



**Beyond compliance:**

# **The ESG Reinvention for Business in Vietnam**

**ESG Progress Tracker Report 2025**







# Foreword





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Vietnam stands at a pivotal moment in its growth story. According to PwC's Value in Motion latest research, across the globe, trillions of dollars are flowing towards new, sustainable domains of value - a great repricing of capital driven by climate transition, technological advances, and shifting stakeholder demands. For Vietnam, this global transformation aligns with a determined national focus on green growth, presenting both a profound opportunity and an urgent call to action for the business community.

In 2022, our inaugural ESG Readiness Survey found that while awareness was high, Vietnamese businesses were just beginning their journey. Today, our latest findings chart a significant evolution. Momentum is building as commitment solidifies into strategy and tangible action.

I am pleased to present the findings of our latest ESG Progress Tracker, which captures the perspectives of 174 respondents from prominent businesses across Vietnam. This report illuminates a landscape of progress yet also reveals that challenges now evolve in their complexity. While many organisations are advancing, they face uneven maturity across ESG dimensions and require more sophisticated data capabilities to bridge the gap between reporting and genuine value creation.

The message from our findings is clear: while governance provides a strong foundation, the next stage of maturity requires embedding ESG into the very core of business operations. This is the essence of moving beyond compliance to reinvention - leveraging data, driving efficiency, and collaborating across the ecosystem to build lasting competitive advantage.

The choices made by leaders today will determine Vietnam's capacity to build a sustainable, inclusive, and future-ready economy. It is a shared responsibility. By working together, businesses, policymakers, and financiers can turn ambition into action, ensuring that Vietnam's remarkable growth story continues to thrive in a world where value is in motion.

# Content

05	<b>1. Vietnam's ESG Journey in Context</b>
10	<b>2. Navigating the ESG Journey in Vietnam</b>
12	2.1. Rising ESG Commitment: From Intent to Strategy
15	2.2. Narrowing the Action Gap: Progress and Persisting Challenges
24	2.3. Accelerating ESG Maturity: Internal Hurdles and External Enablers
31	<b>3. From sustainability compliance to business reinvention</b>
38	<b>About the survey</b>
40	<b>Appendices</b>



# Vietnam's ESG Journey in Context



# Navigating the Shifting ESG Landscape: A Global and Regional Outlook

To understand Vietnam's ESG journey, we must first look at the world around us. The story of ESG is changing, and these global and regional shifts are creating new challenges and opportunities for our businesses.

## The Global ESG Development Landscape

The global ESG narrative is increasingly defined by divergence. The European Union is forging ahead, establishing comprehensive rules like the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) whose effects are felt worldwide. In contrast, the United States presents a more fragmented landscape, creating a degree of uncertainty. Meanwhile, Asia-Pacific markets such as Japan, Singapore, and Australia are adopting ESG frameworks at varying speeds, often aligning with global standards while tailoring them to local priorities. In Latin America and Africa, ESG adoption is growing, driven by investor pressure and international trade requirements, though regulatory enforcement remains uneven.

Nevertheless, a unifying trend is clear: the era of voluntary promises is over. We are now in an age of mandatory, data-driven, and externally assured ESG information. Regulators are cracking down on 'greenwashing' and demanding verifiable proof of sustainability across entire supply chains.

This new era of scrutiny demands genuine action, making the global stage more complex to navigate than ever before.

## The Regional Outlook: Asia's Journey from Policy to Practice

While mirroring global trends, Asia is entering its own distinct phase focused on implementation.

Acknowledging a degree of 'ESG fatigue', the region is shifting from rapid policy creation to the practical application of new standards. This is defined by two key forces.

Firstly, Asia is rapidly unifying around the International Sustainability Standards Board (ISSB) framework as a regional baseline, promising greater harmonisation.

Secondly, the ripple effect of EU regulation is being felt strongly, as the CSDDD cascades due diligence requirements down through Asian supply chains.

This is happening alongside a regional race for transition finance, where access to capital is increasingly conditional on having a credible corporate transition plan.





## Impact on Vietnam: Imperatives for a Globalised Economy

For Vietnam's export-driven economy, global regulatory developments creates immediate and tangible challenges. Meeting stringent environmental and human rights requirements is essential for maintaining access to international markets.

In the US, enforcement of regulations - particularly those targeting forced labor - continues to exert pressure on exporters and manufacturers. Rising tariffs are further disrupting supply chains, increasing operational risks, and prompting Vietnamese businesses to explore alternative markets such as the EU and Asia-Pacific.

Meanwhile, in Europe, though sustainability regulations are being simplified, the aim is to reduce duplication while not diluting their substance. Recent updates to the Carbon Border Adjustment Mechanism (CBAM), the Corporate Sustainability Reporting Directive (CSRD), and the EU Deforestation Regulation (EUDR) reflect this approach.

To remain competitive, Vietnamese companies must embed sustainability into operations and governance. A credible ESG strategy is now critical to unlocking new markets, attracting foreign investment, and meeting the expectations of global brands seeking responsible suppliers. Navigating this evolving landscape requires proactive adaptation, strategic foresight, and a commitment to long-term resilience.

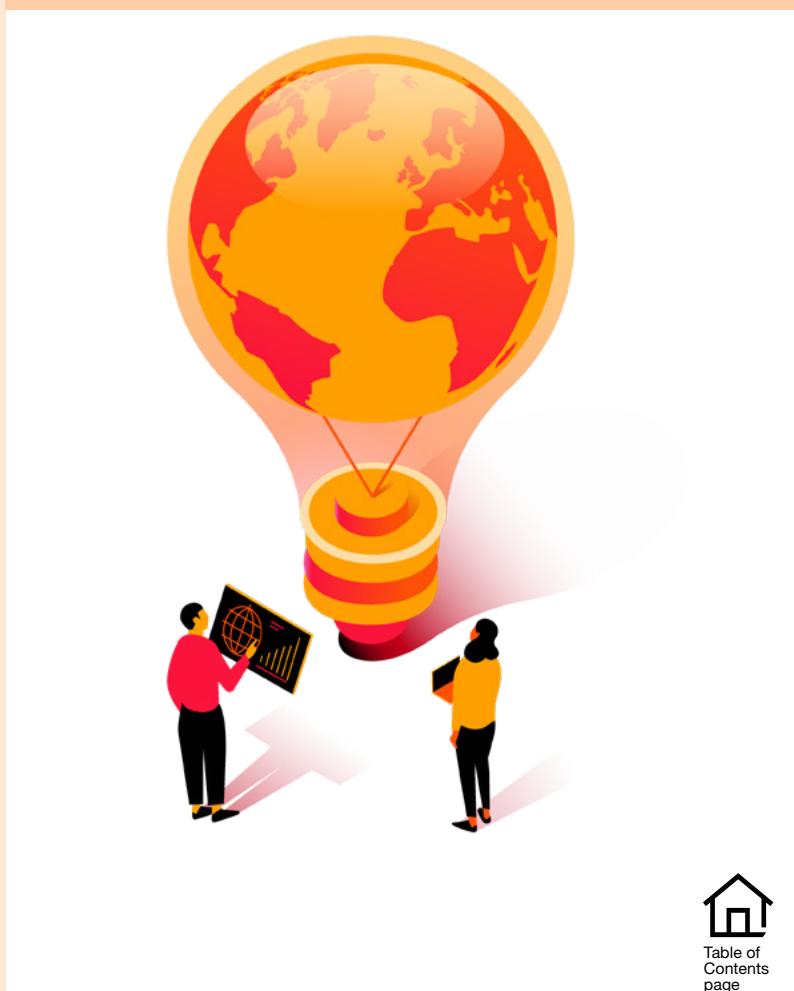
## Corporate Sustainability Reporting Directive (CSRD): implications for businesses in the Vietnamese market

CSRD was issued by the European Union (EU) in December 2022 and officially takes effect starting from fiscal year 2024 (except for a number of sectors and companies headquartered outside of the EU which will need to comply from 2026).

There are implications of the CSRD for two key business groups in Vietnam market: Foreign Direct Investment (FDI) enterprises and enterprises in the value chain of European partners.

Explore recommended roadmap to ensure timely and effective response to the Directive.

 [Read more](#)



# Vietnam's ESG Efforts: Ambition and the Implementation Gap

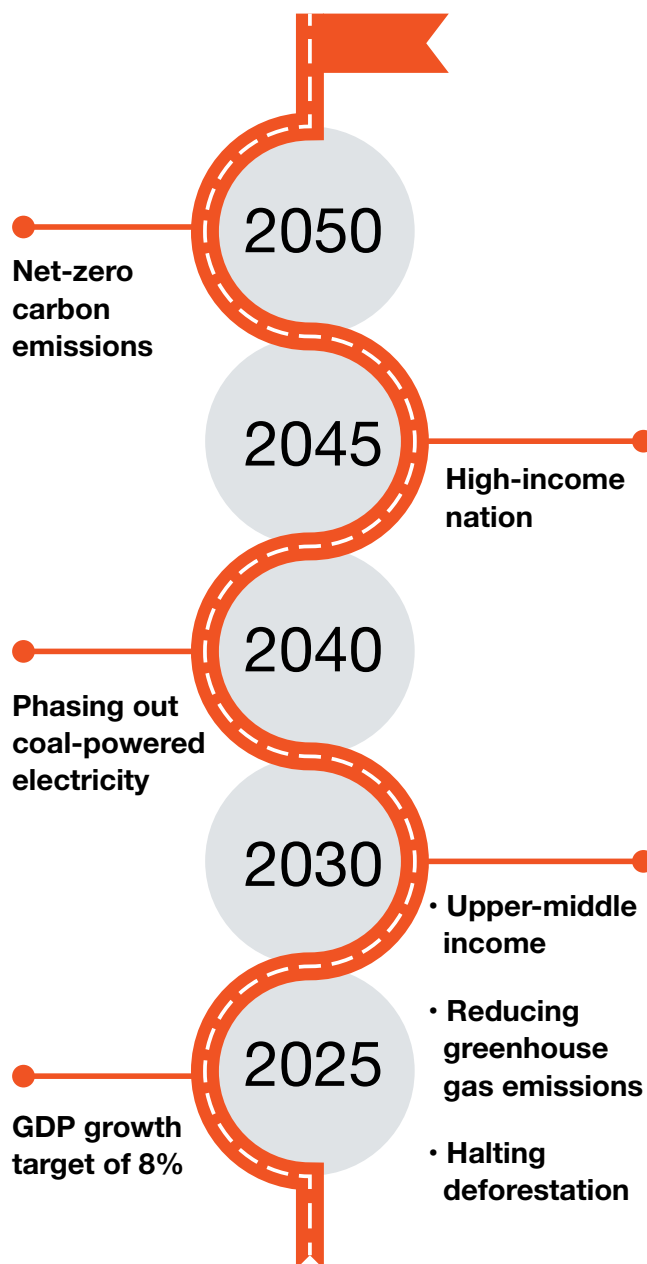
Vietnam's pledge at COP26 to achieve net-zero by 2050 marked a pivotal turning point in its climate policy. The government has since moved decisively from ambition to action, establishing a robust policy framework with its updated Nationally Determined Contribution (NDC 2.0) and a comprehensive National Climate Change Adaptation Plan in November 2024. Moreover, the government has also introduced a range of initiatives - including piloting a carbon market, promoting renewable energy, and enacting numerous regulations (see Appendix 1).

