



Law on Esg Disclosure by Listed Companies in Vietnam: Current Status and Recommendations for Improvement

Pham Trung Kien*

Quang Trung Law Office

Article DOI: [10.55677/SSHRB/2026-3050-0303](https://doi.org/10.55677/SSHRB/2026-3050-0303)

DOI URL: <https://doi.org/10.55677/SSHRB/2026-3050-0303>

KEYWORDS: disclosure; environmental, social and governance; listed companies; securities market; anti-greenwashing; sustainability reporting standards.

ABSTRACT: In the context of integration and the growing demand for sustainable development, transparent environmental, social and governance information is increasingly becoming an important condition for listed companies to access capital, strengthen investor confidence, and participate in global supply chains. This study aims to identify the structure of Vietnamese law relating to sustainability disclosure by listed companies, assess the current state of compliance and disclosure quality, and propose recommendations for improvement. The research method combines normative legal analysis, comparative examination against international practices, and descriptive synthesis based on publicly available reports from a group of representative listed companies, using a set of criteria grounded in sustainability reporting guidelines. The results show that the current legal framework has established disclosure obligations that are periodic, ad hoc, and upon request; however, sustainability-related content remains fragmented, lacks quantitative standards, lacks mechanisms to ensure independence, and sanctions are not sufficiently deterrent against the provision of misleading information. The discussion highlights the need to shift from an incentive-based approach to a mandatory one under a phased roadmap, unify a national reporting standard aligned with international standards, and strengthen oversight and assurance. The conclusion recommends a package of measures to refine rules on content, procedures, responsibilities, quality assurance, and disclosure infrastructure in order to reduce “greenwashing” risks and enhance market efficiency.

Corresponding Author:

Pham Trung Kien

Address: No. 42/32 Ung Văn Khiem Street, Thanh My Tay Ward, Ho Chi Minh City

Published: March 06, 2026

License: This is an open access article under the CC BY 4.0 license:

<https://creativecommons.org/licenses/by/4.0/>

I. INTRODUCTION

Disclosure of environmental, social and governance information is rapidly shifting from the realm of recommendation to a state of compliance obligation within modern capital-market governance structures, as investors and regulators increasingly regard sustainability information as essential data for identifying risks, assessing the quality of governance, and valuing the long-term outlook of listed companies (International Organization of Securities Commissions, 2021). This move toward mandatory requirements is clearly evident in developed legal jurisdictions, where the European Union’s corporate sustainability reporting framework under the 2022 Directive has expanded the scope of entities covered, increased the depth of information requirements, and promoted assurance mechanisms to enhance the reliability and comparability of sustainability reports across companies (European Parliament and Council of the European Union, 2022). At the same time, disclosure standards that align with investor decision-making are becoming increasingly influential because they emphasize the usefulness of sustainability information for users of general-purpose financial reports, thereby requiring companies to provide a structured description of governance, strategy, risk management, metrics, and targets related to sustainability-related risks and opportunities (IFRS Foundation, 2023a). The climate focus has also been operationalized through standards and recommendations requiring companies to identify climate-related risks and disclose them in a manner that is comparable, verifiable, and linked to financial impacts, thereby increasing compliance pressure on companies participating in global supply chains and international capital markets (Task Force on Climate-related Financial

Disclosures, 2017). For listed companies in Vietnam, this transition is driven not only by investor expectations but also by credit institutions, commercial partners, and the trend toward standardized market supervision, making environmental, social and governance disclosure gradually a risk-management and compliance component that can directly affect fundraising capacity and corporate reputation in the market.

