THE IMPACT OF SUSTAINABILITY ACCOUNTING ON THE COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY OF LISTED OIL AND GAS COMPANIES IN NIGERIA

Obigbemi Imoleayo Foyeke
iobigbemi@unilag.edu.ng
+2348035939951
&
Fagboro Damilola Gabriel
dfagboro@unilag.edu.ng
+2348038211452
Department of Accounting, Faculty of Management Sciences
University of Lagos, Akoka

ABSTRACT

This study examines the impact of sustainability accounting on the commitment to Corporate Social Responsibility (CSR) of listed oil and gas companies in Nigeria. The purpose of this research is to establish the influence of the Global Reporting Initiative (GRI) provisions on the commitment to corporate social responsibility among listed oil and gas firms in Nigeria. An ex post facto research design was employed while data was sourced from the annual reports of 7 listed oil and gas firms in Nigeria for a period of 6 years (2017 – 2022). The data was analyzed using descriptive statistics and Pearson correlation analysis while the hypotheses were tested using multiple regression analysis with the aid of E-views Statistical Package. The empirical results revealed that compliance to Global reporting Initiative (GRI) social provision has a negative but significant effect on commitment to CSR, compliance to GRI governance provision has a positive but significant effect on commitment to CSR and compliance to GRI environmental provision has a positive but insignificant effect on commitment to CSR. It is recommended that standard setters develop guidelines to meet local context, country differences and it is suggested that future research should consider other sectors, regions and factors that can influence CSR practices.

Keywords: *Corporate social responsibility, Global Reporting Initiative, Environmental provisions, Social provisions, Governance provisions.*

1. Introduction

The concept of sustainable development was established in 1972 by the declaration of United Nations conference on Human environment and was defined by the Brundtland report in 1987 as ‘the development that meets the needs of the current generation without compromising the ability of later generations meeting their own needs’. This development led to the need to determine the level of organization’s effort regarding sustainable practices through sustainability accounting (Kashif et al., 2021). Although relevant innovations in sustainability accounting have occurred in the past two decades as more companies incorporate societal and environmental consideration into their business, the concept is still relatively new and being developed in some countries (Ozili, 2022).

Companies around the world are increasingly being challenged to include sustainability reporting practices in their accounting information (Rabi’u et al., 2023). This led to the creation of guidelines and standards to regulate sustainability accounting practices and ensuring uniformity and comparability in reports. The Global Reporting Initiative (GRI), referred to as “the defacto global standard” (KPMG, 2011; Hahn & Kühnen, 2013) for sustainability reporting guidelines, was introduced to help companies account for their environmental, social and governance performance (Kashif et al., 2021). Despite these efforts, significant differences still remain. The increase in practice and the work of theoretical authors are expected to eventually lead to the development of a more definitive and widely accepted sustainability accounting practices, as it happened in the accounting history, with sustainability being the accelerator of the process (Norbert & Karoly, 2021).

Nigeria's oil and gas industry has ever been thriving and has been a vital contributing factor to the growth of the economy especially since Shell Group discovered crude oil in 1956, however, their activities have caused severe environmental problems, making them a major cause of dangerous environmental pollutants (Syder, Ogbonna, & Akani, 2020). These problems led to the need to achieve sustainability by promoting sustainable social practices and implementing different strategies, requiring a balance between economic, environmental, and social factors (Alagoz, 2023).

Recently, several companies in the oil and gas sector have made efforts to integrate sustainable practices into their operations. For instance, Chevron has created partnerships with local communities to promote economic development, education, and health in Nigeria and Angola (Chevron, 2021; Alagoz, 2023). Effective implementation of these practices requires collaboration between key stakeholders in the local community and industry. These practices have led to the use of resources, management in the oil and gas companies in Nigeria are advised to pay more attention to sustainability accounting reporting practices since it is a vital tool in communicating performances in these areas to stakeholders (Alagoz, 2023).

Accounting plays a major role in the measurement, reporting and auditing of sustainable performance and sustainability reporting is being increasingly recognized as an important factor contributing to corporate sustainability (Lozano & Huisingh; Hahn & Kühnen, 2013).

However, companies in the oil and gas industry face various challenges in reporting sustainability performance, for example, lack of standardized metrics, difficulty in measuring and reporting certain sustainability issues, challenges in engaging with stakeholders and ensuring the accuracy and reliability of reported information (Alagoz, 2023). As sustainability becomes increasingly important in business operations, sustainability accounting emerges as a vital tool to ensure proper accounting and disclosure of these costs to all stakeholders. Though important, studies have only focused on the process of reporting and disclosure, often overlooking the limitations that sustainability accounting could impose on companies sustainable practices.

> *Sustainability accounting, often considered to be the accounting profession's response to sustainable development and climate change risk, has its limits. The biggest limitation is that it focuses only on disclosure and reporting of environmental, social and governance (ESG) matters. It does not provide companies with the financial resources they need to make a meaningful contribution to the environment or society. An organization that is short of cash, or financially constrained, may be unable to make a significant ESG contribution, and is likely to make disclosures that analysts consider to be below-the-benchmark ESG performance, thereby making the organization look bad both in its ESG disclosures. Therefore, it is important for the accounting profession to recognize this limitation of sustainability accounting and other limitations. Future research should examine other limitations of sustainability accounting in relation to the sustainable development agenda (Ozili, 2022).*

Most studies have focused on establishing the relationship between sustainability accounting and improving both financial and non-financial performance of companies Frank, Na, Kingsley & Kwame, 2018, Ozili, 2022, Oladele, Gbarako and Dordum, 2022, Chinda, Orlu & Elaigwu, 2023. However, little research has established whether sustainability accounting has significantly helped in promoting the corporate social responsibility of oil companies within Nigeria. This research aims to fill this gap by assessing sustainability accounting practices of listed oil and gas companies on the Nigeria stock exchange and its impact on corporate social responsibility.

Statement of the problem

Corporate social responsibility (CSR) has evolved as a significant concept in management literature over the past few decades (Nejati & Sasan, 2012). However, the practical application of CSR activities in companies started not so long ago (Bouichou, Wang & Zulfiqar, 2022). The shift towards greater social responsibility has prompted regulatory agencies to regulate business activities to ensure that they meet their CSR obligations. Consequently, international frameworks and guidelines have been established to help businesses align their operations with these responsibilities and ensure adequate reporting (Sidrotun, 2023). Despite this progress, there is a need for adequate research on how sustainability accounting practices have facilitated the commitment of companies to CSR. The increasing popularity of sustainability accounting reflects the growing societal demands for corporate transparency and accountability regarding environmental and social concerns (Wang, 2023). In Nigeria's oil and gas sector, the economic significance of listed companies is undeniable. However, the industry faces increasing scrutiny due to environmental and social concerns associated with its operations. This scrutiny has prompted a critical examination of the corporate social responsibility practices among listed companies. Against this backdrop, the integration of sustainability accounting practices becomes a crucial aspect for evaluating and enhancing corporate social responsibility initiatives.

