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Exploring ESG Dimensions in Cambodia: Findings from Various Industries

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ABSTRACT

Purpose: *This study explores the integration of Environmental, Social, and Governance (ESG) principles across various industries in Cambodia, aiming to assess current adoption levels, key challenges, and professional perceptions.*

Methodology: *The study used a mixed-methods approach, combining industry assessments, surveys with business professionals, and expert interviews to gather quantitative and qualitative insights.*

Findings: *The results show that while corporate ESG disclosures are generally above average, significant governance transparency and environmental accountability gaps exist. The survey responses indicate skepticism among professionals about the authenticity of ESG commitments, suggesting a potential risk of greenwashing. Expert interviews confirm that ESG awareness is growing, but practical implementation remains limited due to regulatory shortcomings and resource constraints.*

Implications: *The findings emphasize stronger ESG regulations, transparent reporting standards, and enhanced stakeholder engagement to support meaningful corporate sustainability in Cambodia.*

Originality: *This study addresses a notable gap in ESG literature focused on emerging markets, offering industry-specific insights and actionable policy and corporate strategy recommendations.*

Limitations and directions for future research: *Using self-reported data and qualitative assessments may introduce bias. Future research should consider longitudinal designs and cross-country comparisons to monitor ESG progress.*

Keywords: *ESG; Cambodia; Corporate sustainability; Greenwashing; Emerging markets*

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INTRODUCTION

Global awareness regarding climate change, poverty, and inequality has grown significantly. Consequently, society increasingly expects businesses to minimize their negative impacts and contribute positively to the environment and communities. Organizations are, therefore, integrating environmental, social, and governance (ESG) dimensions into their strategies to generate long-term value (HBR, 2024; PwC, 2024). Various studies have highlighted ESG's potential to drive financial and societal value (Friede *et al*., 2015; Ioannou *et al*., 2022; Boffo & Patalano, 2020; Li, 2022; Wagner & Boyle, 2022). However, challenges such as inconsistent metrics, underdeveloped governance dimensions, and fragmented reporting standards persist, underscoring the need for further research into ESG integration, particularly in emerging markets, and its alignment with global sustainability objectives (Li *et al*., 2021; Abhayawansa & Mooneeapen, 2022; Ahmed *et al*., 2023).

As global attention increasingly focuses on sustainability, ESG has evolved from a peripheral consideration to a core strategic focus for organizations worldwide, including Cambodia. In a rapidly developing economy, Cambodia's business sector faces unique challenges and opportunities in integrating ESG practices (Cambodia Investment Review, 2023). While businesses are expected to mitigate negative impacts and contribute meaningfully to environmental preservation, social equity, ethical governance, and sustainable development remain a work in progress for many Cambodian organizations (LOCL Cambodia, 2024).

This study investigates the current state of ESG adoption and reporting practices among Cambodian businesses, addressing a significant gap in the existing literature on ESG implementation in developing nations (Ma'aji *et al*., 2022; Flores, 2023). The study comprehensively analyzes ESG practices and challenges across diverse sectors by analyzing multiple industries. The significance of this research lies in its potential to advance both academic understanding and practical implementation of ESG in Cambodia. Therefore, this study aims to examine the current ESG practices of Cambodian companies, understand the perceptions of business professionals and industry experts, and offer insights that may inform future ESG policies and practices in the region.

The remainder of this paper is structured as follows. The next section reviews the existing academic literature on ESG, including conceptual definitions, empirical evidence, and emerging issues. This is followed by an overview of ESG practices in Cambodia, including recent national developments and regulatory efforts. The methodology section outlines the mixed-methods approach employed in this study, while the results section presents findings from industry assessments, survey data, and expert interviews. The discussion and conclusion offer key insights, practical implications, and recommendations for future research.

