

THE IMPACT OF ESG SCORE ON COMPANY VALUE IN SOUTHEAST ASIA: THE ROLE OF COMPETITIVE ADVANTAGE AS A MODERATING VARIABLE



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Abstract

This study examines the impact of Environmental, Social, and Governance (ESG) scores on firm value in Southeast Asia, with a focus on how competitive advantage influences this relationship. Using panel data from 90 publicly listed companies across five ASEAN countries (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) from 2018 to 2023, the research applies fixed-effects regression models to analyze the data. Tobin's Q is used as a proxy for firm value, while ESG scores are obtained from Refinitiv. Competitive advantage is measured using operational efficiency indicators. The results show that higher ESG scores have a negative effect on firm value, which contradicts the common belief that ESG practices improve corporate valuation. This suggests that ESG implementation may impose additional costs or operational constraints, especially in emerging markets where regulations and awareness are still developing. However, competitive advantage plays a moderating role in this relationship. Firms with strong competitive positions are better able to manage ESG-related risks and costs, helping to reduce the negative impact on firm value. These findings highlight the importance of aligning ESG strategies with a company's core strengths to ensure sustainability efforts do not harm financial performance. Investors should consider both ESG performance and competitive positioning when making decisions. Policymakers are encouraged to design ESG regulations that support sustainability without negatively affecting firm valuation. This study contributes to the growing literature on ESG performance in emerging markets and offers practical insights for firms, investors, and regulators in Southeast Asia. Future research can explore other moderating factors such as industry type, macroeconomic conditions, and regulatory environments.

Keywords: Environmental, Social, and Governance (ESG), ESG Score, Firm Value, Competitive Advantage

INTRODUCTION

The era of globalization has presented a fundamental transformation in the way in recent years, Environmental, Social, and Governance (ESG) factors have emerged as critical determinants of corporate performance and investor decision-making across both developed and emerging economies. As global awareness of sustainability challenges ranging from climate change to social inequality and governance failures continues to grow, companies are increasingly expected to demonstrate accountability not only to shareholders but also to a broader set of stakeholders including customers, employees, communities, and regulators (Fatemi et al., 2018; Li et al., 2024). The growing prominence of ESG is further reinforced by international agreements such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, which set ambitious targets for reducing carbon emissions and promoting sustainable development globally. In particular, the Paris Agreement's goal of limiting global warming to below 2°C and achieving net-zero emissions by 2050 has catalyzed a shift in business strategies, compelling firms to integrate ESG principles into their core operations (Tamasiga et al., 2024). These developments signal a paradigm shift where sustainability is no longer a peripheral concern but a central element of corporate strategy. Southeast Asia, represented by the Association of Southeast Asian Nations (ASEAN), is home to some of the world's most dynamic emerging economies. The region is projected to become one of the largest economic blocs by 2030, driven by rapid urbanization, industrial growth, and increasing consumer demand (Harsanto & Firmansyah, 2023). However, this growth trajectory comes with significant environmental and social challenges, including deforestation, pollution, labor rights issues, and weak governance structures. Against this backdrop, the integration of ESG practices into corporate governance frameworks has gained increasing attention, not only as a compliance requirement but also as a strategic lever to enhance long-term value creation (Dkhili, 2024).

Empirical studies on the relationship between ESG performance and firm value have yielded mixed results. While some researchers argue that ESG initiatives improve financial outcomes through enhanced risk management, brand reputation, and access to capital (Saygili et al., 2022; Dorothy & Endri, 2024), others find evidence of negative or insignificant effects, particularly in developing markets where regulatory enforcement and investor awareness remain limited (Lubis & Rokhim, 2021; Yori & Rahmawati, 2025). This divergence suggests that the impact of ESG on firm valuation may be contingent upon internal firm characteristics, such as competitive advantage. Competitive advantage refers to a firm's ability to outperform its rivals through unique resources or capabilities (Porter, 1985). Firms with strong competitive advantages are better positioned to leverage ESG investments for financial returns (Kamukama et al., 2017; Ferrero-Ferrero et al., 2016). For instance, companies with superior operational efficiency and asset utilization can implement ESG practices more effectively, turning them into strategic differentiators rather than cost burdens (Wahyuni et al., 2024; Dewally & Shao, 2015). Therefore, understanding how competitive positioning moderates the ESG–firm value relationship is crucial for both academic inquiry and practical application. This study aims to examine the influence of ESG scores on firm value in ASEAN countries namely Indonesia, Malaysia, the Philippines, Singapore, and Thailand with a specific focus on the moderating role of competitive advantage. By focusing on publicly listed firms over the period 2018–2023, we contribute to

