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Impact of ESG Responsibility Performance on Corporate Resilience: The Case of Listed Companies in Vietnam

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ABSTRACT: This study examines the impact of Environmental, Social, and Governance (ESG) disclosure on corporate resilience of listed firms on the Vietnamese Stock Exchange by using Bloomberg ESG data. Using Generalized Least Squares (GLS) to address model deficiencies, the findings show that overall ESG disclosure is positively associated with corporate resilience. However, disaggregated results (environmental and governance) reveal negative relationships between environment and governance disclosures with firm profitability, while social disclosure shows no significant effect. The empirical results provide a more nuanced analysis within the Vietnamese context and highlight the differentiated effects of each ESG pillar by assessing ESG both as a composite index and through its disaggregated components. Based on the findings, the paper provides important implications for not only policymakers but also managers of listed companies. Policymakers are encouraged to enhance ESG disclosure frameworks through clear regulatory guidelines, whereas corporate leaders should integrate ESG into risk management and strategic planning to improve long-term performance, compliance, and resilience.

KEYWORDS: Governance, Social, Performance, Environmental, ESG disclosure, Vietnam listed firms.

1. INTRODUCTION

In recent years, ESG (Environmental, Social, and Governance), a set of standards used to evaluate a company's sustainability and ethical impact, has become a critical component of business strategy. The rapid growth of ESG-focused investment funds, regulatory frameworks, and corporate sustainability reporting highlights its importance. However, concerns remain regarding ESG data standardization, greenwashing, and the actual financial benefits of ESG integration.

Globally, ESG adoption has accelerated as governments and financial institutions recognize its long-term benefits. European and US regulators have implemented stricter ESG disclosure requirements (Cicchiello, 2022). Meanwhile, institutional investors have integrated ESG metrics into investment decision-making (Eccles, Kastrapeli and Potter, 2017). However, ESG's financial impact remains a topic of debate, with some studies showing positive correlations and others indicating minimal or even negative effects on firm value.

Vietnam, as an emerging economy, is increasingly aligning with global ESG trends. Key developments include Decision No. 167/QD-TTg, which sets national ESG-related goals, and reporting guidelines issued by the Ho Chi Minh and Hanoi Stock Exchanges. Despite ongoing challenges such as weak regulatory enforcement and limited investor awareness, many large Vietnamese firms—particularly in the banking, energy, and manufacturing sectors—have begun integrating ESG into their strategic planning. A key milestone in this development was the enactment of the 2020 Environmental Protection Law, which marked a significant policy shift to support ESG adoption. This reinforces the fact that ESG is no longer just an international trend but an integral part of Vietnam's long-term sustainable development strategy.

The impact of ESG on corporate performance remains a crucial research topic. This research aims to determine whether companies with higher ESG scores achieve superior financial performance by analyzing indicators. It also examines how ESG disclosure practices among Vietnamese firms have evolved before and after the enactment of the 2020 Environmental Protection Law. Given the increasing emphasis on sustainability in Vietnam, the findings will provide valuable insights for investors, policymakers, and corporate leaders seeking to balance financial success with responsible business practices.

This paper is organized into five main sections. Following the Introduction, which outlines the background, research context, and objectives, Section 2 presents the Literature Review, examining existing studies on the impact of ESG factors on corporate resilience. Section 3 details the Data and Methodology, including data sources, sample selection, ESG scoring methodology, and model specification. Section 4 elaborates on Results and Discussion, providing statistical analyses, regression outcomes, and interpretation of findings in the context of the Vietnamese market. Section 5 presents the Conclusion, summarizing key insights and implications for policymakers, investors, and business leaders.

2. LITERATURE REVIEW

2.1 Environmental Disclosure and Corporate Resilience

Environmental disclosure refers to the extent to which firms disclose information about their environmental policies, initiatives, and performance. Prior studies have suggested that enhanced environmental disclosure can improve corporate resilience through cost savings, enhanced brand reputation, and regulatory compliance (Teoh, 2023). Investing in environmental sustainability can facilitate cost savings, reduce environmental risks, and promote innovation, ultimately contributing to firm growth and competitive advantages (Teoh, 2023).