LITERATURE REVIEW

The prominence of ESG grew with the United Nations' Principles for Responsible Investment (PRI) report in 2006, which emphasized the inclusion of ESG criteria in financial evaluations (Atkins, 2020). The European Union's 2019 European Green Deal marked a pivotal moment by committing to climate neutrality by 2050 (The Economist, 2021). Subsequently, the Corporate Sustainability Reporting Directive (CSRD) mandated ESG reporting starting in 2024 (EU, 2019; 2021; 2022). This evolution reflects ESG's increasing importance in academic and corporate discourse, prompting extensive research into its multifaceted impacts

Companies prioritizing ESG often report benefits such as improved financial performance, enhanced brand reputation, access to capital, better risk management, and increased customer loyalty. ESG fosters innovation, regulatory compliance, long-term sustainability, and positive societal impact (Friede *et al*., 2015; Boffo & Patalano, 2020; Li, 2022; Wagner & Boyle, 2022). Consequently, many organizations focus on and publish reports to communicate their long-term commitments to ESG. These reports outline initiatives and goals for reducing environmental impact, developing human capital, and practicing responsible business (Ioannou *et al*., 2022; Signori *et al*., 2021).

Conceptual Review of ESG

ESG factors represent distinct but interconnected dimensions of corporate sustainability and ethical impact.

Environmental factors pertain to a company's impact on the natural environment, including carbon emissions, resource efficiency, waste management, and climate change mitigation. The research underscores the critical role of environmental stewardship in long-term success. For instance, Senadheera *et al*. (2022) emphasized green investing and circular economy principles, while Li *et al*. (2021) highlighted the theoretical and economic impacts of environmental initiatives.

The environmental pillar has also driven innovation in green technologies and renewable energy adoption. Studies like Wagner and Boyle (2022) discuss how companies leveraging environmental sustainability often gain competitive advantages, particularly in emerging markets, such as Cambodia, where resource constraints are prevalent.

The social factors dimension focuses on relationships with employees, customers, suppliers, and communities, addressing labor practices, diversity, product safety, and community engagement. Studies like Clément *et al*. (2023) emphasize corporate responsibility's role in addressing social challenges, while Abhayawansa and Mooneeapen (2022) explore investor behavior aligned with social values.

Social factors also encompass ethical supply chain management, ensuring fair wages and safe working conditions. Cambodian industries, for example, face scrutiny over labor practices, particularly in the construction and garment sectors, highlighting the importance of aligning social practices with global standards (ILO, 2024).

Governance factors concern internal systems and processes ensuring accountability and ethical decision-making. Despite its importance, governance often lags behind environmental and social components (Senadheera *et al*., 2022). Kumar *et al*. (2024) and Tsang *et al*. (2023) highlight the critical role of governance frameworks in enhancing overall ESG performance.

In Cambodia, governance reforms in corporate structures and regulatory compliance are essential to fostering investor confidence and aligning with international expectations (Royal Government of Cambodia, 2019; Vorng, 2023).

Empirical Review of ESG Research

Meta-analyses like that of Friede *et al*. (2015) consolidate evidence supporting the positive correlation between ESG and corporate financial performance. Approximately 90 percent of studies report non-negative correlations, with many indicating positive impacts. Building on this, bibliometric studies by Senadheera *et al*. (2022) trace exponential growth in ESG-related publications driven by interest in sustainability trends like green investing. Research has also highlighted gaps in ESG practices, including inconsistent methodologies and fragmented reporting standards. Clément *et al*. (2023) critique ESG scores for their inconsistent definitions, while Tsang *et al*. (2023) identify the need for more relevant and stakeholder-focused disclosures. Further, governance metrics' underdevelopment calls for deeper exploration, according to Li *et al*. (2021), as also discussed by Kaplan and Spitzer (2024).

International case studies, such as those on Swedish corporations (Arvidsson & Dumay, 2022) and Polish ESG trends (Dmuchowski *et al*., 2023), illustrate regional variations and common challenges. Looking at Italian organizations, Clementino and Perkins's (2021) research showed that corporate responses depend on managers' beliefs regarding the material benefits of adjusting to and scoring well on ESG ratings and their alignment with corporate strategy. Zhang *et al*. (2012) research showed that Chinese iron and steel companies have struggled to implement practices to reduce their energy consumption and emissions. Alda (2021) discussed the challenges and impact of ESG inclusion in pension funds' investments. Similarly challenging, research on Cambodia's ESG practices (Ma'aji *et al*., 2022; Flores, 2023) reveals deficiencies in reporting standards and corporate awareness. These insights reinforce the need for comprehensive, context-specific research and strategies to advance ESG integration.