Existing literature in the field of sustainability accounting has ignored sustainability accounting practices within companies, particularly in the oil and gas sector (Ozili, 2022). While the importance of CSR in this sector is well recognized, there is a gap in understanding how sustainability accounting practices influence company’s commitment to corporate social responsibility and whether these standards have imposed limitations on CSR practices. This study aims to fill this gap by systematically evaluating the influence of sustainability accounting on corporate social responsibility commitment of listed oil companies in Nigeria. Ultimately, the findings aspire to inform policy recommendations, industry best practices, and strategic guidelines, helping these companies align their operations with sustainable and socially responsible practices.

Over the years sustainability accounting standards have been issued for the purpose of improving global comparability and information quality on sustainable practices within companies but these standards have not really fulfilled their purpose due to factors such as governance structure, size and country differences (Cardoni, Kiseleva & Terzani. 2019). This study seeks to assess how sustainability accounting standards issued over the years has impacted on CSR practices. This will enable standard setting companies and regulatory bodies develop new standards or make adjustments to the old standards that will help promote effective CSR practices among companies. By evaluating the impact of GRI provisions on the commitment of listed oil companies to environmental, social and governance factors, this study will provide critical insights for stakeholders such as policymakers and investors which will be essential for promoting sustainable business practices and ensuring alignment with international standards. Additionally, this study will add to the literature on sustainability accounting and CSR which will also provide a foundation for

future studies. Corporate social responsibility (CSR) is recognized as an important part of contemporary accounting, contributing to increase in reputation and stakeholder trust (Akpan & Oluwagbade. 2023). Akpan and Oluwagbade (2023) suggests that there has been an increasing need to understand organizational health, not only the financial outcomes but broader societal and environmental impacts. Most research has focused mainly on how CSR practices have impacted on the financial performance of companies, CSR disclosures but little research has been made to find out if sustainability accounting has really helped in contributing to sustainable development. This research seeks to bridge this gap by evaluating the impact of sustainability accounting, particularly the GRI provisions in respect to the environmental, social and governance factors on the commitment to CSR practices of listed oil companies in Nigeria. The specific objectives are to:

i. Examine the influence of compliance with GRI environmental provision on the commitment to CSR within listed oil companies in Nigeria.
ii. Identify the influence of compliance with GRI social provision on the commitment to CSR within listed oil companies in Nigeria.
iii. Evaluate the influence of compliance with GRI governance provision on the commitment to CSR within listed oil companies in Nigeria.

In an attempt to achieve the objectives stated above, the following questions will be answered by the study: To what extent does compliance with GRI:

i. environmental provision influence the level of commitment to CSR within listed oil companiesin Nigeria?
ii. social provision influence commitment to CSR within listed oil companies in Nigeria?
iii. governance provision influence commitment to CSR within listed oil companies in Nigeria?

To answer the research questions earlier stated, the following hypotheses, which are state in null form are posited by the study:

H_o1: Compliance with GRI environmental provision has no significant effect on the commitment to CSR within listed oil companies in Nigeria.
H_o2: Compliance with GRI social provision has no significant influence on the commitment to CSR within listed oil companies in Nigeria.
H_o3: Compliance with GRI governance provision has no significant influence on the commitment to CSR within listed oil companies in Nigeria.

2. Review of Literature

2.1 Conceptual review

Sustainability accounting

Over the years, financial accountability has been the focus of accountants and this led to some difficulty when CSR activities of organization began to increase as stakeholders keep demanding for a proper report (Ogaluzor & Omesi, 2018). Moreover, CSR activities involved huge costs which traditional accounting would not recognize and management had to take into consideration the cost and benefits to be derived.

This led to accounting academics, professional associations, regulatory frameworks and practitioners taking interest in the topic and carrying out significant research. The development of social accounting can be attributed to the adoption of triple bottom line by Elkington in 1999 who suggested that accounting reports should not only include financial information but should also include economic, environmental and social information (Nor, Jadzil, Ita & Udin, 2024).

Different words such as environmental accounting, CSR accounting have been used in place of sustainability accounting. Sabo (2020) defined environmental accounting as the recognition and reporting of environmental specific costs and the benefits to be derived from changes in the processes and products of companies with the intention for sustainability. Ogaluzor and Omesi (2018) define CSR accounting as the process of passing information about the social and environmental outcome of a firm's economic decisions to stakeholders whether positive or negative. Nobert and Karoly (2021) defined sustainability accounting as the measurement, analysis and reporting of the impacts of company's social and environmental activities as well as on their economical sustainability.

Companies around the world have increased their disclosure of CSR activities through accounting and reporting in recent times as it has helped to link social, environmental and financial cost of company's strategy to its benefits (Mohammed et al., 2022). But due to the absence of universal standards for accounting for CSR at that time, different practices were adopted by companies in different parts of the world thereby making harmonization and comparability difficult. This led to the creation of accounting standards and a universally accepted framework that would solve this problem, international standards such as Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC) were formed in the mid-2000s to ensure harmonization of CSR reporting standards (Nor, Jadzil, Ita & Udin, 2024).

Global reporting Initiative (GRI)

The first global standard that was issued to assist in reporting for sustainability is the GRI guidelines **(**Frank, Na, Kingsley & Kwame, 2018). It was formed by an independent international organization for the purpose of providing a sustainability reporting model that can be used by all companies irrespective of the geographical location (Tomemowo, Rojugbokan, Adegbie & Ajibade, 2022). Another aim was to promote the practice of sustainability within companies and also to improve the analysis of sustainability reports by harmonizing them to make them more comparable like financial reports (Ambrozini, 2017; Crisostomo, Prudencio & Forte, 2017; Garcia, Cintra, Ribeiro & Dibbern, 2015; Vincente, Hyane & Priscilla, 2019). Since then, it has been regarded as the leader of international standardization for sustainability disclosure.

Despite this development, variations still occur in CSR reports of companies. Oyewo, Obigbemi and Uwuigbe (2015) attributed the cause of such variation to be the absence of a clear-cut standard or well-defined general framework which gives companies the freedom to make discretions on their sustainability accounting and reporting practices. A greater need for standardization is required, specific guidelines to ensure harmonization should be called for as opposed to the principle-based framework of IFRS that allows for flexibility, this will help ensure transparency, comparability and effectiveness of CSR accounting (Bharatii et al., 2024).

