

ABSTRACT

This study examines the effect of ESG disclosure on firm value among non-financial companies in the ASEAN-5 countries—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—during the 2017–2024 period, with institutional ownership as a moderating variable. Firm value is proxied by Tobin's Q. The study addresses the inconsistent findings in prior literature regarding the relationship between ESG disclosure and firm value, particularly in emerging ASEAN economies.

Using a balanced panel of 236 non-financial companies with 1,888 firm-year observations obtained from the Bloomberg database, this study applies panel data regression using the Fixed Effects Model (FEM) with clustered standard errors. The analysis is conducted on both the full ASEAN-5 sample and individual country sub-samples to capture cross-country heterogeneity. The moderating role of institutional ownership is tested through an interaction term between ESG disclosure and institutional ownership. A robustness test using a quadratic ESG disclosure term is further employed to examine the potential non-linear relationship between ESG disclosure and firm value.

The results show that ESG disclosure has a negative and significant effect on firm value at both the ASEAN-5 level and across all individual countries. Institutional ownership does not moderate the relationship between ESG disclosure and firm value in the ASEAN-5, Indonesia, the Philippines, and Thailand, but significantly weakens the relationship in Malaysia and Singapore. The robustness test further indicates that a non-linear relationship between ESG disclosure and firm value is only identified in Singapore and Thailand.

Keywords: ASEAN-5, ESG disclosure, firm value, institutional ownership, Tobin's Q.

