

ABSTRACT

This study aims to examine the effect of corporate governance on ESG (Environmental, Social, and Governance) scores among publicly listed energy and materials companies in China, India, Japan, and Indonesia during the 2020–2023 period. The research is motivated by growing global concern over sustainability and the need for greater transparency in corporate non-financial performance. ESG scores are increasingly used to evaluate corporate responsibility and global competitiveness.

Corporate governance in this context is assessed using four indicators: board size, board diligence, board independence, and board gender diversity. In addition, control variables such as firm size, firm age, leverage, and profitability are included to better isolate the influence of governance characteristics on ESG outcomes.

The research employs panel data regression with a quantitative approach. ESG data were sourced from Refinitiv, which calculates ESG scores using over 600 indicators grouped under environmental, social, and governance pillars. The scoring methodology follows five main steps, including sector-based weighting and adjustments for controversy when relevant.

Findings show that board size, diligence, and independence have a statistically significant positive impact on ESG scores, suggesting these governance features enhance transparency and sustainability oversight. In contrast, gender diversity does not significantly influence ESG scores, possibly due to the low representation of women on company boards within the sample.

This research enriches the body of literature on corporate governance and sustainability performance, particularly in emerging markets. It also offers practical insights for corporate leaders and investors to improve board composition in support of long-term ESG goals.

Keywords : corporate governance, ESG score, board size, board diligence, board independence, and board gender diversity