

IPMC ESG RATING

Financial Services, Manufacturing, Oil and Gas, Services, Telecommunication and ICT

A photograph of a modern, multi-story office building with a glass facade. The building is reflected in the glass panels. A blue and teal gradient bar is overlaid on the bottom of the image.

2024



ABOUT OUR COMPANY

IPMC ESG ASSESSMENT

The IPMC corporate ESG assessment test enables the evaluation of businesses against a wide range of environmental, social, and governance standards that are specific to the various companies and that are significant to the increasing number of investors who are concerned about sustainability, as well as for regulatory compliance and financial viability.

For this assessment iteration, we examined the ESG performance of 167 companies in Nigeria within the financial services, manufacturing, oil and gas, telecommunication and services sector.

ESG Rating Methodology

Scope

This report comprehensively assesses the Environmental, Social, and Governance (ESG) performance of 167 companies in Nigeria across the financial services, manufacturing, oil and gas, telecommunications, and services sectors. As highlighted in the regional overview, Nigeria is facing increasing pressure to adopt sustainability frameworks aligned with global standards, particularly those established in Europe, which has emerged as a benchmark for regulatory ESG efforts. The analysis underscores the growing significance of ESG factors in corporate decision-making and operations, driven by:

- Evolving regulatory frameworks and compliance requirements
- Influence of ESG on strategic and operational decision-making
- Integration of ESG principles into core business operations

The report highlights key gaps in sustainability reporting, where many companies still lack transparent and standardized ESG reporting practices. By benchmarking against globally recognized ESG rating agencies, this assessment provides actionable insights and a roadmap for integrating ESG practices into corporate strategy and operations.

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IPMC – ESG Ratings

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This report is based on data extracted from the 2023 audited reports of listed companies and other entities that align with IPMC ESG Ratings criteria. While the core assessment framework remains unchanged, this update enhances clarity around evaluating governance and sustainability practices. It also expands the definition of companies whose operations are fundamentally or strategically centered on delivering environmental and social impact, recognizing them as "Sustainability Pure Players."

Introduction

The landscape of sustainability reporting and ESG practices is rapidly evolving, with companies globally increasingly held accountable for their environmental, social, and governance impacts. As the regional overview highlights, Europe has adopted stringent ESG regulations and sustainability ratings, setting a high standard for other regions. In North America, South America, East Asia, and Africa, the momentum towards robust sustainability frameworks is also gaining traction, albeit at varying paces.

In Nigeria, emerging sustainability drivers include growing regulatory pressure, particularly in the finance, oil and gas, manufacturing, and services sectors. The country is beginning to adopt sustainability frameworks; however, challenges remain regarding comprehensive adoption and enforcement. This report presents an in-depth analysis of ESG practices in Nigeria, highlighting the country's performance across the three pillars: Environmental, Social, and Governance. By emphasizing Nigeria's strengths and weaknesses, the report offers insight into areas that require attention to enhance ESG performance.

Global Trends in Emerging Sustainability Issues

North America:

Sustainability in North America is increasingly influenced by the push for renewable energy, electric mobility, and corporate responsibility in reducing carbon emissions. The U.S. and Canada are focused on integrating sustainable practices within industries such as energy, agriculture, and manufacturing. The adoption of electric vehicles (EVs) has gained momentum, and governments are incentivizing clean energy projects. However, the region faces challenges with transitioning from fossil fuels to renewable energy sources and addressing environmental injustices, especially in marginalized communities. According to the World Resources Institute, electrifying vehicles is a key component of reducing emissions in the region, but it also requires addressing the environmental and social impacts of the transition, particularly in vulnerable communities ([World Resources Institute, 2025](#)).

Furthermore, the U.S. government's climate agenda, as highlighted by the Center for American Progress, focuses on ensuring environmental justice by protecting communities from climate threats, improving access to clean air and water, and creating equitable opportunities for all citizens ([Center for American Progress, 2025](#)).

South America:

Sustainability challenges in South America are primarily centered around deforestation, especially in the Amazon rainforest, and its global implications for biodiversity and climate change. Many countries in the region are striving to balance economic growth with environmental

preservation. Initiatives to promote sustainable agriculture, forest conservation, and eco-tourism are gaining traction, but political instability and a lack of regulatory enforcement hinder progress. The World Wildlife Fund (WWF) highlights that deforestation in the Amazon contributes significantly to global carbon emissions, exacerbating climate change and threatening biodiversity (World Wildlife Fund, 2025).

Furthermore, South American countries face growing pressure to address water scarcity, pollution, and waste management issues. The Inter-American Development Bank (IDB) has stressed the importance of improving water management and infrastructure to ensure access to clean water and better waste disposal systems, which are essential for public health and sustainable development (Inter-American Development Bank, 2025).