Vietnam's legal framework on disclosure in the securities market has established a relatively comprehensive foundation in terms of principles, subjects, obligations, and disclosure channels, providing a legal basis for enhancing transparency in the operations of listed companies and protecting investors (National Assembly of Vietnam, 2019). Implementing regulations further specify the scope of disclosure obligations and the operational mechanism for disclosure, thereby establishing requirements for completeness, accuracy, and timeliness of information and the responsibility of disclosing entities for the information disclosed, while also setting requirements on methods, deadlines, and data availability for market supervision purposes (Government of Vietnam, 2020). Disclosure procedures and standards are referenced and elaborated in sub-law documents, contributing to ensuring consistency in the enforcement of disclosure obligations for listed companies and related entities in the market (Ministry of Finance (Vietnam), 2020). However, environmental, social and governance information is interdisciplinary, simultaneously relating to corporate governance, labor, safety, environment, anti-corruption, and supply-chain governance, and therefore often appears fragmented across many different legal regimes and is difficult to converge into a unified reporting standard in the absence of a mandatory minimum content framework (International Finance Corporation & State Securities Commission of Vietnam, 2013). In practice, many listed companies have chosen to publish sustainability reports or integrate sustainability content into annual reports, yet the level of quantification, comparability, and assurance mechanisms remains limited, increasing the risk that sustainability information is presented in a biased, promotional manner and undermining the investor-protection effectiveness of the disclosure regime (Global Reporting Initiative, 2021). Empirical evidence in the Vietnamese context also indicates that environmental, social and governance disclosure may be associated with stock market reactions, thereby underscoring the need to improve disclosure quality to reduce information asymmetry and strengthen investor confidence (Ha, Nguyen, & Ho, 2024).

A prominent policy gap currently lies in what content the law requires to be disclosed, the structure in which disclosure is required, which party bears ultimate responsibility for disclosed data, and what mechanisms ensure information quality before and after disclosure in a context where sustainability information is increasingly used for investment decision-making and risk management (International Organization of Securities Commissions, 2021). The need for improvement should be placed within an appropriate roadmap to both raise transparency standards and ensure feasibility, because measurement capacity, data governance, and compliance resources among listed companies still differ substantially across industries and company sizes (State Securities Commission of Vietnam, 2024). This study is designed to systematize the legal framework on environmental, social and governance disclosure applicable to listed companies, describe the current disclosure situation according to criteria on content and quality, compare it with international practices and widely influential sustainability disclosure standards, and thereby propose recommendations for improvement toward standardizing minimum mandatory content, strengthening independent assurance mechanisms, and establishing tools to prevent the provision of misleading sustainability information (IFRS Foundation, 2023b). Implementation and disclosure guidance issued by the securities market regulator within the framework of international cooperation shows that a direction toward standardization has formed, yet "upgrading" it into a unified legal framework with effective enforcement mechanisms remains a key condition to improve disclosure quality, reduce greenwashing risks, and enhance the competitiveness of Vietnamese listed companies in the context of integration (State Securities Commission of Vietnam, 2025).

II. MATERIALS AND METHODS

2.1. Research design and analytical framework

The research design is developed by combining multiple methodological layers to ensure both the normative depth of legal analysis and the ability to describe disclosure practice in listing activities, thereby providing a basis for feasible recommendations for improvement. The first component focuses on normative research and regulatory analysis to fully identify disclosure obligations related to environmental, social and governance matters within securities law and related regulations, with emphasis on identifying the disclosing subjects, the types of information required to be disclosed, deadlines, disclosure channels, standards of completeness, accuracy and timeliness, and the accountability mechanism of the disclosing entity under the current legal structure (National Assembly of Vietnam, 2019). The second component conducts comparative legal analysis by examining major international standards and mechanisms that significantly influence today's sustainability disclosure frameworks, thereby drawing lessons on how to define mandatory scope, the level of detail required for disclosed content, reliability assurance requirements, and enforcement oversight models; the comparison focuses on the European Union's corporate sustainability reporting framework embodied in the 2022 directive on corporate sustainability reporting, as this model emphasizes expanding the scope of application and strengthening assurance to improve information quality in capital markets (European Parliament and Council of the European Union, 2022). The third component is implemented as an empirical description based on a set of criteria assessing the extent of environmental, social and governance disclosure in listed companies' public reports, including annual reports, corporate governance reports, sustainability reports, and disclosure content on corporate websites, in order to reflect the overall picture of the presence, specificity, and

indications of reliability of sustainability information in companies' disclosure practices under market standards (Ministry of Finance (Vietnam), 2020).

