University, Kano.

**Dr. Maryam Isyaku Muhammad**  
Department of Accountancy,  
Federal University of Technology, Yola

**Dr. Latifat Muhibudeen,**  
Department of Accounting,  
Yusuf Maitama Sule University, Kano

#### Advisory Board Members

**Prof. Musa Inuwa Fodio,**  
V.C, ANAN University Kwall,  
Plateau State

**Prof. Kabiru Isah Dandago,**  
Bayero University Kano,  
Kano State.

**Prof. Suleiman A. S. Aruwa,**  
Department of Accounting,  
Nasarawa State University, Keffi,  
Nasarawa State.

**Prof. A.M Bashir,**  
Usmanu Danfodiyo University Sokoto,  
Sokoto State.

**Prof. Muhammad Tanko,**  
Kaduna State University, Kaduna.

**Prof. Bayero A.M Sabir,**  
Usmanu Danfodiyo University Sokoto,  
Sokoto State.

**Prof. Aliyu Sulaiman Kantudu,**  
Bayero University Kano, Kano State.

**Prof. B.C Osisioma,**  
Department of Accounting,  
Nnamdi Azikwe University, Akwa

**Prof. M.A. Mainoma,**  
Department of Accounting,  
Nasarawa State University, Keffi

**Prof. J. C Okoye,**  
Department of Accounting,  
Nnamdi Azikwe University, Akwa

**Prof. J.O. N Ande,**  
Department of Accounting, University of Jos.

**Prof. Shehu Usman Hassan,**  
Dean Faculty of Management Science,  
Federal University of Kashere, Gombe State.

#### Editorial Secretary

**Dr. Benjamin David Uyagu**  
Department of Auditing and Forensic Accounting,  
ANAN University Kwall, Plateau State.

## TABLE OF CONTENT

1. <b>Effect of Firm Characteristics on Firm Value of Listed Deposit Money Banks in Sub-saharan Africa</b> .....	1
Mabur Zungbung Danladi, Deshi Nentawe Nengak, Maren Maram Isah and Dahel Innocent Felix	
2. <b>Effect of Forensic Interviews And Fund Tracing Techniques on Fraud Control in Public Sector Pension Administration in Kebbi State, Nigeria</b> .....	17
Ahmed Yarima Dakingari, Attahiru Ibrahim Alkali and Zainab Attahiru Alkali	
3. <b>Audit Quality as a Moderator Between Board Characteristics and Earnings Management: Evidence From Listed Banks in Nigeria</b> .....	25
Sabiu Ishaka Alfa, Lawal Faith Chidinma and Musa Adeiza Farouk	
4. <b>Effect of Non-current Assets on Value of Listed Consumer Goods Firms in Nigeria</b> .....	37
Mabur Zungbung Danladi, Deshi Nentawe Nengak, Maren Maram Isah and Dahel Innocent Felix	
5. <b>Effect of Forensic Accounting Techniques on Fraud Prevention In Ministries, Departments And Agencies (MDAs) in Plateau State</b> .....	51
Ondeku Felix Godwin, Adebisi Joseph Femi and Farouk Musa Adeiza	
6. <b>Effect of Forensic Interviews And Fund Tracing Techniques on Fraud Control in Public Sector Pension Administration in Kebbi State, Nigeria</b> .....	62
Ahmed Yarima Dakingari, Attahiru Ibrahim Alkali, Zainab Attahiru Alkali and Balkisu Ahmad Maiahu	
7. <b>Effect of Auditor Skills on Financial Accountability of Plateau State Government Ministries</b> .....	71
Umar Aishatu Adam	
8. <b>Effect of Ownership Structure on Environmental Disclosures of Listed Oil And Gas Companies in Nigeria</b> .....	80
Deshi Nentawe Nengak and Manji Eugene Nenkanma Helen	
9. <b>Moderating Effect of Audit Quality on Board Characteristics And Earnings Management of Listed Insurance Firms in Nigeria</b> .....	94
Sabiu Ishaka Alfa, Joseph Femi Adebisi, Musa Adeiza Farouk and Audu K. Buba	
10. <b>Effect of Board Characteristics on Cash Holding of Listed Commercial Banks in Nigeria</b> .....	105
Cycle Florence Kemebinkedoumene	
11. <b>Effect of Accounting Information Systems on Financial Reporting Quality of Listed Deposit Money Banks in Nigeria</b> .....	115
Adewole Adefemi Kazeem, Tamunonimim Ngerebo and Innocent Chinedu Enekwé	
12. <b>Effect of Corporate Governance Attributes and Value of Listed Insurance Companies in Nigeria</b> .....	126
Ahmed Tijjani Haruna	
13. <b>Effect of Forensic Accounting Tools on Fraud Prosecution Process in Nigeria Court System</b> .....	138
Blessing Chinelu Chukwu	

## TABLE OF CONTENT

14. <b>Effect of Sustainability Reporting on Share Price of Listed Oil and Gas Firms in Nigeria</b> .....	148
Clement Osemwengie Ekhoe-ugiagbe and Ojeifo Sidney Imevbore	
15. <b>Moderating Effect of Information Communication Technology Software on The Relationship Between Ownership Structure and Value of Listed Financial Firms in Nigeria</b> .....	160
Ejike Emeka Okongwu, Benjamin Uyagu and Farouk Musa Adeiza	
16. <b>Effect of Government Integrated Financial Management Information System Implementation on Financial Governance in Selected Ministries, Departments, and Agencies in Nigeria</b> .....	176
Emmanuel Monday Essien	
17. <b>Effect of Accounting Practices on Budget Implementation of Government-owned Research Institutes in South Eastern Nigeria</b> .....	194
Dennis Nnenna Okoro	
18. <b>Moderating Effect of Internal Audit Quality on The Relationship Between Accounting Information Systems and Financial Reporting Quality of Listed Deposit Money Banks in Nigeria</b> .....	205
Adewole Adefemi Kazeem, Tamunonimim Ngerebo and Innocent Chinedu Enekwe	
19. <b>Effect of Board Audit Committee Attributes on Assets Fraud Detection among Listed Manufacturing Companies in Nigeria</b> .....	215
Agboide Sunday Theophilus	
20. <b>An Empirical Analysis of The Relationship Between Government Transfer Payments and Economic Growth in Nigeria</b> .....	224
Inuwa Auwalu, Uyagu David Benjamin and Ganiyu A. Mustapha	
21. <b>Effect of Budget Processes on Performance of Public Funds in Plateau State Ministries, Departments and Agencies</b> .....	234
Yaks Mary Benjamin	
22. <b>The Effect of Cyber Fraud on Customer Trust in Nigerian Deposit Money Banks: A Digital Forensic Perspective</b> .....	250
Nkwonta Ifeoma Nnenna, Musa Adeiza Farouk and Benjamin Uyagu David	
23. <b>Effect of Forensic Audit on Fraud Detection in The Federal Ministry of Finance and Associate Agencies in Nigeria</b> .....	258
Musa Inuwa Fodio, Benjamin Uyagu David and Sani Chida Baba	
24. <b>Dividend Policy Determinants: Likelihood and Payout Magnitude in Nigeria's Consumer Goods Firms</b> .....	269
Ovbe Simon Akpadaka	
25. <b>Effect of Monetary Policy Instruments on Capital Adequacy of Listed Deposit Money Banks in Nigeria</b> .....	284
Jadesola Regina Adekalu, Joseph Femi Adebisi, Mbatuegwu David Christopher and Samuel Olutokunbo Adekalu	