Despite this clear momentum, a significant implementation gap remains. Analysis from the [World Bank](#) suggests current policies, including the critical [Power Development Plan VIII](#), are projected to reduce emissions by only 55% - falling short of the net-zero goal. More immediately, Vietnam is expected to achieve just a 38% reduction by 2030, compared to its pledged 43.5%. This shortfall highlights a disconnect between ambitions and implementation.

Vietnam faces several structural challenges in closing this gap. Its high emissions intensity per unit of GDP reflects reliance on fossil fuels and energy-heavy industries, underscoring the need to decouple growth from emissions. Progress is also slowed by limited technology adoption, institutional capacity constraints, financing bottlenecks, and uneven coordination across government levels.

Looking ahead, Vietnam is preparing NDC 3.0 for the 2026-2035 period, with plans to finalize it before COP30 in late 2025. This next iteration is expected to raise ambition levels and provide clearer pathways for implementation and financing. Bridging the current gap will require not only stronger policy coherence and institutional reform but also accelerated investment in technology, capacity building, and international cooperation.

**Figure 1:**  
**Vietnam's Economic and Climate Change Commitments:**  
**Key Milestones and Targets**





# The Role of the Private Sector: The Engine of Transformation

Closing Vietnam's implementation gap cannot be achieved by public policy alone. The private sector is the essential engine for driving the transition. The economic case is compelling: inaction on climate change could cost Vietnam up to 12.5% of its GDP, according to the World Bank, threatening its ambition to become a high-income nation by 2045.

The potential for private sector impact is already evident. The explosive growth of solar power, from near zero in 2017 to 17 GW today, was largely driven by private investment unlocked by enabling policies. This momentum is also visible at the grassroots level, from Mekong Delta farmers adopting sustainable cultivation techniques to urban Small-and-Medium Enterprises (SMEs) investing in climate-resilient infrastructure.

To fully harness this dynamism, strategic policy reforms are essential. As outlined in Resolution 68 of the Politburo, the private sector is recognized as the most important driver of the national economy. The State is tasked with increasing and diversifying capital sources, including mechanisms for interest rate support and incentives for credit institutions to lower loan rates for green, circular, and ESG-compliant projects.

Unlocking private sector innovation, capital, and efficiency will be key to achieving Vietnam's net-zero goal and securing a climate-resilient future. To seize these potential opportunities, private enterprises should proactively invest in low-carbon technologies, align with ESG standards, and collaborate with government and international partners to scale climate solutions.

## The World Bank report:

Viet Nam 2045 - Growing Greener: Pathways to a Resilient and Sustainable Future

This report highlights the private sector's crucial role in achieving Vietnam's 2050 net-zero goal. It recommends advancing the energy transition by leveraging cost-effective renewables and improving industrial energy efficiency, which can drive innovation, growth, and job creation.

 [Read more](#)





An aerial photograph of a white wind turbine with three blades, situated in a lush green agricultural field. The field is divided into sections by dark, winding tracks, likely from a tractor. A dirt road or path runs diagonally across the upper part of the image. The overall scene is bright and green, suggesting a rural or agricultural setting.

# 2

# Navigating the ESG Journey in Vietnam



# Key themes from survey result

The inaugural ESG Readiness Survey in 2022 highlighted a landscape more defined by awareness than action. Businesses were at the early stages of their ESG journey, focused on initial perceptions and plans.

As the landscape evolves, the 2025 ESG Progress Tracker survey examines the shift from intent to implementation, measuring progress since 2022 and identifying momentum and persistent challenges. Findings from amongst businesses operating in Vietnam have been grouped into three themes:

## Rising ESG Commitment From Intent to Strategy

### Solidifying Commitment:

**89%**

of respondents say they have made or are planning to have ESG commitments within 2-4 years, up from 80% in 2022.

### Key Drivers:

**70%**

Regulatory pressure,

**40%**

stakeholder expectations, and

**39%**

leadership directives.

## Narrowing the Action Gap Progress and Persisting Challenges

### Core Business Shift:

**61%**

have formal ESG strategies;

**41%**

have integrated them into their core business models.

### Leadership Enhancement:

**75%**

have ESG leadership in place, up from 62%.

### Traction in Initiatives:

**44%**

say they now implement tangible ESG initiatives, up from 28%.

### Data Enhancement:

**82%**

capture ESG data;

**10%**

utilise BI tools for insights.

### Standard Adoption:

Adoption has doubled with

**57%**

conducting reporting;

**43%**

use standards.

## Accelerating ESG Maturity Internal Hurdles and External Enablers

### Foundations-First Approach:

Emphasising Governance and risk, with broader environmental and social themes secondary.

### Evolving Challenges:

Transitioning from internal capability gaps to external systemic friction.

**Enabling Factors:** Clarity in government policy, capital availability, and customised maturation support.

# 2.1

## Rising ESG Commitment: From Intent to Strategy





# ESG Commitment is Solidifying

ESG has rapidly evolved from an emerging consideration to a strategic imperative for businesses in Vietnam, with a clear shift from planning to execution.

Our 2025 survey underscores this acceleration, revealing that 89% of respondents say they have made or plan to make an ESG commitment within the next 2-4 years - a significant increase from 80% in 2022.

The proportion of companies with no plans for ESG commitment has nearly halved since 2022, falling to just 11%. More importantly, the market is maturing rapidly: over half (54%) now report having implemented their ESG commitments.

This progress, however, is not uniform. Varied rate of ESG adoption is evident across different company types (Figure 2):

- **Foreign-Invested Enterprises (FIEs):** Remain the frontrunners, with 71% having implemented their commitments, driven by global standards.
- **Listed Companies:** Are catching up fast, with 57% now having implemented plans, spurred by investor and regulatory pressure.
- **Unlisted/Private Businesses:** Show progress but lag significantly. Only 27% have implemented commitments, while 23% still have no ESG plans, highlighting greater barriers or lower urgency.

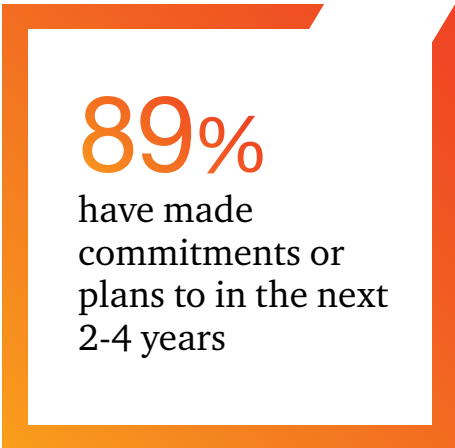


Figure 2: ESG commitment status

Which of the following statements best describes the current status of your organisation's ESG commitment?

11%

Does not plan to  
identify/make ESG  
commitment in the  
next 2-4 years

22%

In the planning  
phase for the next  
2-4 years

13%

Has made plan but  
not yet implemented

54%

Has implemented  
ESG commitment

### Breakdown by company types

Foreign Invested Enterprises (FIEs)	10%	15%	4%	71%
Listed companies	2%	25%	16%	57%
Unlisted/ Private	23%	27%	23%	27%




# Compliance and Stakeholder Pressure Set the Pace

The key drivers for ESG adoption in Vietnam are clear and compelling, shaped predominantly by external and top-down pressures, complemented by intrinsic operational benefits. Our survey reveals that the motivations are less about immediate financial gains and more about securing a licence to operate in an increasingly demanding market (Figure 3).

- **Compliance is the dominant force.** An overwhelming 70% of respondents cite compliance with regulations as a top driver, establishing it as the primary motivator for ESG action.
- **External and top-down pressures reinforce the trend.** This is followed closely by responding to stakeholder pressure (40%) and directives from leadership (39%). Together, these factors show that the ESG agenda is being set from the outside in and the top down.
- **A missed opportunity is revealed.** Tellingly, reducing costs is a driver for only 16% of businesses. Similarly, access to finance (25%) is not yet a top-tier driver, indicating that the benefits of green financing may not be fully understood or accessible. This significant gap suggests that most companies still view ESG primarily as a cost of compliance, rather than a powerful lever for operational efficiency and value creation.

**Figure 3: ESG drivers for organisations**

 Which of the following factors do you believe are the top 3 important reason(s) for adopting or progressing a sustainability strategy within your organisation?

<b>External Pressures &amp; Compliance</b>	<b>70%</b>	Compliance with regulations/policies	Respondents from consumer and manufacturing sector cited this more than the average, likely due to their exposure to international trade and its increased ESG requirements
	<b>40%</b>	Responding to stakeholder pressure (e.g. staff, customers, public, investors, parent company)	
	<b>25%</b>	Contributing to national greenhouse gas emission reduction targets	
<b>Internal Strategy &amp; Values</b>	<b>39%</b>	Directive from organisation's leadership	While currently not a high priority, proactive adoption of ESG policies such as Energy Transition can have strong commercial benefits as outlined in our <a href="#">Energy Transition report</a>
	<b>33%</b>	Corporate values & culture (e.g. purpose)	
<b>Business &amp; Financial Drivers</b>	<b>26%</b>	Responding positively to global crises (e.g. extreme weather events, supply chain disruptions, societal and political polarization)	
	<b>26%</b>	Brand & PR	
	<b>25%</b>	Access to finance	
	<b>16%</b>	Reducing costs	





# 2.2

## Accelerating ESG Maturity: Internal Hurdles and External Enablers



# Decisive Shift from Ambition to Measurable Action

The past three years have seen a clear shift from initial ESG ambition to concrete measurable actions. Whereas a basic “programme” was once the goal, an integrated, metric-driven strategy is now the benchmark for leadership.