Emerging Terminology: Greenwashing, Greenhushing, and Carewashing

The rise of terms like "greenwashing," "greenhushing," and "carewashing" reflects growing scrutiny of corporate sustainability claims. Greenwashing involves overstating sustainability efforts, eroding consumer trust, and creating confusion (Lyon & Montgomery, 2015; Fella & Bausa, 2024). Bladt *et al*. (2024) showed that greenwashing can significantly damage brand attitudes. Conversely, greenhushing, as noted by FactSet data, involves downplaying ESG efforts to avoid scrutiny and public criticism (Financial

Times, 2024). Carewashing highlights superficial responses to social issues (Mussell, 2024). Carewashing occurs when companies with unsustainable "work hard, play hard" cultures offer superficial solutions, such as mindfulness training or yoga classes, as a substitute for creating genuinely safe and supportive work environments (Gube *et al*., 2024). Consequently, these phenomena underscore the importance of transparency and accountability in ESG communications.

Challenges in ESG Reporting and Implementation

ESG reporting guidelines serve as institutional rules that enhance the credibility of publicly disclosed ESG information (Darnall *et al*., 2022). Reporting is typically voluntary, and global ESG reporting guidelines often rely on third-party verification focused on processes (Howard-Grenville, 2021). The Big Four accounting firms, Deloitte, PwC, KPMG, and EY, are actively driving the ESG transformation by establishing a set of standardized measurements comprising specific metrics. This framework, known as the Stakeholder Capitalism Metrics, categorizes ESG reporting and disclosure into four pillars: Principles of Governance, Planet, People, and Prosperity (World Economic Forum, 2020).

Environmental	Social	Governance
Climate change and carbon emissions	Labor practices and standards	Board structure and diversity
Resource efficiency (energy, water, materials)	Health and safety	Executive compensation
Waste management and circular economy	Diversity and inclusion	Business ethics and anti-corruption
Pollution control and biodiversity	Training and development	Shareholder rights
Renewable energy and clean technologies	Community engagement and social investment	Transparency and disclosure
Climate risk and adaptation strategies	Human rights and supply chain responsibility	Risk management and internal controls

Figure 1: Conceptual model of the three ESG pillars (adapted from PwC, 2023)

Numerous ESG reporting agencies worldwide offer different ESG tracking metrics (Huber & Comstock, 2017; Billio *et al*., 2021; Liang & Chan, 2022; Pérez *et al*., 2022). Among these, the five most common frameworks are the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), Carbon Disclosure Standards Board (CDSB), and International Integrated Reporting Council (IIRC). Similarly, the International Financial Reporting Standards Organization (IFRS.org) is also trying to align with the International Sustainability Standards Board (ISSB), building on the work of existing investor-focused reporting initiatives. The board's standards are IFRS S1, which tells companies what information they need to disclose to investors about the sustainability-related risks and opportunities they face over the short, medium, and long term, and IFRS S2, which sets out specific climate-related disclosures. Building on these developments, the International Organization for Standardization (ISO) has also established a framework to implement principles that could serve as a foundation for related reporting and auditing frameworks (ISO, 2024).

Despite the momentum for ESG adoption globally, many organizations face various barriers (Davies, 2020). Resource limitations and a lack of technical expertise hinder the full-scale integration of ESG principles (Goddard, 2022). Studies by Zhang *et al*. (2012) emphasize that these issues are compounded by inadequate data management systems and cultural resistance to change within organizations. Moreover, small and medium-sized enterprises (SMEs) encounter difficulties due to the perceived complexity and cost of implementing ESG initiatives (Consultancy.uk, 2023; Farri *et al*., 2022).

ESG in Cambodia

Like many other countries, Cambodia has recently started focusing on ESG practices. The country has been undergoing rapid economic development, and there is growing recognition that sustainability is essential for long-term growth and to attract green investments (Royal Government of Cambodia, 2019; SBFN & IFC, 2022; USAID, 2023). In line with these ambitions, several government and non-governmental initiatives have been organized to promote sustainability in Cambodia, such as the Cambodia Climate Change Summit since 2021, supported by the Ministry of Environment. The EuroCham Business Survey revealed that ESG programs are gaining traction in Cambodia as "businesses are beginning to understand their roles extend beyond profitability to contributing to societal and environmental wellness" (Cambodia Investment Review, 2023).

