

The impact of ESG reporting on the implementation of professional ethical standards among employees of commercial banks in Vietnam

 Ha Do Thi Thu^{1*},  Anh Le Minh²

^{1,2}Banking Academy of Vietnam, 12 Chua Boc, Kim Lien, Hanoi, Vietnam; hadtt@hvn.edu.vn (H.D.T.T)

minhanhmiu230205@gmail.com (A.L.M).

Abstract: In the context of sustainable development and global integration, ESG standards (Environmental, Social, and Governance) are gradually becoming mandatory requirements for the banking system. This study aims to examine the relationship between the level of ESG reporting implementation and compliance with professional ethical standards among employees in Vietnamese commercial banks (CBs). Based on a survey of 380 banking employees from various CBs and the application of Ordinary Least Squares (OLS) linear regression to analyze the Environmental, Social, and Governance factors, the research reveals that the Environmental factor has the strongest impact on the implementation of ethical standards. The Governance factor also positively influences employees' ethical behavior, whereas the Social factor shows no significant impact on their ethical standards. This indicates that ESG reporting is not merely a disclosure requirement but plays a substantive role in enhancing the ethical culture and internal capacity of credit institutions. The findings provide practical foundations for CBs to improve the effectiveness of ESG implementation and offer valuable implications for future research.

Keywords: Commercial banks, ESG reporting, ESG, Ethical compliance, Professional ethical standards, Sustainable development.

1. Introduction

In the context of global economic integration, sustainable development is receiving growing attention, and Environmental, Social, and Governance (ESG) standards have emerged as an inevitable trend, particularly in the financial–banking sector. In Vietnam, more commercial banks (CBs) have begun to publish ESG reports as part of their sustainable development strategies and to meet the expectations of regulators, investors, and the public. However, the level of understanding and commitment to implementation of ESG among these banks remains uneven [1] with some institutions viewing ESG reporting merely as a legal formality or a means to gain competitive advantage.

Today, investors and customers are no longer only concerned with financial performance, but also with the environmental and social responsibilities of banks. This requires that ESG not be limited to reporting but be practically implemented, especially through employees. Assessing the impact of ESG reporting on professional ethical standards reflects how effectively ESG is being implemented, helping banks identify gaps, enhance their reputation, and improve business efficiency. Therefore, studying the impact of ESG reporting on the ethical conduct of bank employees holds significant practical value in improving governance systems, reinforcing reputation, and promoting sustainable development amid global competition.

2. Literature Review

2.1. Theoretical Background on ESG Reporting

The term ESG (Environmental, Social, Governance) was first introduced in 2003 through the United Nations initiative “Who Cares Wins,” aimed at analyzing how environmental, social, and governance factors impact capital markets. ESG is often regarded as an evolution of Corporate Social Responsibility (CSR), which involves the integration of environmental and social considerations into core business operations. According to UNIDO [2] CSR covers four main areas: human rights, labor rights, environmental protection, and anti-corruption. Meanwhile, Sharma, et al. [3] categorizes ESG reporting into three major groups: environmental (emissions, resource use), social (working conditions, employee health), and governance (board structure, transparency). Hence, CSR can be seen as a foundational component or precursor to ESG reporting standards, rather than a direct subset.

In the evolving global context, several frameworks and indices have been adopted to evaluate a company's sustainability performance, such as the CSI Index, ISO 26000 standards, and specialized ESG indicators. In the financial-banking sector, several frameworks support sustainable development. These include the Principles for Responsible Banking (PRB), the Paris Climate Agreement, UNEP FI's Principles for Positive Impact Finance, IFC's Environmental and Social Standards, the World Bank Guidelines, and the Equator Principles. These frameworks aim to harmonize environmental and social goals within banking operations [4].

Regarding ESG implementation, global academic studies typically follow two major directions. The first focuses on the status of ESG practices worldwide, with notable studies by Li, et al. [5] and Friede, et al. [6]. The second line of research examines the practical impacts of ESG implementation in specific countries, including work by Bilyay-Erdogan [7] and Arvidsson and Dumay [8].