This progress is clear in the data: the proportion of businesses with no formal ESG plan has more than halved, falling from **35%** in our 2022 survey to just **15%** today. This confirms that having an ESG strategy is no longer optional; it is a key imperative for doing business in Vietnam.

However, the 2025 data also reveals a critical distinction between strategy on paper and action on the ground (Figure 4):

- **The Leaders are Raising the Bar:** A group of overachievers (**19%**) is raising the bar with fully developed, metric-driven ESG strategies. This sophistication is reflected across the market, as nearly a third of businesses (**28%**) now implement value-driven initiatives that move far beyond simple compliance.
- **The emerging middle:** While **61%** say they have a strategy in development or partially implemented, their initiatives are still maturing, with many limited to pilots (**27%**) or focused narrowly on regulatory compliance (**29%**). This highlights a clear gap between strategic intent and effective implementation.
- **Critical ‘action gap’:** While only **15%** of say they lack a formal strategy, nearly double that number - **29%** - report having no ESG initiatives. This disconnect shows that, for many, documented strategies have not yet been translated into tangible action.

**61%**

Respondents say they now have a formal ESG strategy,

However, only

**44%**

Have fully deployed ESG initiatives toward value driven

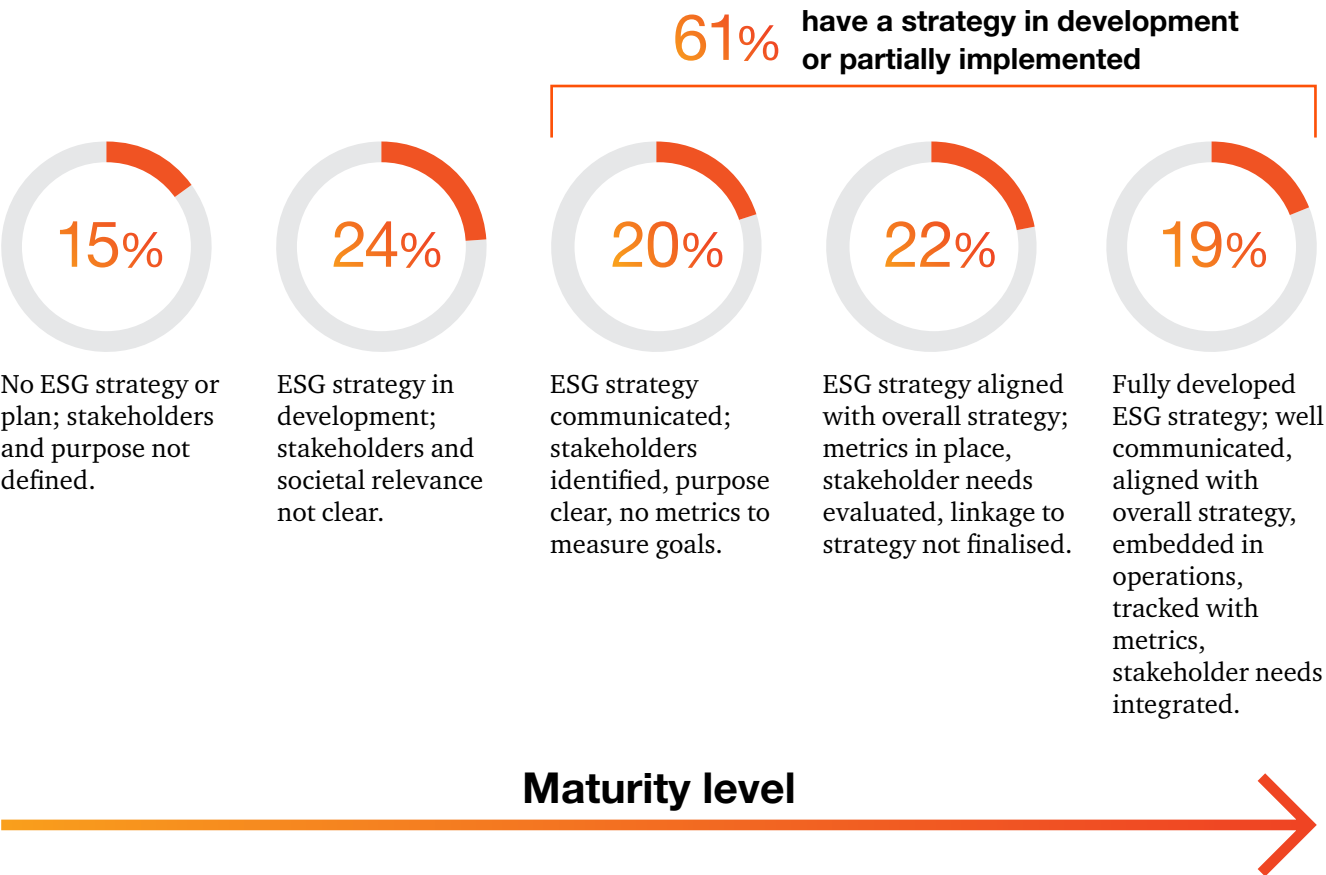
The overarching story is one of significant progress. The conversation has moved beyond **if** a company needs a strategy to **how well** it can be executed. The key challenge now is closing the ‘action gap’ and building the capabilities to translate strategic ambition into measurable impact.



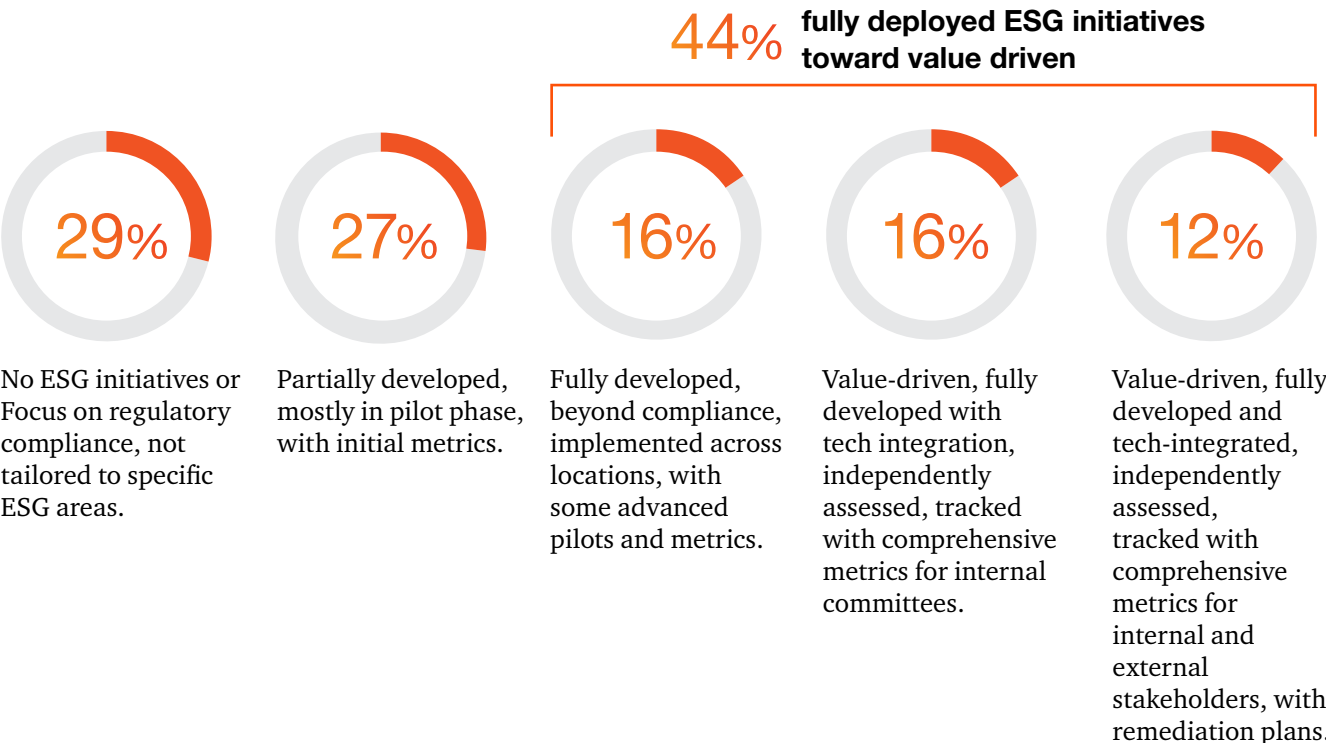


Figure 4: ESG Strategy and Initiatives

**?** Which of the following statements best describes the current status of your organisation's overall Sustainability/ ESG Strategy & Implementation?



**?** Which of the following statements best describes the current status of your organisation's overall ESG Initiatives?



# Leadership Engagement Deepens and Formalises

A key development since 2022 is the formalisation of ESG leadership. Where ambiguity once existed, clearer structures are now taking shape, establishing ESG as a core governance topic that demands accountability from the top.

The most positive shift is the decline in leadership vacuums. The proportion of respondents saying their company has 'no clear ESG leader' has fallen from 38% in 2022 to just **25%** today (Figure 5). However, while leaders are being appointed, half (50%) of surveyed businesses still operate with either distributed roles or limited authority. Fully empowered ESG leaders are becoming more common, but they are not yet the norm.

At the board level, oversight has become more structured, with over half of respondents saying they now have either a dedicated ESG sub-committee (28%) or a designated member (27%) (Figure 5).

Despite this progress, two critical challenges persist. A concerning 32% say their boards remain completely uninvolved in ESG - a figure unchanged since 2022 - and only 13% demonstrate active, strategic leadership.

This suggests that for many, board involvement is still procedural rather than a deep, strategic engagement integrated across the entire business.

## A New Leadership Dynamic: The Rise of the ESG-Savvy CFO

As companies seek to bridge this gap, a new leadership dynamic is emerging: the rise of the ESG-savvy CFO. With sustainability now integral to mandatory reporting and long-term value, the CFO's financial acumen is indispensable.

The most effective structure we see is not a replacement of the Chief Sustainability Officer (CSO), but a powerful partnership between the two. The CFO provides the rigour for data and reporting, connects sustainability initiatives to financial strategy, and - most importantly - allocates the capital to turn plans into action. An actively involved finance function is the clearest signal that a company is treating ESG not as a cost of compliance, but as a strategic driver of long-term value.