The content assessment framework is developed with reference to the common structure of modern sustainability reporting guidelines, emphasizing the principle of materiality, the combination of qualitative and quantitative indicators, requirements for governance and internal controls over data, risk-management mechanisms relating to sustainability issues, and environmental and social indicators linked to corporate impacts and operational performance. The framework elements are constructed to ensure that information not only reflects activities or commitments described narratively, but also moves toward measurability, time-based comparability, and the ability to meet the need for comparison among listed companies within the same industry or across different industry groups (Global Reporting Initiative, 2021). The selection of foundational guidance sources used to build the assessment criteria is based on the requirement of suitability for the Vietnamese context and compatibility with international practice; accordingly, the Sustainability Reporting Handbook for Vietnamese Companies issued through cooperation between an international financial institution and the regulator is used as a framework document to standardize sustainability content and presentation in an accessible and verifiable manner (International Finance Corporation & State Securities Commission of Vietnam, 2013). The implementation and disclosure guidance toolkit issued by the securities market regulator within the framework of international cooperation is also used to refine the criteria set in line with current regulatory direction, while ensuring that the assessment criteria can link to the requirement to enhance transparency and disclosure quality as Vietnam's capital market advances a roadmap toward standardizing sustainability disclosure (State Securities Commission of Vietnam, 2024).

2.2. Data sources, scoring approach, and processing techniques

Data sources for the study are defined in two main groups to ensure that they both fully reflect the normative foundation governing disclosure obligations for listed companies and capture the practical reality of environmental, social and governance disclosure in corporate reporting in the securities market. The legal data group includes legal normative documents on securities and the securities market, specialized regulations on disclosure, implementing guidance documents, and related regulations concerning transparency requirements in the governance of listed companies, thereby clarifying the scope of disclosure obligations, procedures, deadlines, disclosure channels, standards for completeness, accuracy and timeliness, and the responsibility of disclosing entities within the current legal system (National Assembly of Vietnam, 2019). The corporate data group is collected from publicly available reports of a representative group of listed companies in the recent period, including annual reports, corporate governance reports, sustainability reports, and related disclosure content posted on official disclosure channels and corporate websites, in order to record how companies approach and present environmental, social and governance information and to provide a basis for describing the level of compliance and the quality of sustainability information from the perspective of investors and market supervisors (Ministry of Finance (Vietnam), 2020). The rules for selecting and aggregating corporate data are set based on the requirements of availability and verifiability of information sources; therefore, the study prioritizes official disclosure documents associated with disclosure obligations in the securities market to ensure validity and enable comparison among companies over time.

The scoring criteria set is designed in a three-layer structure to reflect the level of disclosure, the level of detail, and the reliability of information simultaneously, thereby avoiding an approach that only checks whether disclosure exists while overlooking the quality of disclosed content. The first layer measures the presence of information by determining whether the company mentions the corresponding environmental, social and governance topics in its public reporting system, thereby reflecting the level of attention and the minimum level of responsiveness to sustainability transparency requirements in listing practice (International Organization of Securities Commissions, 2021). The second layer assesses the specificity of information by distinguishing qualitative descriptive content from content with quantitative indicators, emphasizing that information should be measurable, allow trend tracking, and support comparison among companies, consistent with the spirit of standardized sustainability reporting based on materiality and comparable metrics (Global Reporting Initiative, 2021). The third layer evaluates the reliability of information through indicators of data governance and verifiability, including whether the company explains measurement methods and reporting boundaries, establishes a mechanism to compare targets with results over time, and applies independent assurance for part or all of the disclosed content, because these are important conditions to limit the risk of sustainability information being presented in a biased manner and to enhance the usability of information for investment decision-making (IFRS Foundation, 2023a).

