



The  
Reporting  
Exchange

# The Reporting Exchange: An overview of sustainability and corporate reporting in Vietnam

# The Reporting Exchange

In 2017, the World Business Council for Sustainable Development (WBCSD), in partnership with the Climate Disclosure Standards Board (CDSB) and Ecodesk, launched the [Reporting Exchange](#). This free online platform was designed to help business navigate the often-confusing world of corporate reporting.

Compared to the development of financial reporting, the evolution of non-financial reporting has been rapid and fragmented. There are many regulations, reporting frameworks, guidance and tools which influence the corporate reporting process on environmental, social and governance issues (ESG). The resulting reporting landscape has been described in recent reports by the Business and Sustainable Development Commission<sup>1</sup> and ACCA<sup>2</sup>, as complex, overwhelming and there have been calls for more harmonization and alignment.

## **What are the objectives of the Reporting Exchange?**

The primary objective of the Reporting Exchange is to provide much-needed clarity to corporate report writers on what, where and how to report on sustainability issues while supporting clearer, more concise and better-informed reporting of sustainability information.

The Reporting Exchange summarizes and connects ESG reporting requirements and resources from across 60 countries and 70 sectors.

Better quality reporting practices can support better internal and external decision-making on sustainability-related risks and opportunities which, in turn, can influence capital allocations by investors – making more sustainable businesses, more successful.

The Reporting Exchange also provides the evidence base to help drive action towards a more harmonized, aligned and effective corporate reporting environment. The platform maps sustainability reporting provisions across the world's largest economies, showing how and where they link and align.

The Reporting Exchange has also been designed as an open and collaborative space for the many people and organizations active in corporate reporting. It allows the latest developments, insights, good practice to be easily shared across geographic borders and sectoral boundaries which may help accelerate harmonization and alignment of corporate ESG at a global scale.

# Case study: Vietnam

Over the past 30 years, Vietnam's economy has developed significantly - transforming itself from one of the world's poorest countries to one that has the potential to be among the world's largest economies, as part of the so-called "Next 11" group<sup>3</sup>. More recently, the Vietnamese government has started to embrace a sustainable outlook to accompany this rapid economic growth, as its evolving corporate reporting environment shows<sup>4</sup>.

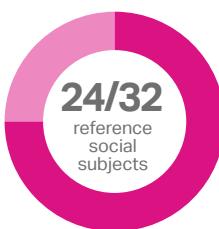
The [Vietnam Business Council for Sustainable Development](#) (VBCSD), a business-led organization founded by the Vietnam Chamber

of Commerce, aims to promote the business community's active role in sustainable development. VBCSD was a key partner for WBCSD and CDSB in conducting the research and categorization of reporting requirements and resources for the Reporting Exchange.

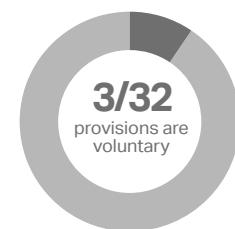
In this country report, Mr. Nguyen Quang Vinh, Vice Chair cum General Secretary, answers questions about the context of sustainable development in Vietnam, its progress on the Sustainable Development Goals and the role that business takes in working towards sustainability ambitions.

## Vietnam data snapshot

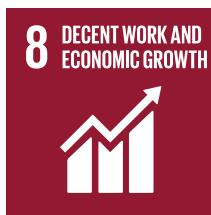
### Reporting provisions by subject



### Reporting provisions by obligation



### Reporting is most aligned with SDGs



### Reporting is least aligned with SDGs



## Q. What are the current priorities in Vietnam related to sustainable and economic development?

In 2012, the Vietnamese government approved the [Vietnam Sustainable Development Strategy](#) for 2011-2020<sup>4</sup>, which sets out aims and ambitions for the Vietnamese people, economy and wider environment.

Promoting the role of people and society is central to this strategy. Key ambitions include meeting the material and spiritual demands of all people, and building a wealthy, strong, democratic and equal society. To achieve this, the government aims to develop an independent and self-reliant economy with active international integration for sustainable development.

Green growth is high on the agenda and sustainability is viewed as part of economic development. Environmental protection, national security, social development and order should all be combined with economic growth as part of this strategy.

This means that sustainability is a priority for all levels of government because Vietnam recognizes that for its sustainable development strategy to be a success, there needs to be cooperation between all levels of society - including agencies, enterprises, social organizations, communities and individuals.

Vietnam also prioritizes developing science and technology as a driving force of sustainable development. As such, they're working on the development and implementation of modern, clean and environmentally-friendly technologies to be widely applied across different sectors and in all production fields.

## Q. Does business understand its role in and the importance of sustainable development?

In Vietnam, most multinational corporations, foreign direct investment companies and larger local companies recognize their role in sustainable development. These types of companies often have very clear sustainable development strategies.

