

Independent study Title	ESG PERFORMANCE AND DIVIDEND PAYOUT IN ASEAN: THE MODERATION BY CASH HOLDINGS
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Academic Year	2023

ABSTRACT

This study investigates the relationship between Environmental, Social, and Governance (ESG) performance and dividend payout policies among firms in the ASEAN region, with a particular focus on the moderating role of cash holdings. Using panel data from six ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam) spanning from 2003 to 2022, the research examines how ESG scores influence both dividend payout ratios and dividend yields. The findings reveal a significant positive relationship between ESG performance and dividend payout ratios, indicating that firms that have higher ESG Performance are more likely to pay a larger dividend. However, there isn't a statistically significant link between ESG and dividend yield, meaning that the impact of ESG on yield is complex and potentially influenced by other factors such as stock price movements. The study also highlights the moderating effect of cash holdings, showing that firms with substantial liquidity are better able to sustain or enhance dividend yields in the context of strong ESG performance. Additionally, the analysis of individual ESG components (environmental, social, and governance) demonstrates that each pillar positively influences dividend payouts. This study enhances the existing literature on this field by offering empirical data from the ASEAN region, emphasizing the importance of ESG factors and cash holdings in shaping corporate dividend policies. The findings offer valuable insights

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for investors, corporate managers, and policymakers as they navigate the evolving landscape of corporate governance and sustainability in emerging markets.

Keywords: ESG performance, dividend payout, ASEAN