Explore PwC's playbook to help the Chief Financial Officer (CFO) and the finance function leading on sustainability reporting and strategy for driving growth.


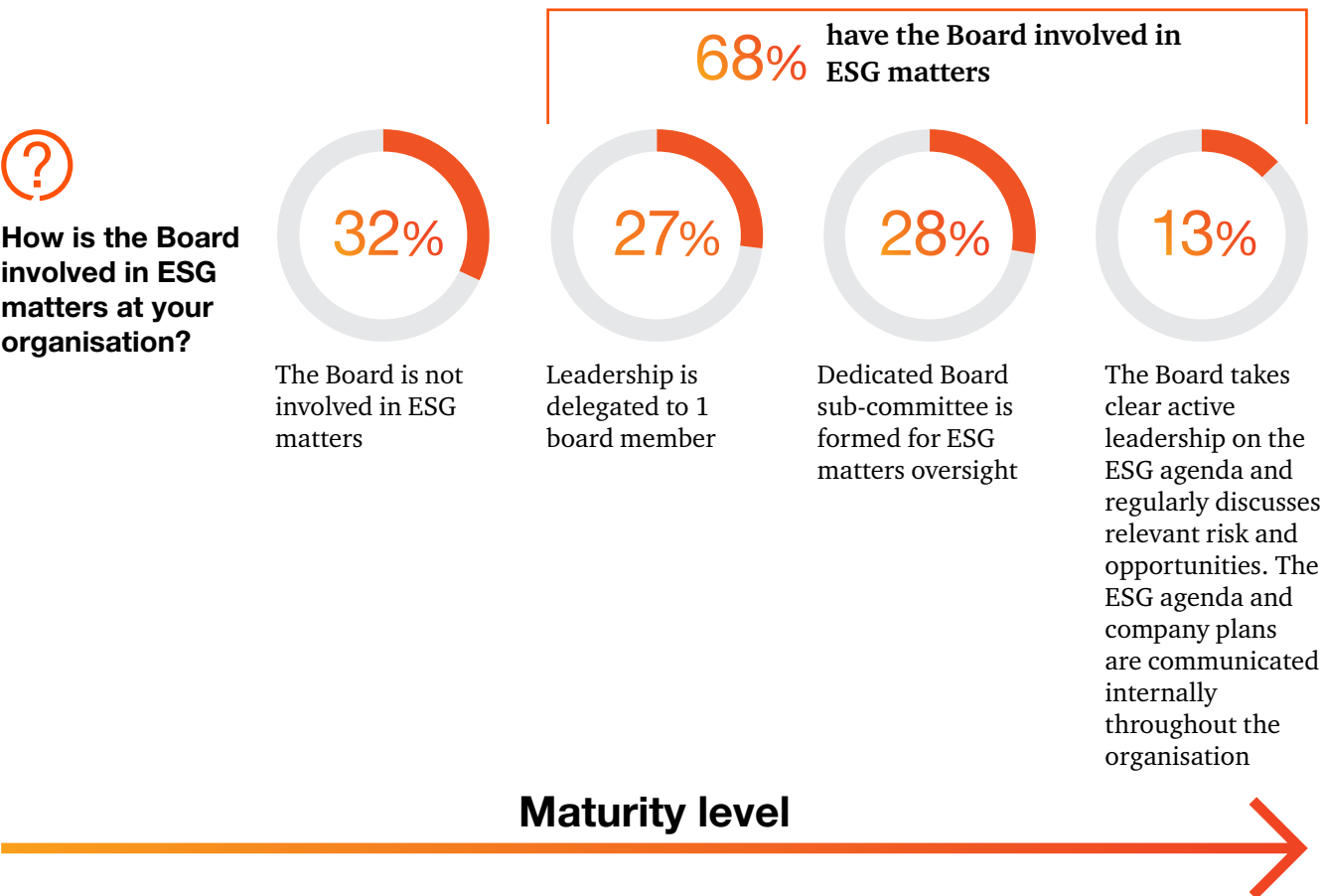
 [Read more](#)



Figure 5: ESG Leadership



# Governance as The Anchor of Understanding and Structure

Our findings show that Governance is the most mature ESG pillar, both in leadership understanding and formal structure.

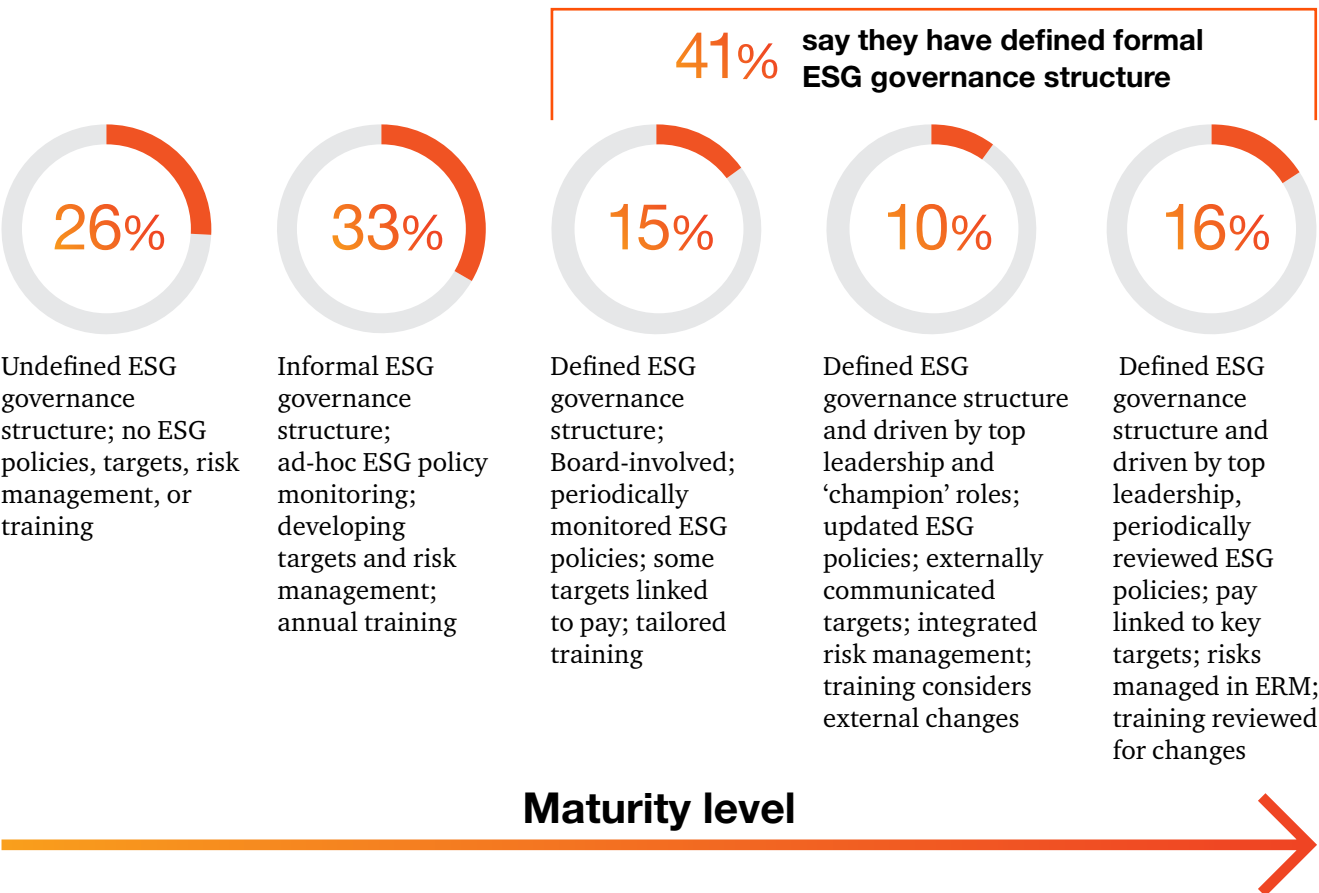
A full 34% of respondents rate their leadership’s understanding of ‘G’ as ‘Advanced’ - significantly higher than for ‘E’ or ‘S’. This comfort is reflected in practice, where over half of boards have now formalised oversight through dedicated sub-committees or designated members (Figure 5).

In contrast, leadership’s grasp of environmental (23% advanced) and social (21% advanced) issues is far less developed. This knowledge gap helps explain a recalibration we observe in governance structures. The number of respondents now describing their structure as ‘informal’ has risen to 33% (Figure 6). This trend could be a sign of maturing self-awareness: what passed for a formal structure three years ago is now rightly seen as insufficient for today’s complex demands.

Despite this progress, a concerning 26% say that still have no defined governance structure at all. The overarching challenge is therefore clear: to build upon the solid foundation of governance and develop the same level of expertise and structural rigour for the equally critical environmental and social dimensions.

**Figure 6: Governance & Accountability**

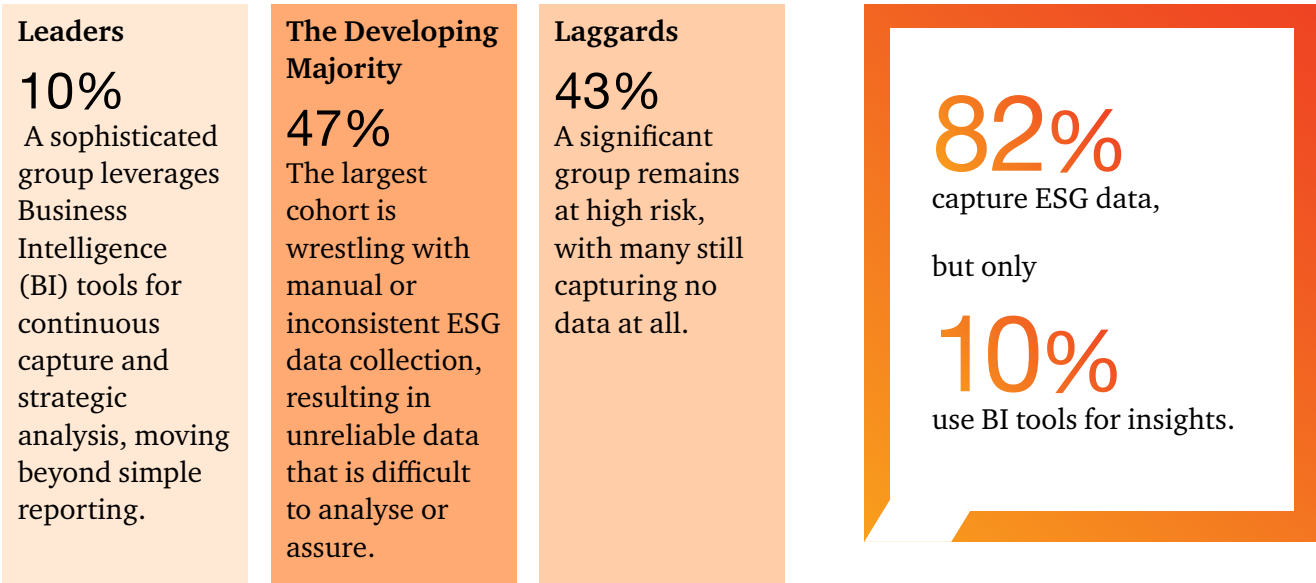
 Please select the statement that best describes the current situation in your organisation’s ESG governance structure and leadership accountabilities in driving ESG?





