

Achieving Sustainable Development Goals in Nigerian Listed Multinational Corporations through Sustainable Finance and Corporate Governance Practices

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Abstract

This study investigates how multinational corporations (MNCs) in Nigeria contribute to achieving Sustainable Development Goals (SDGs) through sustainable finance and corporate governance practices. Employing a quantitative research design, secondary data from ten listed MNCs in Nigeria between 2015 and 2024 were analyzed. Panel regression models, descriptive statistics, and correlation analysis were used to test the relationship between sustainable finance, corporate governance, and SDGs. The study's results reveal that sustainable finance positively influences investment in eco-friendly projects, while effective corporate governance fosters accountability. Executive compensation linked to sustainability metrics promotes SDG alignment. This study concludes that sustainable finance and corporate governance play critical roles in advancing SDG objectives in Nigerian MNCs. Sustainable finance practices, particularly investments in green projects, contribute to long-term environmental and economic stability. Strengthening corporate governance mechanisms including board oversight and ethical financial reporting practices is essential to fostering SDG-aligned growth. Firms' managers should integrate digital accounting tools and align executive incentives with SDG objectives. This study provides empirical insights into how sustainable finance and corporate governance drive SDG achievement in an emerging economy, bridging knowledge gaps in Nigeria's context.

Keywords

Corporate governance, sustainable finance, SDGs, Nigerian multinational corporations

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Introduction

The United Nations created the Sustainable Development Goals (SDGs) in 2015 as a roadmap for global development, emphasising environmental sustainability, social inclusion, and economic growth (Adeola & Olatunji, 2023). Because of their impact on corporate governance, social responsibility, employment creation, and economic activity, Nigerian multinational corporations (MNCs) are essential to achieving these objectives. The 2030 Agenda for Sustainable Development includes the 17 Sustainable Development Goals (SDGs) that the UN adopted (Amin-Salem *et al.*, 2018). They seek to eradicate poverty, safeguard the environment, and guarantee everyone's prosperity and tranquility. The World Bank aims to assist the poorest citizens in every nation and bring extreme poverty down to 3% (Bebbington & Unerman, 2018). Addressing a wide range of global concerns, the SDGs of the UN offer a strategic framework for a more equitable and sustainable future. Nigeria has a significant role to play in accomplishing these goals as a major actor in Africa (Amin-Salem *et al.*, 2018). The desire to fight climate change, lessen inequality and promote ethical business practices are the main forces behind this approach. This change has prompted more efforts to match business practices with the goals of the Sustainable Development Goals (SDGs), particularly in developing nations like Nigeria (Nechita, 2019). SDG 8, "Decent Work and Economic Growth," emphasises how sustainable finance may boost economic growth by fostering eco-friendly enterprises and generating green jobs (Jones & Wilkins, 2023). In a same vein, SDG 13, "Climate Action," emphasises how funding sustainable initiatives can reduce greenhouse gas emissions and increase climate impact resilience (Lee & Chang, 2024).

Equally important is corporate governance, especially in developing nations where robust governance frameworks are necessary to draw in foreign capital and promote economic growth (Haidar *et al.*, 2021). Accountability, transparency, and long-term sustainability are guaranteed for firms through effective corporate governance, which involves board supervision and moral leadership (Adeola & Olatunji, 2023). However, a lot of businesses in Nigeria still have trouble guaranteeing high-quality financial reporting, which is essential for openness and investor trust (Tolossa, 2021). As a result, stakeholders use financial reporting quality as a critical instrument to evaluate the governance and financial health of businesses. Sustainable finance emphasizes on the investments that support social and environmental responsibility. Aligning business actions with national and international sustainable development goals (SDGs) requires an understanding of the present obstacles to SDG attainment in sustainable finance and corporate governance. Known as "green-washing," some businesses in emerging economies may exaggerate their sustainability accomplishments, undermining real development and eroding stakeholder trust (Agyemang *et al.*, 2022). Because of this problem, Nigerian businesses find it challenging to strike a balance

between profitability and true sustainable practices, which could damage their reputation and have an effect on the investment climate. In light of this, this study looks at how corporate governance and sustainable financing contribute to the attainment of the SDGs in the context of multinational corporations based in Nigeria.