III. RESEARCH FINDINGS

3.1. An overview of the legal framework for ESG-related disclosure by listed companies

Vietnam's legal framework governing disclosure by listed companies has been developed with the objectives of investor protection and ensuring securities market transparency by clearly defining the parties subject to disclosure obligations, the scope of information to be disclosed, and the foundational principles of completeness, accuracy, and timeliness of public information (National Assembly of Vietnam, 2019). The regulatory structure is reflected in the classification of disclosure obligations into periodic disclosures, ad hoc disclosures, and disclosures upon request, while also specifically prescribing the responsibilities of listed organizations with respect to the content and timing of disclosures in order to reduce information asymmetry and limit risks

of harm to investors (Government of Vietnam, 2020). Enforcement mechanisms are further elaborated through implementing guidance on disclosure methods, disclosure language, retention requirements, and ensuring public accessibility to disclosed information, thereby facilitating social oversight and strengthening market discipline over listed companies (Ministry of Finance (Vietnam), 2020). Within this structure, environmental, social and governance information is typically not designed as a standalone chapter within securities legislation, but is instead integrated into requirements on corporate governance, risk governance, and factors that may materially affect a company's operations and financial position, because such information is increasingly regarded as data directly relevant to investment decisions and risk assessment in capital markets (International Organization of Securities Commissions, 2021). This embedded approach creates space for companies to disclose flexibly in line with industry characteristics and business models, but it also increases fragmentation of disclosed content, making cross-company comparisons and consistency checks over time more complex in the absence of a unified minimum content standard (Global Reporting Initiative, 2021).

Table 1. Matrix of legal instruments and ESG “touchpoints” in disclosure obligations

Instrument group	Regulatory focus	Typical ESG “touchpoints”	Disclosure channel/cycle
Securities Law 2019	Market principles, disclosure obligations, investor protection	Information transparency, corporate governance, material risks	Periodic reports & disclosure obligations
Decree No. 155/2020/ND-CP	Specification of disclosure obligations and market governance	Completeness–accuracy–timeliness; responsibility of listed entities	Periodic/ad hoc/upon request
Circular No. 96/2020/TT-BTC	Procedures, templates, deadlines, language, retention	Operational disclosure framework; annual report/CG disclosures	Disclosure portal, stock exchange, company website
ESG guidelines/handbooks	Practical criteria for implementation and disclosure	E–S–G content; metrics; data governance	Recommendations, standardization orientation

(Source: *The author's research findings*)

Accordingly, the key issue is not the complete absence of transparency obligations, but rather a gap in standardizing content and in mechanisms to assure the quality of information related to environmental, social and governance matters. This is because the same topic—such as emissions, occupational safety, human resources policies, or supply-chain governance—may be presented with different measurement scopes and descriptive approaches across companies, reducing comparability and diminishing the usefulness of information for investors (IFRS Foundation, 2023a). When companies largely develop and publish sustainability statements on their own without clear requirements to explain measurement methods, baselines, and the level of independent assurance, the risk of selectively presenting favorable information increases and may lead to the provision of misleading information to the market (International Organization of Securities Commissions, 2021). The need to raise quality standards is therefore directly linked to the development of technical guidance and data governance tools to enhance consistency, auditability, and reliability of disclosed information—particularly in a context where the securities market regulator has promoted implementation and disclosure handbooks as a preparatory step for a broader standardization roadmap (State Securities Commission of Vietnam, 2024).

3.2. Current status of the level of ESG disclosure in listed companies' reports

In practice, ESG disclosure by listed companies in Vietnam shows an increasing trend in both participation and the diversification of disclosure formats, as evidenced by the growing number of companies choosing to prepare standalone sustainability reports or to integrate this content into annual reports as a component of corporate governance and investor communication (State Securities Commission of Vietnam, 2024). The upward trend in the number of reports is often accompanied by certain improvements in presentation structure and topic coverage; however, coverage across the three pillars—environmental, social and governance—remains significantly uneven, with governance content typically presented more comprehensively because it is directly tied to corporate governance reporting requirements and disclosure obligations that have been standardized under the securities law framework (Ministry of Finance (Vietnam), 2020). Pressure from capital markets also contributes to encouraging companies to improve disclosure, as empirical evidence suggests that ESG disclosure may be associated with stock price movements, thereby increasing investor demand for structured and verifiable information (Ha et al., 2024). A notable weakness lies in content requiring internal data systems and method-based measurement—such as energy, water, waste, emissions, and emissions-reduction targets—because these require companies to define reporting boundaries, select material indicators, and maintain time-series data to ensure consistency (Global Reporting Initiative, 2021). Similar difficulties arise for information linked to the value chain and supplier standards due to the need to collect data beyond the scope of a single company, which causes many reports to remain at a qualitative descriptive level and limits their usefulness for risk-pricing purposes (International Finance Corporation & State Securities Commission of Vietnam, 2013).

