



PRACTICING ESG IN VIETNAM FACTS AND FIGURES

This report was prepared by the expert team at MCG Management Consulting, under the framework of the 'Accompanying Businesses Toward Sustainable Development' program, sponsored by MCG

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Once again, we sincerely thank all contributors for their dedication, intellect, and belief in the long-term value of promoting ESG in Vietnam. We hope this report will serve as a useful reference and a source of inspiration for meaningful ESG initiatives in the future.



Coming Soon: Report

ESG – From Commitment To Profit

Expected to be released in **11/2025**

Research report on the correlation between ESG implementation and financial performance

Executive Summary

Practicing ESG in Vietnam – Facts and Figures was conducted to provide a comprehensive and in-depth view of the level of ESG integration in the operations of publicly listed companies in Vietnam. Surveying nearly 500 companies included in the VNX Allshare Index, the report not only reflects the current situation but also highlights positive developments, market trends, and the growing maturity of the Vietnamese business community on its journey toward sustainable development.

Approach and Structure

Unlike conventional descriptive reports, this report is structured around key issues, analyzing each aspect of the three ESG pillars (Environmental, Social, Governance), comparing them over time, with international practices, and highlighting good practices in Vietnam. This approach enables readers to clearly understand the trends and progress of each ESG component.

Key Developments and Notable Trends:

- 1

Stronger Commitment and Transparency:

93% of businesses have committed to ESG, with 50% incorporating it into their core strategy. The number of independent sustainability of increased from 14 (2021) to 33 (2024), indicating that ESG is gradually becoming a substantive practice
- 2

Society is a Strength, Environment is a Weakness:

Businesses perform well in social aspects (health, safety, labor standards - ~4.0/5), however, environmental performance remains low (~ 1.5/5), with 61% still lacking emissions reduction plans.
- 3

Catching the Net Zero Trend

Although no businesses have officially achieved Net Zero, some prominent names (Vinamilk, Bao Viet, VPBank) have shown clear roadmaps for transitioning to a low-carbon economy.
- 4

Approaching International Standards

The adoption of GRI, TCFD, ISSB, SASB,... is increasing significantly, helping businesses to meet the demands of investors and intergate into the global value chain.
- 5

Motivation from the Market and Policies

Pressure from investors, the global supply chain, and polices such as VNSI, Circular 96, the 2020 Environmental Protection Law... are driving businesses to adopt ESG stronger.

In just a few years, ESG in Vietnam has made clear progress – transitioning from awareness to action. Despite numerous challenges, the foundation for ESG development in Vietnam is increasingly solid. This report is expected to be a useful and inspiring resource for Vietnamese businesses to continue their sustainable development and deeper integration into the global market.

Objectives and scope of research

Objectives

The report '*Practicing ESG in Vietnam – Facts and Figures*' was developed to offer a comprehensive and thought-provoking overview of ESG implementation in Vietnam. As ESG increasingly emerges as a critical component of business strategy and operations, this report serves as a valuable resource for stakeholders seeking to understand its significance and assess the current progress of Vietnamese enterprises on the journey toward sustainable development. Our writing approach is intentionally accessible yet respectful, aiming to foster meaningful engagement with businesses, investors, regulators, and other key players in the capital market.

The following objectives are aimed to achieve:



1. Evaluate current situation of ESG practices

We comprehensively assess the current status of ESG practices among listed companies in Vietnam, thereby accurately

reflecting the level of ESG integration in their current business operations



2. Analysis by ESG pillar

The report provides an in-depth analysis based on each Environmental, Social, and Governance pillar across various

specific aspects. This detailed approach helps readers easily identify prominent practice trends for each individual issue within each ESG pillar



3. Identify trends and good practices

We help readers gain insights into pioneering businesses in ESG adoption and highlight emerging best practices. The report showcases successful initiatives and outstanding

practices in the market, illustrated with real-world examples. These success stories not only provide valuable lessons but also inspire many other businesses to follow suit





4. Recommendations and solutions

Based on the analysis results, we provide specific recommendations and solutions to enhance the quality of ESG practices. The proposals focus on improving the

sustainability performance of businesses, while also supporting Vietnamese enterprises in international integration by meeting global ESG standards.



5. Reference basis for stakeholders

Through this report, we aim to provide a valuable reference

document for policymakers, businesses, and investors.

We hope this report serves as both an informative resource and a source of inspiration. By taking the time to review its contents, readers can gain valuable insights into the current ESG landscape and emerging trends in Vietnam, along with practical recommendations for action. Our ultimate goal is to foster a sustainable Vietnamese business community that meets investor expectations and strengthens its presence on the global stage

Scope of the research

This study aims to achieve an ambitious yet essential goal: to explore and evaluate the level of ESG practices among listed companies in Vietnam, the research team has chosen to survey and assess secondary information from the disclosed reports of companies in the VNX Allshare index, specifically focusing on **495 listed companies** on the two largest stock exchanges in the country – HOSE and HNX – to provide a comprehensive picture of the current stock market.

The data was gathered from reliable sources: annual reports, financial reports, corporate governance reports, and dedicated questionnaires for business leaders and experts in the field. Beyond simply compiling the data, the team conducted an in-depth analysis of secondary data to uncover the clearest and most objective insights into ESG practices within these companies.

Notably, the research utilized the **VNX Allshare** index as a "navigational compass". This index consolidates the listed stocks on HOSE and HNX, with criteria for selecting companies based on liquidity, market capitalization, the transparency of information, and the ease with which share can be transferred. These characteristics make VNX Allshare not only representative of various industries but also a true reflection of the overall market movement.

Through VNX Allshare, the research has a solid foundation for approaching ESG data in an objective and comprehensive manner. Consequently, the analysis and recommendations made will be valuable both academically and practically - contributing to the further advancement of listed companies in Vietnam on their journey towards sustainable development.





INTRODUCTION

**The ESG Landscape and
Reporting Framework in
Vietnam**

The global ESG wave: Has Vietnam joined the game?

As climate change and sustainable development become global priorities, **ESG – Environment, Social, and Governance** – is reshaping the way businesses operate. From multinational corporations to small and medium-sized enterprises, ESG is no longer a choice, but a necessity for survival and sustainable growth in a world full of new risks and expectations.

1

Pressure from investors and consumers is increasing rapidly. Investment funds and international financial institutions are prioritizing capital flows into companies with clear sustainable development strategies. At the same time, consumers – especially the

younger generation – are increasingly choosing brands that are responsible for society and the environment. **ESG has become the "ticket" for businesses to retain customers and attract investment capital.**

The global ESG landscape is also being legislated. From the European Union with the CSRD Directive, to the United States with ESG disclosure requirements from the SEC, and recently the ISSB Standards by IFRS – all

of these set **a threshold of transparency and compliance that international companies – including Vietnamese companies with global supply chain links – cannot ignore.**

2

3

Green finance and ESG are also changing the approach to capital. Many banks and financial institutions have integrated ESG factors into their credit and investment

evaluation criteria. **Companies that fail to keep up will lose their advantage in accessing favorable funding sources.**

In response to this global wave, Vietnam officially made its commitment at COP26 in 2021 to achieve net-zero emissions by 2050. This is not only an international promise but also the beginning of a series of ESG policies in a developing nation:

National strategy on climate change by 2050



Directions for emission reduction, promoting renewable energy, and circular economy



Green growth strategy 2021 - 2030



Encourage businesses to invest in clean technology, optimize resources.



Development roadmap of carbon market from 2028



Opening up a carbon credit mechanism as a new market incentive for businesses

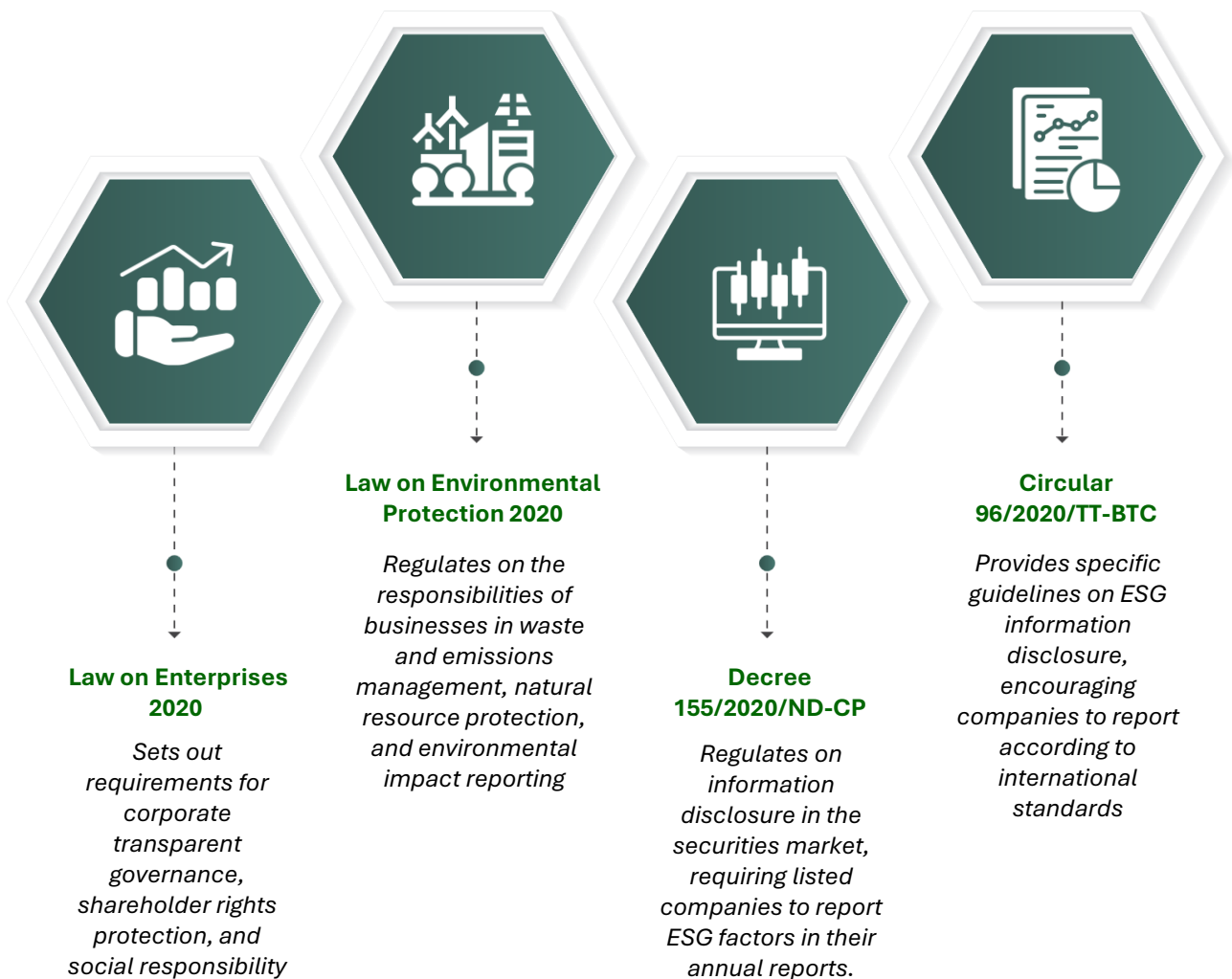
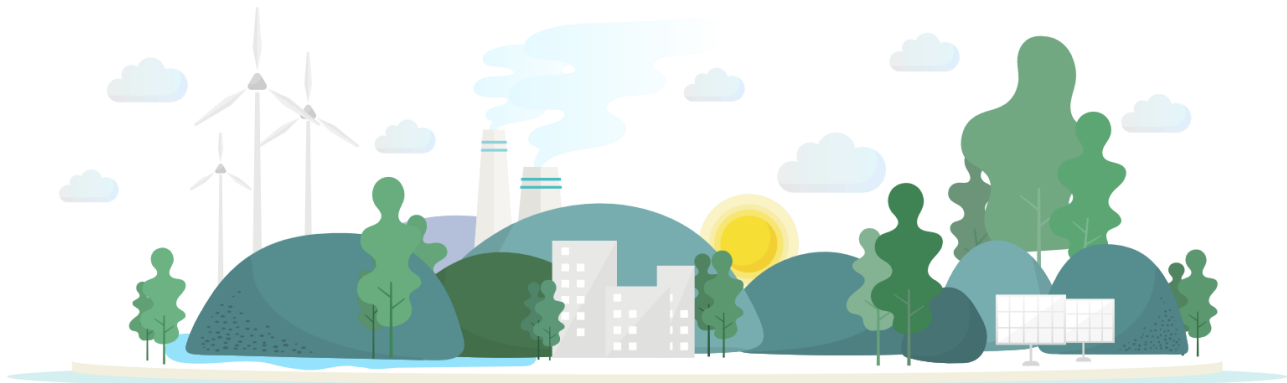


From these initial commitments, the question arises: **Has Vietnam truly entered the ESG game - or is it still at the starting line?**

Overview of the ESG regulatory framework in Vietnam

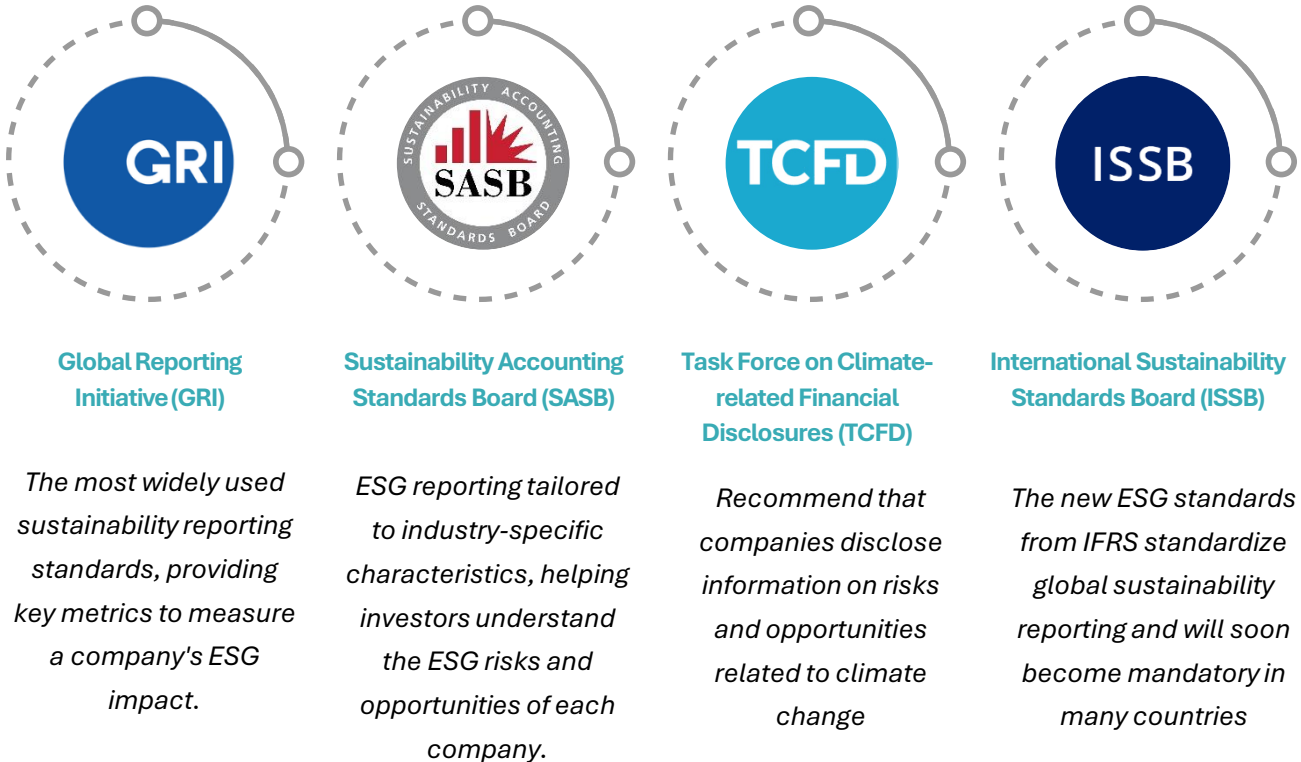
Current regulations related to ESG

Vietnam has issued various legal documents to promote ESG adoption among businesses, with notable examples including:



ESG reporting standards and frameworks in Vietnam

Vietnamese businesses are gradually approaching and adopting international ESG standards to enhance transparency and integrate with the global market.



Corporate governance evaluation standards in Vietnam

In addition to ESG standards, Vietnam also has specialized frameworks for corporate governance evaluation:



Vietnam Corporate Governance Principles 2019:

Issued by the State Securities Commission and the International Finance Corporation (IFC), these principles promote transparent and effective corporate governance.

Corporate Governance Principles of G20/OECD:

An international set of standards for corporate governance, recommending best practices on shareholder rights, information transparency, and board of directors' responsibilities.

ASEAN Corporate Governance Scorecard (ACGS):

A tool for assessing corporate governance compliance according to ASEAN standards, helping to compare governance effectiveness across companies in the region.

Based on the ESG context in Vietnam, it is evident that both global and domestic factors are increasingly pressuring companies to implement ESG practices and enhance information transparency. While Vietnam has made significant strides in developing its legal framework and encouraging companies to adopt ESG, practical implementation still faces numerous challenges. The differences between industries, company sizes, and the readiness to adopt ESG have yet to be fully assessed.

Therefore, researching the level of ESG implementation and disclosure in Vietnam is essential to gain a comprehensive understanding of the current state of ESG practices among listed

companies. This report will not only help determine the degree of compliance and transparency among companies but also contribute to identifying barriers, challenges in the implementation process. Additionally, the research will offer recommendations to promote ESG practices, improve the quality of reporting, and help Vietnamese businesses better align with international standards.

This research will play a crucial role in assisting regulatory bodies, businesses, and investors in gaining a deeper understanding of ESG in Vietnam, thereby enabling the development of appropriate strategies and policies for sustainable growth in the future.



The ESG reporting landscape of listed companies: A few leaders – many lagging

Number of listed companies publishing standalone ESG reports

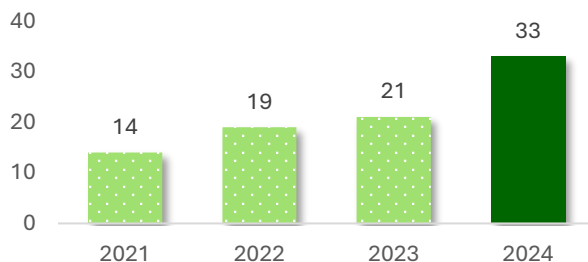
Only a small portion of listed companies in Vietnam publish the standalone ESG reports, distinct from their annual reports or integrated sustainability reports. While regulations require ESG disclosures within annual reports (*covering emissions, energy use, water consumption, environmental law compliance...*), few firms exceed this baseline. Statistics from the State Securities Commission show that, during the 2022 reporting season, only 19 companies (~3% of nearly 600 on HOSE and HNX) published separate sustainability reports, aside from their annual reports. By 2024, the number increased to about 33, but this still represents only around 5% of the total listed companies. The majority of other companies continue to incorporate ESG information into their annual reports or extended annual reports.

The issuance of separate ESG reports is usually concentrated among large, market-leading companies – those that aim to meet higher standards of transparency and governance. According to an official from the SSC, the most efficient companies often “go beyond the usual standards” by creating independent sustainability reports alongside their annual reports. For example, Vinamilk is recognized as the only Vietnamese company included in the “ASEAN Asset Class” for corporate governance, due to its years-long effort to fully disclose separate sustainability reports in accordance with international standards. Overall, the limited number of companies with independent ESG reports reflects that this practice is still relatively new in Vietnam and not yet widespread, although it is gradually being encouraged.

Trend in the growth of ESG reports over the years (2020–2024)

In recent years, the number of listed companies issuing separate ESG/sustainability reports has shown a steady upward trend. Each year, an increasing number of companies are issuing independent ESG reports for the first time, reflecting a positive shift in awareness and information transparency.

Chart 1: Number of listed companies issuing separate ESG reports (2021–2024).



The data shows continuous growth, from 14 companies in 2021 to 33 companies in 2024 (source: SSC, HOSE)

Statistics from the Listed Company Evaluation (VLCA) – the annual award assessing the reports of listed companies – show that the number of separate ESG reports has increased over the years (Chart 1).

Overall, the number of companies issuing independent ESG reports has nearly doubled in 3 years, from under 20 companies (before 2022) to over 30 by 2024. This trend is expected to continue in the coming years as the demand for greater transparency in ESG information grows. The sharp increase in 2024 is notable – the highest in the 12 years since sustainability reports began being evaluated in Vietnam. However, it should be emphasized that, compared to the hundreds of listed companies, the share of those with separate ESG reports remains modest. This highlights the significant room for expanding ESG reporting practices in Vietnam, especially as awareness and pressure from investors on ESG issues increase.

Common ESG reporting standards & reasons for adoption

Along with the increase in numbers, international ESG reporting standards and frameworks are increasingly being adopted by Vietnamese companies to enhance the quality and reliability of their reports. Below are the most commonly used standards by Vietnamese companies, along with the reasons for their popularity:

- 1** Global Reporting Initiative (**GRI**)

This is the most popular sustainability reporting standard in Vietnam currently. GRI provides comprehensive guidance for disclosing a company's economic, environmental, and social impacts. Many companies choose GRI because it is widely recognized globally and recommended by regulatory bodies. In fact, the IFC/SSC guidance has encouraged

Vietnamese companies to use GRI to ensure their reports follow best practices. GRI helps companies fully report on important ESG aspects, ensuring transparency and enabling international comparability. Adhering to GRI also meets the expectations of many foreign investors and aligns with the sustainable development direction encouraged by the government.
- 2** Sustainability Accounting Standards Board (**SASB**)

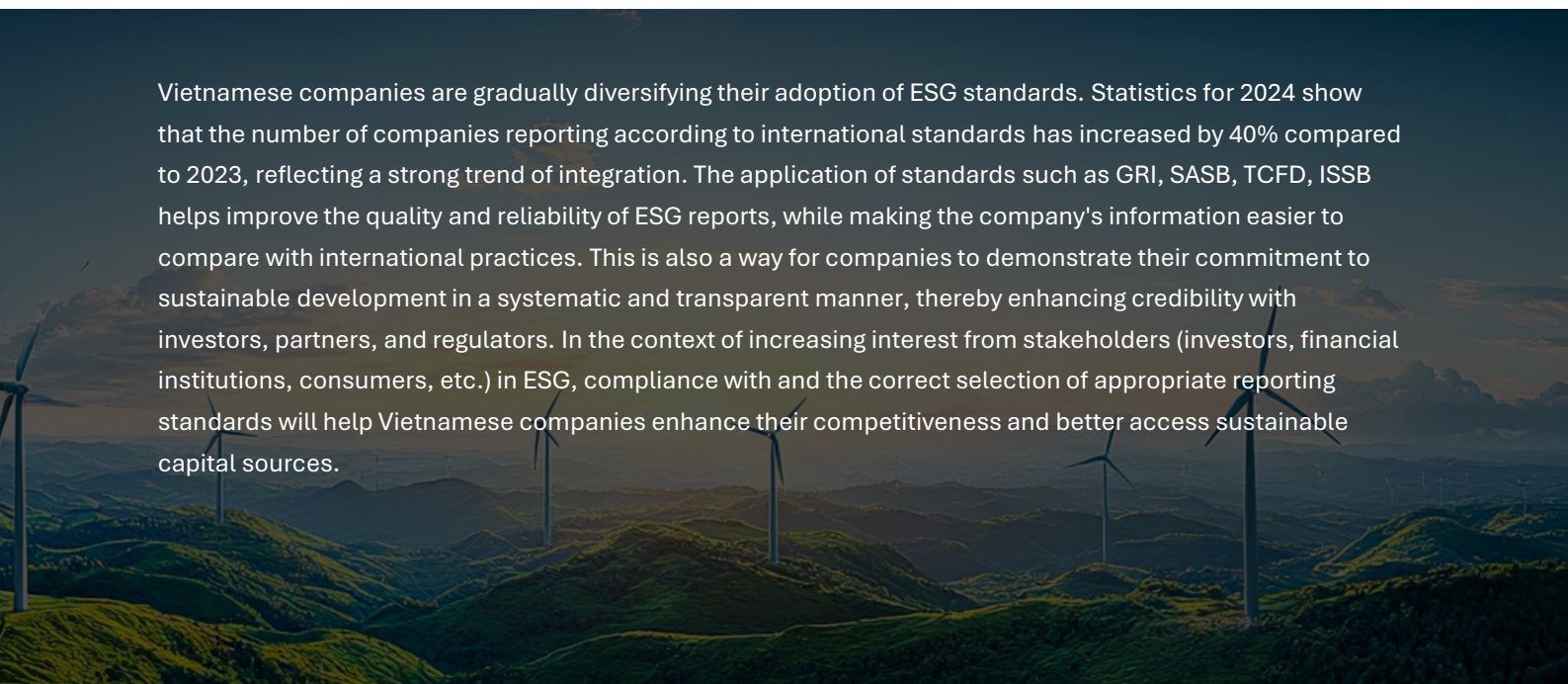
In addition to GRI, some advanced companies have started integrating the SASB standards into their reports. SASB provides ESG indicators tailored to specific industries, focusing on the financial materiality of ESG issues. In Vietnam, guidelines have also mentioned the alignment of companies' non-financial information with international standards such as GRI or SASB to enhance its

usefulness for investors. Reasons for popularity: SASB is used to complement GRI, helping companies report ESG factors that are directly linked to financial performance and industry-specific risks and opportunities. This is particularly important for investors and shareholders who want to clearly see the financial impact of sustainability factors.



- | | | |
|--|---|---|
| <p>3 Task Force on Climate-related Financial Disclosures (TCFD) & International Sustainability Standards Board (ISSB)</p> | <p>These are new frameworks related to climate risk reporting and integrated sustainability reporting. TCFD provides reporting recommendations on climate-related risks and opportunities, focusing on four pillars: governance, strategy, risk management, and metrics & targets. Meanwhile, ISSB (<i>under IFRS</i>) recently issued global sustainability reporting standards (<i>IFRS S1 and S2 in 2023</i>) to establish a common ground for ESG reporting worldwide, with ISSB's S2 standard fully integrating TCFD's climate-related reporting recommendations. In</p> | <p>Vietnam, some large companies have started exploring and piloting the ISSB/TCFD standards to stay ahead of the trend. Reasons for popularity: Implementing TCFD helps companies meet international investors' demands for climate risk transparency, especially as Vietnam commits to Net Zero by 2050. The ISSB standards are expected to become a global mandatory standard similar to IFRS accounting standards, so familiarizing with them early will help Vietnamese companies avoid falling behind and ease access to international capital markets.</p> |
| <p>4 Other standards (SDGs, CDP, integrated, etc.)</p> | <p>In addition to the frameworks mentioned above, many Vietnamese companies also reference the United Nations Sustainable Development Goals (SDGs) in guiding the content of their reports or participate in specialized reporting programs. For example, some listed companies reported under the CDP (Carbon Disclosure Project) program to disclose their emissions and carbon management data. Furthermore, the concept of integrated reporting is also mentioned as a trend that combines</p> | <p>financial and non-financial reporting, although in Vietnam, the adoption of integrated reporting is still in its early stages. Reasons for popularity: Linking reports to the SDGs helps companies demonstrate their contributions to national and global sustainable development goals, while reporting under CDP or integrated frameworks helps meet more specialized requirements from rating organizations or international partners (e.g., foreign buyers requiring transparency on carbon emissions, etc.).</p> |

Vietnamese companies are gradually diversifying their adoption of ESG standards. Statistics for 2024 show that the number of companies reporting according to international standards has increased by 40% compared to 2023, reflecting a strong trend of integration. The application of standards such as GRI, SASB, TCFD, ISSB helps improve the quality and reliability of ESG reports, while making the company's information easier to compare with international practices. This is also a way for companies to demonstrate their commitment to sustainable development in a systematic and transparent manner, thereby enhancing credibility with investors, partners, and regulators. In the context of increasing interest from stakeholders (investors, financial institutions, consumers, etc.) in ESG, compliance with and the correct selection of appropriate reporting standards will help Vietnamese companies enhance their competitiveness and better access sustainable capital sources.