Africa:

In Africa, sustainability is driven by a need to address issues like climate change, biodiversity loss, and resource management. The region is experiencing significant challenges related to water scarcity, land degradation, and reliance on traditional energy sources. According to the United Nations Environment Programme (UNEP), these challenges are exacerbated by the region's vulnerability to climate change, which threatens agricultural productivity and water availability (United Nations Environment Programme, 2025).

However, Africa is also home to innovative sustainable practices, such as the adoption of solar energy, agroforestry, and sustainable fisheries. The International Renewable Energy Agency (IRENA) reports that solar energy is a key focus in many African nations due to its potential to provide off-grid solutions to rural areas and reduce dependence on fossil fuels ([International Renewable Energy Agency, 2025](#)).

As noted in the regional overview, the rising trend of green investment is evident, with several African nations focusing on integrating sustainability into their national development plans. The African Development Bank (AfDB) has highlighted the importance of green investments in supporting the region's development goals while tackling environmental and social challenges (African Development Bank, 2025).

However, the lack of infrastructure and financing remains a challenge to full-scale implementation of these sustainable initiatives, as noted by the World Bank, which emphasizes the need for improved access to financing mechanisms and infrastructure to achieve sustainability goals ([World Bank, 2025](#)).

East Asia:

East Asia, including China, Japan, and South Korea, plays a significant role in global sustainability trends. China has made strides in reducing its carbon footprint through renewable energy and green technologies, being the largest producer of solar panels and investing heavily in wind and solar power (International Energy Agency, 2025).

Japan and South Korea are focusing on green innovation, energy efficiency, and circular economies. Japan aims for carbon neutrality by 2050, emphasizing hydrogen energy and energy-efficient technologies (Ministry of the Environment Japan, 2025), while South Korea's Green New Deal targets renewable energy and sustainable infrastructure (Government of South Korea, 2025).

However, East Asia faces challenges in balancing rapid industrial growth with sustainability, especially in sectors like manufacturing and transportation, which contribute significantly to environmental degradation. The Asian Development Bank highlights the need for further investments in pollution control and decarbonization ([Asian Development Bank, 2025](#)).

Europe: A Leader in Sustainability

Europe is at the forefront of global sustainability efforts, consistently leading sustainability worldwide. As referenced in the regional overview, the European Union (EU) has set ambitious environmental goals, aiming for carbon neutrality by 2050. The EU's Green Deal focuses on sustainable development through regulations such as the EU Taxonomy for sustainable activities, the Circular Economy Action Plan, and stricter emissions targets. Countries like Sweden, Denmark, and Germany have implemented comprehensive green policies, promoting renewable energy, circular economies, and sustainable urban planning ([European Commission, 2025](#)). Europe's leadership in sustainability is also supported by a well-established regulatory framework, strong public-private partnerships, and a commitment to integrating sustainability into all sectors of society.

This leadership in sustainability is not just about environmental protection, but also about fostering a competitive green economy. Europe's influence in driving sustainability is evident in the global adoption of its green business practices, investment strategies, and climate goals. This demonstrates a market that is not only environmentally conscious but also economically savvy, positioning European companies, including IPMC, as leaders in the sustainable transition (European Investment Bank, 2025).



Methodology Overview

The Methodology section outlines the rigorous approach used to evaluate ESG performance across 167 companies in Nigeria. The selection of Nigerian companies was made to reflect the unique sustainability challenges faced in emerging economies in Africa. Companies were chosen based on sector representation, ensuring a balanced sample from industries including finance, oil and gas, telecommunications, manufacturing, and services. This approach ensures that the assessment provides a comprehensive view of ESG performance within the Nigerian context. The population of rated companies in each sector was determined by industry size and ESG-related engagement. The sample size was selected to ensure statistical relevance, and companies were chosen based on their public available report as at 31st December, 2023. The rating process integrates primary and secondary data

sources. Primary data were collected by administering research instruments to all participating financial services, telecommunications, oil & gas, services, and manufacturing companies, while secondary data were sourced from publicly available outlets.

The criteria for selecting rated companies included:

- Demonstrated public engagement with ESG practices.
- Availability of public sustainability reports or sustainability-related data relevant to their respective sector's material issues.

The weightings for each ESG pillar: Environmental, Social, and Governance, were tailored to each sector based on Global Rating ESG standards. The sectors' weightings were as follows:

