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# Rethinking the Corporate Governance Transparency in Vietnam's ESG Landscape: An Empirical Study from the Perspective of Investors

**Quan Nguyen Van[1], Khanh Ta Gia[2]**

[1]Faculty of Business Administration, Academy of Policy and Development, Hanoi, Vietnam

[2]Viet Duc High School, Hanoi, Vietnam

**ABSTRACT:** The importance of ESG in global finance marks a shift from valuing companies solely on financial metrics to assessing them through environmental, social, and governance lenses, with Vietnam embracing this trend amid rapid development and policy reforms like green bond growth and sustainability strategies. Despite this progress, ESG transparency among Vietnamese firms remains inconsistent and often symbolic, with limited standardization and strategic engagement, especially among SMEs. This study addresses a gap in the literature by investigating governance transparency from an investor perspective, emphasizing its potential as a strategic asset that influences brand reputation and investment decisions, moderated by digitalization and ESG awareness. Through a survey of 402 investors with survey data processed through PLS-SEM, the study shows that governance transparency can lead to higher brand reputation and thus higher investment intention. In addition, the perspective of digitalization plays an important moderating role, helping to promote the relationship between governance transparency and brand reputation in enterprises from the investor's perspective. However, ESG awareness does not moderate the relationship between brand reputation and intention to invest. The implications highlight that ESG practices treated as strategic initiatives rather than mere compliance can play a crucial role in building investor trust and attracting investment. Enterprises should enhance ESG transparency, adopt technology for accurate reporting, and embed sustainability into their core strategies, while policymakers can support this transition through legal frameworks and incentives that promote responsible business practices.

**KEYWORDS:** Brand reputation; ESG awareness; ESG framework; governance transparency; investment intention.

## I. INTRODUCTION

The rise of ESG as a paradigm in global finance signifies a fundamental shift in how corporate value is defined, measured, and communicated. Success is no longer solely based on financial performance; it is increasingly assessed through a broader lens that encompasses environmental stewardship, social responsibility, and governance integrity. This transformation represents a deeper change in global capitalism, where transparency is not simply seen as a compliance mechanism but as a dynamic interface between firms and their stakeholders, shaping perceptions, decisions, and legitimacy in the marketplace (Eccles & Klimenko, 2019). In Vietnam, this shift is unfolding within a context of rapid economic development, growing international integration, and increasing alignment with global sustainability agendas. The Vietnamese government's commitment to achieving carbon neutrality by 2050, as announced at the COP26 climate summit (UNFCCC, 2021), and the implementation of the National Green Growth Strategy for 2021–2030, demonstrates a strong political will to integrate ESG principles into the country's development priorities (Government News). This is further evidenced by the Vietnam Green Bond Market's significant growth, with the issuance of green bonds reaching VND 15 trillion (approximately USD 600 million) in 2023. Additionally, regulatory measures like Circular 96/2020/TT-BTC are gradually institutionalizing non-financial disclosures across the capital market. However, the translation of these national policy signals into corporate practices remains inconsistent, with only 25% of listed companies engaging in regular ESG or sustainability reporting (PwC Vietnam, 2023).

Empirical evidence suggests that ESG disclosure practices in Vietnam are still in their early stages and often serve as symbolic gestures. A 2023 survey by PwC Vietnam found that only 25% of listed companies publish independent ESG or sustainability reports, and most disclosures lack standardization, quantifiability, or third-party verification (PwC Vietnam, 2023). Among these companies, over 60% only provide ESG information in their annual reports, which are typically not subject to rigorous audits or detailed metrics. The absence of consistent reporting frameworks, such as those recommended by the Global Reporting

Initiative (GRI) or the Task Force on Climate-related Financial Disclosures (TCFD), undermines the comparability and credibility of ESG narratives (GRI, 2020; TCFD, 2020). Furthermore, many firms—especially small and medium-sized enterprises (SMEs) continue to view ESG transparency primarily as a regulatory burden, rather than a strategic tool for differentiation and long-term resilience (Vietnam Chamber of Commerce and Industry, 2022). The academic discourse on ESG transparency has primarily focused on its functional role in reducing information asymmetry, building investor confidence, and addressing governance issues between shareholders and managers (Dye, 2001; Healy & Palepu, 2001). Theoretical perspectives like Agency Theory, Signaling Theory, and Stakeholder Theory have been employed to explain why firms engage in ESG disclosure. However, these frameworks often emphasize disclosure as a reactive measure, motivated by regulatory requirements or external pressures (Akerlof, 1970; Spence, 1973).

Despite this, there is a notable gap in the theoretical exploration of how transparency can be proactively developed as a strategic asset. Current literature has paid limited attention to the potential of ESG transparency as a source of competitive advantage, institutional credibility, or organizational identity. This gap is particularly significant in emerging economies, where regulatory frameworks are still evolving, enforcement is inconsistent, and the institutional environment is shaped by unique socio-political factors (Bocken et al., 2014; KPMG, 2020). In such contexts, understanding transparency solely as a tool for compliance may overlook its strategic significance in guiding corporate behavior. This study aims to address this gap by assessing the impact of governance transparency on brand reputation and examine whether it leads to investors' intention to invest, along with the moderating roles of digitalization and ESG awareness of investors in the dynamic finance landscape in Vietnam. This investor-perspective approach also brings a contribution to the research rather than most recent studies simply asking whether firms disclose ESG information, it focuses on how, why, and to what extent they engage in transparency as a strategic behavior. By doing so, the study offers a more context-sensitive and theoretically grounded understanding of corporate transparency in transitional economies. It contributes to the broader ESG conversation by reframing transparency not just as a regulatory endpoint, but as a dynamic and evolving practice that is shaped by both global standards and local realities (Eccles et al., 2012; McKinsey & Sustainability, 2020). The research is devided into 5 sections including (1) introduction, (2) conceptual framework and hypothesis development, (3) methodology, (4) results and discussion, and (5) conclusion.