However, the relationship between environmental disclosure and corporate resilience is complex. Alareeni and Hamdan (2020) indicated that environmental and corporate social responsibility (CSR) disclosures were negatively associated with firms' operational and financial performance, as firms engaging in socially responsible practices often incur higher financial costs. Prabawati and Rahmawati (2022) further support this argument, showing that in developing countries, strong environmental performance can weaken firm value due to low environmental awareness among stakeholders. Investors in these markets prioritize financial factors over environmental responsibility, leading to a lack of incentives for firms to engage in sustainability efforts.

On the other hand, environmental factors positively contribute to firm value when measured by Tobin's Q, as sustainable investments enhance long-term growth prospects, mitigate regulatory risks, and attract investors (Teoh, 2023; Alareeni & Hamdan, 2020). Although environmental dimensions of corporate social responsibility were found to have no significant impact on customer performance (Anh et al., 2023), they remain an essential component of strategic planning, helping firms enhance their market valuation and investor appeal (Alareeni & Hamdan, 2020). Empirical evidence from Vietnam suggests that companies with robust environmental disclosure benefit from improved stock performance and access to capital markets. Ha et al. (2024) found that stock prices positively correlate with ESG disclosure, emphasizing investors' preference for sustainability-related transparency.

In light of the conflicting results in the aforementioned research, the first hypothesis is as follows:

Hypothesis 1: Environmental factors are negatively associated with corporate resilience.

2.2 Corporate Social Responsibility Disclosure and Corporate Resilience

Corporate social responsibility (CSR) disclosure involves reporting on firms' social initiatives, including labor rights, community engagement, and ethical business practices. Numerous studies have established a positive correlation between corporate social responsibility disclosure and corporate resilience, emphasizing that transparency in social responsibility enhances corporate reputation and customer loyalty (Carroll & Shabana, 2010). Firms that proactively disclose their CSR activities tend to experience lower operational risks and increased employee productivity, ultimately leading to improved financial outcomes (Orlitzky et al., 2003).

Vietnamese enterprises have increasingly recognized the importance of CSR disclosure in attracting foreign investments and strengthening stakeholder trust. According to Nguyen et al. (2019), firms with comprehensive CSR reporting demonstrate higher financial performance, particularly in consumer-driven industries. A recent study by Bui and Do (2022) found that firms with high social responsibility scores saw increased market capitalization and improved financial performance, particularly in the banking and service sectors.

Regardless, the relationship between CSR disclosure and firm resilience is not always straightforward. Handoyo and Anas (2024) found no significant impact of social performance on firm resilience, raising questions about the direct financial benefits of social initiatives. Nevertheless, they argue that social performance plays a crucial role in building long-term stakeholder relationships and enhancing corporate reputation, which can indirectly benefit firms over time. On the contrary, Prabawati and Rahmawati (2022) reported that the social pillar negatively affects firm value, as stakeholders may perceive social disclosure as trivial compared to environmental and governance factors. This suggests that while CSR efforts contribute to long-term sustainability and stakeholder engagement, their immediate financial impact remains uncertain, particularly in markets where investors prioritize financial performance over social responsibility.

Hypothesis 2: Social factors are negatively associated with corporate resilience.

2.3 Corporate Governance Disclosure and Corporate Resilience

Governance disclosure refers to the transparency of a firm's governance structures, including board composition, executive compensation, and shareholder rights. Governance performance has been identified as a key determinant of firm success, particularly in markets with strong regulatory frameworks (Handoyo & Anas, 2024).

Corporate governance disclosure positively affects firms' operational and market performance, enhancing asset efficiency (ROA) and firm valuation (Tobin's Q) (Alareeni & Hamdan, 2020). However, findings on the relationship between corporate governance and financial performance remain mixed. While some studies indicate a positive impact, Alareeni and Hamdan (2020) also report a negative correlation between corporate governance practices and return on equity (ROE), suggesting that the effectiveness of governance initiatives may depend on firm-specific and market conditions. In developing countries, corporate governance disclosure does not always translate into higher firm value. Prabawati and Rahmawati (2022) argue that investors in these markets prioritize financial performance over governance considerations, leading to a lack of significant influence of governance scores on firm valuation.

Hypothesis 3: Governance factors are negatively associated with corporate resilience.

2.4 Overall Environmental, Social, and Governance Disclosure and Corporate Resilience

The integration of environmental, social, and governance disclosure has become a critical determinant of corporate resilience. However, recent studies suggest that its impact varies across different regions and economic contexts. In ASEAN developing countries, ESG disclosure does not necessarily increase or decrease firm performance or market value, as stakeholders in these regions prioritize financial factors over sustainability-related considerations (Junius, Adisurjo, Rijanto, & Adelina, 2020; Prabawati & Rahmawati, 2022). This aligns with research indicating that ESG-related studies are often based on developed markets, making their applicability to emerging economies uncertain (Junius et al., 2020).

