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Analysis of ESG Disclosure in ASEAN Countries: The Influence of Board CSR Orientation, Board CSR Strategy,GRI and National Cultural Demensions

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Abstract: This study aims to examine the influence of board CSR orientation, board CSR strategy, the adoption of the Global Reporting Initiative (GRI), and national cultural dimensions on Environmental, Social, and Governance (ESG) disclosure in ASEAN countries. The data used in this research is derived from 147 companies over the 2014–2023 period, with a total of 1,470 observations. The data analysis technique applied in this study is Panel Data Regression using STATA 17. Board CSR orientation was found to have a significant positive influence on ESG disclosure, as boards committed to CSR are able to enhance transparency and the quality of ESG reporting, as well as build stakeholder trust. Board CSR strategy also significantly encourages the integration of CSR into corporate strategies, which improves transparency and supports long-term sustainability goals. Furthermore, the adoption of GRI guidelines shows a significant positive impact, helping companies produce structured and comparable reports, thus enhancing competitiveness and investor confidence. In the aspect of national culture, individualism has a significant positive influence on ESG disclosure, as such cultures tend to emphasize transparency and reputation. On the other hand, uncertainty avoidance has a significant negative effect, indicating that cultures with low levels of uncertainty avoidance prioritize flexibility over structured ESG reporting. Meanwhile, the femininity dimension shows a positive but not significant impact on ESG disclosure, which may be attributed to weak regulatory frameworks in ASEAN. Control variables such as firm age, board size, and board meeting frequency also influence ESG disclosure.

Keyword: ESG Disclosure, Board CSR Orientation, Board CSR Strategy, GRI, National Cultural Dimensions, ASEAN Countries, Sustainability.

INTRODUCTION

With the growing global focus on sustainability and corporate social responsibility, the concept of Environmental, Social, and Governance (ESG) has become an increasingly important part of modern business strategies. Attention to non-financial information provided by companies has significantly risen in recent years, particularly in the fields of accounting and sustainability (Helfaya et al., 2023). Companies are now facing demands from various stakeholders to disclose information regarding their environmental, social, and governance (ESG) performance, reflecting their responsibility for the social and environmental impacts of their operations (Muñoz-Torres et al., 2019).

The term ESG (Environmental, Social, and Governance) was first introduced in 2004 in the "Who Cares Wins" report published by the United Nations Global Compact. The main purpose of introducing this concept is to encourage companies around the world to consider ESG factors in their financial market activities, such as investment decisions and business strategies (Swiss Federal Department United Nations of Foreign Affairs & United Nations, 2004). ESG is considered a development of the concept of Corporate Social Responsibility (CSR), which was previously widely known. The difference is, ESG has a more comprehensive scope, because it does not only focus on corporate social responsibility, but also highlights other important issues such as good corporate governance and the environmental impact of daily business operations (Aboud & Diab, 2019).

With increasing public awareness of the importance of social and environmental responsibility, the pressure on companies to act more transparently is also increasing. The public and stakeholders now demand that companies openly disclose how they handle environmental issues, employee welfare, and how they manage their internal governance. To meet these demands, companies have begun to implement more transparent and open sustainability strategies. One way companies demonstrate this transparency is by disclosing their ESG information publicly, so that the public can see and evaluate the steps taken by the company in addressing important issues related to sustainability (Raimo, Caragnano, et al., 2021).

Disclosure of ESG information is not only beneficial to the public, but also serves as an important reference for investors who want to make more responsible and sustainable investment decisions. Investors increasingly rely on ESG data to assess the long-term risk and sustainability of a company. Thus, companies that openly share their ESG information tend to be viewed more positively by the market and have a higher appeal to investors (Arif et al., 2021; Raimo, Vitolla, et al., 2021).

Climate change and social issues, such as poor working conditions and safety violations, have driven an increased awareness of ESG disclosure. This is particularly relevant in the business climate context of ASEAN, where differences in culture, regulation, and levels of economic development create unique challenges in the implementation and reporting of ESG (Moussa et al., 2022). ESG investment in ASEAN has been on the rise since the COVID-19 pandemic, reflecting growing awareness of sustainability issues (Oxford Business Group, 2021) . ESG frameworks play a key role in this trend by encouraging companies to disclose their environmental and social risks, enabling investors to make informed decisions while holding companies accountable for their sustainability efforts. ESG ratings, which are determined using a combination of quantitative data and qualitative assessments by analysts, provide scores in various categories as well as an overall rating for each company, helping investors evaluate their ESG performance (Abdelkader et al., 2024; Helfaya et al., 2023; Song, 2024).