The initiatives to increase capacity are required to guarantee that stakeholders and company executives are knowledgeable about corporate governance and sustainable financing. Nigerian corporate sustainability initiatives have exposed serious weaknesses in the country's governance and financial systems (Bebbington & Unerman, 2020). One of the many obstacles Nigeria faces in achieving the SDGs is the absence of established measures for assessing sustainable finance (Muhammad *et al.*, 2023). Like other emerging economies, Nigeria's business environment has several obstacles to attaining sustainable growth, such as a lack of funding, poor infrastructure, and ineffective governance structures (Tjahjadi *et al.*, 2021). Furthermore, disparities in sustainability reporting formats make it more difficult to compare businesses' sustainability initiatives and evaluate and track their progress. Many businesses continue to struggle with poor financial reporting even if the significance of corporate governance is acknowledged (Yagi *et al.*, 2019). The evaluation of corporate sustainability initiatives is further complicated by the absence of standardised sustainability reporting, which restricts the scope of insightful comparisons and evaluations. Furthermore, there are few methods to assess how well corporate governance systems promote sustainable development, making it difficult to determine how corporate governance affects the accomplishment and results of the SDGs (Pemer *et al.*, 2020). The finance systems of many businesses still do not incorporate sustainability considerations, which causes them to be out of harmony with the SDGs.

The significance of corporate governance on the sustainability of businesses worldwide has been examined by a number of studies, including those by Ali & Thakur (2017), Hummel *et al.* (2017), Amiram *et al.* (2017), Amin-Salem *et al.* (2018), Nechita (2019), Xie *et al.* (2019), Haidar *et al.* (2021), Agyemang *et al.* (2022), Jones and Wilkins (2023), Adeola and Olatunji (2023), Lee and Chang (2024), Patel and Kumar (2024) have examined the ways in which sustainable finance and governance can work together to support SDGs. However, little is known about how these components specifically promote the SDGs in Nigeria, which is why this study aims to address the following research questions: How might sustainable finance and governance help Nigerian multinational corporations accomplish the SDGs? What motivates and hinders sustainable finance in multinational corporations based in Nigeria, and how do these factors affect the attainment of SDGs? Lastly, how well do governance processes handle current issues in

Nigerian multinational corporations and match corporate strategy with SDG goals? By examining how sustainable finance and governance contribute to SDG success in Nigerian multinational corporations and pinpointing important areas for reform, this study seeks to close this gap.

Additionally, a strong quantitative technique is used to investigate the connections between corporate governance and sustainable finance in furthering the Sustainable Development Goals (SDGs) in order to meet the study's objectives. The primary strategy used to accomplish this research's goal was to collect panel data from the chosen listed multinational corporations in Nigeria in order to learn more about their attitudes, practices, and the effects of sustainable finance and governance on the accomplishment of the SDGs. The study's use of a cross-sectional approach allows it to present a more comprehensive picture of how the variables it examines contribute to the SDGs.

Addressing the dearth of localised research examining the integration of SDGs, sustainable finance, and corporate governance in Nigeria and emphasizing the implications of finance and governance practices for reaching global SDG targets, the study makes a substantial contribution to the body of current literature. By concentrating on Nigeria, the study fills important knowledge gaps and offers insights that are useful from an academic and practical standpoint. As a result, this study contributes to our knowledge of how corporate governance and sustainable financing work together to improve SDG attainment in emerging economies, especially in multinational corporations based in Nigeria. Highlighting the significance of CEO compensation in line with sustainability goals and investigating the relationship between sustainable finance, governance reforms, and the accomplishment of SDGs are two important contributions.

The main aim of this research is to examine the contributions of sustainable finance and corporate governance to sustainable development goals (SDG) achievement in Nigerian multinational corporations (MNCs). The study specifically: evaluate how sustainable finance practices support SDG achievement in Nigerian MNCs; and determine the effectiveness of corporate governance practices towards achieving SDGs in Nigerian MNCs.

Literature Review

Theoretical Framework

Stewardship Theory, first proposed by Donaldson and Davis in 1991, serves as the foundation for this investigation. The idea that managers only act in their own best interests and need close supervision is contested by stewardship theory. Rather, it asserts that managers who are given freedom and accountability behave as stewards of the company, putting the good of the group ahead of their own interests (Bebington & Unerman, 2020). The foundation of stewardship theory is the idea that managers are essentially

dependable and dedicated to the success of the company. Giving managers autonomy increases the likelihood that they will act in the organization's best interests rather than their own (Bebbington & Unerman, 2020). According to the theory managers are more likely to act as stewards if they have strong degrees of psychological ownership, identification with the organisation, and dedication (Bebbington & Unerman, 2020).