## II. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

### Corporate transparency

Corporate transparency refers to how openly firms disclose information about their operations, governance, and performance to stakeholders. In the ESG finance domain, transparency goes beyond financial disclosures to include environmental impact, labor conditions, diversity, and social responsibility. It serves not just as a reporting tool but as a way for firms to communicate their values, legitimize strategies, and build trust with investors, regulators, and the public (Schnackenberg & Tomlinson, 2016; Hansen & Flyverbom, 2015). Historically, corporate transparency was tied to regulatory compliance, focusing on reducing information asymmetry (Gray, 2006). However, with the rise of ESG investing and global sustainability frameworks, transparency has evolved into a strategic process. It now serves as a means to establish legitimacy, demonstrate long-term value creation, and align with global norms like the Sustainable Development Goals (SDGs) and the Paris Agreement (Espeland & Stevens, 1998; Dubbink et al., 2008).

Theoretical views on transparency in ESG finance include two key dimensions: qualitative verifiability and quantitative visibility (Albu & Flyverbom, 2019). Verifiability emphasizes the accuracy and relevance of disclosures, requiring firms to explain their ESG journeys and decisions (Schnackenberg & Tomlinson, 2016). However, this can lead to selective disclosures that may not address underlying challenges (Gray, 2006; Drucker & Gumpert, 2007). Visibility refers to quantifiable data that allows for benchmarking and comparison across firms (Espeland & Stevens, 1998), but may oversimplify complex issues, encouraging compliance-driven reporting (Hansen & Flyverbom, 2015). In Vietnam, ESG transparency remains fragmented. While large corporations and listed firms tend to engage in ESG disclosures due to external pressures, SMEs often lack the capacity or incentives for meaningful transparency (García-Sánchez et al., 2013; Janamrung & Issarawornrawanich, 2015). As a result, ESG reporting is often generic and lacks external validation. True transparency requires not just availability of information but its quality and credibility. It demands timely, comparable, and standardized data and requires firms to reflect on why and how decisions are made, not just what is reported (Benner, 2010). The shift "beyond compliance" emphasizes that transparency should be a continuous, strategic process, shaping organizational identity and legitimacy (Hansen & Flyverbom, 2015). As ESG factors increasingly influence capital flows and consumer behavior, transparency will be a key factor in securing sustainable finance and long-term viability. For Vietnam to fully integrate into the global ESG ecosystem, firms must shift from compliance-driven reporting to a strategic, authentic, and engaging approach to transparency.

### Environmental, Social and Government Framework

Environmental, Social, and Governance (ESG) is an integrated framework used to assess how companies address sustainability risks and opportunities beyond traditional financial metrics. Rooted in Corporate Social Responsibility (CSR), ESG gained prominence with the 2004 United Nations Global Compact report Who Cares Wins, which called for embedding ESG factors in capital market analysis and investment decisions. Since then, ESG has become a key reference in assessing corporate sustainability, especially in financial markets (Hansen & Flyverbom, 2015). ESG consists of three pillars: the environmental dimension focuses on a company's impact on ecosystems, including greenhouse gas emissions, energy consumption, and waste management. The social pillar addresses the firm's interaction with stakeholders, such as labor standards and diversity (UN PRI, 2020). The governance pillar emphasizes corporate structure, including board composition, transparency, and ethical conduct (OECD, 2021).

ESG is not only a benchmark but also a strategic tool aligning corporate behavior with long-term value creation. Studies show that firms with strong ESG performance tend to be more resilient and operationally efficient, with better investor trust (Friede, Busch & Bassen, 2015; Khan, Serafeim & Yoon, 2016). Additionally, ESG serves as an indicator of non-financial risks, particularly in volatile and regulatory-sensitive markets (Eccles & Klimenko, 2019). In terms of transparency, ESG promotes a shift from basic financial reporting to proactive, multidimensional disclosure. Companies must explain not only what they do but also how and why they make decisions impacting stakeholders and future generations (Strebel & Philippe, 2023). This redefines transparency within a broader context of sustainability governance, institutional legitimacy, and stakeholder accountability. Overall, the ESG framework supports the transformation of transparency practices in contemporary finance, especially in regions like Vietnam, where ESG is gaining traction amidst evolving regulatory and investment landscapes (Ejiogu et al., 2019).

### The ESG Finance Landscape in Vietnam

The ESG finance landscape in Vietnam is evolving, driven by changing regulations, increased awareness of sustainability issues, and rising demand for responsible investment. Vietnam's integration into global markets and heightened stakeholder expectations have pushed businesses to adopt Environmental, Social, and Governance (ESG) practices and disclose their ESG performance. While regulations are in place, enforcement and adherence remain inconsistent, with larger corporations more rigorously adopting ESG practices due to regulatory requirements and international investor expectations (World Bank, 2021; Vietnam Ministry of Finance, 2020).