Subsequently, Cambodia has established itself as a leader in Southeast Asia's fight against climate change by becoming the first member country in the region to endorse the Global Green Growth Institute's (GGGI) 'Blue Skies & Net Zero 2050' campaign. This pivotal endorsement was announced by the minister of the environment, demonstrating Cambodia's commitment to a sustainable and environmentally conscious future (Cambodia Investment Review, 2023). Finally, the Cambodia Outlook Conference 2023 marked a significant stride towards aligning Cambodia's private sector investment strategies with its 2030 vision for sustainable development, as advocated by the Cambodian Government (Cambodia Investment Review, 2023). Cambodia's growing focus on sustainability is also evident in initiatives such as the Cambodia Climate Change Summits and the 2024-28 Decent Work Country Program, which is signed by representatives of the Ministry of Labor and Vocational Training, the Cambodian Federation of Employers and Business Associations, Cambodian Trade Unions and the ILO (2024).

These initiatives reflect a broader commitment to integrating environmental priorities into national policies. However, the absence of mandatory ESG disclosure requirements poses significant challenges. Consequently, potential greenwashing remains relevant in Cambodia, where limited regulatory oversight can enable companies to exaggerate sustainability claims, especially in the construction and garment industries.

Studies by Ma'aji *et al*. (2022) and Edman (2023) highlight significant gaps in ESG reporting in Cambodia, including limited awareness and the absence of standardized guidelines. Despite these challenges, progress by organizations like Acleda Bank (2024) reflects Cambodia's potential to become a regional leader in ESG practices. Developing stringent reporting standards and promoting third-party audits are thus crucial steps toward addressing these challenges.

STUDY METHODOLOGY

A mixed-methods approach is employed to comprehensively examine ESG dynamics and practices in Cambodia, incorporating quantitative and qualitative data collection from multiple sources. This methodology ensures robust triangulation of findings and enhances the validity of the research (Creswell & Creswell, 2018).

Participants and Sampling

The study engaged three distinct groups of participants. First, student-assisted industry assessments: Undergraduate students from CamEd Business School conducted an industry-wide ESG assessment over two consecutive years. The study encompassed 12 industries: Finance and Banking, Construction, Tourism and hospitality, Retail and Supermarket, Garment, Footwear and Textiles (GFT), Energy, Agriculture, Logistics and Transportation, Retail, Education, Healthcare, and Telecommunications. These industries were evaluated based on publicly available corporate disclosures of ten companies from each industry, selected by their market size and information availability, such as websites, annual reports, and media coverage.

The assessment utilized a subjective heatmap methodology, scoring three key criteria under each ESG category. Environmental: Resource efficiency, carbon emissions, and waste management. Social: Labor law and conditions, diversity and equality, and community engagement. Governance: Business ethics, regulatory compliance, and transparency. To ensure relevance across industries, assessment components were tailored to specific sectors. For example, packaging and material waste were emphasized in the supermarket industry, while data security was incorporated into the telecommunications sector. Scores ranged from 1 (Poor) to 5 (Excellent), with student teams assigning ratings based on publicly available information, direct observations, and qualitative evaluations. For instance, a company was rated poorly in waste management if no policy existed or on-site observations indicated inadequate waste disposal practices, e.g., in schools, hotels, or construction sites. The collected data were then transformed into industry heatmaps (see Figure 2) while ensuring company anonymity.

Secondly, a survey of business professionals. Over 100 Cambodian business professionals were administered a structured online survey questionnaire to gauge their understanding and perceptions of ESG practices. The survey included closed-ended questions, allowing for the collection of descriptive statistics. Participants were selected through convenience sampling, mainly via LinkedIn and professional networks.