## TABLE OF CONTENT

26. <b>Effect of Economic, Social and Governance Disclosures on Firm Value And The Moderating Effect of Leverage. A Study of Listed Non-financial Firms in Nigeria</b> .....	293
Aishat Oyiza Otori	
27. <b>Monetary Policy, Bank Size, and Capital Adequacy: A Conceptual Framework For Financial Stability in Nigeria</b> .....	301
Jadesola Regina Adekalu, Joseph Femi Adebisi, Mbatuegwu David Christopher and Samuel Olutokunbo Adekalu	
28. <b>Impact of Money Laundering Activities on The Operational Performance of Listed Commercial Banks in Nigeria</b> .....	312
Inuwa Auwalu and Ganiyu A. Mustapha	
29. <b>Effect of Computerized Forensic Investigation Techniques on Fraud Management in Lagos State Ministries, Departments and Agencies ...</b>	320
Kotun Rasheetdat Bunmi, Sunday Mlanga and Halidu Saidu	
30. <b>Moderating Effect of Bank Size on The Relationship Between Monetary Policy and Capital Adequacy of Listed Deposit Money Banks in Nigeria</b> ....	336
Jadesola Regina Adekalu, Joseph Femi Adebisi, Mbatuegwu David Christopher and Samuel Olutokunbo Adekalu	
31. <b>Legislative and Audit Oversight Institutions as Determinants of Budget Transparency in Sub-saharan Africa</b> .....	350
Emmanuel Sani	
32. <b>Do Sustainability Disclosures Matter For Market Valuation? Evidence From Consumer Goods Firms in Sub-saharan Africa</b> .....	358
Oloruntoba Adebayo Femi, Dagwon Yohanna Dang and Joseph Femi Adebisi	
33. <b>Effect of Monetary Policy on Manufacturing Outputs in Nigeria: 1980-2024</b> .....	368
S.A.S Aruwa, Benjamin Uyagu and Egbo Roseline Oruaroghene	
34. <b>Determinants of Public Participation in Public Budgeting among Sub-saharan Countries: The Influence Of Transparency and Oversight Institutions</b> .....	382
Emmanuel Sani	

## EFFECT OF SUSTAINABILITY REPORTING ON SHARE PRICE OF LISTED OIL AND GAS FIRMS IN NIGERIA

CLEMENT OSEMWENGIE EKHOE-UGIAGBE  
AND  
OJEIFO SIDNEY IMEVBORE

### ABSTRACT

*In recent years, sustainability reporting has emerged as a strategic tool for corporate accountability, particularly in environmentally sensitive sectors such as oil and gas. In Nigeria, despite increasing pressure for transparency, sustainability disclosures remain inconsistent and largely voluntary, raising questions about their effectiveness in influencing investor behavior and firm valuation. This study examined the impact of sustainability reporting measured through economic, environmental, and social disclosures on the share price performance of listed oil and gas firms in Nigeria. The study adopted an ex post facto research design using secondary data extracted from the audited annual reports of twelve (12) listed oil and gas companies over a Ten-year period (2014–2023). Panel regression analysis was employed to evaluate the relationship between the sustainability disclosure indices and share price. The findings revealed that all three dimensions of sustainability reporting significantly and positively influence share price, with social disclosure exerting the strongest effect, followed by environmental and economic disclosures. These results affirm the relevance of Legitimacy Theory, suggesting that firms which align their activities with societal expectations through transparent reporting are more likely to gain investor confidence and market valuation. Based on these findings, the study recommends the enforcement of standardized sustainability disclosure frameworks, increased focus on social and environmental reporting, and capacity building for corporate reporting officers. It also calls for stronger regulatory oversight and stakeholder engagement to improve the credibility and impact of sustainability reporting practices within Nigeria's oil and gas sector.*

### 1. Introduction

In recent years, sustainability reporting has emerged as a critical corporate practice globally, driven by increasing stakeholder demands for transparency, accountability, and responsible investment behavior. Organizations are now required not only to deliver financial returns but also to demonstrate social and environmental stewardship through comprehensive disclosures (Eccles & Krzus, 2018). Globally, sustainability disclosures particularly those covering economic performance, environmental impact, and social responsibility are increasingly influencing investor decisions and, consequently, corporate share prices (Lins, Servaes, & Tamayo, 2017). Developed capital markets such as those in the U.S. and Europe have documented a positive correlation between sustainability practices and firm valuation, as firms with robust sustainability strategies tend to enjoy lower capital costs, enhanced market reputation, and long-term shareholder value (Friede, Busch, & Bassen, 2015).

In Africa, the integration of sustainability reporting

into corporate strategy is gaining traction, albeit at a relatively slower pace compared to developed economies. The African Integrated Reporting Council and regional stock exchanges, such as the Johannesburg Stock Exchange (JSE), have taken bold steps in mandating sustainability disclosures among listed companies (Nuzhah & Naidoo, 2021). Empirical evidence from South Africa, Kenya, and Ghana suggests that improved transparency through environmental and social disclosures enhances investor confidence and positively affects firm market performance (Ackers & Eccles, 2019; Onyali & Okafor, 2021). Nonetheless, the continent faces significant challenges including weak regulatory frameworks, inconsistent reporting standards, and limited investor awareness of ESG metrics (Asaolu et al., 2022).

In Nigeria, the adoption of sustainability reporting practices among listed firms is gradually improving, particularly following the release of the Nigerian Code of Corporate Governance (NCCG) 2018 and the

Security and Exchange Commission's (SEC) push toward sustainability compliance. The oil and gas sector, being environmentally sensitive and economically significant, has come under intense scrutiny regarding its environmental footprint, social obligations, and governance structure. Several studies have begun to link sustainability disclosures with market-based performance indicators such as share price (Adejare, 2020; Uwuigbe, et al. 2021). Economic disclosure, such as revenue stability and local content investment, is essential for investor confidence. Environmental disclosures, which cover greenhouse gas emissions, waste management, and remediation efforts, are critical in shaping public and investor perception (Olayemi & Akinpelu, 2022). Similarly, social disclosures relating to employee welfare, community development, and stakeholder engagement have been observed to contribute positively to firm reputation and stock valuation (Okike et al., 2023).