As global ESG standards gain traction, companies are expected to align their financial and operational activities with sustainable development principles, transitioning from profit-focused models to those that prioritize long-term value creation, resilience, and stakeholder well-being (Hansen & Flyverbom, 2015). Transparency in ESG reporting is critical, as investors and regulators rely on accurate, standardized, and comparable ESG data to assess risks and make informed decisions. However, while large corporations are increasingly incorporating ESG practices, ESG reporting in Vietnam often remains superficial, lacking detailed metrics or third-party validation (Eccles & Klimenko, 2019). The growing interest in sustainable finance presents an opportunity for Vietnamese companies to improve their ESG performance. Yet, challenges remain in standardizing ESG data, and investor expectations continue to outpace corporate practices. Despite these obstacles, as global demand for sustainable products rises, businesses that adopt robust ESG strategies stand to gain from enhanced market access, investor confidence, and long-term profitability (Albitar et al., 2020).

In summary, Vietnam's ESG finance landscape is at a critical juncture. While the theoretical foundation of ESG suggests a transition toward more comprehensive transparency, practical realities highlight gaps in knowledge and implementation. Policy support and growing investor interest offer opportunities to enhance ESG performance, but a concerted effort is needed to improve ESG reporting, ensure transparency, and position ESG as a strategic approach to long-term value creation (Hansen & Flyverbom, 2015).

### Hypothesis Development

In Vietnam's evolving ESG finance landscape, where investors are increasingly prioritizing environmental, social, and governance factors, governance transparency has emerged as a key driver in shaping investor perceptions (Au et al., 2023). As the global focus on ESG grows, investors are looking beyond financial performance and seeking companies that demonstrate responsible management practices and commitment to sustainable development (Ananzeh et al., 2022). In this context, transparency in governance, reflected in clear and accurate reporting of corporate policies, risk management, and compliance, becomes essential for businesses aiming to build trust and credibility (Chen et al., 2023). For investors, transparency signals a company's openness and accountability, reducing the uncertainty associated with potential risks and fostering confidence in the company's ability to deliver long-term value (Au et al., 2023). This is especially important in Vietnam, where ESG practices are still maturing, and where transparency in governance can significantly influence the reputation of companies in the eyes of investors (Broccardo et al., 2023). Companies that provide accessible and reliable governance information are likely to be seen as more trustworthy, which, in turn, enhances their brand reputation (Chen et al., 2023; Ananzeh et al., 2022). Thus, governance transparency is expected to positively influence the brand reputation of companies, particularly in the emerging ESG finance market in Vietnam, where investors are increasingly making decisions based on both financial and non-financial performance metrics (Au et al., 2023; Ananzeh et al., 2022). From the above arguments, the study proposes the following hypothesis:

H1: Governance transparency has a positive impact on brand reputation in Vietnam's ESG finance landscape.

In the context of ESG finance, digitalization has become a central force reshaping corporate transparency. The integration of advanced digital technologies such as blockchain, big data analytics, and AI fundamentally transforms how companies collect, verify, and disclose governance information (Ritter and Pedersen, 2020; Broccardo et al., 2023). Rather than being a supportive tool, digitalization now acts as a key driver that redefines transparency standards, enabling firms to provide real-time, accessible, and credible ESG disclosures (Chen et al., 2022). Governance transparency alone may no longer be sufficient to enhance brand reputation in a highly dynamic ESG finance environment. Instead, the ability to digitalize governance information, making it more visible, verifiable, and interactive, becomes critical in shaping investor perceptions and strengthening brand trust (Guo & Xu, 2021). Companies that effectively embrace digitalization can elevate the perceived authenticity and reliability of their governance practices, thus amplifying the positive impact of transparency on their brand reputation. In Vietnam's emerging ESG finance landscape, where regulatory systems and reporting norms are still maturing, digitalization is particularly vital. It bridges structural gaps, aligns local practices with international standards, and meets the increasing demand for verifiable ESG information from global investors. From the above arguments, the study proposes the following hypothesis:

H2: Digitalization moderates the relationship between governance transparency and brand reputation.

In the evolving ESG finance landscape, brand reputation has become a critical determinant of investor behavior. As ESG considerations move to the forefront of investment decision-making, investors are increasingly attentive not only to a company's financial health but also to its perceived responsibility, transparency, and ethical standing (Araújo et al., 2023). A strong brand reputation, built upon consistent corporate transparency and responsible ESG practices, serves as a signal of trustworthiness and long-term viability to investors (Mahmood & Bashir, 2020; Niemann & Hoppe, 2018). In Vietnam's emerging ESG finance context, where regulatory standards are still maturing, brand reputation assumes an even greater role. Companies that can project a credible, transparent, and socially responsible image are more likely to attract investment from both domestic and international investors seeking sustainable opportunities (Buallay, 2019; Phukon & Gakhar, 2022). A favorable brand reputation mitigates perceived investment risks and strengthens the perceived alignment between corporate values and stakeholder expectations, thereby enhancing the intention to invest. Given the increasing emphasis on ethical and sustainable investing, brand reputation not only reflects past corporate performance but also shapes future investor confidence and behavior. From the above arguments, the study proposes the following hypothesis:

H3: Brand reputation has a positive impact on investment intention in Vietnam's ESG finance landscape.

