



# ESG Integration through Strategic Governance in Vietnam's Commercial Banks: A Case Study Approach

Van Nguyen Hong, Giang Ngo Thu\*

<sup>1</sup> Department of Business, School of Economics and Management, Hanoi University of Science and Technology, Hanoi, Vietnam

\*Corresponding author: [giang.ngothu@hust.edu.vn](mailto:giang.ngothu@hust.edu.vn)

## ABSTRACT

### Research purpose:

*This paper examines how strategic governance enables ESG integration in Vietnam's commercial banking sector by comparing five leading banks (Vietcombank, BIDV, VietinBank, Techcombank, VPBank) and identifying governance mechanisms that act as enablers or constraints.*

### Research motivation:

*Although Vietnam's banks are pivotal to sustainable development and face rising expectations from regulators and international investors, weak board oversight, limited strategic integration, and uneven transparency continue to hinder ESG implementation.*

### Research design, approach, and method:

*A qualitative multiple-case study was conducted using 2024 sustainability and annual reports. Directed content analysis coded evidence across board structures, risk governance, and transparency using a 0–2 rubric summarized in mini-scorecards, enabling systematic cross-case comparison of state-owned and private banks.*

### Main findings:

*All five banks have institutionalized board-linked ESG oversight and formal risk architectures, yet depth and disclosure vary. On the composite scorecard (max 32), VPBank leads (28), followed by BIDV (24), Techcombank (21), and Vietcombank - VietinBank (20 each). Private banks show stronger cadence, broader framework adoption, external assurance, and data controls, whereas state-owned banks display more compliance-oriented, hierarchical models with thinner disclosure on cadence and assurance.*

### Practical/managerial implications:

*Banks should embed ESG competence across entire boards, deepen ESG risk integration across the three lines of defense and ESMS, and enhance transparency via multi-framework reporting (GRI/TCFD/ISSB), independent assurance, and ESG data-governance controls; these steps shift disclosure from compliance to strategic accountability and strengthen investor credibility.*

**Keywords:** *ESG integration, commercial banks, sustainable development, strategic governance.*

## 1. INTRODUCTION

Environmental, Social, and Governance (ESG) frameworks have emerged as critical determinants of sustainable business practices in the global banking sector, reflecting a paradigm shift toward responsible financial intermediation that fundamentally reshapes how financial institutions assess risk, allocate capital, and measure performance. The integration of ESG principles represents not simply an ethical imperative but a strategic business necessity, as financial institutions worldwide recognize that environmental degradation, social inequality, and governance failures pose material risks to long-term profitability and institutional resilience (Annesi et al., 2025). Vietnam's commercial banking sector stands at a pivotal juncture within this global ESG movement, experiencing pressure from multiple fronts that collectively accelerate the urgency for comprehensive ESG integration (Vietnam's Bank Association, 2024).

The empirical evidence of ESG adoption within Vietnam's banking sector reveals both substantial progress and persistent implementation challenges that underscore the complexity of translating policy commitments into operational

© The Author(s) 2026

N. D. Nguyen and P. T. K. Ngoc (eds.), *Proceedings of the International Conference on Emerging Challenges: Business Dynamics in Disruptive Economy (ICECH 2025)*, Advances in Economics, Business and Management Research 377,

[https://doi.org/10.2991/978-94-6239-622-7\\_22](https://doi.org/10.2991/978-94-6239-622-7_22)

realities. The State Bank of Vietnam has reported that 80-90% of financial institutions have partially or fully implemented ESG practices, with outstanding green credit reaching VND 704.2 trillion (approximately USD 27.1 billion) by early 2025, representing 22% of total loans and demonstrating an average annual growth rate of 21.2% over seven years, significantly outpacing overall credit growth (Lin, 2025). However, these advances remain uneven due to inadequate governance structures that fail to provide the strategic oversight, risk management integration, and transparency mechanisms necessary for sustained ESG implementation.

Fair Finance Vietnam's assessment of eleven major banks in 2022 confirmed this trend, revealing progress across ESG pillars compared to 2020 baseline measurements, yet highlighting substantial gaps in board-level accountability, risk oversight, and transparent ESG reporting (Fair Finance Vietnam, 2023). The banking sector's role as the primary capital provider positions these institutions as crucial catalysts for Vietnam's sustainable development trajectory. However, their effectiveness is constrained not only by market and regulatory challenges but also by governance limitations, including weak board-level oversight, limited integration of ESG into corporate strategy, and insufficient transparency in reporting. These challenges necessitate empirical examination of how leading commercial banks transition from ESG awareness to actionable strategies through governance mechanisms, especially in case that international ESG requirements increasingly shape access to global capital markets and cross-border partnerships that are essential for Vietnam's economic integration.

Therefore, this paper focuses specifically on the role of strategic governance in enabling ESG integration in Vietnam's banking sector. By examining five leading commercial banks, including Vietcombank, BIDV, Techcombank, VietinBank, and VPBank, which are selected from the 11 banks assessed by Fair Finance Vietnam (2023) based on their market leadership, financial performance, brand recognition, and demonstrated commitment to ESG practices. The case study approach enables an in-depth comparison of governance strategies between state-owned and private banks, providing insights into how institutional arrangements influence ESG adoption. The research contributes to the literature by addressing a critical gap: while extensive studies examine ESG adoption, limited empirical evidence demonstrates how governance mechanisms specifically function as both enablers and constraints in emerging market banking contexts. Furthermore, it also provides evidence-based recommendations for banking practitioners, policymakers, and investors aimed at strengthening ESG governance, thereby enhancing alignment with global sustainability standards while maintaining institutional resilience in an increasingly dynamic financial environment.

## 2. LITERATURE REVIEW

### 2.1 Corporate Governance: From Traditional Corporate Governance to ESG Integration

Corporate governance is "the system by which companies are directed and controlled", comprising rules, processes, and practices that shape leadership and decision-making (Cadbury, 1992). Specifically, traditional governance emphasizes board oversight, management accountability, and shareholder protection; fiduciary duties require executives to act in the firm's best interests with loyalty and diligence (Shleifer & Vishny, 1989). However, limits to this paradigm have become evident. In particular, a narrow focus on shareholder wealth can conflict with long-term value creation, encouraging short-termism and underweighting emerging environmental and social risks that may not immediately appear in financial metrics (Stoelhorst & Vishwanathan, 2024). For example, the 2008 financial crisis highlighted these weaknesses, as governance mechanisms failed to curb excessive risk-taking that ultimately harmed both shareholders and the broader economy (Alexander, 2024). Consequently, these shortcomings have catalyzed a shift toward governance frameworks that integrate Environmental, Social, and Governance (ESG) considerations.

In response, ESG governance reframes corporate purpose by recognizing responsibilities to a wider set of stakeholders affected by corporate actions (Stoelhorst & Vishwanathan, 2024). Notably, this shift is reflected in the Business Roundtable's 2019 statement emphasizing value for customers, employees, suppliers, communities, and long-term shareholders, not shareholder wealth alone (Harrison et al., 2020). Building on this, ESG governance embeds E, S, and G into strategic decision-making; strengthens stakeholder engagement and materiality assessment; extends managerial horizons beyond quarterly metrics; and elevates transparency through robust reporting and assurance (Barbosa et al., 2023; An et al., 2022).

Accordingly, governance is the key enabler of effective ESG implementation. When well structured, board-level oversight, risk frameworks, and performance systems translate sustainability commitments into operational reality; research shows that sound stakeholder governance can prompt banks to fulfill social responsibilities without degrading managerial quality (An et al., 2022). Conversely, weak governance impedes strategic integration, reduces transparency, and blurs accountability for ESG outcomes. By contrast, compared with the traditional model, ESG governance adopts broader accountability to all affected stakeholders, prioritizes durable value creation, and institutionalizes disclosure and engagement to build trust (Alexander, 2023). Ultimately, this evolution aligns with societal expectations of corporate responsibility and the insight that long-term business success depends on healthy stakeholder relationships (Purcarea & Radulescu, 2024).

In this research, ESG integration can be defined as the explicit and systematic incorporation of environmental,

social, and governance information into financial analysis and decision-making, alongside traditional metrics, rather than as a separate screening exercise (Van Duuren et al., 2016). From this point of view, investors primarily employ ESG information to assess risks and performance, thereby underscoring the material, decision-useful purpose of integration (Amel-Zadeh & Serafeim, 2018). Moreover, evidence indicates that focusing on financially material ESG issues is associated with superior performance relative to peers, which further reinforces integration's emphasis on economic relevance (Khan et al., 2016).

## 2.2 Strategic Governance Mechanisms for ESG Integration

In this study, the authors based on the Basel Committee's Principles (BCBS, 2022) to select three analytical dimensions, including board-level governance structure, risk management and disclosure transparency. Generally, the authors framed these three dimensions as a comprehensive loop: from **strategy** to **execution** and then **verification**: board structures set direction and accountability (strategy), risk governance translates those mandates into daily operations and portfolio oversight (execution), and disclosure governance provides meaningful and examinable evidence that closes the loop so board review and strategic adjustment will be informed (verification). To be more specific, firstly, corporate governance (Principles 1–3) establishes board and senior-management oversight and requires that climate-related risks be incorporated into the bank's business strategy and governance arrangements. Secondly, internal control and risk processes (Principle 4 and Principles 6–12) require integration across the entire control architecture: Principle 4 anchors responsibilities within the three lines of defense; Principle 6 links climate risk to the bank-wide risk management process, including the risk-appetite framework; Principles 8–11 extend coverage to credit, market, liquidity, and operational risks; and Principle 12 introduces scenario analysis to assess resilience and inform management actions. Thirdly, management reporting and supervision (Principle 7; Principles 13–15) call for robust risk-data aggregation and internal reporting to support board and senior-management decision-making, while supervisors assess whether banks have adequately embedded these elements and maintain credible practices over time (BCBS, 2022).

### 2.2.1 Board-Level ESG Governance Structures

The establishment of effective board-level ESG governance structures represents a fundamental mechanism for integrating sustainability considerations into corporate strategic decision-making processes. Central to this framework is the ongoing debate regarding optimal committee models for ESG oversight, specifically whether organizations should establish standalone ESG committees or integrate ESG responsibilities within existing risk and audit committees (Suetens, 2024). Research indicates that standalone ESG committees demonstrate superior performance outcomes, with academic studies suggesting that dedicated committees positively impact both ESG reporting quality and overall ESG performance compared to integrated committee structures (Amran et al., 2014). However, integrated approaches that incorporate ESG oversight within existing audit and risk committees offer the advantage of leveraging established governance infrastructure while ensuring ESG considerations receive systematic attention across traditional oversight functions (Amiraslani et al., 2025).