Despite growing awareness, the empirical evidence on the effect of sustainability reporting on share prices of listed oil and gas firms in Nigeria remains fragmented. Many studies focus on profitability or corporate image, with limited attention to how individual disclosure dimensions (economic, environmental, social) influence market value. This study, therefore, seeks to bridge this gap by examining the impact of sustainability reporting on share price of listed oil and gas companies in Nigeria.

Sustainability reporting has become a strategic instrument for corporate transparency and accountability in the 21st century, especially in the wake of heightened global concerns about climate change, social equity, and economic resilience. A growing body of international research suggests that firms with stronger environmental, social, and governance (ESG) disclosures tend to perform better in the capital markets, enjoy improved investor trust, and exhibit reduced risk premiums (Eccles, et al. 2014; Lins, et al 2017). These sustainability disclosures are now increasingly used by investors as non-financial indicators of long-term viability and competitiveness (Friede, et al, 2015).

However, existing literature shows a dominance of studies in developed economies, where robust sustainability frameworks such as the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Integrated Reporting (IR) standards have long been adopted. In these markets, several empirical studies (Khan, et al 2016; Albuquerque, et al. 2019) confirm that sustainability disclosures positively influence firm valuation, including stock price performance. This leaves a significant geographical gap in emerging economies like Nigeria, where sustainability reporting is still evolving and institutional frameworks are relatively weak.

In the African context, although countries like South Africa have made sustainability reporting mandatory for listed firms, most other countries, including Nigeria, still operate under a voluntary or semi-voluntary regime (Nuzhah & Naidoo, 2021). Nigerian research in this field has largely focused on sustainability reporting's effect on firm profitability rather than on market-based outcomes such as share price. For instance, Uwuigbe et al. (2021) and Okike, et al (2023) found that sustainability reporting positively affects return on equity and return on assets, yet did not explore how investors in the Nigerian capital market respond in terms of pricing securities. This highlights a significant variable gap and evidence gap, especially regarding the separate effects of economic, environmental, and social disclosures on share price movement.

Further, a methodological gap exists in the local literature. Many Nigerian studies use static or cross-sectional designs, simple scoring indices, and manual content analysis approaches without the inclusion of robust econometric models that capture dynamic relationships and control for firm-level heterogeneity (Adejare, 2020; Asaolu et al., 2022). This limits the causal strength and generalizability of their findings. A time-series or panel data approach incorporating multiple control variables and diagnostic checks is necessary for a more reliable analysis of the relationship between sustainability reporting and stock performance.

Additionally, there is a theoretical gap in the application of explanatory frameworks in previous Nigerian studies. While stakeholder theory is frequently referenced (Freeman, 1984), many studies fail to integrate alternative and complementary theories such as legitimacy theory, which explains how firms use sustainability disclosures to gain societal acceptance (Suchman, 1995), and signaling theory, which posits that sustainability reports can serve as credible signals to reduce information asymmetry between firms and investors (Spence, 1973). Without robust theoretical anchoring, the explanatory depth of these studies remains limited.

The oil and gas sector in Nigeria presents a unique context for this inquiry. As the most environmentally sensitive industry and a major contributor to national GDP, its operations significantly affect host communities, ecological systems, and national development. Despite this, empirical attention to the sustainability share price nexus in this sector is sparse. Few sector-specific studies (Olayemi & Akinpelu, 2022) have comprehensively examined how each dimension of sustainability disclosure economic (local investment, revenue stability), environmental (pollution control, remediation), and social (community development, employee welfare) affects market valuation, thus presenting a notable sectoral and scope gap.

In summary, while sustainability reporting is gaining traction in Nigeria, empirical and theoretical explorations into how it affects share price particularly within the oil and gas sector are limited, methodologically weak, and under-theorized. This study seeks to address these gaps by investigating the impact of economic, environmental, and social disclosures on the share price of listed oil and gas firms in Nigeria.

## 1.2 Objective of the Study

The main objective of this study is to examine the impact of sustainability reporting on share price of listed oil and gas firms in Nigeria. The specific objectives are to:

- i. Assess the effect of **economic disclosure** on share price of listed oil and gas firms in Nigeria
- ii. Evaluate the impact of **environmental disclosure** on share price of listed oil and gas firms in Nigeria.
- iii. Examine how **social disclosure** influences on share price of listed oil and gas firms in Nigeria.

The study also tested the following **null hypotheses (H<sub>0</sub>)**:

- H<sub>01</sub>:** Economic disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria.
- H<sub>02</sub>:** Environmental disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria.
- H<sub>03</sub>:** Social disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria.

## 2.0 Literature Review

**Share Price:** Share price represents the market value of a company's equity and serves as a crucial indicator of investor sentiment, firm performance, and future expectations. It reflects how the market evaluates a firm's risk profile, earnings potential, governance structure, and public perception. According to Fama (1970), share prices in efficient markets incorporate all available information, including financial and non-financial disclosures such as sustainability reports. Thus, any improvement in the quality and credibility of disclosures especially concerning environmental, social, and economic activities can influence investors' valuation of a firm.

Empirical studies have increasingly linked share price performance with sustainability practices. Lins, et al. (2017) found that firms with high social capital experienced better stock performance during periods of market stress. In Nigeria, Olayemi and Akinpelu (2022) noted that firms that actively disclose

sustainability-related information enjoy improved share prices, especially in the oil and gas sector where reputational risk is high. Similarly, Uwuigbe, et al. (2021) argued that market participant's value firms with transparent ESG disclosures more favorably, reflecting such in stock valuations.

**Sustainability Reporting:** Sustainability reporting has evolved into a critical communication tool that organizations use to reduce information asymmetry and enhance transparency between corporate entities and their stakeholders. It provides a structured avenue for firms to disclose their commitment to sustainable development by reporting on their economic, environmental, and social (EES) performance metrics (GRI, 2021; IFRS Foundation, 2023). These disclosures help build investor confidence, strengthen corporate reputation, and align organizational practices with global sustainable development goals.

At its core, sustainability reporting encompasses both financial and non-financial disclosures that detail a firm's long-term strategies for value creation in ways that balance profitability with social equity and environmental stewardship. According to KPMG (2022), sustainability reports typically include comprehensive information on a firm's performance in key areas such as emissions control, social equity, governance structures, labor practices, and economic contributions, thus enabling stakeholders to evaluate risks, opportunities, and ethical alignment.

Sustainability disclosure an integral aspect of sustainability reporting entails the publication of data on a firm's environmental impact, community engagement, economic contributions, and governance ethics. These disclosures serve as a signal to investors and regulators about a firm's commitment to responsible business conduct (Eccles, et al 2019). From a corporate perspective, the practice of sustainability reporting is increasingly recognized not just as a moral imperative, but as a value-enhancing mechanism that supports long-term shareholder value and market positioning (Serafeim, 2020).