Internationalization and globalization have called for convergence in reports and Nigeria is not exempted, therefore companies must account for and disclose information about its CSR activities to show its commitment to CSR. But these standards may have posed to be a challenge to companies that seek to carry out CSR initiatives but cannot do so due to the limit set by sustainability accounting.

Environmental, Social and governance (ESG) factors

ESG which encompasses the environmental, social and governance factors of sustainability are widely known as the three major pillars of sustainability, there is no universally agreed definition that will cut across all standards and frameworks (Nugroho, Hsu, Hartauer & Hartauer, 2024). This lack of agreement makes it difficult to understand and manage ESG factors. European Banking Authority (2021) defines

Environmental of ESG as the activities that could affect the financial performance and solvency of individuals, corporate bodies and countries, that is, the quality and processes of the God given environment and systems is affected by environmental variables. It includes variables such as greenhouse emissions, air pollutant, energy consumption, waste management and so on. The social factor of ESG was also defined by European Banking Authority (2021) as the possible impact of society on the solvency and financial performance of individuals, corporate bodies and countries. It includes variables such as human rights and the overall well-being of persons and locality. Governance factor of ESG was also defined by them as the impact of the problems of governance on the solvency and financial performance of individuals, corporate bodies and countries. It can be noticed through the principles, board diversity, shareholders right and so on. These factors are taken into consideration by investors who are socially conscious to assess any potential investments. This led to the need for companies to disclose reports on their activeness within these factors. It was therefore necessary for a regulatory framework such as the GRI, sustainability accounting standards board (SASB) to help ensure that these reports are transparent and uniform to enable comparability.

Corporate social responsibility

Corporate social responsibility as a concept was proposed by Oliver Sheldon, a management philosopher in 1924 who advocated that “serving the society is the fundamental driving force and a strong base for industrial development” (Sheldon, 1924; Zhang & Liu, 2023). The roots of corporate social responsibility can be traced to philanthropy and charity as businesses viewed CSR to mean contributing to charitable causes but this has changed over the years as companies are trying to infuse moral and sustainable practices into their business activities which have taken the form of eco-friendly business activities, ethical hiring processes, community involvement and so many others, this transition occurred when societal expectations and economic obligations changed over time due to the current issues that were faced, more emphasis was therefore placed on addressing social problems and impacting the environment positively, instead of just complying with rules (Nirojan, 2024).

Bowen, an economist published his research on the social responsibilities of a business man in the middle of the 20th century and this work served as an opener into the field of CSR research, he postulated that every organization has an objective that goes beyond profit making, they are also to take into consideration the effects of their choices while carrying out business activities on the society (Nirojan, 2024). Udayasri (2024) defines CSR to be a lawful duty to the community, based on the assumption that companies should share some gains derived from the resources controlled by them with the society. CSR is also defined as an organization’s duty to boost sustainable development by ensuring all stakeholders gain economically, socially and environmentally (Caroll, 1991; Baha et al., 2023).

CSR can also be defined as an organization’s consistent effort towards improving economic growth and ensuring that business activities are carried out in an ethical manner while also improving stakeholder lives (Medis, 2018; Ratnayakea & Weerasekera, 2023). Formerly referred to as ‘social responsibility’, it closely encircles the ethical obligation of people to examine the possible consequences of their decisions and attitudes on the broader societal framework (Hamid & Taher, 2024). CSR exist in various forms such as;

Philanthropic responsibility which is the voluntary and non-discretionary effort towards promoting activities like community development, art, health and education. Economic responsibility involves making business operations better while participating in sustainable practices for example, carrying out innovative manufacturing processes to reduce wastage. Environmental responsibility which is the activities propelled towards reducing pollution and greenhouse emissions while ensuring the use of sustainable natural resources. Human right responsibility helps ensure fair labour and trade practices. Ethical and legal responsibilities are activities carried out to ensure rules, regulations, standards and norms are followed to ensure justice, morality and human rights are achieved.

The major objective of CSR is to ensure permanent positive influence on the society while mitigating negative effects on the environment. The positive effects of CSR on organization's financial success are becoming well known, companies with strong CSR ratings surpass their competitors in profitability and stock market performance and it has also been linked to help companies reduce cost of capital and boost credit ratings (Baha et al., 2023). Hence, majority of business enterprises are trying to integrate CSR practices into their operations to keep present customers and attract new ones, consumers are even becoming more aware of company's attitude towards social responsibility which can help build customer loyalty and business reputation. Strategically aligning CSR with core values and business operations will serve as a differentiation strategy leading to premium prices, improved brand and firm reputation, and supportive community relations (Udayasri, 2024).

In addition to its value addition role, it can also serve as a form of value protection. During the epidemic in 2020, companies with strong commitment to CSR were able to maintain and improve their reputation while those that didn't suffered criticism and reputational damage (Baha et al., 2023). CSR gives the public the impression that a company is committed to sustainability, being ethical and honest thereby improving public perception about them.

ESG provisions and CSR commitment

ESG provisions, as mentioned by international frameworks such as GRI are important metrics that can be used to measure and report organization's sustainability impacts. CSR commitment is the level of firm's dedication to ethical and sustainable practices. By adhering to ESG guidelines, companies can assess and report their performance in these areas systematically, thereby enhancing their CSR efforts. This alignment can help to build the trust of stakeholders and serve as a way to demonstrate genuine commitment to sustainable practices. It also provides a structured way to disclose CSR activities, their impacts, fostering accountability and continued improvement.

Corporate social responsibility and oil companies in Nigeria

Nigeria is a blessed country with various natural resources, one of which is crude oil. The presence of this mineral resource in Nigeria has contributed significantly to the revenue of the economy over the years, as Nigeria is one of major exporters of crude oil in the world. Due to this revenue generating resource, the economic growth and development of the nation has improved, the oil and gas sector is seen to be the backbone of the Nigerian economy as it contributes over 95% to her foreign exchange earnings, 40% to her GDP and 85% to federal government collectible revenue (Uwakonye, Osho & Anucha, 2006; Agbede, 2023).

Despite this importance, the activities of oil companies have caused environmental degradation through industrial pollution, deforestation, oil spillage etc, oil producing communities are still not developed as they continue to dwell in poverty despite the high income generated from them (Okwudili, 2020). There is now a growing need to pay attention to the social and environmental demands of communities, oil companies are expected to take adequate care in carrying out their activities by integrating environmental and social processes into their economic activity. This led to major oil companies implementing various CSR activities to show stakeholders that they are aware of the challenges caused and are taking steps to correct them.

The question about how CSR reports should be made came up, management of oil companies were advised to pay attention to sustainability accounting and reporting practices, various standards were created to assist them in doing this. Have these standards really helped companies in accounting for their CSR activities? Have these standards limited the commitment to CSR activities in any way?

To what extent do these companies make use of these provisions while reporting on CSR? These are the questions this research seeks to answer.