In Southeast Asia, six main countries—Singapore, Malaysia, Thailand, Vietnam, Indonesia, and the Philippines—are working harder to improve ESG (Environmental, Social, and Governance) reporting in their company reports. Singapore requires listed companies to create annual sustainability reports using a global framework. Malaysia needs companies to include statements about managing economic, environmental, and social risks. Thailand promotes sustainability reporting based on local and international standards, and Vietnam asks public companies to report their environmental and social impacts according to GRI guidelines.

In Indonesia, since 2020, companies must make sustainability reports following OJK rules and submit a Sustainable Finance Action Plan. The Philippines also requires companies to provide sustainability information in their annual reports, with penalties for those that don't comply. Among these countries, Thailand has the best ESG performance, while Vietnam and Indonesia face more risks because they are involved in high-risk industries like mining and oil, and their management is not as effective (Pan, 2021)

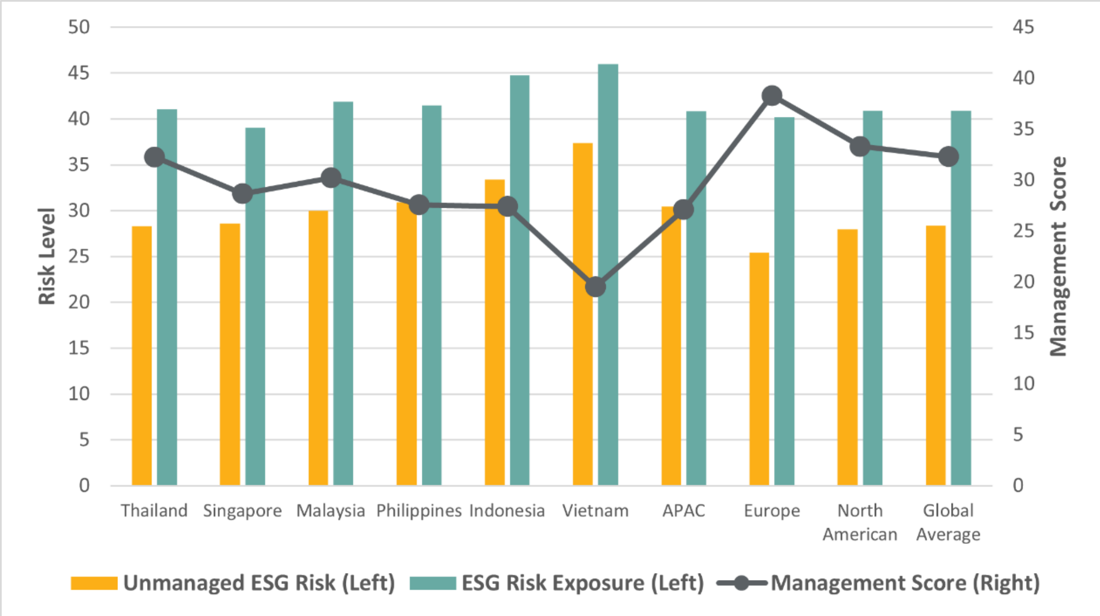

Figure 1. ESG In ASEAN Comparison
Source: Sustainanalytics

This graph shows the comparison of ESG (Environmental, Social, and Governance) risk management in ASEAN countries, including Thailand, Singapore, Malaysia, the Philippines, Indonesia, and Vietnam. Thailand appears to be the best at managing ESG risks, with high management scores and lower unmanaged risks. Singapore and Malaysia have high-risk exposure but reasonably good management capabilities, while the Philippines and Indonesia show greater unmanaged risks with inadequate management. Vietnam faces very high ESG exposure, but its risk management is still low. In comparison, Europe and North America demonstrate better ESG risk management, while the Asia-Pacific (APAC) region as a whole has higher risks, similar to ASEAN countries (Pan, 2021).

In the ASEAN region, ESG disclosure practices still vary, influenced by different regulatory frameworks and the significant role of national culture in managerial decision-making (Muttakin et al., 2022; Shin et al., 2023). Moreover, national cultural dimensions, such as power distance and collectivism, have been shown to impact how companies disclose ESG-related information (Muttakin et al., 2022; Shin et al., 2023). Thus, culture plays a crucial role in shaping disclosure behaviors.

In addition, ESG disclosure is important not only for risk management but also for informing investment decisions. For instance, according to the Governance and Accountability Institute, 86% of companies in the S&P 500 index released sustainability reports in 2018, showing a significant rise in ESG reporting. This demonstrates that ESG information has become an effective communication tool for stakeholders. Similarly, in Asia, awareness and adoption of ESG metrics are on the rise. An HSBC survey highlights that pressure from employees and regulatory environments are key drivers of ESG attention. Notably, companies in the Asia-Pacific region are particularly strong in disclosing social aspects of ESG. Furthermore, public support for biodiversity protection in countries like Indonesia, Malaysia, and the Philippines emphasizes the relevance of nature-based strategies and green finance, not just for investors but also for sustainability (Economist Impact, 2022)

On a related note, sustainability reports provide information not typically covered by conventional financial statements, such as emissions, waste, human rights, and corporate governance (Fahad & Rahman, 2020; Galletta et al., 2022; Helfaya et al., 2023). Therefore, these disclosures benefit a broad range of stakeholders, including governments, investors, suppliers, employees, and customers (Muttakin et al., 2022). As companies enhance their ESG disclosures, they are expected to reduce risks and improve financial performance through lower capital costs linked to non-financial information disclosures (Muttakin et al., 2022).

