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FACTORS INFLUENCING THE DISCLOSURE OF SUSTAINABILITY REPORTS BY LISTED COMPANIES ON THE VIETNAMESE STOCK MARKET

ABSTRACT

Sustainability reporting is a critical process through which companies disclose environmental, social, and governance (ESG) goals and communicate progress toward achieving them. As a strategic tool for improving transparency and corporate accountability, SDRs serve to inform stakeholders about a company's commitment to sustainable development. This study investigates the determinants of Sustainable Development Report (SDR) disclosure among companies listed on the Vietnamese stock market between 2020 and 2022. By integrating both internal factors (such as firm size, profitability, and financial leverage) and external factors (including industry sector and ownership structure), the research provides a comprehensive examination of the key drivers of SDR disclosure in an emerging market context. A major contribution of this study is its identification of industry-specific influences on SDR disclosure, highlighting that companies in environmentally sensitive sectors—such as energy, mining, and manufacturing—are more likely to disclose sustainability information due to higher societal and regulatory pressures. Additionally, the study introduces the role of fixed assets as a significant determinant of SDR disclosure, an aspect that has been largely overlooked in previous literature. The research also emphasizes the importance of ownership structure, particularly state and foreign ownership, in shaping the likelihood and quality of SDR disclosure. Using a combination of quantitative and qualitative research methods, this study analyzes data from 90 companies and offers empirical insights into how these factors interact and influence SDR practices in Vietnam. The findings contribute to the literature by offering new perspectives on the factors driving SDR disclosure in emerging economies. Moreover, this study provides practical recommendations for policymakers and business managers to improve sustainability reporting practices, thereby fostering greater corporate transparency and aligning Vietnam's practices with international sustainability standards.

Keywords: accounting, ESG, sustainable development report disclosure, finance, corporate social responsibility, Vietnam stock market

JEL Classification: M14, M16, M41, F65, G30, Q56

INTRODUCTION

As sustainable development becomes a prevailing global trend, the disclosure of Sustainable Development Reports (SDRs) has garnered significant attention as a critical mechanism for promoting transparency and accountability. SDRs enable companies to communicate their performance and strategies in social responsibility, environmental sustainability, and governance, serving as both a compliance tool and a strategic approach to enhance brand value, build trust among stakeholders, and foster opportunities for international collaboration and investment.

In Vietnam, the issuance of (Vietnam G. o., 2020) has established a regulatory framework mandating the disclosure of SDRs by listed companies. However, the level of compliance remains uneven, with only a handful of large enterprises aligning with international standards and adopting SDRs as a long-term strategic priority. A considerable portion of listed firms still underestimate the strategic importance of SDR disclosures, resulting in a lack of transparency, missed opportunities to enhance corporate image, and diminished shareholder value.

The purpose of this study is to investigate the variables affecting SDR disclosure among Vietnamese-listed firms between 2020 and 2022. By exploring key determinants such as firm size, profitability, industry sector, financial leverage, and ownership structure, the research aims to provide empirical evidence that informs effective policy recommendations to improve transparency and align SDR practices with international standards. These findings are intended to contribute to sustainable development efforts and strengthen Vietnam's integration into the global economy.

This paper's structure is set up as follows: The context and goals of the research are given in Section 1. Section 2 reviews relevant literature and theoretical frameworks, providing a foundation for the research model. The methodology, including data collecting and analytical techniques, is described in depth in Section 3. Finally, Section 4 discusses the empirical results and offers specific recommendations to enhance the adoption and quality of SDR disclosures in Vietnam.

LITERATURE REVIEW

Theoretical foundation

Stakeholder Theory: Businesses have an obligation to consider the interests of all parties involved, including shareholders, staff members, clients, communities, and governments, according to stakeholder theory. Sustainable development reporting serves as a critical mechanism for transparently disclosing information, meeting stakeholder expectations, and fostering trust. As (Freeman, 1984) argued, the integration of stakeholder interests into business operations is essential for achieving long-term sustainability. Through sustainability disclosures, companies can better align their activities with stakeholder needs, ensuring corporate resilience and sustained growth (Freeman, 1984).

Legitimacy Theory: Legitimacy theory emphasizes that businesses must maintain alignment with societal norms and expectations to secure their continued operation. In response to growing environmental and social pressures, companies use sustainable development reports to signal their alignment with societal values. According to (Rob Gray, Dave Owen, and Carol Adams, 1996), sustainability disclosures act as a strategic tool to mitigate risks such as public criticism or consumer boycotts. By aligning corporate practices with societal expectations, businesses can safeguard their legitimacy and foster a positive reputation (Rob Gray, Dave Owen, Carol Adams, 1996).

Signal Theory: According to signal theory, businesses can use sustainable development reports to communicate with shareholders, investors, and the general public in a good way. Spence (1973) highlighted the role of transparency in enhancing corporate image, attracting investment, and strengthening brand value. By disclosing sustainability practices, companies provide assurance to stakeholders regarding their commitment to environmental and social goals, thereby gaining a competitive advantage in the marketplace (Spence, 1973).

Proprietary Cost Theory: Proprietary cost theory, as proposed by Verrecchia (1983), explores the trade-offs between the costs and benefits of information disclosure. While companies incur direct costs (e.g., report preparation) and indirect costs (e.g., potential loss of competitive advantage), the long-term benefits often outweigh these challenges. Enhanced transparency through sustainable development reports can improve access to capital, strengthen corporate reputation, and facilitate long-term value creation (Verrecchia, 1983)This theory underscores the strategic significance of balancing disclosure costs with the broader advantages of sustainable reporting.

Internal Factors Affecting SDR Disclosure

Previous studies have consistently identified firm size and profitability as critical determinants of Sustainable Development Report (SDR) disclosure. Larger firms, characterized by robust financial capacity and extensive operational networks, are more likely to disclose sustainability-related information due to heightened scrutiny from stakeholders. According to (Trinh Huu Luc, Tang Thanh Phuoc, 2019) and (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022) the visibility and expectations placed upon larger companies by investors, customers, and regulators compel them to adopt sustainability reporting as a strategic tool. This aligns with *Stakeholder Theory* (Freeman, 1984) which posits that larger firms must meet the heightened demands of their stakeholders to maintain legitimacy and reputation.

Profitability has also been shown to have a significant relationship with SDR disclosure. Highly profitable firms are better positioned to allocate resources toward sustainable practices and disclose these activities to enhance their corporate image and attract investors. Conversely, research by (Cemil Kuzey, and Ali Uyar, 2017)suggests that financially distressed firms

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may strategically use sustainability reports to mitigate stakeholder concerns and distract attention from unfavourable financial performance. This highlights a dual dynamic in which profitability drives both proactive and reactive disclosure behaviours, depending on a firm's financial position.