Thirdly, expert interviews. To supplement the industry assessment, 11 semi-structured interviews were conducted with academics, industry experts, corporate managers, and governmental and non-governmental organizations. Interviewees were selected through convenience sampling, mainly via LinkedIn and professional networks, for their knowledge of ESG policy, industry practices, and sustainability challenges in Cambodia. The interviews aimed to contextualize the ESG landscape, validate industry assessments, and identify challenges in policy implementation and corporate commitment.

Data Analysis

A multi-layered analysis was conducted to ensure comprehensive insights into ESG adoption in Cambodia. First, Heatmap Scoring Method: Each assessed company was assigned ESG scores based on a heatmap framework, evaluating three criteria under each ESG dimension. This scoring system enables a comparative industry-wide assessment (Eccles *et al*., 2014). Secondly, Descriptive Statistics: Survey responses were analyzed using frequency distributions and means to assess the general perception of ESG adoption. Thirdly, the qualitative input evaluating the overall findings is incorporated from expert interviews.

Ethical Considerations

Participants in interviews and surveys provided informed consent, ensuring voluntary participation and data confidentiality. Furthermore, anonymity was maintained for industry assessments, surveyed professionals, and interviewees following established research ethics guidelines (Bell & Bryman, 2007).

RESULTS AND DISCUSSION

Industry Assessment Heatmaps

The overall results from the 2023 and 2024 industry assessments were remarkably similar, with average ESG scores of 3.50 and 3.54, respectively, on a 1 to 5 scale. These findings suggest that the publicly available ESG disclosures of organizations in Cambodia are generally above average, with a slightly positive outlook. However, year-on-year comparisons indicate that while companies have become more diligent in reporting environmental consciousness and corporate social responsibility (CSR) initiatives, governance-related disclosures have shown minimal improvement.

When examining ESG performance across different industries, "service-based industries" such as finance, education, retail and supermarkets, telecommunications, and hospitality consistently exhibited higher ESG scores than "production-based industries" such as logistics, textiles, construction, and agriculture. More specifically, service industries such as finance, energy, and tourism notably improved resource efficiency and climate change awareness. Construction, textiles, and agriculture continued to lag behind, reflecting inconsistent sustainability efforts. Education and healthcare showed steady progress, likely driven by regulatory pressures and corporate responsibility initiatives.

The assessments also revealed significant variations in ESG performance between different organizations. Larger corporations generally outperformed smaller firms across all ESG dimensions, particularly in disclosure and reporting, most likely due to international requirements and budget availability. Smaller companies consistently received lower scores, especially those without formal ESG policies. For example, larger hotel chains performed significantly better than smaller hotels. Major construction firms provided more comprehensive ESG reports, whereas smaller construction sites in urban centers demonstrated weaker ESG practices. Supermarket and retail chains showed stronger ESG commitments than local shops and independent retail outlets.

Thus, the heatmap analyses suggest a relatively positive ESG outlook in Cambodia when considering corporate ESG disclosures. However, on-the-ground observations indicate a less optimistic reality, as many industries exhibit significant ESG gaps in actual practice.

CAMBODIA ESG ASSESSMENT 2023			Supermarkets	H. Education	Banking	Healthcare	Telecom	Hospitality	Construction	Logistics	OVERALL
MULTIPLE INDUSTRIES	ENVIRONMENT	Resource efficiency	3,4	2,8	3,6	3,5	3,3	3,3	2,5	3,0	3,17
		Carbon emissions	4,0	3,2	3,3	3,4	2,3	2,9	3,5	2,3	3,11
		Waste management	3,7	3,1	3,4	3,1	2,5	3,0	3,6	2,2	3,07
	SOCIAL	Labor law & Conditions	4,1	4,3	4,0	3,8	3,6	3,7	3,4	3,3	3,77
		Diversity & Equality	4,5	4,3	4,8	3,5	4,6	3,7	2,6	2,9	3,87
		Communities / CSR	4,6	5,0	4,2	3,9	3,5	4,1	3,3	2,5	3,89
	GOVERNANCE	Business ethics	4,4	4,7	4,2	3,8	4,2	3,4	3,1	2,2	3,74
		Regulatory compliance	4,3	4,8	3,8	3,5	3,9	3,0	3,0	2,5	3,59
		Transparency	4,2	4,1	4,1	3,6	4,1	3,4	2,9	3,1	3,68
		OVERALL	4,13	4,02	3,92	3,57	3,56	3,39	3,10	2,67	3,54

* Assessment scale: (1) Very poor (2) Poor (3) Fair / Neutral / Average (4) Good (5) Excellent // Assessment components can differ across industries.