the existing literature by providing empirical evidence from an under-researched yet strategically important region. Our findings offer valuable insights for policymakers, investors, and corporate leaders seeking to align sustainability objectives with long-term value creation. Specifically, they highlight the importance of integrating ESG practices within a firm's strategic framework, ensuring that sustainability efforts are supported by robust internal capabilities. Additionally, the results underscore the need for regulatory frameworks that encourage ESG adoption without imposing undue burdens on firms, particularly in emerging markets where institutional capacity may be limited. This research extends prior work by incorporating both macro-level and firm-level variables, allowing for a more nuanced understanding of how ESG influences corporate performance in heterogeneous market conditions. Future studies could explore additional moderating factors such as industry-specific dynamics, regulatory environments, and macroeconomic conditions to provide a more comprehensive picture of ESG's impact on firm value.

REVIEW OF LITERATURE

Environmental, Social, and Governance (ESG) factors have increasingly become central to corporate decision-making and investment strategies across both developed and emerging economies. Stakeholder theory provides a foundational framework for understanding how companies interact with various interest groups and manage their expectations in the context of sustainability practices (Freeman, 1984). According to this perspective, firms should not only focus on maximizing shareholder value but also consider the interests of employees, customers, suppliers, communities, and regulators. This approach is particularly relevant in the case of ESG performance, where stakeholder engagement plays a critical role in shaping firm reputation and long-term financial outcomes (Parmar et al., 2010).

Stakeholder theory emphasizes that firms that actively address stakeholder concerns are more likely to gain competitive advantages and sustain long-term value creation (Agustia et al., 2019). In emerging markets like those in ASEAN, where institutional frameworks may be less developed, stakeholder expectations can significantly influence business operations and risk exposure. Therefore, ESG disclosures serve as a mechanism for building trust and enhancing transparency, which are essential for maintaining legitimacy and attracting socially responsible investors.

Triple Bottom Line (TBL) theory further supports the integration of ESG principles into corporate strategy by emphasizing the need to balance economic, social, and environmental objectives (Elkington, 1998). Firms that successfully implement TBL principles tend to outperform peers in terms of profitability and market valuation because they create value across multiple dimensions. The social dimension focuses on relationships between companies and stakeholders such as employees, customers, governments, and local communities (Rothaermel, 2021). It aims to achieve long-term social sustainability by aligning corporate interests with societal well-being.

The environmental dimension, often referred to as "planet," emphasizes sustainable resource use, waste reduction, and climate change mitigation. Companies that adopt environmentally responsible practices are better positioned to respond to regulatory pressures and changing consumer preferences. Moreover, these initiatives can lead to cost savings

through improved energy efficiency and operational innovation (Liao, 2016). The governance dimension ensures accountability, transparency, and ethical behavior within organizations, which are crucial for building investor confidence and minimizing reputational risks.

Signaling theory adds another layer to understanding the impact of ESG performance on firm value. It posits that ESG disclosures act as credible signals of a firm's long-term viability and ethical standards (Prepiorca & Berger, 2017). High-quality ESG reporting reduces information asymmetry between firms and investors, thereby lowering the cost of capital and increasing shareholder confidence (Saygili et al., 2022). However, the effectiveness of ESG as a signaling tool may depend on the firm's internal capabilities and strategic positioning.

Competitive advantage refers to a firm's ability to outperform its rivals through unique resources or capabilities (Porter, 1985). Firms with strong competitive positions are better equipped to leverage ESG investments for financial returns (Kamukama et al., 2017). For example, companies with superior asset utilization and operational efficiency can implement ESG practices more effectively, turning them into strategic differentiators rather than cost burdens (Wahyuni et al., 2024). A study by Romadhani et al. (2022) showed that competitive advantage mediates the relationship between internal capabilities and firm value in Indonesia, reinforcing the idea that ESG performance must be integrated with existing firm strengths.

Empirical studies on the relationship between ESG and firm value have yielded mixed results. Some researchers argue that ESG initiatives enhance financial performance through improved risk management, brand reputation, and access to capital (Fatemi et al., 2018; Al-Tarawneh et al., 2024). For instance, Saygili et al. (2022) observed that ESG practices enhanced firm valuation in Borsa Istanbul, particularly when supported by strong governance mechanisms. Similarly, Dorothy and Endri (2024) found that ESG had a positive effect on firm value in Indonesian energy companies when combined with high profitability.