Despite these concerns, firms with better ESG performance benefit from lower costs of debt and equity financing, indicating potential financial advantages for companies that enhance their ESG scores (Henriksson, Livnat, Pfeifer, & Stumpp, 2019). In Malaysia, for example, ESG engagement has been linked to improved competitive advantage and better access to financing, reinforcing the importance of responsible investing and sustainability initiatives (Mohammad & Wasiuzzaman, 2021). These findings support stakeholder theory, suggesting that ethical corporate behavior fosters long-term value creation. Empirical studies focusing on emerging markets, including Vietnam, indicate a strong positive relationship between ESG disclosure and corporate performance. Ha et al. (2024) found that stock prices positively correlate with ESG disclosure, as investors increasingly value transparency in sustainability-related information.

From a financial perspective, ESG-oriented firms tend to have better access to international funding sources as global investors prioritize sustainability metrics in their investment decisions. Alareeni and Hamdan (2020) found that firms with higher ESG disclosure levels, particularly those with high assets and financial leverage, reported increased return on assets (ROA) and return on equity (ROE). This aligns with findings in Vietnam, where ESG-focused firms show stronger financial stability and resilience to regulatory changes.

Further, concerns remain regarding the negative impact of ESG disclosure on firm value in ASEAN countries. Research indicates that higher ESG scores, particularly in the environmental and social pillars, may reduce firm value, as investors in developing markets do not prioritize non-financial factors in their decision-making processes (Prabawati & Rahmawati, 2022).

Hypothesis 4: ESG factors are positively associated with corporate performance.

3. DATA AND METHODOLOGY

3.1. Data Collection

ESG scores of 28 listed companies on the Vietnamese market of this research were taken from Bloomberg, from 2016 to 2023. Bloomberg ESG Score was ranged 0 to 10, with higher scores indicating better ESG management. Bloomberg is based on publicly available data. ESG factors are industry-specific, allowing for comparison across companies in the same industry.

The ESG scoring system evaluates corporate sustainability performance across three pillars: Environmental (E), Social (S), and Governance (G). Material concerns within each pillar are discovered using a mix of top-down analysis (based on worldwide standards such as SASB and ISSB) and bottom-up assessment of business ESG disclosures, as well as the validity of available data for assessing sustainability impacts. Each industry is given a unique weighted model based on financial materiality, which is defined as the amount to which ESG concerns might impact a company's financial performance, such as revenue, operational expenses, cost of capital, asset value, and liabilities. Environmental and social concerns are prioritized using a three-part assessment of the likelihood, extent, and timing of effect, with issue rankings converted into weights. Adjustments are performed when problems are caused by binary or policy-only data fields. Governance concerns are organized around four primary themes: board composition, executive compensation, shareholder rights, and audit. The prioritization and weighting of these topics are based on foundational research and are modified for country-specific considerations, business characteristics, and ownership structure. Due to regional variances in governance procedures, the Governance pillar is often given a lesser weight in the total ESG score than the Environmental and Social components.

The ESG scoring process involves multiple steps:

(1) Field Scores (based on company disclosures)
(2) Sub-Issue Scores (aggregation of field scores)
(3) Issue Scores (combining sub-issue scores)
(4) Pillar Scores (weighted mean of issue scores)
(5) Overall ESG Score (weighted mean of pillar scores)

Table 1. Description of the study variables

Variables	Definition	Description	Sources
$PERF$	Firm's performance	Measured by ROA, ROE ROA = Net income / Average total assets ROE = Net income / Average equity	FiinGroup
ESG	Bloomberg score for firms environment, social and governance	The ESG Bloomberg index includes all the disclosures of the E, S, and G index.	Bloomberg Terminal
E	Environmental disclosure	The E Bloomberg index measures gas emissions, water and energy usage, and waste.	Bloomberg Terminal
S	Social responsibility disclosure	The S Bloomberg index measures workplace safety, gender equality, human rights, and customer protection, with higher weights assigned to labor-intensive sectors such as healthcare and banking.	Bloomberg Terminal
G	Governance disclosure	The G Bloomberg index measures board structure, executive compensation, shareholder rights, and risk management, with weights varying by industry and region.	Bloomberg Terminal
FS	Firm size	A control variable is measured using the standard logarithm (base 10) of total assets.	FiinGroup
FL	Financial leverage	A control variable measured by total debt to total assets.	FiinGroup
AT	Assets turnover	Measured by the net sales as a percentage of total assets.	FiinGroup
AG	Assets growth	Measured by the annual change in total assets.	FiinGroup
$CAPEX$	Capital expenditure	Interest expenses divided by total assets.	FiinGroup
EPS	Earnings per share	EPS is calculated by dividing a company's net income by the total number of outstanding shares.	FiinGroup

