

Building Credibility in Vietnam's ESG Disclosures: Assurance Trends and Institutional Gaps

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ABSTRACT: This study examines how credibility is constructed in sustainability (ESG) disclosures among Vietnam-listed firms, with particular attention to the role of external sustainability assurance and the institutional conditions that shape its uptake and perceived value. Using a qualitative case-study approach, the manuscript synthesises secondary evidence (academic studies, professional guidance, and regulatory materials). It conducts qualitative content analysis of a corpus of sustainability reports published by representative listed firms over 2020–2025. The findings indicate a measurable improvement in disclosure quality and presentation, especially among HOSE-listed large-capitalisation firms, where reporting increasingly aligns with international frameworks (notably GRI and the UN SDGs) and, in leading cases, incorporates climate-related commitments (e.g., Net Zero pathways and emissions management). However, third-party assurance remains limited and concentrated among larger firms, reflecting cost constraints, uneven ESG data systems, a fragmented standards environment, and shortages of specialised assurance capabilities. The study concludes that strengthening ESG credibility in Vietnam requires a phased policy roadmap for assurance, capacity building for ESG data governance, and harmonisation with evolving international assurance standards (e.g., ISSA 5000), alongside measures to broaden access for smaller issuers.

KEYWORDS: Sustainability reporting; ESG disclosure credibility; Sustainability assurance; Vietnam listed firms; Institutional gaps.

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Introduction

Credibility has become the fulcrum of ESG disclosure. As sustainability information increasingly informs capital allocation, stakeholder trust, and firms' long-run value propositions, the central challenge is no longer whether companies disclose ESG information, but whether such disclosure is decision-useful, verifiable, and comparable. This manuscript positions Vietnam within the broader debate on how credibility is constructed in non-financial reporting, emphasising the joint roles of external sustainability assurance, internal governance arrangements, and institutional pressures that shape both reporting incentives and market interpretation.

Across jurisdictions, external assurance has emerged as a prominent credibility mechanism because it can strengthen verifiability, reduce information asymmetry, and signal managerial commitment to accountable disclosure (Farooq et al., 2023; Zanócz, 2025). Empirical evidence suggests that assurance quality—often proxied by recognised standards and reputable providers—tends to correlate with more robust sustainability reporting, improved environmental performance, and more favourable market outcomes, including investor confidence and cost-of-capital effects (Farooq et al., 2023). Complementing this assurance-centric account, governance research indicates that credible ESG disclosure is frequently underwritten by internal control and oversight: board involvement, sustainability committees, and governance quality increase the likelihood that ESG reporting is embedded in organisational processes rather than treated as a symbolic exercise (Mohy-ud-Din et al., 2025; Rohani et al., 2022).

Vietnam constitutes a consequential case for examining these credibility dynamics because its sustainability reporting ecosystem and assurance market remain comparatively nascent, while stakeholder expectations and regulatory signals are evolving rapidly. The Vietnamese corporate landscape—characterised by heterogeneous ownership structures, uneven governance capacity, and varying exposure to global investors—creates divergent incentives for assurance uptake and quality. Prior cross-country research shows that the credibility payoffs of assurance are contingent on institutional maturity: where enforcement capacity, investor sophistication, and reporting infrastructures are underdeveloped, assurance may be adopted selectively and interpreted inconsistently (Farooq et al., 2023; Zanócz, 2025). This conditionality makes Vietnam a theoretically instructive setting for identifying how institutional gaps constrain credibility formation and which levers—governance reform, assurance market development, and regulatory convergence—are most likely to close such gaps.

Building on signalling and legitimacy perspectives, this study conceptualises ESG credibility as an outcome of three interlocking mechanisms: (i) assurance as an external signal that enhances verifiability and legitimises disclosure; (ii) governance readiness as a prerequisite for consistent ESG data generation and oversight; and (iii) institutional pressures from regulators and investors that reward credible, standardised reporting (Sánchez et al., 2021; Farooq et al., 2023; Alwadani et al., 2023; Zanócz, 2025). The manuscript contributes by synthesising global evidence through a Vietnam-centred lens, clarifying

how governance, assurance practices, and policy trajectories interact in an emerging-market context, and developing a context-sensitive research framework and hypotheses to guide subsequent empirical investigation using Vietnamese firm-level data and assurance disclosures.

