

ABSTRACT

Demands for the application of sustainability principles in business are increasing in line with the development of the global Sustainable Development Goals (SDGs) agenda and awareness of the importance of environmental, social, and governance (ESG) aspects. Although ESG has become an important standard for assessing a company's non-financial performance and is supported by regulations in various countries, its implementation in the ASEAN-5 region, including Indonesia, still faces significant challenges such as low-quality sustainability reports and the risk of greenwashing practices. This situation hinders corporate transparency and accountability in disclosing genuine commitments to sustainability, thereby reducing stakeholder trust and threatening the effectiveness of ESG initiatives.

This study aims to analyze the influence of digital transformation, company size, executive compensation, gender diversity, and sustainability committees on ESG performance in publicly listed non-financial companies in the ASEAN-5 (Indonesia, Malaysia, Singapore, Thailand, and the Philippines) during the period 2019–2023. This study uses purposive sampling with a sample of 775 observations from all ASEAN-5 countries. Data were analyzed using panel data regression methods with the assistance of EViews 12 software.

The results of this study indicate that digital transformation, company size, executive compensation, gender diversity, and sustainability committees simultaneously influence ESG performance in ASEAN-5 and each country. Partially, digital transformation influences ESG performance in ASEAN-5, Malaysia, Singapore, and Thailand. Firm size influences ESG performance in ASEAN-5, Indonesia, Singapore, and Thailand. Executive compensation only influences ESG performance in the Philippines, while gender diversity only influences ESG performance in Malaysia. Sustainability committees influence ESG performance in ASEAN-5, Indonesia, Malaysia, Singapore, and Thailand.

These findings are expected to provide investors with new insights into non-financial factors that affect company performance and serve as a reference for more sustainable and responsible investment decisions. The limitations of this study are indicated by the relatively low adjusted R² value, suggesting that there are still many other factors that can be explored by future researchers. Recommendations for companies, investors, and regulators are to strengthen ESG policies and practices in the ASEAN region to enhance corporate sustainability performance and maximize benefits for all stakeholders.

Keywords: Digital Transformation, Company Size, Executive Compensation, Gender Diversity, Sustainability Committee, ESG, ASEAN-5, Sustainability.