Cambodia ESG ASSESSMENT 2024			Finance	Education	Tourism	Retail	Energy	Textile GFT	Agriculture	Construction	AVERAGE
MULTIPLE INDUSTRIES	ENVIRONMENT	Resources efficiency	3,8	3,4	3,2	3,0	3,8	3,1	3,3	3,0	3,33
		Climate change	3,9	3,3	3,6	3,4	4,3	3,1	2,5	3,3	3,40
		Waste management	3,6	3,3	3,9	3,0	3,6	2,9	3,3	2,9	3,31
	SOCIAL	Diversity & Equality	3,9	3,7	4,3	3,6	4,3	3,1	3,0	3,8	3,70
		Stakeholders & Community	4,7	3,9	4,7	4,0	4,4	3,1	3,0	3,8	3,94
		Labor law & Conditions	4,1	4,1	3,1	3,8	3,9	2,9	3,2	3,3	3,53
	GOVERNANCE	Business ethics	4,6	4,0	4,0	3,4	3,4	2,7	3,1	3,1	3,52
		Regulatory complicance	4,6	4,1	3,4	3,4	3,4	2,7	2,9	2,9	3,42
		Transparency	4,6	3,8	4,1	3,3	3,5	2,3	2,2	2,6	3,31
		OVERALL	4,2	3,7	3,8	3,4	3,9	2,9	2,9	3,2	3,50

* Assessment scale: (1) Very poor (2) Poor (3) Fair / Neutral / Average (4) Good (5) Excellent // Assessment components can differ across industries.

Figure 2: Industry Assessment Heatmaps

Quantitative Survey Findings

A quantitative survey was designed to validate the industry observations and assessments via the heatmaps, inviting Cambodian business professionals to assess ESG performance across industries. The survey provides an additional layer of verification for the industry assessment findings. Results indicate that companies in different industries tend to overstate their ESG activities moderately, while general perceptions among business professionals are less positive than company information and publications.

In other words, the findings indicate a notable discrepancy between publicly disclosed ESG commitments and the perceptions of industry professionals, reinforcing concerns regarding the authenticity and depth of ESG integration within corporate strategies (Delmas & Burbano, 2011).

The survey results highlight a significant variance across ESG dimensions. Environmental concerns received the lowest ratings, suggesting that corporate environmental responsibility remains a significant area of concern. By contrast, social and governance factors were rated within the fair or neutral zone, indicating a more moderate perception of corporate adherence to social and ethical business practices. The survey further revealed that companies across different industries tend to overstate their ESG activities moderately, with business professionals expressing skepticism regarding the extent to which these commitments translate into tangible sustainability actions.

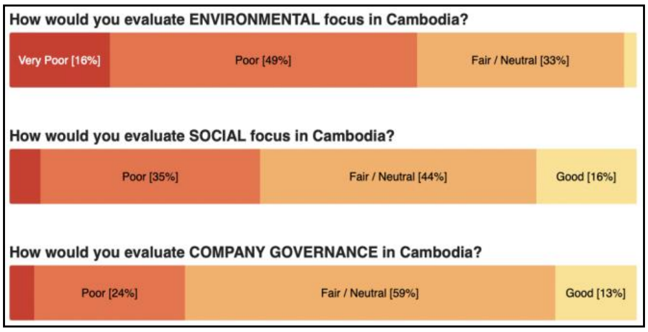
These findings align with previous studies highlighting the issue of greenwashing, wherein firms embellish their ESG performance in public disclosures to enhance their reputations without substantial operational changes (Eccles *et al.*, 2014). The perception of ESG overstatement in Cambodia is particularly relevant in light of broader global concerns about corporate sustainability transparency.

