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Environmental Disclosure and Financial Performance of Listed Oil and Gas Companies in Nigeria: A Review on Literature

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Abstract
Climate change and global warming are some of the major challenges facing the world, and operations by companies mostly cause this environmental challenge. The environmental challenges have effects on the environment. These effects include pollution, emissions, and environmental degradation. Companies especially those whose operations have effect on the environment should disclose their financial commitments towards the environmental improvement, most especially those companies whose operations has to do with pollution and other environmental hazard. Disclosing environmental information in annual reports continues to be a recent issue in research. The existing empirical works on environmental disclosure and financial performance have shown mixed results. . The mixed results require further investigation. The aim of this study is to review literatures on effect of Environmental disclosure on financial performance of listed oil and Gas companies in Nigeria, and to identify the possible factors that accounts for the mixed results.
Based on the review there are positive and negative effects, it means that through disclosing environmental information it will have effect on the financial performance of oil and gas companies in Nigeria. Therefore companies should disclose environmental information in their annual reports. The differences in results could be as a result of the voluntary nature of Environmental disclosure in Nigeria, in presenting environmental information, to ensure uniformity in reporting environmental issues, there is no definite accounting standards but rather guidelines in Nigeria.
The Government should come up with clearly defined policies, standards on environmental disclosure and ensure its implementation. Further studies can be conducted in this research line, in different industries and different time periods and also by monitoring updated guidelines and policies of the government on environmental disclosure.
Key Word*:Environmental Disclosure, Financial Performance, VoluntaryDisclosure, MandatoryDisclosure*

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I. Introduction

Climate change and global warming are some of the major challenges facing the world, and operations by companies mostly cause this environmental challenge. The environmental challenges have effects on the environment, these effects includes pollution, emissions, and environmental degradation. Ohidoa, Omokhudu andOserogho (2016) are of the opinion that companies especially those whose operations have effect on the environment should disclose their financial commitments towards the environmental improvement, most especially those companies whose operations has to do with pollution and other environmental hazard. Disclosing environmental information in annual reports continues to be a recent issue in research. According to Almosh and Monsor (2020), non-financial reporting is growing as companies, stakeholders and shareholders know that these issues eventually affect the overall long term performance of companies.

According to Samuel and Ekundayo (2016), Companies are facing pressures to demonstrate responsibly towards the environment, in responding to these pressures companies disclose on environmental impact of their activities The demands by the communities are increasing, companies are required to disseminate more information on environmental issues(Luo and Tang 2014).It is expected that company's effort about the host environment should be disclosed in the annual reports for the public to see the efforts put in by the company in maintaining it's environment.

In Nigeria, in presenting environmental information to ensure uniformity in reporting environmental issues, there is no definite accounting standard but rather guidelines issued by some organizations e.g Regulation Enforcement Agency Act of 2007. These guidelines are not mandatory in nature but rather advisory, because it is not mandatory most companies tend to disclose information just to conform to industry practices, pressures from environmental advocates. (Okafor 2018).

Okafor (2018) posited that environmental accounting disclosure positively impact the business value of an organization, and hence improve financial performance. Financial performance is a general measure of how

well a firm uses it's resources to generate profits and can be measured using accounting measures of profitabilityand Liquidity (Gatimbu andWabwire, 2016). In a broader sense, financial performance refers to a degree to which financial objectives are met, it is the process of measuring the result of a firm's policies and operations in financial terms (Yahaya andLamidi, 2015).

According to Sharifaand Baktiar (2011), companies regarded as highly environmentally sensitive are involved in operations and production of products.The process of the production maybe hazardous because the waste products from these operations are disposed or discharged directly to the environment. The production activities of oil and gas sector have far reaching visible environmental impacts, and this have adverse effects on the environment such as ecological emissions, damages, landscape destruction and pollution.

Financial performance usually measures how effective or efficient a company is in its operations, it measures profitability of companies using return on equity, assets, investment and market value using earnings per share. Organizations commitment to environmental issues as it affects the community is vital for enhanced financial performance.According to (Clarkson, Li, Richardson and Vasvari, 2008) the most important issue which affect the potential of a firm's performance is environmental information. The issues relating to the environment have impact towards the companies future performance (Latridis,2012). Organizations are expected to compliment efforts of the community by providing basic infrastructures especially in their host communities. Such efforts assist firms gain competitive advantage, promote the image and reputation of the companies there by improve their financial performance (Oti&Mbu-ogar, 2018)

The existing empirical works on environmental disclosure and financial performance have shown mixed results Some studies like Oti and Mbu-Ogar (2018) Egbumike andOkerekoeti (2017) Ahmed , Zakaree andKolawale (2016) shows a positive relationship while studies byCharles, John andUmeoduagu (2017) Oraka andEgbumike(2016) shows a negative relationship. The mixed results require further investigation.The aim of this study is to review literatures on Environmental disclosure and financial performance of listed oil and Gas companies in Nigeria, and to identify the possible factors that accounts for the mixed results.