Manufacturing: Environmental = 36%, Social = 33%, Governance = 31%

Services: Environmental = 14%, Social = 45%, Governance = 41%

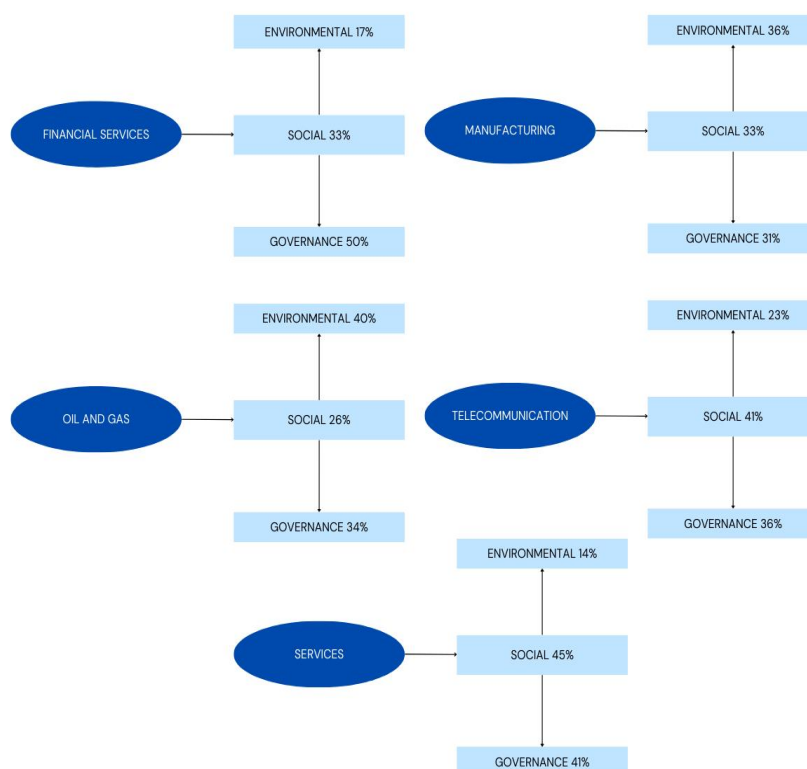
Oil & Gas: Environmental = 40%, Social = 26%, Governance = 34%

Telecommunications: Environmental = 23%, Social = 41%, Governance = 36%

Financial Services: Environmental = 17%, Social = 33%, Governance = 50%

Each sector was evaluated against these weighted criteria to identify ESG performance gaps and opportunities for improvement.

ESG WEIGHTINGS BY SECTOR



Limitations of the Report

While this report presents a robust evaluation of ESG performance across 167 Nigerian companies, certain limitations should be acknowledged. The assessment relied heavily on data extracted from 2023 audited reports, supplemented by direct engagement with the selected companies. Formal requests were sent to all participating companies across the financial services, telecommunications and ICT, oil & gas, services, and manufacturing sectors, seeking additional ESG-related information.

While some companies provided detailed disclosures, many did not respond or submitted incomplete data. Where direct responses were insufficient or unavailable, the assessment relied on publicly available audited reports, the company's website, and verified secondary data sources.

This limitation affected the depth of analysis for some companies, particularly in areas where sector-specific ESG data are not comprehensively disclosed in public reports. Additionally, the quality and consistency of sustainability reporting varied, reflecting broader challenges in ESG disclosure practices within emerging markets.

Despite these constraints, every effort was made to ensure that the final ratings are based on reliable, independently verified information, maintaining the integrity and comparability of the assessment across sectors.

Key ESG Focus Areas

Governance: Governance practices are critical to ensuring transparency, accountability, and ethical decision-making. Key areas include corporate governance, risk management, business ethics, policy influence, Information Security/cybersecurity, materiality, transparency reporting, and tax strategy. *(Note: Tax strategy is not a focus area for the services sector).*

Social: Social factors highlight the importance of human rights, labor practices indicators, corporate citizenship and philanthropy, occupational health & safety, social reporting, and human capital development.

Environmental: Environmental factors emphasize climate strategy, energy, water, waste disposal, land & biodiversity, and environmental reporting. For the financial services and services sectors, the focus is limited to environmental reporting and climate strategy only.

Environmental Profile

This section evaluates a company's environmental strategy and performance across key focus areas: climate strategy, energy, water, waste disposal, land & biodiversity, and environmental reporting. Our assessment is structured around five core themes:

Policies:

We review the company's environmental policies in relation to climate strategy, energy use, water management, waste disposal, land use, and biodiversity. The analysis examines whether these policies are comprehensive or partial in coverage. We also assess the extent to which the company discloses relevant metrics across all focus areas.

Disclosures:

We analyze the company's environmental disclosures, including:

- Greenhouse gas emissions (Scopes 1, 2, and 3)
- Resource usage, particularly energy and water
- Waste generation and disposal practices
- Land use impacts and biodiversity measures
- Overall environmental reporting and transparency

These disclosures provide insight into the company's environmental footprint and operational impact.

Evolution: We evaluate trends in environmental performance across climate strategy, energy, water, waste, land & biodiversity. This includes monitoring progress against established targets and assessing whether the company is effectively transitioning toward sustainability objectives.

Targets and Supply Chain: We assess the type, scope, and progress of the company's environmental targets, with attention to science-based goals and alignment with net-zero strategies. This includes targets for energy efficiency, water conservation, waste reduction, and biodiversity preservation.

Risks and Incident Treatment: We examine critical environmental incidents related to any of the focus areas that occurred. This includes events with high levels of damage or severity, providing insight into the company's risk management practices and responsiveness to environmental challenges.

