

NEW PROGRESS TOWARDS SUSTAINABILITY

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITMENTS
IN THE BANKING SECTOR

Case studies of thirteen (13) Vietnamese commercial banks in 2024





ACKNOWLEDGEMENTS

Fair Finance Vietnam (FFV) express our sincere gratitude to all those who have contributed to this assessment. This report was made possible by the efforts and teamwork of the following people:

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Fair Finance Vietnam (2024). Environmental, Social, Governance Commitments in the Banking Sector: Overview and Case Studies of 13 Vietnamese Commercial Banks.

This report is a product of Fair Finance Vietnam (FFV). Responsibility for its content lies entirely with the assessment team. Members of FFV do not necessarily share the expressed views and interpretations.

At the same time, we sincerely thank the commercial banks for their cooperation, feedback, and active engagement throughout the implementation process. This has contributed to enhancing the quality of our analysis.

This report is part of a series of documents developed to provide information for broad discussions on development and humanitarian policies.

For more details about the issues referred to in the report, please contact Ms. Bui Thi Thu Loan, Program Coordinator, at: loanbtt77@gmail.com

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EXECUTIVE SUMMARY

Responsible business practices and assurance of transparency and accountability of sustainable development information are increasingly being shaped by their legalisation in some countries and regions, as well as updates to the disclosure requirements of the International Financial Reporting Standards (IFRS). From 2020 to 2022 in Vietnam, to translate its commitments to Sustainable Development Goals (SDGs) into action, the Vietnamese government approved and implemented national green growth and sustainable development policies and strategies. Building on this foundation, additional policies and regulations focused on SDGs and responsible business practices were issued in 2023 and 2024. Driven by the strong strategic and policy commitments of the government, Environmental, Social, and Governance (ESG) criteria and sustainability reporting have emerged as key topics of widespread discussion in Vietnam. ESG awareness within the Vietnamese business community has evolved significantly. Nevertheless, ESG is still a relatively new concept, especially for micro, small, and medium enterprises (MSMEs). According to the 2024 assessment report by the Agency for Enterprise Development, 26-30% of MSMEs are in the initial stages of learning and adopting ESG criteria.

In the banking sector, the State Bank of Vietnam (SBV) sets the target that by 2025, more credit institutions will integrate environmental and social risk management into credit granting, gradually aligning with international standards. Since 2020, Fair Finance Vietnam (FFV) has analysed the alignment of policies widely disclosed by Vietnamese commercial banks with

ESG standards, aiming to provide further insightful reference on ESG within the domestic finance-banking sector as per international best practices and standards. In 2024, we published our third analysis report on the ESG policy commitments of 13 Vietnamese commercial banks. This assessment, which includes 11 banks from our second analysis in 2022 and two new additions for 2024, reveals new progress since our 2020 and 2022 assessments, with the following highlights:

- Banks have been actively developing their sustainability reports and increasing their disclosures related to ESG commitments.
- Some banks publish their exclusion lists for credit granting to fossil fuel-related activities.
- A majority of banks have updated their environmental and social risk policies.
- More specific and detailed policy commitments on certain aspects of Gender Equality, Human Rights, Personal Data Protection, and Grievance Mechanisms for communities affected by bank-funded activities are now in place.
- Specifically, a number of banks, including HDBank, VPBank, and SeABank, now set out requirements on ESG policy for financed businesses.

The average ESG score of Vietnamese commercial banks in the 2024 research sample was 2.0 out of 10 points, representing a 0.5 (33.3%) increase from 2022 and a significant 0.9 (81.8%) increase from 2020. The improvement in ESG scores in this assessment, compared to previous ones, was observed across all three pillars: Environmental (E), Social

(S), and Governance (G). However, among these three pillars, policy commitments primarily concentrate on the Social (S) and Governance (G) pillars, while those on the Environmental (E) pillar remain somewhat less defined.