II. Literature Review

The main objective of the study is to examine the effect of environmental disclosure on financial performance of listed oil and gas companies in Nigeria. This section covers reviewon previous works on the subject matter. The reviewcovered the concept of environmental disclosure, measurement for environmental accounting disclosure, concept of financial performance, and theoretical framework. This review shows what has been done on the subject matter and situates the current study.

Concept of Environmental Disclosure

According to Panigrati (2015), environmental disclosure as information provided for the assessment of company's behavior towards it's environment and the economic consequence of such action, it provides financial and non-financial information. Ejoh, Orakandand Sakey (2014),defined environmental disclosure as the set of information that relates to a company's past, current and future environmental activities. Ong, Tho, Hoh Thai and The (2016), viewed environmental disclosureas a statement that shows the company's environmental efforts including company's objectives, environmental policies and environmental impacts, this are reported and published annually to the general public. Dibiaand Onwuchekwu (2015), opined that environmental disclosure helps companies capture public perception toward their operation. Environmentaldisclosure serves as a medium of communication between the company and stakeholders, disclosure is necessary because of the importance of environment and the devastating impact of companies's activities on the environment (Abubakar, Moses &Inuwa2017).

Based on the conceptions of the above authors, environmental disclosure is about the information that relates to the environmental activities, these activities could be in the past, present or future, it should be reported annually to the public. This information can be in form of financial and non-financial information and quantitative or qualitative in nature. Environmental disclosure covers all information relating to the environment, this information is disclosed or made available through the company's annual report. Environmental disclosure entails that a company is required by law to voluntarily or statutorily provide environmental information in annual reports. It can be deduced also that environmental disclosure communicates relevant information as a result of the companies operations as it affects the environment to stakeholders and society as a whole.

Measurement of Environmental Disclosure

Environmental disclosure has been measured either quantitatively using content analysis or qualitatively using environmental disclosure index. Based on review of literature,some researchers used both quantitative and qualitative approach to measure environmental accounting disclosure. Researchers such as

Abubakar, Moses andInuwa (2017), Adams and Busola (2017), Ong et al. (2016) and Buniami (2010) used both approaches to measure environmental accounting disclosure of companies.

Quantitative Approach to Environmental Disclosure Measurement

According to Neuman (2011) quantitative approach to environmental disclosure is the use of objective and systematic counting and recording procedures to produce description of the content in text. Ong et al. (2016), stated that the quantity of environmental accounting disclosure can be measured using content analysis which is considered to be the famous technique employed by previous studies. It can be measured using words count, sentences count and pages count.

Annual reports of firms contain both financial and non-financial information, this financial information is easily interpreted using financial ratios while non-financial information can be interpreted using a research tool known as content analysis (Adams &Busola 2017). According to Zhang andWildermith, (2009), content analysis places importance on non-financial information; speeches, texts and specific context. Information can be measured per category or per company by counting the data items i.e number of sentences and number of pages (Hassan & Marston, 2010).

According to Krippendorf(1999) as cited in Adams andBusola(2017), content analysis is a research technique that is used for making replicable and valid inferences from data to their context. It is a research tool used for contextualized interpretation of documents. The quantitative approach to measurement of environmental disclosure has been employed in prior researches to measure environmental disclosure in studies conducted by Uwuigbe, (2011) Ajibolade and Umuigbe (2012) Oba and Fodio (2012) Jumani (2014) Akinlo and Iredele2014),BasseyEffiok and Eton (2013) Onyali. Okafor and Egolum(2014) and Eljayash (2015).

Qualitative Approach to Environmental Disclosure Measurement.

The quality of environmental disclosure is often difficult to measure, and remains an area of interest and controversy in academic literature (Adams andBusola, 2017). There is no generally accepted measurement of disclosure quality,however several academic literatures have measured environmental disclosure quality on the basis of how the researchers deem fit and the purpose of the study. Saddique(2015) defined qualitative environmental disclosure as the quality attributes as given by the most used environmental and accounting regulating framework and guidelines. Qualitative approach is also known as the scoring measure. Researchers quantify the provided environmental information when using this measurement tool by identifying specific items, and then analyze using a scoring system (Elshabasy, 2017). The quality of environmental disclosure of a company is very crucial in evaluating the company's environmental performance and is regarded as the key value for corporation growth (Ong et al, 2016).