Chapter

01

The current state of practices and disclosures regarding ESG at listed companies.

Commitment to ESG Goals

A majority of Vietnamese listed companies have expressed commitment to ESG (Environmental, Social, and Governance). According to PwC's 2024 report, 93% of listed firms declared ESG commitments, higher than the national average (approximately 80%). This indicates that awareness of sustainable development among listed companies is very high. Most large firms have disclosed long-term sustainability goals and integrated ESG into business operations. In fact, 96% of surveyed companies shared sustainable development goals for the upcoming period.

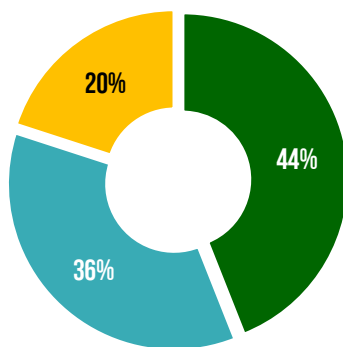
However, the level of specific commitment is still uneven: less than half (48%) of companies have set long-term ESG goals of more than 5 years, and only 8% have announced greenhouse gas emission reduction goals. Notably, as of early 2023, no Vietnamese company has had a Net Zero target validated by the SBTi (Science Based Targets initiative).

ESG commitments are increasingly materialized through information transparency and reporting. The number of companies preparing separate sustainability reports (in addition

to annual reports) is increasing rapidly. In 2023, 33 listed companies issued separate sustainability reports, a sharp increase compared to 21 companies the previous year. This is a record number, reflecting the trend of more and more companies proactively disclosing ESG information fully and seriously. The fact that many companies participate in rankings such as the Vietnam Sustainability Index (VNSI) or win awards for PTBV reporting shows that ESG commitments are gradually becoming a new standard in the listed enterprise community.

Percentage of companies by ESG strategy's stage: established, implementing, or initial

Although most listed companies are aware of ESG, the level of implementation varies. According to a 2022 PwC and VIOD survey, companies fall into three groups:



■ Established ■ Implementing
■ Initial

44% of listed companies report having concrete ESG strategies and plans, meaning they are actively integrating ESG into operations. This group leads in incorporating ESG into business strategy.

36% of companies are in the planning phase, preparing to implement ESG within the next 2–4 years. These companies have made commitments but are still building roadmaps, reflecting a cautious approach to ESG adoption.

20% of companies have no clear ESG plans remaining in early exploration or without a defined roadmap. This group has not yet included ESG in their short-term strategy of 2–4 years, reflecting lower overall readiness.

Overall, 80% of listed companies have developed or are planning to implement ESG strategies, with a growing proportion already having clearly defined strategies. This aligns with the broader trend in which ESG is no longer a voluntary option but is gradually becoming a requirement for listed companies. However, around 1/5 of businesses still need to improve their awareness and formulate more concrete plans to keep up with the sustainable development trend.

Key Factors Behind ESG Implementation Among Companies

There are many factors that motivate listed companies to implement ESG, including both external pressures and internal benefits.

The **main factors** include:



Investor pressure



Customer demands



Legal & regulatory requirements



Competitive advantage



Investor pressure

The growing interest of shareholders and investment funds (especially international investors) places pressure on businesses to improve their ESG scores and sustainability transparency. Many investors now consider ESG criteria essential for making investment decisions. Consequently, listed

companies seeking to attract capital must commit to meeting these requirements. According to the survey, up to **40% listed companies** in Vietnam stated that pressure from investors and stakeholders was a key motivator for implementing ESG practices.



Customer (Consumer) Demands

Customers, especially younger demographics (Millennials and Gen Z), are increasingly favoring sustainable products and services. This green consumer trend subjects companies to prioritize ESG to match consumer preferences and maintain customer loyalty. For many exporting companies,

the requirement to comply with ESG standards from global supply chains is also a major motivation. Meeting customer expectations for environmental and social responsibility enhances brand reputation and consumer trust.





Legal & regulatory requirements

The legal framework surrounding sustainability in Vietnam is gradually evolving, placing compliance pressure on companies. The government has issued regulations that mandates ESG disclosures in annual reports (e.g., Circulars 155/2015/TT-BTC and 96/2020/TT-BTC) and encouraging green stock markets. ESG has also been identified as a core pillar of the national sustainable growth strategy (Decision No. 167/QĐ-TTg, 2022), urging enterprises to restructure for sustainability.

In addition, the Ho Chi Minh City Stock Exchange (HOSE) has joined the UN Sustainable Stock Exchanges Initiative and launched the Vietnam Sustainability Index (VNSI) since 2017, further motivating listed firms to enhance their ESG performance. The overall trend of tightening regulations (particularly in the US, EU, and ASEAN region) also indirectly pressures Vietnamese companies to elevate their ESG standards to stay competitive and integrated globally.



Competitive advantage

Strong ESG performance offers long-term competitive advantages to companies. Sustainable development enhances brand image, differentiates business, and attracts customers who are socially and environmentally conscious. As some research suggests, sustainability is increasingly becoming a source of competitive edge in business. Moreover, companies that emphasize ESG typically operate more efficiently and manage risks better (e.g., compliance risks, environmental

risks), thereby improving long-term financial outcomes. Leading in ESG also positions companies to seize opportunities from emerging trends like green finance and carbon credits, and access high-end markets or customer segments with stringent standards. In addition, robust ESG credentials help attract and retain top talent, as many skilled workers seek to work for organizations that demonstrate strong social and environmental responsibility.

In summary, listed companies in Vietnam have made significant progress in their ESG commitments and practices. The level of commitment is high, with the majority of companies integrating sustainability into their strategies, although implementation varies between groups. Around half have defined ESG strategies, while the rest are still developing or just beginning. The implementation of ESG is driven by multiple factors, most notably are investor pressure, customer demands, regulatory requirements, and competitive advantage. These factors have led to a growing number of companies voluntarily publishing sustainability reports and improving ESG transparency, contributing to a more sustainable Vietnamese stock market.





Chapter

02

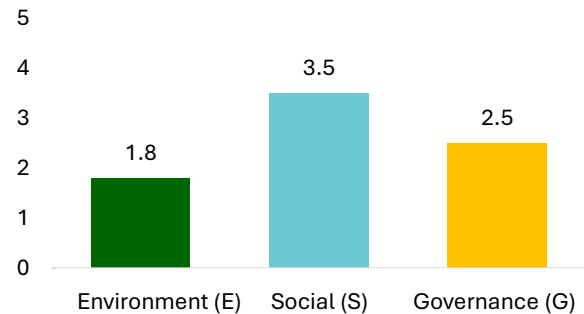
ESG Performance Analysis

Social Strengths, Environmental Weaknesses, and Governance Gaps

The **ESG performance analysis** of ~500 Vietnamese companies reveals significant disparities among the different aspects: the median score for **Environment (E)** is only around **1.5–2.0** on a 5-point scale (lowest), while **Social (S)** scores range from **3.0–4.0** (highest), and **Governance (G)** is at an average level of **~2.5**. This indicates that businesses are doing better in social aspects (e.g., occupational health & safety) but are still weak in environmental aspects; the governance aspect is at

an average level, needing further improvement.

Chart 2: Comparison of median ESG scores of companies (scale 1 - 5)



Environment (E)

Environmental performance is the lowest among the three pillars, with a median score of only around 1.5–2.0 points. Almost all (~495) surveyed companies performed poorly in environmental aspects, as evidenced by a lack of specific information and plans regarding key environmental issues. The most prominent weaknesses include:

01 Carbon emissions



A low emissions score (~1.5) due to a lack of transparency: **61% of companies** do not have any greenhouse gas (GHG) emission reduction plans mentioned, and **21%** have vague policies, with no specific plans.



Climate change risks

02

58% of companies do not mention climate change-related risks and opportunities in their reports. Advanced steps such as setting risk mitigation targets or conducting climate scenario analyses remain rare, with absence rates of **82%** and **93%**, respectively.



Water management

03

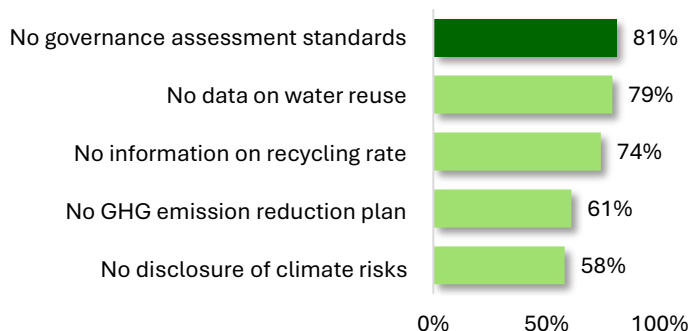
Water management score ~2.0. Although nearly **40% of companies** reported the source and volume of water used in their reports, **79%** did not provide data on water recycling or reuse. The lack of clear regulations may be one reason for the low disclosure rate.

04 Waste and Materials



Waste Management score ~2.0, indicating limited disclosure. **53% of companies** do not disclose the total amount of materials used for production/packaging; **74%** do not provide information on the proportion of materials/waste that are recycled.



Chart 3: Percentage of companies with significant information/plans missing

*Environment is the area with the most serious information gaps (e.g. 61% do not have a plan to reduce GHG emissions, 79% do not report water reuse), whereas in governance, up to 81% of companies do not assess themselves against any **governance standards**.*

Positive Note: Despite overall weakness, **a small number of large enterprises** scored highly (4–5) in the environmental aspect, demonstrated by **detailed reporting of emissions** (Scope 1 & 2) or **in-depth climate scenario analyses** based on international standards. This shows that **improvement is possible** - if companies learn from leading performers. However, overall, **the Environment pillar remains a clear weakness**, requiring companies to step up efforts in impact mitigation and **improve transparency**.

Social (S)

Social performance is the **strongest aspect** of ESG practices among Vietnamese companies, with a median score of approximately **3.0–4.0 points**. Companies generally pay more attention to health, safety and labor management than to the environment. Specifically:



HEALTH & LABOR SAFETY

(Median ~4.0 – very high)

Many companies have **comprehensive labor safety policies** and demonstrate good implementation practices, comply with **international standards**, and provide **regular training** for employees. This reflects a strong commitment to protecting worker health.

LABOR MANAGEMENT

(Median ~3.0 – Fair)



Most companies have **skill development programs** and ensure employees receive basic wages. Notably, **52.32%** report paying at least **a living wage**, and **37.78%** confirm salaries **above the industry average**, reflecting efforts to ensure employee welfare. Moreover, many businesses actively **support employee development** - **339 companies (68.5%)** received full scores for this area due to continuous training and learning programs.

Overall, **social achievements ranged from fair to good**, with **Health & Labor Safety** being the most prominent. This shows that businesses have done well in ensuring the welfare and safety of employees. However, there is still **room for improvement** in the labor sector – especially the need **for more transparency** in detailed

information on wages and working conditions (currently about 50% of businesses have **not clearly disclosed** this information). Disclosure of specific data (e.g. salary comparisons to industry averages, workplace accident statistics) would help improve labor management even further.

Governance (G)

In terms of corporate **governance**, performance is at an average level with a median score of around **2.5**. This indicates that many companies are only meeting the basic governance requirements, while **higher standards have yet to be widely adopted**. A few key points include:



Basic Governance Practices

Indicators such as the number of board meetings, orientation plans, etc. show a fairly even distribution of scores. This implies that there are large differences between enterprises – some implement basic governance practices well, while many others only achieve average or low levels.



Compliance with governance standards

This is a notable weakness. Up to 401 enterprises (81%) do not have any information on assessing governance practices according to specific standards (for example, the Vietnam Corporate Governance Framework 2019 or the ASEAN CG Scorecard). In other words, the majority of enterprises (8/10) have not self-assessed or disclosed their compliance with good governance practices. This may be because these standards are not currently mandatory and many companies do not have enough resources or awareness to implement them.

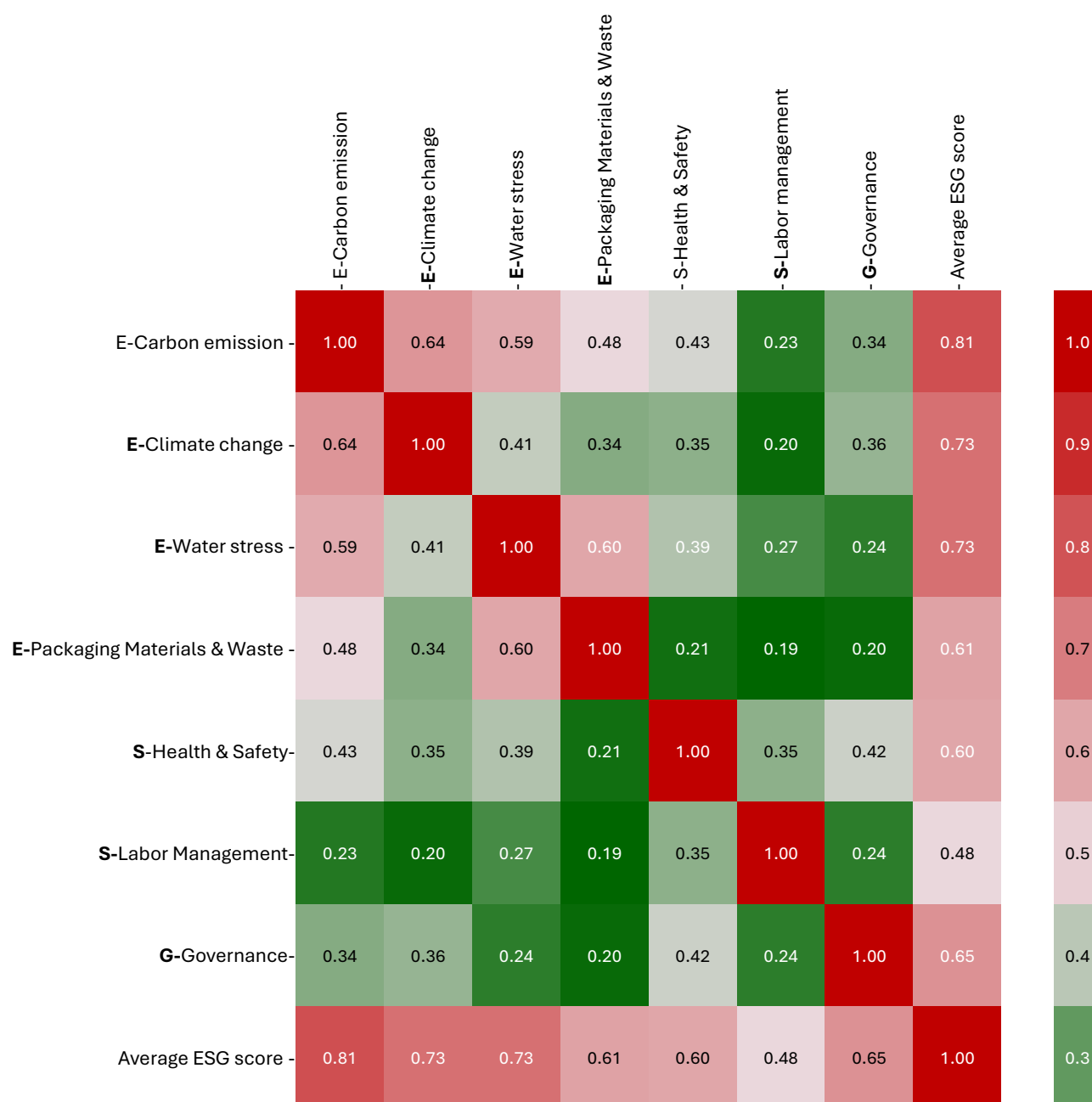


Strengths & Improvements

Some pioneering enterprises have begun to apply good governance practices (e.g., having an independent board, audit committee, periodic board evaluation, etc.). However, this rate is still low (less than 20% have information on standard assessments). This shows that corporate governance in Vietnam lacks a clear strong point like the Social aspect and requires further improvement in terms of transparency and adherence to standards. Promoting the adoption of the 2019 Corporate Governance Code and international standards could gradually enhance governance scores in the future.

In summary, ESG practices among Vietnamese enterprises show significant disparity across the three pillars. The Social aspect is the strongest (especially occupational safety), while Environment is the weakest, with most companies lacking plans or full disclosures on emissions, climate, and resources. Governance remains at an average level, with notable gaps in standard compliance, demanding focused improvement. These findings underscore the need for companies to enhance transparency and invest more in environmental and governance initiatives to improve ESG performance in the years ahead.

Heatmap showing correlation between ESG indicators



Analytic method

Measurement method: Pearson correlation coefficient (r), assessing the degree of linear correlation between two ESG variables.

Sample size: Nearly 500 publicly listed companies on the Vietnamese stock exchange.

r values:

- $r \approx 1$: Strong positive correlation
- $r \approx 0$: No clear correlation
- $r < 0$: Negative correlation (not observed in this data)

Analysis Results

Internal correlation among Environmental (E) indicators is relatively strong

Indicator pair	Coefficient (r)
Carbon emission – Climate change	0.64
Carbon emission – Water stress	0.59
Water stress – Packaging waste	0.60

Interpretation:

Effectively managing one environmental aspect often leads to improvement in other factors. This reflects a high level of integration among environmental dimensions in ESG practices.

E indicators have the strongest correlation with the overall ESG score

Indicator pair	Coefficient (r)
Carbon emissions	0.81
Climate change	0.73
Water stress	0.73

Interpretation:

Three environmental aspects – carbon emissions, climate change, and water management – play a decisive role in determining a company's overall ESG performance.

Social (S) and Governance (G) indicators show weaker correlations than Environmental (E) indicators

Indicator pair	Coefficient (r)
Health & Safety – Labor Management	0.35
Labor Management – Governance	0.24
Governance – Average ESG Score	0.65

Interpretation:

Corporate governance (G) still plays a foundational role in effective ESG operation, even though it is not strongly linked to environmental factors.

Proposed Action Strategy

1

Enhance Management of Carbon Emissions, Climate Change, & Water

Build GHG measurement systems, develop emission reduction plans, apply water circularity models

Link emission, climate, and water-related actions into an integrated strategy

Design integrated environmental programs

2

3

Develop Social (S) and Governance (G) Factors

Improve sustainable HR policies, increase ESG governance transparency

Establish a dedicated ESG structure, data measurement systems, and independent ESG assurance

Build a strong internal organizational system

4

Analysis of data from nearly 500 Vietnamese enterprises shows:

Environmental (E) factors have the most significant influence on overall ESG performance.

- ESG success is not solely based on isolated initiatives but stems from **internal capacity** and **cross-sector integrated strategy**.
- Enterprises should prioritize comprehensive improvements, from carbon management systems, climate adaptation, and water resource control, to strengthening ESG governance and organizational capability.



CHAPTER

03

Key ESG topics

Net Zero Commitment: Processes, Standards, and Implementation Assurance Mechanisms

Disclosure process for Net Zero Commitment

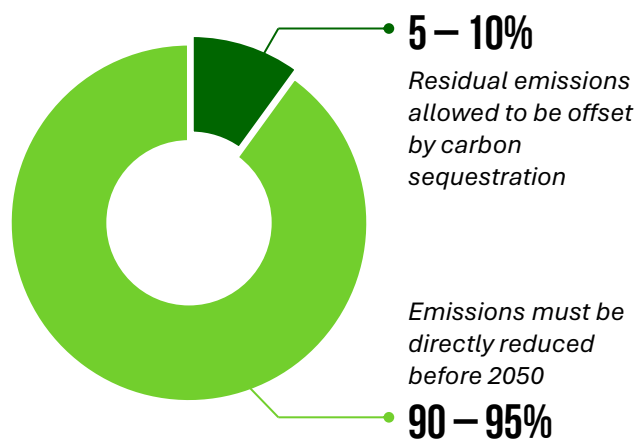


their current **carbon footprint** (including Scope 1, 2, and 3 emissions) based on standards such as the GHG Protocol, they then set a target to reduce net emissions to 0 by a specific year (often 2050 or earlier). Next, they develop a detailed roadmap that includes medium-term milestones (5–10 years) to ensure continuous emission reductions rather than deferring action until the target year. Net Zero commitments are usually **disclosed publicly** through sustainability reports or press releases. Many companies also register with international initiatives such as the United Nations' "Race to Zero" or the **Science Based Targets initiative (SBTi)** to enhance the credibility of their commitments. For example, the SBTi requires companies to set both **near-term** (within 5–10 years) and **long-term** (by ~2050) targets to ensure emission reduction pathways are aligned with climate science.

Leading companies typically begin by calculating

Criteria for ensuring a credible Net Zero Pathway

For a Net Zero commitment **to be credible**, companies must adhere to a set of strict principles and criteria. First, the scope of the commitment should cover **the entire value chain** (including *Scope 1, 2, and 3 emissions*) rather than just direct emissions.



sufficient – the SBTi initiative emphasizes that companies need to reduce **90-95% of their emissions** by 2050 to meet the 1.5°C target of the Paris Agreement. Only a very small portion (5-10%) of "residual" emissions that are difficult to eliminate can be **offset** through carbon sequestration measures (such as reforestation or carbon capture technology). Commitments lacking specific emission reduction targets or relying too heavily on carbon credits are considered less credible. A report from the NewClimate Institute shows that many Net Zero commitments "in name only" correspond to only a ~40% reduction in emissions, as they lack detailed plans to fully eliminate emissions. Therefore, the key criteria are to have **clear near-term targets**, prioritize direct emissions reductions over offsets, and commit to publicly tracking and transparently reporting progress on an annual basis.

Next, the roadmap must set an **absolute emissions reduction** target that is scientifically

Monitoring the Net Zero roadmap is carried out through **annual** measurement and reporting of emissions and progress against targets. Companies often apply the **GHG Protocol** to consistently and comparably track their emissions. Many firms integrate emissions indicators into their annual or sustainability reports, following the recommendations of the **TCFD**, to ensure that climate risk information and emissions reduction progress are publicly disclosed to investors and the general public. Transparent evaluation mechanisms include **disclosing emissions data** via platforms such as **CDP** - where over 18,700 companies worldwide reported environmental data in 2022, enabling investors to compare emissions

reduction performance across companies. Additionally, some businesses engage independent third parties to **verify/ audit** their emissions and reduction outcomes (in accordance with **ISO 14064-3** standard for greenhouse gas verification), to ensure accuracy and enhance credibility. Accountability is further reinforced by **linking climate targets to executive performance evaluations** or by making commitments to shareholders that the company will be held responsible if progress is not achieved. Thanks to these robust and transparent monitoring mechanisms, stakeholders are able to track and hold companies accountable for their Net Zero journey and **any delays or shortfalls** along the way.

Common measurement and reporting standards for Net Zero

International standards help companies measure, report, and verify their Net Zero roadmaps in a transparent and consistent manner. Below are some common frameworks and their respective roles:

1 Science Based Targets initiative (SBTi)



SBTi provides a scientific framework for companies to set emissions reduction targets aligned with the 1.5°C goal. According to SBTi, a credible Net Zero pathway requires companies cutting over 90% of emissions by 2050, allowing only a small portion to be offset through carbon sequestration. SBTi also requires short-term targets (5–15 years) to ensure immediate action within this decade. Once companies

set their Net Zero targets for SBTi validation, if the targets meet the criteria, they are certified as “Science-Based,” which builds credibility with investors and partners. The framework provides companies with a clear roadmap and specific guidance on required emissions reduction levels, helping to avoid “vague, self-defined targets” that are often viewed with skepticism and seen as potential greenwashing.

2 Greenhouse Gas Protocol (GHG Protocol)



This is the most widely used international standard for greenhouse gas accounting. The GHG Protocol provides guidance for companies on how to categorize emissions into Scopes 1, 2, and 3, how to calculate each type of emission, and how to report them consistently. Thanks to the GHG Protocol, companies around the world can measure and track their emissions using the same units and methodologies, making progress

comparison and assessment more transparent. Statistics show that 92% of Fortune 500 companies have used the GHG Protocol to report carbon emissions (e.g., when responding to CDP questionnaires). This demonstrates that the GHG Protocol has become the near-universal “common language” for carbon, enabling companies to ensure data accuracy and build stakeholder trust when disclosing their Net Zero roadmaps.

3 ISO 14064



ISO 14064 is an international standard that guides the quantification, reporting, and verification of greenhouse gas emission. It consists of three parts: ISO 14064-1 focuses on measuring and reporting emissions, ISO 14064-2 covers emission reduction projects, and ISO 14064-3 sets requirements for independent verification. Adopting ISO 14064 enables businesses to

build a structured GHG management system, enhancing credibility with both domestic and international stakeholders. When a company declares it has achieved carbon neutrality in accordance with ISO 14064, it implies that its emissions data and offsetting measures have been independently verified - making its Net Zero commitment more transparent and trustworthy.

4 Carbon Disclosure Project (CDP)



CDP is the world's largest voluntary disclosure system where companies publicly report information on climate, water, and forests. Each year, companies respond to standardized questionnaires. In 2022, over 18,700 companies with a combined market capitalization of approximately USD 60.8 trillion disclosed environmental data through CDP - the highest number since CDP was established. Through

CDP, companies demonstrate transparency in their emissions reduction pathways to investors and the public. CDP provides investors with comparable data to assess climate performance, thereby applying constructive pressure on businesses to deliver on their commitments. High CDP scores, such as inclusion in the "A List," signal leadership and credibility in Net Zero commitments.

5 Task Force on Climate-related Financial Disclosures (TCFD)



TCFD provides a framework for companies to integrate climate risks and opportunities into their financial reporting, based on four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. The companies are required to disclose key climate metrics (*such as emissions, emissions reduction targets, and progress*) as well as a scenario analysis of the transition to a Net Zero economy.

By the end of 2022, over 4,000 organizations supported TCFD, and many countries (the UK, New Zealand, Japan, etc.) have either mandated or are in the process of mandating TCFD reporting. Compliance with TCFD enhances transparency with investors and supports the development of resilient, low-carbon business strategies.

Overall, these standards complement each other in helping companies plan and implement a feasible, transparent Net Zero roadmap. For example, companies can use the GHG Protocol to measure emissions, set targets according to SBTi, report results through CDP and TCFD, and verify data according to ISO 14064. This combination ensures that Net Zero commitments are not just empty statements but are backed by reliable data and a clear action plan.

Learning from pioneers: What global companies have done – and what it means for Vietnam?

Pioneering companies and their achievements

Many large companies worldwide have taken the lead in committing to Net Zero and have achieved encouraging initial results. Below are some notable examples:



MICROSOFT (US, technology)



Commitment to becoming carbon-negative by 2030 and eliminating all carbon emissions from 1975 to 2050. The company is investing USD 1 billion in carbon removal technology, applying an internal

carbon fee, and using renewable energy. The lesson is the strong commitment from leadership and the integration of climate goals into long-term strategy.



