
News release

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Contacts Nguyen Phuong Khanh
Marketing Associate, PwC Vietnam
Tel: +84 933 270 366 - Email: nguyen.phuong.khanh@pwc.com

Pages 5 pages

Vietnam needs to step up ESG-related efforts: PwC and NUS Asia Pacific sustainability reporting study

- 84% of companies reported climate change as a sustainability issue, but less than half demonstrated integrating climate risks and measures in their operations
- Disclosures on sustainability training and the linkage of the environment, social and corporate governance (ESG) performance to leaders' remuneration can be improved.
- Significant opportunities remain for companies to build greater trust with stakeholders and investors through active engagement and obtaining external assurance

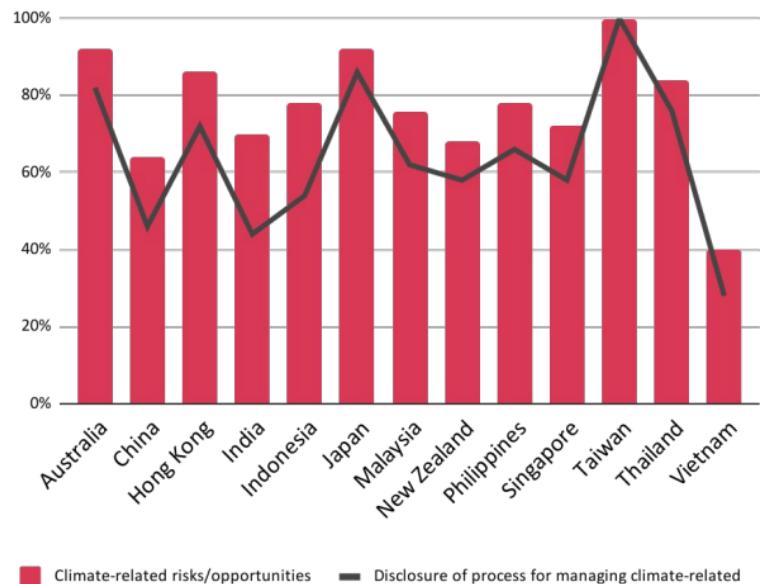
As sustainability reporting requirements expand across Asia Pacific, a maturity journey lies ahead for companies when it comes to disclosing how they turn sustainability commitments into actions, according to a joint study by PwC Asia Pacific and the Centre for Governance and Sustainability (CGS) at the National University of Singapore (NUS) Business School. Published today, the study, ['Sustainability counts: Understanding sustainability reporting requirements across Asia Pacific and insights on the journey to date'](#) analyses the sustainability reports of the top 50 listed companies by market capitalisation issued in 2020 and 2021 across 13 Asia Pacific economies, including Australia, China (mainland), Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam.

Integrating climate risks into business operations

While the majority of the companies acknowledged the seriousness of climate issues, many have yet to reveal how they embed climate measures in their business operations and strategy. Out of 650 companies analysed, 84% reported identifying climate change as a sustainability issue. However, less than half, at 41%, reported their climate-related risks or opportunities targets and/ or disclosed their performance against these targets. Furthermore, only 36% reported how their company is integrating climate-related risks in their overall risk management.

Bee Han Theng, Chairman and ESG Leader, PwC Vietnam, said: *"The study shows that, compared to other countries in Asia Pacific, many companies in Vietnam are still in the much earlier stage in ESG journey. Less than half of the top 50 companies have identified climate change as a material topic and only one third have disclosed climate risks and opportunities. Meaning, there is a way for businesses in Vietnam to keep pace with maturing stakeholder expectations for*

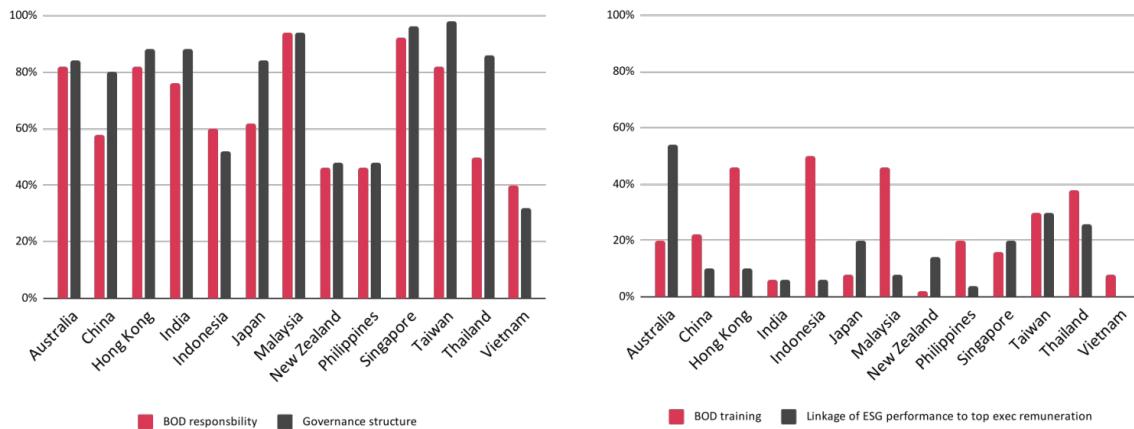
not just climate action, but climate at the core of the business strategy. Moreover, starting your sustainability reporting journey early and building a roadmap for sustainability reporting excellence, can put your organisation ahead of regulations; and key stakeholder expectations as a value to your esteemed organisation.”