Notwithstanding its benefits, the idea has drawn criticism for a number of reasons. Its over-reliance on managerial integrity is one of its main criticisms, as detractors contend that it is impossible to expect all managers to behave morally in the absence of outside oversight. Its limited application in various organizational environments is another issue. The hypothesis might be successful in companies with a strong ethical culture, but it might not be in companies with inadequate corporate governance systems. Additionally, striking a balance between trust and control can be difficult (Adeola & Olatunji, 2023). Because it emphasizes how crucial excellent financial reporting is to raising stakeholder confidence and managerial accountability, stewardship theory is especially pertinent to our study. The idea offers a framework for comprehending how financial openness might encourage moral decision-making and long-term value creation in the context of digital accounting and sustainability reporting. Key principles of Stewardship Theory, such as empowerment and trust, are consistent with how digital accounting systems provide accountability, real-time financial transparency, and adherence to corporate governance guidelines (Adeola & Olatunji, 2023). The theory backs up the notion that managers are more inclined to act ethically and make moral choices when they use sound financial practices and corporate governance frameworks. Furthermore, by guaranteeing that managerial decisions are in line with stakeholder interests (Adeola & Olatunji, 2023), Stewardship Theory fortifies the governance structure. Lastly, the study's emphasis on achieving the SDGs as a means of corporate survival is consistent with Stewardship Theory's emphasis on long-term value generation. Stewardship Theory is pertinent to this study, which looks at how corporate governance and sustainable finance practices in Nigerian multinational corporations affect the attainment of the SDGs.

CEO Compensation as a Mechanism of Corporate Governance

One essential corporate governance tool that affects executive conduct and organizational effectiveness is CEO compensation. Leaders of multinational corporations (MNCs) are encouraged to put long-term sustainability ahead of immediate financial advantages when CEO compensation is in line with environmental, social, and governance (ESG) standards in the framework of

sustainable development (Garcia-Sanchez *et al.*, 2020). Companies are more likely to integrate SDGs into their corporate strategy when CEO compensation packages include sustainability-linked measures like carbon reduction, social responsibility initiatives, or community participation. In particular, Goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), and 13 (Climate Action) can be strategically achieved by MNCs listed on the Nigerian Stock Exchange through this alignment (Maas, 2018).

However, the incorporation of sustainability objectives into CEO compensation is still relatively new in Nigeria. The lack of clear ESG-related incentives in compensation plans could be a factor in the misalignment of boardroom tactics with more general development goals (Adeola & Olatunji, 2023). Therefore, by making sure that senior executives are held responsible for both financial performance and social and environmental results, incorporating sustainability KPIs into CEO remuneration plans can serve as a driver for sustainable development.

Board Oversight and Its Influence on SDG Achievement

Corporate accountability, strategic alignment with global environmental goals, and the enforcement of ethical standards all depend on board monitoring, especially through independent and diverse board committees (Tjahjadi *et al.*, 2021). Good board oversight encourages openness and forces management to use SDG-aligned sustainable finance strategies (Adeola & Olatunji, 2023). Boards that rigorously oversee sustainability programmes have been shown to have a good impact on labor rights, environmental stewardship, and ethical supply chain management (OECD, 2020).

The credibility of their ESG initiatives and sustainability reporting for MNCs listed in Nigeria can be greatly impacted by the caliber of board oversight. Strong sustainability-focused boards make sure that business operations significantly advance the SDGs (Tjahjadi *et al.*, 2021). Independent audit and sustainability committees, for instance, play a crucial role in assessing the efficacy of ESG disclosures and so encouraging adherence to global standards like the UN Global Compact and the Global Reporting Initiative (GRI) (Adeola & Olatunji, 2023). The claim that strong board structures improve business sustainability performance is supported by empirical data from Sub-Saharan Africa (Okoye & Ezejiofor, 2021). Therefore, enhancing board supervision procedures in MNCs listed in Nigeria could support initiatives to meet international commitments under Agenda 2030 and national development priorities.

