

ABSTRACT

Commercial banks are the back bone of financial sector of Pakistan and any disturbance in their activities can cause lack of confidence in customers, which may further arises the liquidity crisis and more serious macroeconomic issues. The fair and genuine information disclosure about social and environmental issues can also play a positive role in building up the good confidence level of customers.

The objective of this study is to check the impact of corporate governance on the extent of social and environmental information disclosure in listed commercial banks of Pakistan. Different proxies of ownership structure and board composition are used to measure the impact corporate governance. This study demonstrates that there is a significant positive relationship between board size, non executive independent directors on board and social and environmental information disclosure. In addition there is no significant relationship between director's ownership, institutional ownership and extent of social and environmental information disclosure. Moreover significant positive association is found between block ownership and the extent of social and environmental information disclosure. It is recommended that investors, who want to invest in the firms with high social and environmental information disclosure, should invest in those firms having large board size, high proportion of non executive independent directors on board and high level of block ownership.

Keywords: social and environmental information disclosure, board size, independent non executive directors, director's ownership, block ownership, institutional ownership, generalized least square, listed commercial banks.

Jel Classification: G, G3, G21, F64