Social Profile

This section evaluates a company's social objectives and performance across key focus areas: human rights, labor practices indicators, corporate citizenship and philanthropy, occupational health & safety, social reporting, and human capital development. The assessment is organized under the following pillars:

Human Rights: We assess whether the company has a dedicated human rights policy and examine its comprehensiveness and alignment with international frameworks. We consider the implementation and enforcement of these commitments across the organization.

Labor Practices Indicators: We review the company's labor policies and their alignment with international standards, such as those of the International Labor Organization (ILO). This includes evaluating turnover rates, working conditions, and significant labor-related incidents, including employee and contractor fatalities or permanent disabilities.

Diversity and Human Capital Development: We evaluate workforce diversity across the organization, including at the senior management level, and assess the gender pay gap overall and at leadership levels. In addition to gender, other dimensions of diversity are considered. Furthermore, we assess the company's approach to human capital development, including training, career advancement opportunities, and employee engagement.

Corporate Citizenship and Philanthropy: We examine the company's role in the communities in which it operates, including involvement in philanthropic initiatives and community development programs. We also assess customer engagement and satisfaction based on a variety of service and product-related metrics.

Occupational Health & Safety: We review major social incidents classified by the company as severe accidents, minimal accidents and zero fatalities.

Social Reporting: We assess the robustness and transparency of the company's social reporting practices, including the frequency, scope, and quality of disclosures related to social performance.

Governance Profile

This section assesses a company's governance practices across key focus areas: corporate governance, risk management, business ethics, policy influence, information security/cybersecurity, materiality, transparency reporting, and tax strategy. The evaluation is structured around the following components:

Corporate Governance: We examine the company's board structure, including composition, independence, diversity, and employee representation. This includes an assessment of whether diversity and independence are present in a majority or minority of board members.

Risk Management: We assess the existence and effectiveness of the company's risk management systems, with a focus on identifying and mitigating compliance, cybersecurity, and competition-related risks. This evaluation helps determine the robustness of the company's governance framework and overall risk posture.

Business Ethics and Transparency Reporting: We evaluate the company's adherence to ethical business practices, including any history of critical fines, investigations, or significant audit remarks related to fraud or financial reporting. In addition, we assess the level of transparency in the company's public disclosures, including the materiality of information shared and the clarity of reporting across financial and non-financial aspects.

Remuneration: We review the company's remuneration structure, focusing on fairness and alignment with long-term sustainability objectives.

Policy Influence: We assess the company's approach to engaging with public policy, including lobbying activities, political contributions, and other forms of influence. This review considers the transparency and accountability of such activities, and whether they align with the company's stated ethical and governance commitments.

Information Security and Cybersecurity: We evaluate the company's information security framework, including cybersecurity policies, protocols, and incident response measures. This analysis considers how the company protects sensitive data, responds to cyber threats, and ensures business continuity in the face of digital risks.

Materiality and Reporting: We review the company's approach to materiality, ensuring that it identifies and prioritizes issues that are most relevant to its stakeholders and long-term performance. This includes an evaluation of how material issues are integrated into strategic planning and governance processes.

Tax Strategy: We assess the company's tax practices and overall tax strategy. This includes reviewing any fines related to tax misconduct.

Key Findings

The findings reveal significant gaps in sustainability reporting and ESG practices across the assessed sectors. Notably:

Financial Services: 11% of financial services companies published sustainability reports.

Manufacturing: 4% of manufacturing companies disclose sustainability practices

Services: Just 7% of services sector companies provide sustainability reports.

Telecommunications: 13% of telecommunications companies report on ESG matters.

Oil and Gas: Only 5% of oil and gas companies produce sustainability reports.

Climate Risk Assessment: Only 8% of companies prioritize assessing climate risks, while 92% have yet to incorporate climate change considerations into their risk management frameworks. This significant gap poses a major vulnerability, especially as climate-related regulations and risks continue to grow in importance.

Environmental Management Systems (EMS) Auditing: 65% of companies in the evaluated sectors do not conduct independent audits of their Environmental Management Systems (EMS), which are essential for identifying environmental risks and ensuring compliance with international standards.

Recommendations

(For Regulators)

Strengthen Regulatory Frameworks

Develop and Enforce Clear Regulations for ESG Reporting: Regulators should ensure clear and uniform regulations for ESG reporting to guarantee consistency and accountability across all sectors.

Introduce Incentives for Robust ESG Practices: Incentivize companies that integrate solid ESG practices into their core strategies by offering regulatory advantages such as tax breaks or certification recognition.

(For Industry Players)

Enhance Capacity Building and Awareness Training Programs on ESG Practices: Industry players should invest in training programs to build internal expertise on ESG practices, ensuring their teams are well-equipped for sustainability reporting and decision-making.

Public Awareness Campaigns: Corporate leaders should advocate for the importance of ESG by launching campaigns that promote the integration of sustainability into business models and encourage widespread organizational adoption.