# Data is The New Frontier of ESG Maturity

Over the past three years, the primary challenge for businesses in Vietnam has shifted from understanding what to measure to effectively managing and utilising data. While the knowledge gap has narrowed, with only 18% of companies now lacking data or KPIs, a “three-tier” market has emerged based on data capability (Figure 7).



The core challenge is now capability, not awareness. The focus must be on equipping businesses with the systems and skills to leverage ESG data as a strategic asset rather than a compliance burden.

## Harnessing Digital Technology to Overcome ESG Challenges

Effective ESG measurement and reporting are often hindered by poor-quality, fragmented data. Digital technology is crucial for overcoming this, enabling organisations to centralise data, automate processes, and enhance analytics. Dedicated ESG platforms can streamline these efforts without requiring a complete overhaul of existing systems.

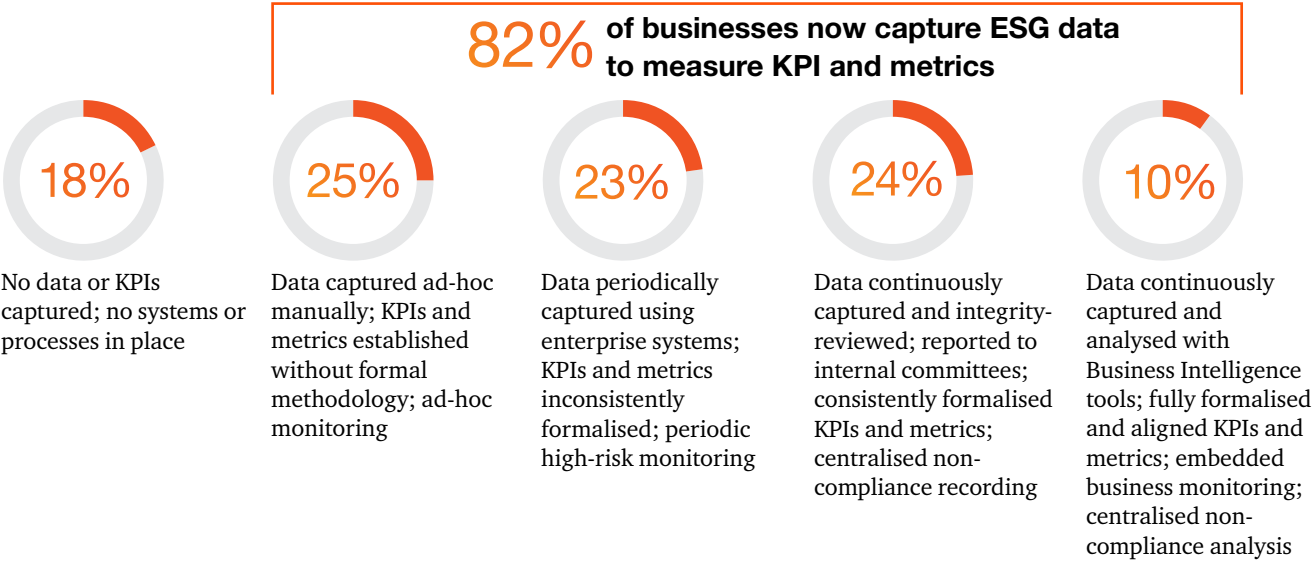
Embedding digital transformation within a core ESG strategy is therefore essential, allowing organisations to move beyond compliance to achieve efficiency and long-term value.

Looking ahead, PwC’s 2025 predictions indicate that AI is set to accelerate the energy transition and generate substantial cost savings, positioning organisations as leaders in sustainable innovation. Explore our latest insights on this topic:

 [AI and Transparency: A New Age of Corporate Responsibility](#)

# Figure 7: Monitoring, Reporting and Assurance

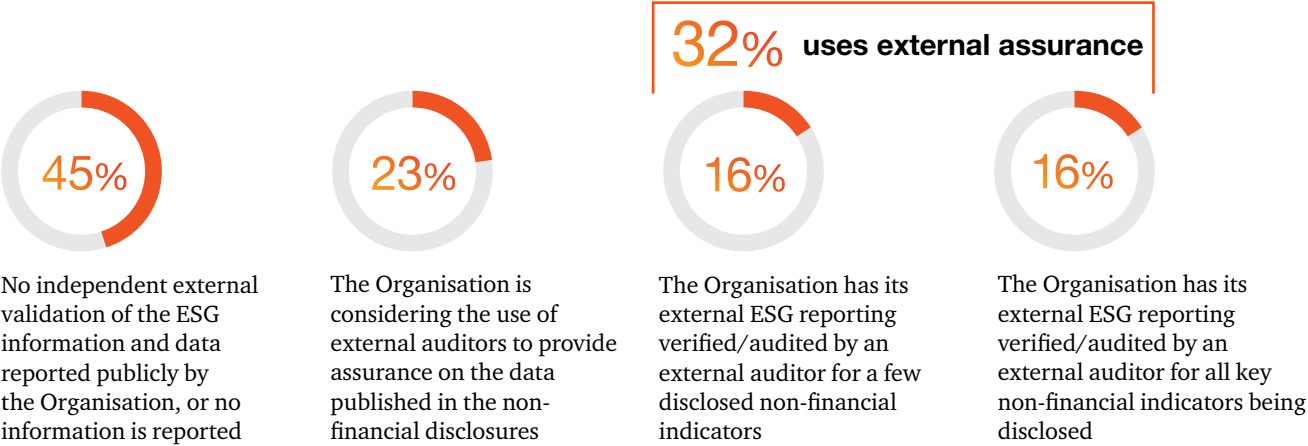
**Which of the following statements best describes the current status of your organisation's Monitoring and Measuring Sustainability indicators?**



**Which of the following statements best describes the current status of your organisation's ESG reporting?\***



**Please select the statement that best describes the current situation in your organisation's ESG reporting?\***



Maturity level



# Professionalising ESG Reporting and Assurance

The ESG landscape is progressively maturing, shifting from a focus on initial participation to a drive for professional quality. This has created a stark divide between market leaders and the majority across both reporting and assurance.

## Reporting intent has become the norm

Commitment to reporting has become mainstream. The portion of respondents that say they have external reporting has risen to **57%** (up from 52% in 2022); additionally, **23%** indicate that they plan to do ESG reporting in the next 12 months.

However, a ‘developing majority’ (57%) now lacks a structured approach, using no formal standards or operating on an ad-hoc basis (Figure 7). This highlights a significant gap between intent and effective implementation.

In contrast, the proportion of respondents saying they are reporting with established standards has grown significantly to **43%** (up from 30% in 2022), demonstrating a clear advancement in sophistication among market leaders.



## Assurance: A Drive for Credibility

This demand for quality is most evident in assurance. While the overall number of firms seeking validation is stable (more than one third), the market has professionalised: formal audits (32%) have completely replaced less rigorous reviews (23%) (Figure 7).

Yet, this progress is sharply contrasted by a large, persistent group (45%) with no independent validation at all.

The defining challenge now for companies is a profound capability gap, creating a two-tiered market. Leaders are building stakeholder trust through structured, audited disclosures, whilst a large majority risks being left behind due to a lack of sophisticated processes and credible verification.

## State of Sustainability Reporting in Vietnam & Asia Pacific

Sustainability reporting is evolving rapidly with complex new standards like CSRD and ISSB. For businesses in Vietnam and Asia Pacific, moving beyond compliance to leverage these standards for strategic advantage is key.

Our latest **Sustainability Counts report**, developed with the National University of Singapore (NUS), is your guide to this new landscape. It provides a concise review of progress, key developments, and leadership insights across the region to help you make informed decisions.



# 2.3

## Accelerating ESG Maturity: Internal Hurdles and External Enablers



# A ‘Governance-First’ Approach

Sustainability is now central to Vietnam’s national economic strategy, alongside its ambitions of achieving high-income status by 2045 and Net Zero emissions by 2050. This commitment is reinforced by key government resolutions linking sustainable practices directly to economic development.

To align with this national agenda, businesses must accelerate their own ESG journeys. The path to acceleration, however, is not uniform. It is defined by their stage on the ESG journey, internal priorities, and the specific hurdles it faces, creating a clear demand for tailored support and enabling policies.

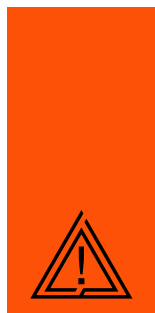
In response, current corporate priorities in the next 12 months reveal a clear and pragmatic focus on building foundational capabilities first (Figure 8):

## A ‘Governance-First’ Approach:

The top priorities are unequivocally foundational:

Risk Management  
and Compliance

65%



Corporate  
Governance

45%



ESG Reporting

36%



This reflects a pragmatic ‘house-in-order’ strategy, focused on building robust structures and processes.

## Thematic Issues Rank Lower:

Specific ‘E’ and ‘S’ goals are secondary, suggesting they will be addressed once this governance foundation is secure. For instance, Climate Change (25%) and Diversity and Wellbeing (20%) are prioritised below governance. Within environmental topics, immediate concerns like climate and waste are favoured over longer-term issues such as Water Scarcity (9%).

Climate  
Change

25%



Diversity and  
Wellbeing

20%




Water Scarcity

9%



Figure 8: Near-term priorities

 Among the ESG areas, please choose the top 3 priorities of your organisation over the next 12 months


E


Environmental

These factors concern an organisation’s impact on the natural world

 Climate change  
25%

 Circular waste management  
22%

 Water scarcity  
9%

 Biodiversity conservation  
3%

S

Social

These factors relate to how an organisation manages its relationships with its workforce, the societies in which it operates, and its broader community.