2.2 Theoretical Review

Stakeholder theory

This study is supported by stakeholder theory as developed by Edward Freeman in 1984; he proposed that every organization should create value for all its stakeholders and not just shareholders. It opines that for a business to be successful and stay long in the business space, it has to consider all individuals and groups who can affect and be affected by decisions made. 'Stakeholders' as mentioned here includes customers, suppliers, employees, financiers, communities and managers, they include any individual or group that can influence or impact the decisions made by companies.

Stakeholder theory posits that the long-term existence of a company depends on how it addresses stakeholder concerns and CSR has helped companies expand the firm's responsibilities to include stakeholders and the wider public (Freeman, 1987; Donaldson, 1995; Frank, Na, Kingsley & Kwame, 2018). For any business to survive and succeed, companies must manage stakeholder relationships by providing relevant information about business operations which includes not only financial information but also non-financial information (Atube & Okolie, 2024). This theory provides a reason for company's engagement in CSR practices and also guides the way companies report their activities (Gray et al, 1995; James, 2013). Transparency in reporting of CSR activities is guided by various relevant frameworks, one which is the GRI. These frameworks help companies communicate their efforts to stakeholders, demonstrating their commitment to ethical and sustainable practices.

Stakeholder theory tries to establish a relationship between companies and other stakeholders including the community where the organization operates, thus it is best for these companies to disclose their reports properly so that stakeholders can easily assess the impact of company's activities on all stakeholders thereby acknowledging that companies operate in a system that will be useless without stakeholders. Stakeholder theory comes with its limitations and criticisms. One of which is that it proposes that companies should only make decisions that will impact its stakeholders thereby ignoring the other parties, this is why the triple bottom line approach is more favourable because it focuses on not just the organization, profit or stakeholders but also includes planet and people.

Stakeholder theory relates more to our study as it advocates that aside shareholders and profit making, there are other factors that lead to the overall success of an organization. This theory highlights the important role of engaging with all stakeholders through CSR practices and sustainability accounting. By adhering to GRI provisions and actively involving stakeholders in decision making processes, companies can get stakeholders trust, have long term sustainable success, making stakeholder theory particularly relevant for evaluating the impact of CSR commitment.

2.3 Empirical review

According to Schaltegger et al. (2006), management's transition to corporate sustainability can be sparked by sustainability accounting. They contend that it makes sense for management to use sustainable accounting as a foundation to handle sustainability difficulties if corporate sustainability is understood to be the outcome of management efforts to address sustainability challenges. Schaltegger and Burritt (2006), concluded that both top-down and a stakeholder approach can be used to produce sustainability accounting. The broadest notion of business sustainability and sustainable development is the starting point for the top-down approach to sustainability accounting development. The term "sustainable development" is decomposed into partial indicators and measurements. In the meantime, stakeholder engagement procedures define the sustainable accounting strategy that is driven by stakeholders. According to Adams and Larrinaga (2007), sustainability accounting practices within companies have received little attention in the academic literature on the subject. They imply that more investigation involving businesses is required to determine how accounting and appropriate management techniques could lessen their detrimental effects on sustainability.

Burritt and Schaltegger (2010) demonstrate that the development of sustainability accounting depends on two key elements: (i) increasing awareness of sustainability and (ii) management decision making through problem solving and scorekeeping. They propose that enhancing management decision-making ought to be the primary focus of the development of sustainable accounting. Azlan and Haniffa (2011) used primary data that is, interviews to study the relationship between disclosures and determinants of sustainability reporting unlike other studies that used ex post facto content analysis. The findings from the data derived shows the coercive, mimetic and normative contribute to company's sustainability reporting. Peter, Yue, Richardson and Vasvari (2011) examined the various factors that could possibly affect the decision of companies to adopt proactive strategies regarding environment and whether these strategies can lead to financial performance. The results from analysing data from the four most polluting industries in the US showed that there's a positive relationship between companies’ financial resources and their environmental performance which also affects their financial performance. The conclusion of Okpala and Iredele (2018) also support this that corporate social and environmental disclosure, firm size, financial performance, affiliation with foreign companies and industry type have significant effect on the market value of firms in Nigeria.

Passetti et al (2014) demonstrates that sustainability accounting is still in its infancy and the deficiency of the majority of companies' involvement is detrimental to the creation of a more balanced the connection between social, environmental, and business issues. Malgorzata, Ewa and Lukasz (2015) carried out an analysis on CSR and its accounting practices both theoretically and practically in Poland. They carried out their analysis by conducting an extensive literature review and content analysis to examine various research papers and CSR disclosures in annual reports on a population of Polish stock exchange companies listed on the Warsaw stock exchange main market. The results of their analysis concluded that research in the field of social accounting is still very limited which is a contributing factor to the cause of disparity of CSR reports and they recommended that CSR reports should be integrated within financial reports to form an integrated report. This research could not be generalized as it was limited to companies operating in Poland.

Musa, Peter and Bukar (2015) carried out a study to analyse the practices of environmental accounting disclosure of Nigeria quoted companies. According to the study, the disclosure of environmental accounting information is still voluntary in Nigeria as there are no accounting standards or regulations that make such disclosures compulsory, they are only adapted by companies for good industrial practices and pressures from environmental activists. Data was gotten from the annual reports of these companies and a one-way variance analysis was used to test the hypothesis. Findings from the data analysis showed that environmental disclosures are not significantly influenced by accounting standards. It was therefore recommended that companies are subjected to disclose this information to enable standard setting companies develop frameworks that will used in reporting them.

Milena, Sandra and Dubravka (2017) conducted a study on the effect of sustainability accounting on corporate social responsibility. The purpose of this study was to highlight the opportunities and challenges of sustainability accounting in the process of providing information about the level of corporate social responsibility achieved. In carrying out the study, it was posited that one challenge of CSR is how to be more accountable to stakeholders which is one objective of sustainability accounting as it helps companies show the economic, social and environmental impact of their operations and how they are connected. The study focused on the different sustainability accounting frameworks that were in existence at that time.

Chinedu et al., (2018) ascertained the level of sustainability accounting practices and disclosure of multinational companies in Nigeria. They carried out this research by getting primary data through the use of questionnaire and conduct of interviews with key personnels. The population for this study were accounting and administrative workers in multinational companies within Nigeria while convenient sampling technique was used to pick a sample of fifteen workers from each multinational company in Nigeria thereby making the sample a total of one hundred and eighty staff. The study finds that there is high level of CSR accounting practices among MNCs in Nigeria which impacts on the CSR disclosure of such companies and companies were encouraged to incorporate sustainability reports into their reporting practices. Frank, Na, Kingsley & Kwame (2018) carried out a study to investigate the relationship between the extent of CSR disclosure performance and firm value. The GRI guidelines were used in measuring disclosure performance. The results from the data analysis showed that selected companies, incorporation of sustainability disclosure particularly GRI is relatively high and that CSR disclosure may not necessarily impact on firm value, which buttresses the conclusion of the report of Okpala (2018) that identified the improvement in the level of social, environmental disclosure in Nigeria with social disclosure taking a higher proportion compared to the level of disclosure of environmental issues.