Factors Related to the Business Environment

In addition to internal determinants, the external business environment and regulatory framework play a pivotal role in shaping SDR disclosure practices. (Vietnam, 2020) and (Vietnam G. o., 2020) are two legal requirements in Vietnam that require listed firms to declare sustainability-related activity. Despite these regulations, compliance remains inconsistent, particularly among small and medium-sized enterprises (SMEs), where awareness of the benefits of sustainability reporting is limited (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022).

A recent study by (KPMG, 2022) underscores the nascent stage of SDR adoption in Vietnam, where most firms disclose sustainability information within annual reports rather than issuing standalone SDRs. This reflects a lack of advanced reporting infrastructure and data management capabilities, particularly in SMEs. Furthermore, industries highly exposed to environmental and societal pressures, such as mining, energy, and chemical production, demonstrate higher quality and more detailed sustainability disclosures. Studies by Yosepin (2014) and (Trinh Huu Luc, and Tang Thanh Phuoc, 2019) indicate that societal and environmental pressures exert significant influence on the depth and quality of SDR disclosures in these sectors.

The Impact of SDR Disclosure on Business Performance

Existing literature highlights the multifaceted benefits of SDR disclosure, which extends beyond risk mitigation to include enhanced investor relations and improved corporate reputation. (Freeman, 1984) and (Spence, 1973)suggest that sustainability disclosures build trust among stakeholders, attract investment from socially conscious investors, and strengthen corporate legitimacy. In addition to lowering financial risks, these advantages make it easier to obtain sustainable finance, especially in markets where environmental, social, and governance (ESG) considerations are becoming more and more important when making investment decisions.

(Robert G. Eccles, Ioannis Ioannou, George Serafeim, 2014) provide empirical evidence that companies with robust SDR practices achieve superior financial performance by appealing to ESG-focused investors. Similarly, (Vanessa S Sullivan, Madison E Smeltzer Gregory R Cox, and Kristen L. MacKenzie-Shalders, 2021) confirm that transparent SDR disclosure offers firms a competitive edge, contributing to long-term sustainable growth and market differentiation.

Research Gaps and Opportunities

While existing studies offer valuable insights into factors influencing SDR disclosure, several critical gaps remain. First, most prior research has focused on traditional factors such as firm size, profitability, and financial leverage, with limited exploration of the relationship between ESG factors and SDR effectiveness. This gap is particularly evident in the Vietnamese context, where the application of international standards varies across industries and SMEs.

Second, there is insufficient research on the long-term effects of SDR disclosure on financial performance and investor satisfaction in Vietnam, an emerging market with unique challenges and opportunities. Furthermore, the interaction between corporate governance structures (e.g., state-owned versus private enterprises) and SDR practices remains underexplored.

Addressing these gaps provides an opportunity to deepen understanding of the drivers and consequences of SDR disclosure in Vietnam. Future research should focus on the integration of ESG factors into SDR frameworks, assess their impact on firm performance, and explore strategies to enhance the adoption of sustainable reporting standards. Such efforts will contribute to improving corporate transparency, fostering sustainable practices, and advancing Vietnam's economic integration in the global market.

AIMS AND OBJECTIVES

The goals of this investigation were as follows:

1. To look into the factors that influence companies listed on the Vietnamese stock exchange to disclose Sustainable Development Reports (SDRs).

2. To look at how different factors, such as firm size, profitability, industry sector, financial leverage, and ownership structure—especially state and foreign ownership—affect the quality and likelihood of SDR disclosures.

METHODS

Basis for Proposing the Research Model

Size of the Company

The disclosure of Sustainable Development Reports (SDR) is strongly influenced by a company's size. This is due to the clear differences between large and small enterprises. In practice, it is explained that larger companies operate in more product sectors, have broader supply networks, require more capital, and face greater pressure from stakeholders such as investors, customers, regulatory authorities, and environmental protection agencies in the areas where they operate. These characteristics influence both the quantity and quality of the SDRs disclosed.

The logarithm of the company's total assets is used to calculate the size of the business. Most previous studies have indicated that company size affects the disclosure of SDRs. In the study "Factors Influencing the Disclosure of Sustainable Development Reports - The Case of Enterprises in Vietnam" by (Trinh Huu Luc, and Tang Thanh Phuoc, 2019) it was shown that larger companies are more closely monitored by stakeholders and society in general, which increases the demand for information and creates pressure for them to disclose SDRs. Accordingly, (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, and Co Trong Nguyen, 2022) also verified that the degree of sustainability information disclosure increases with the size of the business. This suggests that stakeholders have higher expectations for larger businesses, which presents both an opportunity and a challenge.

However, some studies indicate that company size does not necessarily affect the disclosure of SDRs. Agnes Pravita Ariyani and Oct. According to (Agnes Pravita Ariyani, S.E., M. Ak, Oct. Digdo Hartomo, M.si, Akt, 2018) a company's disclosure of sustainability information is not always ensured by an increase in its overall assets. Larger companies tend to focus more on the costs associated with disclosing SDRs, while smaller companies may be less interested in disclosure because they focus more on market competition to expand their business. To further investigate, the authors propose the following hypothesis:

H1: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the size of the company.

Profitability

Profitability, or profit, can be simply understood as the final financial result after revenues are received and investment and operating costs are deducted. Profitability is calculated as: (Net profit/Total average assets) * 100. When information on socio-economic and environmental aspects becomes clearer, revenue increases due to enhanced consumer trust in what the company is doing for the environment and society. More importantly, this affects the company's future profits and brand perception, helping to create long-term brand loyalty from customers.

According to the research by (Trinh Huu Luc, Tang Thanh Phuoc, 2019) and (Bui Minh Phuong, and Nguyen Thi Thanh Loan, 2021) the primary goal of a business is to generate profits. The more profitable a business is, the more committed it is to environmental and social responsibility. Furthermore, if a company’s high profits are not compensated by implementing and reporting on social responsibility, competitors can exploit environmental issues to harm the company’s image. The higher a company’s profitability, the more likely it is to voluntarily adopt and disclose SDRs. When a company discloses its SDR, investors and the public will see the positive aspects of the business, and the company will receive higher profits.

H2: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with a company's profitability.

Financial Leverage

In finance, financial leverage is a strategy employed by companies to increase assets, cash flow, and profits. To increase financial leverage, a company can borrow funds by issuing securities or taking loans from lenders. However, this approach comes with risks such as the risk of insolvency, but it can also bring benefits to the company.

The ratio of total liabilities to total assets is used to calculate financial leverage. Several studies have been conducted on the impact of financial leverage on SDR disclosure. Financial leverage has an impact on SDR disclosure in businesses,

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according to (Agnes Pravita Ariyani, S.E., M. Ak, Oct. Digdo Hartomo, M.si, Akt, 2018) who examined the major factors influencing the disclosure index of sustainable development reports in Indonesia. Based on previous studies and established formulas, the research team proposes the following hypothesis:

H3: Financial leverage and listed firms' disclosure of Sustainable Development Reports on the Vietnam Stock Exchange are related.