In Vietnam's evolving financial market, where ESG (Environmental, Social, and Governance) standards are still developing, awareness of ESG factors plays a crucial role in shaping investors' decisions (Jin & Kim 2022). As investors become more knowledgeable about ESG issues, they increasingly evaluate companies not only on traditional financial metrics but also on their sustainability commitments, environmental protection efforts, social development, and transparent governance. A company's brand reputation is closely tied to these ESG commitments, particularly for those with clear ESG policies and transparent reporting (Friede et al. 2015). However, for investors with low ESG awareness, traditional financial indicators often remain dominant in decision-making. Therefore, ESG awareness is expected to moderate the relationship between brand reputation and investment intention. As ESG awareness rises, investors will place more value on a company's sustainable practices, strengthening the relationship between brand reputation and investment intention (Chen et al. 2023). In the developing ESG landscape in Vietnam, this shift towards prioritizing sustainability will lead to greater emphasis on brand reputation, enhancing the role of ESG awareness in investment decisions (Chang et al. 2021). From the above arguments, the study proposes the following hypothesis:

H4: ESG awareness moderates the relationship between brand reputation and investment intention.

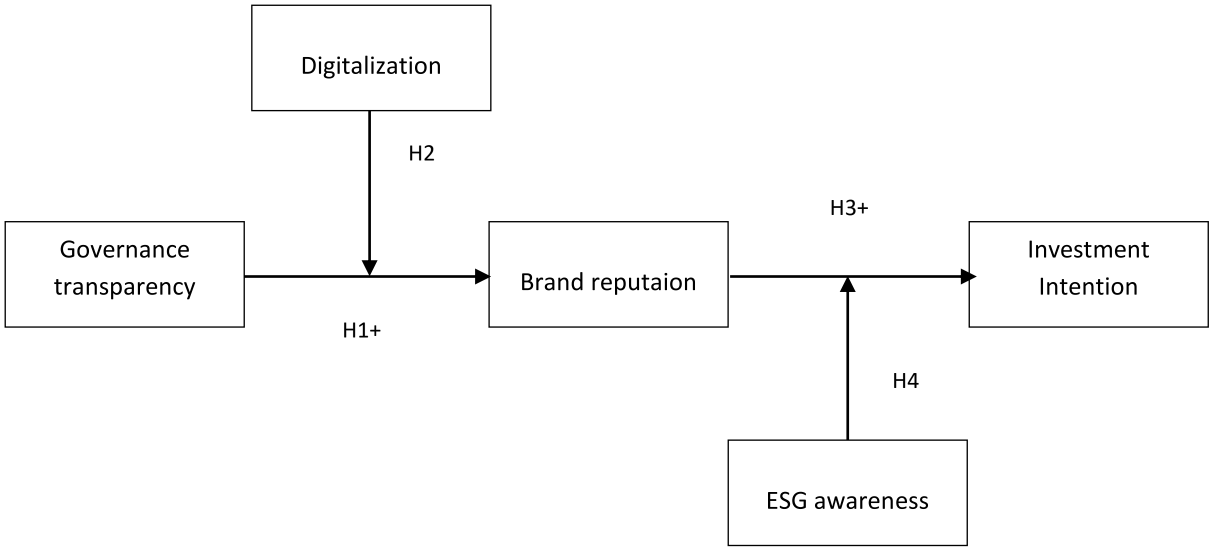


**Figure 1. Proposed Research Model**

## III. METHODOLOGY

### Measurement Instrument and Questionnaire Design

The measurement instruments for this study were developed based on established scales from prior research. Governance transparency (GT) was measured using items from Ntim et al. (2012). Digitalization (DI) was evaluated with items developed by Broccardo et al. (2023). Brand reputation (BR) was assessed using scales from Wang et al. (2021). ESG awareness (ESG) was measured based on items from Oh et al. (2024). Investment intention (INV) was evaluated using scales from Adam & Shauki (2014), Bock et al. (2005), and Taylor & Todd (1995). The measurement items under all the constructs were responded to on a 5 points Likert scale of 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly agree. The study adopted the instruments/measurement scales already developed and used by prior researchers. The data collected from the questionnaire were analyzed using PLS-SEM techniques, a robust method for assessing complex models involving latent variables. This approach, as outlined by Hair et al. (2019), allows for predictions, insight discovery, and a deep understanding of the relationships between the constructs, providing accurate latent variable scores and significant variances in indicators. This methodological framework, built upon previous work, offers valuable insights into the role of governance transparency and other ESG factors in shaping investment behavior in Vietnam's ESG finance landscape.