Furthermore, studies examining European systematically important banks reveal that board size and composition contribute positively to overall sustainable performance, with larger boards demonstrating greater effectiveness in mitigating ESG controversies through enhanced human capital and stakeholder interactions (Dicuonzo et al., 2022). In addition, board independence plays a crucial role in ESG performance, with research indicating that boards with higher degrees of independence are more inclined toward environment- and social-related initiatives, reflecting their capacity to challenge management decisions and prioritize long-term stakeholder interests over short-term financial pressures (Bhat et al., 2023).

Complementing compositional factors, ESG-linked board evaluations and performance assessments represent increasingly important tools for aligning director incentives with organizational sustainability goals while establishing clear expectations for ESG oversight responsibilities (Burke, 2022). Moreover, the integration of ESG-related key performance indicators into director remuneration frameworks provides tangible incentives for board members to prioritize sustainability considerations in their oversight functions, thereby strengthening the connection between governance effectiveness and ESG performance outcomes (Flammer et al., 2019). Significantly, emerging regulatory developments and fiduciary duty expectations are expanding director liability for ESG outcomes by clarifying that boards should consider the consequences of their decisions on sustainability matters, thereby establishing legal accountability for ESG governance failures (Keay & Loughrey, 2015).

Last but not least, strategic oversight functions encompassing ESG strategy approval, capital allocation decisions, and long-term monitoring systems represent the operational mechanisms through which boards translate sustainability commitments into concrete organizational actions. Research evidence suggests that effective strategic oversight requires boards to incorporate ESG considerations directly into strategic planning processes, ensuring that sustainability implications of business activities receive systematic evaluation alongside financial considerations during decision-making processes (Barbosa et al., 2023). Furthermore, capital allocation oversight involves establishing ESG investment criteria and ensuring that resource allocation decisions reflect organizational sustainability priorities, thereby

operationalizing board-level ESG commitments through concrete financial decisions that support long-term value creation (Amiraslani et al., 2025).

### 2.2.2 Risk Governance and ESG Integration

Risk governance frameworks for ESG integration have evolved to encompass comprehensive approaches that systematically identify, assess, and manage environmental, social, and governance risks through structured organizational models and oversight mechanisms. Central to effective ESG risk governance is the implementation of **the three lines of defense model** that establish clear roles and responsibilities across organizational levels while ensuring adequate coverage and coordination in risk management activities (Héroux & Fortin, 2025). The first line of defense consists of business units and operational management who own and manage ESG risks as part of their day-to-day operations, implementing risk controls and monitoring procedures within their specific areas of responsibility. Subsequently, the second line of defense includes risk management and compliance functions that provide independent oversight, develop ESG risk frameworks, and establish methodologies for risk assessment and reporting to ensure first-line activities align with organizational risk appetite and regulatory requirements. Thirdly, the third line of defense encompasses internal audit functions that provide independent assurance regarding the effectiveness of ESG risk management processes across both first and second lines, reporting directly to the board to maintain objectivity and independence in ESG risk governance evaluation.

Building upon these structural foundations, climate risk governance has emerged as a particularly critical component of ESG frameworks, requiring specialized approaches for managing both physical and transition risks associated with climate change impacts on banking operations. Research demonstrates that effective climate risk governance necessitates alignment with Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which provide structured frameworks for disclosure across four core elements: governance, strategy, risk management, and metrics and targets (BCBS, 2020). Particularly important is the distinction between transition risks that arise from the shift toward a low-carbon economy; and physical risks, resulting from acute and chronic climate-related events, which requires differentiated governance approaches and risk management strategies tailored to each risk category's unique characteristics and time horizons (Dow & Shi, 2025).

Complementing climate risk governance, social risk governance frameworks address human rights due diligence, community impact assessment, and reputational risk management through systematic processes that evaluate corporate activities' actual and potential adverse impacts on stakeholders. Academic research indicates that human rights due diligence represents a conceptually distinct approach from traditional social risk management, requiring organizations to prioritize stakeholder impacts over business risks and establish processes that assess, integrate, track, and communicate how human rights impacts are addressed (United Nations Development Programme, 2021). Furthermore, effective social risk governance necessitates engagement with internal and external expertise to ensure comprehensive assessment of human rights impacts, particularly in high-risk contexts such as areas of conflict, weak governance, or known labor rights violations where traditional due diligence approaches may prove insufficient.

### 2.2.3 Transparency and Disclosure Governance

Transparency and disclosure governance represents the operational framework through which organizations communicate ESG performance to stakeholders while maintaining accountability and regulatory compliance. Central to effective transparency governance are robust reporting frameworks that ensure board-approved ESG reports meet established international standards and provide stakeholders with reliable, comparable information about organizational sustainability performance. The study of Elsheikh et al. (2024) demonstrates that board characteristics significantly influence ESG reporting quality, with studies revealing positive relationships between board independence, size, gender diversity, and the comprehensiveness of environmental, social, and governance disclosures.

Complementing formal reporting structures, stakeholder engagement processes encompass materiality assessments, feedback mechanisms, and grievance procedures that ensure ESG disclosures reflect stakeholder priorities and organizational impacts. The research taken by Dragomir et al. (2025) indicates that materiality assessments represent complex processes requiring systematic stakeholder engagement to identify sustainability issues that are most significant to both organizational operations and external stakeholder concerns. Moreover, effective stakeholder engagement requires ongoing and iterative processes that balance descriptive, instrumental, and normative motives, enabling organizations to gain insights into material issues, enhance organizational performance, and fulfill ethical obligations to affected stakeholders (Giacomini et al., 2025).

Furthermore, digital governance considerations encompassing ESG data quality, technology integration, and cybersecurity measures represent increasingly critical components of transparency frameworks as organizations rely on digital solutions to manage complex sustainability data requirements. Research indicates that artificial intelligence and digital technologies significantly enhance ESG reporting quality by addressing challenges related to standardization, consistency, and data accuracy through advanced tools including natural language processing, machine learning, and blockchain technologies (Chen, 2024). In addition, cybersecurity policies demonstrate positive correlations with ESG

pillar scores, particularly in European banks and smaller financial institutions, with studies of G10 and EU banks revealing that institutions with comprehensive cyber policies achieve significantly higher ESG ratings across social and governance dimensions, though this relationship is less pronounced among major banks where other institutional controls may influence ESG performance (Bruno et al., 2024).

**3. METHODOLOGY**

**3.1 Research Approach**

This study adopts a qualitative multiple case study methodology to examine how governance mechanisms enable or constrain ESG integration in Vietnam’s commercial banking sector. Following Yin’s (2014) approach, case study research is particularly well-suited for exploring “how” and “why” questions within contemporary organizational phenomena where contextual conditions are highly relevant to the research focus. Building upon this foundation, a multiple case study design enables robust cross-case comparison and enhances the analytical generalization of findings beyond individual institutional contexts (Yin, 2014). Furthermore, this methodology aligns with recent academic research in sustainability governance, where case studies have proven effective in analyzing complex governance transformations and organizational implementations (Amaya et al., 2021; Dicuonzo et al., 2022).

Specifically, the research focuses on five selected banks - Vietcombank, BIDV, Techcombank, VietinBank, and VPBank, based on their market leadership positions, inclusion in Fair Finance Vietnam’s 2022 assessment, and demonstrated commitment to ESG practices. In this context, each bank represents a unique case bounded by its governance structures, strategic approach to sustainability, and publicly disclosed ESG commitments. To ensure systematic analysis, the study employs a directed content analysis approach, where initial analytical categories are drawn from the governance mechanisms identified in the literature review, including board-level oversight, executive leadership, risk governance, and transparency/disclosure, while remaining open to emergent themes that arise from the data (Amaya et al., 2021). Consequently, this approach ensures systematic cross-case comparison while capturing the unique governance characteristics of each institution’s ESG integration journey.

**3.2 Data Analysis**

The primary data source consists of publicly available sustainability reports, annual reports, and ESG disclosures published by the five selected banks in 2024. This focus on 2024 publications ensures that the research findings reflect the most current ESG governance practices and structures, capturing the latest developments in Vietnamese banking sector’s sustainability initiatives following recent regulatory guidance and international standard adoption. In line with established practices in sustainability reporting research, the analysis focuses exclusively on official corporate communications that represent formal institutional commitments (Susilawati et al., 2024). Moreover, the data collection process adheres to systematic protocols ensuring consistency across cases, with documents sourced directly from official bank websites and verified through multiple access points.

Qualitative content analysis serves as the primary analytical technique, enabling systematic examination of governance-related information from each bank’s sustainability disclosures. The analytical approach involves extracting and categorizing ESG governance information across the three key dimensions: **(1) board structures and oversight, (2) risk governance frameworks, and (3) transparency and disclosure practices**. As a result, comparative analysis is conducted to identify similarities and differences between state-owned and private banks in how these governance mechanisms support or constrain ESG integration, including their strategic priorities, structural approaches, and accountability systems. The analysis focuses on identifying key governance patterns that emerge from the banks’ disclosures, allowing for cross-case comparison to understand how different ownership structures influence ESG governance effectiveness across these leading Vietnamese commercial banks. Last but not least, the findings are synthesized to provide insights into how governance structures function as both enablers and constraints of ESG implementation in Vietnam’s banking sector, ensuring direct connection between the conceptual foundations, governance mechanisms from the literature review, and empirical evidence generated from the case studies.

**3.3 Coding Scheme and Indicator Rubric**

To enable systematic cross-case comparison while preserving qualitative richness, we use a directed content analysis with a condensed indicator rubric derived from the literature review and bounded by the evidence analyzed in the findings and discussion section. Evidence is coded across three governance dimensions: (A) Board-level ESG governance; (B) ESG risk governance & integration; (C) Transparency & disclosure governance. Each indicator is rated on a 0–2 scale (0 = none; 1 = narrative/partial; 2 = formalized—charter/metrics/cadence/assurance).

**Table 1.** Proposed Scoring Scale (for all indicators)

Score	Label	Definition
-------	-------	------------

0	Absent / Not evidenced	No explicit disclosure or only generic statements with no governance substance.
1	Partial / Foundational	Policy or practice present but limited in specificity, scope, or enforcement (e.g., narrative mention, ad hoc activity, unclear accountability).
2	Explicit / Institutionalized	Formalized practice with defined roles, processes, and/or quantification; where relevant, external verification or disclosed cadence.