Industry Sector

In a market economy, industries and sectors are highly diverse: manufacturing, services, trade, construction, energy, mining, food, healthcare, etc. Each company in different sectors will have different concerns, and the impact on the environment varies by industry. Therefore, each company's attitude toward social responsibility and the pressures they face from public opinion are also different. While sectors such as trade and services are less affected by public opinion regarding environmental and social responsibility, companies in manufacturing or energy and mining sectors face greater societal pressure and higher expectations. From these differences, it can be argued that the level, quantity, and content of information disclosed differ across industries.

A study by (Trinh Huu Luc, and Tang Thanh Phuoc, 2019) on the factors influencing the disclosure of SDRs in Vietnam also pointed out that SDR disclosure is influenced by the sector in which the company operates. The industrial sector significantly increases the possibility that companies will report on sustainability. Therefore, the research team proposes the following hypothesis to test the influence of this factor:

H4: The disclosure of Sustainable Development Reports by listed firms on the Vietnam Stock Exchange is correlated with the industry sector of the company.

Rate of Revenue Growth

Through the change in revenue (represented as a percentage) over a specified time period, the revenue growth rate is a metric used to evaluate the efficacy and success of a firm. It is calculated as: ((Current year revenue - Previous year revenue) / Previous year revenue) * 100. The higher the revenue growth rate, the lower the effectiveness in managing sustainable development issues, as the company focuses on economic growth while neglecting the environmental and social impacts of its operations. While some companies succeed in achieving profit growth alongside sustainable development goals, it is generally difficult to achieve this balance. Most companies believe there is a trade-off between revenue growth and enhancing environmental and social benefits for sustainability.

(Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022)'s study "Analysis of factors affecting sustainable development information disclosure at mining enterprises listed on the Vietnam stock market" (2022) included the revenue growth rate in the research model and discovered that it has no effect on the amount of sustainable development information disclosure. Similarly, (Hung Ngoc Dang, Cuong Duc Pham, 2022)'s work "The effect of earning quality on sustainable reports: an empirical study from Vietnam" (2022) came to the same conclusion: there is no connection between revenue growth and sustainability report production. However, the authors believe that differences in research periods might explain these results and decided to include revenue growth as a factor in their model.

H5: There is a correlation between a company's pace of revenue growth and the Sustainable Development Reports that listed companies on the Vietnam Stock Exchange provide.

State Ownership Proportion

The state ownership ratio in the capital structure of a company is considered to have a close relationship with the disclosure of sustainable development reports. This ratio is determined by the formula: State-owned capital / Total equity. According to research by (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022), there is a favourable correlation between the state ownership ratio and the degree of SDR disclosure. The study emphasized that companies with a certain level of state ownership tend to comply strictly with government policies and regulations due to close state supervision. This affects both the quality and quantity of the SDRs disclosed. Based on this, the research team proposes the following hypothesis:

H6: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the percentage of state ownership.

Foreign Ownership Proportion

The proportion of foreign ownership is considered an important factor influencing the level of SDR disclosure, similar to state ownership. This ratio is calculated as: Foreign equity / Total equity. In developing countries like Vietnam, despite the relatively smaller size of companies, the demand for sustainable business practices has increasingly been driven by global trends. Companies with significant foreign ownership are often more attuned to international expectations due to their global presence, stakeholder obligations, and the need to align with global sustainability standards. Large multinational corporations, in particular, place a high priority on sustainability reporting to maintain their reputation, ensure compliance with international regulations, and fulfil their commitments to stakeholders.

A study by (Bui Minh Phuong, Nguyen Thi Thanh Loan, 2021) on the chemical industry in Vietnam found that the foreign ownership ratio was one of the four key factors positively correlated with the level of SDR disclosure. This is largely because international investors typically come from countries with advanced financial management frameworks and higher standards of transparency. Moreover, foreign shareholders often face unique risks, such as political instability and a lack of legal protection in the host country, which makes SDR disclosure a crucial tool for monitoring the performance and sustainability practices of the companies in which they invest.

Based on these insights, the research team proposes the following hypothesis:

H7: The percentage of foreign ownership and the disclosure of Sustainable Development Reports by Vietnam Stock Exchange-listed enterprises are related.

Fixed Assets

Fixed assets are long-term assets having significant value, in contrast to current assets. The efficiency of fixed asset utilization is a factor influencing operational performance and is also an indicator for evaluating a company's financial capacity. As the value of fixed assets increases, companies tend to disclose more information to help investors make decisions about whether to invest.

The decision to reveal sustainability information is positively correlated with the value of fixed assets. This has been shown in the study by (Mohammed Hossain, Masrur Reaz, 2007) where companies with higher fixed asset values and better asset utilization are more proactive in disclosing information to attract external investment.

However, from the opposite perspective, companies with many pledged fixed assets may limit the disclosure of internal information. (Michael C. Jensen, William H. Meckling , 1976) indicated that pledged assets may reduce ownership conflicts because, in the event of bankruptcy, ownership of the fixed assets would transfer to the pledgee. This reduces the company's need to disclose information. Additionally, (Bauer, 2014) suggested that companies with a high proportion of fixed assets have lower agency costs due to the difficulty in embezzling or misappropriating high-value assets that are long-term and well-managed. Therefore, as (Mohammed Hossain, Masrur Reaz, 2007) pointed out, when agency costs are low, companies are likely to reduce the level of information disclosure.

H8: Fixed assets and listed firms' disclosure of Sustainable Development Reports on the Vietnam Stock Exchange are related.

Based on the research hypotheses and literature review, Table 1 further clarifies how the factors affecting the disclosure are measured.

Research Hypotheses

Based on the theoretical foundation, the authors have proposed the following research hypotheses:

- **H1**: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the size of the company.
- **H2**: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with a company's profitability.
- **H3**: Financial leverage and listed firms' disclosure of Sustainable Development Reports on the Vietnam Stock Exchange are related.
- **H4**: The disclosure of Sustainable Development Reports by listed firms on the Vietnam Stock Exchange is correlated with the industry sector of the company.
- **H5**: There is a correlation between a company's pace of revenue growth and the Sustainable Development Reports that listed companies on the Vietnam Stock Exchange provide.

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- **H6**: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the percentage of state ownership.
- **H7**: The percentage of foreign ownership and the disclosure of Sustainable Development Reports by Vietnam Stock Exchange-listed enterprises are related.
- **H8**: Fixed assets and listed firms' disclosure of Sustainable Development Reports on the Vietnam Stock Exchange are related.

Table 1. Summary of Factors.