The quality of environmental disclosure can be determined through disclosure index (Eljayash 2015). According to Ibrahim (2014) when using disclosure score for each company under study, items identified are measured by counting the total number of items disclosed by each company and divide by each company and divide by the total items in the study disclosure. Prior studies that used the qualitative approach of measurement for environmental disclosure include; Eljayash (2015)Uwuigbe (2012) Galari, Gravasand Stravropoulous (2011) and Salah (2009).

Concept of Financial Performance

Financial Performance has been defined by various authors in extant literature. According to Verma (2019) financial performance in broader sense refers to the degree to which financial objectives has been accomplished. It measures results of a firm's policy and operations in monetary term, and overall financial health over a period of time. It can also be used to compare similar firms across the same industry, industries or sectors.

Kenton (2018) defined financial performance as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's financial health over a given period of time, and can be used for comparison across industries. Kenedy andMacmilan(2017) viewed financial performance as anevaluation of profitability and financial strength of any business concern. Financial performance is measuring the results of a firm's policies and operations in monetary terms, these results are reflected in the firm's return on investment, assets e.t.c. (Okafor 2018).

Financial performance refers to the measurement of the company's policies, activities and operational results in financial terms.These results are reflected in the firms return on investment, assets, equity, capital employed and profitability (Ijaz andNaqui 2016). Financial performance is a general measure of how well a firm uses it's resources to generate profits it was measured using accounting measures of profitability (Pandey 2005).Yayaya andLamidi (2015) defined financial performance as the degree to which financial objectives are being met. It is the process of measuring the results of a firm's policies and operations in financial terms. Financial performance is used to measure Firm's overall health over a given period of time and can also be used

to compare similar firms across the same industry or different industries and sectors (Yahaya, Kutigi and Ahmed, 2014).

Based on the above it can be deduced that financial performance is used as an indicator of a firm's financial health over a period of time and can be measured in different ways including profitability, return, market share and liquidity.In the world of finance, financial performance is measured to give the account of stewardship by the management team to the shareholders. The key aspect of this involves measuring the profitability, market value and growth prospect of a company. Financial performance is commonly used as an indicator of a firm's financial health over a given period of time. The financial performance of a firm can be defined or measured in various and different ways including profitability, market share growth, return on investment, return on equity and liquidity.

Environmental Accounting Disclosures and Financial Performance

Based on review of literature,data on environmental disclosure can be extracted easily from annual reports of companies. Environmental disclosure can affect financial performance of companies either positively or negatively as discussed below;

According to Yahaya (2018) disclosing information regarding a firm's environmental practices may be beneficial to the firm's reputation and by extension help improve firm's financial performance. Nyirenda, Ngwakwe, and Ambe (2013) are of the view that disclosing environmental information has no significant effect on financial performance of firms.According to Magara, Aminga, andMomanyi (2015) environmental accounting disclosure is significantly positively related to financial performance of firms.

Ezejiofor, John-Akamelu, Chigbo (2016) assessed the effect of environmental accounting disclosure on the performance of organizations in Nigeria. The study found that environmental accounting disclosure does not impact positively on financial performance of corporate organizations in Nigeria. Rakiv, Islam, and Rahman (2016) examined the relationship of financial performance and extent of environmental accounting reporting disclosure in the annual reports. The research disclosed that there is a significant positive relationship between company profitability and environmental accounting reporting. Onyinyechi&Ihendinihu (2016) examined the impact of environmental disclosure and corporate social responsibility accounting on organizational financial performance of firms in Nigeria. The result showed no significant impact between environmental accounting disclosure and financial performance.

Gatimbu&Wabwire (2016) assessed the effect of Environmental Disclosure on financial performance of listed firms at the Nairobi Securities Exchange, Kenya. Findings revealed that environmental disclosure has a positive significant effect on financial performance.

Utile, Tarbo and Ikya (2017) investigated the effect of environmental reporting on the financial performance of listed manufacturing companies in Nigeria. The study found that environmental accounting disclosure has significant 0020n fc firms. Yayaya (2018) examined the effect of environmental accounting disclosure on financial performance of manufacturing companies. The study revealed that environmental accounting disclosure has significant effect on financial performance of manufacturing companies.