APPLE (US, consumer electronics)



Goal to achieve carbon neutrality across the entire value chain by 2030. Currently, the company has achieved carbon neutrality for its internal operations, reducing its carbon footprint by 40% through

clean energy and material innovation. Apple demonstrates the importance of supply chain coordination and green technology.



ØRSTED (Denmark, energy)



The transition from coal and oil to wind power is expected to reduce CO₂ emissions in Scope 1 and 2 by 98% by 2025. This serves as a

prime example of how the fossil fuel industry can successfully transform through vision and sustained investment.



AMAZON (US, retail and cloud services)



Co-founder of "The Climate Pledge" initiative, committed to Net Zero by 2040. Investment in renewable energy, electric vehicles, and forest protection

projects. By 2022, 400 clean energy projects have been implemented. Leading an industry alliance creates pressure for widespread change.



UNILEVER (UK/Netherlands, consumer goods)



Commitment to Net Zero for all products by 2039, with a 64% reduction in production emissions. Investment in

regenerative agriculture, product formulation improvements, and encouraging consumers to change their behavior.

Common barriers and what we have learned



Indirect emissions (Scope 3)

Difficult to control and accounts for a significant proportion. The solution lies in early collaboration with suppliers and customers, and participation in industry alliance.



Reliance on future technologies & carbon credits

Poses risks if implementation fails. The key lesson is to prioritize early absolute emissions reductions using currently available solutions.



Transparency & avoiding greenwashing

Vague commitments undermine credibility. Businesses should transparently disclose their plans, report follow international standards (*SBTi*, *TCFD*) and undergo independent audits.



Costs and policies

Large investments. national policies remain inconsistent. It is important to leverage government support, issue green bonds, and advocate for clear carbon policies.

A feasible Net Zero commitment is one that is integrated into the business strategy, transparent, continuously innovative, and involves effective collaboration. Pioneer companies have shown that Net Zero is not only about protecting the climate but also a sustainable growth opportunity.

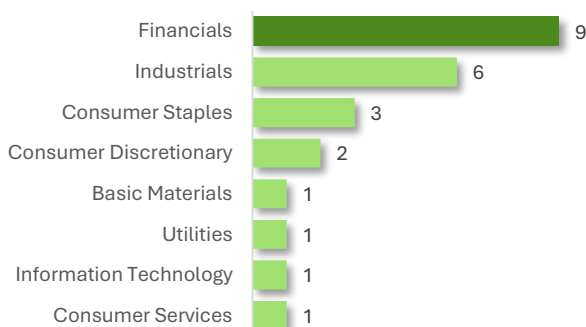


Net Zero: From commitment to action in the Vietnamese market

After the Vietnamese Government announced its goal of achieving net-zero emissions by 2050 at COP26, many major domestic enterprises **responded actively**. As of mid-2023, **more than 50 Vietnamese companies** had publicly committed to pursuing Net Zero, including leading corporations such as Vingroup, Hoa Phat, FPT, Masan, etc.

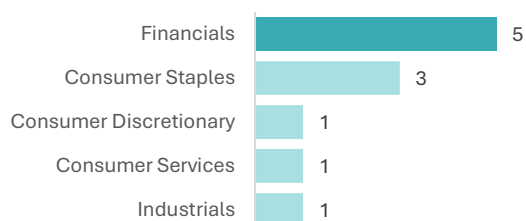
An evaluation of corporate commitments to achieving net-zero, based on a survey of 495 companies, yielded the following results:

Chart 4: Number of companies with ambitious Net Zero targets



24 companies (4.85%) had set relatively ambitious and specific net-zero targets (e.g., reaching before 2050). However, when factoring in the requirement of a clear roadmap, this number dropped to just 11 companies (2.2%).

Chart 5: Number of companies with clear Net Zero targets and roadmaps



The financial sector has demonstrated clear commitments and detailed roadmaps in their reports, accounting for 5 out of the total 11 companies. While this may partly reflect the large number of financial companies in the sample (97

out of 495), it also proves the sector's proactive approach to greenhouse gas reduction.

Data analysis revealed that a significant portion of companies have yet to make strong commitments toward Net Zero emissions goal.

Specifically:

- A large majority (83.6%, equivalent to 414 companies): Had not set any Net Zero targets.
- A notable share (9.3%, equivalent to 46 companies): Had made general emission reduction statements but lacked concrete implementation plans.
- A small portion (2.2%, equivalent to 11 companies): Had set targets beyond 2050. The distant timeline, combined with vague planning, significantly reduces the credibility and feasibility of these commitments.

Most of these companies have set the Net Zero target for 2050, in line with the national goal, with some expecting to achieve it earlier if conditions permit. When announcing their commitment, many of them have outlined specific solutions such as investing in renewable energy, improving production technology to save fuel, switching to low-carbon materials, recycling and reusing materials.



Destination 2050: Companies already on the path

In response to the national commitment to achieve net emissions of "0" by 2050, many companies have set their own **Net Zero targets** with specific roadmaps. Overall, **2050** is a common target, but some companies aim for earlier targets for their internal operations. For example, **VPBank** aims to achieve **net emissions of "0" by 2027** for its banking operations and **by 2050** for its credit portfolio (emissions from borrowers). This is an ambitious early target for internal operations (2027), demonstrating the bank's strong commitment.



In the insurance industry, **Bao Viet Group (BVH)** has developed a detailed Net Zero roadmap. Bao Viet is committed to achieving Net Zero **by 2050** and has set intermediate emission reduction milestones for each stage: a **20%** reduction by 2025 (compared to the 2018 baseline), a **50%** reduction by 2030, a **70%** reduction by 2040, and **reaching Net Zero by 2050**. This roadmap focuses on reducing emissions from headquarters, vehicles, and energy consumption - the main sources in the insurance financial sector. Setting quantitative targets over the decades demonstrates that Bao Viet has planned clear steps rather than just making a general statement.



Many companies choose the 2050 target to be in line with Vietnam's Nationally Determined Contributions. **Masan** has set a goal to **reduce Scope 1 & 2 emissions by 15% by 2030** and **achieve net-zero emissions by 2050**, in line with the national commitment. **Gia Lai Electricity (GEC)** is also aiming for **Net Zero across all three scopes by 2050** by issuing its own **REC and carbon credits** from its renewable energy power plants. This implies that GEC will leverage its clean energy production to offset emissions, contributing to the national Net Zero strategy.

Some retail companies and commercial banks are also embracing this trend. **Thegioididong (MWG)** has outlined its goals for 2024–2030 with a series of targets related to emission reductions and environmental protection, such as **reducing Scope 1 & 2 emissions by at least 10% per store**, cutting plastic bag use by **50% per order**, implementing IoT to control energy use at **≥70%** of supermarkets, and installing rooftop solar panels at 600 stores starting from 2024. Although MWG has not specified a concrete Net Zero target, these short-term goals will significantly contribute to reducing the carbon footprint, moving towards neutrality by 2050 as committed by the government. Similarly, **MSB (Maritime Bank)** affirms that it is reducing emissions from daily operations and **aims for Net Zero by 2050**, in alignment with Vietnam's commitment. The bank has started with energy-saving measures in operations to support its long-term goal.



Some businesses choose to join international initiatives to realize their Net Zero goals. **Vinamilk** - the leading dairy company - is a pioneer with its **“Vinamilk Pathways to Dairy Net Zero 2050”** program. Vinamilk participates in the global dairy industry’s Net Zero initiative (led by IDF and DSF), demonstrating its leadership position. The company has achieved specific milestones on its journey: **100% of its factories and farms have completed GHG inventories according to ISO 14064**, and have implemented environmental and energy management systems compliant with ISO 14001 and ISO 50001. In 2023, Vinamilk’s **Nghe An Dairy Factory and Nghe An Dairy Farm** became the first two units **to be certified carbon neutral (PAS 2060)**, with a total of **17,560 tons of CO₂ offset**. Vinamilk has also set medium-term targets: **a 15% emission reduction by 2027, a 55% reduction by 2035**, gradually progressing toward Net Zero by 2050. These efforts have been recognized by third parties (Vinamilk participates in the CDP initiative for climate transparency) and honored with international awards (Human Act Prize 2023). This is a prime example of translating a Net Zero commitment into concrete actions and verifiable certifications.



Century Synthetic Fiber Corporation (STK) has set a target of achieving net-zero emissions by 2050 and has already begun a science-based roadmap: In 2023, STK’s Trang Bang factory, in collaboration with partner Decathlon, registered with **SBTi**, aiming to reduce emissions by 2027 based on 2022 levels (Scope 1 emissions from 150 tons CO₂e down to 106 tons; Scope 2 emissions from 46,612 down to 29,378 tons CO₂e). Participation in the Science Based Targets shows that STK’s goals are grounded in scientific principles and verified by a third party.



An Cuong (ACG) – a wood manufacturing company – has also **committed to achieving Net Zero by 2050**, in 2023, the company established an ESG Committee to oversee its sustainable development strategy and green transition roadmap. However, ACG’s report acknowledges the need for further clarification of its specific emission reduction roadmap, including quantitative targets for each phase and **the extent of third-party data verification**. This indicates that while the goal has been set, ACG still needs to elaborate its plan and improve transparency moving forward.

Overall, the 2050 Net Zero target has become a common benchmark that many Vietnamese businesses are striving toward, albeit with varying levels of detail. A key highlight is that some companies have developed clear roadmaps and intermediate targets (such as Bao Viet, Vinamilk) and have joined international initiatives to verify their progress (Vinamilk, STK). However, a limitation remains: some businesses have only made general statements or have yet to specify a concrete Net Zero timeline (e.g., Vietjet has set a target to reduce emissions intensity per seat by 15%, but has not clarified when it aims to achieve Net Zero). Additionally, few companies have addressed independent verification of their Net Zero commitments; apart from specific cases (such as participation in the SBTi or PAS 2060 certification), most Net Zero targets are based on internal pledges and alignment with national goals. Therefore, the next important step is to concretize and monitor the progress of these commitments to ensure they are achievable.

Pioneering sectors in the Net Zero journey in Vietnam

In Vietnam, several key industries are taking the lead in efforts to reduce emissions & move toward Net Zero.

Energy and utilities



Vietnam's power sector is undergoing a significant transition under the coal phase-out commitments. Vietnam Electricity (EVN) has pledged to stop developing new coal-fired power plants after 2030 and is increasing investment in wind and solar energy.

Rooftop solar and offshore wind projects have made Vietnam one of the most dynamic renewable energy markets in Southeast Asia. Meanwhile, oil and gas companies (PVN, PV Gas...) are exploring green hydrogen, ammonia to maintain their role in a Net Zero economy.

Despite being high-emission sectors, some companies are leading green efforts. Hoa Phat participates in regional initiatives to reduce emissions in steel production. Ha Tien Cement and INSEE are exploring

alternative fuels like waste-to-energy. This sector is adopting low-carbon technologies and preparing for carbon border taxes such as the EU's CBAM.

Industrial manufacturing (steel, cement, chemicals):



Banking and finance



Major Vietnamese banks such as Vietcombank and BIDV are implementing green credit policies, limiting coal financing, and aligning with ESG and TCFD standards for climate risk reporting. The financial

sector supports Net Zero goals by funding low-emission projects and reducing its own footprint through digitalization and energy-efficient operations.

Major agricultural firms (PAN Group, Nafoods...) are adopting regenerative agriculture models to reduce emissions while enhancing carbon sequestration through soil and forest protection. The forestry sector (*tree planting, timber production*) - thanks to its carbon absorption capacity - is

a strategic asset for Vietnam's Net Zero goals. Many companies, including Vinamilk, SunGroup, Novaland, and ABBank, are investing in tree planting and carbon credit projects to offset emissions and build a green corporate image.

Agriculture and forestry



In addition, the **transportation** sector is also beginning to transform (*VinFast is developing electric vehicles, Vietnam Airlines is researching the use of sustainable aviation fuel SAF*). Overall, **industries with more exposure to international markets** (exports or foreign partners) are taking the lead, due to pressure from partners requiring products and services with a low carbon footprint.

Accelerating Net Zero: Existing barriers and solutions

Implementing the Net Zero roadmap in Vietnam is promising, but it also faces several specific challenges:

1 Awareness and governance capacity

Many businesses, particularly SMEs, still lack a clear understanding of Net Zero and how to develop actionable roadmaps. Key challenges include limited expertise, data for emissions measurement,

and skilled personnel. This gap presents opportunities for consulting and training providers, as government and industry associations increasingly offer workshops to raise awareness.

2 Investment costs and technology

Businesses are concerned about high costs and long payback periods when investing in clean technologies. Meanwhile, domestic low-carbon technology remains limited, heavily reliant on imports. However, this also opens up opportunities

to access international green financing and funding from foreign banks. Some major FDI partners are also supporting Vietnamese suppliers in upgrading to greener production, creating internal momentum for improvement within the supply chain.

3 Policy framework and domestic carbon market

Vietnam is developing a carbon credit trading platform and finalizing legal frameworks for emissions reduction. However, in the absence of a carbon tax or mandatory regulations, many businesses lack financial incentives to invest.

Nevertheless, early movers can gain a strategic advantage by staying ahead of policy changes, increasing opportunities to sell carbon credits, and avoiding being caught off guard by new export requirements.

4 Collaboration and supply chains

With small scale, Vietnamese businesses still have limited influence in global supply chains. However, many have started receiving support from international organizations such as USAID, World

Bank to conduct greenhouse gas inventories and develop Net Zero strategies. Participating in networks like the Net Zero Business Club (VBCSD) helps facilitate knowledge sharing and more effective policy advocacy.

In summary, the Vietnamese business community is facing a major opportunity to accelerate green transformation following the nation's Net Zero 2050 commitment. Several industries and companies have already taken early action, demonstrating agility in responding to global trends. Although there are still several barriers in terms of awareness, resources, and technology, these challenges can be gradually overcome through strategic investment and collaboration. With strong determination and adequate support, Vietnamese businesses can fully turn the Net Zero challenge into a driver of innovation, enhanced competitiveness, and long-term sustainable development.



Emission disclosure: A new milestone in ESG practices in Vietnam

Many Vietnamese businesses have started to disclose their detailed greenhouse gas emissions, including scopes 1, 2, and even scope 3, along with clear calculation methods.

Lien Viet Bank

Total emissions
2023 compared
to 2022

↓ 7%

In 2023, LPBank reported **32,976** tons of CO₂ emissions, a 7% reduction from 2022, mainly due to decreased fossil fuel-based travel. The bank also calculated per capita emissions (**3.1 tons CO₂/employee**)

and explained metric changes. Importantly, it follows the **GHG Protocol** and uses official emission factors, ensuring methodological transparency.

In 2023, **Masan** disclosed **Scope 1 & 2** emissions for its subsidiaries: Masan High-Tech Materials (MHT) emitted 171,704 tons of CO₂e in 2023 (a 9.7% decrease), and Masan Consumer Holdings (MCH) emitted 376,029 tons of CO₂e (a 21.8%

decrease). Masan also reported a 20% increase in biogenic emissions, attributed to higher biomass usage. This level of detail in reporting provides greater transparency and helps clarify the factors behind emission fluctuations.

Masan Group

Total emissions 2023
compared to 2022

↓ 9.7%

MHT

↓ 21.8%

MCH

Gia Lai Electricity Company

Total emissions have
significantly decreased

2022: **4,621 TONS**

2023: **699,1 TONS**

Notably, some companies provide full reports covering **all three scopes of emissions**. **Gia Lai Electricity Company (GEC)** follows the GHG Protocol and IPCC, cutting total emissions from **4,621 tons (2022) to 699.1 tons (2023)** by using renewable energy certificates (RECs). In 2023, GEC reported **370.5 tons** in Scope 1 (first-time

disclosure), **5,880.8 tons** in Scope 2 (fully offset by RECs), and **395.9 tons** in Scope 3. Furthermore, GEC recorded **67.4 tons of CO₂ absorbed** (possibly from green plants), which further reduced actual emissions. The full disclosure demonstrates high transparency and the company's comprehensive effort in managing emissions.

The banking sector has also made progress in greenhouse gas (GHG) inventory. **MSB (Maritime Bank)** has calculated its emissions for 2023 for the first time (focusing solely on internal operations, excluding the loan portfolio), reporting **10,892 tons of CO₂**, a reduction of approximately 26% compared to 2022 (14,787 tons). MSB has also provided transparency regarding the emission

structure: **electricity consumption accounts for about 82%**, gasoline for company vehicles approximately 8.5%, with the remaining 9-10% coming from other sources such as business travel, employee commuting, waste, wastewater (all within Scope 3). This breakdown helps identify key areas for emissions reduction (with a primary focus on electricity).

Maritime Bank

Total emissions (internal)
2023 compared to 2022

↓ 26%

Other companies also provide quantitative data along with context.

Phu Nhuan Jewelry Company

Total emissions 2023
compared to 2022

 **827 TONS**

PNJ (Phu Nhuan Jewelry Company) reported a **reduction of 827 tons of CO₂** (from 3,832 tons in 2022 to 3,010 tons in 2023) thanks to emission reduction initiatives. The company also tracked **emissions**

intensity per 1,000 products, which decreased by approximately 3.4% (from 1.01 to 0.98 tons of CO₂), reflecting the effectiveness of the implemented measures.

Vietjet Air - a company with significant emissions from flight operations - also publicly disclosed its emission figures. In 2023, the airline emitted 1,657,239 tons of CO₂ from international flights. The airline complies with the international

CORSIA mechanism and engages an independent third party (VERIFAVIA) to verify all annual emission data. This ensures that the reported emissions are third-party verified, enhancing reliability and transparency for investors.

Vietjet Air

*Emissions data was
verified by a third
party*

However, not all companies provide complete Scope 3 information or conduct independent verification; this remains an area where businesses need to improve in order to meet international reporting standards.



Greenhouse gas emissions disclosure: Legal regulations and practices in Vietnam

Current legal regulations on greenhouse gas emissions disclosure

Law on Environmental Protection 2020

Effective from January 1st 2022, this law for the first time mandates greenhouse gas (GHG) inventory and reporting for **major emitters**. Regulated facilities must **conduct a GHG inventory every two years** and submit it to the Ministry of Natural Resources and Environment. They are also required to develop annual emission reduction plans and report progress through a measurement, reporting, and verification (MRV) system.

Decree 06/2022/NĐ-CP (07/01/2022):

This decree provides detailed regulations on **GHG emissions reduction and ozone layer protection**, including guidance on GHG inventory. The decree 06/2022 specifies **the emission thresholds** to determine which entities are required to conduct inventories: facilities with emissions **from 3,000 tons of CO₂ equivalent per year or more**, or those falling into the following categories:

- (a) **Thermal power plants and industrial production facilities** with annual energy: $\geq 1,000$ tons of oil equivalent (TOE);
- (b) **Freight transport enterprises:** $\geq 1,000$ TOE/year;
- (c) **Commercial buildings** consuming $\geq 1,000$ TOE/year;
- (d) **Solid waste treatment facilities** with a capacity of $\geq 65,000$ tons/year.

The decree also outlines **a compliance roadmap**: from 2023, regulated facilities must **provide annual activity data** for inventory purposes; from 2024, they must **conduct GHG inventories every 2 years** and submit facility-level inventory reports by 31/03 (starting in 2025) for verification; final inventory results must be submitted to Ministry of Natural Resources and Environment by 01/12 of the reporting year (starting in 2025).

Decision 01/2022/QĐ-TTg (18/01/2022):

The list of **6 sectors required to inventory GHG** includes energy, transportation, construction, industrial processes, agriculture, forestry and land use, and waste.

The initial list issued with Decision 01/2022 includes **~1,912 facilities** from the above sectors required to conduct GHG inventory (*this list is updated every 2 years; for example, in 2024, it was updated to 2,166 facilities required to inventory*).

Circular 96/2020/TT-BTC (Ministry of Finance):

Guiding the disclosure of information on the securities market, effective from 01/01/2021, this circular adds requirements for **GHG emissions information in the annual reports** of public companies. According to appendix IV of Circular 96, listed companies must disclose **total GHG emissions** and related **measures or solutions for emission reduction** in their annual reports. This regulation aims to integrate **environmental impact** information (such as direct and indirect GHG emissions) into annual reports, thereby increasing environmental transparency on the securities market.

Beside the aforementioned regulations, several ministries have also issued circulars providing technical guidelines on measuring, reporting, and verifying GHG emission reductions for their respective sectors under Decree 06/2022.

E.g.: Ministry of Industry and Trade issued Circular 38/2023/TT-BCT on technical guidelines for measuring, reporting, and verifying GHG emission reductions in the industrial and trade sector.

These guidelines help businesses carry out GHG inventories and reports in accordance with the correct methods.

How do Vietnamese businesses disclose GHG emissions in practice?



The rate of companies reporting is still low

Only a **small proportion (about 10-15%)** of companies actually report their GHG emissions data. For example, in 2022, **80 listed companies** disclosed information on their **total direct and indirect emissions** (Scope 1 and 2) in their annual reports, a significant increase compared to 37 companies in 2021.

Despite the improvement from before, this number still represents only a small fraction of the hundreds of listed companies in the market. Many other companies have not included specific emissions data in their reports, indicating that compliance with reporting requirements is still uneven.



Common scope and content of disclosure

Most companies focus primarily on **direct emissions** (Scope 1) and **indirect emissions from energy consumption** (Scope 2). The content usually includes the **total amount of CO₂ equivalent emissions** for the period and some related metrics (*e.g., emissions intensity per unit of product, if available*). In addition to the data, many companies report on **the measures they have taken to manage and reduce emissions** during the year, such as improving energy efficiency, using renewable energy, and planting trees, etc. In 2022, **120 companies** reported information on **emission reduction solutions** (*almost double the 64 companies in 2021*). While mentioning solutions is quite common, only a few companies have **quantified the specific reduction in emissions** due to these solutions.



Pioneering companies

Primarily, large enterprises, high-emission industries, and firms with international obligations are leading in GHG inventories and disclosures. Notably, sector like **the steel, cement, and thermal power** account for much of the **~10% of firms** prepared for reporting, driven by export demands and regulatory pressure. Additionally, some FDI enterprises or those in global supply chains voluntarily measure emissions to meet global requirements. However, **the majority of SMEs in Vietnam have not disclosed their emissions** unless mandated, due to limitations in resources and awareness.

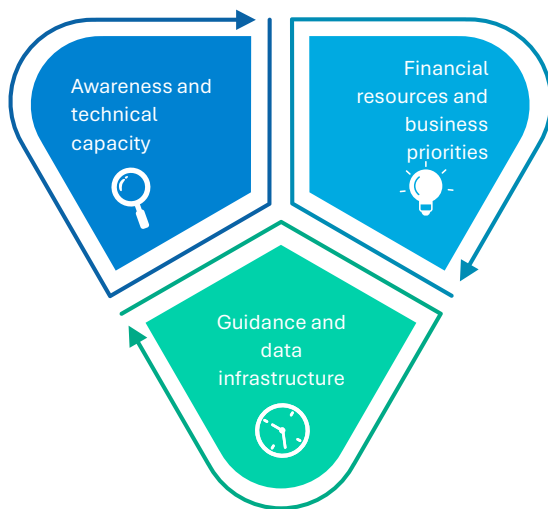


Compliance, challenges, and the gap between legal requirements and actual practices

Current compliance level: Compliance with regulations on greenhouse gas (GHG) inventory and disclosure in Vietnam remains low compared to expectations. Although the first mandatory reporting deadline is March 2025, by mid-2024, only just over 100 enterprises had conducted inventories in accordance with Decree 06/2022, out of a total of

2,166 designated facilities. According to the Ministry of Natural Resources and Environment, only around 10% of enterprises are adequately prepared to submit reports on time. Even among the reports that have been completed, most have not undergone independent verification, raising concerns about data reliability.

Challenges for enterprises: There are numerous **barriers that make it difficult for enterprises to fully comply** with GHG emission regulations:



Awareness and technical capacity

As a new and complex field, many enterprises face challenges in understanding technical standards, lack skilled personnel, and have no prior experience in emissions calculation.

Financial resources and business priorities

Many enterprises, especially SMEs, prioritize business continuity over GHG inventories due to high costs of consultants, tools, and emissions management systems. In addition, unclear enforcement mechanisms reduce the urgency to comply.

Guidance and data infrastructure

Although regulations are in place, detailed guidance and supporting tools are still being finalized. Many technical circulars were only issued at the end of 2023, making it difficult for enterprises to develop suitable data systems within a short timeframe.

Gap between legal requirements and actual practices: Vietnam aims to manage 85% of emissions by 2030, but currently controls only about 30%. Many enterprises only provide information in a formal manner, lacking specific data. The gap between legal requirements and actual practices remains significant.

However, pressure from international regulations, such as the EU's CBAM (which comes into effect in 2026), is pushing enterprises to accelerate

compliance, particularly in industries such as steel, cement, aluminum, and fertilizers. In the near future, improvement is expected as regulatory bodies finalize guidance frameworks, increase inspections, and large enterprises leading the way will create a ripple effect. To achieve the targets, challenges related to awareness, finance, and technical capacity must continue to be addressed, and the gap between regulations and actual GHG inventory implementation needs to be narrowed.



The Journey of "Greening" the Vietnam's Steel Industry: From Net Zero Commitment to Tangible Benefits

Amid the global shift to sustainability, Hoa Phat Group - the largest steel producer in Southeast Asia - has committed to **net-zero emissions by 2050**.

Green transformation through concrete actions

Hoa Phat has significantly invested in a **closed-loop, circular steel production system**, using advanced technologies on par with G7 standards. At its Dung Quat Integrated Steel Complex, a **waste heat power plant** generates over **1.96 billion kWh** annually, meeting **90%** of local electricity needs - an impressive regional benchmark.

Technologies like **dry coke quenching (CDQ)**, **flue gas turbines (BPRT)**, and **continuous casting-rolling** optimize thermal energy use and reduce CO₂

Benefits from the ESG strategy

Serious investment in ESG has not only brought Hoa Phat international recognition but also tangible financial and market benefits.

Export advantages to the EU: With transparent emissions reporting and strong environmental governance, Hoa Phat is well-positioned to meet the EU's Carbon Border Adjustment Mechanism (CBAM) requirements - crucial for sustaining its steel exports to Europe as carbon taxes take effect in 2026.

A message to the Vietnamese business community

The steel industry's green transition shows that sustainability is not a **cost**, but an **investment for the future**. Hoa Phat has proven that ESG helps navigate market and policy risks, while building competitive advantage and brand value.

With a **Net Zero 2050 vision**, the company aims to lead and inspire Vietnam's business community toward a green, circular, and sustainable economy, where profit aligns with environmental responsibility.

Backing its pledge with concrete actions, the company is making strong strides in exports and the international green finance market.

emissions per ton of steel. Initiatives such as planting trees and replacing trucks with conveyor belts further green the production value chain.

In particular, in 2023, Hoa Phat was one of the first enterprises in Vietnam's steel industry to complete **the greenhouse gas inventory report according to ISO 14064-1:2018**, while also publishing **the carbon footprint for each steel product in accordance with ISO 14067:2018** – a pioneering strategic move in the era of ESG transparency.






Access to cheaper capital from banks and green investment funds: ESG projects help Hoa Phat access loans at favorable rates, paving the way for long-term sustainable growth.

Enhancing corporate image and credibility: Hoa Phat's green, modern, and responsible image has earned investor trust and attracted global partners with strict supply chain standards, such as construction, technology, and automotive sectors.