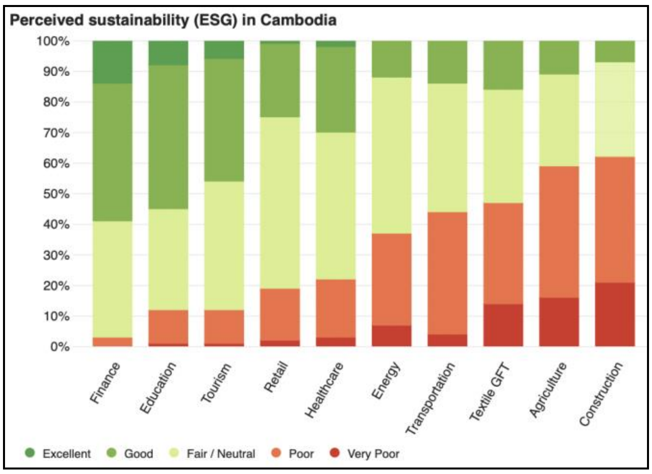
Comparison with Heatmap Findings and Implications

The survey results complement the industry-wide ESG assessments derived from heatmap scoring. The heatmaps indicated that most industries exhibit above-average ESG scores, with service-based sectors such as finance, retail, education, telecommunications, and tourism demonstrating relatively stronger ESG integration. In contrast, resource-intensive industries such as agriculture, construction, and textile manufacturing continued to lag behind in sustainability efforts. Notably, larger corporations consistently outperformed smaller firms across all ESG dimensions, particularly regarding disclosure and reporting quality.

The most concerning aspect of the findings relates to environmental responsibility. While some industries have made progress in resource efficiency and climate change awareness, the low ratings in the survey indicate that corporate sustainability efforts may be more symbolic than substantive. This suggests that firms focus on compliance-based ESG (reporting) practices rather than genuinely proactive environmental stewardship.

The divergence between reported ESG performance and overall perceptions highlights key challenges in Cambodia's ESG landscape. The skepticism among business professionals regarding the accuracy of ESG disclosures underscores a fundamental trust gap. While the heatmaps indicate progress in ESG adoption, the perception that companies exaggerate their commitments signals a need for enhanced transparency and accountability. These results reinforce concerns about governance-related weaknesses, suggesting that while corporate awareness of ESG principles is increasing, genuine actions and implementation remain limited. This aligns with global research indicating that ESG policies often prioritize external reputation management over substantive changes in corporate behavior (Delmas & Burbano, 2011).





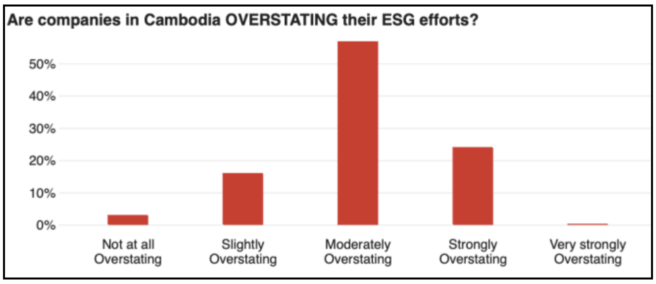


Figure 3: ESG Survey Results (N = 100)

Expert Interviews

To further investigate the perception-reality gap in corporate ESG strategies and reporting, 11 expert interviews were conducted. These semi-structured interviews encompassed various stakeholders, including five representatives from academia, government, and non-governmental organizations and six industry professionals from retail, finance, hospitality, construction, manufacturing, and agriculture. The main goal of these interviews was to discuss the initial findings from both industry assessments and survey results and gauge general sentiment about ESG in Cambodia.

The main findings from academia, government, and non-governmental interviews were twofold: First, experts acknowledged that company-disclosed ESG information, as presented in heatmaps, often moderately overstates daily practices in various industries, indicating a degree of greenwashing. Secondly, quantitative survey results provide a less positive but more accurate reflection of ESG practices in Cambodia, offering a more grounded perspective on sustainability efforts.

About the specific industries, expert interviews revealed that the finance industry is among the most advanced sectors in terms of ESG. This industry operates under stringent regulations, and its reporting obligations are more rigorous than most other industries. The student team analysis and expert interviews confirmed that the finance sector demonstrates the highest level of ESG integration. In the tourism and hospitality industry, ESG practices vary significantly. Large international hotel chains tend to prioritize ESG activities and reporting. However, numerous small-scale hotels, restaurants, and cafes lack awareness or concern regarding ESG practices. The retail and supermarket sector is similarly fragmented, consisting of several large chain operations and thousands of small establishments. While major retail outlets and supermarket chains report ESG intentions, their daily operations implementation remains inconsistent.