Source: Synthesized by authors

**Table 2.** Proposed Coding Scheme and Scoring Rubric (for each indicator)

Dimension	ID	Indicator	0 – Absent / Not evidenced	1 – Partial / Foundational	2 – Explicit / Institutionalized
<b>A. Board-level ESG governance</b>	A1	Governance locus & reporting (dedicated ESG/Sustainability committee or clear remit; reporting line to BoD/BRC)	No locus	Implied/unclear remit	Dedicated locus and defined reporting
	A2	Cadence & agenda (meeting frequency and standing ESG agenda/KPI items)	Not disclosed	Ad hoc mentions	Regular cadence and recurring agenda/KPIs disclosed
	A3	Board competence & training (skills/role designation + programs)	None	Generic training mention	Named skills/role and structured program
	A4	Board composition (diversity & independence: gender/nationality/independent directors, renewal/succession)	Not disclosed	Figures only, no policy/targets	Policy/targets and/or progress beyond minimums
	A5	Governance framework alignment (OECD/ASEAN CG/IFC; SBV guidance)	None	General reference	Mapped alignment to named frameworks
<b>B. ESG risk governance &amp; integration</b>	B1	Risk governance architecture (Three Lines of Defense; Basel II/III status; committee cadence)	Not articulated	High-level reference	Roles/cadence defined; Basel progress stated
	B2	ESMS & sector policies (scope/process for E&S assessment, incl. trade/project finance)	None	Policy-level only	Operational ESMS with defined scope/process
	B3	Portfolio coverage & emissions (E&S assessment coverage; Scope 1–2; relevant Scope 3/financed)	None	Partial (e.g., S1–2 only)	Coverage reported; S1–2 and relevant S3/financed
	B4	Green finance frameworks & reviews (Green Bond Framework; SPO/rating)	None	Framework only	External SPO/rating disclosed
<b>C. Transparency &amp; disclosure governance</b>	C1	Reporting frameworks (GRI/TCFD/ISSB mapping/readiness)	None	Partial/reference only	Structured mapping/readiness stated
	C2	Taxonomy mapping (e.g., Vietnam Green Taxonomy; activity-level criteria)	None	Qualitative/partial	Activity-level mapping with criteria/thresholds
	C3	External assurance (ESG metrics/sections; scope/standard)	None	Limited assurance	Broader scope or higher-level review
	C4	Materiality & stakeholder engagement (single vs double; process breadth)	None	Basic/single; limited outreach	Double materiality and systematic multi-stakeholder process
	C5	ESG data governance & controls (ICFR-style controls; internal	None	Ad hoc checks	Documented controls and/or internal audit

		audit)			
	<b>C6</b>	Board approval & accountability (reports/policies approved; roles assigned)	Not approved	Management-level only	Board-approved with clear accountabilities
	<b>C7</b>	Report boundary & coverage (bank vs group/subs; rationale)	Unclear	Partial without rationale	Clear boundary with rationale/consistency

Source: Synthesized by authors

4. FINDINGS AND DISCUSSION

4.1 Board ESG Governance Structures

Table 3. Board-Level ESG Governance Structures by Banks (2024)

Aspect	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
<b>Committee Model</b>	ESG Committee + Dedicated Board Member for Sustainability (since 2024)	Steering Committee for Sustainable Development Strategy & ESG Implementation + Project Management Board	Sustainable Development Steering Committee	ESG Advisory Board (chaired by CEO) + ESG Core Team (cross-functional)	Sustainability Development Committee + Chief Sustainability Officer
<b>Duties</b>	Strategy development, policy approval, ESG KPIs integration into CEO performance, monitoring ESG initiatives	Comprehensive ESG strategy development, green banking positioning, risk assessment oversight with international standards alignment	ESG strategy formulation, social and environmental risk oversight, “Dual Transformation” strategy implementation (digital + green)	Climate risk management, sustainable project approval, stakeholder engagement, comprehensive ESG integration across business divisions	ESG policy oversight, sustainability initiatives, ESG KPIs integration, sustainability risk management
<b>Meeting Frequency</b>	Not disclosed	Not disclosed	Semi-annual	Monthly (for ESG sub-committees), quarterly (for overall coordination)	Quarterly
<b>Agenda Priorities</b>	Green finance leadership, sustainable development strategy implementation	Green banking positioning, comprehensive ESG strategy, international standards compliance	Dual transformation strategy, ESG integration with business operations	Climate risk, stakeholder engagement, project approval, ESG ratings and performance metrics	ESG KPIs, strategy integration, sustainability risk, UN PRB and SDG implementation
<b>Reporting Lines</b>	Direct to the Board (with dedicated Board member oversight)	Direct to the Board and integrated with Board Risk Committee	Direct to the Board	CEO-led ESG Advisory Board reporting to Board, with ESG Core Team providing operational support	Direct to the Board (with cross-functional committee integration)
<b>Regulatory Influence</b>	Compliance-oriented approach with	Explicit and comprehensive adoption of	Implicit alignment with SBV guidance	Market and investor-driven approach,	Comprehensive framework adoption: UN

Aspect	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
	SBV guidance and national sustainability priorities, focus on green finance regulations	international frameworks: OECD Principles, ASEAN Corporate Governance Scorecard, IFC guidance, demonstrating strongest regulatory integration among state-owned banks	and Vietnam's Green Growth Strategy, integrated with digital transformation initiatives under government digitalization mandates	emphasis on international ESG ratings, indices, and stakeholder expectations rather than regulatory compliance focus	Principles for Responsible Banking (PRB), SDGs, and formal “Sustainability Governance Regulations”, representing the most structured regulatory integration among private banks

*Source: Synthesized by authors*

The comparison of ESG governance structures across Vietcombank, BIDV, VietinBank, Techcombank, and VPBank reveals both shared foundations and significant divergences in how these institutions institutionalize sustainability oversight.

At a structural level, all five banks have established formal board-linked committees dedicated to ESG or sustainability, reflecting an industry-wide recognition of the importance of governance in advancing ESG integration. However, the committee models vary in their degree of formalization, integration, and operational reach. Vietcombank, BIDV, and VietinBank, all of which are state-owned, rely on formal, standalone sustainability committees that reflect a compliance-oriented style of governance: Vietcombank formed an ESG Committee with a dedicated sustainability board member in 2024, BIDV operates a Steering Committee linked to a Project Management Board that reinforces risk oversight, and VietinBank maintains a Sustainable Development Steering Committee with a traditional strategy focus. By contrast, Techcombank and VPBank adopt hybrid, cross-functional structures: Techcombank’s CEO-chaired ESG Advisory Board works alongside an ESG Core Team embedded across divisions, while VPBank combines a Sustainability Development Committee with a Chief Sustainability Officer to integrate ESG horizontally across board committees. Thus, whereas state-owned banks emphasize vertical formality and clear lines of control, private banks favor flexible architectures that weave ESG into day-to-day business.

These structural decisions carry through to committee duties. At Vietcombank, BIDV, and VietinBank, responsibilities concentrate on strategy formulation, policy approval, and risk alignment with national priorities; illustrative examples include VietinBank’s integration of ESG oversight into its “Dual Transformation” (digital + green) and Vietcombank’s linkage of ESG KPIs to CEO performance, while BIDV stands out for explicitly referencing international standards and a comprehensive green-banking strategy. Meanwhile, Techcombank and VPBank extend mandates into operations: Techcombank actively manages climate risks, approves sustainable projects, and drives cross-division integration with strong stakeholder engagement; VPBank embeds ESG KPIs, integrates sustainability risk management, and aligns simultaneously with domestic and global frameworks. In short, state-owned committees primarily safeguard compliance and strategic consistency, whereas private banks operationalize ESG within core business and investor-facing practices.

Meeting cadence and agenda transparency further reinforce this divide. VietinBank discloses semi-annual meetings and VPBank reports quarterly cycles, but Techcombank adds monthly sub-committee sessions with quarterly coordination, enabling more continuous oversight of project-level implementation. By contrast, Vietcombank and BIDV do not disclose meeting frequency, raising questions about monitoring regularity. Agenda detail follows a similar pattern: Techcombank highlights climate risk, project approvals, and ESG ratings, and VPBank emphasizes KPI integration and alignment with the PRB and SDGs, while Vietcombank and BIDV provide fewer specifics, suggesting a narrower compliance lens.

Last but not least, reporting lines and regulatory influence differentiate the groups. All committees report to their Boards, yet BIDV’s additional channel through the Board Risk Committee more explicitly links ESG to risk governance, VPBank cross-links with risk and nomination committees, and Techcombank relies on its ESG Core Team for operational support under Board and CEO guidance. At the policy level, state-owned banks align chiefly with SBV directives and the National Green Growth Strategy (with BIDV the most internationalized), whereas private banks respond more directly to market expectations—Techcombank leveraging ratings and indices, and VPBank formally adopting global frameworks

such as the PRB and SDGs through codified sustainability governance.