Reducing emissions through action: When Vietnamese enterprises truly step in

To realize emission reduction targets, enterprises have implemented a variety of **technical and innovative management measures** - from energy conservation, investment in new technologies, and transitioning to renewable energy, to circular economy models. Below are some of the exemplary initiatives and the results achieved by companies:

Enterprises	Emission reduction initiatives	Achieved results
Vietjet Air 	Applying SFCO2 fuel management and optimization system for the fleet	Saving ~3,214 tons of fuel in 2023 (reducing fuel consumption, which significantly reduces CO ₂ emissions)
Century Synthetic Fiber (STK) 	Installing 7.4 MWp of rooftop solar power at the factories	Reducing 25,262 tons of CO₂ (<i>cumulative by the end of 2023</i>); expected to reduce an additional ~3.18 million tons of CO₂ over the project's lifecycle
Maritime Bank (MSB) 	Upgrading the refrigeration system, replacing with LED lights ; organizing internal competitions to save electricity	Reducing electricity consumption by 15.5% in 2023 compared to 2022 (contributing to indirect emission reductions from electricity)
Vinamilk 	Fuel conversion (<i>replacing FO/DO oil with CNG; increasing the use of biomass, biogas</i>); optimizing logistics	Significant reduction in emissions from boilers and transportation. In particular, emission intensity decreased by 86.2% (compared to previous levels)
Mobile World Investment Corporation (MWG) 	Implementing IoT to monitor electricity usage, installing solar panels at retail stores	Significant electricity savings, reducing total electricity consumption by 10.7% in 2023; average emissions per store decreased by ~44% from 2019 to 2023



These initiatives demonstrate the diversity in the approaches of Vietnamese enterprises:



Energy conservation

through equipment and management improvements (replacing fluorescent lights with LEDs, optimizing refrigeration

systems, using IoT to monitor electricity consumption to prevent waste), immediate cost savings and indirect emissions reductions are achieved.



Transition to renewable energy

such as rooftop solar power at factories, headquarters, or retail stores, which not only provide a proactive green energy source but also reduce tens of thousands of tons of CO₂. Many

companies have made significant investments in solar energy: Century Fiber has 7.4 MWp at two factories, Vinamilk optimizes its solar power system at its farm, MWG aims for hundreds of stores to use solar power.



Using clean fuels and new technologies

Vinamilk has converted its boilers to compressed natural gas (CNG), using biomass and biogas instead of coal, which significantly reduces emissions. Masan Consumer has also increased its use of biomass to reduce dependence on the grid, despite the additional biological

emissions. Vietjet, in addition to testing SAF, also applies SFCO2 technology to analyze flight data and optimize fuel consumption. As a result, the airline saved over 3.2 million kg of fuel (equivalent to ~4.7 million USD) in 2023. This is a clear demonstration of the dual benefits of green technology.



Circular economy and recycling initiatives

Many companies are reusing waste and by-products to reduce emissions and save resources. Vinamilk processes cow manure using biogas digesters, captures methane gas for fuel, and also composts using Japanese technology to reduce nitrous oxide emissions. Century Fiber uses recycled plastic instead of virgin plastic, significantly reducing its carbon

footprint - each ton of recycled chips emits only ~0.5 tons of CO₂e instead of 2.36 tons. PNJ maximizes the reuse of materials and waste in production. An Cường prioritizes sustainable wood materials and invests in energy-efficient production lines. The trend of “maximize reuse, minimize waste” is spreading across industries.



Raising awareness and internal governance

Many companies have established ESG departments to oversee sustainability efforts (such as ACG). They organize training, internal competitions to encourage employees to save energy and reduce waste. MSB held an internal

contest for energy-saving ideas, while MWG integrated environmental criteria into its corporate culture. These “soft” changes help sustain the long-term effectiveness of technical initiatives.

The environment is more than just carbon: Water, waste, and resource management

In addition to reducing greenhouse gas emissions, businesses are also focusing on managing **natural resources** (such as water and energy), handling waste, and using sustainable materials to minimize their overall environmental impact.

Water management: is a growing focus, with many companies investing in **water-saving and reuse systems**, especially in **water-intensive sectors** like food and beverages. **Vinamilk stands out** with detailed disclosures on **water sources** (surface water, groundwater, rainwater) and **conservation measures**. At its factories, Vinamilk operates a **wastewater recycling system**, where treated water is reused for **irrigation** and **barn cleaning**.

The reverse wash water recovery system at the Tiên Sơn factory helps save

48.180 m³ water/year

Cooling water for milk filling machines is collected, chilled, and reused, which saves

9.945 m³ water/year

“ Thanks to these initiatives, although the total water consumption of Vinamilk increased in 2023 (due to expanding scale and the need to cool more cattle due to climate change), **water usage efficiency** improved: **m³ water/ton of product decreased** compared to 2022.



2,51%

water is reused in circular production

85%

treated livestock wastewater is reused for crop irrigation

“

This reflects a **near-closed-loop water** model at the farms (water is used efficiently, collected, treated, and reused)



Although Vinamilk provides many figures for the initiatives, **the report does not include a summary table of total water usage from all sources over the years**, making it difficult to assess long-term trends.

In the retail sector, **MWG** also achieved results in water savings: in 2023, the company **reduced water consumption by 146,828 m³** (equivalent to a 12.7% decrease) compared to 2022, thanks to optimizing operations at its store system. Clearly, efficient water management not only protects resources but also helps businesses adapt to the risks of water scarcity due to climate change.



Waste and resource management: Businesses are increasingly paying attention to waste sorting, recycling, and the use of sustainable materials in production - operations. 100% of waste at Vinamilk is sorted and properly treated. The company aims to minimize waste generation and maximize reuse, especially by recycling livestock waste into organic fertilizer - a prime example of “turning waste into resources.”

100% waste at Vinamilk is sorted to properly treated



In the food sector, many companies are investing in **wastewater treatment technologies** that meet standards and allow reuse, helping to reduce environmental impact. Bach Hoa Xanh (MWG) is piloting **organic waste treatment** at its stores, with plans to expand to **200 locations in 2024** to cut down on landfill waste. For electronic and hazardous waste like batteries, MWG partners with specialized firms for proper collection and treatment.

These actions show rising business awareness of end-to-end waste management.

Sustainable materials: Using environmentally friendly raw materials and designing products to **conserve resources** is a growing trend among businesses.

Vinamilk states:

**100% PAPER
PACKAGING**

from certified
sustainable
wood



**100% CARDBOARD
BOXES**

produced using
environmentally friendly
technology.



**95% CARTON
BOXES**

reused multiple times
instead of single-use



100% STORES

use recycled or reusable
plastic products



Improve packaging design to **reduce plastic use**



40% LABEL SIZE &



50% SHRINK FILM THICKNESS

Helps reduce **29.500** kg plastic/year



These figures demonstrate the effectiveness of sustainable design - both reducing plastic waste and lowering material costs.

In summary, alongside the goal of reducing carbon emissions, many Vietnamese businesses are making steady progress in environmental protection as a whole. Activities such as water conservation, recycling, waste management, using sustainable materials, and improving product design all aim to minimize impacts on the ecosystem.

A highlight is the increasing integration of environmental initiatives into daily operations (such as water recycling, waste sorting, and using renewable energy), as well as the adoption of sustainable management systems like ISO 14001 and 50001. Leadership plays a crucial role: pioneering companies like Vinamilk, Bao Viet, and An Cuong have incorporated environmental goals into their strategies and corporate cultures.

Although there are still limitations regarding data transparency and uneven implementation across industries, the green development trend is clearly spreading. More and more Vietnamese companies are transitioning toward sustainability, making a positive contribution to the country's climate change response goals.

Investment in people: Internal Training initiatives

Notable internal training initiatives

The survey revealed that **68.5%** have skill development programs available to all departments and staff levels, only **13.3%** focus their training on management levels, and **17.5%** do not have any training programs at all. The 2023 Annual Reports and Sustainability Reports recorded numerous notable internal training initiatives from large enterprises, reflecting a strong commitment to investing in human capital.

- 1** 

584 TRAINING COURSES
300.000 TRAINING HOURS
28.000 PARTICIPATIONS

Vinamilk considers training one of its top priorities to enhance the overall competencies of its employees. The company applies a wide range of

training formats (*internal, external, online, in-person*) and is willing to **make significant investments** - viewing training as “the key to sustainable success.”

- 2** 

419 TRAINING COURSES
140.000 PARTICIPATIONS
41 HOURS/PERSON/YEAR

Vietcombank organized **419 training courses** during the year (*increased ~10% compared to 2022*), with over **140,000 total participations**. More than 50% of the content focused on leadership, technology, and retail

banking. On average, each Vietcombank employee received **41 training hours/year**, demonstrating efforts to enhance human resource quality in the financial and banking sector.

- 3** 

851.874 PARTICIPATIONS
5.6 TRIỆU TRAINING HOURS
127 HOURS/PERSON/YEAR
19 COURSES/PERSON/YEAR

FPT set a record in internal training with **851,874 employee course participations**, totaling **5.6 million training hours** in the year. On average, each FPT employee completed **19 courses** and **127**

training hours/year. This is part of the strategy to build a high-tech engineering workforce that continuously updates its skills to meet the evolving demands of the IT industry.

- 4** 

542 TRAINING COURSES
167.775 TRAINING HOURS
14.100 PARTICIPATIONS

Training activities are given special attention, with leaders at all levels actively participating and setting an example. PNJ has established a transparent training policy, **equal learning opportunities** for all

positions. As a result, employees are equipped with the necessary competencies for their current roles and are prepared to advance to higher positions when opportunities arise.

- 5** 

2.213 E-LEARNING COURSES
97.453 PARTICIPATIONS
40.000 TRAINING HOURS

This airline expanded its online training efforts with **2,213 e-learning courses** in 2023, attracting **97,453 participations**. The total number of internal training hours reached approximately **40,000**, including **8,727 hours** for pilot training, **21,025 hours** for cabin crew, and **9,948**

hours for technical staff. Vietjet established the Vietjet Aviation Academy - one of the largest aviation training centers in Vietnam and the region - to provide formal training for pilots, engineers, and technicians in accordance with international standards.

In general, large enterprises in Vietnam are implementing **a variety of training formats** and support policies to encourage continuous learning. Many companies combine flexible **in-person and online training, building LMS/internal academy systems** to effectively manage and deliver courses (MSB has upgraded its existing LMS platform; Everpia developed the "Everon Academy" online platform to encourage self-learning). Regarding support, companies are willing to **cover training costs** for employees if it aligns with their objectives (Vinamilk covers 100% of costs for eligible courses) or ensure **salary continuation during training**

periods (TTC Land – SCR continues to pay full salary for employees attending training sessions). At the same time, **talent development programs** are being emphasized: Masan established the "Growth Center" to implement mentoring and 360° assessments for its leadership pipeline; Vinamilk has developed a succession training plan for senior leadership positions, directly supervised by the Board of Directors. These efforts show that Vietnamese companies are increasingly professionalizing their internal training processes to sustainably develop human capital.

Average training hours per employee by industry

The average training hours per employee/year at Vietnamese companies in 2023 showed significant differences across industries and individual companies. The table below summarizes **the average training hours** per employee at some representative companies:

Table 1: Comparison of average training hours by company

Company	Industry	Average training hours 2023 (hours/person/year)
Soi The Ky	Manufacturing (Textiles)	247.10
FPT	Technology	127.00
VPBank	Banking	113.70
SeABank	Banking	47.70
Vietcombank	Banking	41.00
Bao Viet (BVH)	Insurance	25.00
Mobile World	Retail (IT)	19.17

The table illustrates the significant disparity in **average training hours per employee** across companies in 2023, reflecting industry differences. The manufacturing and technology sectors lead with STK at ~247 hours/person and FPT at ~127 hours. The financial and banking sector shows average levels, for example: SeABank at ~48 hours, Vietcombank at ~41 hours, while VPBank stands out with ~114 hours. In contrast, retail companies tend to have lower numbers, with Mobile World at only ~19 hours. However, the gap between the highest and lowest companies is substantial, with some real estate companies having almost **negligible figures** (TTC Land - SCR provided only around **389 training hours for the entire company**, equivalent to <5 hours/person/year). This indicates that each industry and company has different training strategies and resources, leading to uneven investment levels.



Trends in internal training in Vietnam

Growth trend

1

Internal training in Vietnam has shown a **consistent upward trend** in recent years, reflected in both the **number of courses** and **training hours**. Many companies reported **substantial growth** in **2023** compared to **2022**. For instance, **VPBank** delivered **3,324 courses (+38%)** totaling **1,576,406 training hours (+78.8%)**. Likewise, **PV Drilling** saw a **110%**

increase in total training hours. Since **2017**, internal training has steadily expanded, peaking in **2020 (>240 hours/employee)**, then plateauing in **2021** before rebounding in **2022–2023**. This suggests that post-pandemic, organizations are **accelerating training efforts** to **regain momentum** and **strengthen workforce capabilities**.

The **digitalization of training** is becoming increasingly evident, with many companies adopting **blended models** that integrate **in-person** and **online formats** through **technology platforms**. For instance, **MSB** fully leverages its internal **LMS** to manage learning more efficiently. **Vinamilk** and **An Cuong (ACG)** have established **internal academies** to standardize and enhance employee

capabilities, flexibly combining **classroom sessions** and **e-learning** based on content. The shift to **online training** is clear: **Vietjet Air** conducted **2,213 online courses** in **2023**, enabling **large-scale** and **flexible learning**. Technology adoption allows training to occur **anytime, anywhere**, while reducing both **costs** and **time** compared to traditional methods.

Diverse methods and technology applications

2

Culture of self-learning and knowledge sharing

3

Companies are increasingly promoting **self-learning** and **internal knowledge sharing**. **Everpia** exemplifies this with its **"Everon Academy"** online program, requiring each employee to complete at least **10 hours** of self-learning annually. Learning outcomes are tracked by the system and reported to **management**, reinforcing a **lifelong learning mindset**. Other firms are cultivating a **learning**

culture through **internal trainer networks**. In **2023**, **Tasco** trained **35 employees** as internal trainers and conducted sessions under the **"Sharing is Caring"** initiative. Recognizing individuals who actively share knowledge, such as through the **learning culture awards** at **Mobile World**, also helps **motivate employees** and foster a **vibrant learning environment**.

The trend of training **versatile employees** to enhance flexibility in production - operations is gaining attention, especially in the manufacturing sector. Following the success of the "Multi-skilled Workers" program in the North, **Everpia** **expanded this model** to its Dong Nai factory to improve workers' skills and adaptability. Multi-skilled employees can

handle multiple roles, enabling more efficient workforce allocation and ensuring business continuity during disruptions (e.g., pandemics or localized labor shortages). This trend is particularly beneficial in manufacturing and retail, where employee flexibility and multitasking capabilities help improve operational efficiency.

Multiskilling training and workforce flexibility

4

Integrating ESG and expanding training content

5

Internal training content is increasingly aligned with goals of **sustainable and inclusive development**. Topics on **Environment, Social, and Governance (ESG)** and **soft skills** are now integrated alongside **technical knowledge**. For example, **Mobile World** reported that **100%** of its training courses include content on **environmental protection** and **social responsibility**, helping raise **employee awareness** and promote a

responsible corporate culture. Many companies also adopt **structured training frameworks**: **Vinamilk**, for instance, categorizes its programs into key areas such as **safety/standards, professional skills, soft skills, and leadership development**. This ensures employees are built up **holistically**, balancing **expertise** with **complementary competencies**.

Many large companies are investing in **future leadership development**. **Masan** established the **Growth Center** to implement **mentoring programs** and conduct **360-degree leadership assessments** for senior managers, strengthening their **leadership and team management** capabilities. In parallel, companies are designing **training**

roadmaps based on **job roles**. For example, **Mobile World** offers “**New Manager**” programs for newly promoted leaders and **tiered training** for middle management, ensuring each level gains the relevant skill set. Aligning training with job responsibilities helps employees perform **effectively** and prepares them for **career progression**.

Leadership development programs

6

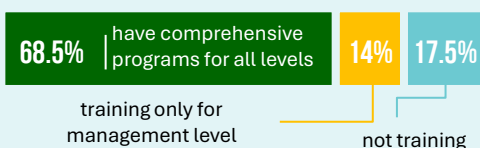
Inclusive training across genders and job levels

7

Companies are expanding training opportunities to cover all employees. In 2023, **SeABank** reported that **100%** of its competency groups, target groups, and job titles engaged in training, ensuring **no one was left behind**. On average, female employees received **48 hours**, and male employees **47.5 hours** of training, reflecting **gender equality** in access. **New hires** underwent the most training

(**78 hours**) to support **onboarding**, while **managers** received around **46 hours** of **leadership development**. At **Century Synthetic Fiber Corporation**, training is fully equalized, with employees across all levels and genders receiving the same average hours. This emphasis on inclusive and equitable training helps strengthen workforce capabilities and fosters balanced organizational growth.

Internal training programs among enterprises show clear disparities:



Some sectors - such as consumer materials, energy, and telecommunications - still have a significant number of firms lacking

structured training investments. The technology sector leads in quality, with firms like **FPT** providing **127 hours/employee**. In the finance sector, while most firms are at Level 5, around **10%** still lack any training programs, revealing a significant intra-industry gap. Against regional benchmarks, Vietnam’s tech sector is approaching international standards, while the finance sector continues to trail behind.

Allocation of skill training programs by industry

8

The effects of internal training on companies and workers



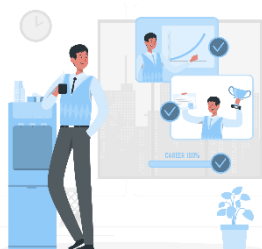
Enhancing job satisfaction and performance

High-quality internal training programs contribute to increased job satisfaction and work performance. Employees at VPBank rate their training courses an average of 4.8/5, SeABank scores 9.22/10, indicating that the content is relevant and

useful. This satisfaction motivates employees to apply the knowledge gained to their work, leading to improved efficiency, fewer mistakes, and enhanced service quality - thus creating a competitive advantage for the company.



Internal promotion opportunities and talent development



Internal training opens up opportunities for career advancement, helping to retain and develop talent. Both PNJ and Vinamilk report that many management positions were filled from internal sources (Vinamilk achieved 7.3%

during the 2022–2023 period). Masan has built Mentoring, Leadership Assessment programs to identify and nurture young leaders. Employees with clear development pathways are more motivated to stay with the company for the long term.

Developing skills and securing sustainable jobs

Regular training enables employees to adapt to change and secure long-term employment. FPT provides an average of 127 training hours/year per employee, ensuring their technology skills remain up-to-date. Everpia runs a “multi-skilled worker” program, offering bonuses from 700,000 to 1,300,000 VND for those meeting performance criteria. Companies like TTC Land integrate training with legal updates and occupational safety, helping

employees feel secure in their long-term roles. Vinamilk positions training as a core pillar of its sustainability strateg - strengthening workforce quality and building a foundation for the company’s future, while fostering motivation and commitment. Many firms see training not only as a skills enhancer but also as a means to support livelihoods, by equipping staff with essential knowledge on labor safety and regulatory compliance.



Vietcombank – Shaping an ideal workplace and nurturing a team of excellence

In the context of fierce competition for high-quality talent, Vietcombank not only affirms its position through business results but also through a modern, humane human resources strategy. The period 2023-2024 marks significant progress for the bank in internal training, talent development, and improving the well-being of employees, establishing itself as a role model in the banking and finance industry.

Training - A sustainable investment in people

Vietcombank regards each employee as a "strategic asset," with 419 training courses and 140,000 participations in 2023. On average, each individual receives 41 training hours/year. The bank offers a variety of learning formats: e-learning, simulation-based training, multi-platform learning, etc. which

help enhance practical skills. Practical training programs, such as credit assessment, customer transactions, etc. will be applied in a simulated environment starting in 2024. Managers, on average, complete 7.3 courses/year, while staff members complete 5.7 courses - reflecting a deep-rooted learning culture.

Comprehensive Benefits - A humane and committed workplace

In 2023, Vietcombank maintained its leading employee benefits policy with an average income of 450 million VND/employee. In addition, the bank offers comprehensive benefits: enhanced insurance, regular health check-ups, maternity support, birthday benefits, retirement support, assistance for

women and senior citizens, etc. Continuously recognized as "Best workplace in Asia" and "Outstanding employer for employees," Vietcombank demonstrates a work environment where employees are acknowledged, listened to, understood, and given opportunities to grow.

Fair development - Long-term planning

The bank uses a KPI-based evaluation system, combining both quantitative and qualitative measures. The results are utilized for rewards, training, mapping and rotation, ensuring fairness and transparency. Over 60% of the workforce is female, with more than 50% included in the management

talent pool. A total of 127 units across the system have established Women's Advancement Committees to promote gender equality and female leadership. Vietcombank also conducts annual employee engagement surveys and regular dialogues with staff to continuously improve its policies.

Sustainable talent model

In the era where people are at the center, Vietcombank pioneers a comprehensive human resources strategy: thorough training, excellent benefits, transparent evaluations, and talent planning. Vietcombank's success is a testament to the central role of people in sustainable development, serves as an invitation for Vietnamese businesses to invest in human capital - a key factor for the future.



Gender diversity in businesses: A driver of growth and sustainable governance

The impact of internal training on businesses and employees

Many Vietnamese companies have a significant proportion of female employees, particularly in the banking and retail sectors.

Table 2: Proportion of female employees and managers/leaders at major listed companies

Company	% female employees	% female managers/leaders
PNJ Jewelry retail	60,84%	~40% (leadership level)
VPBank Banking	60,1%	No specific data available
Vietcombank Banking	60%	~53% (leadership level)
MWG Electronics retail	~41%	~41.2% (management level)
FPT Technology	37,4%	36,1% (management level)
Vietjet Airline	35,96%	28,13% (executive management)
Vinamilk FMCG	~23,3%	~27,6% (management level)

The banking sector typically employs a high proportion of female staff (e.g., Vietcombank, VPBank: ~60%), while technology and manufacturing sectors show lower female representation (FPT: ~37%; Vinamilk: only ~23%). In retail, the contrast is also evident: PNJ (jewelry) reports ~60% female employees, whereas Mobile World (electronics) has around 41%. These figures underscore how industry characteristics strongly shape gender distribution in the workforce.



Comparison of female employment rate by industry

The proportion of women in the workforce varies significantly across industries:

Banking/ Finance

Industry average

60% female employees

Women account for a notably high proportion of the workforce in the banking sector, averaging around 60%. At Vietcombank and VPBank, for example, approximately 60% of

employees are female. Many other banks, such as MSB and SHB, also report over 60% female representation, confirming this as a sector-wide trend.

The proportion of female workers in the IT sector is moderate, typically around 30–40%. At FPT, for instance, ~37.4% of employees are female.

While the industry remains male-dominated, this figure reflects ongoing efforts to attract more women into the technology field.

Information technology

Industry average

30-40% female employees

Manufacturing/ Industrial

The proportion of women in industry remains lower than in services. For instance, Vinamilk has only ~23% female employees, while in heavy industry, the figure is even lower; PV Drilling reports just ~18.9%. However,

female participation in industry is on the rise: the share of women in the industrial workforce grew from 21.8% (2017) to 26.7% (2022), reflecting a transition from agriculture to industry among female workers.

Service (education, healthcare, retail etc.)

Industry average

45 - 50% female employees

The service sector generally employs 45–50% female workers. In retail, the proportion varies by product type: PNJ (jewelry) reports ~60% female employees, driven by the nature of the job and customer base, while Mobile World (MWG) (electronics) has

around 41%. Education and healthcare typically have the highest female representation. In contrast, sectors like air transport - e.g., Vietjet - have a lower share (~36%), though still higher than in heavy industry and slightly below banking.

Women account for nearly 50% of the agricultural labor force in Vietnam.

Due to the household-based economy, they play a key role in cultivation and small-scale livestock

farming. However, a growing number of rural women are shifting to factory or service jobs in urban areas, contributing to the rising female presence in industry, as noted earlier.

Agriculture

Industry average

50% female employees

Overall, **banking and consumer retail sectors** have the highest proportion of female workers, while heavy industry and high-tech sectors have lower proportions. This suggests that industry culture and job requirements influence women's participation.

Trends in the change of female workforce rate (2020–2024)

The female workforce rate remains high and has shown a slight increase in certain industries.

Women comprise **48 - 49%** of Vietnam's workforce, a proportion that has remained remarkably stable, even during the COVID-19 period. Vietnam ranks among the countries with the highest female labor force participation rates globally, reflecting a notable level of employment equality.

In terms of industry structure, the proportion of female workers in **the industrial sector** has been steadily increasing due to industrialization and the migration of young rural women into industrial zones. Meanwhile, **the service sector**, particularly retail and tourism, has also seen an increase in female labor participation as the economy recovers post-pandemic.

At the **corporate** level, some companies have recorded significant changes:

“

FPT: In 2023, the number of female employees at FPT increased by 11.6% compared to the previous year, raising the female workforce rate from about 33% to 37.4%. This demonstrates FPT's efforts to promote women's participation in the technology sector.

”

“

PNJ: maintained a ~60% female workforce in 2023 - 2024, reflecting its ability to attract and retain women. The company's strategy to empower women and promote gender equality supports its sustained high participation rate.

”

“

Banking: The female rate at major banks remains stable at 55-60%. (Vietcombank, VPBank have maintained ~60%). However, the banks are increasingly focusing on **raising the proportion of women in leadership positions** rather than just in entry-level roles.

”

The role of women in leadership and its impact on ESG performance

A common trend in Vietnam is the increasing number of women holding managerial positions. According to the Ministry of Labor, approximately **25% of CEOs and board members** are women - **the highest rate in the Asia-Pacific region**.

At many companies, women are being promoted to mid- and senior-level leadership roles. At

Vietcombank, women account for as much as 53% of department heads, while **Vietjet** has set a target to increase the proportion of female managers to **40% by 2026**, up from around 28% in 2023.

These are clear examples of **efforts to train and promote women** as part of organizations' human resource development strategies.

The participation of women in leadership positions is not only a matter of gender equality but also has a **positive impact on a company's sustainable performance (ESG)**. Numerous academic studies and practical governance cases have highlighted the correlation between **female leadership** and **ESG and financial performance**.



Quality of ESG reporting and Implementation



The presence of women in leadership has a positive and statistically significant effect on ESG reporting readiness. The hypothesis that female leadership strengthens ESG focus is supported at a **p-value of 0.000**. Companies with female leaders are more transparent and proactive in disclosing ESG information. Regression results show that the variable “proportion of women in leadership” has a beta **coefficient of ~0.256**, ranking third among the factors influencing ESG readiness—after accounting expertise and management processes.



Promoting sustainable governance



Women on boards or in management are often viewed as more sensitive to environmental and social issues, with stronger attention to stakeholder interests (e.g., *employees, customers, communities*) and a clear focus on sustainability goals. Their presence signals a company's commitment to **transparency, diversity, and social responsibility**. This is consistent with prior studies (e.g., Bear et al., 2010; Kiliç et al., 2015; Arayssi et al., 2016) that highlight the positive influence of female leadership on ESG practices.



Financial performance and ESG



An IFC study¹ found that companies with >30% women on the board achieve an average **ROA² of 3.8%**, compared to 2.4% for those without female board members. While a financial metric, this underscores the positive impact of female leadership on governance and **sustainable strategy**. In Vietnam, female leaders in the banking sector are highly valued for their crisis management, employee care, and ability to drive engagement and operational efficiency. They are often seen as inspirational, decisive, and compassionate - traits that support resilient and sustainable growth.