Code	Factor Name	Formula	References
QM	Firm Size	Natural logarithm of total assets	(Agnes Pravita Ariyani, S.E., M. Ak, Oct. Digdo Hartomo,M.si,Akt, 2018) (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022)
ROA	Profitability	(Net profit after tax /Average total assets) * 100	(Trinh Huu Luc, Tang Thanh Phuoc , 2019); (Bui Minh Phuong, Nguyen Thi Thanh Loan , 2021)
DB	Financial Leverage	(Total liabilities/Total assets) * 100	(Agnes Pravita Ariyani, S.E., M. Ak, Oct. Digdo Hartomo,M.si,Akt, 2018)
LV	Industry Sector	Categorized into two groups:	(Trinh Huu Luc, Tang Thanh Phuoc , 2019)
		1. Environmentally sensitive: Mining and resources; Chemicals; Oil and gas; Manufacturing; Paper industry; Wood products	
		0. Less environmentally sensitive	
DT	Revenue Growth Rate	((Total revenue of the current year - Total revenue of the previous year)/Total revenue of the previous year) * 100	(Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022) (Hung Ngoc Dang, Cuong Duc Pham, 2022)
SO	State Ownership Ratio	(State-owned equity / Total equity) * 100	(Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022)
FO	Foreign Ownership Ratio	(Foreign-owned equity/Total equity) * 100	(Bui Minh Phuong, Nguyen Thi Thanh Loan , 2021)
TSCD	Fixed Assets	((Gross fixed assets - Depreciation)/Total assets) * 100	(Michael C. Jensen, William H. Meckling , 1976), (Mohammed Hossain, Masrur Reaz, 2007)

With the collected data being panel data, the data after collection is processed and analyzed using Stata 17 software. The research team has constructed the regression model as follows:

$$CB = \beta0 + \beta1*QM + \beta2*ROAA + \beta3*DB + \beta4*LV + \beta5*DT + \beta6*SO + \beta7*FO + \beta8*TSCD + e,$$

where: CB is the dependent variable; QM, ROAA, DB, LV, DT, SO, FO, and TSCD are the independent variables; β0 is the constant; e is the error term.

Data Collection Method: Ninety companies that were listed on the Vietnam Stock Exchange between 2020 and 2022 make up the sample. Specifically, the financial information of the listed companies is compiled from their financial statements and the website (http://finance.vietstock.vn). The annual reports and sustainable development reports posted on the websites of the 90 companies in the sample provide information on ownership structure and disclosures in sustainable development reports.

Tabachnick and Fidell (1996) state that the following formula is used to determine the minimal sample size needed to provide the best results in regression analysis:

$N \geq 8m + 50$,

where: m is the number of independent variables, and N is the sample size.

Thus, with 8 independent variables, the required minimum sample size for the study is:

$8 * 8 + 50 = 114$.

Therefore, the research team collected a sample comprising 90 companies with the largest number of listed shares, operating in various industries, listed on the three major stock exchanges of Vietnam: the Ho Chi Minh City Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX), and the UpCom market. In total, there are 270 observations for the period 2020-2022.

RESULTS

The Present State of Vietnam Stock Market Listed Companies' Disclosure of Sustainable Development Reports

In Vietnam, even before the legal requirement for mandatory sustainable development reporting, some pioneering companies, such as Bao Viet Group, Vietnam Dairy Products JSC, and Hau Giang Pharmaceutical JSC, led the way in this practice. The introduction of the Sustainable Development Report Award in 2013 encouraged companies to compete in sustainability reporting. In 2015, the Vietnamese government issued Circular 155/2015/TT-BTC, mandating sustainability disclosure. Since then, more companies have published sustainable development reports, though awareness and implementation remain limited.

The 16th Listed Companies Voting in December 2023 revealed a slight increase in the number of companies submitting standalone sustainability reports (from 19 to 22 reports). This indicates a continued upward trend. Moreover, more companies are adopting Environmental, Social, and Governance (ESG) governance models, with boards showing growing attention to sustainability. However, most listed companies still integrate sustainability reports into their annual reports rather than publishing them separately.

According to (Vietnam P., 2024) report, 93% of listed companies in Vietnam express an ESG commitment, but only 35% have implemented it, while 58% plan to do so in the next 2-4 years. Many companies are still in the early stages of disclosing sustainability information, with a focus on short-term and mid-term goals.

While companies focus on the visual aspects of their reports, many still lack substantial content. Most use global standards like GRI, TCFD, or SASB, but they struggle with understanding the reporting requirements, leading to disorganized and unclear reports. Data quality remains a major barrier, as many companies lack the necessary skills for data collection, measurement, and analysis.

Furthermore, compared to global standards, Vietnam lags in ensuring the independence of sustainability reporting. PwC's report indicates that 36% of companies in Vietnam have their sustainability reports audited by independent organizations, compared to 50% globally.

The involvement of senior leadership in driving sustainability remains limited in Vietnam, with only 46% of surveyed companies disclosing board responsibility for sustainability. This is considerably lower than the Asia-Pacific average, highlighting the need for stronger leadership in this area.

Table 2 presents the descriptive statistics of the variables used in the study, providing an overview of the data distribution and key characteristics of the sample.

Descriptive Statistics

Table 2. Descriptive Statistics on the Disclosure of Sustainability Reports.

Status of Sustainability Report Disclosure	Freq.	Per cent	Cum.
Non-disclosure	97	35.93	35.93
Disclosure	173	64.07	100
Total	270	100.00	

The frequency distribution table for the variable "CB" shows that, out of a total of 270 observations, 97 did not disclose sustainability reports, accounting for 35.93%. The remaining 173 observations disclosed sustainability reports, making up 64.07%. These results indicate that companies are increasingly paying attention to and prioritizing the preparation and disclosure of sustainability reports, as this proportion represents more than half of the total observations.

Table 3 shows the distribution of the business sectors within the sample, distinguishing between environmentally sensitive and less environmentally sensitive sectors.

Out of the total 270 observations, 207 belong to sectors that are less sensitive to environmental issues, accounting for 76.67%, while 63 observations belong to environmentally sensitive sectors, making up 23.33%. The frequency distribution of the variable "LV" shows an uneven distribution. The category of "less environmentally sensitive" occurs more frequently than "environmentally sensitive," with a difference of more than three times. Overall, the majority of the observations in

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this study belong to sectors that are less sensitive to environmental concerns. These sectors are characterized by business activities that have relatively less negative impact on the environment.

Table 3. Descriptive Statistics of Business Sector.

Business Sector	Freq.	Per cent	Cum.
Less environmentally sensitive	207	76.67	76.67
Environmentally sensitive	63	23.33	100
Total	270	100.00	

Table 4 provides the summary statistics for the variables in the study, including the mean, standard deviation, minimum, and maximum values for each factor.

Table 4. Variable Descriptive Statistics.