According to Larrinaga et al. (2018), the Spanish government mandated sustainability accounting for public sector enterprises in Spain back in 2011. It was a really disappointing result. This strengthens the case against making sustainability accounting an obligatory practice for businesses. According to Kaur and Lodhia (2018), stakeholder participation in Australian local governments' sustainability accounting processes is crucial and is accomplished through the creation of strategic plans, measurement of sustainability performance, and sustainability indicators and the creation of reports on sustainability. In a case study, Huchzermeier (2019) looks at Puma's choice to establish an "Environmental Profit and Loss account" in an effort to improve the sustainability of their company. PUMA is a prominent producer of athletic and leisure products, specializing in three primary product categories: clothing, accessories, and footwear. The activities that caused loss to the environment and those that helped it (profit) were measured. Decisions made by corporations are therefore based on how they will affect profits and the environment.

Ordóñez, Herrera, Franco and Perdomo (2021) analysed the asymmetry in the disclosure of environmental criteria of the GRI based on financial and non-financial information in 37 companies. The results from the study showed that improving information transparency and quality meets the needs of stakeholders thereby providing confidence and strengthening CSR activities. Andrew, Alba and Calista (2021) carried out a study to investigate environmental indicators disclosures in the CSR reports of international contractors. Measurement scales were used to analyse the environmental indicators of the global reporting initiative (GRI). The results of the analysis were used to propose a sequence and method of environmental indicators disclosures.

Robert and Azebi (2022) investigated the relationship between CSR accounting, using (metrics such as community development costs and waste management cost) and corporate financial performance (profit after tax) of oil and gas companies in Niger Delta. The least square panel regression method was used to estimate the influence of CSR accounting on corporate financial performance. The regression analysis showed a positive insignificant influence of community development cost on profit after tax and a negative and insignificant impact of waste management cost on profit after tax. It was therefore recommended that oil and gas companies should continue to carry out community development activities because it improves their financial performance over time. Rabiul and Golam (2023) analysed CSR disclosures of listed manufacturing companies in Bangladesh based on the GRI and legitimacy theory. The study used the stratified random sampling technique to select companies whose annual reports will be analysed. Content analysis was used to identify social and environmental disclosure categories of the GRI. Findings show that some selected companies disclose CSR information in their annual reports but the reporting pattern varied as there was no uniformity. One reason for this from the study was that companies do not necessarily follow the GRI standards. It was therefore recommended that policy planners make it compulsory for companies to disclose their CSR information following any international guidelines such as the GRI.

Nor, Jadzil, Ita and Udin (2024) explored the activity of obscuration of CSR practices by companies and its impact on the ineffectiveness of social accounting. Secondary data was used, the data being derived from the CSR reports in the annual reports of companies within the mining industry that were planning to go public on the Indonesia stock exchange in 2021. Purposive sampling technique was used to select the sample of 28 companies. After analysis, it was concluded that the obscuration practices among companies lead to the ineffectiveness of social accounting and the shift in CSR value from its original purpose.

Akanno, Che, Radda and Uzodinma (2015) identified that there is a positive relationship between company size, industry and corporate social and environmental disclosure. They stated that oil and gas companies disclose more than those in the food production industry with the banking sector surpassing all sectors reviewed, which is corroborated by the finding of Alabi, Issa and Usman (2024), who concluded that there are statistically significant difference in firms disclosure level based on environmental certifications.

Gaps in literature

Sustainability accounting is seen as accounting profession's response to the issue of sustainability. Most research on this topic have focused on CSR disclosure and reporting, its effect on financial and non-financial performance but little research have been made to study sustainability accounting practices within companies and if these practices impact CSR commitment of listed oil companies in Nigeria. Additionally, there are only few studies that that examines the extent to which adhering to GRI provisions can influence the effectiveness and authenticity of CSR initiatives.

This study aims to bridge this gap by systematically evaluating the influence of these two variables on each other thereby proving insights that could help inform policy recommendations and industry best practices. It will also help set in stone further research into this study which will be of help in gaining a comprehensive understanding of the role and impact of sustainability accounting on CSR.

3.0 Methodology

To attain a detailed understanding of this research topic, this study utilized the ex-post facto research design. This is to ensure that a comprehensive understanding is achieved on the current sustainability accounting practices within companies and also give insights on their impact on CSR commitment through the systematic collection of data. Historical data obtained from the annual reports of listed oil companies in Nigeria was used to achieve the research objectives and get more accurate results. This type of design is known as the ex post facto research design. The data used were already available, the researcher has no influence on them and this design was adopted to see find any causal relationship between the variables discussed in this study. The decision to use both kind of research design is so that the findings of this study are validated by corroborating data from various sources which will help in providing a detailed overview of this topic and also give deeper insights from any form of trends and patterns identified.

The population of this study includes all listed oil companies in Nigeria. Currently, there are 8 oil companies listed on the Nigerian Stock Exchange. The sample size for this study was 8 companies but

due to a company (CAPITAL OIL) not actively trading on Nigeria Stock Exchange, it was reduced to 7. Secondary data was extracted from the audited annual reports and sustainability reports of the listed oil companies on the Nigerian stock exchange for a time span of 6 years that is from 2017-2022. The data for this study is collected from the audited annual reports of listed oil companies in Nigeria. This is easily accessible as the annual reports of these companies can be found on the Nigerian Exchange group and website of the respective companies. Only annual reports that have been audited by an external auditor was utilised to ensure validity and reliability of data.