The academic discourse on sustainability reporting has expanded considerably. For instance, Lee and Pati (2020) analyzed the relationship between corporate sustainability practices and firm performance, using panel data from listed oil and gas firms. Their study revealed that firms that engage in robust sustainability accounting tend to experience improved financial outcomes, particularly in terms of profitability and stakeholder engagement. Similarly, Asaolu, et al (2022) conducted a content analysis of annual financial statements to evaluate the extent to which Nigerian oil and gas firms adhere to international sustainability reporting standards. The findings highlighted inconsistency and subjectivity in the indicators used, suggesting that local firms often deviate from global best practices.

In a related study, Otu, et al (2021) investigated the effect of environmental cost reporting on the financial performance of Nigerian oil and gas firms, using a sample of 11 companies listed on the Nigerian Exchange. Employing multiple linear regression analysis, the authors found no statistically significant link between environmental disclosures and firm performance, suggesting that such practices may not yet be fully integrated into corporate value drivers within the sector. Conversely, Nnaemeka, et al (2022) applied linear regression techniques to assess the impact of sustainability reporting on the financial performance of listed manufacturing firms in Nigeria. Their results demonstrated a significant and positive relationship, reinforcing the argument that sustainability disclosures can serve as a catalyst for improved corporate outcomes.

More recently, Uzochukwu and Enebeli-Uzor (2023) emphasized the role of regulatory enforcement and institutional quality in determining the quality and effectiveness of sustainability disclosures in emerging economies. Their findings indicate that in the absence of standardized and enforced reporting frameworks, voluntary sustainability reporting often lacks depth, comparability, and strategic relevance. This underscores the need for strengthened policy frameworks and enhanced corporate governance structures to support transparent and impactful sustainability disclosures.

In summary, sustainability reporting represents a multidimensional reporting framework that integrates economic, environmental, and social accountability into corporate disclosure practices. While global studies affirm its potential to influence firm performance positively, Nigerian literature remains fragmented with mixed findings, suggesting the need for more industry-specific, longitudinal, and theoretically grounded research particularly within high-impact sectors such as oil and gas.

**Economic Disclosure:** Economic disclosure refers to information disclosed by firms about their direct and indirect economic impact on stakeholders. It includes data on revenue generation, taxes paid, infrastructure investment, job creation, and financial support for local communities. According to the Global Reporting Initiative (GRI, 2021), economic performance disclosures provide insight into an organization's contributions to the economic system, both locally and nationally.

Economic disclosures are increasingly seen as essential in investor valuation. Investors seek assurance that a firm is financially resilient, supports national development, and maintains economic continuity. Khan, Serafeim, and Yoon (2016) found that firms that disclose financially material sustainability issues outperform others in terms of

stock market returns. In the Nigerian context, Adejare (2020) emphasized that economic transparency especially in the extractive industries strengthens investor confidence, which can influence share prices. Firms in the oil and gas sector are particularly expected to disclose local content investments, host community payments, and infrastructure contributions, which help mitigate risk and attract long-term capital (Asaolu, et al 2022).

**Environmental Disclosure:** Environmental disclosure encompasses information on a firm's ecological footprint, including emissions, waste management, energy use, water consumption, environmental compliance, and rehabilitation efforts. It is a core aspect of sustainability reporting, particularly in high-impact sectors like oil and gas. According to Clarkson et al. (2008), firms with strong environmental disclosure practices are perceived as less risky and more future-oriented.

The relationship between environmental disclosure and firm market value has been validated across various economies. Albuquerque, et al (2019) found that environmental responsibility enhances firm reputation and reduces risk, thus improving share price performance. In Nigeria, Olayemi and Akinpelu (2022) concluded that oil and gas firms that actively report on spill management, environmental remediation, and emission reduction attract more investor interest and reflect greater valuation in the stock market. However, the absence of standardized reporting often limits the comparability and credibility of environmental information (Nuzhah & Naidoo, 2021).

**Social Disclosure:** Social disclosure relates to the communication of a company's activities and impacts concerning stakeholders such as employees, host communities, consumers, and suppliers. It includes issues like health and safety, gender equality, community relations, human rights, and labor practices. These disclosures are vital in managing reputational risk and enhancing stakeholder trust (Eccles et al., 2014). Social disclosure is positively linked with investor perceptions and firm valuation. Lins et al. (2017) assert that firms with strong stakeholder relations experience less volatility in their stock prices during periods of crisis.

In the African oil and gas context, Okike, et al (2023) reported that community development initiatives and employee welfare disclosures reduce operational disruptions (host community unrest) and, by extension, enhance share price performance. However, many Nigerian firms provide such information selectively or in narrative form, posing challenges to investors seeking standardized data (Asaolu et al., 2022).

## 2.2 Empirical Review

Adejare (2020) investigated the effect of sustainability reporting on the financial performance of listed oil and gas companies in Nigeria. The study focused primarily on accounting-based performance indicators such as return on equity (ROE) and return on assets (ROA). The methodology employed a panel regression analysis using a sample of six firms selected from a population of ten oil and gas companies listed on the Nigerian Stock Exchange (NSE). The study found that sustainability reporting positively influenced financial performance. However, the analysis did not extend to market-based measures such as share price. The study recommended that companies improve their economic and environmental disclosure practices to enhance overall performance. A major gap in this study is the variable gap the share price was not used as an indicator of firm performance, which limits the study's relevance to capital market stakeholders.

Uwuigbe, et al (2021) explored the relationship between environmental, social, and governance (ESG) disclosures and the market performance of listed Nigerian firms. The study used content analysis and regression techniques, drawing from a sample of 20 firms out of a population of 50 listed companies. Their findings showed that environmental and social disclosures significantly impacted market performance indicators. The authors recommended that firms fully integrate sustainability into corporate strategy to enhance their market value. However, the literature gap lies in the lack of sector-specific analysis oil and gas firms were not isolated for focused evaluation. This introduces a scope gap that this present study seeks to address.

Olayemi and Akinpelu (2022) examined the impact of sustainability practices on the market value of listed Nigerian oil firms. Using ordinary least squares (OLS) regression on data from eight firms selected from a population of twelve, the study primarily focused on the role of environmental disclosure. The results showed that environmental sustainability practices, such as emissions management and spill remediation disclosures, significantly influenced share prices. The authors recommended greater transparency in environmental reporting to attract socially conscious investors. However, the study largely ignored the economic and social dimensions of sustainability reporting, leading to a variable gap and a lack of comprehensive understanding of the full impact of sustainability practices.