### Sample and Data Collection

This study targeted investors in Vietnam, focusing on understanding their perceptions and behaviors toward corporate transparency in ESG (Environmental, Social, and Governance) finance practices. Data collection was conducted in early 2025 and aimed at a diverse demographic of participants in terms of gender, age, employment position, location, and income level. The survey sample consisted of 296 investors. The respondents' gender was categorized as male or female. Age groups were divided into four categories: under 25 years old, 25–35 years old, 35–45 years old, and 45 years and above. Employment positions included office staff, self-Employment/business, government officers/public servants, and others. In terms of geographic location, participants were mainly from Hanoi Capital City, Ho Chi Minh City, and other regions across Vietnam. Monthly income levels were grouped into three categories: less than 20 million VND, 20–50 million VND, and above 50 million VND. Data collection was carried out over a period of three weeks through an online survey platform. The questionnaire was designed to assess respondents' awareness, expectations, and investment behavior concerning ESG transparency among Vietnamese corporations. After a thorough data screening process to remove incomplete or invalid responses, a final dataset of 296 completed surveys was used for the subsequent data analysis.

## IV. RESULTS AND DISCUSSION

### Demographics of Respondents

To gain a deeper understanding of the sample characteristics, demographic information was collected and analyzed. The study targeted a broad group of investors and potential investors in Vietnam, whose perspectives are essential in rethinking corporate transparency within the ESG finance landscape. Regarding gender, the majority of respondents were male, accounting for 67.9% of the sample, while females represented 32.1%. This distribution highlights a male-dominated participation in ESG-related investment activities in the Vietnamese context. In terms of age, the largest proportion of participants (50.0%) were aged between 25 and 35 years old, suggesting that young to mid-career individuals are increasingly engaged with ESG issues. Respondents aged 35–45 years comprised 25.7%, while those aged 45 and above made up 15.9% of the sample. The youngest group, under 25 years old, accounted for 8.4%, indicating a smaller but notable presence of younger investors showing interest in corporate transparency. Employment positions varied across the sample: 53.0% of the respondents identified as office staff, 30.1% were self-employment or business 12.8% were government officers or public servants, and 4.1% held other positions. This composition reflects a diverse professional background, offering a wide range of perspectives on ESG transparency expectations. Geographically, participants were fairly distributed between Hanoi Capital (48.3%) and Ho Chi Minh City (35.8%), with 14.2% coming from other provinces and cities. This spread ensures that the insights gathered represent both major economic hubs and broader regional viewpoints within Vietnam. In terms of monthly income, 53.0% of respondents reported earning between 20 and 50 million VND, indicating a strong middle-income presence in the sample. Additionally, 33.1% earned less than 20 million VND, while 13.9% had a monthly income above 50 million VND. These income levels suggest that the participants possess significant purchasing and investment power, making their opinions on ESG practices highly relevant. Overall, the demographic profile of the respondents provides a comprehensive view of the key investor segments in Vietnam, whose attitudes and behaviors are crucial in shaping the evolution of corporate transparency and ESG finance practices.

**Table 1. Results of Respondents' Demographics**

| **Demographics** | | **Frequency** | **Percentage** |
|---|---|---|---|
| Gender | Male | 201 | 67.9 |
| | Female | 95 | 32.1 |
| Age | Under 25 | 25 | 8.4 |
| | 25-35 years old | 148 | 50.0 |
| | 35-45 years old | 76 | 25.7 |
| | 45 and above | 47 | 15.9 |
| Employment Position | Office staff | 157 | 53.0 |
| | Self-Employment / Business | 89 | 30.1 |
| | Government officer / Public servant | 38 | 12.8 |
| | Others | 12 | 4.1 |
| Location | Hanoi Capital | 148 | 50.0 |
| | Ho Chi Minh City | 106 | 35.8 |
| | Others | 42 | 14.2 |
| Income (monthly) | Less than 20 millions | 98 | 33.1 |
| | 20 - 50 millions | 157 | 53.0 |
| | Above 50 millions | 41 | 13.9 |
| Total | | 296 | 100 |

**Reliability and Validity Assessment**

Table 2 summarizes the evaluation results of the measurement model, which was assessed based on reliability, convergent validity, and discriminant validity. Following Nunnally & Bernstein (1994), all constructs achieved Cronbach's Alpha values above 0.7, ranging from 0.737 to 0.893, indicating satisfactory internal consistency. Additionally, the rho_A and composite reliability values exceeded 0.8, further confirming strong reliability. Convergent validity was supported as all Average Variance Extracted (AVE) values were above the 0.5 threshold recommended by Hair Jr et al. (2006) and Tabachnick & Fidell (2007), ranging from

0.650 to 0.829. Variance Inflation Factor (VIF) values were all ≤ 3, suggesting no multicollinearity issues. Overall, the model demonstrates adequate reliability and validity, ensuring a strong foundation for subsequent structural analysis within Vietnam's ESG finance landscape.

**Table 2. Construct Reliability and Validity**

| | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|---|---|---|---|---|
| BR | 0.864 | 0.865 | 0.917 | 0.787 |
| DI | 0.737 | 0.753 | 0.848 | 0.650 |
| ESG | 0.874 | 0.929 | 0.911 | 0.719 |
| GT | 0.794 | 0.795 | 0.907 | 0.829 |
| INV | 0.893 | 0.897 | 0.926 | 0.757 |
| Moderating Effect 1 | 1.000 | 1.000 | 1.000 | 1.000 |
| Moderating Effect 2 | 1.000 | 1.000 | 1.000 | 1.000 |

**Discriminant Validity Assessment**

Table 3 presents the results of the discriminant validity assessment using two approaches: the Heterotrait-Monotrait Ratio (HTMT) and the Fornell-Larcker Criterion. For the HTMT, discriminant validity is considered established when HTMT values are below 0.90 (Henseler et al., 2015). The results show that most HTMT values among the key constructs: brand reputation (BR), digitalization (DI), ESG awareness (ESG), governance transparency (GT), and investment intention (INV) are below the recommended threshold, except for GT–BR (1.114) and INV–BR (1.118), and GT–INV (1.078), which slightly exceed 1. This suggests that while discriminant validity is largely supported, there may be high correlations between governance transparency, investment intention, and brand reputation, requiring further investigation.