Measurement of research variables

Variables	Definitions	Measurement	Source
Corporate social responsibility Commitment (Dependent variable)	Corporate social responsibility commitment refers to companies efforts towards ensuring that its operations contribute positively to the society and minimize its negative impacts on stakeholders, beyond regulatory requirement.	Percentage of revenue spent on CSR.	Bhavesh and Gurudutta (2023)
Environmental provisions (independent variable)	Environmental provisions refer to factors related to the impact of company's operation on the natural environment.	Energy Water and effluents Effluents and waste Biodiversity	GRI
Social provisions (independent variable)	Social provisions refer to factors that show how companies manage relationships with communities, employees and other stakeholders.	Labour/management relation Occupational health and safety Diversity and equal opportunity Training and education	GRI
Governance provisions (independent variable)	Governance provisions pertain to the internal systems and practices that guides how a company is directed, managed and controlled	Risk management disclosures Compliance to standards Code of ethics Anti-corruption policy	GRI

Source: Author (2024)

Model specification

The regression model for this study determines the relationship between sustainability accounting and CSR commitment among listed oil companies in Nigeria. The dependent variable, CSR commitment is regressed on the independent variable representing GRI environmental, social and governance metrics.

$$CSRT_{it} = \beta_0 + \beta_1 E_{it} + \beta_2 S_{it} + \beta_2 G_{it} + \beta_2 FZ_{it} + \beta_2 FA_{it} + \varepsilon_{it}$$

Where $CSRT_{it}$ = Corporate Social Responsibility commitment of firm i in year t

E_{it} = Environmental provisions compliance for firm i in year t

S_{it} = Social provisions compliance for firm i in year t

G_{it} = Governance provisions compliance for firm i in year t

FZ_{it} = Firm size for firm i in year t

FA_{it} = Firm age for firm i in year t

ε_{it} = Error term for firm i in year t

β_0 = Intercept
β_1, β_2, β_3= Regression coefficients

4.0 Data analysis

Both descriptive and inferential statistics was used in the analysis of data gathered. Eviews statistical package was employed to perform evaluation of these data using both descriptive and inferential statistics. Descriptive analysis is used to summarize the basic features of the data while regression analysis was used to determine the relationship between the variables, test the hypothesis and further determine the impact of independent variables on the dependent variable. Pearson correlation analysis will also be conducted to measure the degree to which the variables used in this study are related. A normality test will be carried out to verify whether the data used in this research are normally distributed.

Data collected for this study were extracted from the audited annual reports and sustainability reports of 7 listed oil companies in Nigeria out of the population of 8 listed oil companies from years 2017 to 2022. The annual report of the remaining 1 company in the sample was unattainable hence the deficit.

Table 1 Descriptive Statistics

	CSRT	E	S	G	FSIZE	FAGE
Mean	0.025744	1.642857	2.976190	2.500000	25.53593	40.07143
Median	0.012619	1.000000	3.500000	2.000000	24.84828	48.00000
Maximum	0.119577	4.000000	4.000000	4.000000	28.10323	66.00000
Minimum	0.000000	0.000000	1.000000	1.000000	23.29505	8.000000
Std. Dev.	0.028270	1.736571	1.157965	1.365963	1.552250	17.33795
Skewness	1.170991	0.393073	-0.525812	0.087172	0.484567	-0.393990
Kurtosis	4.144741	1.408880	1.718465	1.202999	1.770684	1.968735
Jarque-Bera	11.89179	5.511956	4.809431	5.704315	4.288265	2.947735
Probability	0.002617	0.063547	0.090291	0.057720	0.117170	0.229038
Sum	1.081258	69.00000	125.0000	105.0000	1072.509	1683.000
Sum Sq. Dev.	0.032766	123.6429	54.97619	76.50000	98.78873	12324.79
Observation	42	42	42	42	42	42

Source: Researcher's Computation (2024)

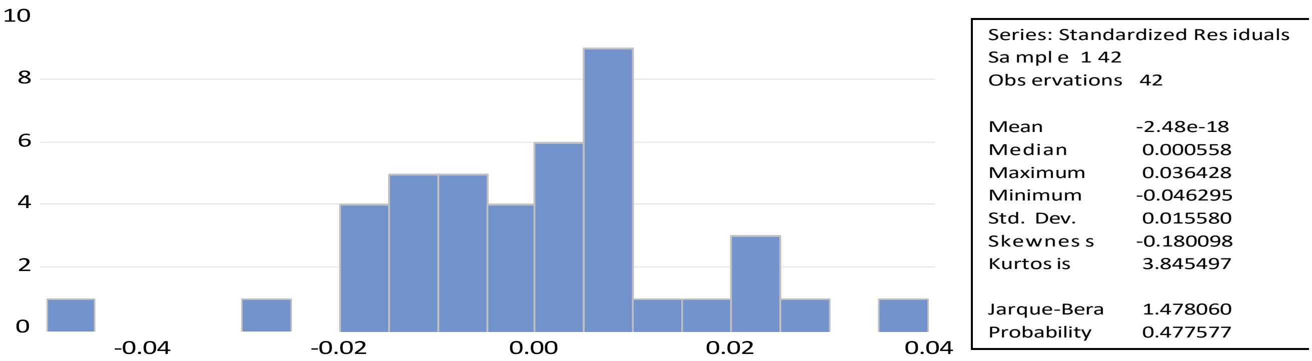
Table 1 presents the summary statistics of the sampled oil companies firms over the study period (2017–2022). CSR commitment has a mean of 2.57%, a median of 1.26%, a maximum of 11.96%, minimum value of 0% which indicates that there are some organizations that do not spend any amount on CSR for a particular year or years and a standard deviation of 2.8%. CSRT is positively skewed signifying that it is long right tailed. CSRT curve is leptokurtic in nature since the kurtosis result show a value that is greater than 3. The probability of Jarque-Bera is less than 5%. Compliance to GRI environmental provisions has a mean of 1.64, a median of 1, maximum and minimum of 4 and 0 respectively which signifies that some companies comply with all the four metrics of environmental provisions and some companies do not comply at all. It has a standard deviation of 1.74 and it is also positively skewed. The result for kurtosis is less than 3 hence its curve is platykurtic in nature. The probability of Jarque-Bera is greater than 5% hence it is normally distributed. Compliance to GRI Social provisions has a mean of 2.98, a median of 3.5, maximum and minimum of 4 and 1 respectively which signifies that at most all companies comply with at least one of GRI social provisions. It has a standard deviation of 1.16 and it is negatively skewed hence it is long left tailed. The result for kurtosis is less than 3 so it is also a platykurtic curve. The probability of Jarque-Bera is also greater than 5% therefore it is normally distributed. Compliance to GRI governance provisions has a mean of 2.5, a median of 2, maximum and minimum of 4 and 1 respectively which also signifies that at most all companies comply with at least one of GRI governance provisions. It has a standard deviation of 1.37

and it is positively skewed hence it is long right tailed. The result for kurtosis is less than 3 so it is also a platykurtic curve. The probability of Jarque-Bera is also greater than 5% therefore it is normally distributed.

Normality test

This section shows the result of the normality test conducted on the data gathered on sustainability accounting and CSR commitment of listed oil companies in Nigeria. This test shows if the data is normally distributed and whether it is suitable for parametric tests.

Figure 1 Histogram normality test



Source: ***Source: Researcher's Computation (2024)***

The above graph shows that the data gotten from 42 samples within the time period of 2017 to 2022 is normally distributed. The probability of Jarque-Bera is greater than 5% hence it can be accepted that these data is normally distributed. These characteristics make the data suitable for parametric statistical methods. The data is negatively skewed hence long left tailed and the nature of the curve is leptokurtic.