Expert interviews acknowledged significant challenges in effectively implementing ESG activities in the construction industry. These shortcomings were also identified through the heatmap analysis. Cambodia's economic and social growth has led to a rapid expansion of construction activities. However, sustainability considerations have not been a primary focus within the sector. The textiles industry, including garment, footwear, and travel goods manufacturing, exhibits trends similar to those of the construction sector, where larger firms demonstrate greater commitment to ESG practices and reporting. In contrast, numerous small textile manufacturing enterprises do not visibly engage in ESG practices. Finally, the agriculture sector, which employs approximately one-third of Cambodia's workforce and contributes one-fifth of the nation's GDP, remains below the desired ESG standards. Although the government has expressed strong intentions to transform the industry towards sustainability, challenges persist, particularly in fragmented agricultural activities in rural areas. While large organizations, such as major rice exporters, include ESG commitments, e.g., in their websites, these practices are not widespread among small-scale producers.

CONCLUSION

This study aimed to evaluate the current ESG practices of Cambodian companies, assess the perceptions of industry experts and business professionals, and provide actionable insights to inform future ESG policies and practices in Cambodia. The findings indicate a growing awareness of ESG principles among Cambodian businesses, as evidenced by survey responses and heatmap analyses. However, expert interviews revealed persistent challenges in achieving meaningful ESG integration. Overcoming these obstacles requires a comprehensive approach that combines regulatory oversight, corporate transparency, and stakeholder engagement to ensure that ESG commitments translate into tangible sustainability outcomes.

Despite the challenges identified, Cambodia's efforts to advance ESG practices reflect a growing commitment to sustainable development and corporate responsibility. Organizations can adopt a systems-thinking approach to accelerate progress, integrating ESG considerations across all levels of their operations. This requires targeted interventions, including capacity-building programs, regulatory incentives, and stronger collaboration between the public and private sectors. Addressing governance gaps and ensuring greater transparency in ESG disclosures will foster trust and accountability within the business ecosystem. Developing stringent reporting standards and promoting third-party audits are thus crucial steps toward addressing these challenges.

ESG considerations are essential for businesses seeking long-term value while addressing global sustainability challenges. Companies, therefore, should move beyond compliance-based ESG adoption and develop a deeper understanding of the broader impacts of their practices. Effective ESG integration requires insight-driven decision-making, continuous learning, and a commitment to ethical governance. Therefore, boards and executive leadership should embed ESG principles into corporate strategies, recognizing that sustainability initiatives enhance stakeholder trust and contribute to overall organizational performance. While ESG indices provide useful benchmarks, they are insufficient as sole indicators of value creation. Businesses should, therefore, shift from a metrics-driven approach to a more impact-oriented ESG strategy, ensuring that reported commitments align with substantive sustainability practices. By fostering a culture of accountability and innovation, companies can align their sustainability efforts with local development priorities and global ESG standards, ultimately contributing to long-term economic and environmental resilience for the country and the region.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study has several limitations. First, the availability of ESG-related information remains inconsistent, as many companies do not report their sustainability activities in a structured or standardized manner. Second, the findings may have limited generalizability due to the purposive and convenience sampling used in the study. Third, the reliance on subjective evaluations of company information, rather than industry self-reports and expert audits, presents potential biases in assessing ESG performance.

To enhance the robustness of future research, it is recommended that studies incorporate survey-based self-reported data from companies, enabling more rigorous quantitative analyses of ESG adoption. Future research can focus on longitudinal studies to assess the long-term impacts of ESG integration on Cambodia's economic and environmental sustainability. Additionally, conducting in-depth expert interviews and industry-specific audits will provide richer insights into sectoral variations and the practical implementation of ESG frameworks. Finally, future research can explore comparative analyses with regional and international ESG practices to understand better Cambodia's positioning within the regional and global sustainability landscape.

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