

# **Relationship between Environmental Sustainability on Oil & Gas Sector Performance: A Conceptual Framework**

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Latterly, sustainability issues are increasingly affecting all sectors, specifically oil and gas companies which are selective in the adaption of business practices to respond to environmental issues as crucial topics of stakeholders and investors. Nowadays firms are fully under pressure of society and their stakeholders for adoption of environmental sustainability orientation in order to minimize the harmful effects of its business operations on the natural environment by considering the ecological issues in business strategies formulation. Although the previous literature highlights the importance of environmental sustainability, there is no study to demonstrate the value and importance of environmental sustainability orientation in oil and gas companies of Pakistan as a developing country. The oil and gas sector of Pakistan is contributing towards health and environmental damages at large levels that are lowering their overall performance and stakeholder's trust. Therefore, this paper aims to propose a conceptual framework for environmental sustainability orientation in the context of the oil & gas sector to demonstrate the integration of environmental sustainability orientation in business practices to boost financial and non-financial performance. On basis of literature findings, a conceptual framework has been proposed to address the literature gaps and relationship between environmental sustainability orientation (internal and external) and oil & gas sector performance by using four perspectives of the balanced scorecard (financial, customer, learning & growth and internal business process performance). This paper will contribute to the existing literature of environmental sustainability orientation in oil and gas companies to eliminate negative impacts on the environment. Moreover, the oil & gas sector of Pakistan can use the proposed framework to improve their financial, customer, learning & growth, and internal business process performance by focusing on environmental sustainability orientation in their strategy formulations and external business practices. This framework will be helpful to top management of the oil & gas sector in understanding the utilization of environmental sustainability orientation to improve financial & non-financial performance.

**Keywords:** *Balanced Scorecard, Environmental Sustainability Orientation, Oil & Gas Sector Performance, Stakeholder Theory*