On the other hand, because many [sustainability reporting requirements](#) are only applicable to large or listed companies, some small and medium sized enterprises (SMEs) are only just starting their journey.

Many SMEs have limited awareness of sustainability and do not have sufficient resources to develop and integrate sustainable development into their business strategies. For this reason, VBCSD is collaborating with international

organizations, government authorities, business associations and large companies to promote the role of business, sustainable business models and initiatives throughout the Vietnamese business community.

There are several activities and programmes promoting sustainable development in business worth noting. For example, the [Vietnam Corporate Sustainability Forum](#), the Programme on Benchmarking and Ranking Sustainable Companies in Vietnam, Project 12 on anti-corruption, and the National Programme on Occupational Health and Safety are all active and touch on various aspects of sustainability. These programs show that Vietnam's sustainable business community is gaining importance across the country.

## Q. What is influencing business and the sustainability agenda in Vietnam?

Since the 1992 Earth Summit in Rio de Janeiro<sup>5</sup>, international initiatives and the wider global sustainability agenda have had an important influence on national action towards sustainable development. This action continued with the adoption of the 17 Sustainable Development Goals at the United Nations Sustainable Development Summit 2015 and the ratification of the [Paris climate agreement](#) in 2016.

The increased interest in sustainable development from the government gives companies the direction and guidance they need to integrate sustainability into their business models, policies and strategies. The Vietnamese government has developed and issued a range of policies on sustainable development, including a National Action Plan to Implement the Agenda 2030 for Sustainable Development<sup>6</sup>.

## Q. Why is corporate reporting and disclosure important in Vietnam?

As an emerging market, Vietnam has placed increasing importance in corporate reporting and disclosure as an opportunity to increase transparency as well as to demonstrate good governance and accountability. Our research, conducted as part of the Reporting Exchange project, highlighted how corporate reporting and disclosure is gaining momentum. We found that all reporting requirements and resources in relation to ESG information were published after 2010.

Political stability and a steadily growing economy has increased foreign-direct investment<sup>7</sup> in Vietnamese business and put increasing emphasis on reporting and disclosure of ESG information. Foreign investors also want to have confidence in good governance structures given the historical turbulence in this region, which makes improved transparency vital for continued growth and transition towards a more mature economy.

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## Q. How do corporate reporting and disclosure support the sustainable development agenda in Vietnam?

The Vietnamese government regards business, especially in the private sector, as an important actor for sustainable development. This is demonstrated in the series of policies and regulations embedding corporate sustainable development into national sustainable development. Various ministries, the State Securities Commission and other relevant organizations are making an effort to accelerate the uptake of sustainability reporting by the business community. There is already a range of ESG-related disclosure requirements in relation to waste management, employee health and safety and corporate governance, which can be found on the [Reporting Exchange](#).

That said, the disclosure of sustainability-related issues is still a relatively new concept for Vietnamese business, although trends and market requirements on sustainability reporting are making it increasingly relevant.

The largest driver of non-financial reporting and disclosure in Vietnam comes from the government's priorities on social development. This includes calls from a variety of sources for greater transparency on the impacts of corporate activities, as well as greater consumer demand for environmentally and socially responsible services and products.

There is also growing recognition of the importance of sustainability reporting and disclosure from business themselves. Especially as an important communication channel with internal and external stakeholders, and as a valuable tool to share environmental and social performance and opportunities to employees and investors. Currently, only state-owned enterprises, public and listed companies are required to disclose sustainability information annually. However, many hope that this will expand across the wider Vietnamese business community in coming years.

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## About the World Business Council for Sustainable Development (WBCSD)

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Our member companies come from all business sectors and all major economies, representing combined revenues of more than \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. WBCSD is uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050.

[www.wbcsd.org](http://www.wbcsd.org)

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## About the Climate Disclosure Standards Board (CDSB)

The Climate Disclosure Standards Board (CDSB) is an international consortium of business and environmental NGOs committed to advancing and aligning the global mainstream corporate reporting model to equate natural capital with financial capital. Recognizing that information about natural capital and financial capital is equally essential for an understanding of corporate performance, our work builds trust and transparency needed to foster resilient capital markets.

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## About Vietnam Business Council for Sustainable Development

Vietnam Business Council for Sustainable Development (VBCSD) was approved for establishment by the Government at the Official Letter No. 6334/VPCP-KGVX dated 8th September 2010 and was officially launched on 17th December 2010. VBCSD is a business-led organization with the mandate to promote the business community's active role in and strong advocate on the implementation of the Strategic Orientations for Sustainable Development in Vietnam, to facilitate the sharing of experience and good practices, and to strengthen close coordination and dialogue among business community, the Government and other organizations for sustainable development.



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