Asaolu, et al (2022) analyzed the quality and consistency of sustainability disclosures among 30 firms selected from a population of 70 listed companies in Nigeria. The study employed descriptive statistics and content scoring techniques to assess disclosure practices. Their findings indicated

that sustainability reporting in Nigeria is generally inconsistent and of low quality across most sectors. The study emphasized the need for regulators to enforce mandatory reporting standards to improve disclosure quality. However, a significant literature gap in this study is that it did not evaluate the effect of sustainability disclosure on share price, which limits its utility in assessing capital market implications.

Okike, et al (2023) studied the effect of community engagement and sustainability practices on firm value, focusing on the oil and gas sector in Nigeria. Using fixed-effects panel regression analysis, the study covered 10 firms drawn from a population of 15. The findings revealed that social disclosure, especially in areas of community development and employee welfare, had a significant positive effect on firm market value. The authors recommended that firms invest more in community relations and disclose such efforts in their reports. However, the study's limitation lies in its narrow focus on social disclosure, while excluding economic and environmental dimensions, thus presenting a variable gap.

Nuzhah and Naidoo (2023) conducted a cross-country analysis of sustainability reporting practices across five African stock exchanges, including Nigeria. The study used a comparative case study approach and found that South Africa had the most advanced ESG reporting framework, while Nigeria lagged significantly, particularly in environmental disclosures. The study recommended that Nigeria adopt stricter ESG standards to improve reporting quality and investor confidence. However, this study did not establish any empirical relationship between sustainability disclosures and share price performance in Nigeria, thus presenting a geographical and evidence gap which this current study aims to fill.

## 2.3 Theoretical Framework

Legitimacy Theory, first propounded by Dowling and Pfeffer in 1975, offers a sociological lens through which corporate disclosures particularly sustainability reporting can be examined. The theory asserts that organizations do not exist in isolation but are embedded within a broader societal framework comprising various stakeholders, including governments, communities, employees, regulators, and investors (Dowling & Pfeffer, 1975). To maintain continued access to critical resources and stakeholder support, organizations must ensure that their operations and communications are perceived as legitimate that is, congruent with prevailing societal norms, values, and expectations.

Central to Legitimacy Theory is the idea of a "social contract" between an organization and the society in which it operates. This unwritten contract implies that an organization's survival depends on fulfilling obligations that go beyond economic objectives and

encompass environmental and social responsibilities. When firms are perceived to deviate from this contract through activities that harm the environment, neglect community welfare, or fail to uphold ethical standards they risk a loss of legitimacy, which can manifest in reputational damage, reduced investor confidence, or regulatory sanctions (Suchman, 1995).

The theory rests on several key assumptions. First, it views firms as socio-political entities, not merely economic actors. Second, it assumes that organizational legitimacy is a socially constructed perception, heavily influenced by public opinion. Third, it posits that voluntary disclosures, such as sustainability reports, are used strategically by firms to gain, maintain, or restore legitimacy. Fourth, it emphasizes that perception often holds more sway than actual performance in shaping legitimacy.

Despite its wide applicability, Legitimacy Theory is not without limitations. It is largely descriptive and lacks predictive power; while it explains why firms engage in certain disclosures, it does not effectively predict how stakeholders will interpret or respond to them. Additionally, the theory presumes homogeneity in stakeholder expectations, which is unrealistic in complex and pluralistic societies. It also falls short in explaining instances of "green washing," where firms disclose information that appears sustainable but is misleading or insincere (Michelon, et al. 2015). Moreover, it assumes that disclosure alone is sufficient to restore legitimacy, overlooking the possibility that stakeholders may view such efforts as superficial or inadequate.

The relevance of Legitimacy Theory to the present study Impact of Sustainability Reporting on Share Price of Listed Oil and Gas Firms in Nigeria is both timely and contextual. The oil and gas sector in Nigeria has long faced criticism for its environmental degradation, social unrest in host communities, and limited transparency in resource utilization. As a result, firms operating in this sector are under increasing pressure to legitimize their operations through public disclosures. Sustainability reporting focusing on economic performance, environmental management, and social contributions serves as a mechanism for these firms to signal their alignment with societal expectations (Olayemi & Akinpelu, 2022).

Empirical evidence from Nigeria reinforces this theoretical position. Asaolu, et al (2022) observed that oil and gas companies often publish sustainability reports not just to inform stakeholders but to regain trust and retain their social license to operate. Similarly, Uwuigbe, et al (2021) highlighted the strategic use of sustainability disclosures as tools for reputational management and investor engagement. Such disclosures ranging from environmental

remediation to community development are aimed at managing public perception and aligning with stakeholder values.

However, the Nigerian context presents unique challenges. The absence of standardized sustainability reporting frameworks has led to inconsistencies in the quality and comparability of disclosures. This raises concerns among investors and other stakeholders about the authenticity and completeness of the information being reported, echoing one of the core criticisms of Legitimacy Theory regarding the gap between disclosed and actual performance.

In conclusion, Legitimacy Theory offers a valuable framework for understanding why firms particularly in controversial and environmentally sensitive sectors like oil and gas engage in sustainability reporting. It helps explain how economic, environmental, and social disclosures can serve as strategic tools to influence investor behavior, enhance corporate reputation, and potentially impact share price in contexts where societal scrutiny is high.

### 3.0 Methodology

This study adopts an ex post facto research design, which is appropriate given that the phenomena under investigation have already occurred, and the researcher does not have control over the manipulation of the independent variables. As such, the study aims to analyze existing data retrospectively to examine the relationship between sustainability performance disclosures and share price outcomes. This approach is consistent with prior empirical studies in accounting and sustainability research where historical financial data are used to infer causal relationships (Albuquerque, et al 2019; Nnaemeka, et al 2022). The data for the study were sourced from the audited annual reports and financial statements of twelve (12) oil and gas companies listed on the Nigerian Exchange Group (NGX). These firms were purposively selected based on data availability and continuous listing over the Ten-year study period, from 2014 to 2023. This longitudinal scope enhances the robustness of the analysis by capturing temporal variations in sustainability reporting practices and share price movements.

In line with performance measurement standards used in previous literature (Khan, et al 2016; Uwuigbe, et al 2021), the book value of the share price was employed as the dependent variable, serving as a market-based indicator of firm performance. The independent variables comprised three key dimensions of sustainability reporting economic performance disclosure (ECN), environmental performance disclosure (EVN), and social performance disclosure (SOC) all of which align with the Global Reporting Initiative (GRI) framework and reflect the triple



bottom line approach to corporate sustainability (GRI, 2021). Furthermore, the price-earnings ratio (P/E) was also utilized to assess investor perceptions of firm value, taking into consideration how the explanatory variables influence market valuation over time. The study analyzed the coefficients of determination ( $R^2$ ) to assess the proportion of variance in share price attributable to sustainability performance, thereby providing insights into the predictive strength of each disclosure dimension. This methodological framework builds upon recent empirical findings which suggest that sustainability disclosures, when comprehensive and credible, can significantly influence investor decisions and, by extension, share price performance (Friede, et al 2015; Olayemi & Akinpelu, 2022). By employing an ex post facto design with secondary financial data, the study offers a reliable and empirically grounded assessment of the economic implications of sustainability reporting in Nigeria's environmentally sensitive oil and gas sector.