Identification and management of climate change risks/opportunities

ESG governance and upskilling

Some results were encouraging. Over 80% of the companies disclosed their sustainability targets, 75% disclosed their ESG governance structure and 67% disclosed their board of directors' responsibilities for sustainability. Still, there is room for moving the needle on ESG governance and accountability at the leadership level. This is reflected in the findings where only 24% of companies disclosed ESG-related training for their board of directors and only 16% disclosed the linkage of ESG performance to the remuneration of their top executives.

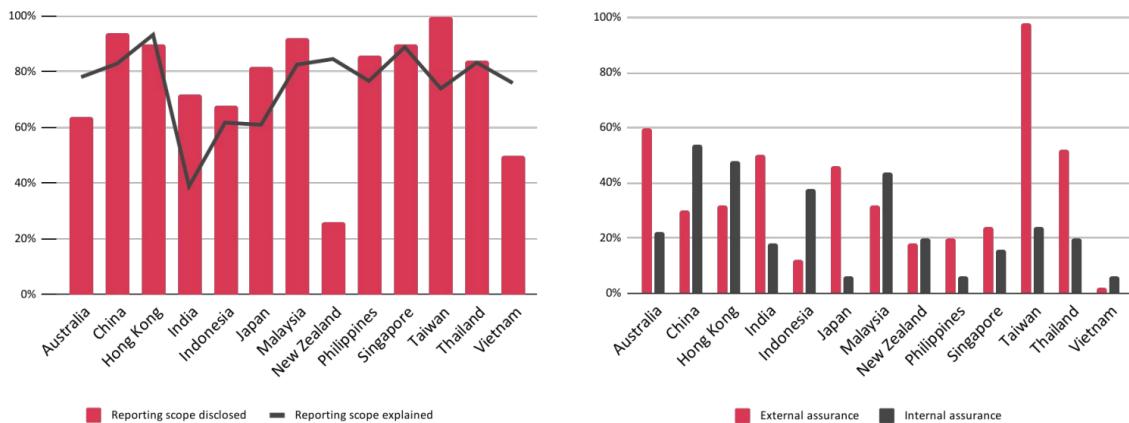


Disclosure regarding sustainability governance

Building trust through assurance

With the market increasingly demanding information about companies' sustainability impact and value creation, the study sheds light on the opportunities where companies can build greater trust with stakeholders and shareholders. One way is active stakeholder engagement. While 81% of companies disclosed their stakeholder engagement channels, only 46% reported to have addressed stakeholder concerns. Another way to strengthen investor confidence is to produce credible sustainability reporting. Currently, only 37% of companies are found to have obtained external assurance from an independent party for their ESG disclosures.

Nguyen Hoang Nam, ESG leader in Assurance, PwC Vietnam said, “*ESG practice should start from analysing risks and opportunities; then integrating ESG elements into strategies and business plans. And the performance should be re-evaluated every year. This amount of work would only bring good value when they are published in a sustainable development report to the stakeholders. Companies may also want to consider including the assurance opinion, which should clearly state the scope of the work, the assurance standard followed and the work completed. This will help to strengthen investor confidence through credible sustainability reporting.*”



Disclosure of reporting scope & assurance

In our effort to accompany Vietnamese businesses in their ESG efforts, PwC Vietnam and Vietnam Institute of Directors (VIOD) have launched the latest survey **“2022 ESG Readiness survey in Vietnam”** to find out where Vietnamese organisations are on the journey towards embracing ESG and combating climate change. Take our survey today and share with us your thoughts and progress on ESG at: <https://rebrand.ly/esg-survey>

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Editor notes:

- Download the report at: <https://www.pwc.com/gx/en/about/pwc-asia-pacific/sustainability-counts.html>
- This study mainly covers the top 50 listed companies by market capitalisation across selected jurisdictions in Asia Pacific, namely: Australia, China (mainland), Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam.
- The information was based on the latest sustainability reports released in 2020 and 2021 (cut-off by mid-2021) which were published in English. A total of 650 listed companies' sustainability reports were analysed.

About PwC Vietnam

PwC Vietnam established offices in Hanoi and HCMC in 1994. With strong industry knowledge, our team of more than 1,000 local and expatriate professionals bring a breadth of skills and depth of resources to effectively address and solve issues that matter to our clients, wherever they do business. Under The New Equation, we are strengthening our focus in a number of strategically important areas including ESG, digital



transformation, M&A and deals value creation capabilities as well as providing assurance beyond financial statements. We have built strong relationships with key ministries, financial institutions, state-owned enterprises, private companies, and commercial organisations. PwC Vietnam also operates a foreign law company, licensed in Vietnam by the Ministry of Justice, with its head office in HCMC and a branch office in Hanoi.

About Centre for Governance and Sustainability (CGS)

The Centre for Governance and Sustainability (CGS), formerly known as Centre for Governance, Organisations and Institutions (CGIO), was established by the National University of Singapore (NUS) Business School in 2010. It aims to spearhead relevant and high-impact research on governance and sustainability issues that are pertinent to Asia, including corporate governance, corporate sustainability, governance of family firms, state-linked companies, business groups, and institutions. CGS also organises events such as public lectures, industry roundtables, and academic conferences on topics related to governance.

NUS Business School is known for providing management thought leadership from an Asian perspective, enabling its students and corporate partners to leverage global knowledge and Asian insights.

The School is one of the 17 faculties and schools at NUS. A leading global university centred in Asia, NUS is Singapore's flagship university which offers a global approach to education, research and entrepreneurship, with a focus on Asian perspectives and expertise. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 40,000 students from 100 countries enrich the community with their diverse social and cultural perspectives.

For more information, please visit bschool.nus.edu.sg, or go to the [BIZBeat](#) portal which showcases the School's research.