 Diversity, equality and workforce wellbeing  
20%

 Local communities  
19%

 Localisation and upskilling of the workforce  
18%

G

Governance

These factors relate to how an organisation is managed, its internal controls, and its accountability to stakeholders.

 Risk management & compliance  
65%

 Corporate governance  
45%

 ESG reporting  
36%

 Data protection and cyber security  
24%







# Evolving Hurdles on The Path to Maturity

As Vietnamese businesses move from ESG commitment to action, they face a new set of hurdles. Our survey shows that these challenges are not static; they evolve significantly as a company progresses, shifting from internal capability gaps to external systemic friction (Figure 9).

## For developing companies, the main barriers are internal

For companies still developing their strategy, the hurdles are fundamental.

They face a classic resource and capability problem, citing a lack of a well-defined strategy (70%), lack of internal skills (60%), and challenges with measuring and reporting (54%) as their primary obstacles.

By contrast, external factors like unsupportive government policies (35%) are a lower-priority concern as they lack the capabilities to benefit from policies that even exists.

## For mature companies, barriers evolve and become more complex

For these leaders, the primary constraints become external, notably a lack of supportive government policies (45%) and external political/economic uncertainty (38%).

Meanwhile, internal challenges evolve in complexity. The technical demands of Measuring, reporting & disclosure emerge as a key hurdle (47%), coupled with the persistent need to secure ongoing leadership buy-in (30%) and funding (27%).

This reflects the shift from the initial challenge of ‘how to start’ to the more demanding, continuous effort of ‘how to scale’ and maintain momentum.

Figure 9: Barriers to sustainability

**?** Which of the following challenges are having top 3 greatest impact on implementing sustainability initiatives in your organisations?

	Developing companies	Mature companies
<b>Internal Factors</b> These are challenges originating from within the organisation's own structure, capabilities, and resources.	<div>70% Lack of well defined ESG strategy</div> <div>60% Lack of internal skills/ expertise</div> <div>54% Measuring, reporting and disclosure</div>	<div>47% Measuring, reporting and disclosure</div> <div>30% Lack of leadership buy-in</div> <div>27% Lack of funding</div>
<b>External Factors</b> These are challenges originating from the broader market, regulatory, and political environment.	<div>35% Lack of supportive government policies and regulations</div> <div>25% No demand from shareholders and customers</div> <div>19% External issues (e.g. political/ economic uncertainty)</div>	<div>45% Lack of supportive government policies and regulations</div> <div>38% External issues (e.g. political/ economic uncertainty)</div> <div>31% Conflicting regulation</div>





# A call for Clarity, Capital, and Customised Support

To accelerate their ESG journey, businesses are not waiting for mandates; they are calling for practical enablers. This requires a dual approach: policymakers must provide clear financial incentives and standards, while the service market must offer support tailored to a company's specific stage of maturity.

## From Government: A call for Capital and Clarity

A clear consensus has formed around three top-tier priorities (Figure 10):

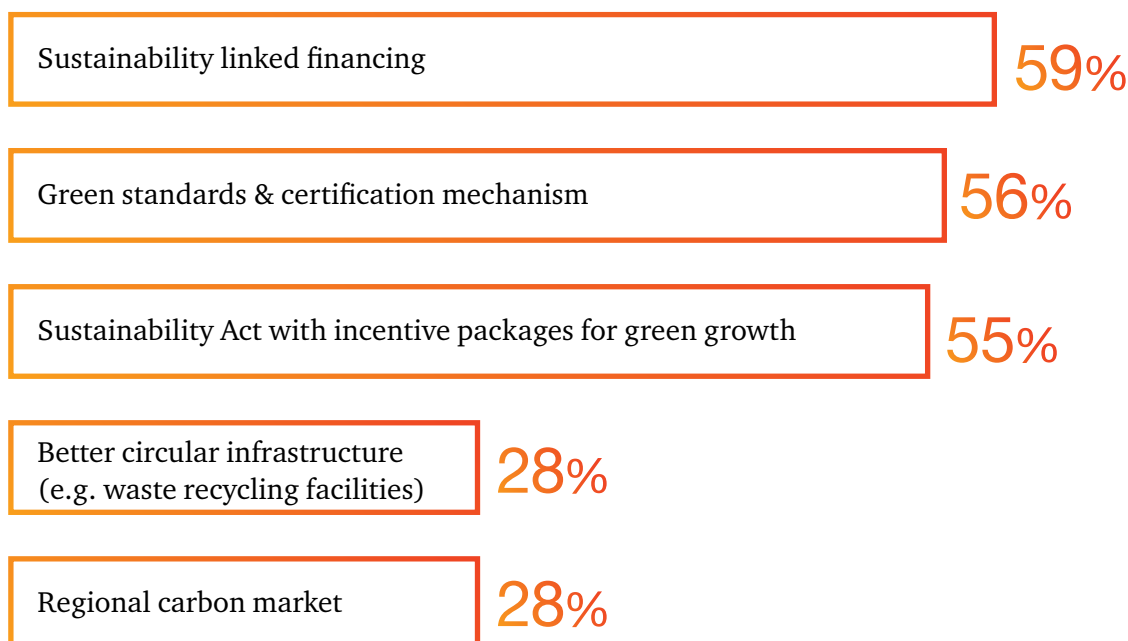


Following this, the next priority is building the practical systems for a green economy, with equal demand for better circular infrastructure and a regional carbon market (28%).

Notably, policies that increase pressure rank lowest, with minimal support for reducing the net-zero timeframe (6%). This shows businesses need broad enablers to meet current goals, not more aggressive targets.

## Figure 10: Government policies

Which ESG related government policy/policies would you wish to be announced in the next 12 months? (top 5)




# From the Market: Tailored Support from Direction to Precision

A one-size-fits-all approach is ineffective (Figure 11).

Early-stage firms require a foundational ‘starter kit’		Mature firms need an ‘upgrade package’ with	
a sustainability roadmap	65%	sophisticated tools for emissions data tracking	49%
basic awareness training	58%	materiality analysis	44%

Across both groups, two needs are constant: accessing financial resources and integrating ESG into procurement. This shows that funding the transition and managing the value chain are persistent challenges for all.

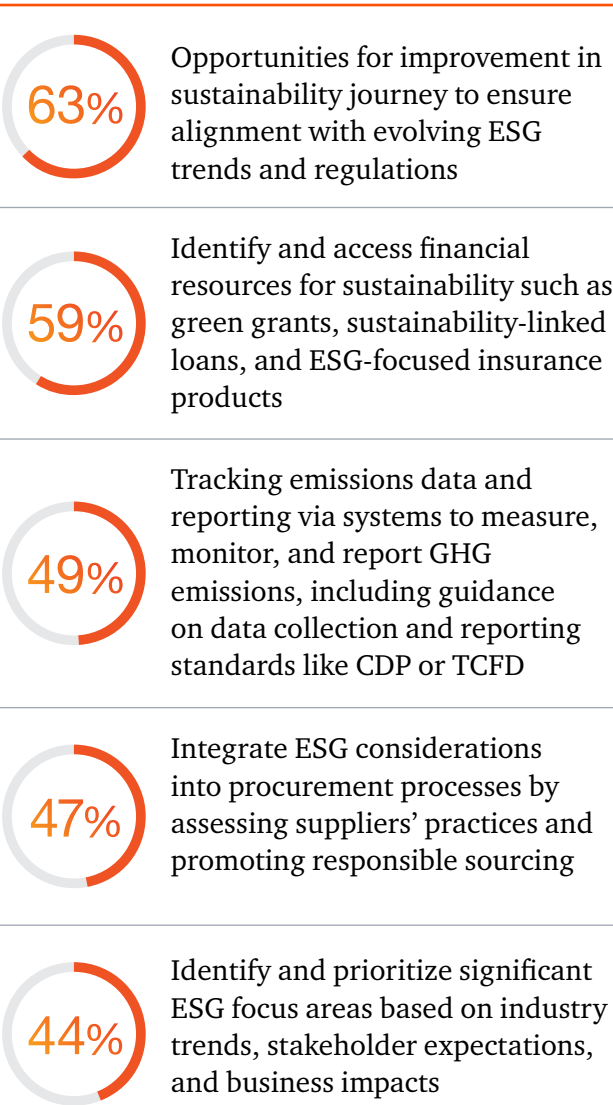
Figure 11: Support to advance ESG maturity

 In which of the following areas do you think your organisation requires support? (Choose all that apply)

## Developing companies



## Mature companies





# From sustainability compliance to business reinvention



# Embracing the Reinvention Imperative

The global landscape is being rapidly reshaped by advances in AI, rising climate risks, and geopolitical shifts. This transformation creates immense pressure: 45% of Asia Pacific CEOs believe their company will not be viable in 10 years if it stays on its current path. This high-stakes environment - where AI could boost the global economy by 15%, while climate risks could shrink it by 7% - forces businesses to innovate their core models.

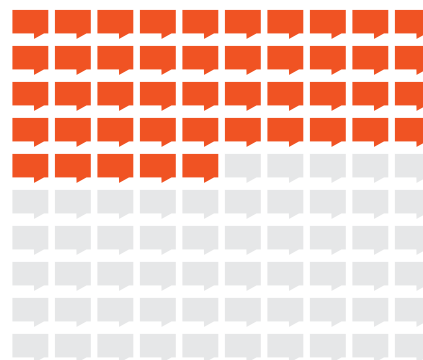
## The Strategic Imperative for Vietnam

For Vietnam, this global pivot makes ESG progress a strategic imperative. As regional markets accelerate their shift to low-carbon energy, early investment in clean technologies, energy efficiency, and innovative power solutions positions businesses to capture growth, attract green finance, and meet rising international expectations. To fully realize these opportunities, ESG strategies must also ensure respect for human rights and support a just transition - one that safeguards livelihoods, promotes equity, and leaves no one behind.

## From Compliance to Competitiveness


While many Vietnamese businesses currently approach ESG as a compliance exercise, this is a critical opportunity. By integrating ESG into core strategy and operations, companies can move beyond a defensive posture to accelerate maturity and enhance long-term competitiveness.

To advance, businesses must view ESG as a value driver, not just a compliance task, investing in the capabilities that transform ambition into tangible outcomes.



45%

of Asia Pacific CEOs believe their company will not be viable in 10 years if it stays on its current path.