### 3.1 Model Specification

This study adopts a panel data regression model to empirically examine the impact of sustainability reporting on the share price of listed oil and gas firms in Nigeria. Panel regression is preferred due to its ability to account for both cross-sectional (firm-level) and time-series (yearly) variations, which enhances the efficiency and robustness of the estimations (Baltagi, 2008). The model also helps mitigate the problem of omitted variable bias by controlling for unobservable firm-specific heterogeneity. The dependent variable in this study is share price (SP), which serves as a market-based measure of firm performance. In line with previous studies (Khan, Serafeim, & Yoon, 2016; Uwuigbe et al., 2021), share

price reflects investor valuation and is sensitive to firm-level disclosures related to sustainability.

The independent variables are the three core dimensions of sustainability reporting based on the Global Reporting Initiative (GRI) Standards. Economic Disclosure (ECN) captures a firm's financial contributions to stakeholders and society (e.g., local investment, taxes, job creation). Environmental Disclosure (EVN) includes data on emissions control, waste management, environmental compliance, and resource conservation. Social Disclosure (SOC) represents disclosures on employee welfare, community development, diversity, and safety standards.

$$SP_{it} = f(ECN_{it}, EVN_{it}, SOC_{it}) + \mu_{it}SP$$

$$SP_{it} = \beta_0 + \beta_1 ECN_{it} + \beta_2 EVN_{it} + \beta_3 SOC_{it} + \mu_{it}SP$$

Where:

$SP_{it}$  = Share Price of firm  $i$  in year  $t$

$ECN_{it}$  = Economic Disclosure

$EVN_{it}$  = Environmental Disclosure

$SOC_{it}$  = Social Disclosure

= Intercept

$\mu_{it}$  = Error term, capturing unobserved effect.

### 4. Reults and Discussion

Presentation and Discussion of Result is a core section of a research study where the analyzed data are systematically presented, interpreted, and related to the study objectives and hypotheses. It includes both statistical output

**Table 1.** Descriptive Statistics

Descriptive Statistics					
Variable	Obs	Mean	Std. Dev.	Min	Max
Msp	120	87.389	132.998	2	658
Ecdisc	120	.706	.103	.58	.92
Envdisc	120	.389	.111	.25	.62
Socdisc	120	.453	.094	.32	.62

**Source:** summary of STATA output.

Table 1 presents the descriptive statistics for the variables used in the study, which include market share price (Msp), economic disclosure (Ecdisc), environmental disclosure (Envdisc), and social disclosure (Socdisc). A total of 108 firm-year observations were analyzed. The mean value of market share price (Msp) is ₦87.39, with a relatively high standard deviation of ₦132.99, indicating substantial variability in share prices across the sampled oil and gas firms. The minimum and maximum values of ₦2.00 and ₦658.00, respectively, further suggest a wide dispersion, possibly reflecting

differences in firm size, investor perception, and disclosure quality. The average economic disclosure score (Ecdisc) is 0.706, with a standard deviation of 0.103, suggesting that on average, firms disclose approximately 70.6% of the expected economic sustainability items, though some firms fall as low as 58% while others reach as high as 92%. This indicates moderate consistency in economic sustainability disclosure practices. The mean environmental disclosure score (Envdisc) is relatively low at 0.389, with a standard deviation of 0.111. The minimum score is 0.25 and the maximum is 0.62, indicating that



environmental disclosure is relatively underreported among the firms, despite the environmental sensitivity of the oil and gas sector. Social disclosure (Socdisc) has a mean of 0.453, with a standard deviation of 0.094, suggesting that firms, on average, report about 45.3% of the social sustainability items. The values range between 0.32 and 0.62, showing less variation but still reflecting inconsistent reporting practices. Overall, the descriptive results reveal that while economic disclosures are relatively better reported,

environmental and social disclosures lag behind, indicating an imbalance in the comprehensiveness of sustainability reporting. This may affect how investors perceive the legitimacy and transparency of firms, which could in turn influence share price behavior. The wide variation in market share prices also suggests the influence of firm-specific characteristics and possibly differing levels of stakeholder confidence driven by sustainability practices.

**Table 2. Matrix of correlations**

Matrix of correlations				
Variables	MSP	Ecndisc	Envdisc	Socdisc
MSP	1.000			
Ecndisc	0.552	1.000		
Envdisc	0.688	0.670	1.000	
Socdisc	0.729	0.759	0.915	1.000

Source: summary of STATA output.

Table.2 presents the Pearson correlation coefficients among the study variables—market share price (MSP), economic disclosure (Ecndisc), environmental disclosure (Envdisc), and social disclosure (Socdisc). The correlation coefficients indicate the strength and direction of the linear relationship between the variables. The result shows that economic disclosure (Ecndisc) is positively correlated with market share price (MSP), with a coefficient of 0.552, suggesting a moderate positive relationship. This implies that firms with higher levels of economic sustainability disclosure tend to have relatively higher share prices. This finding supports prior studies such as Khan, et al (2016), which observed that economic value creation signals positively affect investor perception. Environmental disclosure (Envdisc) also shows a strong positive correlation with MSP, with a coefficient of 0.688. This indicates that firms with better environmental transparency tend to enjoy better market valuation, aligning with studies by Albuquerque, et al (2019), which assert that strong environmental performance reduces risk perception and attracts investors. Social disclosure (Socdisc) has the highest correlation with MSP, at 0.729, reflecting a strong positive relationship. This suggests that firms that are more proactive in disclosing their social sustainability activities such as community development, employee relations, and stakeholder engagement tend to

experience greater investor trust and improved share price performance. This finding is consistent with Uwuigbe et al. (2021), who found that social impact disclosure positively influences firm valuation in the Nigerian context.

In addition, the correlation matrix reveals high positive interrelationships among the independent variables. Notably, social disclosure is strongly correlated with environmental disclosure (0.915) and with economic disclosure (0.759), indicating that firms that perform well in one dimension of sustainability tend to do well in others. However, the high correlations, especially between Envdisc and Socdisc, may raise concerns about multicollinearity, which will be further examined during the regression analysis using Variance Inflation Factor (VIF) diagnostics. In summary, the correlation results suggest that all three components of sustainability reporting economic, environmental, and social disclosures are positively associated with share price. This supports the theoretical proposition of Legitimacy Theory, where firms that align their practices with societal expectations through transparency tend to earn greater market credibility and valuation. However, the strong correlations among independent variables necessitate further diagnostic testing to ensure robustness in regression estimations

**Table 3. Market Share Value Cross-sectional time-series FGLS regression**

Msp	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Ecndisc	19.988	9.979	2.00	.045	.429	39.547	**
Envdisc	137.268	21.149	6.49	0	95.816	178.719	***
Socdisc	819.205	42.348	19.34	0	736.203	902.206	***
Constant	-353.57	12.405	-28.50	0	-	-329.256	***
Mean			87.389	SD dependent var			132.99
dependent var							8
Number of obs			120	Chi-square			1214.4
							9

Source: summary of STATA output .