Furthermore, CSR orientation—defined as the board's commitment to integrating social responsibility into decision-making and business strategy—plays a critical role in ESG disclosure. Boards with a CSR orientation not only focus on financial performance but also ensure the company acts responsibly toward sustainability and stakeholder engagement (Helfaya et al., 2023). An important aspect of CSR orientation such as gender diversity on the board, where research shows that boards with greater gender diversity tend to exhibit better ESG performance (Manita et al., 2018). Additionally, board independence and financial expertise in the audit committee are vital for ensuring transparency and accuracy in CSR disclosures (Raimo, Vitolla, et al., 2021).

Moreover, the concept of board CSR strategies involves applying CSR principles to strategic decision-making, aligning corporate operations with long-term sustainability goals (Helfaya & Moussa, 2017). Recent studies emphasize that board characteristics, governance practices, and cultural influences significantly affect the quality of ESG disclosures. For example, Helfaya et al. (2023) found that boards focused on CSR and following Global Reporting Initiative (GRI) guidelines help improve transparency in ESG disclosures across Europe, particularly in countries with individualistic cultures and a high quality of life. However, as Helfaya & Moussa (2017) observed, the presence of a CSR-focused board does not always increase the volume of information disclosed unless a dedicated CSR committee is established.

In Southeast Asia, the Global Reporting Initiative (GRI) plays a pivotal role in promoting sustainability reporting, especially concerning ESG criteria. With an increasing number of companies in Singapore, Malaysia, and the Philippines adopting GRI Standards, transparency regarding ESG impacts has grown significantly. According to Eelco van der Enden, CEO of GRI, these frameworks enable companies to manage sustainability risks while fostering accountability to stakeholders. Moreover, the establishment of GRI's office in Singapore in 2019 reflects a commitment to unlocking Southeast Asia's sustainability potential amid rapid economic growth and vulnerability to climate change (Global Reporting Initiative, 2023)

Finally, when considering national cultural dimensions, as identified by Hofstede, societal values and norms provide insight into corporate practices. For instance, collectivist cultures may prioritize socially responsible practices, while individualistic cultures tend to focus more on the financial gains from ESG disclosures. Recent studies highlight the significant influence of national cultural dimensions on ESG disclosure practices. Cultures with high individualism and masculinity tend to see stronger financial returns from ESG efforts, while high power distance and uncertainty avoidance weaken these benefits (Shin et al., 2023). Democratic nations often show lower greenhouse gas emissions, but cultures with high uncertainty avoidance still struggle with sustainability (Muttakin et al., 2022). Additionally, board gender diversity's impact on CSR performance is stronger in countries with "tender" cultural traits (Kamran et al., 2023). These findings underscore the importance of culture in shaping corporate ESG strategies.

To control for factors that may influence a company's sustainability practices, this study includes firm age, board size, and board meeting as control variables. Firm age refers to the number of years since the company was established, with older companies often focusing more on sustainability and corporate social responsibility (A. A. Zaid et al., 2020). Firm age is commonly measured using the natural logarithm (ln) to address the diminishing impact of additional years on sustainability practices (A. A. Zaid et al., 2020). Board size, or the number of directors on the board, enhances the diversity of perspectives and expertise, thereby strengthening decision-making related to CSR (Helfaya et al., 2023; Husted & Sousa-Filho, 2019). Meanwhile, board meeting refers to the frequency of annual board meetings, with more frequent meetings providing better oversight and discussions on ESG issues (Abdelkader et al., 2024; Al-Mamun & Seamer, 2021).

In conclusion, this research emphasizes the importance of understanding the various factors that influence ESG disclosure, particularly in relation to board characteristics, governance practices, and cultural differences. It aims to explore how aspects like board orientation, strategy, global reporting standards, and national culture affect ESG practices in ASEAN countries. The findings are expected to offer valuable insights into how companies approach sustainability reporting in different regulatory and cultural environments.