Table 2. Percentage of companies disclosing by ESG content group

Content group	2021	2022	2023	2024
Governance structure, Board of Directors, internal controls	90	93	97	97
Business ethics/compliance policies	63	70	77	80
Labor indicators (gender, training, safety)	57	63	70	73
Energy/water/waste data	40	47	53	57
Emissions indicators and emissions-reduction targets	20	27	33	40
Supply chain and supplier standards	17	23	27	33

(Source: The author's research findings)

The descriptive results show that governance information coverage has approached near-universal prevalence within the observed group of companies, while major gaps remain concentrated in environmental indicators, particularly emissions and emissions-reduction targets, reflecting limitations in measurement and sustainable data governance capacity (State Securities Commission of Vietnam, 2024). This gap has significant policy implications because many modern disclosure frameworks require companies to present sustainability-related risks and opportunities in a way that can be used in financial decision-making, emphasizing the linkage between sustainability information and strategy, risk management, and trackable metrics and targets (IFRS Foundation, 2023a). The climate focus continues to be elevated as disclosure of climate risks and adaptive capacity is increasingly embedded into reporting practice, exposing companies lacking emissions data and emissions-reduction targets to the risk of being assessed as weak in long-term risk governance capacity (IFRS Foundation, 2023b).

3.3. Disclosure quality: degree of quantification, comparability, and independent assurance

Assessment of disclosure quality indicates that the key measure is not only whether a company discloses, but whether the disclosed information is sufficiently reliable for investors and supervisors to use in evaluating risks and prospects (International Organization of Securities Commissions, 2021). A common pattern in practice is that reports focus on presenting achievements, community programs, and corporate social responsibility activities, while material indicators tied to the business model, significant impacts, and operational risks are described only to a limited extent, making it difficult to convert the information into data for comparison and trend tracking (Global Reporting Initiative, 2021). The practice of stating commitments but lacking baselines, calculation boundaries, and measurement methods reduces verifiability and increases the risk that readers misinterpret the extent of a company's substantive improvement over time (International Finance Corporation & State Securities Commission of Vietnam, 2013). International capital-market regulatory recommendations emphasize that sustainability information needs to ensure consistency, comparability, reliability, and materiality, because these characteristics are conditions for information to serve the goals of market transparency and reducing information asymmetry (International Organization of Securities Commissions, 2021).

Table 3. Indicators of ESG disclosure quality

Quality indicator	2021	2022	2023	2024
Has key quantitative environmental indicators (at least 3 indicators)	30	37	43	47
Describes measurement method/reporting boundary	23	30	37	40
Has quantitative targets and tracks progress	17	23	30	33
Links sustainability risks with business strategy	20	27	33	37
Has partial or full independent assurance (assurance)	7	10	13	17

(Source: The author's research findings)

These quality indicators show improvement over time in some areas such as an increased share of companies with quantitative environmental indicators and a higher share describing measurement methods, but overall prevalence remains not high, especially for assurance or independent verification requirements (State Securities Commission of Vietnam, 2024). The gap in independent assurance becomes a bottleneck because, in the absence of verification mechanisms, sustainability information is easily perceived as self-reported, reducing its value in risk pricing and creating doubt about the truthfulness of sustainability claims (International Organization of Securities Commissions, 2021). A roadmap to improve disclosure quality by standardizing indicators, requiring explanation of methods, and promoting independent assurance is consistent with modern sustainability disclosure standards that emphasize verifiability and the link between governance, strategy, risk management, and metrics and targets (IFRS Foundation, 2023a). Domestic practical guidance has shaped a technical recommendation framework for data governance and disclosure, but broad-based improvement incentives are often tied to clear legal requirements for minimum content and assurance obligations under a roadmap (State Securities Commission of Vietnam, 2025).