In Vietnam, qualitative studies—such as those by Dao, et al. [1] and Anh [9]—explore ESG implementation thematically, whereas quantitative approaches are more prevalent, as seen in studies by Nhung and Hien [4].

2.2. Theoretical Background on Professional Ethical Standards for Bank Employees:

According to Dao Minh Phuc from the Banking Academy, ‘Banking operations involve numerous risks related to deposits, lending, and customer payment services. Among these, ethical risks arise from both the bank's operations and the customers' use of bank capital, with the consequences of such risks borne by both depositors and the bank itself. Therefore, banks must implement operational measures to prevent, manage, and promptly address risks that may arise. The professional code of ethics for bank employees was issued by the Vietnam Banks Association (VNBA) to support the banking sector's development in the current context.

The “Code of Professional Ethics and Conduct” for banking staff was promulgated under Decision No. 11/QĐ-NHNN. It includes six ethical standards and two sets of conduct rules. The scope of application covers all member organizations of the Vietnam Banks Association.

The six ethical standards are as follows:

(i) Compliance: This standard emphasizes strict adherence to banking laws, relevant regulations, industry procedures, and internal rules. It prohibits shortcuts, omissions, or any form of collusion with illegal activities.

(ii) Prudence: Employees must act with care, thoroughness, and forethought to prevent risks. They must communicate cautiously and be responsible, avoiding carelessness, recklessness, or naivety.

(iii) Integrity: Integrity: As a core value, integrity holds particular significance in the banking sector given its direct association with financial transactions. Employees are expected to maintain transparency, protect the bank's assets and interests, and avoid corrupt practices or embezzlement.

(iv) Dedication and Diligence: Bank staff must carry out their duties with commitment and care, striving to complete tasks effectively. Ongoing learning and skill development are required to prevent negligence or irresponsibility.

(v) Proactiveness, Creativity, Adaptability: Employees are encouraged to embrace innovation and flexibility to enhance productivity and respond to the evolving demands of digital banking. Resistance to change and rigidity should be minimized .

(vi) Confidentiality Awareness: Bank staff must recognize the critical importance of information. They must avoid sharing inaccurate or misleading data that could damage the bank's reputation or customer trust. Proper document storage and discretion in internal communications are mandatory.

Regarding the implementation of ethical standards in Vietnamese commercial banks, the relevant literature can be categorized into two main groups. The first focuses on factors affecting ethical conduct and behavior, with key studies by Anh [10] and Anh, et al. [11]. The second group explores solutions for improving ethical standards, including studies by Thuc [12] and Trang [13]. While these studies suggest ways to enhance human resource quality, their impact on improving ethical standards remains indirect and limited.

2.3. The Relationship Between ESG Reporting and Ethical Standards of CB Employees:

In practice, ESG serves as a framework for businesses to define strategies that support communities, society, and employee welfare. These strategies include safeguarding employee rights, fostering a positive, diverse, equitable, and inclusive work environment, and supporting community development projects in education, healthcare, and infrastructure [14].

According to Hieu [15] asserts that the Environmental (E) factor enhances employee health through the promotion of safe and sustainable work environments, which subsequently fosters employee loyalty and development. The Social (S) dimension relates to equitable and inclusive policies that strengthen employee trust. Meanwhile, the Governance (G) component pertains to transparent and accountable systems that facilitate fairness, risk mitigation, and talent retention.

While various global and Vietnamese studies have explored the impact of ESG reporting on corporate and employee awareness, and its implementation in firms and credit institutions, a notable research gap remains - particularly concerning the influence of ESG reports on professional ethical standards. This gap is partially attributed to Vietnam's still-evolving legal framework on sustainable development, green banking, and green finance.