METHOD

This study employs a quantitative research method to analyze the influence of board CSR orientation, board CSR strategy, GRI standards, and national cultural dimensions on ESG disclosure in ASEAN countries. The population consists of companies in ASEAN, with a sample of 147 companies selected through purposive sampling based on specific criteria: being located in ASEAN, having complete ESG data, and publishing annual reports consistently during 2014–2023. Secondary data were used, including ESG scores, annual reports, and financial statements obtained from the Refinitiv Eikon database, as well as cultural dimension data from Hofstede Insights. The data were analyzed using panel data regression analysis in STATA 17, combining cross-sectional and time-series data to evaluate the relationships between variables. By using a 10-year dataset (2014–2023), this study provides a comprehensive analysis of ESG disclosure trends, minimizing biases and offering robust insights into how board characteristics, GRI adoption, and cultural dimensions impact corporate transparency and accountability in ESG practices. Figure 2 shows the research framework in this study.

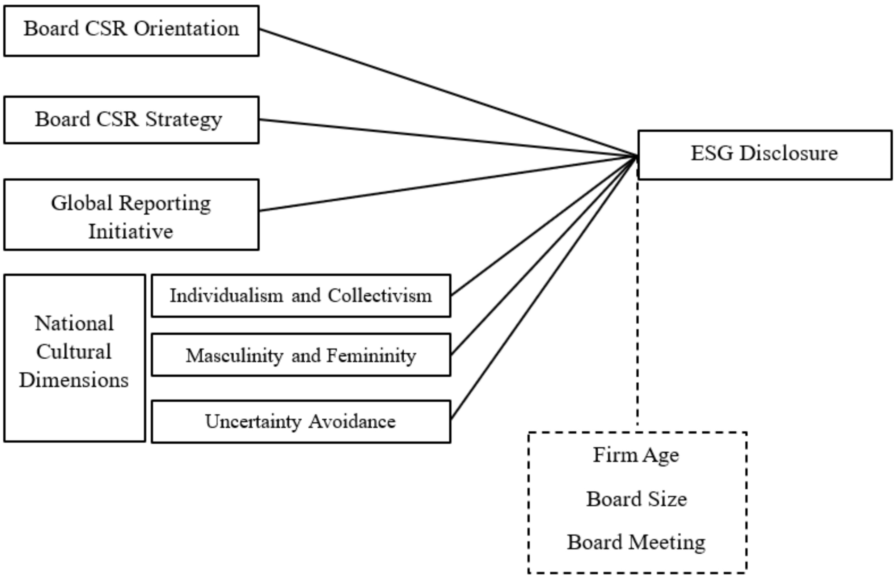

Figure 2. Research Framework

RESULTS AND DISCUSSION

Hypothesis Testing Analysis

T-Test in the Random Effects Model

The t-test is a method used in research to evaluate the influence of each independent variable on the dependent variable. In this study, the Random Effects Model (REM) is chosen to address the limitations of the Fixed Effects Model, which uses dummy variables and may omit important information. The test is conducted with a significance level of 0.05 ($\alpha = 5\%$). If the probability value is smaller than 0.05, it means the null hypothesis is rejected, indicating that the independent variable has a significant effect on the dependent variable. However, if the probability value is larger than 0.05, the null hypothesis is accepted, meaning the independent variable does not have a significant influence on the dependent variable. Below are the results of the t-test in this research.

Table 1. Result of T-Test

ESG	Coefficient	Std. err.	z	P>|z|
Cons	20.25794	5.771725	3.51	0.000
BOR	3.470656	.4990079	6.96	0.000
BSTR	8.253708	.7619378	10.83	0.000
GRI	14.12093	.7128351	19.81	0.000
IDV	5.565663	2.240864	2.48	0.013
FEM	4.387499	2.799698	1.57	0.117
UA	-8.674541	2.76383	-3.14	0.002
FA	.3080711	.0372513	8.27	0.000
BMEET	.1591488	.0499845	3.18	0.001
BSIZE	-.7527706	.1612152	-4.67	0.000

Source: Data processed by researcher by using STATA 17

Based on the table, it can be concluded that the panel data regression equation used in this study is as follows:

$$Y = 20.25794 + 3.470656\ BOR + 8.253708\ BSTR + 14.12093\ GRI + 5.565663\ IDV + 4.387499\ FEM - 8.674541\ UA + .3080711\ FA + .1591488\ BMEET - .7527706\ BSIZE + \varepsilon$$

The results from the t-test shown in the regression table provide an overview of how the independent variables impact ESG disclosure in this study. The constant or intercept (_cons) value of 20.25794 indicates that if all the independent variables such as Board CSR Orientation, Board CSR Strategy, GRI and National Cultural Dimension are equal to 0, the predicted value of ESG disclosure would be 20.25794. However, the more important part of the analysis focuses on the significance of each independent variable and its effect on ESG disclosure.