3.4. Enforcement mechanisms and “greenwashing” risk from the legal perspective of disclosure

Greenwashing risks in ESG disclosure often arise through selecting favorable information while omitting unfavorable information; making broad assertions without measurement indicators; conflating reporting boundaries between the parent company and subsidiaries or between the company and its supply chain; swapping concepts between legal compliance and going beyond standards; or failing to compare targets with implementation results over time (International Organization of Securities Commissions, 2021). The nature of disclosure in securities markets is grounded in requirements of completeness, accuracy, and timeliness; therefore, as sustainability information increasingly becomes data that affects investment decisions, legal risks from misstatements tend to rise with the degree of mandatory requirements and with the extent to which investors rely on sustainability claims (Government of Vietnam, 2020). The current disclosure framework has established requirements regarding the responsibilities of listed organizations and mechanisms for handling violations in cases of incorrect or incomplete disclosure, providing a foundation for addressing greenwashing risk as a form of misleading disclosure risk in the market (National Assembly of Vietnam, 2019). The need for improvement is therefore linked to clarifying minimum content standards, evidentiary standards, and accountability requirements to enhance the ability to detect and address acts of providing misleading sustainability information (Ministry of Finance (Vietnam), 2020).

Table 4. Signs of greenwashing risk in ESG disclosure

Sign	Description	2021	2022	2023	2024
“Green/sustainable” claims without indicators	Lacks data, lacks targets	11	10	9	8
Has indicators but lacks method/boundary	Unclear measurement and scope	9	9	8	7
States targets but does not report progress	Lacks target–outcome comparison	12	11	10	9
Reports only positive impacts	Does not disclose material risks/negative impacts	14	13	12	11

(Source: The author’s research findings)

The easing of some risk signs over time may reflect improved awareness and increased reporting experience, but the degree of persistence remains significant in a context where market requirements increasingly emphasize the reliability and verifiability of sustainability information (State Securities Commission of Vietnam, 2024). Policy design therefore needs to shift its focus from the piecemeal addition of indicators to an enforcement architecture that includes defining internal responsibility for data, regulating the signatory responsible and internal control mechanisms, requiring independent assurance under a roadmap, and strengthening sanctioning tools such as mandatory corrections, penalties for misleading disclosure, and clarifying compensation liability when investor harm occurs (Government of Vietnam, 2020). Effective enforcement mechanisms also depend on the interconnection between disclosure obligations and investor-protection regimes in securities law, because this is the foundation for determining legal consequences when sustainability information is used as part of the basis for investment decisions (National Assembly of Vietnam, 2019).

3.5. Comparison with international practice and implications for Vietnam

International comparison shows two main trends that are running in parallel in policy design for ESG disclosure: one emphasizes breadth of impacts and social responsibility, while the other emphasizes the usefulness of information for investor decision-making and financial risk assessment (International Organization of Securities Commissions, 2021). The European Union’s corporate sustainability reporting framework reflects a model of expanding scope and raising reporting requirements to increase standardization and assurance, aiming to generate comparable sustainability data at the market scale (European Parliament and Council of the European Union, 2022). International sustainability disclosure standards focus on a disclosure structure revolving around governance, strategy, risk management, metrics, and targets, thereby directly linking sustainability information to the financial decision-making context of general-purpose financial report users (IFRS Foundation, 2023a). The climate pillar continues to be strengthened as recommendations for climate-risk disclosure become a common language and are cited by many capital-market regulators as reference points for the structure of disclosures on governance, strategy, risk management, and climate-related metrics and targets (Task Force on Climate-related Financial Disclosures, 2017).

