

Impact of Corporate Governance on Environmental Disclosure: Empirical Study on French and Algerian Companies

Charchafa Ilyes^{1*}

Abstract

The study aims to examine the relationship between corporate governance and environmental disclosure of a group of French and Algerian companies. In the case of French companies, 102 listed companies in Paris stock exchange were randomly selected. Based on their 2015 annual reports, and by using a content analysis method, the findings indicate a relatively low level of companies' environmental information disclosure. Besides the correlation and regression analysis results show that Board independence, independent Audit committees and Government ownership are significantly and positively related to the extent of environmental disclosure, while Ownership concentration is negatively related to the extent of environmental disclosure. Neither board size, separation of CEO/Chairman roles, nor environmental and social committees, nomination and remuneration committees reveal significant association with environmental disclosure quantity. Within the case of Algerian companies, five of the largest Algerian companies that are environmentally sensitive were selected for inclusion in the study based on their 2013-2014 annual reports. By using content analysis method, the findings indicate a very low level of companies' environmental disclosure. Also by conducting the correlation analysis and Mann-Whitney test results show that board size, separation of CEO/Chairman roles and Government ownership have no significant relationship with the extent of environmental disclosure. The study has concluded with a set of recommendations highlights the need to create appropriate frameworks, which would provide a suitable environment to encourage companies to adopt the best corporate governance and environmental disclosure practices.

Keywords: Corporate Governance, Environmental Disclosure, Ownership Structure.

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¹ University of Setif1 – Algeria *Email: lcharchafa@univ-setif.dz