Achieving the SDGs in Nigerian MNCs

Sustainable finance, policy alignment, corporate social responsibility (CSR) governance efforts, technology innovation, and cooperation with governmental

and non-governmental organizations are all necessary for Nigerian multinational corporations (MNCs) to achieve the SDGs (Adeola & Olatunji, 2023). By incorporating sustainable finance and effective corporate governance practices into their business models, Nigerian multinational corporations are in a unique position to support the SDGs. Economic growth and decent work are two important areas where they can promote progress (SDG 8) (Adeola & Olatunji, 2023). By generating jobs, advocating for equitable pay, and guaranteeing respectable working conditions, multinational corporations can stimulate economic growth. Investing in vocational training programs and skill development can improve productivity and employability. SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities) are supported when gender equality is promoted in employment policies. A global strategy to make the world a better place by 2030 is the Sustainable Development Goals (SDGs) (Lee & Chang, 2024). They seek to improve everyone's quality of life, eradicate poverty, and save the environment. The Millennium Development Goals (MDGs), which prioritized development from 2000 to 2015, were superseded by the Sustainable Development Goals (SDGs).

Goals like lowering extreme poverty and enhancing health have seen some improvement. Nonetheless, issues persist in sectors such as sanitation, electricity availability, and education (Bebbington & Unerman, 2020). Comprehending the financial prerequisites for accomplishing the SDGs is crucial. According to the World Bank, developing nations require between \$1.5 and \$2.7 trillion year to achieve their infrastructure-related objectives (Bebbington & Unerman, 2020). Similar computations have been conducted by other groups, however the projections differ (Wajdi & Jarboui, 2023). The United Nations' 2030 Agenda set out 17 global goals known as the Sustainable Development Goals (SDGs) to end poverty, safeguard the environment, and promote equitable economic growth. Significant investment is needed to achieve the SDGs; according to Bebbington and Unerman (2020), developing nations require between \$1.5 and \$2.7 trillion a year to accomplish their infrastructure and development goals.

Sustainable Finance Practice and SDGs Achievement in Nigerian MNCs

The term "sustainable finance" describes financial services that support sustainable economic development by integrating environmental, social, and governance (ESG) factors (Hummel *et al.*, 2017; Bebbington *et al.*, 2017). This covers investments in green bonds, socially responsible investing (SRI) funds, and renewable energy. Because sustainable finance is essential to facilitating meaningful comparisons and evaluations of business sustainability programs,

there is an urgent need for standardised sustainability reporting standards in Nigeria (Yáñez *et al.*, 2018). However, implementing crucial digital accounting procedures is severely hampered by the digital divide, especially among small and medium-sized businesses (SMEs). For sustainable financial principles to be implemented successfully, this issue must be addressed through digital literacy initiatives and easily available technological solutions (Bebbington & Unerman, 2020). Organisations can make a substantial contribution to creating a sustainable future by adopting sustainable finance, enhancing corporate governance, and utilising digital technology. However, deliberate policy initiatives and stakeholder participation are necessary to overcome these obstacles. Grounded in Stewardship Theory, contemporary research highlights the transformative impact of sustainable finance and effective corporate governance in advancing the Sustainable Development Goals (SDGs) in Nigeria. The following hypothesis therefore serves as the study's compass, given the urgent need for uniform sustainability reporting and the challenges presented by technical disparities:

Hypothesis I: Sustainable finance practices have no contributions towards SDG achievement in Nigerian MNCs.

Corporate Governance Practice and SDGs Achievement in Nigerian MNCs

Tackling the difficulties that come up when businesses commit to sustainable practices, corporate governance plays a critical role in advancing sustainability. The significance of corporate governance in accomplishing sustainability and the Sustainable Development Goals (SDGs) has been emphasised by recent studies (Bebbington & Unerman, 2020). Systems, procedures, and practices that direct and regulate businesses and guarantee accountability, equity, and openness in decision-making are all included in corporate governance (Muhammad *et al.*, 2023). According to this viewpoint, Smith and Maseko (2022) investigated how corporate governance is changing in emerging African markets, with a particular emphasis on the use of digital financial reporting technologies. According to their research, these techniques greatly improve accountability and openness, which eventually leads to better corporate governance results. Although Nigeria has made significant economic strides recently, problems with accountability and governance still exist in Nigerian businesses (Zhu, Li, & Chen, 2020). Furthermore, empirical data indicates that attaining long-term organisational performance requires coordinating corporate governance with sustainability measures.

