

# Foreign ownership and environmental disclosure: Empirical evidence from Italian medium-sized companies

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Abstract ID: 310

Inviato: 11/04/2024

Evento: XXII Workshop Annuale SIEPI

Argomento: 5. Governance, organizzazione, capitale umano e produttività

Parole chiave: SMEs, environmental disclosure, family firms, ownership, signalling theory

This study examines the signalling value of environmental disclosure in Italian unlisted medium-sized manufacturing firms to address information asymmetry issues. Leveraging information from a unique survey, we explore how foreign ownership influences the information asymmetry through environmental disclosure practices compared to Italian ownership. Findings reveal that foreign-owned firms exhibit a higher likelihood of signalling, particularly for institutional owners, while Italian-owned businesses, especially family firms, show lower disclosure needs due to strong stakeholder ties. Moreover, debt exposure and growth prospects amplify the environmental disclosure need for foreign-owned companies but not for Italian-owned ones, in which different mechanisms occur.