For the independent variables, the coefficient value for Board CSR Orientation (BOR) is 3.470656, with a P>|z| value of 0.000, which is smaller than the significance level of 0.05. This shows that Board CSR Orientation has a positive and significant effect on ESG disclosure. This means that the better the board's orientation towards ESG management, the higher the level of ESG disclosure carried out by the company. Furthermore, Board CSR Strategy (BSTR) with a coefficient of 8.253708 and a P>|z| value of 0.000, which is also smaller than 0.05, shows a significant positive effect. This means that the CSR strategy implemented by the company's board of directors is very influential in increasing the company's ESG disclosure. An increase in CSR commitment can increase the company's transparency regarding ESG issues.

The coefficient value for Global Reporting Initiative (GRI) is 14.12093, with a probability value of 0.000, indicating that the implementation of the GRI reporting standards has a very significant positive effect on ESG disclosure. This means that companies that follow these international standards are more likely to disclose ESG-related information in a more transparent manner. The national cultural dimensions, such as Individualism (IDV), Femininity (FEM), and Uncertainty Avoidance (UA), affect ESG disclosure in this study. Individualism refers to how much freedom individuals have in a culture. In this study, the coefficient for IDV is 5.565663, with a probability value of 0.013, which is less than 0.05. This means that in more individualistic cultures, companies are more likely to share information about ESG. This could be because individuals in these cultures make decisions more openly and responsibly, which leads to more transparent ESG practices in companies. For Femininity (FEM), the probability value is 0.117, which is greater than 0.05, meaning femininity does not significantly affect ESG disclosure. Lastly, Uncertainty Avoidance (UA) refers to how much a culture avoids uncertainty. The coefficient for UA is -8.674541, with a P>|z| of 0.002, which is less than 0.05. This shows that cultures with low uncertainty avoidance tend to have a negative impact on ESG disclosure. In simpler terms, cultures that avoid uncertainty are less likely to support sharing ESG-related information.

The control variables in this study include firm age (FA), board meeting (BMEET), and board size (BSIZE), each of which has a significant impact on ESG disclosure. The coefficient for firm age is 0.3080711, with a P>|z| value of 0.000, indicating a positive and significant effect on ESG disclosure. This suggests that older and more established companies tend to be more experienced in terms of transparency and ESG reporting. The coefficient for board meeting is 0.1591488, with a P>|z| value of 0.001, which is also below 0.05, showing a positive and significant effect on ESG disclosure. This implies that the more frequent the board meetings, the higher the likelihood of the company disclosing ESG information. On the other hand, the coefficient for board size is -0.7527706, with a P>|z| value of 0.000, indicating a negative and significant relationship with ESG disclosure. This suggests that companies with larger boards tend to have lower levels of ESG disclosure, possibly due to the increased complexity in decision-making within larger boards, which may hinder more transparent disclosures.

F-Test in the Random Effect Model

The F-test is used to assess the overall impact of the independent variables on the dependent variable. In this study, a significance level of 0.05 (5%) is used. If the result of the F-test is less than 0.05, it indicates that the independent variables have a significant effect on the dependent variable as a whole. Conversely, if the F-test result is greater than 0.05, it means that the independent variables do not have a significant effect on the dependent variable as a whole.

Table 2. Result of F-Test

Wald chi2(9) = 1545.92
Prob > Chi2 = 0.0000

Source: Data processed by researcher by using STATA 17

Based on the data from Table 4.8, the results of the F-test (simultaneous) show that the Prob > Chi2 value is 0.0000, which is lower than 0.05. This indicates that the regression model is acceptable, and it can be concluded that the independent variables and control variables significantly affect the dependent variable collectively.

R2-Test in Random Effect Model

The coefficient of determination (R^2) shows how much of the changes in the dependent variable can be explained by the independent variables in the model. If the R^2 value is close to 0, it means the independent variables have little or no relationship with the dependent variable. If the R^2 value is close to 1, it means the independent variables have a strong relationship with the dependent variable. The R^2 value ranges between 0 and 1.

Table 3. Result of R2-Test

R-squared	
Within	0.5219
Beetween	0.4396
Overall	0.4646

Source: Data processed by researcher by using STATA 17

From Table 4.9, it can be seen that the overall R-squared value in this study is 0.4646. This means that 46.46% of the variation in the dependent variable can be explained by the independent variables in the model. In other words, almost half of the variation in ESG disclosure (the dependent variable) can be explained by variables such as board CSR orientation, board CSR strategy, GRI, and national cultural dimensions, as well as control variables like firm age, board meeting and board size. The remaining 53.54% of the variation in the dependent variable cannot be explained by this model and is likely influenced by other factors not included in the study.