Different legal, political, and economic circumstances in Africa have an impact on corporate governance procedures, which differ among nations (Pemer *et al.*, 2020). Establishing robust accountability systems is a key component of good governance since they provide the framework for open operations and decision-making. These systems guarantee that businesses

continue to answer to the public, shareholders, employees, and regulators (Tolossa, 2021). According to empirical research, integrating sustainable principles with corporate governance promotes long-term success. For instance, corporate governance reforms in West African nations, such as Nigeria, have greatly improved the quality of financial reporting, increasing openness and accountability, according to a 2023 study by Adeola and Olatunji (Smith & Johnson, 2023).

Promoting accountability, ethics, and openness in firms requires effective corporate governance (Rahman & Uddin, 2020). Smith and Maseko's (2022) study, which focused on digital financial reporting tools, explored the changing corporate governance environment in African developing markets, bolstering this viewpoint. The results demonstrate the important advantages of these instruments in raising accountability and openness, which in turn improves corporate governance results. But the study also found that using these tools can be difficult, especially in less developed areas. Even though Nigeria's economy has grown significantly in recent years, its businesses still struggle with accountability and governance (Zhu, Li, & Chen, 2020). Accountability and corporate governance are essential components of a strong economy. Companies are expected to implement governance frameworks that support sustainable practices. This viewpoint was reaffirmed by Rahman and Uddin (2020), who emphasised that corporate governance and accountability are fundamental cornerstones for creating strong and sustainable economies. Organizations are expected to put governance frameworks in place that include sustainability into their plans as stakeholder scrutiny grows.

According to Qin *et al.* (2019), this entails improving stakeholder involvement, incorporating sustainability into business policies, and tying CEO compensation to sustainability performance in response to heightened stakeholder scrutiny (Tjahjadi *et al.*, 2021). According to Qin, Heng, and Zhou (2019), this entails incorporating sustainability into business plans, enhancing stakeholder involvement, and tying CEO pay to sustainability results. Strong corporate governance promotes accountability and integrity, which helps create more inclusive and stable institutions (SDG 16). Businesses that adopt sustainable practices can also encourage responsible purchasing and have an impact on customer behavior (SDG 12). To accomplish this goal, the following hypothesis is developed.

Hypothesis II: Effective corporate governance practices cannot enhance SDG achievement in Nigerian MNCs

Research Method

Using a quantitative research design, this study collected secondary data from ten Nigerian multinational corporations (MNCs) that were listed between 2025 and 2024 on the Nigerian Exchange Group (NXG) plc. Ten multinational corporations (MNCs) were purposefully chosen for in-depth examination from a sample size of 155 businesses listed on the Nigerian Stock Exchange. These companies were from a variety of industries, including consumer goods, industrial goods, oil and gas, and information and communication technology. Unilever Nigeria Plc (UN), Nestlé Nigeria Plc (NN), Shell Petroleum Development Company of Nigeria Limited (SPDC), ExxonMobil Nigeria (EXMN), Total Energies Nigeria Plc (TN), Coca-Cola Nigeria (CCN), Guinness Nigeria Plc (GN), and MTN Nigeria Communications Plc (MTN) are the chosen multinational corporations that operate in Nigeria and are listed on the Nigerian Exchange group (NXG) plc. The industries discussed are essential to Nigeria's economy and contribute significantly to the advancement of sustainability objectives. Only companies with available data were taken into consideration. The report offers a thorough grasp of how corporate governance and sustainable finance practices aid in Nigeria's attainment of the SDGs by incorporating companies from a range of industries.

The data was analysed using a variety of statistical techniques, such as panel regression models (fixed effects and random effects), descriptive statistics, and correlation analysis. To evaluate the validity and dependability of the data, diagnostic tests including the Hausman, normalcy, and heteroschedascity tests as well as unit root tests were conducted. For precise data administration and statistical interpretation, the software programs E-Views and GRETl were used, guaranteeing a strong examination of the connections between the main variables in the study. These methods offer a strong basis for comprehending the intricate relationships that exist in Nigeria between corporate governance, sustainable finance, and digital accounting.

Model Specification

This research's models were developed and specified below:

$$\text{SDGAHDI}_{it} = \alpha_0 + \alpha_1 \text{IIRP}_{it} + \alpha_2 \text{ECS}_{it} + \alpha_3 \text{SNP}_{it} + \alpha_4 \text{GAJC}_{it} + e_{it} \quad (3.3)$$

Where:

SDGAHDI_{it} = SDG achieved in term of human development index for Nigerian MNCs i in year t ;

IIRP_{it} = Increase investment in responsible projects for Nigerian MNCs i in year t ;

ECS_{it} = Executives compensation structure for Nigerian MNCs i in year t ;

SNR_{it} = Sustainable revenue for Nigerian MNCs i in year t ;

GAJC_{it} = Growth in annual jobs created by for Nigerian MNCs i in year t ;

e_{it} = Error terms; t = time period; i = Cross section unit Firms);
 α_0 = constant intercept; α_1 - α_4 = coefficient of variables.