*Overall, **women in leadership** play a vital role in steering companies toward sustainable development. They bring diverse perspectives, promote ESG initiatives, and foster a responsible corporate culture - enhancing both reputation and ESG performance, while delivering long-term financial value through transparent, sustainable governance.*

¹ IFC study on gender diversity in corporate leadership in ASEAN

² Return on assets (ROA)

Talent is a partner: The new HR strategy of pioneering companies

In the context of a competitive labor market, many Vietnamese companies consider **talent management** – including training, development, and retaining top talent – as a **core strategy** for sustainable development. According to a survey by Talentnet, in addition to salary and benefits, employees are increasingly interested in **learning opportunities, career advancement, and the**

work environment. This drives companies to innovate in attracting and retaining talent, from building a **positive culture** to implementing **specialized training**. This report will analyze prominent talent management initiatives in Vietnamese businesses, comparing large, medium, and small-scale companies, and drawing conclusions on scalable models.

Talent development and retention initiatives in large enterprises

Large enterprises often make significant investments in structured leadership and talent development programs. These initiatives not only

nurture a **pipeline of successors** but also create motivation for employee retention. Below are some notable examples:

01 FPT

“ For over a decade, FPT has implemented an internal MiniMBA program for mid-level managers, contributing **59,000 training hours** in 2023. The program condenses traditional MBA content, helping to enhance leadership capabilities within the core team. The firm also promotes a learning culture

through the FPT Academy and its internal MOOCs platform, with total learning hours expected to reach **1.5 million** in 2023 – a **150%** increase compared to the previous year. Learning at FPT has become a daily activity, helping retain talent through a continuously developing environment.



In 2023, Vinamilk organized **584** internal training courses, attracting **28,000** participants with a total of **300,000** training hours. The company also sponsors scholarships for outstanding employees, such as leadership programs from PACE, MBA Talent, FMIT, etc. to enhance skills and employee engagement. In addition

to training, Vinamilk has built a friendly work environment, good benefits (insurance, health check-ups, travel, etc.), and has been certified as an “Excellent Workplace” with **83%** of employees satisfied and **93%** trusting the company’s mission – a testament to the effectiveness of its talent management.”

VINAMILK 02

03 MASAN

“ As a diversified conglomerate, Masan Group considers human resources a core competitive advantage and continuously invests in talent development. In 2023, Masan launched the Growth Center, aiming to become a workplace where every individual can realize their full potential. The center conducted over **1,700 training sessions and workshops** (e.g., leadership, public speaking, problem-solving, decision-making), attracting **33,214 participants**. Masan also implemented mentoring programs,

leadership assessments, and 360-degree feedback for top talent and senior managers to strengthen leadership and team effectiveness. Results show **93% satisfaction** with an average score of **4.65/5**. In addition, Masan’s creative retention strategy includes offering ESOPs at favorable prices, reinforcing long-term commitment. With this comprehensive HR strategy and a strong culture of connection, Masan was named "Best Workplace in Asia" for two consecutive years.



VPBank exemplifies how talent development can align closely with business strategy. Each year, it delivers mandatory training to ensure employees maintain core knowledge. A key initiative is the **iLEAD Leadership Program**, designed to build a succession pipeline. In 2023, **iLEAD** enrolled **94 mid-level managers**, with tailored content on leadership and management. Beyond leadership, VPBank also prioritizes modern

technical skills, notably offering **23 cloud computing courses** to support the shift to Public Cloud, drawing nearly **1,500 participants**. This initiative helps build a core tech team to drive digital transformation. VPBank’s approach illustrates how large enterprises can align training with strategic goals, enhance team capabilities, and retain top talent by engaging them in mission-critical projects.

VPBANK 04

”



05 BAO VIET

“ In the finance–insurance sector, Bao Viet Group has pioneered a **digital learning map** to build a digitally capable workforce aligned with evolving market trends. Its 2023 training program focuses on 5–6 key **digital competencies** (e.g., *data management, cybersecurity, digital leadership*). The roadmap guides employees to develop digital skills - in work, communication, and information

management - through integrated use of digital tools and platforms. This structured approach accelerates **digital literacy** across the organization and prepares a next-generation workforce with strong technological expertise. It represents an innovative model for talent development in the Industry 4.0 era, particularly for large enterprises undergoing **digital transformation**.



vietjet Air.com

The aviation industry is also embracing the trend of talent development. Vietjet Air has collaborated with the FSB Institute of Management & Technology (FPT University) to design a customized **MiniMBA** program for its **management**. This specialized MiniMBA program equips Vietjet's managers with lean management knowledge and leadership skills,

helping them enhance their operational capabilities in the competitive aviation environment. The fact that a large private enterprise like Vietjet invests in a "tailor-made" leadership program demonstrates its long-term vision in building a succession team and its commitment to retaining talent by learning and development opportunities.

”

VIETJET AIR 06

*In general, large corporations and businesses in Vietnam are increasingly **professionalizing** their talent management practices. They establish internal academies, collaborate with reputable educational organizations, create training pathways for each level, and align employee development with the company's strategy. At the same time, comprehensive benefits and recognition as great places to work help these companies maintain high employee engagement and minimize brain drain.*



Talent development initiatives

Businesses are flexible and **creative** in their approach to talent, focusing on solutions that align with their size and culture:

PNJ – RETAIL



As a notable retail company, PNJ attracts talent through a culture of long-term commitment and shared success, rather than solely competing on salary and benefits. The leadership has established a modern governance system, with compensation

based on market surveys and continuous improvements. Thanks to its brand reputation and positive corporate culture, PNJ consistently ranks in the Top "Best places to work," demonstrating its effectiveness in retaining top talent.



SeABank



Medium-sized banks are prioritizing succession planning. In 2023, SeABank delivered 144 hours of training, mentoring, and ESG workshops for its leadership team. MSB launched a Talent Pool

MEDIUM-SIZED BANK

program, organizing 2 courses with 195 participants, creating a lean but effective leadership pipeline. This focused approach aligns well with the needs of mid-sized institutions.

TASCO – INFRASTRUCTURE & REAL ESTATE



In the infrastructure and real estate sector, Tasco has established **Tasco Academy** and the **Next Leaders (TNL)** program to develop strategic personnel. This "internal training hub" model helps

convey company culture, strategy while providing management skills training for the next generation of leaders, strengthening employee engagement and creating a clear development pathway.



With limited resources, TTC Land leverages its experienced leadership team to mentor employees. At the same time, the company provides soft skills training and opportunities to attend industry

TTC LAND (SCR)

conferences. This "senior guiding junior" model helps reduce costs, enhance professional expertise, and strengthen internal cohesion effectively.

MEDIUM-SIZED MANUFACTURING ENTERPRISES

BAF Vietnam delivers specialized training in the Feed–Farm–Food chain, veterinary science, Lean Six Sigma, and quality improvement. **STK** offers tiered



training programs for staff, middle managers, and senior leaders, providing a clear development path and enhancing employee engagement.



Though a small enterprise, Everon invests systematically through its "Multi-skilled Worker" program—covering operations, quality management, and equipment use. The **Everon**

EVERON

Academy, an internal platform with video lectures by international experts, offers cost-effective, high-quality learning. This scalable model serves as a valuable reference for other small businesses.

Overall, while small and medium-sized enterprises in Vietnam may have more limited resources, they have flexibly adopted various talent management solutions suited to their context: from establishing **scaled-down internal academies**, key succession leadership programs to leveraging **internal mentoring** and multi-skill training. These efforts help **retain top employees** amidst competition from larger companies, while also building a solid human resource foundation for future business expansion. A common thread is that a cohesive corporate culture and opportunities for personal growth serve as the “**magnet**” that **keeps talent** committed to the organization.



A vibrant, cartoon-style illustration of a modern office interior. On the left, a man in a yellow shirt and blue cap points to a large yellow presentation board titled 'System Analysis' which features a donut chart and horizontal bars. A woman in a blue sweater and green pants stands next to him, holding a pen. In the center, a woman in a red top and blue skirt sits at a desk with a laptop, while a man in a teal shirt and orange pants sits next to her, wearing a headset and working on a laptop. To the right, a man in a yellow shirt and blue pants stands near a desk with a computer monitor, while a woman in a green top and blue pants sits at the desk. Further right, a man in a green jacket and red shirt stands next to a desk with a laptop, holding a coffee cup. In the background, large windows offer a view of a city skyline. A coffee machine and a stack of papers are visible on a counter to the right.

1 Enhancing workforce quality

2 Retaining talent and increasing engagement

3 Innovation in training

4 Aligning training with company strategy

5 Recognized through awards and reputation

Talent management not only nurtures & retains top talent but also builds learning culture, fosters innovation & creates sustainable competitive advantages for businesses in the era of the new workforce.

Notable replicable models



Internal Mini-MBA

FPT and Vietjet run MiniMBA programs to develop successors within 6–12 months at optimized costs, replacing the need for external MBAs. These tailor-made courses build practical knowledge and leadership skills. Large corporations like Vingroup and Viettel can adopt this model to drive proactive talent development.



Talent Pool Program

MSB and Tasco apply the Talent Pool / Next Leaders model to identify and develop young talents through job rotations, in-depth training, and mentoring. This approach is cost-effective but provides clear motivation for employees, reducing the risk of "job-hopping" due to a lack of promotion opportunities.



Corporate academy and lifelong learning culture

FPT and Masan have set up internal academies that integrate in-house trainers, external experts, and e-learning to promote continuous learning. By encouraging self-learning, they gain stronger control over talent development and reduce dependence on the external labor market.



Coaching and continuous learning culture

SeABank exemplifies a strong coaching culture, with senior managers mentoring junior staff. The bank scales this model by offering coaching training and embedding development criteria into performance evaluations. This fosters talent retention through both knowledge transfer and emotional connection.



External training & scholarships

Vinamilk offers scholarships for high-potential employees to attend MBA or leadership programs under a return-to-serve agreement. This model enhances engagement & skills, which is effective for organizations with less developed training systems. Success hinges on a clear post-training deployment strategy to maximize impact.



Long-term compensation policies tied to performance

Policies like Masan's ESOP, profit-sharing at PNJ align employee benefits with business results. Employees become shareholders, fostering long-term dedication. Other companies can design reward pools for 3–5 years or offer restricted stock to key staff, creating a mutual commitment.

Strategic message: Each company needs to adapt models flexibly depending on its size and sector, but the core principle is to treat talent as the strategic center. Training and retention costs are not burdens, but long-term investments in competitive capabilities. Companies that persist will build elite teams and sustainable advantages.

Future trend: Talent management is becoming the top priority for Vietnamese businesses - from large corporations to small and medium enterprises. Those who invest wisely will have strong, committed, and creative teams, while those who neglect it will fall behind due to talent drain. In the future, trends will shift toward personalized development, the application of technology (AI, e-learning), and aligning training closely with business strategies. Companies should view talent as development partners - to expand both domestically and internationally.



Performance beyond numbers: A holistic view of talent evaluation

Performance evaluation systems are essential for guiding, motivating, and developing employees. When built with transparency and standardization, they align individual goals with corporate strategy and enhance motivation. Many Vietnamese companies now adopt advanced approaches like KPIs, OKRs, 360-degree feedback, and multi-dimensional evaluations to improve performance effectiveness.



Key Performance Indicators (KPIs)

Measure work performance through quantitative indicators.

Be cascaded from the **organizational to individual** level, ensuring goal alignment across all functions.

Objectives & Key Results (OKRs)



Set **directional objectives** and **measurable key results**.

Be flexible, drive breakthroughs, often combined with KPIs to monitor daily activities and guide long-term direction.



Multi-dimensional evaluation

Combining multiple criteria (*performance, competencies, behaviors...*)

Be used in BSC to ensure comprehensive evaluation and personalized capability development.

360-degree feedback



Collect **feedback** from managers, colleagues, subordinates, and customers, providing a comprehensive reflection of the employee's skills and behaviors.

COMMON PERFORMANCE EVALUATION METHODS



Real-World Examples from Leading Enterprises

Many large corporations and companies in Vietnam have implemented modern performance evaluation systems and achieved positive outcomes in HR management. Below are some standout examples:

Vinamilk – Multi-dimensional Evaluation and Employee Competency Development

Vietnam Dairy Products Joint Stock Company (Vinamilk) is one of the leading enterprises in building a positive working environment and sustainable human resource development. Vinamilk applies a multi-dimensional performance assessment system to improve efficiency and transparency in human resource management. 100% of employees at Vinamilk are periodically assessed on their work performance. This assessment system combines many factors: from work performance to competencies and behavior, providing employees with comprehensive feedback. Notable features of Vinamilk's system include:

01

Comprehensive Coverage



Every employee undergoes periodic performance evaluations, ensuring no one is left out and all achievements are recognized.

02

Transparency and Fairness



Evaluation results are based on clear and transparent criteria, with input from multiple levels (managers, colleagues), ensuring fairness.

03

Focus on Competency Development



The evaluation process identifies training and development needs and outlines promotion pathways for employees.

04

Applying the 3P method



The 3P method ensures fairness among employees in different positions, while encouraging each individual to maximize their potential.

Thanks to its effective performance evaluation system, Vinamilk has built a capable and committed workforce, earning it the title of Top 1 Most Favorite Employer in 2024, while sustaining impressive business performance.



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MSB – Periodic Evaluation for 100% of Employees, Linked to Competitive Compensation

Maritime Commercial Joint Stock Bank (MSB) is another notable example of standardizing performance evaluation systems. MSB has established a clear, technology-supported process for accurately and objectively capturing employee performance. All employees undergo regular evaluations (100% participation), and the results are closely tied to compensation policies. Key features of MSB's system include:

01

Periodic and comprehensive evaluation



Annually (or semi-annually), MSB evaluates all staff based on job KPIs and behavioral criteria. This ensures fairness by recognizing all contributions, regardless of role or seniority.

Market Comparison and Continuous Updates

MSB regularly updates market salary data to adjust its compensation strategy accordingly, ensuring suitability and competitiveness. High performers receive appropriate bonuses, and promising employees are considered for salary increases, fostering retention.

02



03

Integrate Technology in Evaluation



The bank has invested in HR software that tracks individual goals and results. Departments enter KPI data into the system, and managers approve it online, shortening the evaluation cycle and reducing paperwork.

Transparent and swift

Evaluation results are communicated to employees promptly, along with detailed feedback. Thanks to digital processes, employees receive their assessments and bonus information shortly after each cycle, building trust in the system.

04



MSB's approach highlights the importance of linking performance evaluation with compensation and leveraging market data to retain talent. This allows the bank to maintain a stable and dedicated workforce, contributing to its success in the competitive banking sector.



Masan Group (MSN) - Developing Future Leaders Through Structured Evaluation

Masan Group (**MSN**) focuses on building a future leadership team through a systematic performance appraisal system. Twice a year, Masan's senior leadership conducts comprehensive evaluations company-wide. This process assesses not only job performances but also learning ability, leadership potential, and expertise of key employees. Notable features of Masan's system include:

01

Wide Scope and High Frequency



Unlike many companies that only conduct year-end evaluations, Masan conducts two company-wide evaluations each year. In 2023, nearly 98% of Masan Group's workforce and

99% of its employees participated in performance evaluation and career development. This almost absolute rate shows Masan's seriousness and commitment to evaluating all employees.

02

Multi-Dimensional and Team-Based



Masan applies a multi-dimensional approach to performance evaluation: assessing employees across various aspects such as KPIs, competencies, and attitudes, and uses group-based evaluations where appropriate.

Team assessments allow the company to measure the success of project teams and departments against shared goals, avoiding an overemphasis on individual performance at the expense of collective achievements.

03

Strategic Alignment and Talent Identification



Masan's leadership sets annual strategic goals and aligns KPIs accordingly. Evaluation results are used to identify potential leaders - rising stars", for future leadership

development list. This systematic approach enables Masan to proactively develop successors for key positions.

04

Focus on career development



Beyond performance assessments, Masan also designs personalized career development plans based on evaluation outcomes. Weaknesses identified during assessments

are addressed through targeted training or role rotations, while leadership potential and strengths are further cultivated through the Group's mentoring and coaching programs.

Through the example of Masan, we can see an important trend: using the performance evaluation system as a strategic tool to both improve current work efficiency and discover and develop talent for the future. This brings long-term competitive advantages to the business.

Century Synthetic Fiber Corporation (STK) – KPI-based performance management via digital workflows

Century Synthetic Fiber Corporation (STK) - a textile fiber enterprise - has built a very detailed quality and work performance management system for each individual and unit. Each department at STK has a target table (KPIs) by year, quarter, month; after each quarter, the departments update and upgrade their KPIs, and at the same time re-evaluate the suitability of those indicators. This ensures that KPIs are always in line with the actual situation and the company's new goals.



A special feature at STK is the application of **technology in recording daily performance**. For the production department, from machine operators to factory managers, the company deploys **daily work checklists** and records daily work productivity using the SAP and POC software systems. Thanks to the integration with SAP - an enterprise resource planning system - data on output, machine running time, error rates, etc. are collected automatically. Managers can monitor performance reports in real time, comparing them with the set KPIs.

The combination of multi-layered KPI system with digital technology helps STK:

- 01 Closely monitor work efficiency at positional and **daily level**, promptly detect problems (such as reduced productivity, machine failures affecting efficiency) for adjustment.
- 02 Improve employee **discipline and self-awareness**: each has clear daily and monthly goals to complete.
- 03 Create a **data culture** in management: all decisions on rewards or process adjustments are based on transparent KPI data.

STK is a typical example of the trend of manufacturing enterprises applying KPIs flexibly, continuously and **digitizing** the performance evaluation process. As a result, the company not only increases labor productivity but also improves product quality and optimizes costs thanks to effective management.

In addition to the above examples, many other companies are also innovating their performance evaluation systems. For instance, Tasco Corporation has built a performance and competency evaluation system based on international standards while adapting it to the Vietnamese context. Bao Viet Group has updated its performance evaluation framework with more detailed classification criteria and added behavioral skill assessments. These efforts demonstrate that businesses share a common goal: optimizing performance evaluation and talent development.

Current trends in implementing performance evaluation systems

Human resource performance management is constantly evolving to adapt to a changing work environment. Based on actual practices at businesses and the latest research, several key trends in performance evaluation system implementation can be identified:

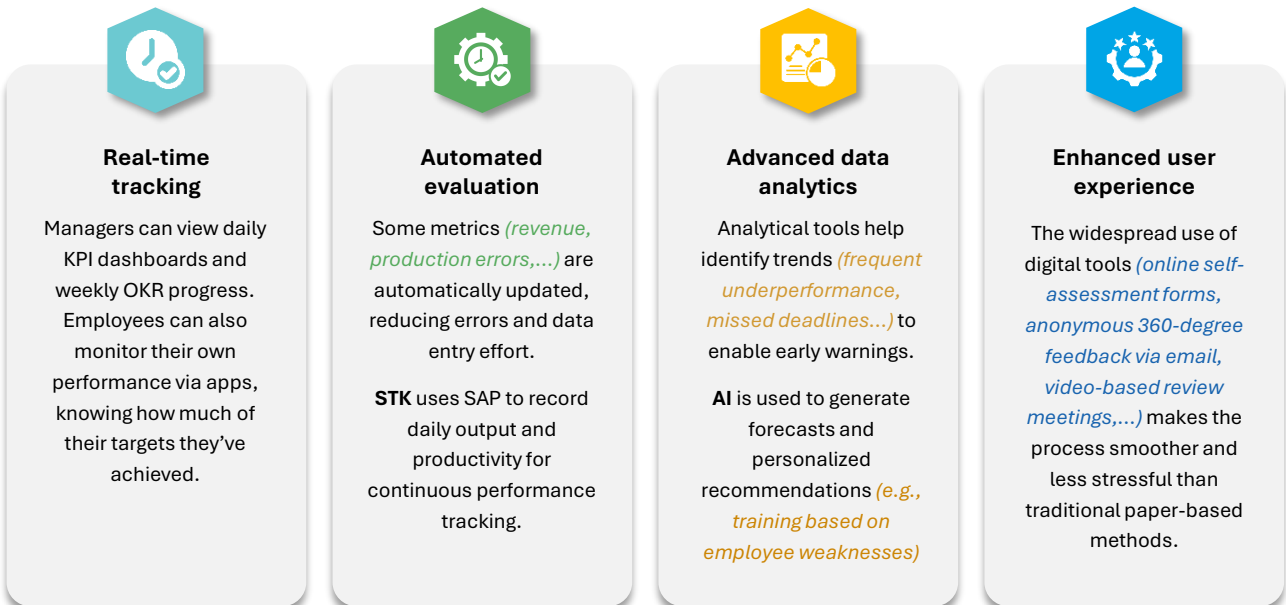
01 Increasing transparency and fairness in evaluation

Companies are becoming more transparent with evaluation criteria, processes, and results so employees better understand and trust the system. Instead of subjective assessments, many are adopting competency frameworks, specific scoring systems, and additional criteria related to attitude and behavior. For example, Bao Viet has refined its rating levels from 3+ to 3- to create more nuanced evaluations.

Regular feedback (monthly or quarterly) is replacing traditional end-of-year reviews, helping to build a culture of open feedback and enable timely adjustments. Some companies also publicly share portions of the results (such as lists of top performers or departmental goals) to increase motivation and transparency.

02 Applying digital technology and data in performance management

Technology has **transformed** how performance is evaluated. The trend is to leverage **digital platforms** to collect and analyze performance data quickly and accurately. Many companies are deploying **Performance Management Systems (PMS)** integrated into their HRM systems. These platforms offer:



Especially, the raise of **remote and hybrid work** has accelerated technology-driven performance management. When employees are not always in the office, setting clear goals and tracking them with data becomes essential for ensuring productivity.

Businesses have invested more in **online collaboration and task-tracking tools** (e.g., Microsoft Teams, Trello, Base.vn), integrating performance evaluation criteria. In parallel, **digitizing processes** (like at MSB) helps shorten feedback loops and speed up decision-making.

In summary, the adoption of digital technology has brought timeliness, accuracy, and convenience to performance evaluation systems. This trend is expected to continue growing, with big data and AI further refining human resource assessment processes.

03

Focusing on people development and a culture of continuous performance

A major shift in modern performance management philosophy is moving from a mindset of “evaluation for **ranking**” to “evaluation for **development**.” As a result, **performance evaluation systems** are increasingly tied to training, coaching, and **cultivating a culture** of continuous improvement for employees. Organizations recognize that the ultimate goal is not just to rate employees, but to help them grow and stay engaged. This people-focused trend is reflected in:

EVALUATION LINKED TO TRAINING

Performance evaluation is the basis for creating an individual development plan (IDP). For example, if an employee underperforms due to a lack of technical skills, they will be assigned to relevant training courses. Vinamilk is a prime example, conducting hundreds of training sessions annually based on development needs identified through performance assessments.

COACHING & FEEDBACK

Coaching culture is gradually replacing traditional penalizing. Managers play a guiding, supportive role rather than a criticizing one. Many companies organize “1-1 meetings” between managers and staffs every week to discuss goals, solve problems, and help improve skills and performance.

RECOGNITION & REWARD

Developing people is not only about giving feedback but also timely rewards. Transparent evaluation systems help identify outstanding contributions for recognition (bonuses and public acknowledgment for exceptional KPI achievement). This recognition boosts employee motivation and engagement.

CONNECTION TO CAREER PATHS

A growing trend is linking performance evaluation to career advancement. At Masan, evaluation results are used to select potential candidates for leadership development programs. Employees perceive evaluations as meaningful, knowing that high performance opens opportunities for promotion and strategic projects, creating strong long-term motivation.

With this people-centric approach, performance evaluation systems are no longer dreaded or demotivating. Instead, they become **tools that support employee growth**. Employees feel heard and invested in, leading to greater engagement and satisfaction. One study revealed that most employees would leave a job if they didn’t feel valued; conversely, when companies show appreciation through **ongoing feedback and development support**, employees become more loyal and committed. Building a culture of continuous performance -where everyone learns and improves together - is becoming an inevitable trend.

04

Flexible and adaptative to the new trend

Performance systems need to be **simple, swift, and customizable**. After the pandemic, the hybrid model promotes evaluation based on results instead of time spent.

Simplifying the process

Eliminate complex forms, apply project-based or simplified evaluation templates.

01

Customizing by Role

E.g., production workers are evaluated based on output; creative staff based on idea quality.

02

Increasing Employee Initiative

Allowing employees to propose evaluation criteria tailored to their roles.

03

Companies must continuously adapt their performance evaluation systems - ensuring **transparency, flexibility, and a people-centric approach** - to meet employee expectations and respond to changes in the business environment.

Impact of performance evaluation systems on business development

The successful implementation of modern performance evaluation systems brings numerous positive impacts on the overall development of a business. The most notable effects can be seen in the following areas: work performance, employee engagement, and the organization's competitive capacity.



Improve performance:

Evaluations help individuals focus on goals, receive timely feedback, and improve outcomes. Organizations achieve higher overall efficiency, reduce costs, and increase productivity.



Employee retention:

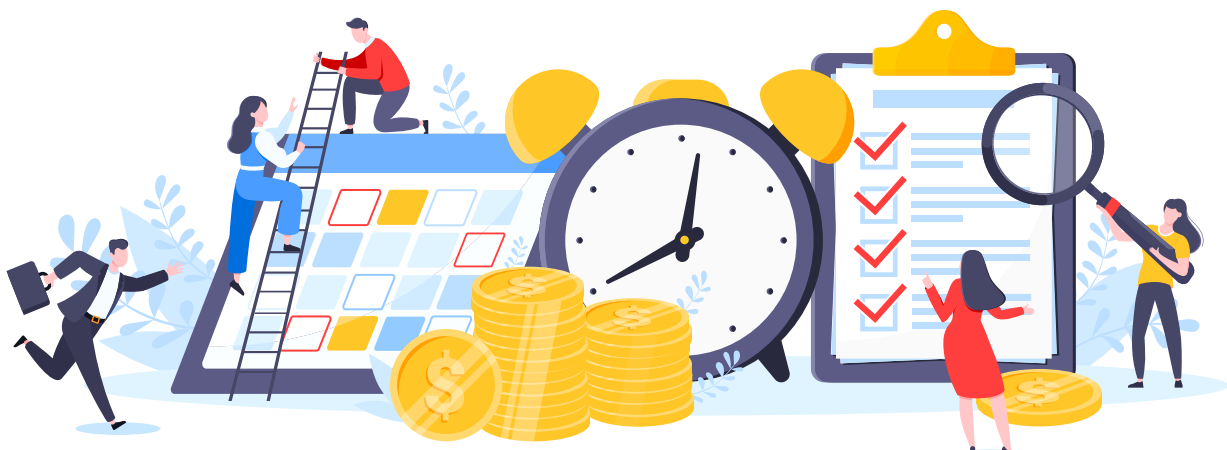
Employees who feel recognized and developed tend to be more loyal. Fair evaluations improve leadership-employee relationships and foster a high-performance culture.



Increase competitiveness:

Evaluations improve execution, enhance adaptability, and ensure a strong talent pipeline, thereby enhancing reputation in the labor market.

Performance evaluation systems are emerging as strategic HR tools. When flexible, transparent, and development-focused, they go beyond measuring performance to foster learning, engagement, and sustainable growth. Leading Vietnamese companies are already seeing gains - from improved results to a stronger organizational culture.