Despite some positive progress, our 2024 analysis shows that Vietnamese commercial banks are still in the nascent stages of ESG policy commitments and implementation. Among the banks included in the 2024 analysis, BIDV, Agribank, Vietcombank, HDBank, LPBank, and MSB have demonstrated positive progress in publicly disclosing their ESG policy commitments that align with international standards. Additionally, ACB and SeABank, the two new additions to the 2024 analysis, have also shown significant ESG policy commitments in line with our scoring criteria. Consistent with previous years, public ESG policy commitments primarily concentrate on the commercial banks' internal operations and financing/investment policies. However, in 2024, some banks, including HDBank, SeABank, and VPBank, have begun to set out ESG policy requirements for businesses receiving their finance, loans, and investment capital.

Based on the analysis of the 13 commercial banks, the "NEW PROGRESS TOWARDS SUSTAINABILITY - ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITMENTS IN THE BANKING SECTOR: Case studies of thirteen Vietnamese commercial banks in 2024" report continues to put forth recommendations to the State Bank of Vietnam and commercial banks to promote their ESG commitments in accordance with international standards while approaching the regional level.

For commercial banks

1. Commercial banks should keep reviewing the status of their ESG policies, including internal operating policies, investment/lending policies, and those applied to corporate customers who take out credit or receive investment from them, as well as the level of information disclosure and ESG commitments corresponding to each theme for the development of plans for policy revision, updating and formulation in line with each bank's strategic goals.

2. Commercial banks should make ESG information disclosures regarding themes that they have policies on and have been implementing in a consistent, transparent, and systematic manner on a regular basis and between reporting periods.

3. Banks can play a pivotal role in steering progress towards sustainable development goals. Therefore, policies requiring and/or encouraging clients to declare and

implement ESG commitments should be developed and implemented beyond a primary focus on internal operating policies.

4. Commercial banks need to have a dedicated ESG department/personnel in charge of studying and consulting on the development of an ESG policy roadmap in line with their strategy and ensuring compliance. Mechanisms to monitor and measure the realisation of ESG commitments and policies are also required.

5. To achieve financial inclusion, banks should prioritise designing banking products and services that are appropriate for vulnerable groups and communities with limited access to banking services, as well as mechanisms for consulting with social organisations and communities on related issues and grievance mechanisms for communities impacted by a banks' investment/financing activities.





For the State Bank of Vietnam and relevant line ministries and departments

Given the inclusion and complexity of ESG policies' contents, commercial banks can only implement and conform to them upon the completion of a legal framework and associated implementation guidelines, which must ensure the alignment between the SBV and competent authorities. As such, five additional recommendations are proposed:

1. Develop and promulgate a common set of ESG standards for commercial banks in Vietnam in alignment with international standards and conventions.
2. Quickly develop and announce the criteria for green classification (taxonomy) in the field of credit and investment.
3. Develop a set of tools to assess and rank the level of ESG commitments of commercial banks based on the common standards released by the SBV (with possible reference to the Fair Finance Guide Methodology, FFGM). It is recommended that the assessment process embraces transparent consultation with social organisations, research institutes, and relevant stakeholders.
4. Since Environmental (E) and Social (S) factors are cross-cutting and require knowledge of various fields, the openness of the State Bank of Vietnam and line ministries and departments, together with contributions from the community, social groups, and science and technology organisations will ensure the practicability of developed policies in which E and S criteria are successfully integrated.
5. Given that ESG commitment and implementation in Vietnam are still in nascent stages, achieving long-term goals requires not only coordination among relevant line ministries and apartments, but also collaboration with non-state initiatives and strong attention from research institutes and universities to increase ESG awareness among leaders and ensure future ESG strategies are effectively implemented in Vietnamese commercial banks.