Variable	Obs	Mean	Std. dev	Min	Max
CB	270	.640741	.480674	0	1
QM	270	32.00075	1.167652	28.38001	35.29048
ROAA	270	4.556174	6.935598	-26.8	35.2
DB	270	61.63355	24.3642	3.5	116.84
LV	270	0.233333	0.423738	0	1
DT	270	22.79458	73.82383	-265.73	748
SO	270	22.3696	35.69794	0	99.9993
FO	270	14.40705	15.37003	0	63.0821
TSCD	270	16.23166	21.0917	0	84.51

Basic descriptive statistics for the independent and dependent variables are shown in Table 4. The average value of sustainability report disclosure (CB) is 0.6407407.

The size of the companies (QM) ranges from 28.38 to 35.29, suggesting that the company sizes in the sample are relatively similar.

The average return on assets (ROAA) for listed companies is 4.55%, with values ranging from -26.8% to 35.2%. At least one company in the sample reported a negative after-tax profit, as indicated by the profitability indicator's (ROAA) minimum value of negative.

The average financial leverage (DB) for companies on the Vietnamese stock market is approximately 62%, with a range from 3.5% to 116.84%. Generally, Vietnamese companies tend to have relatively high debt-to-total-assets ratios, which could lead to financial difficulties and financial risk for these companies.

The average revenue growth rate (DT) is 22.79%, with a large variation ranging from -265.73% to 748%. The significant difference suggests considerable variation in revenue performance across the sample. Furthermore, the minimum value for the revenue growth variable is negative, meaning that some companies in the sample experienced a decline in revenue compared to the previous year.

The average state ownership ratio (SO) for listed companies in Vietnam is 22.37%, with a range from 0% to 99.99%. These figures suggest that while state-owned enterprises are not numerous in the sample, those with state ownership have a significant proportion of state-held shares.

The average foreign ownership ratio (FO) for listed companies on the Vietnamese stock market is 14.4%. This result indicates that foreign ownership in Vietnamese companies remains relatively low.

Overall, from 2020 to 2022, the business performance of the companies in the sample exhibited considerable variation.

The average value of fixed assets (TSCD) is 16.23%, with a range from 0% to 84.51%, suggesting that some companies have a relatively high proportion of fixed assets in their total assets. These companies are heavily reliant on fixed assets for their operations. If these companies effectively utilize and manage these assets, it could be a positive sign. The minimum value for fixed assets is 0%, as at least one company has fully depreciated its fixed assets at the time of the study.

Table 5 presents the correlation matrix, illustrating the relationships between the dependent variable and the independent variables in the study.

Correlation analysis

Table 5. Correlation.

	CB	QM	ROAA	DB	LV	DT	SO	FO	TSCD
CB	1.0000								
QM	0.7006	0.7006							
ROAA	0.0201	-0.0956	1.0000						
DB	-0.0339	0.3595	-0.4691	1.0000					
LV	0.0846	-0.0916	0.2858	-0.2120	1.0000				
DT	0.0722	0.0423	0.1508	-0.0046	-0.035	1.0000			
SO	0.2022	0.2571	-0.0260	-0.0718	0.0468	-0.0835	1.0000		
FO	0.1485	0.1792	0.1974	-0.0360	0.0411	-0.0626	-0.1935	1.0000	
TSCD	0.0452	-0.2066	-0.0643	-0.1759	0.3483	-0.0687	0.1981	-0.1374	1.0000

Table 5 shows the correlation coefficients between the dependent variable (CB) and the independent variables. All of the independent variables' correlation coefficients are less than 0.8, suggesting that multicollinearity is not a problem (Cohen, 1988).

From the Pearson correlation results, it can be observed that financial leverage (DB) and fixed assets (TSCD) have a negative correlation with sustainability report disclosure (CB). In contrast, the other variables, including firm size (QM), profitability (ROAA), revenue growth (DT), state ownership (SO), foreign ownership (FO), and business sector (LV), show a positive correlation with the disclosure of sustainability reports (CB).

Table 6 summarizes the results of the regression analysis, showing the impact of each independent variable on the disclosure of Sustainable Development Reports.

Regression Analysis

Table 6. Summary of Regression Results. Note: N = 270; Wald chi²(10) = 1524.79, Prob > chi² = 0.0000; White test: chi²(43) = 122.61, Prob > chi² = 0.0000; Hausman test: chi²(7) = 45.21, Prob > chi² = 0.0000; Wald test: chi²(90) = 31.0955, Prob > chi² = 0.0000; t-statistics in parentheses; p < 0.1, ** p < 0.05, *** p < 0.01.

Description	OLS	FEM	REM	FGLS	VIF
QM	0.350*** (18.18)	0.354*** (13.12)	0.337*** (15.78)	0.339*** (27.85)	1.45
ROAA	-0.00740** (-2.22)	-0.00309 (-1.05)	-0.00117 (-0.43)	-0.00401*** (-3.66)	1.54
DB	-0.00719*** (-7.49)	0.00523*** (3.08)	-0.00226** (-2.00)	-0.00431*** (-6.96)	1.57
LV	0.122** (2.45)		0.136* (1.67)	0.116*** (3.90)	1.28
DT	0.000341 (1.31)	-0.000159 (-1.01)	-0.0000214 (-0.13)	0.00000298 (0.04)	1.06
SO	-0.000724 (-1.22)	-0.000595 (-0.49)	-0.000452 (-0.58)	0.000562 (1.30)	1.29
FO	-0.0000811 (-0.6)	-0.000254 (-0.09)	0.000268 (0.15)	0.000439 (0.66)	1.19
TSCD	0.000820 (0.80)	-0.0000666 (-0.03)	0.00140 (0.96)	0.00114* (1.89)	1.33
cons	-10.12*** (-17.11)	-10.99*** (-12.63)	-10.05*** (-14.49)	-9.985*** (-26.57)	
	N = 270 F(8, 261) = 50.25 Prob > F = 0,0000 R2 = 0,6063 Hiệu chỉnh R2=0,5942 Root MSE =0,30618	N = 270 R2: within = 0,5201 between = 0,3357 overall = 0,3457 F(7,173) = 26.79 Prob > F = 0,0000	N = 270 R2: within = 0,4635 between = 0,5734 overall = 0,5615 Wald chi2(8) =266.50 Prob > chi2 =0,0000	N = 270 Wald chi2(10) =1524.79 Prob > chi2=0,0000	
White test	chi2(43) =122.61 Prob>chi2=0.0000				
Hausman test		chi2(7) = 45.21 Prob > chi2 = 0.0000			
Wald test		chi2(90) = 31.0955 Prob > chi2 = 0.0000			

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Model Diagnostics

The Pool OLS model has a Prob > F = 0.0000, indicating that the model is statistically significant. The model's independent variables account for 60.63% of the variation in the dependent variable, CB, according to the R2 coefficient of 0.6063. According to the OLS model, the variables that have an impact on sustainability report disclosure include: Firm Size and Financial Leverage, both statistically significant at the 1% level ($p < 0.01$), and Profitability and Business Sector, which, at the 5% level ($p < 0.05$), are statistically significant. The other variables do not show any relationship with the dependent variable since their p-value is> 0.1. The authors then proceeded with multicollinearity testing and White's test to assess the model's suitability.