Research Aim and Research Questions

This study aims to generate an in-depth, context-specific understanding of how sustainability reporting and sustainability assurance are practised among firms listed on Vietnam's stock exchanges, and why persistent credibility and implementation gaps remain. Using a qualitative case-study design, the research examines sustainability disclosure in real organisational and institutional contexts—where regulatory expectations are evolving, reporting capabilities vary substantially across firms, and assurance markets remain uneven. The study leverages systematic secondary data analysis (academic research, theses, professional reports, and legal/professional guidance) to consolidate theoretical foundations and international experience relevant to sustainability reporting and assurance. Building on this foundation, it compiles and analyses a corpus of sustainability reports published by representative Vietnamese listed firms over 2020–2025, selected to reflect variation in transparency, operational scale, and sectoral context. Through qualitative content analysis, the study identifies the defining features of disclosure practice, emerging trends, and recurring limitations, and assesses the extent, forms, and apparent rigour of sustainability assurance adoption. The overarching objective is to map practical constraints and implementation challenges and to derive actionable insights for firms, assurance providers, and policymakers seeking to strengthen the reliability and decision-usefulness of ESG disclosures in Vietnam.

Research questions to achieve the above aim:

Question 1: How do Vietnam-listed firms design and communicate sustainability disclosures (2020–2025), and what recurring strengths and limitations are evident in the content and structure of these reports?

Question 2: To what extent do Vietnam-listed firms adopt sustainability assurance, and what assurance characteristics (e.g., scope, provider type, standards referenced) are observable in practice?

Question 3: What practical and institutional constraints—evident from documentary evidence and report content—appear to hinder robust sustainability reporting and credible assurance implementation in Vietnam's listed-firm context?

Research Results

Vietnam's sustainability reporting leaders—proxied here by the VLCA 2025 Top performers—exhibit a clear pattern: credibility is being built primarily through framework alignment (GRI + SDGs), enhanced report architecture, and selective climate-specific commitments, rather than through uniformly strong third-party assurance across the market. As the most stringent listing venue, HOSE provides an enabling

environment for higher disclosure discipline and stronger investor scrutiny, making sustainability reporting an increasingly salient complement to financial reporting among large issuers.

Table 1 indicates that “standardisation first” is the dominant credibility strategy. Across both financial and non-financial sectors, the leading reports consistently anchor disclosure in GRI and explicitly reference the UN SDGs, thereby improving comparability across years and supporting a more structured narrative around ESG performance and priorities. This is particularly evident in the financial sector winners: HDBank (HDB), recognised with First Prize, is characterised by strong alignment with internationally recognised disclosure structures and an emphasis on embedding ESG into governance and operations. Bao Viet (BVH), awarded Second Prize, differentiates itself through report presentation/readability and by leveraging international benchmarking signals (e.g., DJSI orientation) to strengthen perceived credibility among investors and stakeholders. VPBank (VPB), in Third Prize position, demonstrates a coherent reporting structure and a long-term “sustainable prosperity” positioning, suggesting progressive institutionalisation of ESG reporting within banking practice.

In the non-financial sector, the VLCA 2025 results suggest that credibility increasingly hinges on verifiability and climate specificity. DCM (First Prize) is highlighted for strengthening information reliability through more systematic, metrics-based disclosures, thereby improving the verifiability of sustainability claims. Vinamilk (VNM)—recognised for sustainability reporting and GHG management—stands out by coupling GRI reporting with explicit climate commitments and standards (e.g., Net Zero, PAS 2060:2014) and by providing clearer climate-related targets and milestones (e.g., 2027-2050 horizons), thereby enhancing accountability and credibility in the transition. Gemadept (GMD) is recognised for “completeness,” reflecting a well-structured, comprehensive disclosure architecture aligned with GRI, thereby improving the interpretability and coverage of material ESG topics.

Overall, Table 1 implies a two-track credibility model in Vietnam’s top tier: (i) broad-based legitimacy through GRI/SDG alignment and stronger report design; and (ii) higher-credibility differentiation where firms provide more measurable, decision-useful ESG content—especially climate targets, milestones, and systematically documented performance indicators. This top-tier pattern is consistent with the study’s broader observation that, despite sectoral differences, leading reporters converge on stronger standardisation, clearer targets and indicators, and (where present) external validation mechanisms that make ESG disclosures more decision-relevant.