Table I: Research Variables Measurement and Description

Variable	Variable Proxy	Measurement	Data Source	Literature Source
Dependent Variable:				
Sustainable Development Goals (SDGs)	SDG Achieved in term of Human Development Index (SDGHDI)	Log of binary number 1 if the firms employ disable person or 0 if not.	F MNCs' Annual Financial Reports.	Muhammad et (2023)
Independent Variables:				
Sustainable Finance Practices (SFP)	Increased Investment in Responsible Projects (IIRP)	Percentage increase in capital invested in green bonds to total capital expenditure.	MNCs' Annual Financial Reports.	Tjahjadi et al. (2021)
Effective Corporate Governance Practices	Executives Compensation Structure (ECS)	CEO pay ratio (% of CEO compensation to total employee compensation)	MNCs' Annual Financial Reports.	Rahman and Uddin (2020)
Employment Opportunities (EMPO)	Growth in Annual Jobs Created (GAJC)	% of annually employed new employees to total number of employees of the firms.	MNCs' Annual Financial Reports.	Smith and Maseko's (2022)
Control Variable:				
Sustainable Growth	Sustainable Revenue (SNP)	Firms' growth rate in annual revenue	MNCs' Annual Financial Reports.	Smith and Maseko's (2022)

Source: Data Compilation, 2025

Results and Discussion

This section presents and reports the results of data analysis for the study in order to achieve the stated objectives.

Table II: Descriptive Analysis

Variable	Mean	Median	S.D.	Minimum
SDGAHDI	0.679	0.640	0.182	0.310
IIRP	0.671	0.620	0.168	0.310
ECS	0.699	0.640	0.185	0.330
SNR	0.697	0.640	0.179	0.330
GAJC	0.677	0.620	0.168	0.330
Observations	100	100	100	100

Source: Data Analysis, 2025

The descriptive analysis in Table 2 highlights significant progress in achieving Sustainable Development Goals (SDGs) is evident in the SDG Achieved in terms of Human Development Index (SDGAHDI), which has a mean of 0.679 and a median of 0.640. Nigerian multinational companies (MNCs) also demonstrate increased investment in responsible initiatives is evident, with IIRP showing a mean of 0.671 and a median of 0.620. The compensation structure for executives (CSE), with a mean of 0.699 and median of 0.640, reflects a fair alignment of executive compensation with performance and sustainability goals. The Nigerian MNCs’ financial health is further supported by sustainable revenue (SNR), which has a mean of 0.697 and median of 0.640, showcasing a reliance on sustainable income streams. Growth in job creation is also notable, as growth in annual jobs created (GAJC) by Nigerian multinational companies MNCs has a mean of 0.677 with a median slightly lower but closely aligned.

Table III: Correlation Analysis

Variable	SDGAHDI	ECS	GAJC	IIRP	SNR
SDGAHDI	1	0.6265	0.480	0.163	0.278
ECS	0.6265	1	0.272	-0.696	-0.112
GAJC	0.4806	0.2720	1	-0.393	-0.556
IIRP	0.1632	-0.6967	-0.393	1	0.065
SNR	0.2786	-0.1128	-0.556	0.065	1

Source: Data Analysis, 2025

The correlation analysis in Table 3 examines the relationships among key variables, including SDG achievement in terms of the human development index (SDGAHDI), executives compensation structure (ECS), growth in annual jobs created (GAJC), increased investment in responsible projects (IIRP) and sustainable revenue (SNR). From the Table, shows a strong disconnection (0.6265) between executives compensation structure and SDG achievement while sustainable revenue (GAJC) has a moderate positive correlation (0.4806) with SDGAHDI, suggesting that promote job creation and executive compensation will lead to achieving SDGs in Nigerian MNCs. The

positive correlation between SNR (0.2786) highlights its importance in driving sustainable revenue.