The multicollinearity test results show that all variance inflation factors (VIF) are less than 10, with the largest VIF being 1.57, indicating that there is no multicollinearity in the model. White's test indicates that the model contains heteroscedasticity (p-value = 0% < 5%). Therefore, the Pool OLS model is deemed unsuitable.

To find a more appropriate model, the authors applied two other models: FEM and REM.

The FEM model has a Prob > F = 0.0000, indicating that the model is statistically significant. The independent factors account for 52.01% of the variation in the dependent variable CB, according to the R2 value of 0.5201. According to the FEM model, the variables affecting sustainability report disclosure include: Firm Size and Financial Leverage, both statistically significant at the 1% level (p-value for these variables are all less than 0.01). The other variables do not show any relationship with the dependent variable as their p-value > 0.1.

The REM model has a Prob > F = 0.0000, indicating that the model is statistically significant. The independent factors account for 46.35% of the variation in the dependent variable CB, as indicated by the R2 value of 0.4635. According to the REM model, the variables that affect sustainability report disclosure include: Firm Size ($p < 0.01$), Financial Leverage ($p < 0.05$), and Business Sector ($p < 0.1$). The other variables do not show any relationship with the dependent variable since their p-value is> 0.1.

To determine which model is more appropriate, the authors performed a Hausman test with the following hypotheses:

H_0: REM model is appropriate.

H_1: FEM model is appropriate.

With a p-value of 0.0000 < 0.05 according to the Hausman test results, H_0 is rejected and H_1 is accepted. As a result, the factors influencing listed businesses' disclosure of sustainability reports on the Vietnamese stock market are examined using the Fixed Effects Model (FEM).

After selecting the FEM as the appropriate model, the authors checked for any model deficiencies using the Wald test. The result shows prob > chi^2 = 0.0000 < 0.05, indicating that the FEM model has some shortcomings. The Generalized Least Squares (GLS) approach (FGLS) was then used by the authors to improve the FEM model's reliability and fix its flaws. The FGLS model is therefore thought to be the most appropriate.

Hypothesis Testing

Hypothesis H1: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the size of the company. The standardized regression coefficient for the firm size factor is $\beta = 0.339$ and $p < 0.01$. => Hypothesis H1 is accepted.

Hypothesis H2: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with a company's profitability. The standardized regression coefficient for the profitability factor is $\beta = -0.00401$ and $p < 0.01$. => Hypothesis H2 is accepted.

Hypothesis H3: There is a relationship between Financial Leverage and the disclosure of sustainability reports by listed companies on the Vietnamese stock market. The standardized regression coefficient for the financial leverage factor is $\beta = -0.00431$ and $p < 0.01$. => Hypothesis H3 is accepted.

Hypothesis H4: There is a relationship between the Business Sector and the disclosure of sustainability reports by listed companies on the Vietnamese stock market. The standardized regression coefficient for the business sector factor is $\beta = 0.116$ and $p < 0.01$. => Hypothesis H4 is accepted.

Hypothesis H5: There is a relationship between Revenue Growth and the disclosure of sustainability reports by listed companies on the Vietnamese stock market. The standardized regression coefficient for the revenue growth factor is $\beta = 0.00000298$ and $p > 0.1$. => Hypothesis H5 is rejected.

Hypothesis H6: The disclosure of Sustainable Development Reports by listed companies on the Vietnam Stock Exchange is correlated with the percentage of state ownership. The standardized regression coefficient for the state ownership factor is $\beta = 0.000562$ and $p > 0.1$. => Hypothesis H6 is rejected.

Hypothesis H7: The percentage of foreign ownership and the disclosure of Sustainable Development Reports by Vietnam Stock Exchange-listed enterprises are related. The standardized regression coefficient for the foreign ownership factor is $\beta = 0.000439$ and $p > 0.1$. => Hypothesis H7 is rejected.

Hypothesis H8: There is a relationship between Fixed Assets and the disclosure of sustainability reports by listed companies on the Vietnamese stock market. The standardized regression coefficient for the fixed assets factor is $\beta = 0.00114$ and $p < 0.1$. => Hypothesis H8 is accepted.

Firm Size (QM) has a favourable effect on sustainability report disclosure. Larger firms are more likely to disclose sustainability reports due to the increased pressure from stakeholders, including investors, customers, and regulatory bodies, particularly concerning social assurance and environmental protection. This finding aligns with the research of (Trinh Huu Luc, Tang Thanh Phuoc, 2019) and (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022), who also found that larger companies are more likely to disclose sustainability information because of greater public scrutiny and stakeholder expectations. These results are consistent with the Stakeholder Theory (Freeman, 1984)which posits that larger companies face greater pressure from stakeholders to disclose information in order to maintain legitimacy and avoid reputational damage.

Profitability (ROA) has a negative impact on sustainability report disclosure. This finding contradicts the hypothesis that higher profitability leads to more voluntary sustainability reporting. The result is consistent with the study of (Cemil Kuzey, Ali Uyar, 2017) which suggested that companies with low or negative profits tend to disclose more non-financial information to alleviate concerns from investors and shareholders about their unfavourable financial performance. This finding suggests that firms with lower profitability may use sustainability reports as a tool to build trust with stakeholders and mitigate potential concerns regarding financial performance. This also highlights the tension between profitability and transparency, where companies with weak financial performance may disclose more to manage stakeholder perceptions.

Financial Leverage (DB) is negatively correlated with the disclosure of sustainability reports. This result contradicts the hypothesis and previous studies such as (Agnes Pravita Ariyani, S.E., M. Ak, Oct. Digdo Hartomo, M.si, Akt, 2018) which suggested that financial leverage could positively influence sustainability reporting due to the need for greater transparency. However, the result is consistent with Miaad M. Alotaibi (2020), who found that companies with high financial leverage may limit the information disclosed to cover up weak financial performance and reduce concerns among stakeholders. High debt levels can create short-term financial pressures that discourage companies from disclosing non-financial information, particularly if the company's sustainability practices do not align with its financial position. This is also supported by the Proprietary Cost Theory (Verrecchia, 1983), which suggests that the disclosure of certain types of information may expose companies to competitive risks.

Business Sector (LV) is positively correlated with the decision to disclose sustainability reports. This result is fully supported by the research of(Trinh Huu Luc, Tang Thanh Phuoc, 2019) who found that companies in environmentally sensitive sectors, such as manufacturing, energy, and mining, are more likely to implement and disclose sustainability reports. Companies in these industries face greater pressure from society and stakeholders to disclose sustainability information due to their potential negative impact on the environment and society. Given that businesses in more ecologically conscious industries are more likely to implement strong sustainability measures and disclose them openly, this finding emphasizes the significance of industry-specific factors in influencing sustainability disclosure practices.