Employee Engagement Index 2023–2024: Numbers That Speak

Factors influencing employee satisfaction and engagement



01

COMPANY CULTURE

A positive culture fosters employee pride and loyalty. FPT has built a democratic environment that values individuality and creativity; employees appreciate fairness, teamwork, and strong leadership. 95.97% of GEC employees are satisfied with the corporate culture, and 87% of Mobile World employees trust that their leaders embody the company's values - laying a strong foundation for trust and engagement.

BENEFITS POLICY

Attractive compensation is one of the top drivers of satisfaction. FPT offers unique benefits, including enhanced insurance, home and car purchase support, with over 2,600 participants. SeABank implements comprehensive welfare packages, including ESOP, health insurance, and additional leave for long-serving employees - placing the bank in the Top Best Places to Work 2024. MSB maintains stable income for employees during tough periods, providing a sense of security.



02



03

WORK ENVIRONMENT

A friendly, safe, and supportive workplace allows employees to work effectively and stay long-term. FPT and SeABank build a professional and inclusive workplace. Vietjet has created a cheerful, creative work culture, contributing to its three-time recognition as one of the 'Best Places to Work in Asia.' Many companies are investing in modern workspaces, flexible schedules, and work-life balance initiatives to enhance the employee experience.

CAREER ADVANCEMENT AND DEVELOPMENT OPPORTUNITIES

Clear career paths and development opportunities are crucial to retaining talent. MSB encourages internal rotation to develop skills; Vietjet offers limitless advancement opportunities. FPT invests in developing young generation of leaders (47% of leadership are Gen Z), helping employees envision a future within the company rather than seeking opportunities elsewhere.



04



05

LEADERSHIP STYLE

Fair, attentive, and empowering leadership has a positive impact on employee engagement. At FPT, employees express satisfaction with leadership fairness and capability. MSB earns praise for its comprehensive direction and approachable, transparent management style. At Mobile World, 81% of employees value their relationship with their direct managers. Internal feedback policies and an empowering culture help employees feel respected and trusted.

Outstanding Trends in 2023–2024

In recent years, **employee satisfaction and engagement** in Vietnam have **significantly improved**. Here are some notable trends observed in large enterprises through 2023–2024:

1 Turnover rate reduced significantly

After the pandemic, employees have become more cautious about changing jobs. According to Talentnet–Mercer 2024, the turnover rate dropped from **19.4% (2023)** to **9.6% (H1-2024)**. FPT recorded its lowest attrition rate in five years. This trend shows that employees prioritize stability and retention policies are effective.

2 Employees are more committed and willing to stay long-term

Employee engagement continues to rise. At SeABank, **90%** plan to stay at least two years, while MSB reports a similar level of **nearly 90% long-term employee commitment**. At Mobile World, **89% of employees reported never having considered leaving**, reflecting strong loyalty and motivation.

3 Companies recognized as best workplaces

Vietnamese firms increasingly appear in prestigious workplace rankings.

- **FPT:** Top 10 (2022) → Top 5 (2023), globally certified by **Great Place to Work®**
- **Vietjet Air:** 3 times recognized by HR Asia for its fun and safe environment.
- **MSB, SeABank:** consistently listed in **Best Workplaces Asia** rankings.
- **Vinamilk:** Named “Best Place to Work in Asia 2023” (HR Asia) and leading Employer of Choice 2024 (by CareerViet)
- Continuous recognition shows that Vietnamese companies are not only meeting employee expectations but also leading in the adoption of international standards.

4 High internal satisfaction scores








Internal surveys at leading enterprises show satisfaction scores exceeding 80%:

- **Vinamilk:** 86.4% of employees satisfied; onboarding program scored 4.67/5.
- **SeABank:** Average satisfaction of 90.1%; 63.9% of employees “emotionally engaged” with the organization.
- **Bao Viet:** Health checkup program rated 4.78/5 by 95.6% of employees

These figures confirm that employees appreciate their work experiences, providing a strong basis for companies to continue enhancing HR policies and building ideal work environments.



For a better illustration, the table below summarizes key employee satisfaction and engagement indicators at leading Vietnamese companies:

#	Enterprises	Employee satisfaction / engagement index (2023)
1		<ul style="list-style-type: none"> 87% of employees rated the company as a “Great Place to Work”. Turnover rate is at its lowest in the past 5 years (lower than during the COVID period)
2		<ul style="list-style-type: none"> ~86,4% overall employee satisfaction (internal survey). Received “Excellent Workplace” certification and ranked No.1 in CareerViet’s “Employer of Choice 2024.”
3		<ul style="list-style-type: none"> Voted 3 times as “Best Place to Work in Asia” (by HR Asia). Work environment is safe, fun; benefits and income are attractive; promotion opportunities are open.
4		<ul style="list-style-type: none"> 89% of employees never thought about leaving the company. 77% of employees are highly enthusiastic at work 87% of employees trust leaders to live by the company’s values
5		<ul style="list-style-type: none"> ~90% want to stay long-term and remain motivated at work Awarded “Best Place to Work in Asia” two years in a row (HR Asia 2021–2022).
6		<ul style="list-style-type: none"> 90,1% average employee satisfaction (Increased 1.22% YoY). 90% expect to stay with the company for ≥2 more years Engagement index reached 63,9% (higher than the regional average of ~50%)
7		<ul style="list-style-type: none"> 95,6% of employees are satisfied with health care programs (score: 4.78/5) Benefits and labor dialogue continuously improved in recent years (per 2023 Sustainability Report).

The analysis shows that employee satisfaction and engagement levels at major Vietnamese companies are high and steadily improving. Positive corporate culture, competitive benefits, a supportive work environment, clear advancement opportunities, and effective leadership are the core drivers. Investing in people has delivered clear outcomes: employees are happier and more loyal, turnover rates are falling, and employer branding is strengthening. In a competitive talent market, maintaining employee satisfaction will be a key strategy for attracting, retaining top talent, and fostering sustainable business growth.

#1

Vinamilk
EST 1976

VINAMILK

#2

VINPEARL

VINPEARL

#3

SAMSUNG

SAMSUNG ELECTRONICS
HCMC CE COMPLEX
CO., LTD

#4

Masan
consumer

MASAN CONSUMER
PRODUCTS JOINT STOCK
COMPANY – MASAN CONSUMER

#5

FPT IS

FPT IS

#6

**mo
mo**

ONLINE MOBILE SERVICES
JOINT STOCK COMPANY
MOMO

#7

PNJ

PNJ GROUP

#8

**Cook happiness
ACECOOK**

ACECOOK VIETNAM

#9

HDBank
Cam kết lợi ích cao nhất

HCM DEVELOPMENT JOINT
STOCK COMMERCIAL BANK

#10

HOA SEN
TRUST

HOA SEN GROUP JOINT
STOCK COMPANY

TOP 20

**LOTTE
MART**

LOTTE MART

cellphone S

DIEU PHUC TECHNICAL
TRADING AND SERVICE
COMPANY LIMITED

Panasonic

PANASONIC VIETNAM

KFC

KFC VIETNAM

THACO

TRUONG HAI GROUP JOINT
STOCK COMPANY

VIETNAM POST

VIETNAM POST
CORPORATION

S

SAIGON COOP

HCM UNION OF TRADING
COOPERATIVES-
SAIGON CO.OP

GOLDEN GATE
RESTAURANT GROUP

GOLDEN GATE GROUP JOINT
STOCK COMPANY

SHB

SAIGON – HANOI
COMMERCIAL JOINT
STOCK BANK

KAROFI

KAROFI

TOP 50

LPBank

LPBANK - LOC PHAT
COMMERCIAL JOINT STOCK
BANK VIETNAM

STAVIAN
GROUP

STAVIAN GROUP

oppo

OPPO VIETNAM

JOTUN

JOTUN PAINTS

MISA
TIN CÂY - TIỀN ICH - TẬN TÌNH

MISA JOINT STOCK
COMPANY

BIMGroup

BIM GROUP

MAISON
FASHION GROUP

MAISON RETAIL MANAGEMENT
INTERNATIONAL

KINGFOODmart

KING FOOD MARKET JOINT
STOCK COMPANY

TTC
AgriS

THANH CONG – BIEN HOA
JOINT STOCK COMPANY

AN PHAT
HOLDINGS

AN PHAT HOLDINGS GROUP
JOINT STOCK COMPANY

Dongtam
GROUP

DONGTAM GROUP

PHATDAT
CORPORATION
Real Estate Development

PHAT DAT PHAT DAT REAL ESTATE
DEVELOPMENT CORPORATION

VIETABANK
ĐỒNG HÀNH CÙNG KHÁT VỌNG

VIET A COMMERCIAL JOINT
STOCK BANK (VIETABANK)

litaDairy

VITADAIRY VIETNAM JOINT
STOCK COMPANY

lof

LOF INTERNATIONAL DAIRY
JOINT STOCK COMPANY

DAT XANH GROUP

DAT XANH GROUP JOINT
STOCK COMPANY

ASBANK

AN BINH COMMERCIAL JOINT
STOCK BANK

wipro

WIPRO CONSUMER CARE
VIETNAM

OCB
Ngân Hàng Phương Đông

COMMERCIAL JOINT STOCK
BANK PHUONG DONG (OCB)

T&T GROUP
ĐA LĨNH VỰC - MỘT NIỀM TIN

T&T JOINT STOCK
COMPANY

PGBank
HƯỚNG ĐẾN TƯƠNG LAI

PROSPERITY AND GROWTH
COMMERCIAL JOINT STOCK
COMPANY

SAINT-GOBAIN

SAINT-GOBAIN VIETNAM

Edufit

EDUFIT EDUCATION
GROUP

KIM OANH
GROUP

KIM OANH GROUP

smartosc

SMARTOSC JOINT STOCK
COMPANY

SONHA

SON HA GROUP

CC1

CONSTRUCTION CORPORATION
NO. 1 - JSC (CC1)

HOYA

HOYA LENS VIETNAM

JAPFA

JAPFA COMFEED VIETNAM
CO., LTD.



Employee Benefits Report 2024: Industry Policies and Trends (2021–2024)

Employee Benefits – Global Best Practices

To offer a broader perspective and introduce innovative approaches to employee benefits, we've compiled a selection of prominent and widely recognized best practices from around the world. These examples are grouped into four main industries for readers who wish to explore more deeply.

1 Banking – Finance Industry

Global banking and financial institutions often design stable and competitive benefit packages to attract and retain talent in a high-pressure environment. In addition to standard offerings like health insurance and retirement plans, this sector is increasingly leading the way in expanding parental leave, mental wellness care, and personal financial support:

Parental and Maternity Leave



JPMorgan Chase, Barclays, and Bank of America provide 16 weeks of paid leave for both mothers and fathers; Goldman Sachs extends this to 20 weeks, giving employees more time to care for their families.

Sabbatical Leave



Bank of America offers 4 to 6 weeks of paid sabbatical, depending on tenure. 5,000 employees used this benefit in 2023.

Financial Benefits



Ally Financial grants each employee 100 shares of stock (#OwnIt), turning them into shareholders and increasing long-term engagement.

Mental Health Support



BNY Mellon expanded its free therapy sessions from 5 to 12 per year starting in 2024, along with internal counseling and a network of "Mental Health Ambassadors."

In short, the financial industry is prioritizing comprehensive benefits policies – from family leave, financial benefits to mental health care – to increase employee engagement and performance.



2 Manufacturing Industry

The manufacturing sector employs a large and physically demanding workforce, so benefits often emphasize health, safety, and practical support. In 2023, many companies introduced creative initiatives to improve employee well-being beyond traditional insurance schemes:

Childcare and Dependent Support



Chobani partnered with WeeCare to provide childcare and eldercare services for full-time employees, including emergency care credits and a \$1,200 annual subsidy.

Workplace Nutrition Programs



Tito's Handmade Vodka built an on-site farm at its facility, offering free fresh produce to employees from 74 vegetable beds and 16 hoop houses- improving health and reducing living expenses.

Special stage support



Nvidia launched benefits for female employees experiencing menopause, offering tailored counseling services - promoting age-specific health care.

Vocational Training



Companies are expanding apprenticeship programs to retain workers and attract younger talent. Aon has invested \$30 million in its "Earn and Learn" program, a learning while working to develop careers program.

Overall, benefits in manufacturing are becoming more practical, compassionate, and long-term-oriented, ranging from daily life support to training, laying the foundation for stronger employee engagement.

3 Service Industry (Retail, Restaurant - Hotel)

The service industry (*retail, F&B, hospitality*) has traditionally offered more limited benefits than office sectors. However, in response to the "Great Resignation" businesses have had to improve benefits to retain staff. Between 2022 and 2023, efforts focused on salary increases, flexible hours, and development opportunities.

Salary increase & performance bonus



Many companies have increased base salaries and shifted from retention to performance-based bonuses, creating stronger long-term motivation. In 2023, the hospitality sector recorded historic wage increases to stay competitive in the labor market.

Flexible Work Schedules



While remote work is not always possible, the service sector has expanded flexible shift rotations, added floating days off, and experimented with 4-day work weeks (adopted by some restaurant and retail chains).

Family & Education Benefits



Many service companies have started offering insurance and parental leave. Walmart pioneered in education support, covering 100% of college tuition for 1.5 million employees, inspiring similar initiatives at Target, Amazon,...

Training & Career Progression



Retail and hospitality chains have launched internal management training programs. Starbucks provides a clear promotion path for baristas, while the agency Haberman offers \$1,000 to employees pursuing personal passions.

In summary, to adapt to post-pandemic talent pressures, the service industry is rapidly upgrading its benefits, from financial to emotional support - aiming to create a more attractive and sustainable work environment.

4 Technology Industry (IT)

The tech sector has long stood out for offering generous and creative benefits to attract high-skilled talent. Between 2023–2024, even with workforce reductions in some areas, tech companies continue to lead with flexible and holistic benefit policies.

Flexible Work Arrangements



Many firms maintain hybrid/ remote models. SoFi allows employees to choose between office, hybrid, or fully remote work, and introduced the “SoFridays” initiative to end work early on Fridays. EPAM Systems also offers flexible work options to attract global talent.

Unlimited paid time off



Starting in 2023, Microsoft implemented a “Discretionary Time Off” policy, allowing employees to take leave without a set limit. This has become a common trend among companies like Netflix and LinkedIn, reflecting a culture of trust and empowerment.

Family & Mental Wellness



Grubhub offers 16 weeks of parental leave and 8 weeks of “baby bonding” leave, along with a “returnship” program to help employees re-enter the workforce after maternity leave. Zayo provides 8 free coaching and therapy sessions per employee, and designated mental health days.

Personal & Community Development



SoFi’s “Explorer Program” lets employees rotate into new roles for 6 months, 60% of participants successfully transitioned into new positions. The company also grants 16 hours of paid volunteer time annually so employees can give back to the community.

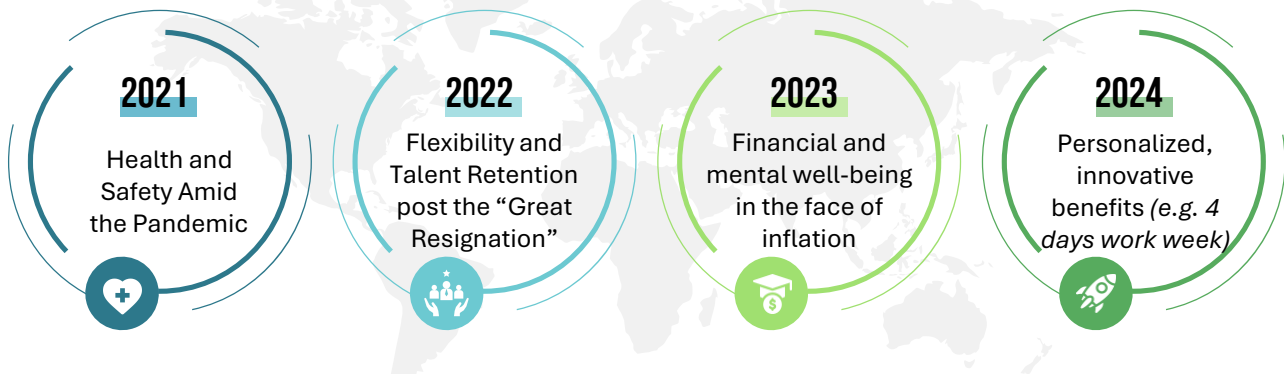
In summary, the technology industry continues to lead in employee benefits - flexible, personalized, and focused on holistic employee experience, covering everything from rest, family, and mental health to learning opportunities and social contribution.



Benefit Trends 2021–2024 Over Time

The 2021–2024 period will see a marked shift in employee benefits priorities, reflecting the pandemic, labor market, and economic changes. Here is a year-by-year summary of the landscape and key benefits focuses:

Figure 1: Employee benefits trends 2021 - 2024



2021: Health and Safety Amid the Pandemic



CONTEXT

In 2021, COVID-19 was still rampant, with prolonged lockdowns in many places. Businesses were forced to quickly adapt to maintain operations and ensure employee safety. Remote work became the new standard across many industries. Employees faced the stress of the pandemic while balancing work and family health concerns.

NOTABLE BENEFITS

In 2021, employee benefit policies focused on health protection and emergency support during the pandemic. Companies adjusted their policies to support staff by reimbursing work-from-home expenses, relaxing leave policies, enabling flexible work arrangements, and providing childcare support when schools were closed.

Many organizations distributed masks, conducted regular COVID testing, and offered special allowances for frontline workers. Mental health was also prioritized through free psychological counseling, meditation, and online yoga sessions.

2021 was a year when businesses acted as a lifeline for employees, placing safety and flexibility at the forefront of HR policies more than ever before.

2022: Flexibility and Talent Retention Post-Pandemic



CONTEXT

As the pandemic came under control, the labor market began to recover. However, the "Great Resignation" emerged, with many workers seeking more flexible and meaningful jobs. Businesses had to improve their benefits to retain talent while inflation began to rise.

NOTABLE BENEFITS

Many emergency policies introduced in 2021, such as hybrid work, mental health support, and flexible scheduling, were maintained and turned into long-term practices. 91% of companies provided mental wellness programs. Benefits became more "employee-centric," including more paid leave, extended family insurance, signing bonuses, tuition debt assistance, and housing support. The focus shifted to flexibility, comprehensiveness, and talent retention.

2023: Comprehensive benefits, balancing costs and needs



CONTEXT

While the labor market became more balanced, inflation and economic risks required businesses to maintain benefits while tightening budgets. Some industries faced layoffs, while others struggled with talent shortages.

NOTABLE BENEFITS

Companies responded with inflation-based salary increases, bonuses, and financial assistance such as debt counseling and home loans. Mental health remained a top priority. A rising trend was flexible, customizable benefits, allowing employees to personalize their packages—such as pet insurance, gym memberships, or caregiver support. This reflected a “smart customization” mindset: meeting actual employee needs while optimizing cost-efficiency.

2024: Personalization and Innovation in Benefits



CONTEXT

As companies adapt to the “new normal,” Gen Z and Millennials now form the majority of the workforce, bringing new expectations. Some companies have started experimenting with innovative work models such as the 4-day work week.

NOTABLE BENEFITS

Personalization and creativity stand out: employees can select benefits based on personal needs (e.g., vacation options, premium insurance). Flexible hours, sabbatical programs, and 4-day work weeks are becoming attractive perks. Comprehensive well-being now extends beyond physical and mental health to include financial, social, and environmental wellness. Organizations are beginning to address the needs of special employee groups (e.g., transgender individuals, persons with disabilities, those in crisis). Technology and AI are enabling deeper personalization, recommending optimal benefits for each employee.

Welfare in 2024 is aimed at the right person – the right need – the right time. Businesses are not afraid to innovate, putting employee health and happiness as the foundation of a sustainable post-pandemic culture.



This report presents a comprehensive overview of employee benefits from 2021 to 2024, tracking both the timeline and industry-specific strategies. Key takeaways include:



1

Benefits as a strategic priority

Post-COVID, benefits are no longer a secondary factor - they are now a top priority in HR strategy. Businesses are investing heavily in innovative initiatives such as mental health care and 4-day work weeks to boost engagement and retain talent.

2

Sectoral Similarities and Distinctions

While industries vary in focus—finance values stability, services prioritize flexibility—the gap is narrowing. Benefits once unique to tech (e.g., hybrid work, therapy access) are now adopted more widely, while practical perks from manufacturing and services (e.g., childcare, vocational training) are also gaining traction across sectors.

3

Personalization and Flexibility Trends

Benefits are increasingly tailored to individual needs, instead of a “one-size-fits-all” model. This is thanks to technology support and a multigenerational workforce with increasingly diverse expectations.

4

From quick fixes to sustainable solutions

What started as crisis-driven responses from COVID-19 (e.g., remote work, flexible leave) have now become official policies, helping companies build resilient and future-ready benefit systems.

In short, employee benefits are changing dramatically in both scale and depth, covering all aspects of life – from finance, health to personal development. Pioneering businesses are turning the workplace into a comprehensive support ecosystem. For managers, understanding and leading these trends is the key to building an effective human capital strategy in the modern era.

Charity Activities and CSR of Vietnamese Enterprises in 2023

In 2023, corporate social responsibility (CSR) became a core element in the strategy of many enterprises in Vietnam. Large companies actively implemented charity programs focusing on education, healthcare, poverty reduction, and the environment. These activities not only provided material support but also spread human values, contributing to social welfare and sustainable local development.

The report will analyze the scale, scope, and beneficiaries of CSR programs in 2023, provide typical examples by industry group, identify trends, evaluate effectiveness – creativity, and propose CSR models that can be replicated.

Scale, Scope, and Beneficiaries of CSR Programs in 2023

In 2023, Vietnamese enterprises significantly increased their investment in CSR, with hundreds of billions of VND contributed to social welfare. Vietcombank alone committed 309 billion VND to programs during the year, with around 50% focused on healthcare, education, and community development. From 2009–2023, this bank has allocated over 3,200 billion VND to support disadvantaged people. Other businesses also made active contributions: SeABank over **41 billion VND** (2.5 times more than in 2022), PAN Group **9.76 billion VND**, and insurance, retail, and energy groups also spent tens of billions of VND on CSR.

The scope of CSR extended from urban to rural, remote, border, and island areas. Vietcombank supported poor mountainous districts; FPT built community bridges in the Mekong Delta. Some campaigns had national scale, such as “Let’s Clean the Sea” by Vietjet, implemented in **28 coastal provinces**, or the “Stand Tall Vietnam Milk Fund” by Vinamilk, which has donated milk to children in all 63 provinces for 16 years.

The main beneficiaries are children, the poor, patients, and local communities. Vinamilk has donated **42 million cartons** of milk (**~ 200 billion VND**) to **500,000 children**. The “Heart for Children” program by Viettel and VTV has sponsored nearly 7,000 heart surgeries for poor children. Many other enterprises such as Vinamilk, MWG, Masan... have also supported surgeries for heart defects, congenital abnormalities, and cataracts for disadvantaged people. Banks such as Vietcombank, SeABank, LienVietPostBank have built and donated thousands of charity houses. People in disaster-hit areas received timely aid – for example, Vietjet donated **100 billion VND** to the COVID-19 vaccine fund and transported relief goods free of charge. Some companies even extended CSR to their own employees through mental health care and gender equality programs (such as VPBank).

Overall, CSR in 2023 had a large scale, extended across the country, and brought positive and sustainable impact to millions of people.



Typical CSR examples by industry group

Below are outstanding CSR activities in 2023, classified by main industry groups:

FINANCE – BANKING

Domestic banks & Insurance Enterprises: Commercial banks take the lead in CSR budgets.

VIETCOMBANK spent



309 BILLION VND for social welfare
(education, health care
and housing for the poor)

- Donated **18 billion VND** to purchase social insurance, health insurance for the disadvantaged.
- Sponsored **12 billion VND** to build a commune health station in Thanh Hoa.
- Sponsored **10 billion VND** to build **200 houses** for poor households in Soc Trang, along with many school and clinic in various provinces.

SEABANK contributed



41 BILLION VND for social welfare
(2.5 times higher
than in 2022)

- Built a primary school in Lao Cai.
- Awarded scholarships to disadvantaged children.
- Sponsored **35 billion VND** to build charity houses in Central and Northwest provinces.
- Planted **25,000 trees** for reforestation.

MSB supported

2 BILLION VND



build boarding school for ethnic minorities
and built **22 HOUSES**
for poor households in Cao Bang

LPBANK sponsored

65,9 BILLION VND



build secondary school in Hai Duong
and support **100 SOLIDARITY HOUSES**
for poor households in Hau Giang

BVH gifted



14,3 BILLION VND Scholarship
“Bike Carrying Dreams”

and hundreds of scholarships nationwide

“ In general, the financial sector strongly prioritizes **education, public healthcare, and housing for the poor**, with some of the largest budgets.

Foreign insurance and financial Enterprises: Foreign insurance companies are equally active.

HANWHA LIFE VIETNAM

honored **03 TIMES**
consecutively

as “**Business for the Community**”

Throughout its 15 years of operation in Vietnam, Hanwha Life has focused on **child protection, promoting education, and supporting healthcare**.

A standout initiative is the “**Warm Hug**” project, aims to:

- Raise awareness about child-rearing.
- Award hundreds of scholarships to underprivileged students.
- Organize a series of child protection seminars in multiple provinces.



“ This shows that even non-bank financial institutions are actively contributing to social goals, focusing on children and public health.

RETAIL - TRADE

Technology Retail Enterprises

Mobile World (MWG) stands out with its brand-related CSR initiatives.



- **AVAKIDS** has sponsored **5,5 BILLION VND** for **550 SURGERIES** to treat cleft lip and palate deformities for children (by the end of the year, 451 surgeries had been performed in 6 provinces).
- **BACH HOA XANH CHAIN** supported nearly **1 BILLION VND** for **736 DISADVANTAGED CASES** (including children with cerebral palsy, elderly living alone, poor students, and orphans) through gifts and meal donations.
- Employees were encouraged to participate in the charity sports movement **UpRace 2023 – 3.727** employees ran over 72,000 km, raising **72,68 MILLION VND** for social organizations. This achievement placed MWG 8th out of 1,705 corporate teams participating (up 6 ranks from 2022).

By combining business activities with creative social responsibility, MWG not only connects employees but also raises funds to support the community in a unique way.

Consumer retail and Supermarkets Enterprises

Masan Group – Domestic consumer goods and retail group - also implements many meaningful programs through its member companies.



- **WINCOMMERCE** (the operator WinMart/WinMart+) implemented the “**WinMart+ Rural**” program to support around **42,5 TONS OF RICE** for over **4.000 HOUSEHOLD** in HCM city và Nghe An, and gave hundreds of gift bags of necessities to the poor in Binh Duong and Cu Chi.
- **WINMART THANG LONG** supermarket (Hanoi) also donated nearly **180 MILLION VND** worth of essential goods for children in difficult circumstances at social protection centers.
- The **CHINSU** brand launched the initiative “**One million meals with meat**” in collaboration with the Fund for Underprivileged Students in Remote Areas providing nutritious meals to poor children with a budget of **10 BILLION VND** for the 2023-2024 period.

Other retail chains such as Saigon Co.op, VinMart... (though not detailed here) also regularly run Tet gift-giving programs for workers and offer discounts on essential goods for low-income individuals – demonstrating that the retail sector is highly proactive in providing direct support to underprivileged consumers.

