

Governing the Circular Transition. How Board Characteristics boost Disclosure Practices

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Abstract

This paper explores the relationship between corporate governance and the disclosure of circular economy (CE) practices, particularly focusing on the influence of board characteristics on the extent and quality of CE disclosures. As regulatory pressures and stakeholder expectations regarding sustainability intensify, understanding the drivers behind CE disclosure has become increasingly relevant within the accounting literature. Drawing on institutional and agency theories, the proposed study will examine how variables such as board independence, gender diversity, CSR committee, and CEO duality affect firms' disclosure of CE initiatives in their sustainability reports. The research will employ a mixed-method approach, combining content analysis of sustainability reports with econometric modeling based on a sample of firms subject to sustainability reporting requirements under the EU framework. This paper aims to contribute to academic research and policy debate by identifying governance mechanisms enhancing transparency in the CE transition. Expected contributions include a more nuanced understanding of how board composition shapes strategic sustainability communication and the provision of evidence-based recommendations for regulators and standard setters. Although results are still forthcoming, the paper is positioned to fill a gap in current literature by linking boardroom dynamics to the emerging field of CE disclosure, a key and in the evolution research stream of accounting and corporate accountability literature.

Keywords: Circular economy disclosure, corporate governance characteristics, European listed companies, strategic sustainability communication.