Foster Stakeholder Engagement

Collaboration Between Regulators and Private Sector: Industry players must engage in collaborative efforts with regulators, intergovernmental bodies, and other stakeholders to align their ESG strategies with international standards and global best practices.

Benchmarking Against Global Best Practices

Encourage ESG Performance Benchmarking: Companies should be encouraged to measure their ESG performance against global leaders to identify strengths and areas for improvement.

Share Success Stories and Case Studies: Industry players should document and share their successful ESG initiatives to inspire others in the sector to adopt similar practices and improve their sustainability efforts.

Improve Transparency in ESG Reporting

Strengthen ESG Disclosure Requirements: To build trust with stakeholders, companies should prioritize transparent and robust ESG disclosures, ensuring that their reporting is clear, comprehensive, and reliable.

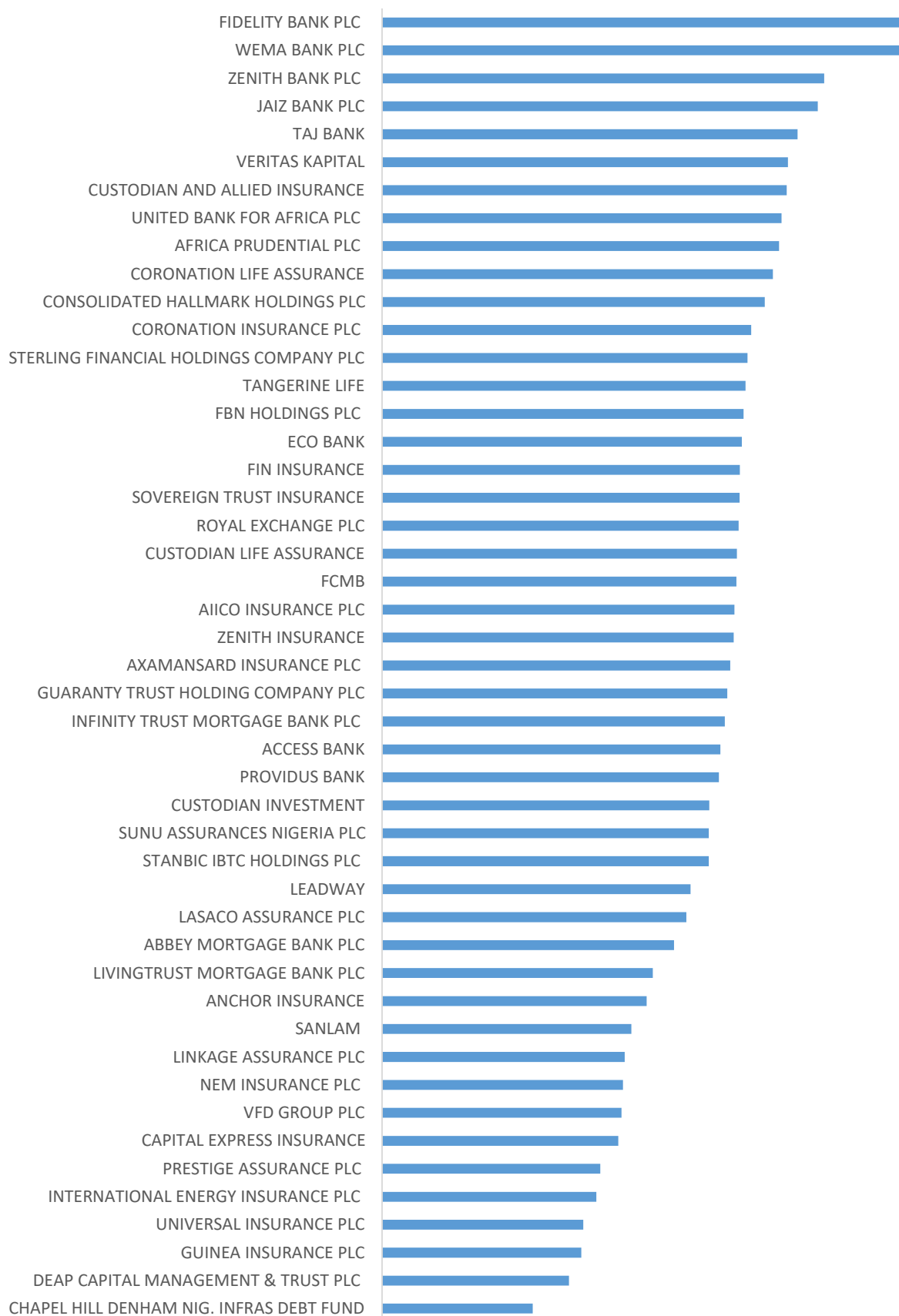
Leverage Technology for Accurate Reporting: Industry players should leverage technology to streamline their ESG reporting processes, making them more efficient and accurate, thereby enhancing the trustworthiness of their sustainability data.