Source: *The author*

3.2. Methodology

This study employs a quantitative research approach to examine the relationship between ESG performance and the financial outcomes of 28 listed Vietnamese firms from 2016 to 2023. Until now, there are 28 listed firms has published ESG report in Vietnam. Specifically, corporate resilience, commonly viewed as an organization's ability to adapt to and recover from external shocks, is usually examined through profitability metrics. This approach is founded on the concept that a resilient company can sustain or rapidly restore its financial performance, especially its profit margins, despite adverse events as supply chain interruptions, pandemics, or economic downturns. In empirical research, profitability measures like net profit margin, return on equity (ROE), and return on assets (ROA) are frequently employed as stand-ins for resilience. Ortiz-de-Mandojana and Bansal (2016) discovered that during economic downturns, businesses with sustainable practices had steadier return on sales (ROS) and ROA, indicating a better financial recovery. These results demonstrate that a particularly useful and observable aspect of company resilience is profitability. Panel data analysis is used to capture temporal dynamics, with firms selected based on data availability and industry representation. Pearson correlation coefficients assess the linear relationships between ESG components and financial indicators, while Generalized Least Squares (GLS) regression models test the influence of ESG on firm performance, accounting for heteroscedasticity and autocorrelation. Robustness checks address multicollinearity, alternative variable specifications, and industry-level variations to ensure the reliability of results. All data are publicly sourced, and the study adheres to ethical research standards by avoiding confidential or proprietary materials.

3.3. Model specification

$$\boldsymbol{ROA}_{\mathrm{it}} = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_1\boldsymbol{ESG}_{\mathrm{it}} + \boldsymbol{\beta}_2\boldsymbol{E}_{\mathrm{it}} + \boldsymbol{\beta}_3\boldsymbol{S}_{\mathrm{it}} + \boldsymbol{\beta}_4\boldsymbol{G}_{\mathrm{it}} + \boldsymbol{\beta}_5\boldsymbol{SIZE}_{\mathrm{it}} + \boldsymbol{\beta}_6\boldsymbol{LEV}_{\mathrm{it}} + \boldsymbol{\beta}_7\boldsymbol{AT}_{\mathrm{it}} + \boldsymbol{\beta}_8\boldsymbol{AG}_{\mathrm{it}} + \boldsymbol{\beta}_9\boldsymbol{EPS}_{\mathrm{it}} + \boldsymbol{\beta}_{10}\boldsymbol{CAPEX}_{\mathrm{it}} + \boldsymbol{\varepsilon}_{\mathrm{it}}$$

$$\boldsymbol{ROE}_{\mathrm{it}} = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_1\boldsymbol{ESG}_{\mathrm{it}} + \boldsymbol{\beta}_2\boldsymbol{E}_{\mathrm{it}} + \boldsymbol{\beta}_3\boldsymbol{S}_{\mathrm{it}} + \boldsymbol{\beta}_4\boldsymbol{G}_{\mathrm{it}} + \boldsymbol{\beta}_5\boldsymbol{SIZE}_{\mathrm{it}} + \boldsymbol{\beta}_6\boldsymbol{LEV}_{\mathrm{it}} + \boldsymbol{\beta}_7\boldsymbol{AT}_{\mathrm{it}} + \boldsymbol{\beta}_8\boldsymbol{AG}_{\mathrm{it}} + \boldsymbol{\beta}_9\boldsymbol{EPS}_{\mathrm{it}} + \boldsymbol{\beta}_{10}\boldsymbol{CAPEX}_{\mathrm{it}} + \boldsymbol{\varepsilon}_{\mathrm{it}}$$

4. EMPIRICAL RESULT AND DISCUSSION

In this section, the research results will be presented. First is descriptive statistics and multicollinearity tests, followed by regression results.