Revenue Growth (DT) does not have a significant relationship with sustainability report disclosure. This result is consistent with research by (Hung Ngoc Dang, Cuong Duc Pham, 2022) and (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022), who also found no significant relationship between revenue growth and sustainability reporting. This suggests that revenue growth may not be a significant driver of sustainability disclosure. Companies may prioritize sustainability reporting for reasons other than revenue performance, such as responding to regulatory pressures, improving corporate reputation, or meeting stakeholder expectations. This finding also suggests that companies may focus on sustainability reporting even when revenue growth is not particularly strong, indicating that sustainability is not solely driven by short-term financial performance.

State Ownership Ratio (SO) does not significantly affect sustainability report disclosure. This finding aligns with the results of other studies, which suggest that state-owned companies often have less motivation to maximize profits and are, therefore, less likely to voluntarily disclose sustainability information. State-owned enterprises may not prioritize profit maximization because reinvestment is often secured by the government, reducing the incentive to disclose non-financial

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information. This indicates that state-owned companies may require more regulatory pressure or incentives from the government to enhance transparency and sustainability reporting practices.

Foreign Ownership Ratio (FO) also does not have a significant impact on the disclosure of sustainability reports. This finding is consistent with the research by (Ha Ngoc Dao, Hoang Thanh Ngo, Nga Thuy Thi Nguyen, Thu Thanh Tran, Co Trong Nguyen, 2022), which found no relationship between foreign ownership and sustainability report disclosure. In the case of Vietnam, the relatively low proportion of foreign ownership may explain why it does not significantly impact the disclosure of sustainability reports. This result suggests that foreign investors may not yet exert enough influence on Vietnamese companies to compel them to disclose sustainability information.

Fixed Assets (TSCD) have a positive impact on the disclosure of sustainability reports. This is a unique finding in this study, as it was not highlighted in previous research. Companies with higher fixed asset values are more likely to disclose sustainability information, as these companies may have better asset and financial management practices and thus, a greater need to attract investment. This result suggests that companies with significant fixed assets may use sustainability reporting as a tool to enhance their credibility with investors, especially when they have large physical assets that need to be maintained and optimized. This is in line with the findings of Hossain & Reaz (2007), who proposed that businesses that manage their fixed assets more effectively are more likely to use open disclosure procedures.

DISCUSSION

This study makes a novel contribution to the scientific literature and practical applications in the field of Sustainable Development Report (SDR) disclosure among companies listed on the Vietnamese stock market. Unlike previous research that primarily focused on a limited set of factors such as firm size and profitability, this study extends the scope by integrating external factors such as ownership structure and financial leverage. This broader approach provides a more comprehensive understanding of the determinants influencing SDR disclosure practices. In contrast to prior studies, this research highlights the significant role of the industry sector in shaping SDR disclosure, particularly in industries with substantial environmental impacts, such as mining and energy. The findings suggest that companies operating in these sectors are under greater societal pressure and stakeholder scrutiny, which compels them to disclose sustainability-related information in a more transparent manner. This differentiation between industries further enriches the existing literature, where the sector-specific dynamics have often been underexplored. A unique contribution of this study is the identification of a positive correlation between fixed asset ratio and the likelihood of SDR disclosure. Companies with higher proportions of fixed assets are more likely to disclose sustainability information, which is a finding that has not been extensively examined in previous research. This insight offers a fresh perspective on how companies with significant long-term investments might leverage sustainability reporting to enhance their credibility with stakeholders, particularly in attracting investment and mitigating risks associated with asset-intensive operations. This study not only contributes to the theoretical understanding of sustainable development reporting but also provides valuable empirical data that can serve as a foundation for future research. By offering practical recommendations for policymakers and business managers, it aims to improve the regulatory environment and encourage better sustainability reporting practices, particularly among smaller firms. The findings of this study are crucial for advancing corporate transparency and fostering sustainable development practices in emerging markets like Vietnam. In conclusion, this research makes a significant theoretical contribution by integrating various dimensions of SDR disclosure and offering empirical insights into the factors influencing sustainability reporting in Vietnam. Moreover, it provides practical recommendations for enhancing policy frameworks and corporate practices, contributing to the broader discourse on sustainability reporting in emerging economies.

CONCLUSIONS

This study explores the factors influencing the disclosure of Sustainable Development Reports (SDRs) by companies listed on the Vietnamese Stock Exchange. Its main contribution lies in examining how internal and external factors—such as firm size, profitability, industry sector, and ownership structure — affect disclosure practices in Vietnam, an area underexplored in existing research. By incorporating additional variables like financial leverage, fixed assets, and ownership structure (state and foreign), this research extends previous work, offering fresh insights into the dynamics of SDR disclosure, particularly in an emerging market.

While past studies (e.g., (Trinh Huu Luc, Tang Thanh Phuoc, 2019) focused on firm size and profitability, this research emphasizes financial leverage and fixed assets, which are less studied but offer important context, especially for industries facing significant financial constraints. The findings also add nuance to the established link between firm size and SDR disclosures, showing that companies in environmentally sensitive sectors (e.g., mining and energy) are more likely to disclose sustainability information, aligning with Legitimacy Theory. Additionally, the study challenges previous research, such as (Cemil Kuzey, Ali Uyar, 2017) by revealing a negative relationship between profitability and SDR disclosure, suggesting that companies with lower profitability may disclose more to manage investor concerns.

In terms of theory, this study integrates Stakeholder Theory, Legitimacy Theory, and Proprietary Cost Theory to explain the factors driving SDR disclosure in Vietnam, offering a more comprehensive framework for understanding corporate sustainability reporting in developing economies. The practical implications of these findings can guide policymakers and business managers in refining regulations like (Vietnam M. o., 2020) and (Vietnam G. o., 2020) to encourage better sustainability reporting practices, particularly for smaller firms. Targeted incentives and clearer regulations can play a key role in improving SDR disclosure across various company sizes and sectors.

In conclusion, this research contributes both to theoretical understanding and practical implementation by providing a detailed examination of SDR disclosures in Vietnam, a rapidly developing market, and highlights areas for further study, especially regarding the long-term impacts of these disclosures on business performance and reputation.

Recommendations for the Government

In the context of an increasing business environment sensitive to environmental and social issues, enhancing the disclosure of sustainability reports by listed companies in Vietnam plays a crucial role in ensuring transparency and economic sustainability. To strengthen sustainability reporting, the Vietnamese government needs to align with global market trends while considering specific and effective measures. Below are some recommendations based on the experiences of successful policies in developed countries with advanced economies.