3. Current Status of ESG Reporting and the Practice of Professional Ethical Standards in Vietnamese Commercial Banks

3.1. Level of ESG Reporting Practice

In the aftermath of the COVID-19 pandemic, sustainable economic development, climate change adaptation, and environmental protection have emerged as strategic priorities at the national and institutional levels. As a primary financial intermediary, the banking system plays a critical role in meeting ESG reporting obligations across business and investment activities. These efforts are aligned with the United Nations' 17 Sustainable Development Goals (SDGs) introduced in 2015.

According to statistics from the State Bank of Vietnam, approximately 80 - 90% of banks have either partially or fully implemented Environmental, Social, and Governance (ESG) practices in their operations. This study focuses on assessing the ESG reporting practices of commercial banks (CBs) in Vietnam. Banks were selected based on the following criteria:

(i) The availability of annual reports, sustainability reports, or ESG-related documents from 2022 to 2024.

(ii) The scale of operations and market influence in Vietnam's banking sector, with priority given to state-owned banks (with over 50% government ownership) and large joint-stock commercial banks.

(iii) After applying these criteria, a sample of 28 commercial banks was selected, including state-owned, privately owned joint-stock, and foreign-invested institutions.

Vietnamese commercial banks were categorized into three groups based on the extent of ESG adoption and integration:

Table 1.
ESG Adoption Levels in Vietnamese Commercial Banks.

Adoption Level	Classification Criteria	Representative Banks
1. Full Adoption	Independent ESG reports or ESG are integrated into annual reports.	Vietcombank, BIDV, MBBANK, Vietinbank, Agribank, Techcombank, Sacombank, TPBANK
	Full integration of all three ESG pillars in annual/sustainability reports.	
	Adoption of the GRI Standards for sustainability reporting.	
2. Partial Adoption	Only two of the three ESG pillars (typically Social and Governance) mentioned or reported.	Nam A Bank, SHB, VIB
3. No Adoption / Unclear	No standalone ESG report or unclear ESG integration in annual reports.	BAO VIET Bank, HDBank, MSB, PVComBank, OCB

3.2. Status of Professional Ethical Standards Issuance in Vietnamese Commercial Banks

To evaluate the issuance of ethical standards and codes of conduct in Vietnamese CBs, information was collected from sustainability reports and bank websites. Based on different evaluation criteria, the banks were categorized into three groups:

Table 2.
Summary of Ethical Standards and Codes of Conduct Issued by Vietnamese CBs.

Group Name	Representative Banks	Key Characteristics
1. Comprehensive and Structured Codes	VPBank, SeABank, Vietinbank	Issued detailed and structured ethical codes or handbooks covering professional ethics, responsibilities, and core values. SeABank and Vietinbank emphasized cultural and behavioral guidelines, while VPBank highlighted compliance rules and stakeholder responsibility.
2. Value-Based Ethical Frameworks	Techcombank, Vietcombank, BIDV	Developed ethics codes centered on core values such as Integrity, Trust, Innovation, and Professionalism. These banks emphasized whistleblowing mechanisms and aspirational values derived from traditional or organizational culture.
3. Regulatory Compliance or Minimal Disclosure	HDBank, ACB, Other Banks	Issued decisions or codes mainly for compliance with regulatory requirements, with limited disclosure of ethical frameworks. Other banks follow VNBA guidance without standalone ethical codes.

In response to practical demands, several banks and financial institutions in Vietnam have developed their own ethical codes. However, only a limited number have issued them as independent documents. In most cases, these codes are incorporated into corporate culture handbooks or internal manuals, typically structured as follows:

- Organizational identity and core values
- Ethical principles in business activities
- Clearly defined codes of conduct by stakeholder groups

In many banks and financial institutions, ethical codes integrated within corporate culture documents lack comprehensive implementation mechanisms such as enforcement, governance structures, monitoring, and compliance assessments. Consequently, many employees are insufficiently

aware of the importance of ethical values and are unable to translate this awareness into concrete behaviors and actions. In such cases, ethical codes remain symbolic rather than functional .