Correlation Analysis

A correlation matrix is an analysis conducted to show how closely related the independent variables and dependent variables are. Table 2 summarizes the relationships between the variables used in this study in the study.

Table 2: Correlation matrix

	CSRT	E	S	G	FSIZE	FAGE
CSRT	1.000000	0.290249	0.340255	0.326648	0.335508	-0.063691
E	0.290249	1.000000	0.711284	0.940819	0.945713	-0.130364
S	0.340255	0.711284	1.000000	0.763286	0.781757	0.307444
G	0.326648	0.940819	0.763286	1.000000	0.870636	0.054068
FSIZE	0.335508	0.945713	0.781757	0.870636	1.000000	-0.086536
FAGE	-0.063691	0.130364	0.307444	0.054068	-0.086536	1.000000

Source: Researcher's Computation (2024)

From table 2, it can be seen that CSR commitment has a positive correlation with the compliance to GRI environmental, social and governance provisions as they all have a correlation result of greater than zero which signifies that as the compliance to GRI environmental, social and governance increases, the commitment to CSR also increases, vice versa. CSR commitment also has a positive correlation with the control variable, firm size. CSR commitment has a negative correlation with firm age as it has a correlation result of less than zero which signifies that as firm age increases, the commitment to CSR decreases, vice versa.

Test of hypotheses

This section determines whether the evidence gathered supports the null hypotheses. The tables below shows the result of the regression analysis carried out using both fixed and random effect model with the Hausman test to understand the relationship between the dependent variable and the independent variables examined in the study. In the subsequent subsections, each hypothesis is explained in line with the results as seen below. The level of significance used in determining whether to accept or reject the null hypothesis is 5%.

Table 3: Regression Result (Random Effect Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.266710	0.171987	-1.550754	0.1297
CSRT*E	-0.020548	0.009171	-2.240619	0.0313
CSRT*S	0.004998	0.005245	0.952879	0.3470
CSRT*G	-0.017319	0.007963	2.174783	0.0363
FSIZE	0.011221	0.007191	1.560417	0.1274
FAGE	-0.000462	0.000221	-2.092420	0.0435
R-squared	0.201383			
Adjusted R-squared	0.090464			
S.E. of regression	0.026961			
F-statistic	1.815586			
Prob(F-statistic)	0.134499			
Mean dependent var	0.025744			
S.D. dependent var	0.028270			
Sum squared resid	0.026168			
Durbin-Watson stat	1.743152			

Source: Researcher's Computation (2024)

Using the random effect model, the results from the regression analysis can be seen in Table 3 above. The R-squared also known as the coefficient of determination is at 0.201383 suggesting that approximately 20% of the variability in the dependent variable can be explained by the independent variables which are not a strong significance. The F-statistic is at a value of 1.815586 with a P-value of 0.134499 which is greater than the level of significance, 0.05 shows that the overall significance of the independent variables on the dependent variables is insignificant hence, accepting the null hypotheses. Though the variables, compliance to GRI environmental provisions and compliance to GRI governance provisions show significant results, the result from the Husman test in Table 4 shows that the fixed effect model is more suitable for the regression analysis.

Hausman test

Hausman test was conducted to determine whether the random effect model or the fixed effect model should be used for regression analysis. The criteria for decision-making depend on the p-value that is, if the p-value is less than 0.05, fixed effect model will be more appropriate but if p-value is greater than 0.05, random effect is more appropriate.

Table 4: Test cross-section random effects

Test Summary	Chi -Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	48.721863	5	0.0000

Source: Researcher's Computation (2024)

As presented in table 4, the p-value that is the probability of the Hausman test is less than 0.05 which makes the use of the random effect model to be inappropriate. Therefore, the fixed effect model is a more suitable model to use for this panel data analysis.

Table 5: Regression Result (Fixed Effect Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.437422	0.327956	1.333782	0.1923
CSRT*E	0.013104	0.017186	0.762528	0.4517
CSRT*S	-0.049244	0.010299	-4.781659	0.0000
CSRT*G	0.083633	0.019562	4.275217	0.0002
FSIZE	-0.015425	0.013001	-1.186463	0.24448
FAGE	-0.002541	0.001878	-1.352933	0.1862
R-squared	0.696251			
Adjusted R-squared	0.584876			
S.E. of regression	0.018214			
Sum squared resid	0.009953			
Log likelihood	115.7038			
F-statistic	6.251427			
Prob(F-statistic)	0.000030			
Mean dependent var	0.025744			
S.D. dependent var	0.028270			
Akaike info criterion	-4.938275			
Schwarz criterion	-4.441798			
Hannan-Quinn criter.	-4.756296			
Durbin-Watson stat	2.414824			

Source: Researcher's Computation (2024)

The R-squared also known as the coefficient of determination is at 0.696251 suggesting that approximately 70% of the variability in the dependent variable can be explained by the independent variables included in this multiple regression model. This account for a moderate level of explanatory power in the model and the remaining 30% can be linked to other factors not considered. The adjusted R-squared value of 0.584876 on the other hand indicates that about 58% of the variability in the dependent variable can be explained by the selected independent variables after accounting for the number of predictors and the sample size. This also shows a moderately significant level of explanatory power.
The F-statistic which is helpful in determining the overall significance of the independent variables on the dependent variable is at a value of 6.251427 with a P-value of 0.000030 ($p < 0.05$) which is less than the level of significance 0.05 provides strong evidence against the null hypothesis and suggests that the regression model is statistically significant.

H_o1: Compliance to GRI environmental provision have no significant effect on the commitment to CSR within listed oil companies in Nigeria.

According to the analysis conducted in Table 5, the regression coefficient for the variable, compliance to GRI environmental provisions was estimated at 0.013104. This figure represents that if compliance to GRI environmental provisions increases by 1 unit, commitment to CSR will increase by 0.01 units, signifying a positive relationship between the two variables. To access the significance of the regression coefficient, the associated p-value is considered. The p-value for this variable is estimated at 0.4517 which is greater than 0.05 indicates that the regression coefficient for compliance to GRI environmental provisions is statistically insignificant signifying no relationship between the two variables. Therefore, the null hypothesis will be accepted and summarised that compliance to GRI environmental provision has no significant effect on the commitment to CSR within listed oil companies in Nigeria. The result suggests that at an insignificant level, the compliance to GRI environmental provisions can influence the commitment to CSR in the oil and gas industry.

H_o2: Compliance to GRI social provision has no significant influence on the commitment to CSR within listed oil companies in Nigeria.