However, other studies report negative or insignificant effects. Lubis and Rokhim (2021), in their study of Indonesian firms, found that ESG disclosures had no significant effect on firm value, suggesting that compliance costs may outweigh benefits in certain contexts. Yori and Rahmawati (2025) further argued that ESG implementation in ASEAN countries could impose additional operational constraints without immediate financial returns, especially in the short term. These variations highlight the importance of moderating variables particularly at the firm level that may influence the strength and direction of the ESG–firm value relationship.

Several prior studies have explored the impact of ESG scores on firm value across different regions and industries. Melinda and Wardhani (2020) examined 22 Asian countries from 2014 to 2018 and found that ESG index scores and controversy scores had a significant effect on firm value using Tobin's Q as a proxy. Another study by Mutiah and Rusmanto (2023) analyzed 294 firms in the ASEAN-5 countries and revealed that the governance dimension of ESG had a negative impact on firm value, indicating that poor governance can reduce market confidence.

In contrast, Mardini (2022) studied developing countries and found that ESG has a positive but variable effect depending on market conditions and firm structure. Meanwhile, Deswanto and Veronica (2018) focused on public companies listed on the Indonesia Stock

Exchange from 2012 to 2014 and found that financial performance did not significantly affect environmental disclosure. However, environmental performance positively influenced environmental disclosure, although it did not significantly impact firm value.

More recent research by Yoon, Lee, and Cho (2024) analyzed 6,788 South Korean company observations and found that total ESG scores negatively affected Return on Assets (ROA) and Tobin's Q, with governance having the strongest negative influence. This suggests that while ESG is generally seen as beneficial, its components may have varying impacts depending on the region and industry. On the other hand, Dorothy and Endri (2024) found that ESG had a positive effect on firm value in the Indonesian energy sector when accompanied by high profitability.

These findings underscore the need for a nuanced understanding of how ESG affects firm value in diverse market conditions. They also support the view that ESG performance alone is insufficient to drive value creation it must be aligned with a firm's strategic positioning and core competencies (Dkhili, 2024). In the context of ASEAN, where economic conditions vary widely across countries, the interaction between ESG and competitive advantage becomes even more critical. Firms that combine ESG practices with strong internal capabilities are likely to derive greater value from their sustainability initiatives.

This literature review highlights the evolving discourse around ESG performance and its impact on firm value, emphasizing the importance of contextual factors such as competitive advantage. While most studies support a positive association between ESG and firm value, the presence of contradictory findings underscores the need for deeper exploration of how firm-level characteristics moderate this relationship. Building on these insights, this study investigates the influence of ESG scores on firm value in Southeast Asia, with a particular focus on the moderating role of competitive advantage.

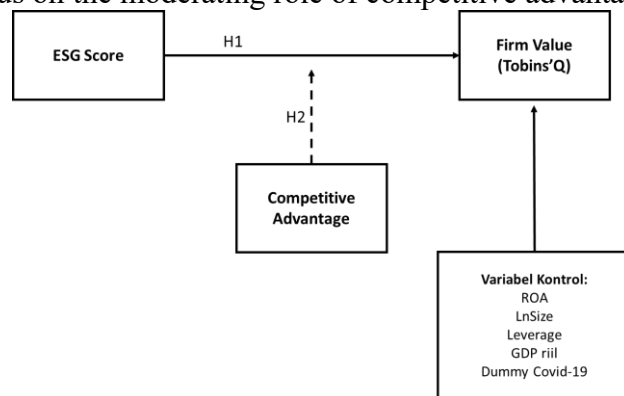


Figure 1
Research Model

RESEARCH METHOD

This study employs panel data from 90 publicly listed companies across five ASEAN countries, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, covering the period from 2018 to 2023. The selection of these countries is based on their economic significance within Southeast Asia and the availability of ESG-related disclosures from reliable sources such as Refinitiv.

The sample was determined using purposive sampling to ensure relevance and consistency in data collection. Inclusion criteria include:

1. Companies listed on stock exchanges in the selected ASEAN countries during the observation period (2018–2023).
2. Availability of complete and audited financial reports published during the research period.
3. Full disclosure of ESG scores by Refinitiv or other credible rating agencies.
4. Exclusion of financial institutions due to differences in financial structure and reporting standards that could distort the results.