According to the Fornell-Larcker Criterion, discriminant validity is supported when a construct's square root of AVE (represented by the diagonal values) is higher than its correlations with other constructs (off-diagonal values). The results show that the square roots of AVE for all constructs (ranging from 0.806 to 0.911) are greater than the corresponding correlations with other constructs, satisfying the Fornell-Larcker criterion for discriminant validity.

**Table 3. Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion**

| | Heterotrait-Monotrait Ratio (HTMT) | | | | | | | Fornell-Larcker Criterion | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | BR | DI | ESG | GT | INV | Moderating Effect 1 | Moderating Effect 2 | BR | DI | ESG | GT | INV | Moderating Effect 1 | Moderating Effect 2 |
| BR | | | | | | | | 0.887 | | | | | | |
| DI | 0.106 | | | | | | | 0.087 | 0.806 | | | | | |
| ESG | 0.046 | 0.399 | | | | | | 0.015 | 0.328 | 0.848 | | | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GT | 1.114 | 0.050 | 0.072 | | | | | 0.924 | 0.026 | -0.058 | 0.911 | | | |
| INV | 1.118 | 0.113 | 0.048 | 1.078 | | | | 0.986 | 0.094 | 0.021 | 0.911 | 0.870 | | |
| Moderating Effect 1 | 0.054 | 0.080 | 0.181 | 0.184 | 0.053 | | | -0.051 | 0.073 | 0.171 | -0.163 | -0.050 | 1.000 | |
| Moderating Effect 2 | 0.230 | 0.093 | 0.029 | 0.183 | 0.209 | 0.003 | | 0.213 | 0.070 | 0.025 | 0.163 | 0.200 | -0.003 | 1.000 |

**Structural Measurement Assessment and PLS-SEM Result**

In this study, six hypotheses were proposed and tested using the bootstrapping technique in SmartPLS. The results are summarized in Table 3. The primary goal of the structural model evaluation was to assess the relationships among governance transparency, digitalization, brand reputation, ESG awareness, and investment intention within the context of ESG finance in Vietnam, where corporate transparency and sustainable finance are increasingly prioritized. The structural model evaluation aims not only to confirm hypothesized relationships but also to provide insights into how specific corporate practices can shape investor behavior in emerging ESG markets.

The analysis revealed that brand reputation (BR) positively and significantly influences investment intention (INV) ($\beta = 0.988$, $p = 0.000$), supported by a t-statistic value of 281.678, well above the critical threshold of 1.96. This finding suggests that a strong and favorable brand reputation is a powerful determinant of investor intention, particularly in contexts where information asymmetry and trust issues still exist. In Vietnam's ESG finance landscape, companies with a credible brand image are perceived as more reliable, responsible, and attractive investment options. A reputable brand serves as a signal of corporate stability and commitment to ESG practices, which can mitigate perceived investment risks among both institutional and individual investors. This result underscores the critical importance for firms to strategically manage their public image and transparency efforts to strengthen investor confidence.

Similarly, digitalization (DI) exhibited a positive and statistically significant relationship with brand reputation (BR) ($\beta = 0.056$, $p = 0.046$). This suggests that the adoption of digital technologies such as blockchain for ESG reporting, AI for compliance monitoring, or digital platforms for stakeholder engagement can enhance how stakeholders perceive a company's brand. Digital transformation allows companies to communicate more effectively, disclose information more transparently, and respond more swiftly to stakeholder concerns. In the context of ESG finance, such technological adaptation may be viewed as a sign of innovation, accountability, and future readiness, further strengthening the brand's standing in the eyes of investors.

Governance transparency (GT) also showed a strong positive impact on brand reputation (BR) ($\beta = 0.939$, $p = 0.000$), with a high t-statistic of 64.286, reaffirming that transparent governance practices are fundamental to building a credible brand image. Transparency not only enhances accountability but also reduces information asymmetry, enabling investors to make better-informed decisions. In emerging markets like Vietnam, where corporate governance practices have historically been inconsistent, high levels of governance transparency signal ethical behavior, reduce perceptions of risk, and provide reassurance regarding the integrity of management. Thus, firms prioritizing governance transparency are better positioned to differentiate themselves in a competitive ESG investment environment.

Furthermore, the first moderating effect (Moderating Effect 1) demonstrated a significant positive influence on brand reputation ($\beta = 0.094$, $p = 0.004$), implying that external or contextual factors may amplify the influence of governance and digitalization on reputation. This suggests that factors such as public sentiment, regulatory changes, or industry-specific ESG standards can strengthen the positive relationship between corporate practices and brand reputation. It highlights that companies not only need to implement good governance and digitalization internally but also engage actively with external ecosystems to maximize reputational gains.