Bassey, Effiok and Eton (2013) examined the impact of environmental accounting and reporting performance. It was found from the study that environmental disclosure has significant relationship with firm's profitability.

According to a research by Polasek (2010) it was established that businesses that try to minimize negative environmental impact of their activities can benefit through new business opportunities. For instance, a business that actively cares for the natural environment has a better chance of succeeding, and a better chance of attracting new customers from the ranks of environmentally conscious consumers, and hence improves financial performance.

Olayinka andOluwamayowa, (2014) in a study conducted, concluded that the disclosure of the environment information resulted in an improvement in the organization financial performance.

Caesaria andBasuki(2017) concluded that environmental accounting disclosure leads to an improvement in the organization's financial performance by improving the confidence of potential investors and creditors, thereby enhancing the image of the organization.

Environmental Disclosure and Return on Asset

Financial Performance can be measured through the accounting measures. Return on asset is one of the profitability ratios used to measure financial performance. This has been used by researchers to measure financial performance of firms.

Ezeagba, John-Akamelu, andUmeoduagu(2017) in a study conducted on environmental disclosure and financial performance of food and beverage companies in Nigeria, revealed that there is a significant relationship between environmental accounting disclosure and return on asset.Dessy andSuryaningsih (2015) documented a significant effect between environmental disclosure and return on assets. Rokhmawati, Sathye,

and Sathye (2015) found out that environmental accounting disclosure has a positive and significant effect on ROA.

Environmental Disclosure and Return on Equity (ROE)

Financial Performance can be measured through profitability, and return on equity (ROE) has been used by researchers to measure profitability of firms.

Dessyand Suryaningsih (2015) examined the effect of environmental disclosure on financial performance using companies listed on the Indonesian Stock Exchange. The results showed that environmental performance has significant effect ROE. Adediran and Alade (2013) investigated if there is any significant relationship between environmental accounting disclosure and financial performance in Nigeria. The results showed that there is significant negative relationship between environmental accounting and return on equity.Agbiogwu, Ihendinihu, andOkafor (2016) examined the impact of environmental and social costs on performance of Nigerian manufacturing companies. Results showed that environmental and social cost significantly return on equity of manufacturing companies.Ezeagba, John-Akamelu, andUmeoduagu (2017) examined the relationship between environmental accounting disclosures, return on equity of food and beverage companies in Nigeria. The study revealed that there is a significant relationship between environmental accounting disclosures return on equity.

Environmental Disclosure and Profit Margin

Financial Performance can be measured through profitability, and profit margin has been used by researchers to measure profitability of firms. Ezeagba, John-Akamelu, andUmeoduagu (2017) in a study conducted on environmental disclosure and financial performance of food and beverage companies in Nigeria, revealed that there is no significant effect between environmental accounting disclosure and profit margin. Nor, Bahari, Adnan, Kamal and Ali (2016), documented a significant positive effect between environmental disclosure and profit margin.. Nwaiwu and Oluka (2018) found out that environmental disclosure has a positive and significant effect on Profit margin.

Environmental Disclosure and Cashflow

Financial Performance can be measured through the modern approach , and cashflow ratios have been used by researchers to measure financial performance of firms. Oraka andEgbumike (2016) studied environmental disclosure in financial statements of consumer goods manufacturing companies in Nigeria. The result indicated environmental disclosure has significant effect on total assets turnover no significant effect was found for cash flow ratio.

Teoh, Pinjoo and Lang (2015), documented a significant positive effect between environmental disclosure and cashflow. Liu, Guo ,Guan and Chen (2019), found out that environmental disclosure has a positive and significant effect on cashflow..

Environmental Disclosure and Earnings per Share (EPS)

Financial Performance can be measured through profitability, and earnings per share (EPS) have been used by researchers to measure profitability of firms.

Agbiogwu, Ihendinihu, andOkafor (2016) examined the impact of environmental and social costs on performance of Nigerian manufacturing companies. Results showed that environmental and social cost significantly affect earnings per share of manufacturing companies.Ahmed, Zakaree andKolawole (2016) examine the impact of social and environmental disclosure on financial performance of listed manufacturing firms in Nigeria. The findings of the study indicated Social and environmental disclosure has significant positive effect on earnings per share, and hence profitability of companies

Adediran andAlade (2013) investigated if there is any significant relationship between environmental accounting disclosure and financial performance in Nigeria using earnings per share as a proxy for measurement of financial performance. The results showed that there is significant negative relationship between environmental accounting earnings per share.