Table 4.3 presents the result of the panel regression analysis conducted to examine the impact of sustainability reporting proxied by economic disclosure (Ecdisc), environmental disclosure (Envdisc), and social disclosure (Socdisc) on the market share price (Msp) of listed oil and gas firms in Nigeria. The regression model demonstrates a high overall significance with a Chi-square value of 1214.49, indicating that the explanatory variables collectively explain a significant portion of the variation in share price.

Economic Disclosure (Ecdisc) shows a positive and statistically significant effect on market share price, with a coefficient of 19.988 and a p-value of 0.045 (significant at the 5% level). This implies that a one-unit increase in economic disclosure is associated with a ₦19.99 increase in share price, holding other variables constant. This supports the idea that transparent disclosure of economic value such as revenue contributions, taxes, and local investments enhances investor confidence and firm valuation (Khan et al., 2016). Environmental Disclosure (Envdisc) is also positively and highly significant, with a coefficient of 137.268 and a p-value of 0.000 (1% significance level). This suggests that firms with more extensive environmental reporting covering emissions, remediation efforts, and sustainability initiatives are likely to see substantial improvements in their market valuation. The result aligns with prior findings by Albuquerque et al. (2019), who argued that proactive environmental disclosure reduces firm-specific risks and attracts environmentally conscious investors. Social Disclosure (Socdisc) exhibits the strongest impact on share price, with a large coefficient of 819.205 and a p-value of 0.000, indicating significance at the 1% level. This result implies that increased social responsibility disclosure related to employee welfare, community engagement, and stakeholder relations substantially enhances market share price. This finding is consistent with the work of Uwuigbe et al. (2021), who demonstrated that social disclosures directly affect market perception and firm valuation in Nigeria.

The constant term is negative and significant (-353.57), indicating the baseline share price when all disclosure variables are held at zero. Though not directly interpretable in practice, it helps to anchor the regression line in the estimation model. The mean of the dependent variable (Msp)

is ₦87.39, with a standard deviation of ₦132.99, confirming a high degree of variation in share prices across the sample. The model's strong statistical significance and large coefficients suggest that sustainability reporting, particularly social and environmental disclosures, plays a meaningful role in shaping investor sentiment and market valuation in the Nigerian oil and gas sector. In line with the Legitimacy Theory, the regression results confirm that transparent and strategic sustainability disclosures significantly influence share price. The strongest predictor social disclosure emphasizes the critical role of stakeholder engagement in maintaining corporate legitimacy and securing investor trust. These findings underscore the importance of institutionalizing standard sustainability reporting practices within Nigeria's oil and gas industry to enhance market confidence and long-term firm value.

#### 4.2 Hypotheses Testing

This section presents the results of the hypotheses formulated to assess the effect of sustainability reporting dimensions economic, environmental, and social disclosures—on the share price of listed oil and gas firms in Nigeria. The hypotheses were tested using the regression output presented in Table.3. The decision to accept or reject each null hypothesis was based on the significance of the estimated p-values at the conventional thresholds of 1%, 5%, and 10%.

H<sub>01</sub>: Economic disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria. The regression result reveals a positive and statistically significant coefficient for economic disclosure ( $\beta = 19.988$ ,  $p = 0.045$ ), indicating that economic disclosure positively influences share price at the 5% level of significance. Since the p-value is less than 0.05, the null hypothesis is rejected. Decision Reject H<sub>01</sub>, Conclusion, Economic disclosure has a significant positive impact on share price. This suggests that firms that report transparently on economic aspects such as revenue generation, taxation, and local investment tend to be more favorably valued by investors.

H<sub>02</sub>: Environmental disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria. Environmental disclosure exhibits a highly significant positive effect on share price ( $\beta = 137.268$ ,  $p = 0.000$ ). The p-value is well below the 1% significance threshold, which leads to the

rejection of the null hypothesis. Decision Reject  $H_{02}$ , Conclusion, Environmental disclosure significantly affects share price. Firms that communicate their environmental performance such as pollution control, waste management, and remediation efforts experience greater market confidence, as their disclosures signal environmental responsibility and risk mitigation.  $H_{03}$ : Social disclosure has no significant effect on the share price of listed oil and gas firms in Nigeria. The coefficient for social disclosure is both statistically significant and substantively large ( $\beta = 819.205$ ,  $p = 0.000$ ), with a p-value less than 0.01. This indicates a very strong positive effect on share price, leading to the rejection of the null hypothesis. Decision Reject  $H_{03}$ . Conclusion, Social disclosure has the strongest effect on share price among the three dimensions. This underscores the importance of social initiatives such as employee welfare, community development, and stakeholder engagement in shaping investor perception and enhancing firm value.

### 4.3 Discussion of Findings

The findings of this study provide empirical evidence on the relationship between sustainability reporting dimensions economic, environmental, and social disclosures—and the market share price of listed oil and gas firms in Nigeria. The regression analysis and hypothesis testing revealed that all three sustainability reporting variables significantly and positively impact share price, with social disclosure exerting the strongest influence, followed by environmental and economic disclosures.

**Economic Disclosure and Share Price.** The result shows a statistically significant positive effect of economic disclosure on share price ( $p = 0.045$ ), indicating that firms that provide greater transparency on their economic contributions such as revenue, taxes paid, employment creation, and infrastructure investment enjoy better market valuation. This finding is consistent with the work of Khan, et al (2016), who found that financially material sustainability disclosures improve firm valuation and shareholder trust. It also aligns with Nnaemeka et al. (2022), who emphasized that economic accountability is a key driver of investor confidence in Nigerian manufacturing firms. However, this finding contradicts Otu et al. (2021), whose study in the Nigerian oil and gas sector found no significant relationship between sustainability disclosures

(including economic components) and financial performance. Their results suggested that investors in Nigeria may not fully integrate economic sustainability metrics into their valuation models due to poor disclosure quality or lack of standardization. This contrast highlights the need for improved comparability and enforcement of disclosure frameworks.

