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PRO ALLY Risk Insight for Oil &Gas Service Companies

THE EXPOSED BUSINESS

Why ESG in Nigeria Is Now an Operational Issue

Not a PR Issue.

Your organisation may have an ESG risk, not a PR problem. Understanding the difference is the most important commercial question you will answer this year.

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THE SHIFT NOBODY ANNOUNCED

Something shifted quietly in Nigeria's oil and gas sector over the last two years. There was no single announcement. No law passed on a particular Tuesday that changed everything overnight. But the service company leaders who have been navigating it are feeling the consequences in the most concrete terms possible. In the pre-qualifications they are not passing. In the contract renewals that did not come through. In the financing conversations that stalled without explanation. In the operator relationships that stayed warm right up until the moment the documentation review began.

The shift has a name. And it is not what most of those companies think it is.

Most of them think they have a visibility problem. That if more people knew how good their work was, if their brand story was better told, if their presence in the sector was stronger, things would be different. So, they invest in communications. They refresh their websites. They publish on LinkedIn. They enter industry awards.

None of it changes the pre-qualification outcome. Because the problem is not their visibility. **The problem is their ESG documentation.**

RISK INTELLIGENCE BRIEF

The Difference Between a PR Problem and an ESG Risk

A PR problem is a perception gap. Your organisation's reputation does not accurately reflect the quality of your work. The solution involves communications, telling a better story, building visibility, demonstrating your capabilities through the right channels.

An ESG risk is an operational gap. Your organisation's actual structures, documentation, governance, and environmental and social management do not meet the standard that your commercial environment now requires. The solution involves building, creating the frameworks, records, policies, and management systems that close the gap between what exists and what is expected.

"You cannot communicate your way out of an ESG risk. No press release closes a documentation gap at a pre-qualification stage. No brand narrative resolves a community dispute that has blocked your Right-of-Way access for three months."

This distinction matters because the response to a PR problem and the response to an ESG risk are completely different. Companies that have misidentified their ESG risk as a PR problem are investing in communications solutions for an operational challenge. They are building the story without building the structure. And in the current enforcement and compliance environment in Nigeria, that gap is becoming commercially fatal.

THREE WAYS ESG HAS BECOME AN OPERATIONAL ISSUE IN NIGERIA RIGHT NOW

- **Pre-qualification has changed.**

The pre-qualification requirements for new engagements with operators and major industry clients in Nigeria's oil and gas sector have shifted materially in the past two years. The shift is not uniform, and it is not always written into tender documents in plain language. But it is real and it is happening in every segment of the sector. Operators under PIA 2021 compliance pressure, NOSDRA enforcement scrutiny, and international financing requirements are cascading ESG documentation demands into their contractor management frameworks. A service company that cannot produce an auditable HSE management system, documented environmental performance records, and a structured community engagement log is increasingly finding itself eliminated at the pre-qualification stage of engagements where its technical capability is not in question

This is not a reputation problem. No amount of communications investment changes the next outcome. Only building the documentation changes it

PREQUALIFICATION HAS CHANGED

- **Community disruption has become a contractual risk.**

Section 277 of the PIA 2021 mandates structured Host Community Development Trusts for upstream operators. Community engagement is no longer a goodwill exercise. It is a regulatory requirement with documented compliance obligations. And the consequences of its absence are operational, not reputational.

When community relationships are managed informally, through personal relationships and unstructured engagement rather than documented processes and formal governance, the exposure is invisible until it is not. A community dispute that might once have been managed through a senior manager's personal credibility is now a potential Right-of-Way blockage, a site access disruption, or an HCDT non-compliance finding that puts your operator client's licence under regulatory scrutiny. Service companies that have not built structured community engagement documentation into their operations are carrying exposure that no communications strategy addresses.

- **Financing conversations are now ESG-gated.**

Energy companies that cannot demonstrate credible sustainability and ESG performance risk losing access to contracts, capital, and investor confidence in the current market. [1]For Nigerian service companies seeking to grow, access new financing instruments, attract international partnerships, or position for the commercial opportunities created by energy transition investments, the ESG documentation gap is increasingly a hard gate rather than a soft preference.
The companies that are inside those conversations today built their ESG records two and three years ago. The companies that are watching from the outside built their communications instead.

THE DIAGNOSTIC QUESTION

There is a simple way to identify whether your organisation has a PR problem or an ESG risk.

"If an operator or financing partner reviewed your ESG documentation tomorrow, with no warning and no opportunity to prepare, what would they find?"

If the honest answer is that they would find a coherent, structured, auditable set of policies, management systems, community engagement records, and environmental performance documentation, you may have a communications challenge. The substance is there and the story simply needs to be told more effectively.