 [PwC 28th Annual Global CEO Survey - Asia Pacific](#)

## The leader's guide to value in motion

Explore our latest [insights](#) on how leaders can prepare for the transformative impact of AI, climate change, and other megatrends. Learn how these forces are shifting value pools, reconfiguring industries, and redefining the executive agenda.



# Strategic Roadmap to Reinvention

1

## Mastering Reporting and Compliance

Building a robust foundation for transparency and accountability.



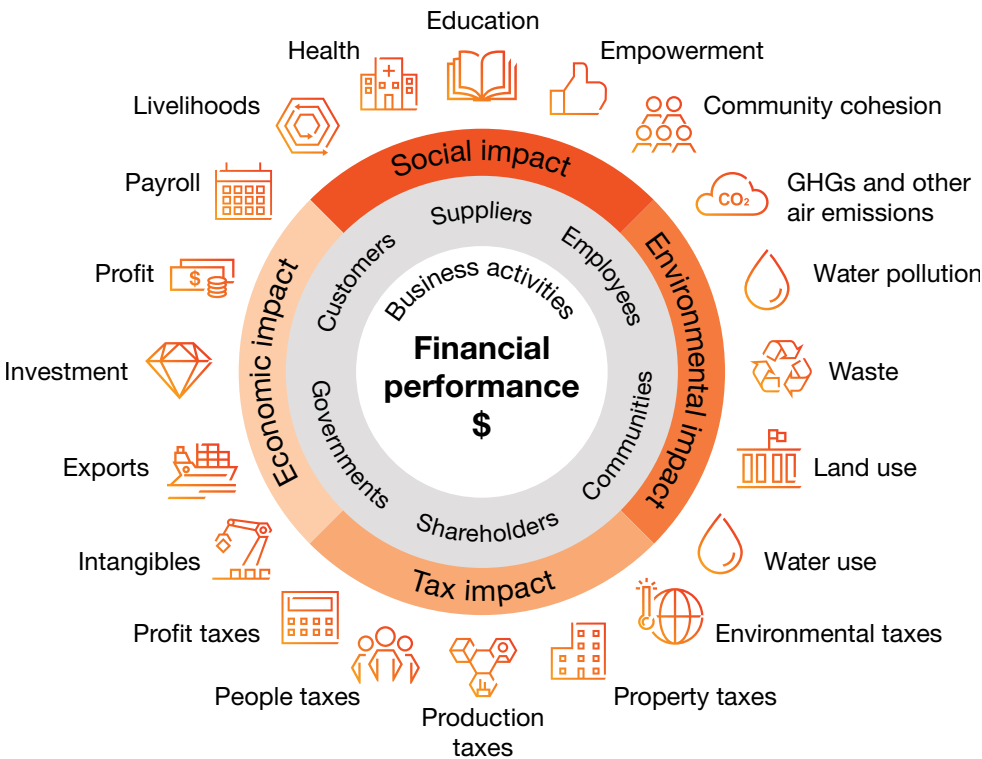
Assess readiness through a technical disclosure gap assessment and organisational **maturity assessment** across people, process and technology.



Identify the **sustainability impacts**, risks & opportunities that matter to your business and your broader stakeholders to determine material sustainability matters and how those interact with your business strategy.

## Our approach: Impact management

Identify and understand your business's impact on planet and people through our comprehensive framework: **360 degree lens**.



## 2 Harnessing AI and technology

Leveraging data for predictive insights and smarter decision-making.



Create and implement a data and technology strategy with the appropriate data architecture and flows to support the reduction of ongoing regulatory costs.



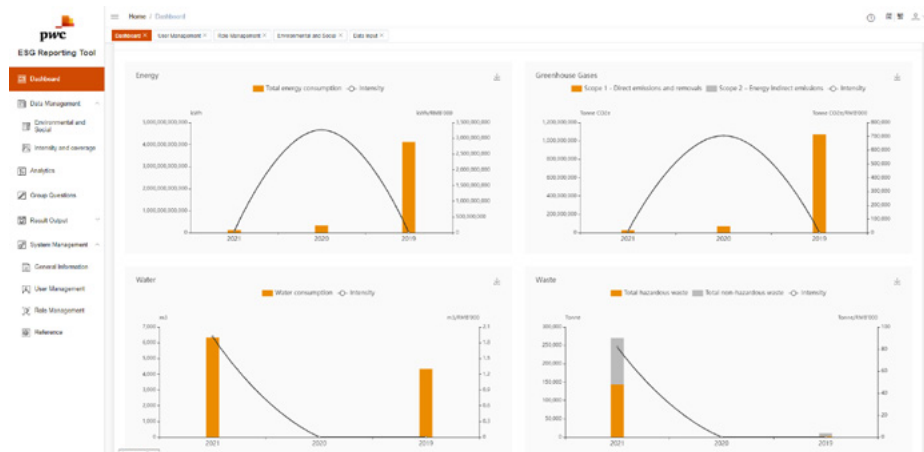
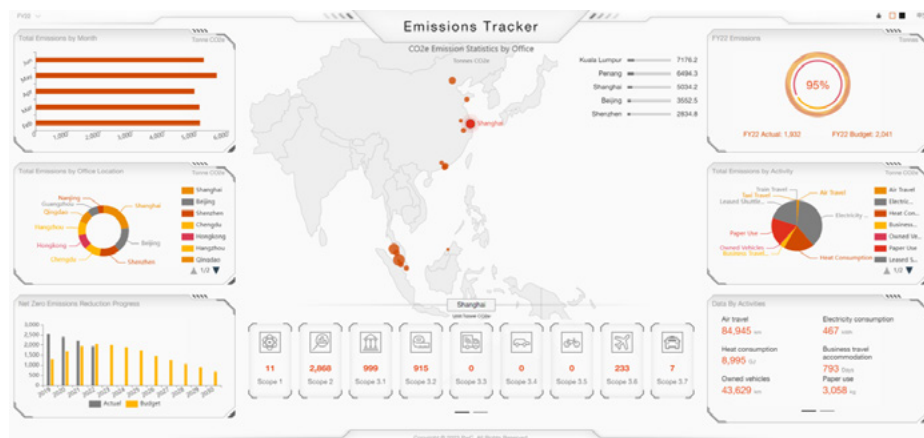
Optimise the finance function to produce high quality data to measure and forecast performance.



Identify sources of data and the systems used for data collection and consolidation to define data architecture and single source of truth for internal and external reporting.

## Our assets: ESG digital tool

Explore our suite of sustainability tools for emissions tracking, benchmarking, and making data-informed decisions





### 3 Driving Efficiency and Margin Improvement

Using sustainable practices to optimise operations and enhance profitability



The regulatory framework and data insights provided will enhance the business case for transformation and reinvention.



Embed sustainability into business functions, such as finance and risk, to measure, monitor and forecast progress against goals and enable holistic decision making.



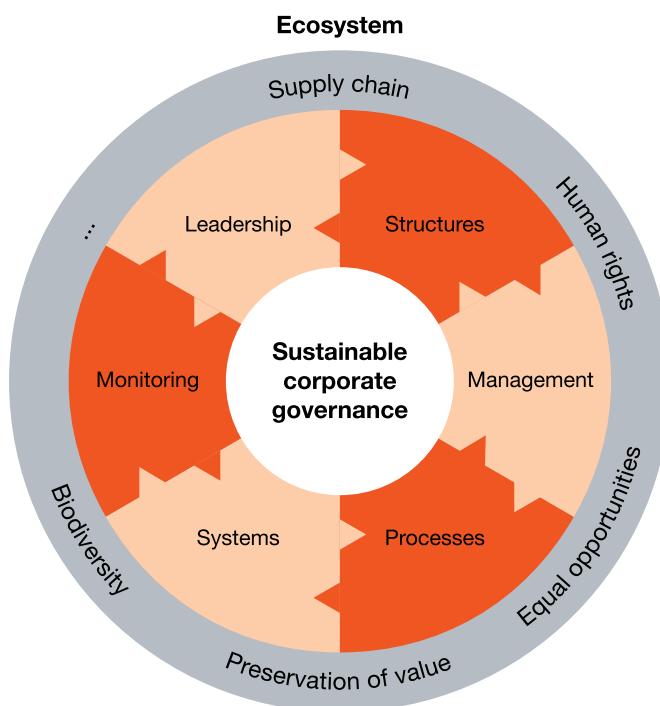
Deliver insightful data to unlock margin improvement opportunities and related cost reduction initiatives, like energy demand and waste reduction.



Mitigate potential disruptions and vulnerabilities within a company's supply chain.

#### Our approach: Sustainable corporate governance

Integrating environmental and social considerations into corporate leadership to drive long-term productivity, impact, and value.



Source: PwC "Sustainable corporate governance"

# 4

## Achieving Business Model Reinvention

Enable long-term growth through Business Model Reinvention.



Evolving regulations will continue to accelerate the need for organisations to reinvent their business models to harness value creation opportunities brought by sustainability regulations.



Reconfigure your future business model, delivering on the need to decarbonise and adapt to the impact of climate, and strengthen your competitive differentiation.

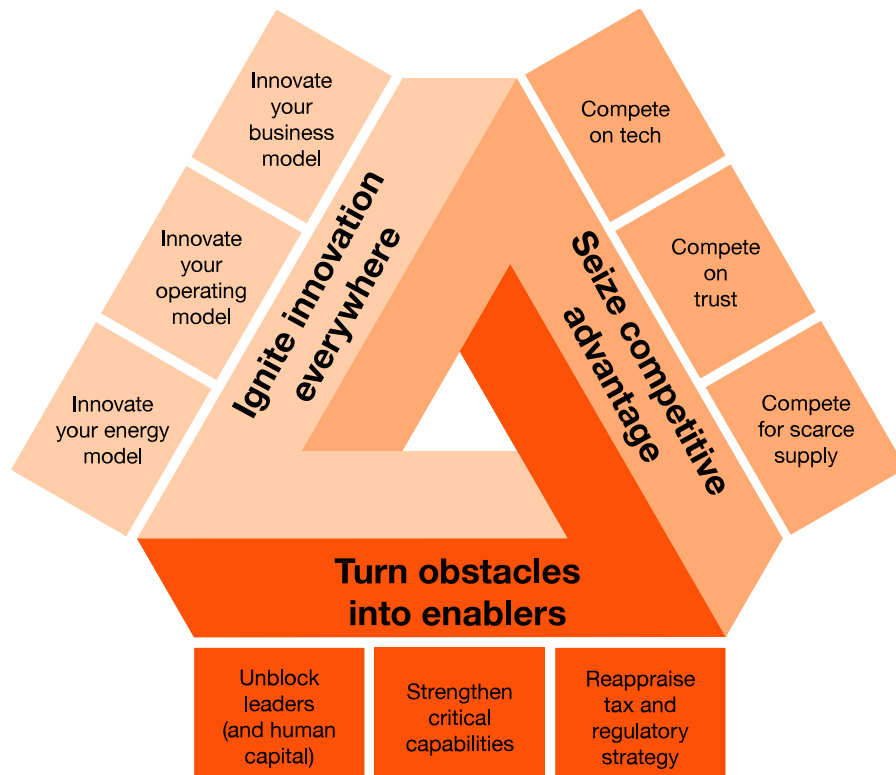
### Our insight: Reinventing for growth

The next decade will be defined by transformation from technology and climate change. Businesses that make strategic, ‘no-regret’ moves today will capture the new domains of growth tomorrow.