Based on the evidence summarized in Table 3, the analysis above and using the proposed scoring rules, the authors have derived the mini-scorecard below:

**Table 4.** Mini-Scorecard for Board-Level ESG Governance (A1, A2, A5)

ID / Banks	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
A1 Governance locus & reporting	2	2	2	2	2
A2 Cadence & agenda	1	1	2	2	2
A5 Governance framework alignment	1	2	1	0	2

Source: Synthesized by authors

**4.2 Board ESG Competence, Training, and Renewal**

**Table 5.** Board ESG Competence, Training, and Renewal by Banks (2024)

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
<b>Board ESG Competence</b>	From 2024, a dedicated BoD member oversees sustainability; ESG is integrated into strategies with movement toward reporting aligned to GRI and TCFD.	ESG governance formalized via a Steering Committee led by the Chairman and a Project Management Board led by a BoD member; the Sustainability Report is approved and issued by the BoD.	Sustainable Development Steering Committee (1 BoD and 1 BoM member in charge); BoD supervises sustainability and reviews/approves the integrated Sustainability Report.	ESG Advisory Board led by the CEO with a defined ESG core team; clear roles for the BoD and CEO in managing and monitoring ESG risks and initiatives.	CEO and BoD members directly review and approve the Sustainability Report; ESG risk is integrated into the risk framework, and the bank publishes TCFD-aligned climate reports.
<b>Training and Development</b>	Comprehensive training via the Training & HR Development School with e-learning (SuccessFactors) and blended formats to build organization-wide capability.	2024 internal ESG training plan delivered four courses to nearly 300 staff; staff nominated to specialized ESG workshops; online ESG training delivered via Udemu.	BoD members are subject to training requirements; bank-wide leadership development via the HR Development & Training School and leadership pipelines (e.g., NextGen, Hipo Top 500).	ESG training provided to corporate RMs; ~3,000 employees joined internal ESG Master Sharing; leadership pipeline programs (e.g., TechcomPACE) developed for 1,366 future leaders.	Senior leaders attend structured corporate governance programs and forums; Corporate Governance Officer completed VIOD's CSMP3 program.
<b>Renewal and Succession Planning</b>	Formal nomination/selection processes (GMS-led); BoD performance evaluation and independent	ESG governance bodies (Steering Committee and Project Board) embed cross-level leadership	Extensive 2024 renewal: BoD for the 2024–2029 term elected with multiple re-appointments and new appointments;	2024 board refresh added an independent and a female BoD member; structured leadership pipelines and	Governance includes BoD committees (HR and Risk) and 2 independent BoD members; nomination/selection governed by

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
	member oversight; 2024 resignation/retirement handled under process, indicating active renewal.	participation (Chairman, BoD member, CEO, Deputy CEOs), supporting continuity across strategy execution.	leadership pipeline reinforced via high-potential programs.	talent programs (e.g., TechcomPACE) support succession.	charter with regular leadership development supporting future succession.

*Source: Synthesized by authors*

The comparative analysis of Vietcombank, BIDV, VietinBank, Techcombank, and VPBank reveals convergence in institutionalizing ESG governance, yet striking divergences in how boards embed competence, training, and renewal mechanisms. While all five banks demonstrate formal oversight structures, their approaches are shaped by ownership: state-owned banks exhibit compliance-driven, hierarchical governance aligned with national strategies, whereas private banks pursue market-oriented, investor-focused integration that positions ESG as a competitive differentiator.

To begin with, a key area of divergence lies in how board competence is defined and institutionalized. Vietcombank, BIDV, and VietinBank emphasize structural oversight rather than individual expertise. Vietcombank’s 2024 appointment of a sustainability board member advances accountability yet concentrates competence in one seat; BIDV’s Chairman-led Steering Committee and Project Board formalize governance but reinforce top-down control; and VietinBank’s Sustainable Development Steering Committee maintains a collective supervisory model with limited specialist depth. By contrast, Techcombank and VPBank embed capability more broadly. Techcombank’s CEO-chaired ESG Advisory Board, supported by an ESG Core Team, bridges strategy and operations, signaling that ESG is material to competitiveness rather than merely compliance. VPBank goes further by integrating ESG into risk frameworks, publishing TCFD-aligned reports, and requiring BoD approval of sustainability reports, thereby aligning governance with investor scrutiny.

Moving forward, another significant difference emerges in the area of training and development. Vietcombank employs blended training formats through its HR Development School, emphasizing organizational awareness but not explicitly tailored to ESG specialists. BIDV’s 2024 internal ESG plan, with four courses for 300 staff and UdeMy-based online training, represents a more deliberate attempt to mainstream ESG knowledge across the institution, although its scale remains modest relative to its workforce. VietinBank incorporates training within leadership development programs (NextGen, Hipo Top 50), which build general management capacity but dilute ESG-specific learning. Taken together, these reflect a state-owned bank approach that prioritizes widespread but shallow ESG exposure, suitable for meeting regulatory expectations yet limited in depth. By contrast, private banks adopt sharper, targeted models. Techcombank provided ESG training to corporate relationship managers and engaged ~3,000 employees in its “ESG Master Sharing” initiative, embedding ESG awareness directly into frontline business functions where risk assessment and lending decisions occur. Its TechcomPACE program, training 1,366 future leaders, demonstrates deliberate integration of ESG thinking into leadership pipelines. VPBank focuses on senior leadership, with structured corporate governance programs and international certifications, such as its Corporate Governance Officer’s completion of VIOD’s CSMP3 program. Consequently, these approaches illustrate that private banks consider ESG training as an investment in organizational capacity and credibility, linking it directly to investor confidence and market differentiation.

In addition, succession and renewal mechanisms also illustrate clear ownership-driven contrasts. Vietcombank demonstrates continuity through formal GMS-led processes, independent oversight, and transparent handling of retirements and resignations. This continuity reinforces stability but risks perpetuating homogeneity of perspectives. BIDV embeds cross-level leadership into its governance bodies—Chairman, BoD, CEO, and deputies—ensuring continuity in ESG strategy execution yet again prioritizing stability over diversity. VietinBank undertook extensive board renewal in 2024, electing a new board for the 2024–2029 term while reinforcing leadership pipelines through high-potential programs, but its reappointments suggest incremental rather than transformative change. In contrast, private banks approach renewal more dynamically. Techcombank refreshed its board in 2024, adding both an independent and a female director, a notable attempt to broaden representation and strengthen accountability. This complements its structured pipelines (e.g., TechcomPACE), signaling deliberate alignment between governance renewal and talent development. VPBank’s governance emphasizes independence, maintaining two independent directors and embedding nomination and succession processes within its charter.

In general, the implications of these differences are significant. State-owned banks institutionalize ESG oversight through compliance-oriented structures, board committees, and broad training programs that satisfy regulatory and

national policy requirements, but they often lack depth in specialized competence, operational integration, and renewal diversity. Private banks, on the other hand, adopt market-driven models that embed ESG competence into strategic and operational layers, provide targeted training linked to leadership and investor expectations, and pursue renewal strategies that diversify governance and strengthen accountability. Yet across all five banks, one persistent weakness remains: the absence of transparent metrics to evaluate board competence, training effectiveness, or succession outcomes. Disclosures are largely descriptive, making it difficult to assess whether initiatives produce tangible improvements in ESG oversight. Without measurable indicators—such as board-level ESG KPIs, training effectiveness assessments, or succession success rates, governance risks remaining symbolic rather than transformative.

Based on the evidence summarized in Table 5, the analysis above and using the proposed scoring rules, the authors have derived the mini-scorecard below:

**Table 6.** Mini-Scorecard for Board ESG Competence, Training, and Renewal (A3)

ID / Bank	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
A3 Board competence & training	2	2	2	2	2

Source: Synthesized by authors

**4.3 Board Diversity and Composition**

**Table 7.** Board Diversity and Composition by Banks (2024)

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
<b>Total Members</b>	9	11	11	9	8
<b>Gender Diversity</b>	8 men, 1 woman	11 men, 0 women	10 men, 1 woman	8 men, 1 woman	7 men, 1 woman
<b>Nationality Diversity</b>	8 Vietnamese, 1 foreign	10 Vietnamese, 1 foreign	9 Vietnamese, 2 foreign	7 Vietnamese, 2 foreign	6 Vietnamese, 2 foreign
<b>Independent Directors</b>	1	1	1	2	2

Source: Synthesized by authors

The comparative overview of board composition across Vietcombank, BIDV, VietinBank, Techcombank, and VPBank highlights both convergence and divergence in governance practices that directly influence ESG oversight. Using the dimensions of board size, gender diversity, nationality diversity, and independence, this analysis reveals structural patterns that not only reflect ownership differences but also indicate varying capacities to integrate ESG priorities into governance frameworks.

To begin with, board size across the five banks ranges from 8 at VPBank to 11 at BIDV and , with Vietcombank and Techcombank maintaining nine members each. Larger boards, such as those at BIDV and Vietinbank, provide greater opportunities for incorporating diverse expertise, including specialized ESG competencies. However, they may also dilute accountability, particularly in state-owned contexts where decision-making authority is more dispersed and often aligned with regulatory directives. Smaller boards, such as VPBank’s, offer agility and quicker decision-making, yet at the same time their limited size can constrain representation of varied stakeholder perspectives, which are critical for ESG governance. Therefore, the optimal board size for ESG integration appears less a matter of numbers and more about whether existing members bring diverse, independent, and ESG-relevant expertise to deliberations.

Moving from size to gender diversity, the findings reveal striking limitations across all five institutions. Vietcombank, Vietinbank, Techcombank, and VPBank each include exactly one female director, while BIDV remains entirely male. This places female representation at between 9% and 12.5% of board membership, a level significantly below international benchmarks such as the 30% Club and the expectations of global investors seeking more inclusive governance. Although the presence of women directors at four banks marks some progress compared to the past, the consistently tokenistic representation suggests that gender inclusion remains more symbolic than structural. Consequently, the ability of boards to fully incorporate diverse perspectives into ESG oversight remains constrained,

particularly regarding the social dimension of ESG.

In contrast to the limited gender diversity, nationality diversity shows somewhat greater variation and highlights important differences between state-owned and private banks. Among the state-owned institutions, Vietcombank has one foreign member, BIDV has one foreign director, and VietinBank includes two Japanese members. By comparison, private banks display stronger international representation: Techcombank includes three foreign members, while VPBank has two. This pattern reflects private banks’ stronger integration into global capital markets and therefore their need to align governance with international investors’ expectations. Moreover, the presence of foreign directors brings exposure to global ESG practices and standards, which can enhance strategic alignment with sustainability frameworks such as the UN Principles for Responsible Banking. Meanwhile, state-owned banks tend to appoint foreign directors primarily to bring technical expertise or international experience, but without necessarily restructuring governance to embed ESG expertise in a systematic way.

Turning to independent directors, the analysis reveals another ownership-driven distinction. Vietcombank, BIDV, and VietinBank each include just one independent member, fulfilling regulatory minimum requirements yet providing only limited capacity to challenge management or ensure effective ESG oversight. By contrast, Techcombank and VPBank each have two independent members, suggesting stronger commitment to independent challenge and external accountability. For example, Techcombank’s inclusion of Eugene Keith Galbraith as an independent member enhances its governance credibility in the eyes of foreign investors, while VPBank’s combination of Daniel Ashton Carroll (foreign independent) and Mai Xuân Hùng (domestic independent) reflects an effort to balance international and local governance priorities. Therefore, the stronger independent presence in private banks indicates a market-driven emphasis on governance credibility, in contrast to the compliance-driven orientation of state-owned banks.