Conclusion

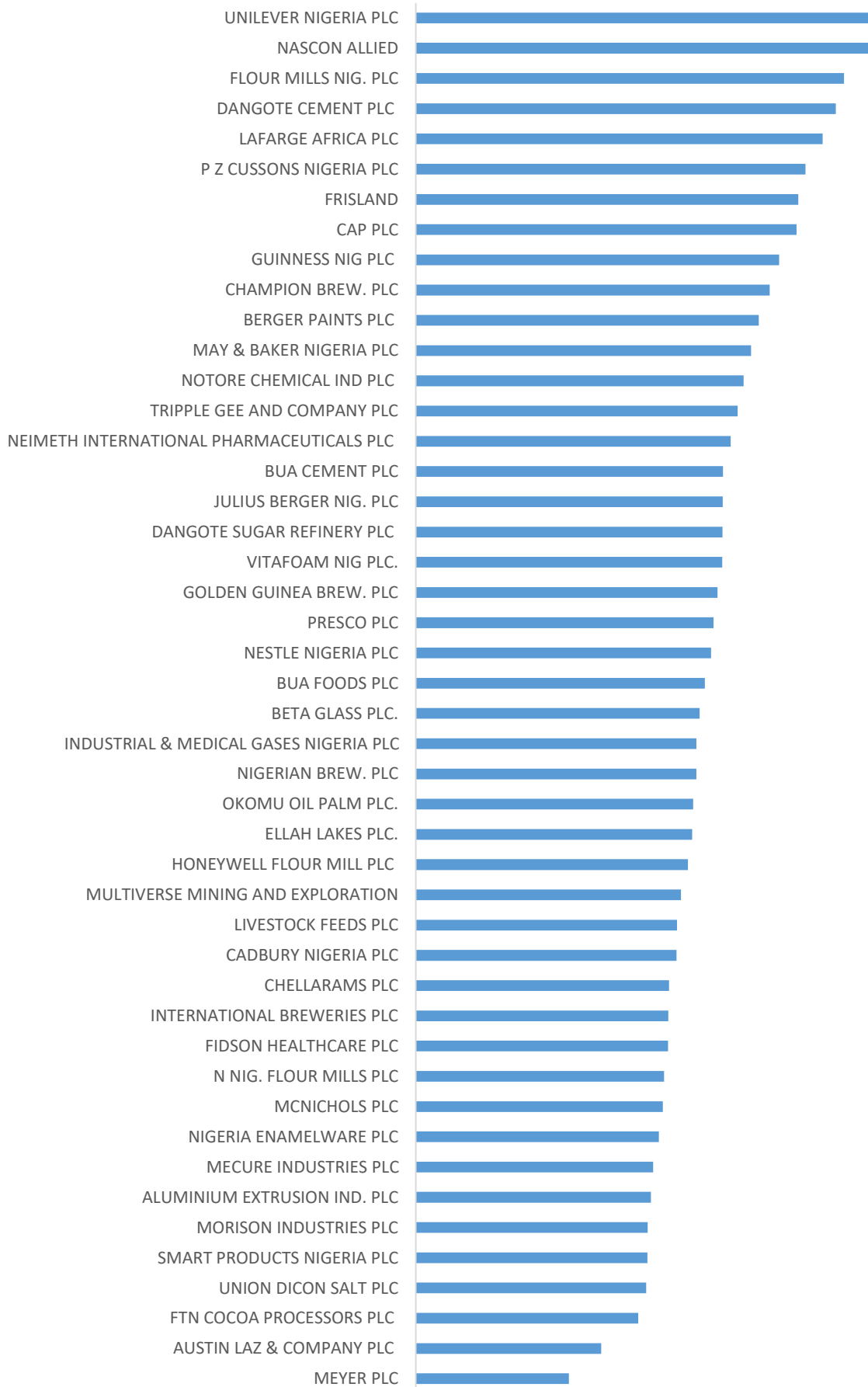
This ESG performance assessment underscores the urgent need for enhanced sustainability reporting across various sectors, particularly in financial services, manufacturing, and oil and gas. The findings highlight significant gaps in transparency and engagement, presenting a clear opportunity for companies to strengthen their ESG practices and align with global sustainability standards. By addressing these gaps and adopting the recommendations outlined in this report, companies can improve their governance, social responsibility, and environmental stewardship, ultimately contributing to a more sustainable and resilient future.