Table 5. Comparison of selected ESG disclosure policy pillars

Criteria	European Union (CSRD)	IFRS S1/S2 standards	Vietnam (current disclosure framework)
Mandatory nature	Expanded, under a roadmap	Disclosure standards, dependent on national adoption	General disclosure obligation; ESG mainly soft standards
Content standards	Standardized under European sustainability reporting standards	Governance–strategy–risk–metrics pillars	Lacks a unified national standard

Assurance	Emphasizes assurance/audit	Encourages reliability, verifiability	Independent assurance not common
Materiality	Combines breadth of impacts	Financial materiality (useful information)	No unified approach to determining materiality

(Source: The author's research findings)

The key policy implication for Vietnam lies in the requirement to combine the advantages of both trends, whereby information must be sufficiently broad to reflect environmental and social risks that may affect the company, while also sufficiently standardized and reliable to be used in risk assessment and valuation in capital markets (IFRS Foundation, 2023b). The improvement roadmap needs to take into account companies' compliance capacity and regulators' supervisory capacity, because raising content standards and increasing independent assurance requirements without accompanying technical support and data infrastructure may create high compliance costs and result in box-ticking reporting (State Securities Commission of Vietnam, 2024). A phased standardization direction can be built on the implementation guidance already issued to create a transitional step, and then gradually establish minimum content standards and enforcement mechanisms to ensure consistency, comparability, and the prevention of misleading sustainability information (State Securities Commission of Vietnam, 2025).

IV. DISCUSSION

Vietnam's core challenge lies in the absence of a mandatory minimum content standard for environmental, social and governance disclosure, which causes information to be presented in a fragmented manner, to vary in scope, and to be difficult to compare across listed companies, even though general disclosure obligations have been established relatively comprehensively under securities law (National Assembly of Vietnam, 2019). The design of a national reporting standard therefore needs to rest on identifying a minimum set of indicators by industry or by high-impact industry groups, standardizing the disclosure structure around the pillars of governance, strategy, risk management, metrics, and targets, and requiring clear explanations of measurement methods, reporting boundaries, and baselines in order to ensure progress tracking and data verifiability (IFRS Foundation, 2023a). Referencing the European Union's corporate sustainability reporting standardization model may help Vietnam approach ways to expand scope and raise standardization requirements, thereby generating market-level comparable data and reducing transition costs when companies participate in international capital markets (European Parliament and Council of the European Union, 2022).

Disclosure quality can only improve sustainably when anti-greenwashing mechanisms and reliability assurance mechanisms are designed as part of the enforcement framework, because mandating disclosure obligations without evidentiary standards and without verification mechanisms may lead to an increase in box-ticking reporting and erode investor confidence (International Organization of Securities Commissions, 2021). The legal mechanism needs to clarify the responsibilities of legal representatives and internal control units for sustainability data, while also establishing obligations to correct information when misstatements are detected and coordination mechanisms for supervision between the securities regulator and sectoral regulators in order to enhance the detection and handling of misleading disclosures (Government of Vietnam, 2020). A roadmap for independent assurance may be implemented by prioritizing material indicators, first applying an appropriate level of assurance to a number of key indicators, and then expanding coverage in line with the maturity of data infrastructure and measurement capacity within companies (State Securities Commission of Vietnam, 2024).

The effectiveness of the legal framework also depends significantly on the design of the implementation roadmap and disclosure infrastructure to avoid creating a compliance shock for listed companies, because measurement capacity and sustainable data governance differ substantially between large-cap companies and mid-sized companies, as well as across industries with different emission intensities (State Securities Commission of Vietnam, 2024). A tiered implementation model may prioritize larger companies or companies with high environmental sensitivity to adopt first, while integrating sustainability disclosure into periodic disclosure mechanisms on a centralized disclosure portal to improve data accessibility and analytics for investors and supervisors (Ministry of Finance (Vietnam), 2015). Capacity-building support should be tied to technical measurement guidance, staff training, digitized templates, and incentive mechanisms such as transparency rankings or preferential access to sustainable finance, because these tools help reduce compliance costs and create incentives to improve reporting quality over time (State Securities Commission of Vietnam, 2025).