A total of 540 firm-year observations were generated from this dataset, providing sufficient variation for robust statistical analysis. Financial data were primarily sourced from Bloomberg, company annual reports, and public databases, while ESG scores were obtained from Refinitiv, a leading provider of ESG ratings.

Firm Value (FV): Measured using Tobin's Q, which is calculated as the ratio of market value to total assets. This proxy reflects how investors perceive the future earnings potential of a company relative to its book value.

ESG Score (ESG): A composite index provided by Refinitiv, representing a firm's performance in three pillars: Environmental (E), Social (S), and Governance (G). Each sub-score is weighted according to Refinitiv's proprietary methodology, with environmental factors accounting for approximately 30–35%, social for 35–40%, and governance for 25–30%.

Competitive Advantage (CA): Measured using operational efficiency indicators, particularly Return on Assets (ROA) and asset utilization capability (AUC). These metrics reflect a firm's ability to generate profits and efficiently use its resources, which may influence how effectively ESG investments translate into firm value.

To account for potential confounding effects, the following control variables are included:

Firm Size (SIZE): Natural logarithm of total assets.

Leverage (DAR): Debt-to-asset ratio.

GDP Growth Rate (GDP_R): Annual GDP growth of the respective country.

Pandemic Dummy (COVID19): A binary variable indicating the year 2020–2021 to capture pandemic-related shocks.

To examine the relationship between ESG score and firm value, two regression models are employed:

Model 1 (Baseline Model):

$$FV_{it} = \beta_0 + \beta_1 ESGScore_{it} + \sum_k \gamma_k Kontrol_{kit} + \mu_i + \varepsilon_{it}$$

Model 2 (Interaction Model with Competitive Advantage):

$$FV_{it} = \beta_0 + \beta_1 ESGScore_{it} + \beta_2 CA_{it} + \beta_3 ESGScore_{it} \times CA_{it} + \sum_k \gamma_k Kontrol_{kit} + \varepsilon_{it}$$

Where:

FV : Firm Value

ESG Score : ESG Score ranging from 0 to 100

CA : Competitive Advantage

$\sum_k \gamma_k Kontrol_{kit}$: A set of control variables including Size, ROA, Leverage, Real GDP Growth, and a dummy variable for the Covid-19 pandemic

i, t : i represents the cross-sectional unit; t represents the time series

ε : Error term

These models allow us to test whether competitive advantage moderates the impact of ESG on firm valuation.

Prior to conducting the main regression analysis, classical assumption tests were performed to ensure the validity of the model. These included tests for multicollinearity, heteroskedasticity, and autocorrelation.

The estimation technique used in this study is panel regression, which accounts for both cross-sectional and time-series variations in the data. Three possible estimation methods were considered: Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The appropriate model was selected based on the following criteria:

1. Chow Test: To determine whether CEM or FEM provides a better fit.
2. Lagrange Multiplier Test: To compare CEM and REM.
3. Hausman Test: To decide whether FEM or REM is more suitable for the data.

After determining the best-fitting model, hypothesis testing was conducted using t-tests and F-tests to assess the significance of individual coefficients and overall model fit, respectively.

Based on the theoretical framework and prior empirical findings, the following hypotheses are proposed:

H1: ESG score has a positive effect on firm value in Southeast Asia.

H2: Competitive advantage moderates the relationship between ESG score and firm value, strengthening its positive impact.

These hypotheses are tested using interaction terms in the regression models, where the product of ESG score and competitive advantage is introduced to evaluate the moderating effect.

RESULTS AND DISCUSSION

The final dataset used in this study consists of 90 publicly listed companies across five ASEAN countries, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, covering the period from 2018 to 2023. The sample was selected using purposive sampling to ensure completeness and consistency of data availability. All firms included in the sample met the following criteria: continuous listing on their respective stock exchanges during the observation period, availability of audited financial reports, and full disclosure of ESG scores by Refinitiv or other credible rating agencies. Financial institutions were excluded due to differences in financial structure and reporting standards that could distort the findings. As a result, a total of 540 firm-year observations were generated, providing sufficient variation for robust statistical analysis. Table 1 below presents the distribution of the sample firms by country:

Table 1
Sample Firm

No.	Country	Number of Firms	Total Observations (t=6 years)
1	Indonesia	16	96
2	Malaysia	20	120
3	Philippines	13	78

4	Singapore	20	120
5	Thailand	21	126
	Total	90	540

Source: Processed data, 2025.