4.1. Descriptive statistics

Table 2. Descriptive analysis

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	224	0.0594	0.0628	-0.0378	0.3289
ROE	224	0.1852	0.1177	-0.1427	0.7256
LEV	224	0.6275	0.2563	0.0639	0.9594
AG	224	0.1764	0.1794	-0.1620	1.3329
EPS	224	7.7392	1.1296	0	9.3273
AT	224	0.5490	0.7831	0.0191	4.3666
ESG	224	1.5640	0.8820	0.06	4.62
E	224	1.0268	1.7609	0	8.8892
S	224	1.5855	1.5088	0	9.17
G	224	2.8863	0.9162	0.0219	5.41
$CAPEX$	224	0.0195	0.0142	0	0.0541

Source: *Results of the authors' analysis*

From Table 2 represented the descriptive statistics for the key variables. The average return on assets (ROA) is 5,94%, while the return on equity (ROE) averages 18,52%. The capital structure, represented by financial leverage (LEV), has a mean value of 62,75%, indicating that debt plays a significant role in the financing of the firms. On average, firms experience asset growth (AG) of 17,64% and an earnings per share (EPS) of 7,7392. Asset turnover (AT), which measures operational efficiency, shows a mean of 0,5490, with a relatively high standard deviation, reflecting variation across firms. The average ESG disclosure score is 1,5640, with environmental (E), social (S), and governance (G) subcomponents having mean values of 1,0268, 1,5855, and 2,8863, respectively. Capital expenditure (CAPEX), measured by interest expenses divided by total assets, has a relatively low mean of 0,0195. Overall, the data reflects considerable variation across firms in terms of financial performance, ESG disclosure, and investment behavior.

Table 3. Correlation coefficient between variables

	ROA	ROE	LEV	AG	EPS	AT	ESG	E	S	G	$CAPEX$
ROA	1.000										
ROE	0.7436	1.000									
LEV	-0.5172	0.0025	1.000								
AG	0.1587	0.4749	0.3279	1.000							
EPS	0.6124	0.7177	-0.1618	0.2636	1.000						
AT	0.2390	0.3403	0.1347	0.0966	0.2258	1.000					
ESG	0.0923	-0.0659	-0.0542	-0.0131	0.0764	0.1878	1.000				
E	0.0796	-0.1379	-0.4123	0.3165	0.1254	0.1155	0.3823	1.000			
S	-0.3554	-0.3338	0.1033	0.0668	-0.3235	-0.1809	0.1216	0.0628	1.000		
G	0.0265	-0.1337	-0.0365	-0.0535	-0.2031	0.1101	0.2298	0.1084	0.3984	1.000	
$CAPEX$	-0.3820	-0.1716	0.3080	-0.0831	-0.1662	-0.0351	0.1006	-0.0673	-0.2251	-0.2802	1.000

Source: *Results of the authors' analysis*

Table 4. Multicollinearity test

Variable	**VIF**	**SQRT VIF**	**Tolerance**
ESG	5.53	2.3516	0.1809
E	3.37	1.8358	0.2968
S	1.94	1.3928	0.5147
G	1.78	1.3342	0.5617
$CAPEX$	1.71	1.3077	0.5865
AT	1.44	1.2	0.6951
LEV	1.43	1.1958	0.7012
AG	1.23	1.1091	0.8152
EPS	1.17	1.0817	0.8517
Mean	2.18		

Source: *Results of the authors' analysis*

Besides, the author performed a multicollinearity test among the independent variables employed in the study. The results are shown in Table 4. The variance inflation factor (VIF) values for all variables are below the conventional threshold of 10, indicating that multicollinearity is not a concern in the model.

4.2. Regression analysis

The results of the regression analysis are presented in Table 6. Based on the findings, the variables EPS, AT, AG, ESG, and CAPEX show a positive impact on corporate resilience. In contrast, LEV, E, and G exhibit a negative effect on firm performance. Meanwhile, the S variable shows no statistically significant effect in either model. These results highlight that while overall ESG disclosure is beneficial, its individual components differ in their influence, with environmental and governance factors potentially imposing short-term costs, and social factors lacking immediate financial impact.