Explore the path forward in our latest PwC report:



[Reinventing your company for growth.](#)



Source: PwC research and analysis





New ESG regulations aren't a risk; they are the single greatest opportunity for differentiation we have today. Forward-thinking companies will see beyond the compliance checklist to find new ways to innovate, build trust, and create lasting value.

The key is data.

By working together and leveraging advanced technology, we can overcome data challenges and turn reporting requirements into a roadmap for margin improvement and bottom-line growth. Let's collaborate to transform these complex responsibilities into clear competitive advantages, ensuring our businesses - and our society - thrive in the years to come.



**Andrew Chan**

Asia Pacific Sustainability Leader  
PwC Malaysia





# About the survey



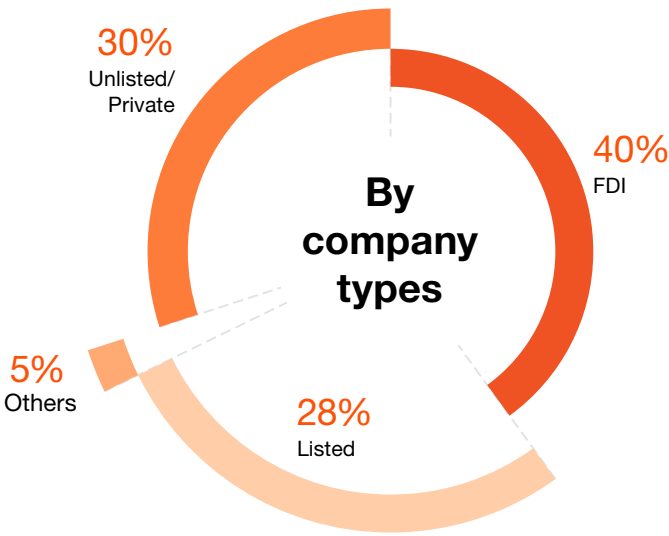
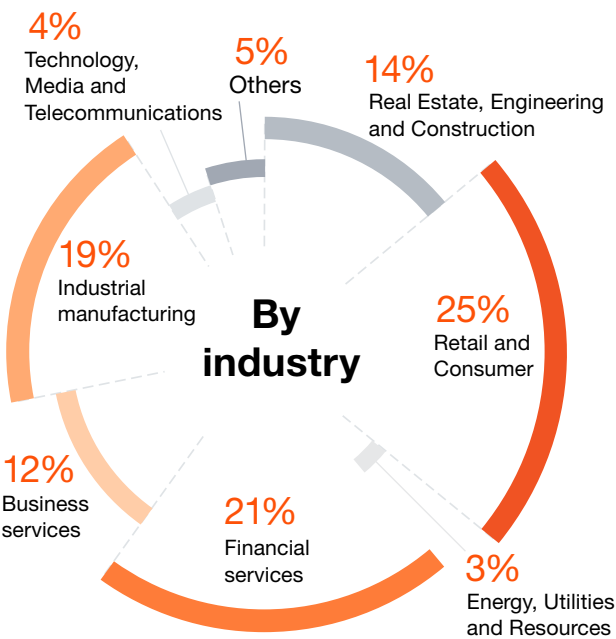


# Methodology and Respondent profiles

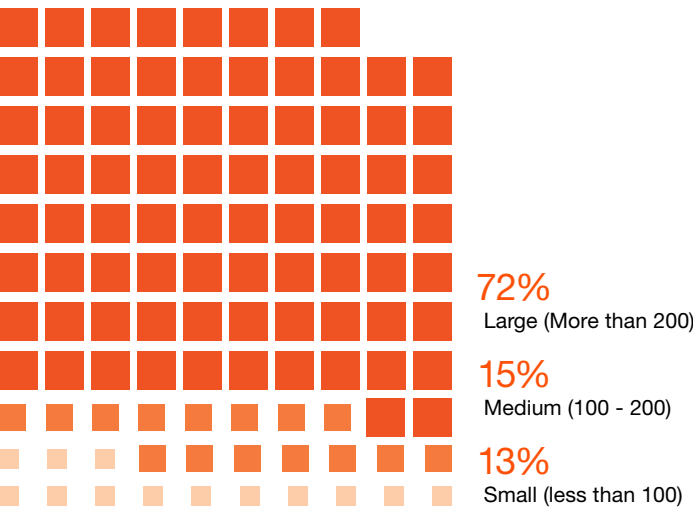
The ESG Progress Tracker survey is a public survey conducted between November 2024 and July 2025 among the business community in Vietnam. The goal of the survey is to get an understanding of how businesses in Vietnam approach ESG. The survey was conducted online where 174 participants were asked about their organisation’s commitment, activities with regards to ESG.

**Note:**

- Not all figures add up to 100% because of rounding percentages
- The industry and firm level figures are based on unweighted data

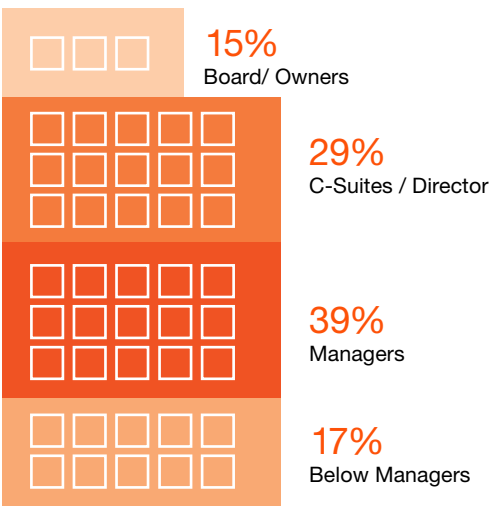


**By Company size\***



\*annual revenue in USD million

**By respondents' positions**



# Appendix



# ESG related policies and regulations



## Environmental

Nationally determined contribution (NDC) (2016 - NDC 1.0)

Law on Environmental Protection (2020)

National Strategy on Green Growth in 2021 - 2030, vision toward 2050 (2021)

National Strategy for Environmental Protection through 2030, vision toward 2050

Scheme on circular economy development in Vietnam (2022)

National Climate Change Strategy through 2050 (2022)

Electricity Master Plan VIII (2022)

Vietnam's Eighth National Power Development Plan (PDP VIII) (2023)

Decree 06/2022/ND-CP on GHG emissions mitigation and ozone layer protection (2022)

Decree 08/2022/ND-CP to guide the implementation of Law and regulations on Extended Producer Responsibility (EPR) related matters (2022)

Nationally determined contribution (NDC) - Update in 2022 (NDC 2.0)

Decision 687/QD-TTg approving the scheme for circular economy development in Vietnam

Law on Water Resources (2023)

Law on Biodiversity (2008)

Decision No. 13/2024/QD-TTg providing Lists of required sectors and facilities emitting greenhouse gases to develop greenhouse gas inventory (Updated) (2024)

Vietnam submit Nation Adaptation Plan for 2021-2030 with a vision to 2050, grounding it in current climate change policies.

Nationally determined contribution (NDC) - Expected to release in 2025 (NDC 3.0)

Decision 232/QD-TTg approving the scheme for establishing and developing a carbon market in Vietnam (2025)

Decree 119/2025/ND-CP on amending to certain articles of Decree 06/2022/ND-CP (2025)

Decision 21/2025/QD-TTg on environmental criteria and the confirmation of investment projects classified under the green taxonomy (2025)

Draft Decree on the Pilot Mechanism for Circular Economy Development (2025)

## S Social

Decree 132/2008/ND-CP providing the implementation of a number of articles of the law on product and goods quality (2008)

Social Insurance Law (2014)

Law on Occupational Safety and Hygiene (2015)

Decree 39/2016/ND-CP providing the implementation on the law on occupational safety and sanitation (2016)

Decree 43/2017/ND-CP on Good Labels (2017)

Decree 119/2017/ND-CP on penalties for administrative violations against regulation on standards, measurement and quality of goods (2017)

Decree 38/2021/ND-CP prescribing penalties for administrative violations involving cultural and advertising activities (2018)

Labor Code (2019)

Decree 145/2020/ND-CP elaboration of some articles of this Labor code on working conditions and labor relations (2020)

Socio - Economic Development Strategy for the Period of 2021 - 2030 (2021)

Law on Protection of Consumer Rights (2023)

Decree 24/2023/ND-CP regulating the base salary (2023)

Decree 158/2025/ND-CP on elaboration and guidance on implementation of some articles of The law on social insurance regarding compulsory social insurance (2025)

Law on Vietnam Personal Data Protection (No. 91/2025/QH15)

Social Insurance Law (2024)

## G Governance

Vietnam Sustainability Index (VNSI) by Ho Chi Minh City Stock Exchange (HOSE) (2017)

Law on Anti-corruption (2018)

Law on Tax Administration (2019)

Law on Competition (2019)

Vietnam Corporate Governance Code of Best Practices (2019)

Law on Enterprise (2020)

Decree 155/2020/ND-CP providing guidance on Law on Securities (2020)

Decree 132/2020/ND-CP providing guidance on tax administration for enterprises with related-party transactions (2020)

Circular 96/2020/TT-BTC providing guidelines on disclosure of information on securities market (2020)

Law on Bidding (2023)



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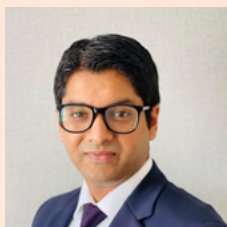
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