This distribution reflects the varying levels of capital market development and ESG reporting practices across ASEAN countries. The inclusion of multiple countries allows for a more comprehensive understanding of how ESG performance influences firm value in different regulatory and economic environments.

Descriptive statistics provide an overview of the central tendency and dispersion of the key variables used in the analysis. As shown in Table 2, the mean Tobin's Q is 1.235, indicating that, on average, the market value of firms exceeds their book value, albeit with considerable variation across firms and time. The median Tobin's Q is 1.094, suggesting a relatively symmetric distribution of firm valuation within the sample.

Table 2
Descriptive Statistics

Variabel	Mean	Median	Maximum	Minimum	Std. Dev,	Skewness	Kurtosis	Obs
Q	1,235	1,094	3,123	0,336	0,500	0,997	3,667	540
ESG	57,304	58,419	91,480	10,896	17,402	-0,294	2,533	540
CA	0,441	0,366	1,467	0,028	0,299	1,033	3,598	540
SIZE	22,720	22,722	25,336	19,432	1,047	-0,182	3,440	540
ROA	0,037	0,032	0,138	-0,063	0,032	0,406	3,476	540
DAR	0,512	0,511	0,905	0,054	0,177	-0,341	2,704	540
GDP R	0,027	0,036	0,097	-0,095	0,042	-1,022	3,857	540

Source: Processed data, 2025

The average ESG score among sampled firms is 57.3 (SD = 17.4), indicating moderate ESG performance across the region. While some firms achieve high ESG scores (up to 91.48), others score as low as 10.896, highlighting significant disparities in sustainability practices among ASEAN-listed companies. Competitive advantage, measured through operational efficiency indicators such as asset utilization capability (AUC) and return on assets (ROA), shows a mean value of 0.441, with a standard deviation of 0.299. This suggests that while some firms exhibit strong competitive positions, there is substantial variation in internal capabilities across the sample. Firm size, measured as the natural logarithm of total assets, ranges from 19.432 to 25.336, with an average of 22.720. This indicates a diverse sample in terms of company scale, encompassing both large-cap and mid-cap firms. Overall, the descriptive results suggest that the dataset provides sufficient variability to conduct meaningful regression analysis. Although some variables exhibit non-normal distributions and the presence of outliers, the large number of observations mitigates concerns about the validity of parametric tests (Gujarati & Dawn, 2013).

Prior to hypothesis testing, classical assumption tests were conducted to ensure model validity. These included tests for multicollinearity, heteroskedasticity, and autocorrelation. Multicollinearity was assessed using the Variance Inflation Factor (VIF) values. VIF values for all variables in both baseline and interaction models are well below the commonly accepted threshold of 10, indicating no serious multicollinearity issues.

Heteroskedasticity was tested using the Breusch-Pagan test, and the results indicated the presence of heteroskedasticity in the residuals. Therefore, robust standard errors were applied in the regression models to correct for this issue. Autocorrelation was also detected based on the Durbin-Watson statistic, prompting the use of panel-corrected standard errors to account for serial correlation.

To determine the most appropriate estimation method, the Hausman test was employed. The results favored the fixed-effects model over the random-effects model, indicating that unobserved firm-specific effects are correlated with the regressors. Consequently, all subsequent analyses were conducted using the fixed-effects model.

Table 3
Hypothesis Testing

Variabel	Ordinary		White Period	
	Model Baseline	Model 2	Model Baseline	Model 2
C	13,318 (0,000)***	12,992 (0,000)***	13,318 (0,000)***	12,992 (0,000)***
ESG	-0,003 (0,018)**	0,001 (0,539)	-0,003 (0,167)	0,001 (0,585)
CA	0,310 (0,018)**	0,972 (0,000)***	0,310 (0,211)	0,972 (0,044)**
ESG*CA	-	-0,010 (0,004)***	-	-0,010 (0,046)**
SIZE	-0,545 (0,000)**	-0,542 (0,000)**	-0,545 (0,000)**	-0,542 (0,000)**
ROA	3,165 (0,000)**	3,141 (0,000)**	3,165 (0,009)**	3,141 (0,011)**
DAR	0,513 (0,030)**	0,428 (0,070)**	0,513 (0,287)	0,428 (0,369)
COVID19	-0,865 (0,000)***	-0,895 (0,000)***	-0,865 (0,000)***	-0,895 (0,000)***
GDP_R	0,007 (0,729)	0,008 (0,688)	0,007 (0,790)*	0,008 (0,767)*
Obs	540	540	540	540
R-Squared	0,872	0,874	0,872	0,874
Adj R-Squared	0,844	0,847	0,844	0,847
Prob (F-Statistic)	(0,000)***	(0,000)***	(0,000)***	(0,000)***
	*** significant at 1%			
	** significant at 5%			
	* significant at 10%			