By contrast, many international banks integrate ethical codes directly into annual performance evaluations. This practice offers valuable insights for Vietnamese banks seeking to enhance the effectiveness and practical relevance of their ethical frameworks .

The legal framework plays a vital role in promoting the implementation of ESG standards in Vietnam, encompassing environmental, social, and governance regulations.

- The 2020 Environmental Protection Law requires enterprises to fulfill environmental obligations and ensure transparency.
- The 2019 Enterprise Law and the Securities Law stipulate the responsibilities and obligations of leadership in governance and disclosure.
- The 2019 Labor Code safeguards workers' rights, promotes a safe and equitable working environment, and contributes to corporate social responsibility and sustainability.

4. Data and Research Methodology

4.1. Methodological Approach

4.1.1. Research Model and Hypotheses

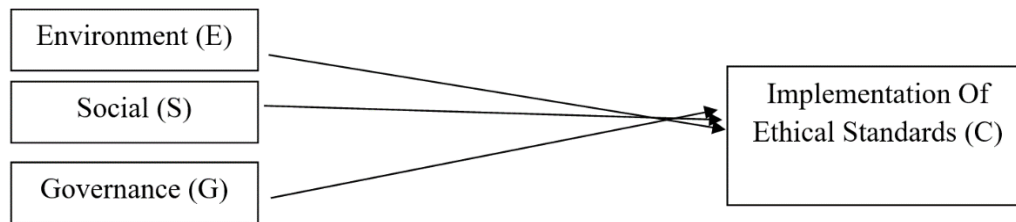


Figure 1.
Proposed Research Model.

The authors propose the following research hypotheses:

- H1: The Environmental factor positively influences the implementation of professional ethical standards among employees of commercial banks (CBs) in Vietnam.
- H2: The Social factor positively influences the implementation of professional ethical standards among employees of CBs in Vietnam.
- H3: The Governance factor positively influences the implementation of professional ethical standards among employees of CBs in Vietnam.

Table 3.
Survey Scale.

Symbol	Code	Content
E	Environment	
	E1	Our bank has communication programs to raise awareness and responsibility toward environmental protection, reduce plastic waste, and encourage environmentally friendly behaviors.
	E2	Our bank applies measures to reduce environmental impact, such as reducing electricity use, limiting paper use, enhancing green office practices, etc. (e.g., using both sides of paper, printing in black and white, classifying waste properly, complying with environmental standards including air emission standards).
S	Society	
	E3	Our bank always encourages initiatives to improve labor productivity and encourages employees to use their time efficiently.
	E4	Our bank develops sustainable products and services: green credit, green bonds, etc.
	E5	Our bank has policies and measures to reduce environmental impact, such as using eco-friendly materials/products instead of plastic, reducing waste, and limiting the use of plastic straws, cups, and bags.
	S1	Our bank has a fair and non-discriminatory compensation and benefits policy for all employees.
	S2	Our bank has a management system to ensure employee health and safety, especially for high-risk roles (such as those involving chemicals, moving machinery, etc.).
	S3	Our bank has community programs and supports startup activities for youth and women.
	S4	Our bank supports education development through scholarships and infrastructure support (e.g., building schools, supporting online learning).
	S5	Our bank participates in and contributes to social security activities such as hunger eradication, poverty reduction, and supporting disadvantaged people.
G	Governance	
	G1	Our bank has a transparent anti-corruption policy and strictly complies with legal regulations on anti-money laundering and anti-terrorism financing.
	G2	Our bank publishes full and timely financial and non-financial information as per current regulations.
	G3	Our bank is making efforts to improve personal soft skills.
C	Ethics	
	C1	I comply with legal regulations and organizational policies on internal information security and customer information protection.
	C4	I make efforts to improve my personal soft skills.
	C5	I comply with legal regulations and organizational policies on internal and customer information security.

4.1.2. Data Collection

- Data collection method:

Primary data: The research team designed a questionnaire consisting of 3 groups with a total of 21 questions. A 5-point Likert scale was used, with the following levels:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

The survey targets were identified as managers and employees currently working at commercial banks in Vietnam.