Theoretical Framework

To examine the effect of Environmental Disclosure on Financial Performance of Listed Oil and Gas Comapnies in Nigeria. Two theories were reviewed. These theories include legitimacy theory and stakeholder's theory. These theories focus on the role of information and disclosure between organization and groups.

Legitimacy theory

The legitimacy theory was derived from the concept of organizational legitimacy, which has been defined by Dowling &Pleffer (1975) as cited in Lawan (2016) as a theory that posits that organizations

continually seek to ensure that they operate within the bounds and norms of their respective societies. A company that adopts legitimacy theory perspective will voluntarily report on activities of the company as it affects the community in which it operates. (Deegan 2002). Legitimacy theory relies on the notion that there is a social contract between a company and the society in which it operates. It provides an overview of the social contract. It is used to represent the expectations society has about how an organization should conduct its operations. It is considered that an organizations survival will be threatened if the society perceives that the organization has breached its social contract (Deegan 2002, Mathew 1993).The legitimacy theory is the most widely used to explain environmental disclosure.

According to Cho and Patten (2007), the legitimacy theory implies that environmental disclosure is a function of the intensity of societal and political pressure faced by a company regarding the environmental performance. To react to this pressure, firms try to provide more environmental information Using the legitimacy theory perspective, firms voluntarily disclose environmental information to show that they conform to the expectations and values of the society within which they operate. Deegen (1996) suggest that social expectation does not just depend upon generation of profit but has broadened to include health and safety of employees and local communities as well as concern for the natural environment. Firms need to disclose voluntary environmental information to meet the broad expectations of the society relating to employee welfare, community and natural environment.

Stakeholder Theory

The Stakeholder Theory was pioneered by Freeman 1984, Freeman 1984 defines Stakeholder theory as any group or individual who can affect or be affected. The stakeholder theory is one of the various approaches that try to explain or rationalize strategy of organizations. It has its main underpinning, placed on the role of stakeholders of a firm in the pursuit of its objectives. It acknowledges the dynamic and complex relationships between organizations and their stakeholders and that these relationships involve responsibility and accountability (Gray et al., 1999). Stakeholder analysis enables identification of those societal interest groups to whom the business might be considered accountable, and therefore to whom an adequate account of its activities would be deemed necessary (Woodward 2001). The stakeholders of a firm are viewed as being a critical factor to the survival of the organization.

According to Friedman and Miles (2002), the concept is about how the organization should be and how it should be conceptualized. It is stated that the organization should be thought of as a group of stakeholders and its purpose should be to manage the interests, needs and viewpoints of the stakeholders. Managers must manage the organization for the benefit of the stakeholders, ensuring that their rights are taken care of. (Friedman & Miles, 2006). Scholars argue that this is critical to the long term survival of the corporation. In a broader view, the concept of stakeholder view can be expressed in the sense that the role and purpose of the organization is not anymore guided by profit making maximization of shareholders‘ wealth; but also to defend an image and values respecting the special relationships that arise and develop between it and all its stakeholders (Friedman & Miles, 2006). The theory is much concerned with active management of the business environment, relationships and the promotion of shared interests in order to develop business strategies

The relevance of this theory to this study is that management should try and build a framework that will be responsive to the concerns of stakeholders who are being affected by unprecedented levels of environmental issues and change.

III. Empirical Review

Environmental Disclosure have been the subject of discussion and research over the years among academics and accounting practitioners. Prior studies conducted on the subject matter by various authors over the years availed the following results.

Emmanuel, Elvis andAbiola(2019) studied environmental accounting disclosure and performance of listed Companies in Nigeria from 2007 – 2016. Data were analyzed through the use of multiple regression. The result of the study shows that non-financial indicators of environmental disclosure have a positive significant effect on performance, while performance indicator of environmental accounting disclosure has no effect on performance of firms.

Polycarp (2019) conducted a research on environmental accounting and financial performance of oil and gas companies in Nigeria from 2016-2017. Data was collected from annual reports, performance was measured using Return on equity, earnings per share and net profit margin. Multiple regression was used to analyze the data, the study found out that environmental disclosure has no relationship with financial performance.