Firstly, the government should establish clear and strict legal regulations, accompanied by incentives. This can include requiring listed companies to disclose information about their sustainability activities for both the current and next fiscal years. The government could also apply financial incentives, such as tax breaks or reduced fees, to encourage companies to comply with sustainability reporting. Alongside these regulations, the government should develop guidelines and resources to support companies, such as standard reporting templates, training sessions, and resources.

To ensure that domestic companies' sustainability reports are accessible to foreign investors and in line with global trends, the government could direct the Ministry of Finance to develop a standard system based on international guidelines like GRI (Global Reporting Initiative), ensuring that disclosed information is reliable and comparable.

In addition, the government should monitor compliance through regular audits, document checks, and impose penalties on non-compliant companies. Promoting awareness of the importance of sustainability reporting through information campaigns can also encourage companies to participate and improve the quality of their reports.

The SEC, for instance, requires listed firms in the US to include information about environmental, social, and governance (ESG) issues in their annual reports. In the European Union, companies are required to comply with sustainability reporting standards like GRI and EMAS. Similarly, Japan offers extensive support for companies to implement sustainability reporting, with the Tokyo Stock Exchange regularly monitoring companies' reports.

These international practices can serve as a useful model for Vietnam's government to adapt to its own market conditions, improving policies and driving better sustainability reporting by listed companies.

Recommendations for Companies

Based on the research results, the authors recognize the importance of the factors influencing the presentation and disclosure of sustainability information by companies in Vietnam. Therefore, solutions should be implemented to improve the situation and help Vietnamese companies increase their information disclosure. The recommendations will focus on these factors as follows:

Firm Size: More sustainability-related information is typically revealed by larger businesses. Additionally, this suggests that stakeholders have greater needs and expectations for larger businesses, which creates both pressure and an opportunity for these businesses. Therefore, managers should concentrate on allocating sufficient resources for sustainability reporting in order to draw in and keep competitive advantages. In particular, it's critical to raise awareness of social responsibility and environmental protection among managers at all organizational levels and among employees. The best method for businesses to improve their reputation, image, and financial results is through corporate social responsibility.

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Profitability: The research shows that profitability negatively impacts sustainability reporting. When companies have low profits, they should actively disclose sustainability information to mitigate concerns from investors, increase reliability, and attract effective investment resources.

Financial Leverage: A lower financial leverage ratio may increase the level of sustainability reporting as companies need to find ways to enhance value and improve transparency in a low-leverage business environment. When financial leverage is reduced, companies tend to rely more on internal resources rather than external borrowing. This can create a more stable financial situation and provide opportunities for companies to focus on sustainable development activities. Companies are more likely to focus on sustainability reporting when they do not face short-term pressure from investors or loan obligations. An effective way to reduce leverage is through debt repayment. This may require cutting unnecessary expenditures or seeking alternative funding sources such as equity, raising funds from investors, or taking loans with lower interest rates to repay old debts. Businesses can also reevaluate their capital structure. To save expenses, they should look for chances for capital restructuring or convert short-term debt into long-term debt with reduced interest rates.

Business Sector: This factor positively impacts sustainability reporting. Companies in less environmentally sensitive sectors will disclose more sustainability reports, and vice versa. Therefore, companies in environmentally sensitive sectors need to pay more attention to environmental and social issues. These companies should raise awareness of the impact of their production and business activities on the environment; optimize the use of resources like water, energy, and materials; implement effective waste management programs to reduce, recycle, and treat waste sustainably; integrate sustainability standards into the company's supply chain by working with suppliers committed to environmental and social responsibility, and build a corporate culture that emphasizes social and environmental responsibility, encouraging employees to participate in sustainability activities and continuously improve processes and behaviours.

Fixed Assets: According to the research results, this factor has a positive impact on sustainability reporting. Therefore, companies need to ensure that their existing fixed assets are used most effectively, which could involve improving production processes, adopting new technology, or performing regular maintenance to increase the lifespan and efficiency of assets. Companies should reassess their investment strategy to identify areas with higher growth potential and profitability, and then invest wisely in fixed assets. At the same time, companies should evaluate their fixed asset portfolio and consider selling or leasing inefficient assets to reinvest in higher-return areas.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

All Authors have contributed equally.

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ФАКТОРИ, ЩО ВПЛИВАЮТЬ НА РОЗКРИТТЯ ЗВІТІВ ПРО СТАЛИЙ РОЗВИТОК КОМПАНІЯМИ, ЗАРЕЄСТРОВАНИМИ НА В'ЄТНАМСЬКОМУ ФОНДОВОМУ РИНКУ

Звітність у царині сталого розвитку є критично важливим процесом, за допомогою якого компанії розкривають екологічні, соціальні та управлінські цілі (ESG) й повідомляють про прогрес у їх досягненні. Як стратегічний інструмент для підвищення прозорості та корпоративної відповідальності, СПЗ служать для інформування зацікавлених сторін про зобов'язання компанії щодо сталого розвитку. У цьому дослідженні вивчені детермінанти розкриття інформації Звіту про сталий розвиток (SDR) серед компаній, що котируються на в'єтнамському фондовому ринку з 2020 по 2022 рік. Об'єднуючи і внутрішні фактори (такі як розмір фірми, прибутковість і фінансовий важіль), і зовнішні фактори (включаючи сектор промисловості та структуру власності), дослідження забезпечує всебічний огляд ключових факторів розкриття інформації про СПЗ в контексті ринків, що розвиваються. Основним внеском цього дослідження є виявлення галузевого впливу на розкриття інформації про СПЗ, причому автори підкреслюють, що компанії в екологічно чутливих секторах, таких як енергетика, гірничодобувна промисловість і виробництво, з більшою ймовірністю розкриватимуть інформацію про сталий розвиток через вищий соціальний і регуляторний тиск. Крім того, дослідження представляє роль основних засобів як важливого фактора, що визначає розкриття СПЗ, – аспект, який значною мірою ігнорували в попередній літературі. У дослідженні також наголошено на важливості

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структури власності, зокрема державної й іноземної, у формуванні ймовірності та якості розкриття СПЗ. Використовуючи комбінацію кількісних і якісних методів дослідження, автори аналізують дані 90 компаній і пропонують емпіричне розуміння того, як ці фактори взаємодіють і впливають на практику SDR у В'єтнамі. Отримані результати роблять свій внесок у літературу, пропонуючи нові погляди на фактори, що сприяють розкриттю інформації про СПЗ в країнах з економікою, що розвивається. Крім того, це дослідження надає практичні рекомендації для політиків і бізнес-менеджерів щодо вдосконалення практики звітності про сталий розвиток, тим самим сприяючи більшій корпоративній прозорості та узгодженню практики В'єтнаму з міжнародними стандартами сталого розвитку.

Ключові слова: бухгалтерський облік, ESG, розкриття звіту про сталий розвиток, фінанси, корпоративна соціальна відповідальність, фондовий ринок В'єтнаму

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