Table 1

Top Sustainability Reports (Top 3) - 2025 (VLCA 2025)

Company	VLCA 2025 Award/Recognition	Reporting Standards/Frameworks Applied	Key Strengths and Notable Commitments
Financial sector			

HDB (HDBank)	First Prize - Sustainability Report (Financial Sector)	GRI; reference to the UN SDGs; compliance-oriented sustainability disclosure	Strong alignment with internationally recognized disclosure structures (e.g., GRI), improving comparability across reporting periods; emphasizes ESG integration into governance and operations, and strengthens transparency for stakeholders.
BVH (Bao Viet Group)	Second Prize - Sustainability Report (Financial Sector); referenced as being included in DJSI	GRI; DJSI (benchmarking/or ientation)	Scores highly on report presentation and readability, and on global credibility through benchmarking against international sustainability indices; enhances investor confidence in governance and sustainability performance narratives.
VPB (VPBank)	Third Prize - Sustainability Report (Financial Sector)	GRI; reference to the UN SDGs	Clear and consistent disclosure structure; communicates a long-term “sustainable prosperity” orientation and signals progressive institutionalization of ESG reporting practices.
Non-Financial sector			
DCM (PVCFC - PetroVietnam Fertilizer and Chemicals Corporation)	First Prize - Sustainability Report (Non-financial Sector)	GRI	Strengthens information reliability through more systematic, metrics-based disclosures; improves verifiability and stakeholder trust via clearer documentation of sustainability performance.
VNM (Vinamilk)	First Prize (Sustainability Reporting & GHG Management)	GRI; Net Zero 2050; Zero PAS 2060:2014	Demonstrates leadership in carbon neutrality and emissions reduction; provides comparatively transparent climate-related targets and milestones (e.g., 2027–2050 horizons), supporting accountability and long-term transition credibility.
GMD (Gemadept)	Recognition - “Completeness” (Non-financial Sector)	GRI	A well-structured, comprehensive report architecture; disclosures are organized coherently in line with GRI requirements, improving interpretability and completeness of sustainability information.

Source: Author’s compilation based on sustainability reports for the 2020–2025 reporting period and VLCA-related recognitions (reported in 2025)

Extending the analysis to the VN30 index—representing large-capitalisation firms listed on HOSE—suggests a gradual but meaningful improvement in both the format and credibility infrastructure of sustainability reporting over 2020–2025. In 2020, only 13.33% of VN30 constituents (4/30) published a stand-alone sustainability report, and only 10% reported any third-party involvement in validating

sustainability disclosures. For most firms, sustainability information remained embedded within annual reports, and external assurance or independent verification was not yet a standard reporting practice.

By 2025, disclosure practices within this cohort had strengthened. The share of VN30 firms issuing stand-alone sustainability reports—and engaging third parties for assurance, verification, or independent review—rose to 23.33% (7/30). This shift indicates not only greater recognition of the strategic value of structured non-financial reporting, but also a growing acceptance of external validation as a mechanism to enhance the credibility and decision-usefulness of ESG information for capital-market stakeholders.

Conclusions

This study examined the roles, challenges, and development directions of sustainability report assurance in Vietnam, with particular focus on listed companies. Although the proportion of firms issuing stand-alone sustainability reports and purchasing third-party assurance has increased, overall uptake remains limited and concentrated among large firms. Many firms—especially small and medium-sized enterprises—are not yet willing or able to bear the costs of assurance services.

Key challenges include a fragmented standards environment, shortages of specialised personnel, and dependence on large audit firms (the Big Four). Many firms also lack robust systems for collecting and managing ESG data, complicating assurance engagements. Moreover, Vietnam's current legal framework encourages sustainability disclosure but does not mandate sustainability assurance.

To advance sustainability assurance as an essential governance tool, the study recommends: establishing a phased roadmap that introduces assurance requirements for PIEs; developing national assurance standards harmonised with international developments (ISSA 5000); and strengthening ESG and sustainability assurance training. Regulators should implement supportive policies enabling firms—particularly SMEs—to access high-quality assurance services.

In sum, sustainability assurance in Vietnam faces substantial challenges but also presents significant opportunities to enhance corporate transparency and credibility. Coherent policy implementation and sustained human-capital development are necessary for sustainability assurance to become an important instrument supporting Vietnam's sustainable development objectives.

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