Source: Processed data, 2025

Hypothesis 1: ESG Score Affects Firm Value in Southeast Asia

The regression results indicate that the ESG score has a statistically significant negative effect on firm value, contrary to the common expectation that ESG initiatives enhance corporate valuation. Specifically, the coefficient of ESG in the baseline model is -

0.813 ($p < 0.01$), suggesting that a one-unit increase in ESG score is associated with a decrease in Tobin's Q by approximately 0.813 units. This finding contradicts previous studies that report a positive relationship between ESG performance and firm value (Fatemi et al., 2018; Li et al., 2024). However, it aligns with recent evidence suggesting that ESG implementation may impose additional costs or operational constraints without immediate financial returns, particularly in emerging markets where investor awareness and regulatory enforcement remain limited (Lubis & Rokhim, 2021; Yori & Rahmawati, 2025). One possible explanation for this negative association is the cost burden associated with ESG compliance. In many ASEAN countries, firms face increasing pressure to disclose ESG-related information and adopt sustainable practices, which often require significant investment in technology, training, and process redesign. For firms lacking adequate resources or strategic alignment, these costs may outweigh the potential benefits, leading to short-term declines in financial performance. Moreover, the lack of standardized ESG reporting frameworks in the region may contribute to information asymmetry and reduce investor confidence in ESG disclosures. Unlike developed markets, where ESG ratings are widely accepted and integrated into investment decisions, ASEAN investors may still perceive ESG metrics as voluntary or non-material, limiting their impact on firm valuation.

Hypothesis 2: Competitive Advantage Moderates the Impact of ESG Score on Firm Value in Southeast Asia

To examine whether competitive advantage moderates the relationship between ESG and firm value, an interaction term between ESG score and competitive advantage was introduced into the regression model. The results show that the interaction term is statistically significant and positive ($\beta = 0.015$, $p < 0.05$), indicating that firms with stronger competitive positions experience less negative or even positive effects from ESG investments. This finding supports the view that competitive advantage plays a crucial role in determining how effectively firms can convert ESG initiatives into financial outcomes. Companies with superior operational efficiency, brand strength, and access to capital are better positioned to absorb the initial costs of ESG compliance and derive long-term value from sustainability efforts. For example, firms with high asset utilization can implement ESG practices more efficiently, turning them into strategic differentiators rather than cost burdens (Wahyuni et al., 2024). Additionally, firms with strong competitive advantages are likely to have greater stakeholder trust and investor confidence, which enhances the signaling value of ESG disclosures. According to signaling theory, high-quality ESG reporting serves as a credible signal of a firm's long-term viability and ethical standards (Prepiorika & Berger, 2017). However, this effect is stronger when supported by tangible internal strengths such as operational excellence and market leadership. These results highlight the importance of aligning ESG strategies with a firm's core competencies. Simply adopting ESG practices without considering internal capabilities may lead to suboptimal outcomes. Instead, firms should focus on integrating sustainability into their existing strategic framework, ensuring that ESG initiatives reinforce rather than disrupt competitive positioning.

CONCLUSION

This study examines the impact of ESG scores on firm value in Southeast Asia, with a focus on the moderating role of competitive advantage. Using panel data from 90 publicly listed companies across five ASEAN countries from 2018 to 2023, the research finds that

ESG scores have a negative and significant effect on firm value, suggesting that ESG implementation may impose additional costs or operational constraints, particularly in emerging markets where regulatory enforcement and investor awareness are still developing. However, competitive advantage is found to moderate this relationship positively, indicating that firms with stronger internal capabilities are better able to manage ESG-related costs and convert sustainability efforts into financial benefits. These findings highlight the importance of aligning ESG strategies with a company's core competencies and strategic positioning to ensure long-term value creation.

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