Secondary data: The research team compiled annual reports from commercial banks in Vietnam, GRI reports, and data from reputable domestic journals (such as *Banking Journal* and *Finance and Monetary Journal*), as well as foreign journals, books, and newspapers. Additional sources included online digital libraries (e.g., Google Scholar, Sci-Hub, and VNU Library).

4.2. Results

4.2.1. Descriptive Statistics

The study conducted a survey using Google Forms, resulting in a total of 380 responses. All responses were valid - none were incomplete, irrelevant, or from individuals outside the target group. Therefore, 380 valid responses were used as the dataset for the study.

Gender, age, and affiliated banks were identified as important demographic factors.

Table 4.
Demographic Characteristics of the Sample.

Characteristic	Frequency	Percentage (%)
Gender		
Male	151	39.7
Female	229	60.3
Age		
22 years old	170	44.7
23 – 28 years old	140	36.8
29 – 35 years old	49	12.9
Over 35 years old	21	5.5
Affiliated Bank		
BIDV	58	15.3
Vietcombank	87	22.9
Vietinbank	49	12.9
Agribank	43	11.3
MBBank	76	20
Techcombank	36	9.5
Other banks	31	8.1

Table 5.
Level of Bank Employees' Concern for Sustainable Development.

Level of Concern	Frequency	Percentage (%)
Very concerned	210	55.3
Concerned	148	38.9
Not very concerned	22	5.8

4.2.2. Testing

4.2.2.1. Reliability testing using Cronbach's Alpha

Testing the scales of ESG factors affecting ethical standards of bank employees (INDEPENDENT VARIABLES)

The study includes 03 independent variables: Environment (E); Social (S); Governance (G)

Table 6.
Cronbach's Alpha Reliability Coefficient of Factors.

Impact Factor	Observed Variable	Item-Total Correlation	Cronbach's Alpha if Item Deleted
Environment (E) – Cronbach's Alpha = 0.735	E1	0.553	0.667
	E2	0.577	0.656
	E3	0.558	0.669
	E4	0.416	0.718
	E5	0.394	0.73
Social (S) – Cronbach's Alpha = 0.819	S1	0.603	0.787
	S2	0.568	0.794
	S3	0.575	0.793
	S4	0.575	0.793
	S5	0.566	0.795
	S6	0.617	0.784
Governance (G) – Cronbach's Alpha = 0.799	G1	0.536	0.79
	G2	0.688	0.714
	G3	0.612	0.748
	G4	0.622	0.743

- Environment (E): Cronbach's Alpha = 0.735 and all observed variables have item-total correlation > 0.3, indicating high internal consistency and suitability for the research model.
- Social (S): Cronbach's Alpha = 0.819, with all observed variables having item-total correlation > 0.3, proving consistency and appropriateness.
- Governance (G): Cronbach's Alpha = 0.799, all variables exceed the 0.3 threshold, confirming model fit.

Thus, all 15 observed variables are retained for further exploratory factor analysis (EFA).

4.2.2.2. Summary of Reliability Test Results

- i. All Cronbach's Alpha values are greater than 0.6
- ii. All item-total correlations are greater than 0.3
- iii. All four scales with 20 observed variables meet the statistical reliability standards for EFA.

Exploratory Factor Analysis (EFA):

4.2.2.3. KMO and Bartlett's Test (Independent Variables)

Table 7.
KMO and Bartlett's Test.

Coefficient	Value
KMO	0.904
Bartlett (Sig.)	0

The KMO value is above 0.8, indicating good adequacy for factor analysis. The Sig. value < 0.05 indicates statistical significance for EFA.

Table 8.
Total Variance Explained.