MANUFACTURING & PROCESSING

Food FMCG Enterprises

Vinamilk – Vietnam’s leading dairy company – is a prime example of consistent CSR efforts. Since 2008, Vinamilk has initiated the "Stand Tall Vietnam Milk Fund" with the mission “For every child to have milk every day.” After 16 years, Vinamilk, together with the Vietnam Children’s Fund, has:



- Donated over **42 MILLION MILK BOXES** (worth **~200 BILLION VND**) to over **500.000 CHILDREN** at disadvantage across the country.
- In 2023 alone, the program continued to provide **1,5 MILLION MILK BOXES** (**~ 10 BILLION VND**) for over **17.000 CHILDREN** with special circumstances in 14 provinces.

- In addition, Vinamilk has actively contributed to the healthcare sector, sponsoring heart surgery costs for **34 CHILDREN** with congenital heart disease (**1,2 BILLION VND** during 2019-2023) and donating equipment and machinery to pediatric hospitals.
- In terms of livelihood development, the company purchases **239.000 TONS** of fresh milk annually from farmers, helping thousands of farming households secure stable incomes – a CSR model that builds sustainable livelihoods directly within the supply chain.

Consumer Goods and Agriculture Enterprises

MASAN CONSUMER HOLDINGS
22 BILLION VND spent
for social welfare in 2023.

- Sponsored **550 cataract surgeries** for the disadvantaged in Kien Giang (over 5 billion VND).
- Cooperating with Nam Phuong Fund to build new rural bridges in Hau Giang (costing 5 billion VND for each bridge) - the 7th bridge was inaugurated in September 2023 to aid safely travel.



PAN GROUP contributed
9,76 BILLION VND for
charity
honored as
**Pioneering company for
the Community 2023**

- Annually organizes “Loving Tet” and “Mid-Autumn for Children” programs in 57 **provinces and cities**, donating over **10,000 gifts** to children.
- Award **3 billion VND** in scholarships “PAN Lighting up dreams” and “Nurturing talents” to disadvantaged students with good achievements.
- Sponsored Tet meals for the poor and built houses for policy beneficiary families.



AN CUONG established
SMILE OF HOPE
fund to accompany poor children
and visit patients

- Donated **200 million VND** to Dong Nai Children's Fund to help disadvantaged children.
- Support **200 million VND** for poor students in Phu Tho province on the new school year, donate 2 water filtration systems "Clean water for children" to schools in water-deficient areas in Dong Nai.



LL This shows that domestic manufacturers are actively contributing back to society, from taking care of education, health to improving local infrastructure.

FDI Manufacturing Enterprises: The group of foreign-invested manufacturing enterprises also implemented many notable CSR programs, particularly in the fields of electronics and high technology.

SAMSUNG VIET NAM

organized

SOLVE FOR TOMORROW

contest to encourage students to apply technology to solve social problems (contributing to promoting STEM education for young people)

HEINEKEN VIET NAM

initiated

BREWING A BETTER VIETNAM

focus on environmental protection (reducing emissions, saving water) and supporting local communities (such as providing clean water, training skills for youth).

LL Although not listed in detail in this report, FDI activities have been contributing to spreading good CSR practices and raising social responsibility standards in the manufacturing industry.

TECHNOLOGY – INFORMATION – TELECOMMUNICATIONS

Domestic Technology Enterprise

FPT is Vietnam's leading technology corporation with distinct CSR projects.



Through **FPT HOPE FUND**, FPT has partnered with VnExpress to:

- Built **350 concrete bridges** in remote areas of the Mekong Delta to replace makeshift wooden bridges, ensuring safe travel for local residents and children. This project significantly contributes to the new rural development program, facilitates trade, and helps tens of thousands of students commute to school more conveniently.
- Established **Hope School** – a boarding school in Da Nang that takes in and educates over **300** children who lost their parents due to the COVID-19 pandemic across the country. This unique and humane initiative has helped orphans stabilize their lives and continue their education in a caring environment. FPT's Hope School proudly received an international sustainable development award, winning the title of “**Most Outstanding Global Community Initiative**” at the Global CSR & ESG Summit 2023.

In addition, FPT also funded the establishment of **35 digital libraries** (with tablets and digital learning content) for nearly 20,000 students in disadvantaged areas, helping them access modern knowledge. It's showing that FPT is leveraging its technological strengths to support education and bridge the digital divide for underprivileged youth.

Internet and Software Enterprises

VNG Corporation (Vietnam's tech unicorn) was awarded **"Vietnam's Most Innovative Social Impact Enterprise"** by Global Business Review in 2023.



- VNG stood out with its CSR approach tied closely to its tech platform and sports movement. Starting as an internal activity in 2017, VNG developed the charity running event **UPRACE** into a national-scale annual initiative, attracting runners from both inside and outside the country. From 2018 - 2022, UpRace recorded **over 16,5 MILLION KM RAN** and raised **over 25 BILLION VND** for charities such as Newborns Vietnam, Operation Smile, Saigon Children's Charity, VietSeeds, etc.
- Contributed **28 BILLION VND** to the Government's COVID-19 Prevention Fund, while launching initiatives to connect donors via ZaloPay e-wallet and Zalo social network to raise funds for people in need. Notably, **"Saigon Heroes"** project of VNG raised **32,5 BILLION VND**, supported **50** COVID-19 hospitals in Ho Chi Minh City, providing **20** HFNC ventilators and hundreds of thousands of protective suits, face masks, and meals for frontline doctors and nurses.
- The company also partnered with NGOs like Passerelles Numériques, CyberKid Vietnam, etc., to offer digital skills training for disadvantaged youth and to protect children from online risks.

With its continuous and creative efforts in community engagement, VNG has made a distinctive CSR mark by harmoniously blending **technology, sports, and charity**.

Telecommunications and Military technology Enterprises

Viettel Group – the largest telecommunications enterprise – has for many years consistently implemented nationwide social programs. A prime example is the **"Heart for Children"** (program (in collaboration with the Vietnamese Heart Foundation – VTV) which provides free heart surgeries for poor children with congenital heart disease. After 15 years, the program has successfully funded surgeries for nearly **7.000 CHILD PATIENTS** and conducted heart screenings for over **160.000 CHILDREN** across the country.



Viettel also launched the **"Internet for Schools"** program, installing free internet for thousands of schools in remote and mountainous areas, helping bring digital knowledge to rural students.

The **"For children to school"** granted scholarships to **37.000 POOR STUDENTS** annually across 37 disadvantaged provinces, along with many other gratitude and social responsibility initiatives.

It can be said that Vietnam's technology – telecommunications industry is using its core products and services (such as digital platforms and telecom infrastructure) to create community value, helping to close the development gap and enhance public knowledge.

ENERGY – INFRASTRUCTURE – TRANSPORT
Oil & Energy Enterprises

PV Drilling Corporation (oil & gas drilling services) focuses on charitable activities in the localities where the company operates.



- August 2023: in response to the fundraising walk for Agent Orange victims in Ho Chi Minh City, **50 EMPLOYEE** participated and contributed **100 MILLION VND**.
- November 2023: donated **30 GIFTS** to poor households in Ca Mau for a local marathon event.

In addition, PV Drilling emphasizes local workforce development when expanding abroad: the company implements a policy of recruiting Vietnamese personnel in markets such as Malaysia, Thailand, and Brunei to replace foreign workers, creating job opportunities for Vietnamese engineers.

GIALAI ELECTRICITY (GEC) spent

2 BILLION VND

to carry out a series of charitable programs:

- Sponsored orphans affected by COVID-19
- Gifted Tet gifts to poor households in Ben Tre, Soc Trang
- Awarded scholarships to diligent students in Gia Lai...



From 2012 to 2023, GEC has contributed around 22 billion VND to community support, and also contributed funds for concreting rural roads (~4 billion from 2019 to present) in the provinces where the factory operates. These silent contributions significantly improve infrastructure and life in remote areas.

Oil & Energy Enterprises

Tasco Joint Stock Company (infrastructure investment, BOT) implements many programs aimed for disadvantaged children and community health.



- In 2023, Tasco committed to a long-term sponsorship for **3 ORPHANED CHILDREN** by COVID-19 via Thanh Nien Newspaper's program "**Accompanying Children Through Life**".
- Committed to supporting **144 MILLION VND** in 2 years for children in Ho Chi Minh City.
- Partnered with the National Institute of Hematology & Blood Transfusion for the blood donation event "**Red Journey – Loving Red Drops 2023**", collecting **119 UNITS** to for patients in need.
- Mid-Autumn Festival: held the "**Moonlight Stories**" event at Thanh Tam Shelter (Hanoi), raising **66 MILLION VND** in cash and gifts (milk, mooncakes, warm blankets, etc.) for orphaned and disabled children at the care facility.

In addition, Tasco's internal charity fund "**Because We Need Each Other**", contributed by employees, regularly runs activities such as cooking "**Compassionate Meals**" for poor patients, supporting Agent Orange victims, and assisting frontline forces during the pandemic. These practical efforts not only support the community but also help cultivate a caring corporate culture within the company.

Aviation enterprises: The aviation industry is also pioneering in innovative CSR initiatives.

Vietjet Air has actively implemented **environmental protection activities**:

vietjetair.com.

- Since 2018: Vietjet has collaborated with the Vietnam Youth Union to organize the "Let's clean the sea" campaign across all **28 COASTAL PROVINCES CITIES**, collecting waste and raising people's awareness of ocean protection.
- The airline also supported the Government's initiative to plant 1 billion trees by funding the planting of **15 MILLION TREES** from 2021 to 2025 in Phu Yen.
- Notably, starting from October 2023, Vietjet launched the "Fly Green – Green the Earth" program: for each ticket sold, the airline contributes **5.000 VND** to an environmental fund to plant trees and conserve nature. This is a highly creative CSR model tied directly to its core business, turning every passenger into a "green ambassador" accompanying the airline.
- On the social charity front, Vietjet (together with Sovico Group) donated **100 BILLION VND** to the COVID-19 vaccine fund, provided **200 VENTILATORS, 20 AMBULANCES** and various medical equipment to hospitals during the pandemic.
- The airline also offered free transportation of **200 TONS OF RELIEF GOODS** for flood-affected people in Central Vietnam and supported international humanitarian flights (to Indonesia in 2018, and Turkey & Syria in 2023) with contributions worth billions of VND.

Vietjet's prompt and timely contributions in emergencies clearly demonstrate the social responsibility of this dynamic private airline.

In summary, **across every industry**, we have seen standout examples of CSR over the past year. Despite differences in business sectors, a shared goal among these companies is sustainable community development, aligning corporate interests with social benefits, thereby enhancing brand image and value.



General trends in CSR activities in Vietnam in recent years

Recent CSR activities of Vietnamese enterprises clearly demonstrate a trend towards national sustainable development, focusing on four main pillars:



Education & young generation development

Education is the top priority in CSR, with many scholarship programs, school construction projects, library donations, and skill training initiatives. Notable examples include scholarship funds by Bảo Việt, PAN, and Hanwha Life; FPT building schools for orphans and donating digital libraries; LPBank

sponsoring the construction of a K–12 school. Many businesses also collaborate with local authorities through the "Nationwide Effort to Build New Rural Areas" program, contributing to public education and the training of future human resources.



Healthcare & Public Health

CSR in healthcare is expanded: sponsoring medical stations, medical equipment; free medical examination and treatment; supporting humanitarian surgery. Vietcombank, BIDV, and VietinBank have built medical stations; Novartis and Standard Chartered have sponsored eye surgeries; Vinamilk,

Masan, and MWG have funded heart and congenital defect surgeries for disadvantaged individuals. Community events such as Bao Viet's national yoga day attracted thousands, helping raise public awareness on health and wellness.



Social Welfare & Support for Vulnerable Groups

Companies are actively building charity houses, donating social and health insurance, and supporting livelihoods. Vietcombank donated 6,000 social insurance books; Vinamilk guaranteed purchasing of farm produce; PAN and Loc Troi provided agricultural training. Programs supporting orphans and people

with disabilities (such as "Walking with You Through Life" and "Embracing Arms of Love") are increasingly widespread. Businesses also work closely with the government in disaster and pandemic relief, as seen in the 2023 Hanoi mini apartment fire and the COVID-19 Vaccine Fund.



Environmental Protection & Sustainable Development

Environmental-focused CSR is gaining momentum, through tree-planting, emission reduction, and the development of "green business" models. PAN Group targets planting 1 million trees by 2030; SeABank launched the "Let's Go Green" campaign;

retail enterprises collect used batteries and plastic bags, and implement energy-saving technologies. Many companies are also engaging in environmental policy advocacy and aiming for international standards like ISO 14001 and LEED.

CSR today is no longer just charity, it is integrated into the enterprise's ESG strategy. Many companies pledge to allocate 1–2% of post-tax profits to community programs, disclose CSR data transparently in sustainability reports, and actively participate in rankings like CSI 100 and VNSI. Leading names such as Vietcombank, FPT, Vinamilk, and PAN were at the forefront of ESG performance in 2023.

In summary, CSR in Vietnam is becoming more professional and impactful, playing a vital role in the sustainable development strategies of enterprises. Education, healthcare, social welfare, and the environment remain the key priorities, creating long-term value for both businesses and society.

Evaluation of Effectiveness and Creativity in CSR Models

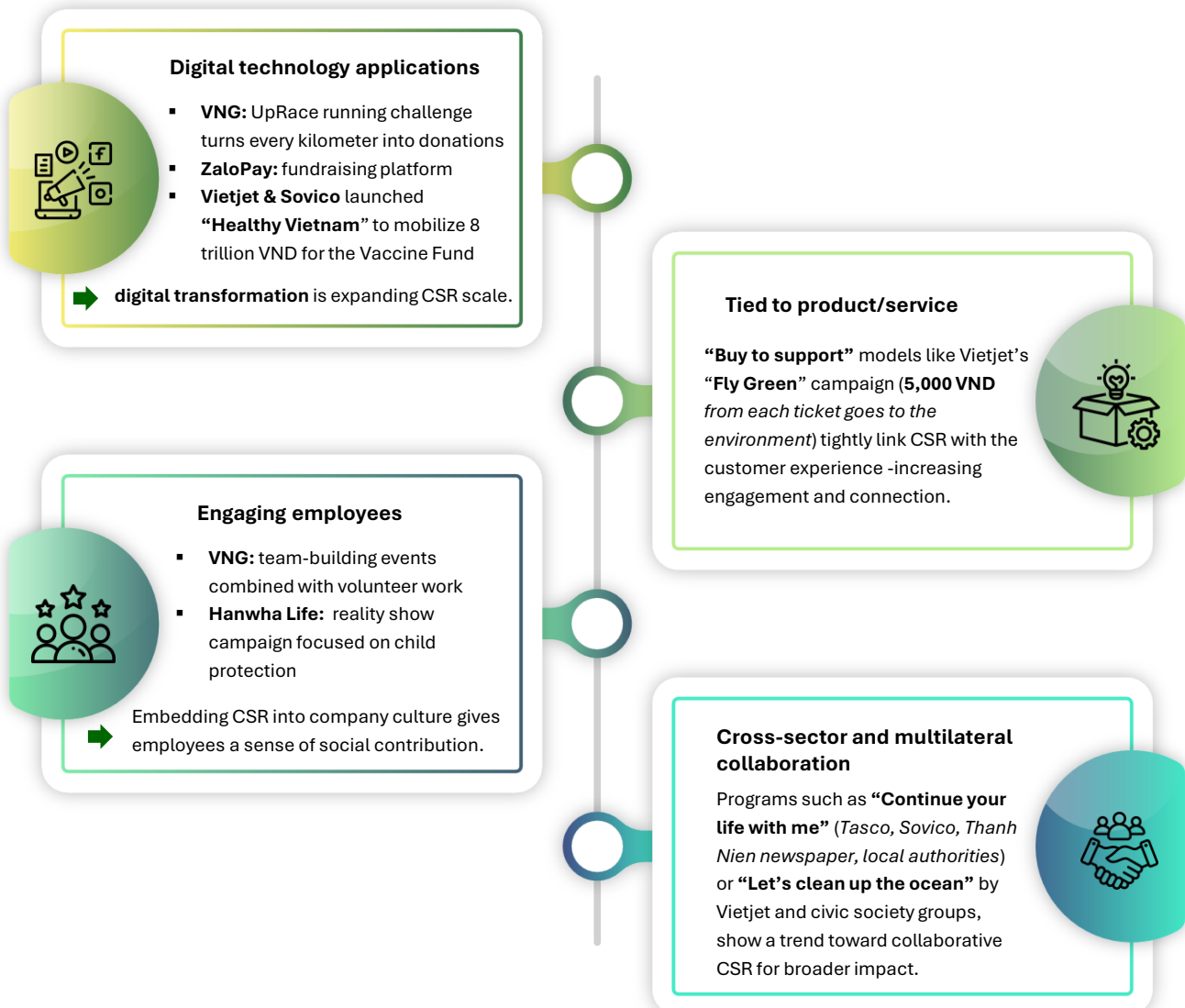


RELATIVE EFFECTIVENESS

CSR programs in 2023 delivered tangible results: hundreds of thousands of children received nutritional support, tens of thousands of students were awarded scholarships, and thousands of families gained new housing. Many projects, such as schools and community bridges, created long-term impact. CSR also helped companies strengthen their brand image and reputation, building community trust - as seen in industry leaders like Vinamilk, Vietcombank, and FPT with standout community efforts.

However, the level of effectiveness varies across models. Programs with long-term orientation and close cooperation with social organizations or government agencies tend to be more sustainable (e.g., Vinamilk with the National Fund for Vietnamese Children, VNG with the Red Cross). In contrast, short-term charity events or one-off activities struggle to create lasting impact without continuity.

CREATIVITY: 2023 saw several innovative CSR initiatives, such as:



CSR in Vietnam is becoming increasingly effective and innovative. Companies are moving beyond traditional donations and embedding social responsibility into long-term strategies, mobilizing diverse stakeholders, amplifying impact, and demonstrating innovation beyond core business operations.

Proposed Scalable & Effective CSR Models

01

SCHOLARSHIP AND MENTORSHIP PROGRAMS FOR UNDERPRIVILEGED STUDENTS

Models like “Nurturing Young Talents” (Bao Viet) and “PAN Scholarship” have proven to be both effective and sustainable. Businesses provide annual scholarships and assign employees as mentors to guide locality students - supporting education while fostering community engagement.

02

VOCATIONAL TRAINING INTEGRATED WITH LOCAL HIRING

Partnerships between businesses and vocational schools to train and hire local youth help address employment at the grassroots level. BaF’s model with animal husbandry students is a prime example, which can be replicated in sectors such as manufacturing, processing, and tourism.

03

BOARDING SCHOOLS AND SHELTERS SPONSORED BY CORPORATES

Inspired by FPT’s Hope School, large enterprises can build or sponsor schools, children’s villages, and vocational centers for vulnerable groups. This CSR model is highly humane, can operate sustainably, and helps ease the burden on the government.

04

CSR INTEGRATED INTO PRODUCTS/SERVICES

Vietjet’s “Fly Green” campaign (01 VMB contributes 5,000 VND to an environmental fund) is a typical example. Companies can integrate CSR into customer experiences such as “1 product = 1 tree,” or offer an “add donation” option at online checkout, effectively raising funds while spreading positive messaging.

05

INDUSTRY OR REGIONAL CSR ALLIANCES

Collaborating across businesses to launch large-scale CSR projects - such as co-funding hospitals or schools in industrial zones, or establishing emergency relief funds, helps reduce costs, amplify social impact, and reinforces collective responsibility.

06

INTERNAL VOLUNTEERING AND CSR DAY

Companies can organize internal volunteering programs (like SeABank’s “Citizen Week”) or host a company-wide “CSR Day” with community-focused activities. This nurtures a culture of CSR from within and can mobilize millions of volunteer hours annually.

07

CSR-Driven Innovation and Social Entrepreneurship

Businesses can support startups in solving social issues by funding investments or incubating ideas (free education apps or clean energy solutions). This turns CSR into a springboard for innovation and business collaboration with greater social impact.

To drive lasting impact, CSR should be strategic, innovative, and scalable. When businesses act collectively, CSR transforms from isolated initiatives into a national movement that advances sustainability and aligns economic growth with social progress.

CSR at Vinamilk: Committed to Responsibility, Sustainable for the Future

During 2022–2024, Vietnam Dairy Products Joint Stock Company (Vinamilk) has implemented a wide range of outstanding CSR initiatives, making positive contributions to the community. Vinamilk consistently allocates significant resources (~77–81.5 billion VND annually) to community and sustainability programs. As a result, millions of people have benefited from Vinamilk’s practical and impactful CSR activities.

Flagship CSR Initiatives (2022–2024)

1 “Reaching Vietnam’s Heights” Milk Fund

Vinamilk’s core CSR initiative aims to provide free milk to disadvantaged children. As of 2023, the fund has donated over 42 million cartons of nutritious milk to more than 500,000 children across all 63 provinces and cities, with a total value of around

200 billion VND. The program contributes to improving child nutrition and health, while raising public awareness about the importance of milk in early childhood development.

2 Medical Support and Heart Surgery

Vinamilk actively supports surgical costs for underprivileged patients, especially children with congenital heart defects. From 1995 to 2022, the company sponsored around 7.2 billion VND, helping **nearly 1,300 patients** undergo free heart

and eye surgeries. In 2023 alone, Vinamilk donated an additional 500 million VND to the MD1World heart surgery program, successfully supporting surgeries for 34 children with congenital heart disease.

3 Elderly Health Care

Targeting senior citizens, Vinamilk launched the “Eat Well, Sleep Well, Live Well” program in 2023 in collaboration with the Vietnam Elderly Association. This nationwide series offered free health check-

ups for **tens of thousands of elderly people** in 10 provinces and cities, alongside nutritional consultations and appropriate dairy product donations to help improve senior health.

4 Disaster and Epidemic Relief

Vinamilk promptly provides support to communities affected by natural disasters. For instance, in 2022, the company donated over **155,000 nutritional products** (worth more than 1 billion VND) to help flood-stricken central

provinces. During the COVID-19 pandemic, Vinamilk also contributed milk and medical equipment to frontline workers. These actions help disaster- and epidemic-hit communities quickly stabilize their lives.

5 Environmental Protection – Toward Net Zero

Vinamilk is a pioneer in environmental sustainability initiatives. In 2023, the company launched the “Vinamilk Pathways to Dairy Net Zero 2050” program with the “**Net Zero Forest**” project in Cà Mau (a 25-hectare mangrove forest). After six years, the project aims to regenerate the area with **100,000–250,000 mangrove trees**, creating a

carbon sink estimated to absorb 17,000–20,000 tons of carbon (equivalent to 62,000–73,000 tons of CO₂). Previously, Vinamilk participated in the “1 Million Trees for Vietnam” Fund, planting over **1.1 million trees** across 20 provinces, significantly advancing its goal of carbon neutrality in manufacturing operations.

Investment and Social Impact

Vinamilk consistently maintains a large annual CSR budget (**77 billion VND** in 2022 and **81.5 billion VND** in 2023 for community activities). This stable investment has resulted in notable, measurable **social impacts**:

1 Improving Child Nutrition

Through the “Reaching Vietnam’s Heights” Milk Fund and the Milk for School Program, hundreds of thousands of children across the country have gained access to regular milk consumption,

contributing to improved physical development and long-term health. Notably, Vinamilk’s 15-year involvement in the Milk for School Program has benefited over 4 million students, with the company providing over 54 billion VND in direct support.

2 Enhancing Public Health

The free heart surgeries sponsored by Vinamilk have saved the lives of many children with congenital heart disease, giving them a chance to live healthy lives. Free health check-ups for the

elderly have helped tens of thousands of seniors detect diseases early and receive nutritional and medical advice, improving quality of life for an aging population.

3 Timely Relief in Difficult Times

During floods and disease outbreaks, affected communities have received essential aid from Vinamilk (including food, milk, and other

necessities) helping reduce hardship and restore morale. The company’s compassionate and timely actions have left a strong positive impression on the community.

4 Sustainable Environmental Protection

Vinamilk continues to show strong environmental responsibility through projects like reforestation, carbon absorption, and climate resilience, ensuring

their commitment to long-term sustainability while supporting local ecosystems and community wellbeing.



Outstanding CSR & ESG Awards (2021–2024)

Vinamilk’s CSR and sustainability efforts have earned it several prestigious regional and international awards:

1 Asia Corporate Excellence & Sustainability (ACES) Awards 2021

Vinamilk was named “Asia’s Most Socially Responsible Company 2021” - the highest honor in the community category of ACES. The award recognized outstanding initiatives such as the “Reaching Vietnam’s Heights” Milk Fund and the Milk for School Program, which benefited nearly 4

million children over 15 years, especially during the COVID-19. The organizing committee praised Vinamilk for embedding community commitment into its core business strategy, not just as a social obligation.

2 Human Act Prize 2023

This is a community action award organized by Nan Dan Newspaper in collaboration with ministries and agencies. Vinamilk was the only enterprise to win 2 major awards at the Human Act Prize 2023. Specifically, Vinamilk won the Human Act Prize (the highest category) for the program “Vinamilk

Pathways to Dairy Net Zero 2050”, and was also honored in the “Persevering Project” category for the “Reaching Vietnam’s Heights” Milk Fund. This is a worthy recognition for Vinamilk’s pioneering environmental initiatives and persistent efforts for children over 16 years.

3 Top 5 most sustainable dairy brands in the world

Vinamilk was ranked among the Top 5 most sustainable dairy brands globally and No. 1 in Vietnam for sustainable dairy industry development. Vinamilk’s sustainability score was even ranked the highest, surpassing many big

names in the global dairy industry. Vinamilk has also been listed for many consecutive years in the Top 10 Sustainable Businesses in Vietnam (CSI Program), showing its pioneering role in ESG domestically.

Vinamilk – a model of sustainable enterprise

By simultaneously pursuing business goals and social responsibility, Vinamilk has become a **typical model** of sustainable enterprise in Vietnam. The company always harmonizes business growth with contributions to the community and environmental protection. As stated by the ACES organizers, Vinamilk considers community commitment “as a sound business decision rather

than just an obligation” - this has become a **“beacon”** of inspiration, guiding the company’s actions and decisions. Consistent sustainable development has helped Vinamilk maintain its position as the leading dairy enterprise and spread profound human and sustainable values in Vietnamese society.

In conclusion, the 2022–2024 period marks Vinamilk’s acceleration on the CSR and ESG journey. From caring for child nutrition, elderly health, assisting vulnerable people to environmental protection and aiming for Net Zero, Vinamilk has affirmed its role as a pioneering sustainable enterprise, deserving to be a source of pride and a model for the Vietnamese business community.

ESG Governance Structure: Stage of Development & Current Challenges

Vietnamese enterprises are gradually establishing ESG governance structures, but the level of maturity remains modest and faces many challenges. According to a 2022 PwC survey, nearly half (49%) of businesses reported having an official ESG governance structure, but only 24% actually have a comprehensive framework with clear commitments, roles, and responsibilities. About a quarter of enterprises have no ESG governance mechanism at all, revealing a significant gap in integrating ESG into corporate governance.

A key challenge lies in the limited ESG capabilities of Boards of Directors (BoD). Only 29% of Vietnamese businesses expressed confidence in their BoD's ESG knowledge - much lower than the global average (~45). In addition, there are almost no ESG capacity-building programs for leadership:

by 2022, up to 43% of enterprises had not considered ESG training for their BoD and management. The role of Chief Sustainability Officer (CSO) is also rare - only about 22% of enterprises have this position, although research shows that nearly all top ESG-rated companies have an equivalent role. Lack of ESG knowledge and skills remains a major barrier: around 60–67% of businesses (especially SMEs) believe the lack of guidance and understanding is the main reason they have not advanced in ESG. In fact, 71% of Vietnamese companies are still at the exploration stage or have not begun ESG data integration, and about 70% either have no ESG report or only very limited reporting. These figures reflect that ESG governance structures in most enterprises are still in their infancy and need improvement in both framework and execution capabilities.