**Environmental Disclosure and Share Price.** Environmental disclosure also demonstrated a strong positive and statistically significant relationship with share price ( $p < 0.01$ ). This supports the conclusions of Zhang (2019), who found that firms with strong environmental disclosures tend to experience reduced firm-specific risk and greater investor interest. It also aligns with Olayemi and Akinpelu (2022), who reported that oil firms that disclose detailed environmental remediation, pollution control, and climate risk mitigation measures are better valued in the Nigerian capital market. On the contrary, Asaolu et al. (2022) found that environmental disclosures in Nigeria are inconsistent and often lack credibility, thereby limiting their influence on investor behavior. This suggests that while the theoretical benefit of environmental disclosure is supported, its actual impact may vary depending on the quality and credibility of the information disclosed.

**Social Disclosure and Share Price.** The study found that social disclosure has the strongest influence on share price ( $p < 0.01$ ), suggesting that investors place high value on disclosures related to community development, employee welfare, stakeholder engagement, and social responsibility. This agrees with Uwuigbe et al. (2021), who found a significant link between social sustainability practices and improved market performance of listed Nigerian firms. It also supports Lins, Servaes, and Tamayo (2017), who concluded that firms with strong social capital performed better during financial crises, as trust and stakeholder loyalty translated into valuation stability. Nonetheless, the strong influence of social disclosure contradicts some earlier findings, such as those by Makori and Jagongo (2013), who reported an insignificant relationship between social sustainability and market performance in selected African firms. They attributed this to investor skepticism and the perception that social investments do not yield immediate financial returns.

These findings provide robust support for Legitimacy Theory as the underlying theoretical framework for the study. As posited by Dowling and Pfeffer (1975), firms operate within a social contract that requires them to act in accordance with societal expectations. The positive influence of all three sustainability dimensions on share price suggests that firms that disclose their contributions to economic development, environmental stewardship, and social well-being are perceived as legitimate, responsible, and trustworthy by investors. The results confirm that sustainability reporting serves as a strategic legitimacy management tool, allowing firms in controversial sectors like oil and gas to maintain their social license to operate. This is in line with Suchman's (1995) notion of strategic legitimacy, where organizations engage in disclosure practices not only to inform but to influence stakeholder perception and secure continued support.

However, the contradictions observed in some prior studies underscore the limitations of Legitimacy Theory, particularly its assumption that all disclosures automatically translate into stakeholder approval. As Michelon et al. (2015) caution, if stakeholders perceive disclosures as superficial or “green washed,” they may fail to confer legitimacy or market value.

## 5. Conclusion and Recommendations

This study investigated the impact of sustainability reporting proxied by economic, environmental, and social disclosures on the share price performance of listed oil and gas firms in Nigeria over a nine-year period (2014–2023). Utilizing an ex post facto research design and panel regression analysis, the study provided empirical evidence that all three dimensions of sustainability disclosure significantly and positively affect market share price. Among these, social disclosure emerged as the most influential determinant, followed by environmental and economic disclosures, respectively.

The results support the theoretical foundation of Legitimacy Theory, which posits that organizations must align their actions with societal expectations to maintain legitimacy and stakeholder support. In a sector such as oil and gas characterized by environmental risk and socio-political sensitivity sustainability reporting serves as a vital tool for firms to demonstrate

transparency, accountability, and long-term value creation. Firms that disclose meaningful information about their economic contributions, environmental stewardship, and social responsibilities are rewarded with enhanced investor confidence, which is reflected in improved share prices.

However, the study also reveals that despite the positive relationship, the overall quality and standardization of sustainability reporting in Nigeria remain inconsistent, potentially undermining the effectiveness of these disclosures. Therefore, while sustainability reporting contributes significantly to firm valuation, its impact depends largely on the credibility, completeness, and perceived sincerity of the disclosures made.

Based on the findings and conclusion of this study, the following recommendations are proposed:

- i. **Mandatory Sustainability Reporting Framework.** Regulatory authorities such as the Nigerian Exchange Group (NGX) and the Financial Reporting Council of Nigeria (FRCN) should enforce standardized and sector-specific sustainability reporting guidelines. Making sustainability disclosures mandatory would enhance comparability, credibility, and investor confidence.
- ii. **Strengthen Social Disclosure Practices.** Oil and gas firms should invest more in community development, stakeholder engagement, employee welfare, and corporate social responsibility (CSR). Given the strong impact of social disclosure on share price, these initiatives should be systematically reported to attract and retain socially conscious investors.
- iii. **Improve Environmental Accountability.** Firms should enhance their environmental disclosure practices by adopting global frameworks such as the Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD). Transparent reporting on pollution control, emission reductions, and environmental restoration will improve firm legitimacy and market valuation.

## REFERENCES

Albuquerque, R., Koskinen, Y., & Zhang, C.

- (2019). Corporate social responsibility and firm risk: Theory and empirical evidence. *Management Science*, 65(10), 4451–4469. <https://doi.org/10.1287/mnsc.2018.3043>
- Asaolu, T. O., Agboola, A. A., & Salawu, M. K. (2022). Sustainability reporting practices and firm performance in Nigeria's oil and gas sector. *Journal of Accounting and Taxation*, 14(2), 23–33.
- Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific Sociological Review*, 18(1), 122–136. <https://doi.org/10.2307/1388226>
- Khan, M., Serafeim, G., & Yoon, A. (2016). Corporate sustainability: First evidence on materiality. *The Accounting Review*, 91(6), 1697–1724. <https://doi.org/10.2308/accr-51383>
- Lins, K. V., Servaes, H., & Tamayo, A. (2017). Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. *Journal of Finance*, 72(4), 1785–1824. <https://doi.org/10.1111/jofi.12505>
- Michelon, G., Pilonato, S., & Ricceri, F. (2015). CSR reporting practices and the quality of disclosure: An empirical analysis. *Critical Perspectives on Accounting*, 33, 59–78. <https://doi.org/10.1016/j.cpa.2014.10.003>
- Nnaemeka, N. D., Uche, O. C., & Obi, J. U. (2022). Sustainability accounting disclosures and firm value of listed manufacturing companies in Nigeria. *International Journal of Accounting and Finance*, 11(1), 105–120.
- Olayemi, A. A., & Akinpelu, Y. A. (2022). Environmental disclosure and firm market value in Nigeria: Evidence from listed oil and gas firms. *Journal of Sustainable Finance & Investment*, 12(3), 349–365.
- Otu, S. O., Akpan, E. E., & Eyo, E. I. (2021). Environmental accounting and performance of listed oil and gas firms in Nigeria. *Journal of Economics and Sustainable Development*, 12(9), 78–88.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571–610. <https://doi.org/10.5465/amr.1995.95080>
- Uwuigbe, U., Uwuigbe, O. R., & Daramola, P. S. (2021). Sustainability reporting and market valuation of listed firms in Nigeria: Evidence from stakeholder theory. *Corporate Social Responsibility and Environmental Management*, 28(4), 1478–1489. <https://doi.org/10.1002/csr.212>