Table 5. Regression analysis results of the relationship between E, S, G and financial resilience

	ROA		ROE	
	Coef.	**Std. Err.**	**Coef.**	**Std. Err.**
LEV	-0.2375***	0.0151	0.0058	0.0110
AG	0.0340***	0.0070	0.0233	0.0183
EPS	0.2417***	0.0122	0.7181***	0.0315
AT	0.4108***	0.0529	0.1919***	0.0296
ESG	0.0450***	0.0154	0.0744***	0.0156
E	-0.0137***	0.0092	-0.0268***	0.0166
S	0.0177	0.0115	0.0110	0.0158
G	-0.0240***	0.0091	-0.0521***	0.0145
$CAPEX$	0.0008	0.0053	0.0341***	0.0112
$cons$	0.1491***	0.0192	-0.4781***	0.0274
Obs	224		224	
LR $chi^2(11)$	1962.54		1139.92	
Prob $> chi^2$	0.0000		0.0000	

Source: *Results of the authors' analysis*

Effect of environmental pillar score on firm performance

Environmental disclosure is negatively associated with ROA (-0.0137) and ROE (-0.0268), suggesting that environmental initiatives may incur short-term costs that outweigh immediate financial gains. This finding contrasts with prior research (Ha, Nguyen, & Ho, 2024), which found a positive link between environmental disclosure and financial performance in Vietnam. A possible explanation lies in the trade-off theory, where the costs of environmental performance improvements may exceed short-term benefits (Cordeiro & Sarkis, 1997; Deng et al., 2016). Additionally, waste management practices, especially in handling hazardous waste, require significant technological investment. As noted by Albitar et al. (2024), eco-innovation is more effective in managing non-hazardous waste, while hazardous components demand higher vigilance. Given that 71% of waste in Vietnam is landfilled, firms may face substantial challenges in achieving environmental and financial alignment.

Effect of social pillar score on firm performance

The social disclosure (S) variable is not statistically significant in either model, indicating no observable impact on financial performance during the study period. This finding contrasts with prior studies that report a positive relationship between CSR and firm performance (Eccles et al., 2014; Shakil et al., 2019). A plausible explanation, as noted by Handoyo and Anas (2024), is the sociocultural complexity of the ASEAN region, where ethnic, religious, and socioeconomic diversity may render the benefits of social initiatives more diffuse and long-term. Unlike Western contexts, where CSR efforts are often directly linked to financial outcomes, firms in ASEAN may require more context-specific and sustained strategies to realize similar effects. Additionally, customer centralization may contribute to weakened governance dynamics, as overreliance on key clients can lead to imbalanced decision-making and reduced autonomy in operations (Na, Sim, & Park, 2025). Given these factors, Hypothesis 2 is rejected.

Effect of governance pillar score on firm performance

Regarding governance disclosure (G), the coefficient is negative and statistically significant for financial performance (ROA = -0.0240; ROE = -0.0521). This result contrasts with the findings of Handoyo and Anas (2024), who identify governance performance as a key determinant of firm success, particularly when reinforced by robust regulatory frameworks and institutional effectiveness. The negative relationship observed in this study may suggest that increased governance disclosure is associated with higher compliance or administrative burdens, or reflects inadequacies in governance-related risk management systems. One potential explanation is that many Vietnamese firms have yet to adopt internationally recognized risk governance frameworks, making it difficult for them to proactively identify and respond to emerging risks. Inadequate risk controls and fragmented governance practices may thus hinder firms from translating governance efforts into improved performance. This interpretation is consistent with Florackis and Sainani (2018), who emphasize that governance mechanisms must be both transparent and operationally effective to positively influence firm value. Based on these findings, Hypothesis 3 is accepted.

Effect of overall ESG score on firm performance

The findings reveal that overall ESG disclosure has a positive and statistically significant impact on financial performance (ROA = 0.0450; ROE = 0.0744). This result contrasts with several prior studies that reported mixed or insignificant relationships between ESG disclosure and firm performance (De Klerk et al., 2015; Miralles-Quiros et al., 2018; Qureshi et al., 2020). Notably, while individual ESG dimensions (E, S, G) may yield negative or insignificant effects, the aggregate ESG score appears to reflect a more favorable investors or customers perception. This aligns with evidence suggesting that capital markets increasingly value comprehensive non-financial information when making investment decisions. The positive association may be partly explained by Vietnam's regulatory environment, particularly its national commitment to net-zero emissions. Recent government mandates require firms to align with ESG standards, enhancing the perceived long-term sustainability and risk management of compliant companies. Furthermore, firm maturity plays a role; as companies progress through their life cycle, they tend to adopt more robust ESG practices (Setiarini et al., 2023). Board compensation is also a relevant factor, as studies in ASEAN-5 countries indicate a positive relationship between ESG scores and executive remuneration, highlighting the strategic importance placed on ESG integration (E-Vahdati et al., 2022). These contextual factors suggest that regulatory pressure, corporate governance incentives, and firm development stages jointly contribute to the positive link between ESG performance and financial outcomes.