Taken together, these comparative patterns reveal that ownership structure is a decisive factor in shaping board diversity and ESG oversight capacity. State-owned banks demonstrate larger, more compliance-oriented boards with limited gender diversity, minimal foreign representation, and token independence. These features align closely with their strategic priorities of regulatory compliance and alignment with state objectives, rather than proactive ESG leadership. On the other hand, private banks emphasize smaller but more internationally diverse boards, with higher numbers of independent directors and stronger foreign participation. This structure suggests their greater responsiveness to global capital markets, foreign investors, and international ESG expectations.

The implications for ESG integration are substantial. The limited gender diversity across all five banks constrains inclusivity and undermines responsiveness to the social dimension of ESG. At the same time, foreign directors and independent members at private banks strengthen exposure to international practices, but the persistence of male-dominated boards indicates that governance remains narrowly constructed. For state-owned banks, the minimal independence and limited foreign participation mean that ESG oversight may remain compliance-oriented, rather than strategically embedded. In contrast, private banks demonstrate greater potential to use governance diversity as a lever for ESG integration, though they too must address the structural exclusion of women.

In general, while Vietnam’s leading banks have made progress in institutionalizing board-level governance that incorporates international and independent representation, persistent weaknesses in gender diversity and uneven distribution of ESG-relevant expertise limit their capacity to lead on sustainability. Therefore, addressing these gaps will require deliberate policies to broaden gender inclusion, strengthen the independence of board oversight, and fully leverage foreign expertise to embed ESG competencies within governance structures. Such reforms would not only align Vietnamese banks more closely with global best practices but also reinforce their institutional resilience in navigating ESG risks and opportunities.

Based on the evidence summarized in Table 7, the analysis above and using the proposed scoring rules, the authors have derived the mini-scorecard below:

**Table 8.** Mini-Scorecard for Board Diversity and Composition (A4)

ID / Bank	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
A4 Board composition & renewal	1	1	1	2	2

*Source: Synthesized by authors*

**4.4 Board ESG Risk Governance**

**Table 9.** Board ESG Risk Governance: Framework, Methodology & Three Lines of Defense by Banks (2024)

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
<b>Risk Governance Framework</b>	<ul style="list-style-type: none"> <li>- Board-level oversight with dedicated BoD member for sustainability since 2024.</li> <li>- Risk Management Committee holds 4 quarterly meetings.</li> <li>- Comprehensive ESG governance structure with clear roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>- ESG Steering Committee led by Chairman of BoD.</li> <li>- Comprehensive sustainability strategy governance with specialized BOD member oversight.</li> <li>- Regular steering committee meetings at least twice yearly.</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Directors with comprehensive governance framework.</li> <li>- Risk Management Committee, HR Committee, and specialized councils.</li> </ul>	<ul style="list-style-type: none"> <li>- ESG Advisory Board led by CEO including CFO and heads of key divisions.</li> <li>- Board-level ESG governance with clear roles for CEO in managing ESG risk.</li> </ul>	<ul style="list-style-type: none"> <li>- Risk Management Committee with 7 members including Chairman and independent members.</li> <li>- Comprehensive risk management framework aligned with Basel standards.</li> </ul>
<b>Methodology &amp; Scope</b>	<ul style="list-style-type: none"> <li>- Green Bond Framework aligned with ICMA principles (rated “Medium Green” by S&amp;P).</li> <li>- GRI and TCFD reporting standards.</li> <li>- Greenhouse gas inventory covering Scopes 1, 2, and 3.</li> </ul>	<ul style="list-style-type: none"> <li>- Green Bond Framework (SQS2 “Very Good” rating by Moody’s).</li> <li>- Environmental risk assessment for 100% of investment projects.</li> <li>- ESMS Framework for trade finance.</li> <li>- Greenhouse gas inventory implementation.</li> </ul>	<ul style="list-style-type: none"> <li>- Comprehensive risk management model with Basel II/III implementation</li> <li>- Digital transformation initiatives (X01 journey).</li> <li>- Sustainable Finance Framework for green projects.</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental and Social Risk Management Policy with detailed requirements.</li> <li>- Green Project Evaluation Process aligned with UN SDGs.</li> <li>- Green Bond Framework rated “Medium Green” by S&amp;P Global Ratings (highest in Vietnam).</li> </ul>	<ul style="list-style-type: none"> <li>- Comprehensive Risk Management Framework compliant with regulations and international practices.</li> <li>- Basel II/III implementation with IRB approach.</li> <li>- ESG Risk Management Framework with ESMS system.</li> </ul>
<b>Three Lines of Defense Model</b>	<ul style="list-style-type: none"> <li>- Clear three lines model: (1) Business operations as first line, (2) Risk management and compliance as second line, (3) Internal audit as third line.</li> <li>- Supervisory Board oversight with independent operations.</li> </ul>	<ul style="list-style-type: none"> <li>- Structured approach with business units, risk management division, and internal audit.</li> <li>- Supervisory Board supervision and evaluation.</li> <li>- Independent internal audit under Supervisory Board authority.</li> </ul>	<ul style="list-style-type: none"> <li>- Business divisions as first line, Risk Management Division as second line, Internal Audit Department under Supervisory Board as third line.</li> <li>- Clear separation of duties and independent oversight.</li> </ul>	<ul style="list-style-type: none"> <li>- Business units (1st line), Risk Management Division and Legal &amp; Compliance Division (2nd line), Internal Audit (3rd line).</li> <li>- Clear roles and interactions defined within Risk Management Framework.</li> </ul>	<ul style="list-style-type: none"> <li>- Explicitly mentioned 3 lines of defense model: (1) Business units as first line, (2) Risk Management Division and Legal &amp; Compliance Division as second line, (3) Internal Audit as third line.</li> <li>- Clear roles and stakeholder interactions defined.</li> </ul>

*Source: Synthesized by authors*

The examination of risk governance frameworks across Vietcombank, BIDV, VietinBank, Techcombank, and VPBank reveals both shared commitments and important divergences in how ESG risks are integrated into banking oversight structures. While all five institutions demonstrate formalized governance models that align with international practices such as Basel II/III and TCFD, there are significant differences in terms of structural frameworks,

methodological scope, and operational depth. These variations emphasize the influence of ownership structure, which are state-owned versus private, including the design, adoption, and operationalization of ESG risk governance.

To begin with, Vietcombank's framework highlights the increasing institutionalization of sustainability governance in state-owned banks. Since 2024, a dedicated Board of Directors (BoD) member has been appointed specifically to oversee sustainability, ensuring ESG receives attention at the highest decision-making level. The Risk Management Committee, holding quarterly meetings, provides a structured rhythm for addressing emerging ESG concerns. Moreover, Vietcombank has advanced its methodology by adopting a Green Bond Framework aligned with ICMA principles (rated "Medium Green" by S&P), implementing a comprehensive greenhouse gas (GHG) inventory covering Scopes 1, 2, and 3, and aligning disclosures with GRI and TCFD standards. This combination positions Vietcombank as a compliance-driven yet progressively outward-looking institution, as it integrates both national sustainability priorities and international reporting standards into its governance. Its three lines of defense model—business operations, risk management/compliance, and independent internal audit—creates a transparent, layered structure for ESG risk management. However, its risk governance remains largely focused on compliance, with limited evidence of integration into broader strategic innovation.

In comparison, BIDV demonstrates perhaps the most explicit alignment among the state-owned banks with international governance frameworks. Its ESG Steering Committee, chaired by the BoD Chairman, reflects a top-down approach emphasizing formal oversight. BIDV not only integrates national frameworks but also explicitly adopts OECD Principles, the ASEAN Corporate Governance Scorecard, and IFC guidance, positioning itself as the most internationally aligned of the state-owned peers. Methodologically, BIDV has secured a "Very Good" (SQS2) rating for its Green Bond Framework from Moody's and applies environmental risk assessments to 100% of its investment projects, an important operational benchmark. Furthermore, it has developed an Environmental and Social Management System (ESMS) for trade finance and advanced its GHG inventory implementation. The three lines of defense model is clearly articulated, with business units, a risk management division, and internal audit all functioning with well-defined roles. Therefore, this structured, explicit, and internationally benchmarked approach indicates that BIDV is not merely compliance-driven but rather strategically positioning itself to satisfy both regulators and international capital markets.

By contrast, VietinBank, while also state-owned, takes a more traditional approach. Its governance framework involves the BoD, Risk Management Committee, HR Committee, and specialized councils. Oversight is structured but lacks the explicit international referencing found in BIDV. Methodologically, VietinBank has advanced its Sustainable Finance Framework, environmental and social risk policies, and project evaluation processes aligned with the UN SDGs. It also secured a "Medium Green" rating for its Green Bond Framework from S&P Global Ratings, the highest such rating in Vietnam, which strengthens its ESG credibility. In terms of risk governance, VietinBank applies the three lines of defense model with supervisory board oversight and internal audit authority, reflecting clear accountability. Nonetheless, its disclosures emphasize compliance and process alignment rather than integration into cross-functional innovation, making its governance appear more static relative to peers.

On the other hand, Techcombank illustrates the private sector's more flexible and market-driven orientation. Its ESG Advisory Board, chaired by the CEO and including the CFO and key division heads, underscores the active involvement of executive leadership in ESG risk governance. This leadership-led model contrasts sharply with the state-owned banks' BoD-centric oversight. Techcombank also leverages an ESG Core Team, embedding ESG risk management across business divisions. Methodologically, the bank aligns its frameworks with Basel standards and incorporates digital transformation initiatives (the X01 journey) to enhance ESG integration. Its risk management framework is comprehensive, covering both regulatory compliance and operational innovation. Importantly, Techcombank explicitly references the three lines of defense, defining the roles of business units, risk management/legal divisions, and internal audit with clarity. As a result, this integration suggests a more operationally embedded ESG governance model that prioritizes agility, investor expectations, and market competitiveness.

Similarly, VPBank represents perhaps the most advanced hybrid governance model among the private banks. Its Risk Management Committee includes seven members, chaired by the BoD Chairman and including independent directors, highlighting the importance of both board oversight and independent scrutiny. The bank has developed a comprehensive ESG Risk Management Framework that incorporates an ESMS system, alongside Basel II/III implementation using the IRB approach. Its Green Bond Framework, rated "Medium Green" by S&P, reflects strong credibility in sustainable finance, while its green project evaluation processes are aligned with the SDGs. Crucially, VPBank is the only bank in this group to explicitly codify ESG risk governance through formal board regulations ("Sustainability Governance Regulations of the Board"), reinforcing its strategic commitment. Like Techcombank, VPBank explicitly operationalizes the three lines of defense model, with clear divisions of responsibility across business units, risk management/legal compliance, and internal audit. Therefore, it not only ensures robust oversight but also demonstrates responsiveness to international investors and regulatory bodies.