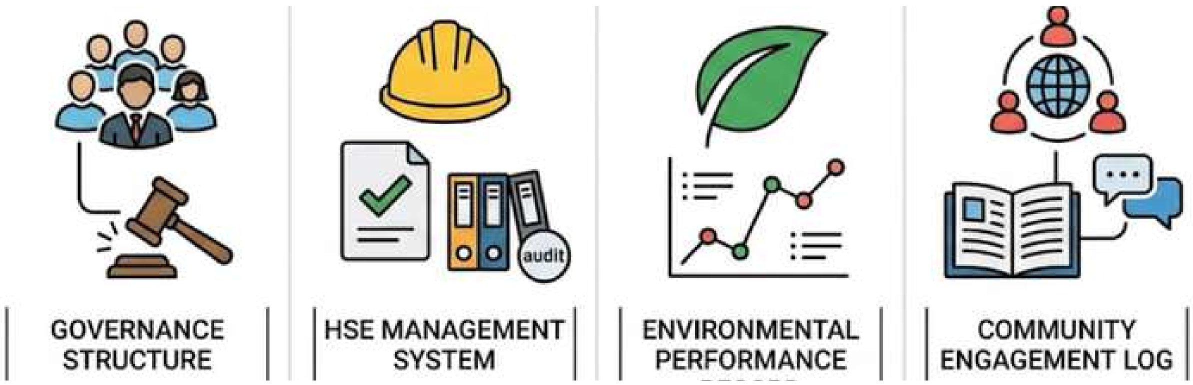
If the honest answer is that they would find fragments, informal records, policies that exist in name only, or simply nothing at all, you do not have a PR problem. You have an ESG compliance and documentation gap. And that risk is already affecting your commercial outcomes whether you have named it yet or not. [2]

WHAT ESG AS AN OPERATIONAL FRAMEWORK ACTUALLY LOOKS LIKE

The shift from **ESG as PR to ESG as an operational framework** is not as complicated as the industry language around it suggests. For a Nigerian oil and gas service company, it means building four things with the same discipline you bring to your engineering or logistics operations.

- A governance structure that defines who owns ESG accountability inside your organisation and how decisions are made.
- An HSE management system that is documented, current, and structured to withstand external audit.
- An environmental performance record that captures your company's conduct across your operational footprint in a form that is evidenced, not asserted.
- And a community engagement log that shows a structured, ongoing relationship with the communities in your operational areas

None of these require a large budget. All of them require a decision. The story can come after the structure. In Nigeria's current ESG compliance environment, it cannot come instead of it.



■ Nigeria's SEC Requires ESG Disclosure for Listed Companies by 2026

The Securities and Exchange Commission Nigeria has formalised ESG disclosure requirements as part of its corporate governance framework, with listed companies required to report on environmental and social metrics from 2026. [3] For service companies in supply chains of listed operators and energy firms, this creates a cascading documentation requirement. Operators that must now report on their supply chain ESG performance will be looking to their contractors for data. Companies without structured records will find themselves creating problems for their most important clients.

■ ILO and NECA Report Confirms ESG Adoption Gap Across Nigerian Corporates

A 2026 report published by the Nigeria Employers Consultative Association in collaboration with the International Labour Organisation found that the level of ESG maturity among Nigerian corporate entities varies significantly, with adoption driven increasingly by operational risk and regulatory exposure rather than reputation management. ■ The report confirms that companies treating ESG as a communications function are falling behind those treating it as an operational discipline, particularly in sectors with direct regulatory exposure.

■ CBN Sustainable Finance Principles Now Extend to Bank Financing Requirements

The Central Bank of Nigeria's Sustainable Finance Principles are increasingly being applied as a condition in commercial bank financing conversations for energy sector companies. ■ Businesses seeking working capital, project financing, or expansion loans from Nigerian banks are encountering ESG due diligence requirements that were not present two years ago. For service companies seeking growth financing, an absence of structured ESG documentation is becoming a barrier at the point where the money is.

ONE ACTION. THIS WEEK. NO EXCUSES.

Answer One Question Honestly Before the End of This Week.

If your most important operator client or financing partner reviewed your ESG documentation tomorrow with no warning, what would they find?

Write down your answer to this question in plain language, not in aspirational terms but in honest ones. If your most important operator client or financing partner reviewed your ESG documentation tomorrow with no warning, what would they find? Write down specifically: what documentation exists, what is missing, and what exists only informally or in undocumented form. Do not type it into a system. Write it by hand. The act of writing it makes the gap visible in a way that thinking about it does not.

That piece of paper is your ESG action plan for this quarter. Every item in the missing column is a decision waiting to be made.

''The companies winning in Nigeria's oil and gas sector right now are not the best-known companies. They are the best-documented ones. Build the record first. Then tell the story.''

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