V. CONCLUSION

The analysis shows that Vietnamese law on disclosure by listed companies has established an important foundation for market transparency through a system of periodic, ad hoc, and upon-request disclosure obligations, thereby contributing to reducing information asymmetry and strengthening disclosure discipline in the securities market. However, ESG-related disclosure content is still recorded in a fragmented manner, lacks standardized structures and indicators, and remains limited in terms of independent assurance mechanisms, making information difficult to compare across companies, difficult to track over time, and exposing sustainability information to the risk of being presented in a misleading manner. Improving the legal framework should be guided

by a roadmap that transitions from an incentive-based approach to a mandatory, tiered approach aligned with company size and impact level, while also developing a national reporting standard compatible with international practice, including clearly defined minimum indicator sets, materiality determination principles, reporting boundaries, and measurement methods to enhance the reliability and verifiability of data. Quality assurance mechanisms should be strengthened by clarifying the legal responsibilities of disclosing entities, enhancing supervisory coordination among relevant regulators, and designing sufficiently deterrent sanctions for misleading disclosure, together with requirements for timely corrections to protect investors and safeguard market integrity. Effective implementation also requires a digitized disclosure infrastructure that facilitates access and analysis, standardized internal data governance processes from collection to aggregation and reporting, and supported compliance capacity through technical guidance, implementation tools, and appropriate incentive mechanisms to help sustainability information be transformed into usable data for risk pricing and long-term investment decision-making.

REFERENCES

1. European Parliament and Council of the European Union. (2022). *Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting.*
2. Global Reporting Initiative. (2021). *GRI 1: Foundation 2021.*
3. Government of Vietnam. (2020). *Decree No. 155/2020/ND-CP (31 December 2020) detailing a number of articles of the Law on Securities.*
4. Ha, N. T. T., Nguyen, T. C., & Ho, N. T. B. (2024). The impact of environmental, social and governance disclosure on stock prices: Empirical research in Vietnam. *Heliyon*, 10(19), e38757. <https://doi.org/10.1016/j.heliyon.2024.e38757>
5. International Finance Corporation, & State Securities Commission of Vietnam. (2013). *Sustainability reporting handbook for Vietnamese companies.* (Report).
6. International Organization of Securities Commissions. (2021). *Report on sustainability-related issuer disclosures (FR04/2021).*
7. IFRS Foundation. (2023a). *IFRS S1: General requirements for disclosure of sustainability-related financial information.*
8. IFRS Foundation. (2023b). *IFRS S2: Climate-related disclosures.*
9. Ministry of Finance (Vietnam). (2015). *Circular No. 155/2015/TT-BTC (6 October 2015) guiding information disclosure on the securities market.*
10. Ministry of Finance (Vietnam). (2020). *Circular No. 96/2020/TT-BTC (16 November 2020) guiding information disclosure on the securities market.*
11. National Assembly of Vietnam. (2019). *Law on Securities (No. 54/2019/QH14).*
12. Nguyen, B. C., & Tran, M. N. (2025). Impact of board characteristics on corporate social responsibility disclosure among listed companies in Vietnam. *Journal of Industry and Trade (Vietnam)*, 394–400. <https://doi.org/10.62831/202516014>
13. Nguyen, B. Q. (2025). Impact of firm characteristics on corporate social responsibility disclosure among listed companies in Vietnam. *Journal of Industry and Trade (Vietnam)*, 385–390. <https://doi.org/10.62831/202518035>
14. Nguyen, H. C., & Duong, H. K. (2025). The impact of sustainability reporting on firm value, financial performance, and risk: An empirical study of Vietnam's listed companies. *Journal of Management and Governance*. Advance online publication. <https://doi.org/10.1007/s10997-025-09746-y>
15. Nguyen, T. L. H. (2021). Impact of environmental information disclosure on the cost of equity: Evidence from listed manufacturing companies in Vietnam. *Journal of Industry and Trade (Vietnam)*.
16. State Securities Commission of Vietnam. (2024, October). *Handbook on ESG implementation and disclosure (UK PACT).*
17. State Securities Commission of Vietnam. (2025, July). *ESG disclosure guidance for the manufacturing sector (UK PACT).*
18. Task Force on Climate-related Financial Disclosures. (2017). *Recommendations of the Task Force on Climate-related Financial Disclosures.*