**Table 4. Structural Equation Modelling Results Estimates**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|---|---|
| BR -> INV | 0.988 | 0.987 | 0.004 | 281.678 | 0.000 |
| DI -> BR | 0.056 | 0.054 | 0.028 | 2.002 | 0.046 |
| ESG -> INV | 0.006 | 0.006 | 0.011 | 0.603 | 0.547 |
| GT -> BR | 0.939 | 0.936 | 0.015 | 64.286 | 0.000 |
| Moderating Effect 1 -> BR | 0.094 | 0.085 | 0.033 | 2.881 | 0.004 |
| Moderating Effect 2 -> INV | -0.013 | -0.011 | 0.015 | 0.840 | 0.401 |

However, not all relationships were supported. ESG awareness (ESG) did not significantly predict invesment intention (INV) ($\beta = 0.006$, $p = 0.547$), and the second moderating effect (Moderating Effect 2) also showed no significant impact on invesment intention ($\beta = -0.013$, $p = 0.401$).

The finding that ESG awareness does not have a significant direct impact on invesment intention may be explained by the current level of ESG knowledge among investors in Vietnam. It is possible that overall investor awareness and understanding of ESG concepts remain limited, particularly among retail or non-professional investors. Many investors may prioritize traditional financial indicators such as profitability, dividend returns, and market growth potential over ESG-related information when making investment decisions, due to a lack of familiarity or confidence in evaluating ESG disclosures. Additionally, ESG investing is still a relatively new trend in Vietnam, and the regulatory environment supporting ESG transparency is still evolving. As a result, ESG awareness may not yet have matured into a strong decision-making driver for a broad base of investors. This highlights the urgent need for stakeholders regulators, companies, and financial institutions to promote broader ESG education, improve disclosure quality, and actively communicate the financial and societal value of ESG practices. Strengthening ESG literacy among investors is essential to bridging the gap between awareness and action, ensuring that sustainable investment principles are more effectively embedded in the market.

In summary, the structural model results highlight that enhancing governance transparency and leveraging digitalization are pivotal strategies for building brand reputation and attracting investors in Vietnam's evolving ESG finance landscape. Firms that proactively invest in transparent practices and digital transformation are likely to gain competitive advantages in attracting ESG-conscious investors. Nevertheless, fostering ESG awareness alone may not be sufficient to directly influence investment behavior at this stage. Therefore, a more holistic approach involving education, regulatory support, and trust-building mechanisms is essential to fully realize the potential of ESG finance in Vietnam.

In relation to the adequacy of the model, the Adjusted $R^2$ coefficients indicate that the model accounts for approximately 86.7% of the variability observed in Brand Reputation (BR) and 97.2% of the variability observed in invesment intention (INV). This level of explanatory capability can be regarded as excellent. In summary, the assessment of the structural model yielded valuable insights into the interconnections among the constructs inside the model. The research conducted an examination of hypotheses by utilizing the SmartPLS bootstrapping algorithm.

The t-statistics values for four hypothesized trajectories exhibited statistical significance at the $p\text{-value} < 0.05$, with t-values greater than 1.96 (two-tailed). The study indicates that Brand Reputation is significantly influenced by Governance Transparency and Digitalization, while Brand Reputation itself strongly predicts Invesment Intention. Additionally, Digitalization was found to significantly moderate the relationship between Governance Transparency and Brand Reputation. In contrast, the direct and moderating effects of ESG Awareness on invesment intention were not statistically significant. Consequently, it was discovered that hypotheses H1, H2, H3 are significantly supported while H4 is not. The collective findings indicate that strong corporate governance practices and digital transformation initiatives drive brand reputation, which in turn leads to higher investment intention among investors in Vietnam's ESG finance landscape.

