

The use of artificial intelligence to advance ESG goals for businesses



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Vietnam is entering a transformative phase where digital innovation and sustainability are no longer parallel ambitions – they are deeply intertwined. As the country pushes forward with its national AI strategy and commits to net-zero emissions by 2050, businesses are increasingly finding themselves at the intersection of two powerful forces: AI and environmental, social, and governance (ESG) imperatives.

AI is no longer a futuristic concept in Vietnam. It is already reshaping industries and public services, offering new ways to solve long-standing challenges. From automating operations to enhancing decision-making, AI is becoming a strategic enabler – not just of productivity, but of resilience and sustainability.

This technological momentum is unfolding alongside a rising tide of ESG awareness. According to PwC's ESG Progress Tracker 2025, nearly 90 per cent of Vietnamese companies have made or plan to make ESG commitments. However, only 41 per cent have integrated ESG into their core business models.

ESG is evolving from a compliance exercise into a strategic lens through which businesses assess long-term value, risk, and resilience. The challenge lies not in

recognising its importance, but in translating ambition into action.

The convergence of AI and ESG presents a transformative opportunity for Vietnamese businesses to accelerate sustainability goals. AI enables real-time monitoring of energy consumption, predictive maintenance, and intelligent resource allocation, driving efficiency and reducing waste. In the energy sector, AI enhances the integration of renewables by forecasting solar and wind output, improving grid reliability, and supporting smart infrastructure.

These capabilities are especially relevant in Vietnam, where the shift towards clean energy is both a national priority and a strategic growth area. By embedding AI into environmental operations, companies can reduce emissions, optimise performance, and contribute meaningfully to climate resilience.

Beyond environmental gains, AI is reshaping how businesses approach social responsibility. In healthcare, AI supports early diagnosis and personalised treatment, improving outcomes and access. In education, it enables adaptive learning tailored to individual needs, helping bridge gaps for underserved communities.

AI's ability to process vast datasets also

allows organisations to uncover patterns of bias and inequality, informing fairer hiring practices and inclusive service design. As Vietnam's economy grows, leveraging AI for social progress can help ensure that development is inclusive and benefits all segments of society.

Governance, too, stands to benefit from AI's expanding capabilities. As companies face increasing pressure to demonstrate transparency and accountability, AI offers tools that can strengthen internal controls and improve risk management. By analysing vast datasets, AI can detect anomalies, flag potential compliance issues, and model future scenarios that help businesses anticipate financial, operational, or reputational risks. Furthermore, AI-enabled automated reporting systems also reduce human error and ensure consistency across ESG disclosures.

FLAGGING THE ISSUES

As AI becomes more embedded in decision-making processes, it also introduces new layers of complexity and risk that must be carefully managed to ensure responsible and inclusive implementation.

One of the most pressing concerns is AI's environmental footprint. Training large models requires immense computational power, leading to high-energy consumption and carbon emissions. Some of the world's largest AI data centres under development are projected to consume as much electricity as entire countries, raising serious questions about their compatibility with global climate goals.

In Vietnam, where green infrastructure is still maturing and energy transition is underway, the unchecked expansion of energy-intensive AI systems could strain national resources and undermine progress towards net-zero targets. Moreover, the rapid pace of hardware innovation – driven by the need for faster processors and more powerful GPUs – accelerates electronic waste. Many AI systems lack transparency regarding their environmental impact, making it difficult for companies to assess

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and mitigate their carbon footprint.

Social risks are equally pressing. AI can unintentionally reinforce inequalities if trained on biased or incomplete data. Automation may displace jobs, particularly in low-skilled sectors, unless accompanied by proactive reskilling programmes. Privacy concerns are growing as AI systems collect and analyse vast amounts of personal data.

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Governance challenges surrounding AI are becoming increasingly complex, particularly in high-stakes applications such as financial transactions and autonomous decision-making. Regulatory gaps make it difficult for businesses to ensure accountability and ethical compliance. According to PwC's AI Agent Survey, only 20 per cent of executives expressed trust in AI agents managing financial tasks, and just 22 per cent felt confident in their use for autonomous employee interactions.

These concerns underscore the urgent need for a responsible AI approach that embeds ethical safeguards, transparency, and human oversight. In Vietnam, the absence of comprehensive legal frameworks for AI ethics and accountability adds further uncertainty, especially in fast-evolving sectors like fintech and medtech. Without clear guidelines, companies may struggle to balance innovation with responsibility, risking reputational damage and regulatory exposure.

DEMAND FOR ETHICAL LEADERSHIP

Globally, there is growing recognition that ESG and responsible AI share common values. Both aim to mitigate risk, build trust, and align business practices with

societal expectations. Pairing responsible AI with ESG can help organisations develop technology that reflects their values and supports long-term sustainability.

For example, using smaller, more interpretable AI models can reduce environmental impact while improving transparency. AI can also identify opportunities for sustainability improvements in areas like data centre cooling and logistics optimisation.

In Vietnam, this convergence presents a strategic opportunity. Businesses that integrate AI into their ESG strategies can unlock new sources of value, differentiate themselves in the market, and contribute to national development goals. But success requires more than technology – it demands leadership, collaboration, and a clear sense of purpose. AI can be the engine that powers ESG transformation, but only if guided by ethical principles and aligned with long-term goals.

For Vietnamese businesses ready to take the next step, the path forward begins with clarity. Defining ESG objectives and understanding how AI can support them is essential. This alignment ensures that AI investments contribute directly to sustainability outcomes rather than becoming disconnected experiments.

Besides that, reliable, secure, and interoperable data systems are the backbone of both AI and ESG. Companies therefore must invest in platforms that enable accurate data collection, analysis,

and reporting, while also safeguarding privacy and ensuring fairness.

Internal capabilities must also evolve. Building expertise in AI and ESG requires training, hiring, and cross-functional collaboration. Ethical oversight mechanisms, such as review boards or audit committees, can help monitor AI's impact and ensure compliance with emerging regulations.

Collaboration will be key, as no single company can navigate this landscape alone. Partnerships with regulators, academia, startups, and industry peers can accelerate progress and foster innovation. Public-private initiatives in sectors like healthcare, agriculture, and energy offer promising models for scalable impact.

Finally, transparency must be a guiding principle. Stakeholders, from investors to consumers, expect honest and verifiable ESG disclosures. AI can enhance storytelling through real-time dashboards and visualisations, but the underlying data must be accurate and trustworthy.

Vietnamese enterprises are entering a new era, one defined by responsible innovation. By strategically integrating AI into their ESG efforts, businesses can build resilience, strengthen stakeholder trust, and contribute to a more inclusive and sustainable economy. The decisions made today will shape Vietnam's ability to thrive in a future where technology and sustainability are not just compatible – they are inseparable.