Components	Eigenvalues			Sum of squares of load factors		
	Total	% Variance	Variance extracted %	Total	% of Variance	Variance extracted %
1	6.305	42.033	42.033	6.305	42.033	42.033
2	1.632	10.877	52.91	1.632	10.877	52.91
3	1.39	9.268	62.178	1.39	9.268	62.178
4	0.773	5.151	67.329			
5	0.758	5.051	72.381			
6	0.634	4.23	76.61			
7	0.535	3.564	80.174			
8	0.505	3.367	83.541			
9	0.443	2.95	86.491			
10	0.403	2.689	89.18			
11	0.376	2.508	91.688			
12	0.369	2.463	94.151			
13	0.344	2.294	96.445			
14	0.282	1.882	98.327			
15	0.251	1.673	100			

With 15 observed variables, the analysis extracts 3 factors with total explained variance of 62.178% and eigenvalues > 1.0.

4.2.2.4. EFA Results – Round 1 (Independent Variables)

Table 9.
Rotated Component Matrix – Round 1.

Observed Variable	Factor 1	Factor 2	Factor 3
S5	0.805		
S4	0.769		
S6	0.764		
G1	0.756		
G2	0.677		
G4	0.511		
S1		0.802	
E5		0.801	
S2		0.768	
S3		0.726	
G3		0.679	
E2			0.798
E3			0.772
E1			0.77
E4			—

All factor loadings > 0.5. However, variable E4 loads significantly on multiple factors and distorts the structure, so it is removed.

EFA – Round 2 (After removing E4).

Table 10.
KMO and Bartlett's Test – Round 2.

Coefficient	Value
KMO	0.903
Bartlett (Sig.)	0

Table 11.
Total Variance Explained – Round 2.

Components	Eigenvalues			Sum of squares of load factors		
	Total	% Variance	Variance extracted %	Total	% of Variance	Variance extracted %
1	6.063	43.309	43.309	6.063	43.309	43.309
2	1.609	11.489	54.799	1.609	11.489	54.799
3	1.378	9.842	64.64	1.378	9.842	64.64
4	0.76	5.429	70.07			
5	0.637	4.552	74.621			
6	0.537	3.836	78.458			
7	0.505	3.608	82.065			
8	0.447	3.194	85.259			
9	0.409	2.919	88.178			
10	0.386	2.755	90.933			
11	0.375	2.678	93.611			
12	0.345	2.463	96.074			
13	0.297	2.12	98.194			
14	0.253	1.806	100			

Table 12.
Rotated Component Matrix – Round 2.

Observed Variable	Factor 1	Factor 2	Factor 3
S5	0.807		
S4	0.771		
S6	0.766		
G1	0.76		
G2	0.678		
G4	0.513		
S1		0.807	
E5		0.804	
S2		0.77	
S3		0.73	
G3		0.683	
E2			0.808
E3			0.778
E1			0.771

All loadings > 0.5. Although the factor structure is not ideal, it is accepted by academic reviewers as adequate for regression analysis.

4.2.2.5. Correlation Analysis Between Factors (Pearson)

Table 13.

Correlation with Dependent Variable (Ethical Standards – C).

Factor	Pearson Coefficient	Sig. (2-tailed)
E	0.669	< 0.001
S	0.488	< 0.001
G	0.493	< 0.001

All correlations are significant at $p < 0.001$. E shows a strong correlation, S and G show moderate correlation. All three are retained for regression.

Table 14.

Correlation Matrix Between Independent Variables.

	E	S	G
E	1		
S	0.581	1	
G	0.49	0.801	1

Correlation between G and S is 0.801 (> 0.8), indicating multicollinearity. However, $VIF < 4$ (Table 17), so regression is still valid.

4.2.3. Linear Regression Analysis

Regression conducted with 3 independent variables: E, S, G.

Table 15.

ANOVA.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	74.346	3	24.782	117.65	<0.001

The model is statistically significant (Sig. < 0.001)

Table 16.

Model Summary.

R	Adjusted R ²	Std. Error	Durbin-Watson
0.696	0.484	0.48	2.12

Adjusted $R^2 = 0.484$: independent variables explain 48% of variation in ethical standards. Durbin-Watson = 2.12: no autocorrelation.