Yayaya (2018) examined the environmental disclosure and financial performance of Listed Environmentally –Sensitive Firms in Nigeria. Data were collected for fifty listed environmentally-sensitive firms. Data were analyzed using descriptive statistics, correlation analysis and multiple regression. The result

indicated that environmental disclosure and financial performance have positive and significant relationship. The regression results shows that environmental disclosure has positive and significant effect on financial performance

Okafor (2018) studiedthe effect of environmental accounting reportingon firm financial performance. Data were obtained from published financial reports of quoted oil companies listed in the Nigerian Stock Exchange for a period of tenyears from 2006-2015. Multiple regression was used to analyze the data. The study revealed that environmental accounting reporting significantlypositively affects performance of companies in Nigeria.

Oti&Ogar (2018) examined the impact of environmental and social disclosure on financial performance of selected oil and gas companies on the Nigerian Stock Exchange over a period of five years from 2012-2016. Data were extracted from the annual reports and accounts of five sampled oil and gas companies. Ordinary least square regression was used to analyze the data. The study revealed that environmental and social disclosure positively affects financial performance.

Nwaiwu andOluka (2018) empirically examined the effect of environmental disclosure on financial performance of firms in Nigeria for a period of fiveyears from 2011-2015. Data were analyzed using multiple regression. The result indicated environmental disclosure has a significant positive effect on financial performance of firms.

Ezeagba, Racheal, andChiamaka (2017) conducted a study that investigated the relationship between environmental disclosure and financial performance companies in Nigeria for a period of ten years from 2006-2015. Data were analyzed using multiple regression. The study found a significant relationship between environmental disclosure and financial performance of companies.

Ahmed, Zakaree andKolawole (2016) examine the impact of social and environmental disclosure on financial performance of listed manufacturing firms in Nigeria. Ten companies were selected,multiple regression was used to analyze the data. The result of the study indicated that environmental disclosure has significant positive impact on earnings per share, and hence profitability of companies.

Oraka andEgbumike (2016) studied environmental accounting disclosure in financial statements of listed companies in Nigeria. The study extracted data from the annual reports of twenty two companies for a period of one year. Multiple regression technique was used to analyze the data. The result indicated environmental disclosures has significant effect on total assets turnover and returns on equity, and no significant effect was found for cash flow ratio and current ratio of manufacturing companies.

OnuaraandEgbunike(2016) conducted a research on appraisal of environmental accounting information in the financial statements of Consumer Goods manufacturing companies. Data was analyzed using multiple regression technique. The study found out that there is a significant effect of environmental disclosure on total asset turnover.

Ofregbu andAminoritse (2016) examinedenvironmental disclosure in the Nigerian manufacturing firms. The study covered a period of seven years 2008-2014, using ten companies. Data were analyzed using multiple regression. The study found out that firm financial performance has a significant impact on environmental disclosure.

The existing empirical works on environmental disclosure and financial performance have shown mixed results. Some studies like Oti&Ogar (2018) Ahmed ,Zakaree&Kolawale (2016) shows a positive relationship while studies like Oraka&Egbumike 2016 shows a negative relationship. The differences in results could be as a result of the voluntary nature of Environmental disclosure in Nigeria, disclosure of Environmental information is not mandatory but rather voluntary in nature, so this information are disclosed by the companies as they wish. Also in Nigeria in presenting environmental information, to ensure uniformity in reporting environmental issues, there is no definite accounting standard but rather guidelines. Therefore different formats, content or approaches are used to Environmental disclosure and companies tends to disclose in different formats.According to Galant and Cadez (2017), one of the major reason for the diverse and mixed results of the relationship between Environmental disclosure and financial performance is themeasurement issues, some use quantitative method while some use the qualitative methods and also the researcher's subjectivity and being biased in selection.Most researchers useaccounting-based measures to measure the relationship between financial performancesand Environmental disclosure, some studies use stock market-based performance, the different methods could lead to different results and discussions.

IV. Conclusion

The study reviewed literature on Environmental disclosure and financial performance of Nigerian listed oil and gas companies. Based on the review there are positive and negativeeffects, it means that through disclosing environmental information it will have effect on the financial performance of oil and gas companies in Nigeria. Therefore companies should disclose environmental information in their annual reports. It is pertinent to state that the mixed results of these studies conducted calls for replicative studies to be conducted in

other industries and at different periods. It is also pertinent to state that the mixed results of these studies conducted calls for further studies and investigation. Apotential solution to the problem is the standardization of Environmental disclosure reporting and mandatory disclosure of Environmental informationin annual reports. The Government should come up with clearly defined policies, standards on environmental disclosure and ensure its implementation. Future studies in this line of research can be performed by monitoring updated guidelines and policies of the government on environmental disclosure.

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