Discussion of Hypothesis Test Result

The following is a conclusion of the hypothesis testing in this study:

Table 4. Conclusion of the Result

No.	Hypothesis	Result	Conclusion
H1	Board CSR Orientation has positive and significant effect on ESG disclosure	Board CSR orientation has positive and significat effect on ESG disclosure	**Accepted**
H2	Board CSR strategy has positive and significant effect on ESG disclosure	Board CSR strategy has positive and significat effect on ESG disclosure	**Accepted**
H3	GRI has positive and significant effect on ESG disclosure	GRI has positive and significat effect on ESG disclosure	**Accepted**
H4a	National cultural dimension of individualism has positive and significant effect on ESG disclosure	National cultural dimension of individualism has positive and significant effect on ESG disclosure	**Accepted**
H4b	National cultural dimension of feminimity has positive and significant effect on ESG disclosure	National cultural dimension of feminimity has positive and insignificant effect on ESG disclosure	**Rejected**
H4c	National cultural dimension of low uncertainty avoidence has positive and significant effect on ESG disclosure	National cultural dimension of low uncertainty avoidence has negative and significant effect on ESG disclosure	**Rejected**

The Effect of Board CSR Orientation on ESG Disclosure

The hypothesis test results show that the Board CSR Orientation (BOR) has a positive and significant effect on ESG disclosure, as evidenced by a coefficient value of 3.470656 and a p-value of 0.000, which is well below the 0.05 significance level. This finding supports Hypothesis 1 (H1), indicating that a stronger orientation of the board towards CSR significantly improves the quality and extent of ESG disclosure by companies. This result aligns with previous studies that emphasize the critical role of the board in promoting sustainability and transparency in corporate governance. Boards with a clear CSR orientation are more likely to prioritize ethical practices, stakeholder engagement, and long-term environmental and social goals, thereby enhancing ESG reporting. By embedding CSR principles into their strategic decision-making processes, boards help establish governance structures that foster comprehensive and transparent ESG disclosures (Helfaya et al., 2023; Raimo, Vitolla, et al., 2021).

Several key board characteristics contribute to this relationship. For instance, independent boards, as noted in previous research, ensure objective oversight and focus on long-term sustainability rather than short-term financial gains. Their independence allows them to implement strategies that prioritize ethical governance and comprehensive ESG disclosure (Arif et al., 2021). Moreover, gender diversity on boards enhances the board's ability to address a wider range of stakeholder concerns, as female directors often bring unique perspectives and are more likely to advocate for CSR initiatives (Fahad & Rahman, 2020; Song, 2024). Finally, the financial expertise of board members, particularly those in the audit committee, strengthens the accuracy and reliability of ESG reporting by ensuring proper risk management and compliance with international standards (Raimo, Vitolla, et al., 2021)

The results support the hypothesis that a board CSR orientation positively and significantly affects ESG disclosure, in line with the theoretical framework used. Agency Theory explains that a CSR-oriented board encourages transparency through ESG disclosure to reduce conflicts between managers and shareholders, thus enhancing trust and corporate governance (Carnini Pulino et al., 2022; Raimo, Vitolla, et al., 2021). Stakeholder Theory shows that a board's CSR orientation reflects the company's commitment to various stakeholders' interests, improving legitimacy and relationships, especially in the ASEAN cultural context (Disli et al., 2022; Helfaya et al., 2023). Institutional Theory explains that companies in ASEAN are influenced by social, cultural, and regulatory norms, so a board's CSR orientation helps align the company with institutional expectations, enhancing ESG disclosure (Bilyay-Erdogan, 2022; Shin et al., 2023). Therefore, a CSR-oriented board is essential for promoting corporate sustainability and accountability. This study shows how important it is to have a strong CSR-focused board to improve transparency and accountability through better ESG disclosures. Companies should focus on building stronger boards by adding diversity, independent members, and financial experts. This can help improve ESG performance and support sustainable business practices.

The Effect of Board CSR Strategy on ESG Disclosure

The test results show that the board's CSR strategy (BSTR) has a significant positive effect on ESG disclosure. The coefficient is 8.253708, and the P-value is 0.000, which is smaller than 0.05. This means that the CSR strategy implemented by the company's board significantly influences how much the company discloses about its environmental, social, and governance (ESG) activities. This means that when the board integrates CSR practices into its strategic decisions, the company is more likely to disclose important information about its environmental, social, and governance (ESG) actions. This positive effect aligns with findings from Fosu et al. (2024), which highlight that a strong CSR strategy helps a company achieve long-term sustainability goals, improving both financial and non-financial outcomes. By ensuring that CSR is a central part of the board's strategy, companies are able to foster better relationships with stakeholders and increase trust in their operations.

These strategies align with Stakeholder Theory, which emphasizes that companies should meet the expectations of various stakeholders, such as investors, customers, and employees. When companies act in accordance with these expectations, they build stronger relationships and improve their credibility (Kamran et al., 2023). By focusing on CSR, the board can ensure that the company's actions meet these stakeholders' expectations, helping to build trust and strengthen relationships. For example, when a company acts responsibly toward the environment or promotes social causes, stakeholders are more likely to view it as a trustworthy and ethical business. This finding highlights the importance of having a strong CSR strategy at the board level. A well-defined CSR strategy not only helps a company meet the expectations of its stakeholders but also improves its transparency and commitment to long-term sustainability. As companies become more open about their ESG practices, they can improve their reputation, attract more investors, and ultimately achieve better financial and non-financial outcomes. Therefore, the board's CSR strategy plays a crucial role in enhancing ESG disclosures, which in turn supports the company's long-term success and sustainability.