Taken together, when comparing state-owned and private banks, the differences are striking. State-owned banks (Vietcombank, BIDV, VietinBank) adopt more formal, compliance-driven structures centered on BoD committees and

supervisory boards, reflecting their accountability to regulators and alignment with state-led priorities such as the National Green Growth Strategy. Within this group, BIDV emerges as the most internationally aligned, while VietinBank remains the most traditional. Private banks, by contrast, adopt flexible, executive-led, and cross-functional governance models. Their approaches are not only compliance-oriented but also market-driven, seeking alignment with international investors, ESG indices, and competitive positioning. The private banks demonstrate stronger integration of ESG into operational processes and strategic planning, while state-owned banks emphasize structural oversight and regulatory compliance.

Based on the evidence summarized in Table 9, the analysis above and using the proposed scoring rules, the authors have derived the mini-scorecard below:

**Table 10.** Mini-Scorecard for Board ESG Risk Governance (B1, B2, B5, B6) derived from Table 4

ID / Bank	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
<b>B1 Risk governance architecture</b>	2	2	2	2	2
<b>B2 ESMS &amp; sector policies</b>	0	2	1	1	2
<b>B3 Portfolio coverage &amp; emissions</b>	2	2	0	0	0
<b>B4 Green finance frameworks &amp; reviews</b>	2	2	2	0	2

Source: Synthesized by authors

**4.5 Transparency and Disclosure Governance Mechanisms**

**Table 11.** Transparency & Disclosure Governance by Banks (2024)

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
<b>Applied Framework</b>	GRI Standards (2021); partial TCFD alignment (governance, risk, metrics); references ICMA Green Bond Principles; ISSB readiness noted but not implemented.	GRI Standards; TCFD-aligned climate disclosure; references OECD, ASEAN Scorecard, IFC guidance; not yet ISSB.	GRI Standards; partial TCFD practices; aligns with Vietnam’s Green Taxonomy; no ISSB adoption.	GRI Standards; TCFD partial implementation; SASB references; preparing ISSB; adopts Vietnam Green Taxonomy.	GRI Standards; TCFD reference; UN PRB and SDGs integrated; voluntary ISSB preparedness reported.
<b>Reporting Quality</b>	Covers parent bank + group; materiality assessment disclosed; sectoral green lending; detailed Scope 1/2 but limited Scope 3; strong on risk and green finance.	Covers consolidated ops (bank + branches); ESG risk at portfolio level; detailed green bonds/lending; emerging double materiality noted.	Covers bank + group; reports on green credit, CSR, Scope 1/2 GHG; less depth on materiality.	Comprehensive: covers bank + affiliates; >3,000 stakeholders in materiality survey; quantitative ESG KPIs; clear SDG linkages; portfolio-level metrics.	Full group coverage; explicit double materiality; ESG KPIs tied to strategy; robust ESG data platform governance.
<b>External Assurance &amp; Verification</b>	No third-party assurance; internal verification only.	Independent limited assurance (ISAE 3000) for selected indicators (e.g., green lending, emissions); green bonds reviewed by FiiinRatings.	No external assurance; internal audit/risk verification only.	Third-party limited assurance of ESG KPIs; ISAE 3000; scope clearly defined.	Independent external assurance (ISAE 3000) for Environment, Social, selected Governance KPIs.
<b>Board</b>	Prepared by ESG	Reviewed by Board	Reviewed by	Reviewed by	Formal approval

Aspect	Vietcombank	BIDV	Vietinbank	Techcombank	VPBank
<b>Approval of ESG Disclosures</b>	Committee; approved by BoD.	Risk Committee & ESG Steering Committee; approved by BoD.	Sustainable Development Steering Committee; approved by BoD.	ESG Advisory Board + ESG Committee; final BoD approval.	required under "Sustainability Governance Regulations"; BoD members explicitly accountable.

*Source: Synthesized by authors*

The comparative review of Vietcombank, BIDV, VietinBank, Techcombank, and VPBank reveals significant differences in how Vietnam's leading banks approach transparency and disclosure governance. While all five institutions have adopted international reporting frameworks and institutionalized board-level approval processes, they nevertheless differ in the breadth of framework adoption, quality of reporting, external assurance mechanisms, and depth of board oversight. Consequently, these divergences reflect not only ownership structure, which are state-owned versus private, but also the extent to which banks position transparency as a compliance exercise or a tool for strategic credibility with investors and stakeholders.

To begin with, framework implementation illustrates both convergence around international standards and divergence in depth of adoption. On the one hand, all five banks have adopted the Global Reporting Initiative (GRI) Standards, demonstrating a baseline commitment to international norms in sustainability reporting. On the other hand, the degree of TCFD adoption varies considerably. Vietcombank and VietinBank refer to partial TCFD alignment, largely focusing on governance, risk, and metrics, but they fall short of full integration across strategy, scenario analysis, and targets. By contrast, BIDV, Techcombank, and VPBank show deeper engagement. BIDV explicitly reports TCFD-aligned climate disclosures while also referencing broader governance frameworks such as the OECD Principles and ASEAN Corporate Governance Scorecard, signaling an effort to align with both domestic and international regulatory expectations. Techcombank and VPBank further expand their framework adoption by referencing SASB standards, UN PRB, and SDGs, in addition to preparing for ISSB. Therefore, this multi-framework approach illustrates their positioning within global capital markets where alignment with investor-preferred standards is critical. Thus, while state-owned banks gravitate toward compliance-driven adoption of GRI and selective TCFD elements, private banks pursue broader frameworks as a strategic means of enhancing credibility among international investors.

Building on this point, the quality and comprehensiveness of sustainability reporting diverge sharply between state-owned and private banks. Vietcombank, BIDV, and VietinBank primarily focus on covering their core banking operations and subsidiaries, disclosing information on green lending, CSR initiatives, and limited greenhouse gas inventories. Although Vietcombank provides relatively stronger detail on sectoral green finance and risk disclosures, both VietinBank and BIDV maintain a compliance-driven style, with less emphasis on double materiality or stakeholder perspectives. In contrast, Techcombank and VPBank produce reports that rival international best practices. Techcombank's report is notable for its extensive stakeholder engagement process, involving over 3,000 stakeholders to define 17 material ESG issues, as well as its publication of quantitative KPIs and SDG linkages. VPBank goes further by applying a double materiality approach, which captures both impacts of ESG issues on the bank and the bank's impact on society and the environment, while also embedding ESG KPIs directly into its strategy. Moreover, VPBank discloses the operation of an internal ESG data governance system, designed to ensure consistency and reliability of ESG data across its operations. Taken together, this contrast suggests that while state-owned banks prioritize regulatory compliance and alignment with national priorities, private banks emphasize international investor expectations by adopting advanced disclosure practices that enhance comparability, accessibility, and credibility.

Furthermore, external assurance emerges as a key differentiator in disclosure credibility. Vietcombank and VietinBank provide no evidence of third-party assurance for their ESG disclosures, relying instead on internal audit and risk management units for verification. This approach may be cost-efficient, yet it limits external confidence in the accuracy and reliability of disclosures. By contrast, BIDV, Techcombank, and VPBank have each engaged independent assurance providers under the ISAE 3000 standard, albeit with varying scopes. BIDV limits assurance to selected indicators, such as green lending and emissions, whereas Techcombank and VPBank extend assurance to broader ESG key performance indicators. VPBank demonstrates the most advanced practice by subjecting environmental, social, and selected governance metrics to independent third-party assurance, thereby enhancing external trust. The presence of green bond reviews by external agencies, such as FinRatings in BIDV's case, further underscores the strategic role assurance plays in signaling credibility to capital markets. Here, therefore, the divergence is stark: state-owned banks adopt minimal assurance, treating ESG disclosures as regulatory outputs, whereas private banks strategically use external verification to build investor trust and align with global expectations.

Equally important, board approval mechanisms provide insight into the governance processes surrounding disclosure accuracy and accountability. Across all five banks, board-level approval is mandatory, yet the structures differ in formality and integration. Vietcombank’s ESG Committee prepares the report for approval by the Board of Directors, ensuring board-level involvement but without elaborating on the scope of review. BIDV embeds ESG disclosure within its Board Risk Committee and ESG Steering Committee, before final approval by the BoD, reflecting a more structured process of layered oversight. VietinBank follows a similar model, with its Sustainable Development Steering Committee reviewing before board approval, though disclosure suggests this is more formalistic than substantive. In contrast, Techcombank and VPBank embed board approval within broader ESG governance mechanisms. Techcombank routes disclosures through both its ESG Advisory Board and ESG Committee, signaling stronger horizontal integration. VPBank institutionalizes approval within its “Sustainability Governance Regulations,” which not only require BoD sign-off but also explicitly assign accountability to individual board members for ESG disclosure accuracy.

In general, the comparative analysis underscores how ownership structures shape the role of transparency and disclosure governance in ESG integration. State-owned banks, including Vietcombank, BIDV, and VietinBank, adopt compliance-driven disclosure models that emphasize alignment with GRI and selective TCFD elements, focus on regulatory reporting requirements, and maintain internal verification processes. Meanwhile, their board approval mechanisms, while formally present, reflect hierarchical and compliance-oriented governance rather than strategic accountability. Private banks, by contrast, pursue broader framework adoption, higher-quality and more comprehensive reporting, and extensive use of external assurance, aligning themselves with global best practices. Their board approval processes embed disclosure within strategic accountability frameworks, signaling to international investors and regulators that ESG transparency is integral to governance credibility.