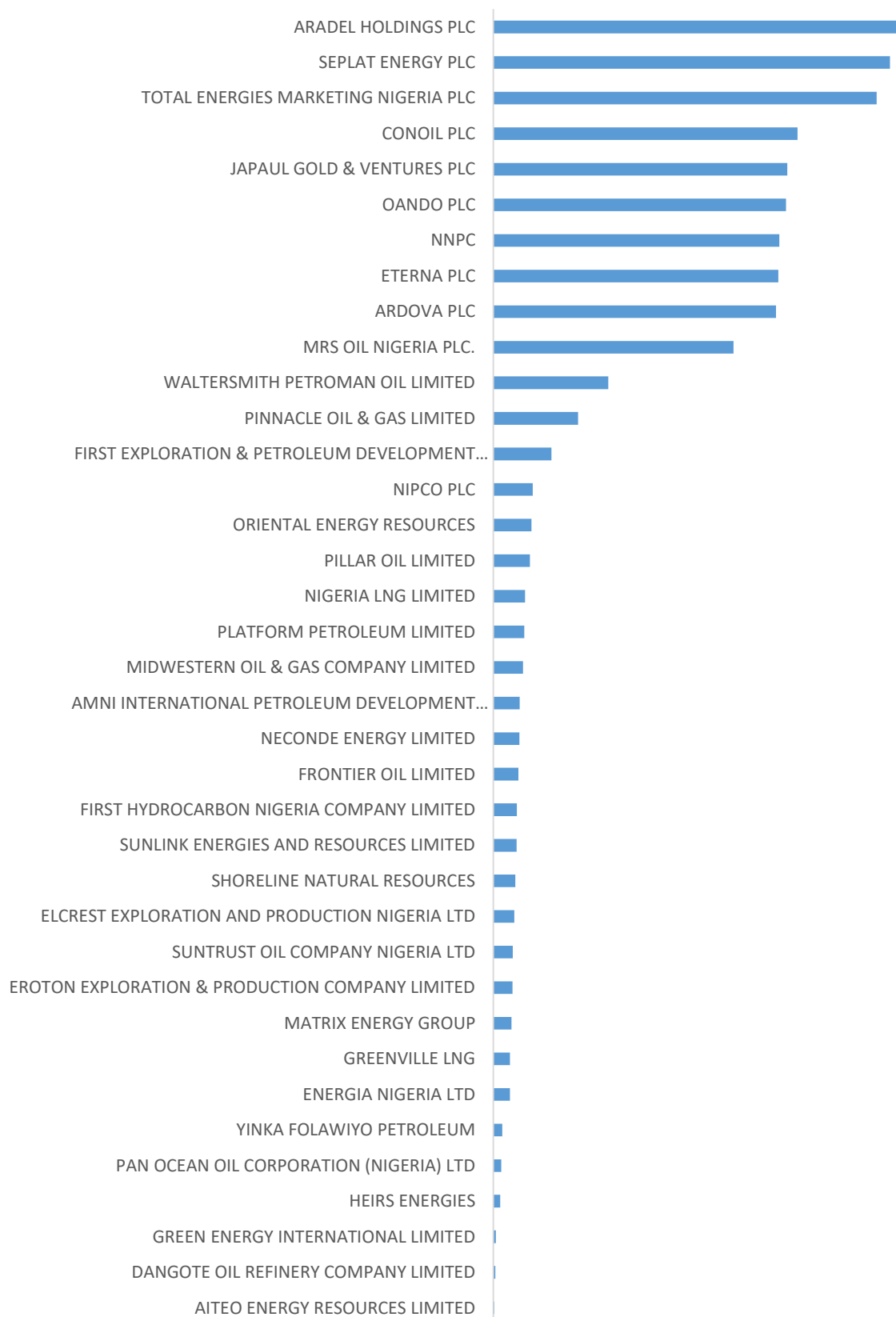
Nigeria Financial Services ESG Rating Results