Following the analysis in Table 5, the regression coefficient for the variable, compliance to GRI social provisions was estimated at -0.049244. This figure represents that if compliance to GRI social provisions increases by 1 unit, commitment to CSR will decrease by 0.05 units, signifying a negative relationship between the two variables. To access the significance of the regression coefficient, the associated p-value is considered. The p-value for this variable is estimated at 0.0000 which is less than 0.05 indicates that the regression coefficient for compliance to GRI social provisions is statistically significant signifying a strong relationship between the two variables. Therefore, the null hypothesis will be rejected and compliance to GRI social provision has significant effect on the commitment to CSR within listed oil companies in Nigeria. The result suggests that at a significant level, the compliance to GRI social provisions can influence the commitment to CSR in the oil and gas industry.

H_o3: Compliance to GRI governance provision have no significant influence on the commitment to CSR within listed oil companies in Nigeria.

In the analysis from Table 5, the regression coefficient for the variable, compliance to GRI governance provisions was estimated at 0.083633. This figure represents that if compliance to GRI governance provisions increases by 1 unit, commitment to CSR will increase by 0.08 units, signifying a positive relationship between the two variables. To access the significance of the regression coefficient, the associated p-value is considered. The p-value for this variable estimated at 0.0002 is less than 0.05, indicating that the regression coefficient for compliance to GRI governance provisions is statistically significant signifying a strong relationship between the two variables. Therefore, the null hypothesis will be rejected and compliance to GRI governance provision has significant effect on the commitment to CSR within listed oil companies in Nigeria. The result suggests that at a significant level, the compliance to GRI governance provisions can influence the commitment to CSR in the oil and gas industry.

Discussion of findings

In the subsequent subsections, each independent variable is discussed in line with the findings about their relationships with the dependent variable, CSR commitment.

Compliance to GRI environmental provisions and CSR commitment

From the analysis conducted, it was revealed that compliance to GRI environmental provisions has a positive but insignificant effect on CSR commitment**.** This suggests that while firms may comply with GRI environmental provisions, these efforts do not necessarily translate into a tangible increase in their CSR activities. Several factors could contribute to this. Firstly, the adoption of this GRI provision might be driven by external pressures such as compliance with regulations or meeting stakeholder's expectations. Additionally, these provisions may not fully capture the complexities and practical challenges faced by these companies in addressing CSR issues relating to environmental concerns, particularly in the oil and gas sector in Nigeria. This finding is in line with the study carried out by Clarkson et al. (2008) who found a positive association between company's environmental performance and the disclosure level of environmental factors though not significant, as well as the study of Akanno, Che, Radda & Uzodinma (2015) and Alabi, Ia & Usman (2024). This calls for a more holistic approach that aligns the GRI environmental provisions with actionable and impactful CSR strategies. It is also required to consider the broader context and challenges that are specific to the oil and gas industry when creating guidelines for them to adhere to.

Compliance to GRI social provisions and CSR commitment

From the results of the regression analysis, it was seen that compliance to GRI social provisions has a negative but significant impact on CSR commitment. This implies that as the compliance to GRI social provisions increases, CSR commitment decreases at a significant level as the p-value is lower than the 5% level of significance. This nuanced outcome suggests that while companies comply with GRI's social provisions, such compliance might inadvertently be undermining their overall CSR efforts. One reason for this mismatch could be that the standardised indicators do not fully capture the unique social challenges and opportunities within local communities. Also, the stringent requirements of the GRI social provisions might place a substantial administrative and financial burden on these companies, diverting resources and attention away from actual CSR activities. This is in line with the findings of Ukpe, Emenyi & Umo (2024) and Alabi, Issa & Usman (2024), though at variance it the finding of Archel et al (2008) that concluded that sustainability reporting frameworks might not align with local contexts which can lead to ineffective CSR practices. There is a need for a more tailored approach that balances the GRI provisions with the practical realities and needs of the local communities which will provide additional support to companies to help them integrate GRI provisions with effective CSR strategies.

Compliance to GRI governance provisions and CSR commitment

The analysis shows that there is a positive and significant impact of compliance with GRI governance provisions on CSR commitment. This suggests that as compliance with GRI governance provisions increases, CSR commitment increases too and at a significant level as the p-value is lower than 5% level of significance. It implies that when companies adopt and adhere to governance provisions, CSR practices are enhanced. This aligns with the conclusion of Ukpe, Emenyi & Umo (2024) that concluded that strong commitment to CSR disclosure exhibit exceptional financial performance. A strong governance structure such as one that promotes accountability, transparency and ethical decision- making helps create an environment where CSR activities can thrive. Companies that comply with these provisions are likely to integrate CSR practices into their core strategies and operations, ensuring that social and environmental considerations are given due attention alongside financial performance. This finding supports the argument that good governance is a fundamental enabler of CSR, providing a solid foundation for companies to build and maintain their commitment to social responsibility which supports the finding of Jo and Harjoto (2012).

Conclusion

This research explored the impact of sustainability accounting particularly the GRI provisions on the CSR commitment of listed oil and gas companies in Nigeria. The findings indicate that while compliance to GRI governance provisions significantly and positively influence CSR commitment, compliance to GRI social provisions, conversely shows a significant but negative effect which suggests a nuanced relationship between the two variables and compliance to GRI environmental provisions show no significant but positive relationship. These insights contribute to a deeper understanding of how sustainability accounting can be leveraged to enhance CSR practices, ultimately fostering a more sustainable and socially responsible oil and gas industry in Nigeria.

Recommendations

Some suggestions have been made based on the information and findings of this research study and the conclusions reached. Firstly, standard setters play a crucial role in shaping the framework within which companies operate, particularly in relation to sustainability reporting and CSR practices. To enhance the impact of sustainability accounting on CSR commitments, standard setters should consider updating and refining the GRI guidelines to better reflect the specific challenges and opportunities faced by the oil and gas industry in different regions. It could involve developing additional indicators or modifying existing ones to capture more nuanced aspects of environmental, social and governance performance that are particularly relevant to local contexts. Secondly, regulatory authorities should also create an enabling environment for CSR activities by offering incentives to companies that demonstrate exemplary performance in sustainability reporting and CSR. Companies should tailor their sustainability accounting practices to better align with local social and environmental priorities. While adherence to international frameworks such as GRI is important, they must consider unique challenges and opportunities within their specific context. This will ensure that the sustainability efforts of companies are not only compliant with global standards but also relevant and beneficial to the communities they operate. Lastly, since results show that the GRI governance provisions significantly impacts CSR commitment, companies should continue to strengthen their governance frameworks to support CSR activities as a robust governance structure is crucial for integrating sustainability into core business strategies. Also, companies should be advised to publish sustainability reports separate from their annual reports because in the process of data gathering, companies who scored high in compliance to the ESG provisions had their sustainability reports separate from the audited annual reports.

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