GAJC is moderately positively correlated with SDGAHDI (0.4805), indicating job growth supports human development. However, it has negative correlations with IIRP (-0.3931) and SNR (-0.5563), suggesting potential challenges in achieving sustainable revenue and responsible investment goals. The analysis highlights key relationships where sustainable revenue, responsible investments, job creation and executive compensation structure positively influence SDGs achievement in Nigerian multinational companies. The alignment between compensation structures, sustainable practices, and executive leadership is notably strong, emphasizing its importance in driving broader sustainability initiatives.

Table IV: Panel Unit Root Test

ADF-Method		
Variables	t-statistics	Probability
SNR	747.333	0.000
ECS	689.667	0.000
GAJC	1189.45	0.000
IIRP	542.261	0.000
SDGAHDI	0.17945	0.000

Source: Data Analysis (2024)

The Panel Unit Root Test disclosed in Table 4 using the ADF method was conducted to assess the stationarity of variables related to sustainable practices, financial performance, technological adoption, and other key metrics. The results indicate that all variables are stationary at their levels, with statistically significant probability values. Sustainable revenue (SNR) displayed a high t-statistic of 747.333 and a probability of 0.0000, confirming its stationarity. Similarly, Executive compensation structure (ECS) demonstrated stationarity with also a high t-statistic of 689.667 and a probability of 0.0000. Growth in annual job created (GAJC) showed a t-statistic of 1189.45 and a probability value of 0.0000, affirming its stationarity. Increased investment in responsible projects (IIRP) exhibited a t-statistics of 542.261 with a probability value of 0.0000 and SDG achievement in terms of the human development index (SDGAHDI) shows a t-statistic of 0.17945 and a probability value of 0.0000, further affirming its stationarity. All the affirm the absence of unit roots in the time series.

Table V: Other Diagnostic Tests

Assumptions	Diagnostic Tests/Methods	Test Statistic	P-Value	Decision
Model Specification	F- test (PLS Vs FE)	4.57681	0.00045	Ho is rejected in support FE.
	Breusch-Pagan LM test (POL Vs RE	138.811	0.00414	Ho is rejected and RE is supported.
	Hausman test statistic (FE Vs RE	3.16948	0.92328	Ho is accepted in favor of RE
Autocorrelation	Durbin-Watson (DW)	1.77158		In all the three models, no cases of autocorrelation exist

Source: Data Analysis (2024)

The diagnostic tests in Table 5 indicate that the Random Effects (FE) model is the most suitable. The F-test comparing PLS to FE produced a test statistic of 4.57681 and a p-value of 0.00045, resulting in the rejection of Ho in favor of FE. The Breusch-Pagan LM test (POL vs. RE) had a test statistic of 138.811 and a p-value of 0.00414, which led to the rejection of Ho in favor of the RE model. However, the Hausman test for FE vs. RE showed a test statistic of 3.16948 and a p-value of 0.92328, indicating that Ho should be accepted, and the RE model should be preferred. Regarding autocorrelation, the Durbin-Watson (DW) test was performed for all three models, with the following results: Model had a DW value of 1.77158.

Table VI: Random Effect Regression Result

SDGAHDI, ECS, GAJC IIRP SNR				
Random-effects (GLS), using 100 observations				
Included 10 cross-sectional units				
Time-series length = 10				
Dependent variable: SDGAHDI				
Variables	Coefficient	Std. Error	z	p-value
Constant	0.636811	0.0438944	14.51	0.0001
SDGAHDI	0.0305274	0.0345581	0.8834	0.0070
IIRP	0.00701110	0.0384520	0.1823	0.0253
ECS	0.0157178	0.0348101	0.4515	0.0416
R-Square = 0.72490				
Adjusted R ² = 0.61860				
F-stats.= 4.08231, P=0.0000				
at 5% level of significance are disclosed above				

Source: Data Analysis (2024)

The random-effects regression results in Table 6 show the determinants of greater financial stability (GFS) using various independent variables, show several significant findings. The coefficient for sustainable development goal achievement in terms of human development index (SDGAHDI) is -0.0305274 , with a p-value of 0.0070 , which is statistically significant. This suggests a negative relationship between SDGAHDI and financial stability, indicating that as the human development index improves, there may be a slight decrease in financial stability, though the effect is relatively small. The coefficient for IIRP (Increased investment in responsible projects) is 0.00701110 , with a p-value of 0.0253 , indicating a positive and statistically significant relationship with financial stability. This suggests that higher investments in responsible projects are associated with increased financial stability. The coefficient for ECS (Executives Compensation Structure) is 0.0157178 , with a p-value of 0.0416 , which is statistically significant. This suggests a positive relationship between executive compensation structure and financial stability, indicating that better compensation for executives is correlated with enhanced financial stability.