Companies with a strong board CSR strategy are more likely to be transparent in their ESG disclosures, as these strategies help align corporate actions with stakeholder expectations, creating a positive cycle of trust, accountability, and sustainability.

The Effect of GRI on ESG Disclosure

The hypothesis test results show a significant positive relationship between the adoption of the Global Reporting Initiative (GRI) and ESG disclosure. With a coefficient value of 14.12093 and a probability value of 0.000, the result indicates that companies following the GRI guidelines are more likely to disclose ESG-related information transparently and comprehensively. This supports previous research by Helfaya et al. (2023) and Sun et al. (2024), which found that companies using GRI standards tend to provide more detailed information on their environmental, social, and governance practices.

By adhering to GRI reporting standards, companies are able to improve transparency and ensure that their ESG efforts are measurable and comparable over time (Bais et al., 2024). This increased transparency helps build trust with investors, regulators, customers, and other stakeholders, as they can more easily assess the company's sustainability efforts. The findings also align with the idea that GRI guidelines are not only about reporting but also about signaling a company's commitment to sustainability, which is important for enhancing corporate reputation and strengthening stakeholder relationships (Luque-Vílchez et al., 2023). The results of the hypothesis test confirm that the adoption of GRI standards plays a key role in enhancing ESG disclosures, helping companies demonstrate their commitment to responsible business practices and sustainable development.

The Effect of the National Cultural Dimension of Individualism on ESG Disclosure

The hypothesis test results show a significant positive effect of the national cultural dimension of individualism on ESG disclosure, with a coefficient value of 5.565663 and a probability value of 0.013. This finding confirms that in cultures with higher levels of individualism, companies are more likely to disclose ESG information. The result supports previous studies by Shin et al. (2023) and Helfaya et al. (2023) which suggest that individualistic societies emphasize personal accountability, corporate reputation, and profitability. In such societies, ESG disclosures are often utilized as strategic tools to attract investors and build competitive advantages.

In individualistic cultures, corporate governance tends to prioritize transparency and long-term profitability, aligning ESG reporting with shareholder interests. Companies in these cultures view sustainability practices as opportunities for differentiation and innovation, which can enhance corporate performance (Shin et al., 2023). By contrast, collectivist cultures see ESG reporting as part of their broader social responsibility, emphasizing societal obligations over financial incentives. While both perspectives highlight the importance of ESG practices, the motivation behind disclosure differs based on cultural orientation. This study confirms that individualistic cultures promote higher levels of ESG disclosure, driven by the need for openness and accountability in decision-making. Companies in these societies are more likely to integrate ESG considerations into their strategies to align with both societal expectations and market demands.

The Effect of the National Cultural Dimension of Feminimity on ESG Disclosure

The research findings indicate that the cultural dimension of femininity has a positive but insignificant effect on ESG disclosure. This means that while feminine cultures, which emphasize social harmony, care, and ethical responsibility, could encourage ESG disclosure, their influence is not strong enough. The probability value of 0.117 exceeds the threshold of 0.05, leading to the rejection of the hypothesis (H4b). In other words, femininity does not directly or significantly impact the level of ESG disclosure by companies (Shin et al., 2023).

In ASEAN countries like Indonesia, Malaysia, and Thailand, feminine cultural traits are evident in the emphasis on care and maintaining harmonious relationships (Hofstede, 2011). However, in business practices, ESG reporting is often not prioritized. Companies in these regions may focus on practical approaches to sustainability, such as community engagement or donations, instead of formal ESG reporting (Shin et al., 2023). Moreover, ASEAN countries are still developing ESG regulations, and without strong regulatory frameworks, companies tend to rely on traditional or culturally specific methods to meet societal expectations.

While feminine cultures align with ESG principles, such as social care and ethical responsibility, their influence on ESG disclosure in ASEAN remains limited. This highlights the need for stronger institutional and regulatory frameworks to encourage companies to adopt more structured and transparent ESG reporting practices. With clear regulations, the cultural values of femininity could more effectively drive consistent ESG disclosures across ASEAN countries.

The Effect of the National Cultural Dimension of Low Uncertainty Avoidance on ESG Disclosure

The results of hypothesis testing show that the national cultural dimension of low uncertainty avoidance has a significant negative effect on ESG (Environmental, Social, and Governance) disclosure. This is indicated by the coefficient of -8.674541 and a p-value of 0.002, which is below the 0.05 significance threshold. Therefore, hypothesis (H4c) is rejected, meaning that cultures with low uncertainty avoidance tend to negatively influence ESG disclosure practices. Although this relationship is statistically significant, the direction of the effect is contrary to expectations, where high flexibility and openness do not encourage more transparent ESG disclosures.