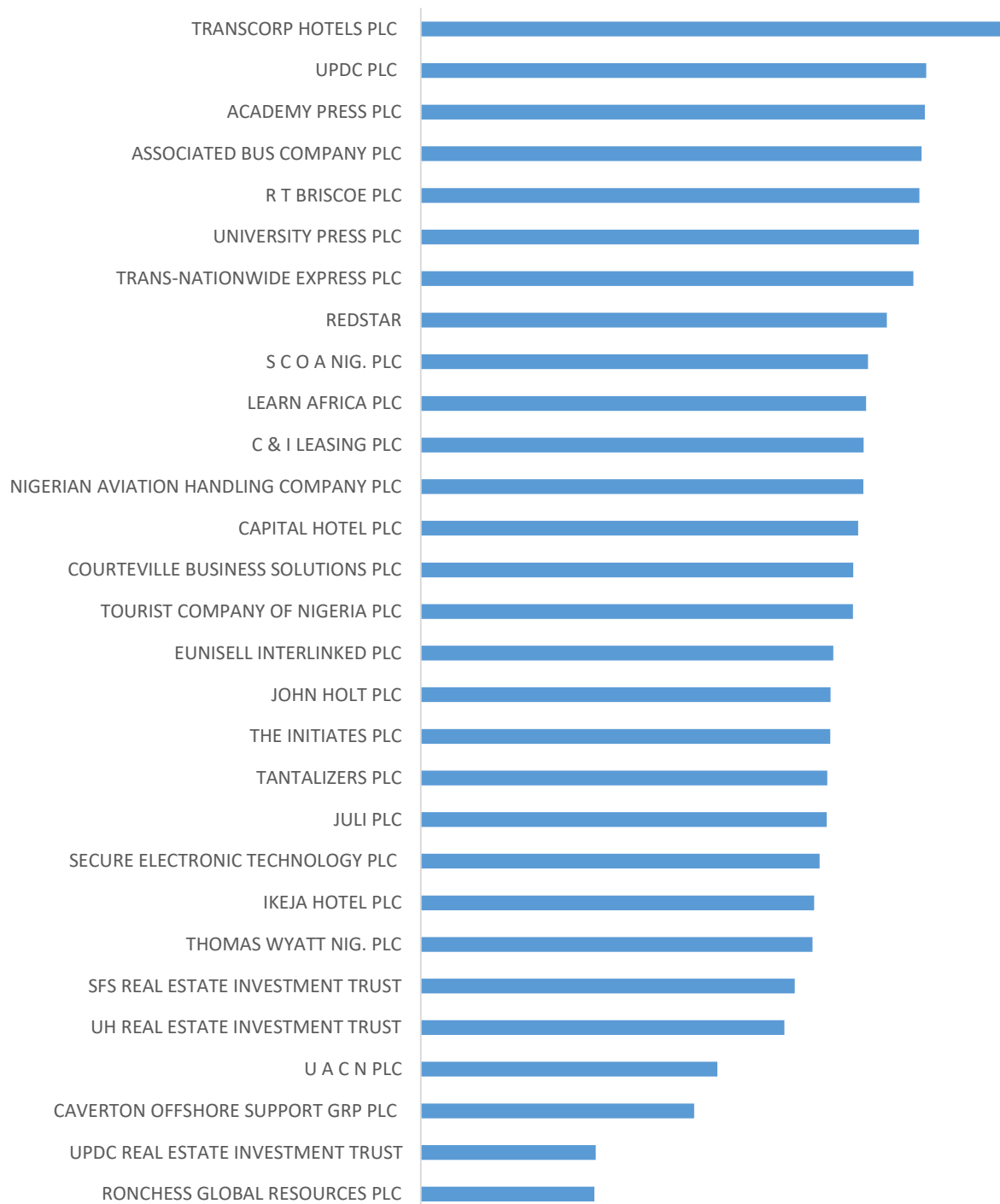
Nigeria Manufacturing Sector ESG Ratings Result



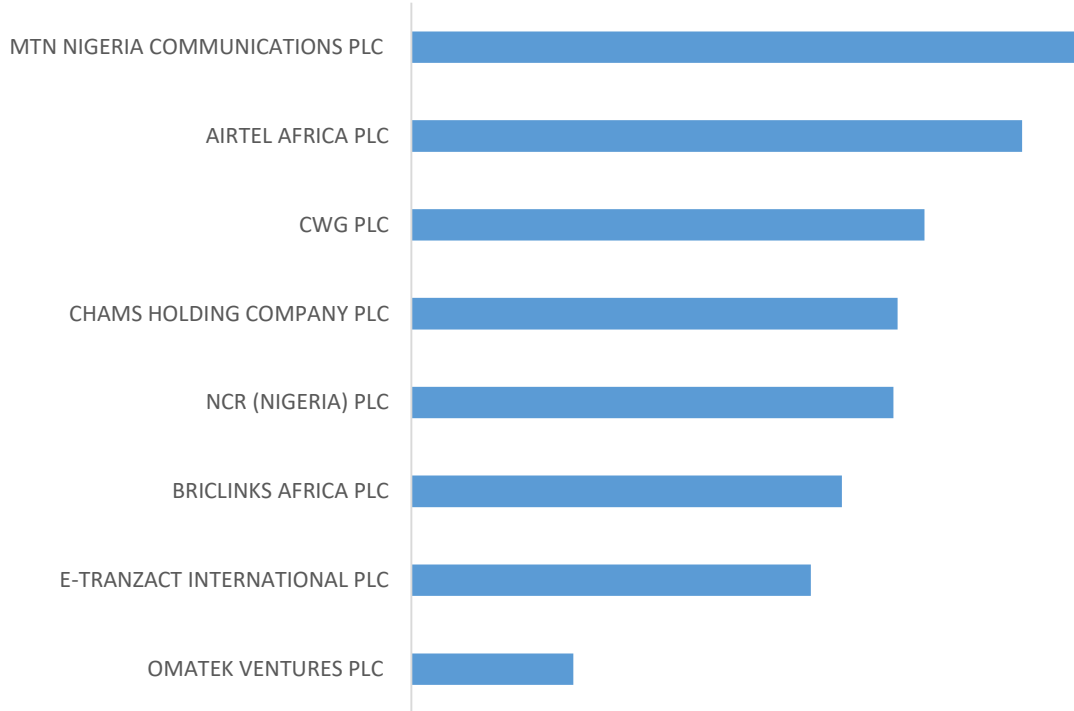
Nigeria Oil and Gas Sector ESG Ratings Result



Nigeria Services Sector ESG Ratings Result



Nigeria Telecommunication Sector ESG Ratings Result





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