Vietnam faces major challenges in implementing ESG practices compared to developed countries

A key obstacle lies in the lack of preparedness among companies, especially small and medium-sized enterprises, to initiate ESG commitments, as highlighted by Nguyen (2021). Additionally, the presence of diverse standards and criteria from various organizations, such as VNSI, CSI, and ISO26000, complicates corporate decision-making when choosing and implementing sustainability practices. On a global scale, the inconsistency of ESG standards across countries and industries creates ambiguity for investors (Christensen, Hail, & Leuz, 2021).

Financial constraints also pose a major barrier to ESG implementation in Vietnamese businesses. Publicly listed companies are required to evaluate and disclose ESG reports annually to comply with regulations. Accountants are increasingly under pressure to meet ESG-related expectations, and need to meet reports on non-financial performance requirements. This requires familiarity with ESG reporting frameworks, advanced auditing techniques, and a solid understanding of risk management and sustainable development strategies (Dienes & Velte, 2016; Christensen, Hail, & Leuz, 2021). As a result, only a limited number of large-scale Vietnamese firms and publicly listed companies are capable of fully integrating comprehensive ESG strategies, underscoring how financial limitations hinder broader ESG adoption.

Control variables

Beyond the ESG variables, the analysis also considers several firm-specific control variables to ensure the robustness of the regression results. Among these, earnings per share (EPS) demonstrates a strong and positive effect on both ROA (0.2417) and ROE (0.7181), aligning with expectations that profitability indicators are closely linked to firm performance. Asset turnover (AT) also exhibits a positive and significant relationship with both performance metrics, indicating that efficient asset utilization enhances financial outcomes. Asset growth (AG) contributes positively, though more modestly, reflecting the potential of expanding asset bases to generate incremental returns. In contrast, financial leverage (LEV) is negatively associated with ROA, suggesting that higher debt levels may erode profitability due to increased financial risk and interest burden. Interestingly, capital expenditure (CAPEX) is only positively significant for ROE, possibly reflecting long-term investments that influence equity returns more than short-term profitability. These findings reinforce the importance of operational efficiency and financial management in shaping firm performance alongside ESG strategies.

5. CONCLUSION

This study aims to examine the impact of ESG responsibility performance on corporate resilience in the context of Vietnam's emerging market, using a panel dataset of 28 listed firms from 2016 to 2023 sourced from the Bloomberg Terminal. In contrast to prior studies that often examine ESG in developed markets or rely solely on composite ESG scores, this paper provides a more nuanced analysis within the Vietnamese context and highlights the differentiated effects of each ESG pillar by assessing ESG both as a composite index and through its disaggregated components. The results demonstrate that comprehensive ESG disclosure is positively associated with financial performance, indicating that firms engaging in well-integrated sustainability strategies tend to achieve higher profitability. However, when analyzing the components individually, the effects are not uniform: environmental and governance disclosures appear to have a negative association with performance, while social disclosure shows no significant relationship. However, the study acknowledges certain limitations, including the relatively small sample size, the reliance on Bloomberg's ESG ratings which may omit firm-specific qualitative practices, and the constrained time frame, which may not fully capture the long-term implications of ESG initiatives. To build upon these findings, future research could broaden the dataset, extend the period of analysis, and investigate contextual factors such as industry classification, ownership structure, and regulatory influences. This study offers important implications for policymakers, particularly in emerging markets like Vietnam. Governments should promote standardized and transparent ESG reporting frameworks to enhance market transparency, improve investor confidence, and support the flow of sustainable capital. Early regulatory engagement will also encourage alignment with international practices and reduce information asymmetry. For corporate leaders, the findings highlight the need to integrate ESG into strategic and risk management processes. Businesses should embed ESG risks into enterprise risk frameworks by assessing them by likelihood, impact, and speed; and adjust response strategies accordingly. Firms that lead in ESG adoption will enhance performance, compliance, and resilience, while gaining competitive advantage through improved reputation, stakeholder trust, and long-term sustainability.

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