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The ESG Gap That Is Quietly Costing You Your Contract

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RISK INTELLIGENCE BRIEF

Most Nigerian oil and gas service companies we speak to are operationally smart. They always deliver and have earned their relationships over years of showing up. The MD knows people. The people know the MD. That is how contracts have been won for a generation in this sector, and there is nothing wrong with it.

But something is subtly different in how decisions are getting made now. Compliance teams now sit between your relationship and your contract approval. When an indigenous operator runs a pre-qualification review, your contact cannot override what the system finds or does not find in your ESG documentation. These operators now have to fulfil this obligation to their investors and lender.

So, here is what will get you through the door: auditable HSE management records, environmental performance data, community engagement logs, governance structures, and a sustainability narrative that reflects how you actually operate. Not a brochure. Not a folder of incident reports from 2021. A structured, verifiable record of responsible operations.

The companies losing ground right now are not the ones with weak technical capability. They are the ones with an invisible ESG record, companies doing genuinely good work that nobody outside their immediate network can verify. In a market where compliance teams, financiers, and new operators are making decisions based on documentation as much as reputation, your invisibility and lack of proper documentation is a commercial liability.

“The relationship got you here. But the record is what keeps you.”

The good news is this: if you have operated responsibly for years, you have more of an ESG story than you realise. You have simply never structured it, documented it, or presented it in a way that creates commercial value. That gap is closable, and closing it is exactly what this brief exists to help you think about, every week.

RISK RADAR

NOSDRA Fines Reach $308 Million as Gas Flaring Rises 17.5%

Nigeria lost 15,400 GWh of power generation potential to gas flaring between January and May 2025, a 17.5% increase on the same period in 2024. Defaulting companies face $308.1 million in cumulative NOSDRA penalties. If your operations involve associated gas, your environmental documentation needs to reflect a credible flare management position and not a silence.

30% of Upstream Licence Holders Remain Non-Compliant on HCDT

A June 2025 BudgIT assessment found that nearly 30% of upstream licence holders in Nigeria had not established a compliant Host Community Development Trust as required by the PIA 2021. NUPRC has signalled licence revocation for persistent defaulters. If your clients are among the non-compliant, their regulatory exposure becomes your operational risk, particularly for Right-of-Way and site access.

Nigeria Commits to ISSB Framework with Mandatory Reporting by 2028

The Federal Government has committed to adopting the International Sustainability Standards Board framework, with mandatory ESG reporting for public interest entities beginning 2028. Service companies in the supply chains of early adopters will face cascading documentation requirements well before 2028. The window to build ahead of the mandate is open right now and it will not stay open indefinitely.

> *“The relationship got you here. But the record is what keeps you.”*

Your action this week.

Conduct a 30 Minute ESG Documentation audit.

Pull together every document your company would present if an operator ask for your operational and non-operational risk record tomorrow. Lay them out, HSE management system, environmental incident records, community engagement log, stakeholder map, governance policy. Then ask this question to your team: would these documents satisfy a compliance team that doe not know our company?

If the answer is no, you now know exactly where to start.

This 30 minutes audit is the most commercially useful thing you can do this week.

> An undocumented track record is a secret. In today's market, secrets will not win you many contracts, structures will.