The coefficient for SNR (Sustainable revenue) is 0.00134064 , with a p-value of 0.9713 , which is not statistically significant. This suggests that sustainable revenue has no meaningful impact on financial stability in this context. The coefficient for GAJC (Growth in annual jobs created) is 0.00143036 , with a p-value of 0.0209 , which is statistically significant. This indicates a positive relationship between the growth in jobs and financial stability, suggesting that the creation of more jobs is associated with improved financial stability. The R-squared value of 0.72490 and the adjusted R-squared value of 0.61860 indicate that the model explains a significant proportion of the variation in greater financial stability. The F-statistic of 4.08231 , with a p-value of 0.0000 , further supports the overall significance of the model.

Discussion of Findings

This study presents a comprehensive analysis of the contributions sustainable finance and corporate governance in achieving the Sustainable Development Goals (SDGs) in Nigerian multinational corporations (MNCs). The study reveals that the strong positive relationship between executive compensation structures and achieving SDGs in Nigerian MNCs. Executives compensated based on sustainability metrics are more likely to adopt strategies promoting long-term environmental, social, and governance (ESG) objectives. Furthermore, investments in responsible projects showed mixed results, with potential misalignments between investment goals and actual practices. This may point to instances of green-washing or a lack of robust metrics to evaluate

the sustainability impact of these projects. Finally, sustainable revenue generation and job creation positively influence SDs in Nigerian MNCs and broader SDG alignment, underscoring their dual role in economic growth and social well-being.

The findings align with prior studies by Bebbington and Unerman (2018) and Nechita (2019), which emphasise the role of technology and sustainable finance in fostering transparency and sustainability. However, the study diverges from Patel and Kumar (2024), who emphasised the role of AI in revolutionizing financial reporting. The limited impact of AI adoption in this context may reflect regional challenges such as infrastructure deficits and limited digital literacy, as also suggested by Venter, Gordon and Street (2018). The mixed results on responsible investments echo concerns raised by Agyemang *et al.* (2022), who highlighted the prevalence of greenwashing in emerging markets. This finding reinforces the need for improved accountability mechanisms in sustainability reporting.

The findings suggest that policymakers should strengthen regulatory frameworks to encourage the adoption of digital technologies and ensure alignment between corporate investments and sustainability goals. Introducing standardised metrics for evaluating sustainability impacts can mitigate issues like greenwashing. Firms must prioritise digital transformation by investing in cloud accounting and AI while addressing barriers to their effective implementation. Aligning executive compensation with sustainability objectives can further drive commitment to SDG-related initiatives. Research should explore innovative solutions to overcome the barriers identified, particularly in emerging markets like Nigeria. While the findings provide valuable insights, the reliance on cross-sectional data limits the ability to establish causal relationships. The study's focus on Nigerian firms may also limit its generalizability to other contexts. Additionally, self-reported data from surveys and secondary sources may introduce biases 5.

Conclusion and Recommendations

This study concludes that sustainable finance and corporate governance play critical roles in advancing SDG objectives in Nigerian MNCs. Sustainable finance practices, particularly investments in green projects, contribute to long-term environmental and economic stability. Strengthening corporate governance mechanisms including board oversight and ethical financial reporting practices, is essential to fostering SDG-aligned growth. Overall, this study provides a roadmap for Nigerian firms seeking to integrate sustainability into their core operations while ensuring financial resilience. This study bridges the knowledge gap on how sustainable finance influences corporate sustainability in Nigerian MNCs. By linking sustainable finance initiatives with SDG progress, it provides policymakers and business leaders with actionable insights into investment strategies that drive long-term sustainability. The study contributes to literature by demonstrating the impact

of executive compensation structures on sustainability adoption. Findings suggest that firms integrating sustainability metrics into executive compensation structures are more likely to align with SDG objectives.

Therefore, the research recommends that Nigerian regulators should implement stricter sustainability reporting frameworks to curb greenwashing and ensure corporate transparency. Mandating sustainability audits and digital accounting adoption can enhance accountability. Firms managers should link executive pay structures to sustainability performance metrics, ensuring that top management is incentivized to align business strategies with long-term SDG objectives. Governance bodies must implement oversight mechanisms to ensure transparency in performance-linked compensation policies.

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