Table 17.

Regression Coefficients.

Variable	Unstandardized B	Std. Error	Beta	t	Sig.	Tolerance	VIF
Constant	0.619	0.192		3.23	0.001		
E	0.643	0.051	0.573	12.57	<0.001	0.661	1.513
S	-0.045	0.07	-0.042	-0.64	0.523	0.312	3.203
G	0.249	0.062	0.247	3.99	<0.001	0.358	2.795

$VIF < 4$ confirms no multicollinearity.

- E and G are statistically significant.
- S is not significant (Sig. = 0.523) but retained for completeness.

Final Regression Model (Unstandardized):

$$C = 0.619 + 0.643E - 0.045S + 0.249G$$

Standardized Regression Model:

$$C = 0.573E - 0.042S^* + 0.247G^{***}$$

4.2.4. Hypothesis Testing:

H₁: The Environmental factor has a positive impact on the implementation of ethical standards by employees of commercial banks in Vietnam.

According to the regression results, the Environmental factor (variable E) exerts the strongest influence on professional ethical standards among employees in Vietnamese commercial banks. The regression model confirms a positive relationship between environmental practices and ethical conduct. At a 5% significance level, while controlling other factors, a one-unit increase in the Environmental variable corresponds to a 0.643-unit increase in the ethical standards of bank employees. This finding provides empirical support for Hypothesis H1.

H₂: The Social factor has a positive impact on the implementation of ethical standards by employees of commercial banks in Vietnam.

The statistical analysis indicates that the Social factor does not exert a significant impact on employees' ethical standards. At the 5% significance level, controlling for other variables, a one-unit increase in the Social factor results in a minor decrease of 0.045 units in ethical standards - an effect that is statistically insignificant. This outcome may stem from underdeveloped social welfare initiatives in banks or insufficient internal communication about such programs, which limits their visibility and influence on employee behavior. Consequently, Hypothesis H2 is not supported.

H₃: The Governance factor has a positive impact on the implementation of ethical standards by employees of commercial banks in Vietnam.

The regression findings confirm a statistically significant and positive relationship between the Governance factor and ethical standards. Specifically, at a 5% significance level, a one-unit increase in the Governance variable leads to a 0.249-unit increase in employees' ethical behavior, after controlling for other variables. This result validates Hypothesis H3.

5. Discussion of Research Results and Recommendations

The research findings indicate that among the ESG components, both the Environmental (E) and Governance (G) factors have a significant and positive influence on the ethical standards of employees in Vietnamese commercial banks. The strong effect of the Environmental factor may be attributed to employees' sense of pride in their organization's environmental responsibility and its efforts to enhance the workplace environment. In parallel, the Governance factor provides a structural foundation for discipline, transparency, and integrity through the implementation of equitable policies and the strict enforcement of rules and sanctions. By contrast, the Social (S) factor did not demonstrate a statistically significant impact on ethical standards. This limited effect may result from the symbolic nature of social initiatives, insufficient internal communication, or a lack of focus on employee-centered concerns such as welfare, equity, and workplace culture. These findings underscore the necessity of substantive implementation of Environmental and Governance practices, while also highlighting the need to re-evaluate and strengthen the design and communication of social policies to maximize their influence on professional ethics. Based on these insights, Vietnamese commercial banks should strategically enhance the Environmental (E) dimension by promoting green initiatives coupled with effective internal communication to reinforce employee ethical awareness and organizational pride. Concurrently, the Social (S) approach should be revised to focus more directly on internal issues, including working conditions, employee well-being, and professional development, rather than relying predominantly on external community engagement. All efforts should be embedded within a robust Governance (G) framework that prioritizes transparency, accountability, and the rigorous enforcement of ethical standards and anti-corruption policies.