Based on the evidence summarized in Table 11, the analysis above and using the proposed scoring rules, the authors have derived the mini-scorecard below:

**Table 12.** Mini-Scorecard for Transparency & Disclosure Governance (C1–C7) derived from Table 5

ID / Bank	Vietcombank	BIDV	VietinBank	Techcombank	VPBank
<b>C1 Reporting frameworks</b>	2	2	1	2	2
<b>C2 Taxonomy mapping</b>	0	0	1	1	0
<b>C3 External assurance</b>	0	1	0	1	2
<b>C4 Materiality &amp; stakeholder engagement</b>	1	1	1	2	2
<b>C5 ESG data governance &amp; controls</b>	0	0	0	0	2
<b>C6 Board approval &amp; accountability</b>	2	2	2	2	2
<b>C7 Report boundary &amp; coverage (bank/group/subs)</b>	2	2	2	2	2

*Source: Synthesized by authors*

**4.6 Overall Assessment of Governance Practices**

The above subsections presented bank-by-bank evidence for board structures, risk governance, and transparency/disclosure across sections 4.1 to 4.5, with each set of findings distilled into a numerical mini-scorecard to enable comparative analysis. The authors then synthesized these detailed results to provide an integrated view of ESG governance maturity across the five selected banks, supporting benchmarking of strengths, identification of disclosure gaps, and formulation of focused recommendations in Section 5. This synthesis relies on public disclosures from 2024, focusing on evaluating the formalization and transparency of governance structures, not ultimate outcome effectiveness, and applying a conservative approach for non-disclosure, unreported indicators were scored as zero.

To produce the aggregate governance scorecard, the analysis summed the indicator scores derived for each bank across all assessed governance categories: board-level governance (A1–A5), risk management (B1–B4), and transparency/disclosure mechanisms (C1–C7), with all indicators rated using a consistent rubric described in Appendix A2. Each indicator received a score from 0 to 2 and was equally weighted; section maximums were set as follows: Board (A1–A5) = 10, Risk (B1–B4) = 8, Transparency (C1–C7) = 14, yielding a 32-point composite score and a normalized average on a 0–2 scale. Only disclosed evidence was counted for each category, reflecting a conservative scoring approach when information was missing.

**Table 13.** Overall Scorecard for Governance Practices of the five selected banks

Banks	Board (A1–A5) /10	Risk (B1–B4) /8	Transparency (C1–C7) /14	Total /32	Average (0–2)
<b>VPBank</b>	10	6	12	28	1.75

Banks	Board (A1–A5) /10	Risk (B1–B4) /8	Transparency (C1–C7) /14	Total /32	Average (0–2)
<b>BIDV</b>	8	8	8	24	1.50
<b>Techcombank</b>	8	3	10	21	1.31
<b>Vietcombank</b>	7	6	7	20	1.25
<b>VietinBank</b>	8	5	7	20	1.25

*Source: Synthesized by authors*

Taken together, the composite results show a clear but nuanced hierarchy: VPBank leads overall (28/32), followed by BIDV (24/32), then Techcombank (21/32), with Vietcombank and VietinBank tied (20/32). This pattern reflects two cross-cutting dynamics. Firstly, private banks tend to excel on transparency and outward-facing credibility, broader framework adoption, clearer cadence, deeper stakeholder processes, and greater use of assurance and data controls, whereas state-owned banks display stronger formal oversight yet thinner disclosure detail. Secondly, risk governance maturity is most pronounced at BIDV (and, to a degree, Vietcombank), where defined three-lines architectures, operational ESMS, portfolio coverage, and externally reviewed green-finance instruments anchor the scores, whereas private peers sometimes lag on portfolio coverage despite stronger market-facing reporting.

At the board level, all banks have established a governance locus and reporting line; however, cadence and agenda specificity differentiate leaders from followers. VPBank couples committee structures with explicit mapping to international frameworks and stronger composition (independence, international experience), yielding a perfect board block, while Vietcombank's missing cadence disclosures and partial framework alignment hold it back. Moreover, ownership structure appears to shape these choices: state-owned banks favor vertical, compliance-oriented models with limited transparency on meeting rhythms and agenda priorities, whereas private banks favor cross-functional integration and clearer board accountability for sustainability reports.

In risk governance, architectures are uniformly formalized, yet operational depth varies markedly across ESMS scope, portfolio coverage/emissions, and external reviews of green instruments. BIDV's combination of 100% project environmental assessment, trade-finance ESMS, and externally rated green frameworks lifts its risk score to the maximum; by contrast, Vietcombank's strong coverage is offset by ESMS gaps; and private banks' executive-led models (e.g., Techcombank's CEO-chaired advisory board) translate into agility and integration but not always into disclosed portfolio metrics. Consequently, this asymmetry suggests that regulatory compliance capability (policies, procedures, ESMS coverage, supervisory alignment) and investor-facing disclosure and assurance maturity (market comparability, external assurance, data controls) do not always co-occur and therefore should be intentionally bridged.

Regarding transparency and disclosure, the separation is sharpest. VPBank pairs multi-framework reporting with broader ISAE 3000 assurance, double materiality, and explicit ESG data governance, whereas Techcombank complements extensive stakeholder engagement and KPIs with limited assurance. By contrast, Vietcombank and VietinBank lack external assurance and ESG data-control disclosures, and taxonomy mapping remains partial across the group—an economy-wide challenge that constrains comparability. Notably, board approval is universal, but only a subset codifies individual director accountability for report integrity. Accordingly, these findings indicate that the sector's next efficiency gains lie in standardizing market-facing disclosures, scaling assurance, and strengthening ESG data controls to convert narrative compliance into decision-useful, verifiable information.

## 5. RECOMMENDATIONS

Based on the above findings, it can be seen that Vietnam's leading banks have established baseline ESG governance but still face uneven board competence and cadence, incomplete risk integration across the three lines of defense, and disclosure that remains largely narrative rather than investor-grade. Therefore, these recommendations are proposed to convert those specific gaps into actionable steps that are proportionate to current capacity while align with international expectations.

Firstly, boards of Vietnamese commercial banks should institutionalize ESG competence, cadence, and accountability so that everything else has a stable anchor; this is necessary because the findings above reveal concentrated competence and uneven transparency. For example, Vietcombank's missing cadence disclosures and partial framework mapping, and state-owned banks' vertical, compliance-oriented models with opaque meeting rhythms, contrasted with VPBank's stronger composition, explicit mapping to international frameworks, and a "perfect" board block. Boards should therefore embed ESG expertise across the full skills matrix (via induction and annual refreshers), and disclose a predictable committee cadence and agenda (at least quarterly, with standing items on scenario analysis, taxonomy mapping, and assurance planning). Moreover, a named director should be responsible for sustainability report integrity,

and ESG objectives should link to executive and board remuneration to avoid symbolic oversight. Accordingly, board-wide ownership, rather than person-dependent oversight, directly addresses observed gaps in cadence, agenda specificity, and accountability, while creating the governance foundation that enables deeper risk integration and credible external reporting.

Secondly, building on that mandate, ESG risk integration should extend uniformly across the three lines of defense, ESMS scope, and portfolio coverage, because the comparative evidence shows operational depth asymmetries: BIDV's maximum risk score, driven by 100% project environmental assessment, trade-finance ESMS, and externally rated green frameworks, coexists with ESMS gaps at Vietcombank and limited portfolio-level metrics among private peers. First-line units should embed ESG into origination, sector heat-mapping, due diligence, covenants, pricing, and remediation; meanwhile, second-line functions should operationalize taxonomies, limits, early-warning indicators, and financed-emissions tracking. Furthermore, internal audit should move beyond procedural checks to test models, data lineage, and control effectiveness. Where ESMS is strong at project level, it should scale portfolio-wide with coverage metrics and annual climate/social scenario analyses reported to the board. In turn, this end-to-end discipline closes the documented gap between regulatory compliance capability and investor-facing disclosure and assurance maturity by generating the quantitative evidence that high-quality disclosures require.

Last but not least, transparency should shift from narrative compliance to investor-grade disclosure with proportionate external assurance and robust data controls, since the analysis highlights wide dispersion in disclosure quality: VPBank's multi-framework reporting, double materiality, and broader ISAE 3000 assurance outperform Techcombank's limited assurance and Vietcombank/VietinBank's lack of external assurance and ESG data-control disclosures, while taxonomy mapping remains partial across the group. Banks should therefore report using GRI for breadth, TCFD for climate structure, and ISSB-aligned metrics for comparability; moreover, they should clarify boundaries, double-materiality methods, and activity-level taxonomy mapping. Consequently, disclosures should quantify portfolio exposures, targets, scenario outputs, and progress against milestones, supported by documented data-governance controls (owner, system, validation, internal audit). Accordingly, boards should phase in external assurance (starting limited, then expanding) and disclose the plan, standards, scope, and key findings, thereby remedying assurance and data-control gaps and aligning reporting with the strengthened governance and risk systems above.

## 6. RESEARCH LIMITATION AND FUTURE RESEARCH

This study still has some limitations that suggest future research paths. Firstly, because the evidence relies exclusively on 2024 public disclosures (annual/sustainability reports, policies, websites), our conservative scoring rule ("no evidence, zero score") mitigates over-claiming yet introduces disclosure bias, since non-disclosed but extant practices may be undercounted. Secondly, although the five-bank sample is justified by market prominence and policy relevance, the multiple-case design supports literal replication (similarities among large, often state-owned banks) and theoretical replication (contrasts with private, market-oriented banks) rather than statistical generalization. Therefore, findings should be considered carefully when apply to smaller, specialized, or foreign-owned banks without caution.

To address these constraints, future research should triangulate public reports with semi-structured interviews (e.g., board members and internal audit), board/committee charters and meeting minutes (where accessible), and assurance working papers or targeted limited-scope audits of key indicators. Moreover, sampling should expand to second-tier and regional banks, foreign subsidiaries, and digital lenders in order to test ownership and business-model effects and to see whether the observed governance patterns persist outside top-tier institutions. In parallel, a longitudinal design (for example, three to five years) should track maturation in meeting cadence, agenda specificity, ESMS coverage, and assurance scope, as well as their temporal links to risk metrics and funding costs. Finally, future work should link governance scores to outcomes, such as pricing of green instruments, portfolio transition metrics, and market-based signals (ratings/spreads), and extend to cross-country ASEAN comparisons.

## 7. CONCLUSION

This study has examined how governance structures function as both enablers and constraints of ESG integration in Vietnam's commercial banking sector, through case studies of Vietcombank, BIDV, VietinBank, Techcombank, and VPBank. The findings highlight that while all five institutions have established formal ESG governance frameworks, their effectiveness is shaped largely by ownership models. State-owned banks exhibit hierarchical, compliance-driven governance that prioritizes regulatory alignment and national sustainability strategies, yet often lacks depth in specialized board expertise, renewal processes, and disclosure accountability. In contrast, private banks pursue more flexible and market-driven governance, embedding ESG into cross-functional committees, linking oversight to investor expectations, and strengthening accountability through independent directors and international frameworks. Despite these advances, critical governance gaps still remain. Board-level ESG competence is often concentrated in a few individuals rather than institutionalized across directors; training initiatives vary in scope and depth; succession planning and diversity remain

limited; and disclosure mechanisms lack robust assurance and performance metrics. The study therefore underscores that governance reform is central to effective ESG integration. Institutionalizing board-wide ESG competence with a predictable cadence and named accountability, extending end-to-end ESG risk integration across the three lines of defense with portfolio-scale ESMS coverage, and elevating transparency to investor-grade disclosure with proportionate assurance and robust data controls will align Vietnamese banks with global expectations while simultaneously strengthening their resilience and credibility in an evolving financial landscape.