Proposed Effective and Scalable CSR Models

The Board of Directors (BoD) plays a key role in embedding ESG into corporate strategy and operations. Many BoDs have been closely involved in setting sustainability goals, monitoring implementation, and ensuring transparency. Specifically, in some leading enterprises:



An ESG Committee has been established under the BoD to improve governance frameworks and oversee the implementation of sustainability principles. This committee leads internal training sessions, ensures compliance with laws and international practices, consults stakeholders, and proposes integrating



ESG indicators into KPIs at PNJ. The committee works closely with the Executive Board to measure and improve internal environmental and social indicators - demonstrating PNJ's commitment to enhancing governance effectiveness and sustainable development.



The BoD directs strategy and closely supervises sustainability programs. In 2023, Vietjet's BoD will continue to direct the Executive Board to implement ESG initiatives. The BoD and Executive Board regularly monitor progress on climate-related goals, while identifying and assessing climate



risks/opportunities the company faces. The BoD also maintains quarterly meetings (4 per year) to evaluate the adoption of good governance practices and improve corporate governance quality. Thanks to this, Vietjet has built a solid foundation for business growth, strengthened shareholder trust, and improved access to and allocation of capital.

CENTURY SYNTHETIC FIBER CORPORATION



The Board of Directors (BoD) at STK plays a central role in defining and guiding the company’s sustainability strategy. Goals are translated into KPIs for departments and closely monitored to ensure effective implementation. The BoD meets quarterly to review reports from the Executive Board covering economic, social, and environmental matters, thereby assessing achievements and proposing improvement directions for the next phase. The monitoring frequency is very high: in 2023 alone, STK’s BoD held a total of 31 meetings (in

person or by written consultation) to address matters within its authority. The BoD also assigns the Executive Board and the Investor Relations department to prepare the Sustainability Report in accordance with international practices and Vietnamese regulations, ensuring the report reflects the company’s actual conditions. ESG performance is reviewed monthly, quarterly, and annually, allowing for timely improvements (such as increasing recycled fiber revenue share to 49.5% and installing rooftop solar panels to cut emissions).



The BoD of SCR sets a strategy of “customer-centricity” linked to sustainable development and assigns the CEO the responsibility to proactively implement and ensure the effectiveness of ESG policies across the company. The goal is to create the best value for all stakeholders and build a solid

TTC LAND

foundation toward economic prosperity, environmental sustainability, and social equity. In 2023, the BoD of SCR held 11 meetings to issue resolutions, supervise the implementation of tasks assigned by the General Meeting of Shareholders, and approve key company matters.

MASAN GROUP



In 2023, Masan Group established a group-level ESG Committee to ensure sustainable development activities align with the overall strategy. The Committee Chair is a senior executive (Head of Manufacturing, Engineering & Technology), along with members who are executive directors and leaders of business units. At the same time, each member company of Masan also appointed an ESG Head to coordinate the implementation of sustainability initiatives between the group and its subsidiaries. In 2024, Masan’s ESG Committee and

ESG Heads will be responsible for implementing strategic ESG projects such as reducing greenhouse gas emissions, sourcing responsibly, improving nutrition and health, conserving water, and recycling waste. Masan aims to engage 100% of relevant employees in ESG practices by 2025, thereby integrating ESG into all group activities for the 2025–2030 period. These moves affirm Masan’s commitment to building an effective ESG governance structure to implement its long-term sustainability strategy.

These examples show that the BoDs of leading enterprises in Vietnam have begun to actively participate in ESG integration. They establish dedicated committees, hold regular meetings to monitor ESG KPIs, set strategic directions, and ensure the entire organization adheres to sustainable development goals. However, this is still mainly seen in large enterprises; the participation rate of BoDs in small and medium-sized enterprises remains very low (only about 25% of small businesses have BoDs involved in ESG, compared to 40% in large companies).

Transparency in ESG Disclosure

Transparency in ESG disclosure remains a major challenge for Vietnamese enterprises. Currently, there is no standardized ESG reporting guideline, resulting in disclosed data often being inconsistent and incomplete, even among listed companies. 67% of businesses believe that the lack of clear regulations is the main barrier to ESG implementation. In other words, most companies are eager for specific guidance from regulatory authorities to create a level playing field and a consistent roadmap for ESG practice.

In reality, the government has begun issuing requirements to standardize ESG disclosure. Notably, the Ministry of Finance issued Circular 96/2020/TT-BTC (November 16, 2020), guiding information disclosure on the stock market, which requires public companies to disclose certain ESG-related content. Specifically, from the 2021 fiscal year, listed companies must include an ESG Report section in their Annual Reports, covering indicators on greenhouse gas emissions, energy and water consumption, compliance with environmental protection laws, labor policies, community responsibilities, and community development activities. Additionally, the BoD must present an assessment report on the company's environmental and social responsibilities and set sustainable development goals in environmental, social, and community aspects. This is an important step in integrating ESG into mandatory reporting, enhancing corporate transparency for shareholders and the public.

Rather than issuing a standalone ESG law, Vietnam has chosen to integrate ESG requirements into existing legislation. The domestic ESG legal

framework is dispersed across various legal documents concerning environmental protection, labor, and corporate governance. For example, the 2020 Environmental Protection Law strictly regulates corporate responsibilities for pollution control and waste management. On the social front, the Labor Code mandates labor rights, workplace safety, and gender equality. In terms of governance, the Enterprise Law and regulations on corporate governance set standards for company structure, Board responsibilities, shareholder rights, and transparency in information disclosure. In addition, the State Securities Commission issued the 2019 Corporate Governance Code of Best Practices (non-mandatory), encouraging public companies to enhance transparency and ethics in governance, including detailed non-financial disclosures (environmental and social) aligned with international standards such as GRI. Overall, the policy framework is gradually forming, but enterprises still need more concrete guidance on ESG reporting and green finance regulations for effective implementation.

Many businesses have voiced the need for the government to issue clearer and more unified ESG policies to ensure fairness across industries and help companies define a common reporting standard. Currently, although Vietnam has individual regulations on renewable energy, environmental protection, and corporate governance, the gap in ESG reporting guidance persists. Promptly finalizing the ESG disclosure framework and enforcement measures will help enterprises improve transparency, avoid “greenwashing,” and build investor confidence in sustainable development.



Third-Party Verification of ESG Information

Hiring third parties to independently verify ESG data is gaining attention among major companies in Vietnam to improve the credibility and transparency of their reports. Although the implementation rate remains low (only 36% of Vietnamese firms audit or verify ESG data, compared to the global average of 58%), some pioneers have proactively invited independent audit firms to review key ESG data.

01 VINAMILK

“ Vinamilk, Vietnam’s leading dairy company, has for many years hired PwC Vietnam to conduct limited independent assurance of its Sustainability Reports. The 2023 report was again reviewed by PwC, with expanded scope covering key environmental indicators. PwC

followed ISAE 3000 (Revised) – the widely used international standard for non-financial assurance – and provided its opinion directly in the report. This confirms that Vinamilk’s ESG data was verified by a third party using global standards.



Vinamilk
EST 1976



ACB

KPMG

ACB is the first bank in Vietnam to have both environmental and social indicators in its sustainability report independently assured. ACB’s 2023 Sustainability Report (following GRI standards) includes 22 ESG indicators audited by KPMG, an increase of 16 indicators compared to 2022.

Expanding the audit scope from 6 (2022) to 22 (2023) indicators demonstrates a significant

improvement in transparency. The indicators assured by KPMG include greenhouse gas emissions, occupational safety, etc., thereby providing shareholders and investors with a comprehensive and verified view of the bank’s environmental and social performance. This is a key step in helping ACB assert its leadership in ESG within the financial sector.

”

ACB BANK 02



03

MASAN

“ In 2023, Masan Group (through its subsidiary Masan Consumer) invited Ernst & Young (EY) Vietnam to conduct limited independent assurance of selected non-financial information in its Sustainability Report. EY assessed the selected sustainability data and provided an assurance opinion

in compliance with ethical and professional standards, (specifically ISAE 3000). This enabled Masan to receive independent verification of the reliability of important ESG information in the report - a crucial step in building trust among investors and the public.



In terms of standards, most ESG assurance activities currently follow ISAE 3000 (Revised) – the most commonly used standard by audit firms (Big 4) for ESG report assurance. Some specialized reports, such as those on greenhouse gas emissions, may be verified under ISO 14064-3 (for

GHG inventories). Additionally, the AA1000AS standard is internationally recognized and often used by ESG consulting organizations in specific contexts. Choosing the appropriate standard and assurance provider helps ensure the objectivity and credibility of the ESG information disclosed by a business.

Overall, the trend of engaging third parties to verify ESG data is gradually taking shape in Vietnam. This reflects the growing need to enhance the credibility of sustainability reports, especially as investors and partners increasingly focus on the authenticity of ESG commitments. In the future, as ESG reporting standards become more stringent, independent assurance may become a common practice, similar to financial audits.



Opportunities and Challenges in ESG Governance in Vietnam

Practicing ESG, especially the governance (G) aspect, presents both opportunities and challenges for Vietnamese enterprises. On the opportunity side, integrating ESG promises improved operational efficiency and enhanced corporate reputation. Companies that focus on ESG often see better operational performance, optimized resource use, and reduced legal risks. At the same time, transparency and a commitment to sustainability help elevate brand value, attract conscious consumers, and appeal to long-term investors. Research shows that companies with strong ESG performance are seen as lower risk and therefore have better access to investment capital. In fact, in the stock market, good corporate governance (G) has a clearly positive impact on short-term stock prices and forms the basis for long-term sustainable growth. These drivers demonstrate that ESG is not merely a compliance requirement but also a strategic opportunity for Vietnamese businesses to grow sustainably and compete globally.

However, enterprises also face significant challenges in implementing ESG governance. First is the lack of knowledge and expertise. Surveys show that up to **61% of businesses** cite lack of knowledge as a key barrier, and **71%** admit that weak reporting skills hinder their ability to build quality ESG reports. This limits the effectiveness of board and executive involvement in ESG programs. Current ESG training for personnel, both executives and those in charge, is inadequate, especially for small and medium-sized enterprises (SMEs).

Additionally, many SMEs still see ESG as a compliance burden rather than an opportunity. Smaller companies often face financial and technological constraints, making them reluctant to incur high ESG costs (e.g., investment in clean

technology, management systems, consulting services). They also struggle to choose and apply suitable ESG standards, due to the abundance of frameworks (CSI, GRI, SASB, etc.). This complexity causes many SMEs to lag behind, widening the gap with large enterprises. Statistics show that only **25% of small companies** have board-level involvement in ESG, compared to **40%** of large companies. This highlights the disparity in ESG awareness and practice by enterprise size..

Moreover, the evolving ESG regulatory landscape poses compliance challenges. New regulations (such as Circular 96/2020/TT-BTC and the 2020 Environmental Protection Law) require businesses to disclose more ESG data, meaning those unprepared with reporting systems and faces non-compliance risk. Keeping up with ESG trends and regulation (domestic and international) requires companies to continuously update their knowledge and adopt a long-term vision for risk management.

In summary, ESG governance in Vietnam is still at an early stage and demands concerted efforts from both businesses and policymakers. Enterprises must proactively build governance capacity, train their teams on ESG, and embed ESG as part of their long-term strategy for sustainable value creation. On the government side, issuing clear guidance, support programs (especially for SMEs), and incentives for transparency will be key to driving ESG adoption. With increasing international integration and pressure from agreements like EVFTA and COP26, Vietnamese businesses can no longer remain on the sidelines. Turning challenges into opportunities and improving governance (G) will help Vietnamese companies boost competitiveness and grow in harmony with society and the environment in the years ahead.



CHAPTER

04

Challenges in ESG reporting

Sustainability reporting challenges for enterprises (2023–2024)

In 2023–2024, many listed companies in Vietnam increasingly prioritized publishing **sustainability reports** (ESG). However, the implementation process still faces numerous **challenges**. Based on corporate annual reports, sustainability disclosures, and related studies, four key challenge areas have been identified:

1

Lack of clear ESG regulations



The legal framework and guidelines for ESG reporting in Vietnam are currently incomplete. Many businesses report **the absence of specific government mandates or detailed guidance** for ESG disclosures, resulting in confusion and inconsistency during implementation. In reality, existing regulations only stop at providing guidance on the collection of certain related information (such as emission indicators), but **lack comprehensive standards on report structure, methodologies, or penalties for non-compliance**. According to PwC Vietnam, “this regulatory gap” is among the most significant barriers for

listed companies. Additionally, Vietnam **does not yet have a comprehensive legal framework for ESG**, making it difficult for businesses to determine which standards to follow, leading to inconsistent implementation. For example, the EU’s carbon tax mechanism (CBAM) requires exporters to report emissions periodically, but due to **the lack of domestic guidelines and roadmap**, very few Vietnamese enterprises were able to submit their reports on time for Q4/2023 and Q1/2024 as required by CBAM. This highlights **the regulatory gap** that is hindering businesses from fully fulfilling their ESG responsibilities.

2

Constraints in financial capacity and resources



Implementing sustainability initiatives requires **substantial investment capital and operational costs**, while many enterprises, particularly SMEs, face limited resources. A large-scale survey of 2,734 businesses revealed that **lack of capital** is among the top three challenges on the path toward green transformation. Many small enterprises acknowledged that the costs of **sustainable business** projects are prohibitively high, while external **financial support and incentives** remain very limited. In reality, investment in promoting green

growth in Vietnam primarily relies on the state budget and focuses on environmental projects, resulting in **minimal direct support** for businesses to transition toward sustainable business models. Consequently, many enterprises hesitate to engage in ESG reporting due to concerns about short-term **costs and profit impacts**. This is especially true for small and medium-sized enterprises, who often show “little enthusiasm” for ESG due to a **lack of capital and insufficient preferential support** to offset compliance costs.

3 Lack of ESG capacity and expertise within enterprises



The internal capacity of businesses to implement ESG is still weak, as evidenced by **a lack of personnel, experts, and specialized skills** in sustainable development. According to PwC, most listed companies in Vietnam currently **do not have a dedicated ESG department or leadership** to guide and promote sustainability commitments. Many businesses are not fully aware of the importance of ESG, **with 62% of companies not fully understanding related policies**, and **39% having never heard of ESG**. The main reason is the absence of **programs to raise awareness and provide training on**

ESG for businesses. Furthermore, Vietnam **lacks a workforce with in-depth** ESG expertise in the market. A 2024 survey by the IV Department (Private Economic Development Department) revealed that “skilled personnel” is one of the three biggest barriers for businesses in their green transformation efforts. **Building a corporate culture that prioritizes ESG** is still in its infancy, with many business leaders not yet considering ESG as a strategic priority. Overall, businesses are **“both weak and lacking”** in terms of both awareness and internal ESG expertise to effectively report on ESG matters.

4 Data and measurement system barriers



Collecting and reporting ESG data is a major technical challenge for businesses. KPMG's research shows that only **28% of companies** in Vietnam have **a clear ESG risk measurement framework** to monitor their progress. The majority of businesses **do not yet have a system of indicators and effective measurement tools**, making it difficult to assess ESG performance. According to experts, **identifying appropriate ESG metrics and collecting reliable, comprehensive data is a significant challenge** for businesses. Many Vietnamese companies **lack effective data management systems**, with data being fragmented and not standardized. At the same time, **the absence of unified ESG reporting**

standards leads to inconsistencies across different organizations, making it difficult to compare and integrate data. Some argue that Vietnamese businesses are currently in shortage of **both the capacity to collect data and standardized reporting criteria**, resulting in ESG reports lacking reliability and consistency. A clear example of this is when faced with the EU's emission reporting requirements (CBAM), many businesses were confused because **they did not have the necessary data and measurement systems**, preventing them from submitting reports on time. Clearly, **data-related barriers** are hindering the implementation of ESG strategies in businesses.





Solutions and approaches for improvement

Although there are still many challenges, businesses and regulatory agencies have started to propose solutions to **overcome barriers** in sustainability reporting:

Completing the regulatory framework and guidance

The government is making efforts to develop **specific regulations on ESG disclosure**. Currently, listed companies are required to disclose information on their environmental impacts, and Vietnam is drawing on international experiences (the US and EU) to **issue mandatory regulations on emission reporting, traceability, carbon credit mechanisms, etc.** The early issuance of **a national ESG criteria set** and **a**

green taxonomy will provide businesses with a standardized basis for measurement and reporting. In addition, the government should introduce **support policies and practical incentive** (such as tax benefits, green credit access, technical consulting, etc.) to encourage enterprises to invest in sustainable development.

Enhancing financial capacity and technical assistance

To address capital constraints, businesses can access **green investment funds** or support programs provided by the government and international organizations. For example, many foreign investment

funds now place high importance on ESG factors and are willing to finance businesses that meet sustainability standards.

Proactively seeking green finance sources

Businesses should proactively seek **concessional green loans, climate financing programs**, and **allocate internal budgets** for key ESG initiatives. On the technical side, they can **collaborate with consulting firms** or **participate in training programs** to receive support in developing ESG governance

systems. For instance, major funds such as VinaCapital have supported portfolio companies in strengthening ESG capacity, establishing clear strategies and initiatives. Such support helps businesses enhance **both data management technologies and ESG implementation expertise**.



Strengthening internal ESG capabilities and awareness

The human and organizational factors play a decisive role. First and foremost, **strong commitment from leadership** is essential - “the key to successfully implementing sustainable development lies in the will and determination of top management”. Leaders must view sustainable development and long-term profitability as interconnected, rather than regarding ESG purely as **a cost that reduces profits**. Many experts emphasize that businesses must “embed the gene of sustainability” into their organizational culture, in other words, **raise awareness across all levels of staff** and integrate sustainability goals into operational processes. Specifically, businesses

should **provide ESG training** for their teams or recruit/appoint **ESG specialists** to lead sustainability initiatives. Training programs and experience-sharing workshops (such as the “Vietnam ESG Initiative”) are also crucial in enhancing understanding and practical skills related to ESG. In parallel, **digital transformation** is recommended to go hand-in-hand with green transformation, aiming to optimize processes and improve data management. For instance, implementing a centralized data management system can facilitate the collection and tracking of ESG metrics more easily and accurately, ensuring readiness for reporting purposes.

Adopting international ESG reporting standards

In the absence of comprehensive domestic guidelines, businesses are advised to **refer to global ESG standards** such as **GRI, SASB, and IFRS (ISSB), etc.** Learning from international best practices will support companies in developing **more structured and transparent** reporting systems. For example, since 2012, Vinamilk has adopted the GRI Standards in its sustainability reporting, gradually standardizing its disclosure practices. Other pioneering companies

have also sought consultancy from Big4 firms (such as KPMG, PwC, etc.) to identify appropriate ESG indicators and scientific measurement methods. In the long term, as Vietnam moves towards mandatory ESG reporting, those businesses that **have taken the lead** by adopting international standards will be better positioned to **comply with regulations** and meet the expectations of both domestic and international investors.

*Sustainability reporting is becoming an inevitable trend, but Vietnamese businesses still face many challenges regarding regulations, resources, capacity, and data. Through examples and surveys conducted in 2023-2024, it is clear that **these difficulties are common**. To overcome them, **collaboration** is needed from both the government (to improve policies and support businesses) and businesses themselves (to enhance internal capacity and shift strategic thinking). If these solutions are implemented systematically, Vietnamese businesses can gradually **adapt to ESG requirements**, turning challenges into opportunities for sustainable development and improving competitiveness in the coming years.*



Recommendations for interested parties

Based on the key findings from the ESG report in Vietnam, the following recommendations are provided for the relevant parties. These suggestions will help each party understand where to start, how to take action, and identify priority opportunities that align with their roles in the ESG journey.



Investors and Investment funds

Investor groups should integrate ESG criteria into their investment strategies and decision-making processes. Specifically, they should use information on a company's ESG performance (*e.g., level of information transparency, environmental risks, governance practices*) to assess risks and long-term potential. Investors can also proactively engage with companies, setting clear ESG expectations and encouraging greater transparency in reporting.

Investment funds should view ESG as an opportunity: providing technical support to businesses (*e.g., consulting to improve ESG capacity*) and developing green financial products. Steering capital towards companies with strong ESG practices not only helps mitigate risks but also attracts the attention of international funds seeking sustainable markets.

Small and medium-sized enterprises can begin their ESG journey with simple steps that suit their existing resources. First and foremost, strong commitment from leadership is essential, viewing ESG not merely as a cost, but as a long-term growth opportunity, and this mindset should be communicated clearly throughout the organization. Enterprises should begin by fully complying with current environmental and labor regulations, while gradually adopting good practices such as measuring energy consumption, managing waste, and caring for employee well-being, etc. Once a solid foundation is established, businesses can start moving toward relevant

SME Enterprises



international standards (*e.g., becoming familiar with the basic level of the GRI reporting standards*). In addition, SMEs should leverage external support - by participating in training programs, exploring green credit funds or tax incentives for sustainable projects, and collaborating with larger supply chain partners to collectively raise ESG standards. Effective ESG implementation can help SMEs optimize costs (*such as energy savings and waste reduction*), enhance brand reputation, and more easily access export markets or major investors who increasingly prioritize sustainable businesses.



Listed companies

Listed companies should take a leading role in ESG practices, as they have significant resources and influence in the market. Firstly, businesses should fully integrate Environmental, Social, and Governance factors into their business strategy and internal governance systems, including setting specific sustainable development goals (*for example, establishing scientifically feasible and gradual targets for reducing greenhouse gas emissions toward Net Zero*) and incorporating ESG into everyday decision-making. Listed companies should also proactively adopt international reporting standards such as GRI and SASB from the outset and prepare for future requirements under IFRS/ISSB standards. At the same time, it is essential to strengthen the ESG governance structure: establish an ESG committee or dedicated department, train the Board of Directors and executives on ESG

knowledge, and appoint senior personnel responsible for sustainability to ensure that ESG initiatives are closely monitored. In terms of information transparency, companies should enhance the quality of their annual ESG reports, disclosing specific and reliable data on **environmental** (*emissions, energy, water, etc.*), **social** (*labor, welfare, community, etc.*), and **governance** (*structure, internal control, etc.*) indicators. Engaging an independent third-party auditor to verify or audit non-financial information should also be considered, as it boosts credibility and meets the expectations of both domestic and international investors. When listed companies take the lead in action and share experiences (*e.g., through industry associations or sustainability forums*), the entire market will benefit, and the image of Vietnamese businesses will be enhanced globally.

Researchers



ESG experts and researchers play a crucial role in raising awareness and improving the quality of ESG practices through scientific research and education. Firstly, the research community should continue to expand the scope and depth of ESG research in Vietnam - for example, conducting annual surveys on ESG performance by sector, analyzing the relationship between ESG practices and corporate financial performance, or studying the social impact of sustainable initiatives. Objective data and analyses from research will provide clear evidence of the benefits of ESG, convincing hesitant businesses and investors to engage in this trend. At the same time, universities and research institutes

can integrate ESG topics into business administration, finance, engineering, and other curricula to equip the next generation of business leaders with a sustainable mindset from an early stage. The research community should also strengthen connections with businesses and policymakers: sharing research findings through workshops and seminars; providing scientific advice to help establish ESG indicators or standards suited to Vietnam's context. In this way, research will not only remain on paper but also be transformed into practical solutions, directly contributing to the development of corporate ESG strategies and the formulation of effective public policies.

By acting together starting today, each stakeholder group, regardless of their role, can contribute to turning ESG challenges into opportunities for sustainable development. This coordinated effort will help Vietnamese businesses reach an international level on their meaningful ESG journey.

Disclaimer

The report "ESG Practices in Vietnam – Data and Current Situation" was conducted by the expert team from MCG Group, with the aim of providing a comprehensive, objective, and inspiring overview of the current ESG practices in Vietnam. We would like to respectfully note:

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- | | |
|---|--|
| 1 This report is based on a process of surveying, compiling, and analyzing information from publicly available data sources, including | annual reports, sustainability reports, financial statements, and in-depth questionnaires with listed companies in the VNX Allshare index. |
| <hr/> | |
| 2 All information, data, and opinions in this report reflect the situation at the time of the study; however, they may change over time due to the | rapid evolution of the market, legal regulations, and ESG policies both domestically and internationally. |
| <hr/> | |
| 3 The report has been conducted with the utmost care; however, it cannot fully guarantee the absence of unintended discrepancies or omissions. MCG Group and the authors of the | report do not accept legal responsibility for any investment, business decisions, or actions taken solely based on the content of this report without further verification and evaluation by the user. |
| <hr/> | |
| 4 The analyses, assessments, and recommendations in this report are for reference purposes, intended to support businesses, investors, policymakers, and | relevant parties with practical insights to shape sustainable development strategies that are suited to the realities of Vietnam and international standards. |

MCG Group firmly believes that: ESG implementation is not merely an obligation, but a vital opportunity for Vietnamese businesses to break through, assert their value, and thrive in the global market. We hope this report serves as a source of motivation, inspiring bold and sustainable progress on the journey toward building a prosperous and responsible future for Vietnam's business community.

We sincerely thank you for your trust and support!

About the Research lead organization: MCG Group

MCG Group is a leading management consulting firm in Vietnam, with over 23 years of experience supporting organizations in economic growth, strategic restructuring, and sustainable development. The firm focuses on optimizing management systems, strengthening organizational capabilities, and delivering tailored, practical solutions informed by deep industry expertise.

Over the years, MCG has guided hundreds of organizations through transformation—refining structures, streamlining operations, applying effective delegation models, enhancing internal processes, and establishing performance-based incentive systems. Central to MCG’s approach is its dedication to building strong, capable teams that deliver lasting value.

As ESG and sustainability become business priorities, MCG offers integrated solutions to enhance governance transparency, operational resilience, and employee engagement, helping organizations align with global standards and meet rising expectations from investors and stakeholders.

MCG currently operates a comprehensive consulting ecosystem, including:



MCG Management Consulting

A consulting firm that supports businesses in evaluating operations, setting development goals, and building governance and talent systems aligned with strategic priorities.



MCG IT Solution

A provider of HR digital transformation solutions, offering platforms that automate processes, enhance transparency, and improve operational efficiency.



MCG Talent Gene

A training and capacity-building organization offering programs in leadership, digital transformation, and HR management, with continued support to help learners apply skills effectively post-training.

By combining consulting, technology, and training, MCG is committed to supporting Vietnamese businesses in modernizing governance, building sustainable organizations, and expanding regionally.

About supporting partner: CareerViet

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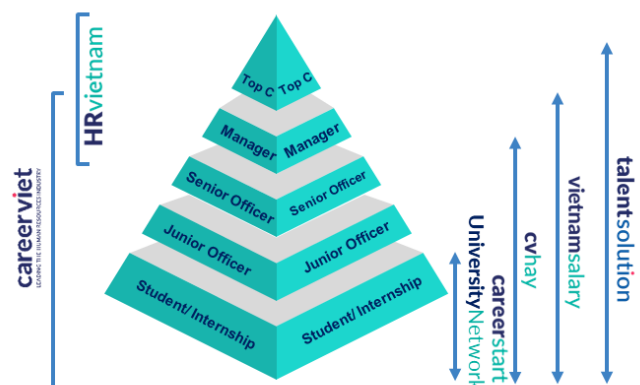
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