At the policy level, it is essential that regulatory bodies and the Vietnam Banking Association accelerate the issuance of a standardized ESG guideline framework. In addition, they should promote ESG awareness through structured training programs and encourage industry-wide collaboration via incentive mechanisms and experience-sharing platforms. These measures are critical for advancing more effective and meaningful ESG implementation within the Vietnamese banking sector.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

Acknowledgement:

The author gratefully acknowledges the financial support from the Banking Academy of Vietnam.

Copyright:

© 2025 by the authors. This open-access article is distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

References

- [1] H. T. T. Dao, N. P. T. Hang, and L. C. Minh, "ESG reporting practices of the Vietnamese banking system," *Journal of Banking*, vol. 12, no. 2, pp. 1059–1069, 2024.
- [2] UNIDO, *Corporate social responsibility and sustainable business practices*. Vienna, Austria: United Nations Industrial Development Organization, 2020.
- [3] P. Sharma, P. Panday, and R. C. Dangwal, "Determinants of environmental, social and corporate governance (ESG) disclosure: A study of Indian companies," *International Journal of Disclosure and Governance*, vol. 17, pp. 208–217, 2020. <https://doi.org/10.1057/s41310-020-00085-y>
- [4] L. T. K. Nhung and L. T. T. Hien, "The impact of awareness on ESG practice behavior in operations at Vietnamese commercial banks," *Journal of Economic - Banking Law*, vol. 12, no. 1, pp. 45–55, 2023.
- [5] T.-T. Li, K. Wang, T. Sueyoshi, and D. D. Wang, "ESG: Research progress and future prospects," *Sustainability*, vol. 13, no. 21, p. 11663, 2021. <https://doi.org/10.3390/su132111663>
- [6] G. Friede, T. Busch, and A. Bassen, "ESG and financial performance: aggregated evidence from more than 2000 empirical studies," *Journal of Sustainable Finance & Investment*, vol. 5, no. 4, pp. 210–233, 2015. <https://doi.org/10.1080/20430795.2015.1118917>
- [7] S. Bilyay-Erdogan, "Corporate ESG engagement and information asymmetry: The moderating role of country-level institutional differences," *Journal of Sustainable Finance & Investment*, pp. 1–37, 2022. <https://doi.org/10.1080/20430795.2022.2128710>
- [8] S. Arvidsson and J. Dumay, "Corporate ESG reporting quantity, quality and performance: Where to now for environmental policy and practice?," *Business Strategy and the Environment*, vol. 31, no. 3, pp. 1091–1110, 2022. <https://doi.org/10.1002/bse.2937>
- [9] K. T. Anh, "Infrastructure for green finance and green credit in banks in Vietnam," *Journal of Banking*, vol. 13, no. 1, pp. 1–12, 2024.
- [10] T. T. P. Anh, "Factors affecting professional ethics of banking staff," *State Management Journal*, vol. 15, no. 2, pp. 123–135, 2024.
- [11] N. K. D. Anh, P. X. Nhi, P. D. Vinh, and D. H. Vy, "Moral hazard and factors affecting the intention to cause moral hazard of employees in the credit department of commercial banks," *Journal of Banking*, vol. 12, no. 3, pp. 1–15, 2023.
- [12] V. V. Thuc, "Solutions to improve the quality of human resources in the banking industry," *UEF Development and Integration Magazine*, vol. 3, no. 1, pp. 45–50, 2015.
- [13] D. T. Trang, "Solutions for developing high-quality human resources in the banking and finance sector," *Industry and Trade Magazine - Scientific Research Results and Technology Applications*, vol. 10, no. 1, pp. 15–25, 2024.
- [14] P. N. A. Phu and P. B. Phuong, "The role and importance of ESG in sustainable development at Vietnamese commercial banks," *Journal of Banking*, vol. 13, no. 2, pp. 45–58, 2024.
- [15] N. H. Hieu, "DNNews," 2024. <https://dantri.com.vn/lao-dong-viec-lam/moi-quan-he-giua-esg-va-viec-xay-dung-nguon-nhan-luc-ben-vung-20241014060830975.htm>