## REFERENCES

- Abdullah, A., Yamak, S., Korzhnitskaya, A., Rahimi, R., & McClellan, J. (2024). Sustainable development: The role of sustainability committees in achieving ESG targets. *Business Strategy and the Environment*, 33(3), 2250-2268.
- Alexander, K. (2024). Bank governance and sustainability. *SSRN Electronic Journal*. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4881026](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4881026)
- Amaya, N., López-Santamaría, M., Acosta, Y. A. C., & Hinestroza, M. P. G. (2021). A step-by-step method to classify corporate sustainability practices based on the signaling theory. *MethodsX*, 8, 101538.
- Amel-Zadeh, A., & Serafeim, G. (2018). Why and how investors use ESG information: Evidence from a global survey. *Financial Analysts Journal*, 74(3), 87-103.
- Amiraslani, H., Deller, C., Ittner, C. D., & Keusch, T. (2025). Board risk oversight and environmental and social performance. *Journal of Accounting and Economics*, 79(2-3), 101754.
- Amran, A., Lee, S. P., & Devi, S. S. (2014). The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality. *Business Strategy and The Environment*, 23(4), 217-235.
- An, J., Di, H., & Yao, M. (2022). Stakeholder governance and the CSR of banks: An analysis of an internal governance mechanism based on game theory. *Frontiers in Psychology*, 13, 918290.
- Annesi, N., Battaglia, M., Ceglia, I., & Mercuri, F. (2025). Navigating paradoxes: Building a sustainable strategy for an integrated ESG corporate governance. *Management Decision*, 63(2), 531-559.
- Barbosa, A., da Silva, M. C. B. C., da Silva, L. B., Morioka, S. N., & de Souza, V. F. (2023). Integration of Environmental, Social, and Governance (ESG) criteria: their impacts on corporate sustainability performance. *Humanities and Social Sciences Communications*, 10(1), 1-18.
- BCBS - Basel Committee on Banking Supervision. (2020). *Climate-related financial risks: a survey on current initiatives*. Banks for International Settlements. <https://www.bis.org/bcbs/publ/d502.pdf>
- BCBS - Basel Committee on Banking Supervision. (2022). *Principles for the effective management and supervision of climate-related financial risks*. Bank for International Settlements. <https://www.bis.org/bcbs/publ/d532.pdf>
- BIDV. (2025). *Sustainability Report 2024*. BIDV Website. [https://bidv.com.vn/bidv\\_en/quan-he-nha-dau-tu/bao-cao-va-tai-lieu/annualreport/2025/bidvsustainabilityreport2024](https://bidv.com.vn/bidv_en/quan-he-nha-dau-tu/bao-cao-va-tai-lieu/annualreport/2025/bidvsustainabilityreport2024)
- Bhat, B. A., Makkar, M. K., & Gupta, N. (2023). Corporate board structure and ESG performance: An empirical study of listed firms in the emerging market. *Corporate Governance and Sustainability Review*, 7(2), 8-17.
- Bruno, E., Iacoviello, G., & Casella, R. (2024). Banks and ESG pillars score: Does cybersecurity policy matter? *Corporate Ownership & Control*, 21(3), 8-17.
- Cadbury, A. (1992) *Report of the Committee on the Financial Aspects of Corporate Governance*. The Cadbury Committee. <https://www.ecgi.global/sites/default/files/codes/documents/cadbury.pdf>
- Chen, S. (2024). The influence of artificial intelligence and digital technology on ESG reporting quality. *International Journal of Global Economics and Management*, 3(1), 301-310.
- Cohen, S., Kadach, I., Ormazabal, G., & Reichelstein, S. (2023). Executive compensation tied to ESG performance: International evidence. *Journal of Accounting Research*, 61(3), 805-853.
- Dicuonzo, G., Donofrio, F., Iannuzzi, A. P., & Dell'Atti, V. (2022). The integration of sustainability in corporate governance systems: an innovative framework applied to the European systematically important banks. *International Journal of Disclosure and Governance*, 19(3), 249-263.
- Dow, S., & Shi, Y. (2025). Physical and Transition Risk. In *Corporate Finance Under Climate Crisis: Sustainability Transitions in Theory and Practice* (pp. 159-185). Cham: Springer Nature Switzerland.
- Dragomir, V. D., Dumitru, M., Chersan, I. C., Gorgan, C., & Păunescu, M. (2025). Double materiality disclosure

as an emerging practice: the assessment process, impacts, risks, and opportunities. *Accounting in Europe*, 22(1), 103-140.

Elsheikh, T., Almaqtari, F. A., Farhan, N. H., Mishra, N., & Ettish, A. A. (2024). Governance and sustainability: The role of environmental disclosures and board characteristics in environmental, social, and governance reporting. *Journal of Governance and Regulation*, 13(3), 162-176.

Fair Finance Vietnam. (2023). *Environmental – Social – Government (ESG) Commitments in The Banking Sector: Overview and Case Studies of 11 Vietnamese*. Fair Finance Vietnam Website. <https://vietnam.fairfinanceasia.org/wp-content/uploads/sites/10/2023/12/23T11-Oxfarm-ESG-Report-ENG-Online-01-4-1.pdf>

Flammer, C., Hong, B., & Minor, D. (2019). Corporate governance and the rise of integrating corporate social responsibility criteria in executive compensation: Effectiveness and implications for firm outcomes. *Strategic management journal*, 40(7), 1097-1122.

Giacomini, D., Rocca, L., & Tonoli, D. (2025). Exploring Materiality and Stakeholder Engagement in European Water Utilities' Sustainability Strategies, Organizational Practices, and Reporting. *Business Strategy and the Environment*, 34(2), 2607-2629.

Harrison, J. S., Phillips, R. A., & Freeman, R. E. (2020). On the 2019 business roundtable "statement on the purpose of a corporation". *Journal of Management*, 46(7), 1223-1237.

Héroux, S., & Fortin, A. (2025). How the three lines of defense can contribute to public firms' cybersecurity effectiveness. *International Journal of Disclosure and Governance*, 22(2), 377-396.

Hwara, T. D., Moyo, N. T., & Obadire, A. M. (2024). Exploring sustainability reporting and non-financial reporting in green finance: A literature review. *The Palgrave Handbook of Green Finance for Sustainable Development*, 207-235.

Keay, A., & Loughrey, J. (2015). The framework for board accountability in corporate governance. *Legal Studies*, 35(2), 252-279.

Khan, M., Serafeim, G., & Yoon, A. (2016). Corporate sustainability: First evidence on materiality. *The Accounting Review*, 91(6), 1697-1724.

Lin, B. (2025). *Vietnam's financial sector accelerates ESG adoption*. Recessary. <https://www.recessary.com/en/news/vietnam-financial-sector-accelerates-esg-adoption>

Moufty, S., Al-Najjar, B., & Ibrahim, A. (2024). Communications of sustainability practices in the banking sector: Evidence from cross-country analysis. *International Journal of Finance & Economics*, 29(1), 135-161.

Purcarea, L., & Radulescu, C. V. (2024). The benefits of sustainability integration in banking. *Proceedings of the International Conference on Business Excellence*, 18(1), 935-944.

Shleifer, A., & Vishny, R. W. (1989). Management entrenchment: The case of manager-specific investments. *Journal of Financial Economics*, 25(1), 123-139.

State Bank of Vietnam. (2024). *Banking sector always at forefront in implementing ESG*. SBV Website. <https://sbv.gov.vn/vi/w/sbv618839>

Stoelhorst, J. W., & Vishwanathan, P. (2024). Beyond primacy: A stakeholder theory of corporate governance. *Academy of Management Review*, 49(1), 107-134.

Suetens, D. (2024). The rise of sustainability oversight committees as part of modern board governance and oversight: Practical considerations. *Journal of Risk Management in Financial Institutions*, 17(2), 161-167.

Susilawati, S., Rini, N., & Hasanah, N. (2024). Content Analysis of Green Banking Reports as an Effort to Fulfill Sustainability. *Journal of Business and Management Review*, 5(4), 285-298.

Techcombank. (2025). *2024 Sustainability Report*. Techcombank Website. <https://techcombank.com/content/dam/techcombank/public-site/documents/techcombank-sustainability-report-2024.pdf>

United Nations Development Programme. (2021). *Human rights due diligence: An interpretive guide*. Office of the High Commissioner for Human Rights. [https://www.undp.org/sites/g/files/zskgke326/files/2022-10/HRDD%20Interpretive%20Guide\\_ENG\\_Sep%202021.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2022-10/HRDD%20Interpretive%20Guide_ENG_Sep%202021.pdf)

Van Duuren, E., Plantinga, A., & Scholtens, B. (2016). ESG integration and the investment management process: Fundamental investing reinvented. *Journal of Business Ethics*, 138(3), 525-533.

Vietcombank. (2025). *The 2024 Sustainable Development Report*. Vietcombank Website. [https://www.vietcombank.com.vn/-/media/Project/VCB-Sites/VCB/Nha-Dau-tu/Bao-cao-PTBV/EN\\_VCB-ESG-](https://www.vietcombank.com.vn/-/media/Project/VCB-Sites/VCB/Nha-Dau-tu/Bao-cao-PTBV/EN_VCB-ESG-)

2024\_2505019.pdf?ts=20250520090046

VietinBank. (2025). *Sustainable Development Report 2024*. VietinBank Website. <https://investor.vietinbank.vn/Handlers/ViewReport.ashx?ReportID=1260>

Vietnam's Bank Association. (2024). *ESG implementation in banking: from awareness to action*. VNBA Website. <https://vnba.org.vn/en/esg-implementation-in-banking--from-awareness-to-action-16026.htm>

VPBank. (2025). *Sustainable Report 2024*. VPBank Website. <https://www.vpbank.com.vn/-/media/vpbank-latest/5nha-dau-tu/bao-cao-phan-trien-ben-vung/2024/vpbank-esg-2024-eng-v1.pdf>

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