In cultures with low uncertainty avoidance, people are more comfortable with flexibility, risk, and ambiguity. However, this often leads to a lack of attention to structured processes such as ESG disclosure. Companies in such cultures tend to prioritize more informal or unstandardized approaches, such as community-based projects or ad hoc sustainability initiatives, rather than adhering to formal ESG disclosure frameworks. According to Hofstede's (2011) cultural dimensions theory, cultures with low uncertainty avoidance are more likely to disregard societal rules or regulatory pressures, reducing the perceived importance of structured reporting.

In the ASEAN region, almost all countries exhibit characteristics of low uncertainty avoidance, except for Thailand, which has a high uncertainty avoidance level. This finding reflects the diversity of cultural and economic landscapes that influence corporate behavior. Countries like Singapore and Malaysia are moving toward stronger institutional frameworks for ESG disclosure, while countries with lower regulatory pressure, such as Indonesia, Vietnam, or the Philippines, often adopt informal approaches. For example, companies in Indonesia or Vietnam often implement sustainability practices through local solutions, such as supporting education or green infrastructure projects. However, these initiatives often do not appear in formalized ESG reports due to the lack of regulatory pressure or societal expectations for formal disclosure. This strengthens the negative relationship between low uncertainty avoidance cultures and ESG disclosure.

These results align with previous studies, such as those by Helfaya et al. (2023), which suggest that companies in low uncertainty avoidance cultures often view ESG disclosure as optional rather than mandatory. In contrast to high uncertainty avoidance cultures, where compliance with formal frameworks is stronger, low uncertainty avoidance cultures emphasize flexibility and practical solutions over adherence to reporting standards. Additionally, the negative coefficient suggests that while low uncertainty avoidance encourages innovation and adaptability, it can also result in a lack of standardization or consistency in ESG disclosure practices. Companies may be active in sustainability initiatives but may not formalize or report them systematically within globally recognized ESG frameworks.

The significant negative relationship between low uncertainty avoidance and ESG disclosure indicates the need for stronger institutional frameworks and regulatory incentives to encourage standardized reporting in such cultures. While flexibility in low uncertainty avoidance cultures fosters innovation, it often leads to a lack of consistency in ESG reporting. In the context of ASEAN, policymakers can consider the following steps: strengthening reporting frameworks by mandating ESG disclosure in accordance with international standards, such as GRI (Global Reporting Initiative) or SASB, to reduce variation in reporting; providing incentives, such as tax breaks or public recognition, for companies that adopt strong ESG reporting frameworks; conducting awareness campaigns to educate companies and stakeholders about the importance of ESG transparency to shift the perception that ESG reporting is optional; and adopting sector-specific approaches by tailoring ESG disclosure requirements according to the readiness and capacity of each industry, such as energy or manufacturing.

Although low uncertainty avoidance cultures encourage flexibility and openness, these characteristics have a significant negative impact on ESG disclosure, as demonstrated by the results of this study. The negative coefficient highlights the need for efforts to align sustainability practices with formal reporting frameworks, particularly in ASEAN countries. Stronger regulations and incentives are essential to ensure that ESG practices are not only implemented but also transparently reported. This is important for ASEAN companies to enhance their global competitiveness and contribute more effectively to sustainable development.

CONCLUSION

This study aims to examine the impact of board CSR orientation, board CSR strategy, GRI adoption, and national cultural dimensions on ESG disclosure in ASEAN countries. The research analyzes data from 147 companies over the period 2014–2023, resulting in a total of 1,470 observations.

The findings reveal that the board's orientation toward corporate social responsibility (CSR) has a positive and significant impact on ESG disclosure. Boards with strong CSR commitments improve the transparency and quality of ESG reports, fostering trust and stronger relationships with stakeholders. Similarly, CSR strategies implemented by the board significantly influence ESG disclosure, as integrating CSR into the company's strategy promotes greater transparency in reporting environmental, social, and governance practices while supporting long-term sustainability. The adoption of Global Reporting Initiative (GRI) guidelines also demonstrates a significant positive impact, enabling companies to produce structured and transparent reports, which enhance competitiveness and investor trust.

In terms of national cultural dimensions, individualism has a positive and significant effect on ESG disclosure, as companies in individualistic cultures often emphasize transparency and reputation. Femininity shows a positive but insignificant influence, while uncertainty avoidance has a significant negative effect. Companies in low uncertainty avoidance cultures prioritize flexibility and informal initiatives, which may reduce the focus on structured ESG reporting. Additionally, control variables, firm age, board meeting and board size were found to have an influence on ESG disclosure.

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