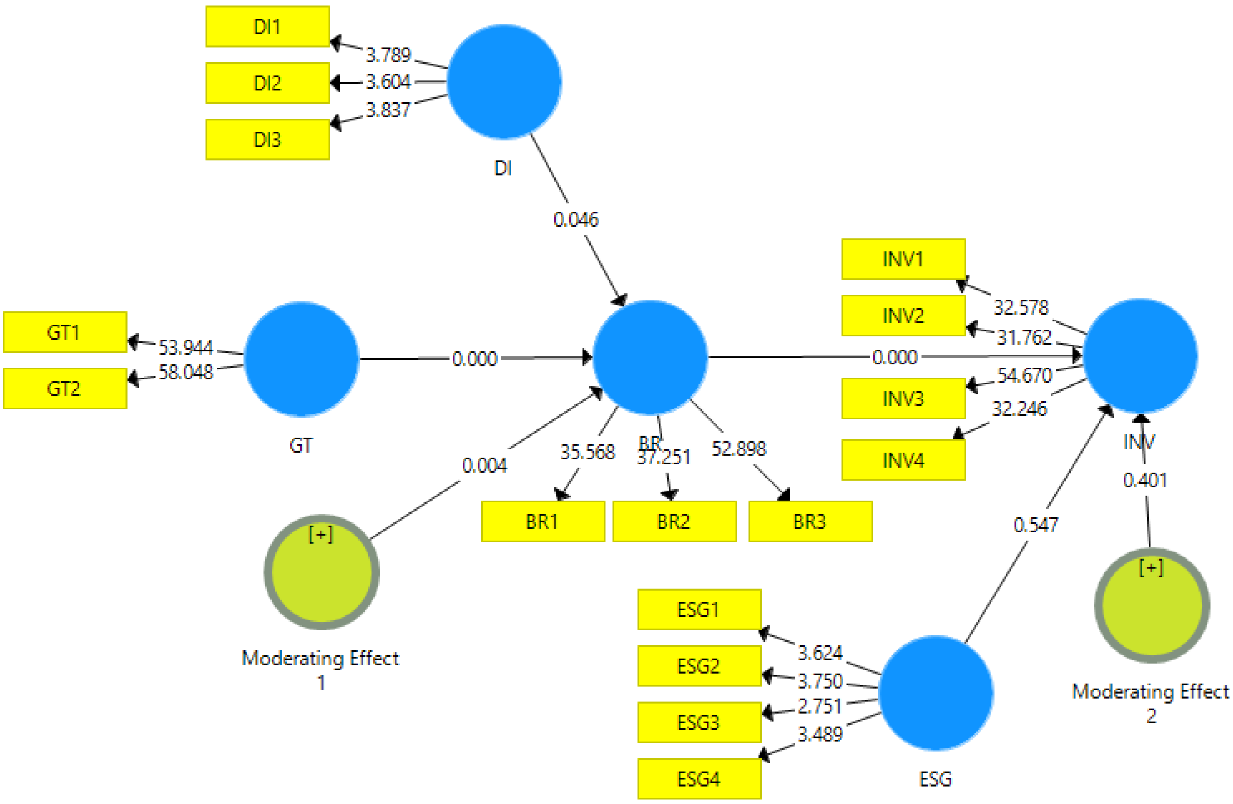


**Figure 2. PLS Bootstrapping Model**

## V. CONCLUSIONS

### Theoretical Implications

This study enriches the theoretical landscape of ESG finance and corporate transparency by developing an integrated framework that investigates the effects of governance transparency (GT), digitalization (DI), and brand reputation (BR) on investment intention (INV) within the context of Vietnam's emerging ESG market. By extending the existing literature, the study highlights that corporate practices beyond formal compliance requirements, particularly those related to transparency and technological adoption, play a pivotal role in shaping investor perceptions and decisions. These findings contribute to the theoretical discourse by reinforcing the relevance of signaling theory, suggesting that transparent governance and digital innovation act as powerful signals of corporate credibility and long-term commitment to sustainability. Furthermore, the study provides empirical support for stakeholder theory by demonstrating that proactive transparency efforts can strengthen a firm's legitimacy in the eyes of potential investors. Importantly, the results challenge the assumption that awareness of ESG factors alone is sufficient to influence investment behavior. Instead, they point to the critical role of corporate practices in activating and directing investor intentions. This research, therefore, advances the understanding of ESG investment dynamics in emerging economies and calls for a more nuanced, context-specific application of existing theories when examining transparency and sustainability in corporate finance.

### Managerial Implications

This study offers valuable insights for businesses, policymakers, and other stakeholders aiming to enhance ESG management practices in small and medium-sized enterprises (SMEs) in Vietnam, particularly in shaping investor behavior. The findings underscore the significant role of ESG practices beyond mere compliance in influencing investor intentions and decisions. Effective transparency in ESG disclosures and the adoption of advanced technologies are key drivers in building investor trust and confidence. First, businesses should prioritize improving their ESG reporting and transparency to attract investors. This can be achieved by clearly outlining environmental, social, and governance efforts in annual reports, using third-party audits to enhance credibility. Moreover, adopting technology to monitor and report ESG performance can streamline data collection and ensure accuracy, providing investors with reliable, real-time information. Secondly, policymakers can play a critical role in fostering an investment climate that supports ESG practices by creating a legal framework that incentivizes SMEs to adopt responsible practices. Government programs that promote transparency and provide financial incentives for SMEs to implement sustainable business practices can create a more attractive environment for socially conscious investors. Finally, companies should integrate ESG principles into their strategic planning and operational activities to align with investor expectations. Promoting sustainable business practices not only attracts investors focused on long-term value but also strengthens the company's reputation and brand image. By embedding ESG into their core values and business strategies, SMEs can not only meet investor demand but also contribute to the broader goal of sustainable development.

**Limitations and Future Research Directions**

While this study offers valuable insights into the role of corporate transparency in shaping Vietnam's ESG finance landscape, several limitations provide avenues for further exploration. First, the study primarily focuses on the Vietnamese market, which may limit the generalizability of findings to other emerging economies. Future research could conduct comparative studies across multiple developing countries to better understand how transparency standards influence ESG finance globally. Second, this research predominantly examines transparency from the perspective of disclosed information and investor perception. Future studies could integrate perspectives from other stakeholders, such as regulatory bodies, NGOs, or credit rating agencies, to develop a more comprehensive view of the transparency ecosystem. Third, while this study highlights the importance of transparency practices, it does not deeply differentiate between voluntary and mandatory disclosures. Future research could investigate how different types of transparency, such as self-initiated versus regulatory driven disclosures, impact investor behavior differently. Finally, longitudinal studies tracking changes in transparency practices over time and their long term effects on ESG investment patterns would offer deeper insights. Incorporating technological trends such as blockchain or AI driven reporting into future research could also illuminate how innovation is reshaping corporate transparency in ESG finance.

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