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ACRONYMS AND ABBREVIATIONS

Agribank	Vietnam Bank for Agriculture and Rural Development
ACB	Asia Comercial Joint Stock Bank
ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
AML	Anti-money laundering
BIDV	Joint Stock Commercial Bank for Investment and Development of Vietnam
CBA	Commonwealth Bank of Australia
CEDAW	Convention on the Elimination of all forms of Discrimination against Women
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CRPD	The United Nations Convention on the Rights of Persons with Disabilities
CSRD	Corporate Sustainability Reporting Directive
CSDDD	Corporate sustainability due diligence Directive
CTF	Counter-Terrorism Financing
E	Environmental
EBRD	European Bank for Reconstruction and Development
EP	The Equator Principles
ESG	Environmental - Social - Governance

ESRS	European Sustainability Reporting Standards
Eximbank	Vietnam Export Import Commercial Joint Stock Bank
ESMA	European Securities and Markets Authority
ESF	Environmental and Social Framework
EU	European Union
FFA	Fair Finance Asia
FFGM	Fair Finance Guide Methodology
FFI	Fair Finance International
FFV	Fair Finance Vietnam
G	Governance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HDBank	Ho Chi Minh City Development Joint Stock Commercial Bank
MUFG	Mitsubishi UFJ Financial Group
IFC	The International Financial Organisation
ILO	The International Labour Organisation
ISSB	International Sustainability Standards Board
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures
IUCN	The International Union for Conservation of Nature and Natural Resources - IUCN

ACRONYMS AND ABBREVIATIONS

LPBank	Fortune Vietnam Joint Stock Commercial Bank
MSB	Vietnam Maritime Commercial Joint Stock Bank
NAP	National Action Plan on refining legal and policy framework to promote responsible business practices for the period of 2023-2027
NAB	National Australia Bank
SBFN	Sustainable Banking and Finance Network
SBV	The State Bank of Vietnam
OECD	Organisation for Economic Co-operation and Development
MSMEs	Micro-, Small and Medium-sized Enterprises
S	Social
SeABank	Southeast Asia Commercial Joint Stock Bank
SDGs	Sustainable Development Goals
SPS	Safeguard Policy Statement
TCFD	Task Force on Climate-Related Financial Disclosures

Techcombank	Viet Nam Technological and Commercial Joint Stock Bank
TSC	Technical Screening Criteria
UDHR	Universal Declaration of Human Rights
UNFCCC	United Nations Framework Convention on Climate Change
UNGCP	United Nations guidelines for consumer protection
UNGPs	United Nations Guiding Principles on Business and Human Rights
USAID	United States Agency for International Development
VIB	Vietnam International Commercial Joint Stock Bank
Vietcombank	Joint Stock Commercial Bank for Foreign Trade of Vietnam
Vietinbank	Vietnam Joint Stock Commercial Bank of Industry and Trade
VPBank	Vietnam Prosperity Commercial Joint Stock Bank
WSMEs	Women-led Small and Medium Enterprises

INTRODUCTION

Between 2023 and 2024, Environmental, Social, and Governance (ESG) and Sustainable Development became widely recognised terms among policymakers, regulators, researchers, and even leaders of financial institutions and large businesses. This heightened awareness was driven by a variety of conferences, forums, agendas, and stakeholder requirements on the operations of financial institutions and businesses engaged in import and export activities in Vietnam. Since 2020, Fair Finance Vietnam (FFV) has analysed the alignment of policies widely disclosed by Vietnamese commercial banks with ESG standards, aiming to provide further insightful references on ESG within the domestic finance-banking sector as per international best practices and standards. These analyses aim to help Vietnamese commercial banks assess the current state of their ESG policies, enabling them to develop strategies that align with their policy commitments on environmental, social, and governance responsibilities. Publicly available ESG information not only strengthens the position of Vietnamese commercial banks in ASEAN and the international market by attracting more capital from responsible investors and investment funds worldwide but also heightens their standing on the

regional and global ESG map. In 2024, FFV published our third analysis report on the ESG policy commitments of 13 Vietnamese commercial banks. This assessment includes 11 banks from our second analysis in 2022 and two new additions for 2024. Our analytical approach is based on the Fair Finance Guide Methodology (FFGM) updated in 2023 by Profundo and Fair Finance International (FFI).

The report **“NEW PROGRESS TOWARDS SUSTAINABILITY - ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITMENTS IN THE BANKING SECTOR: Case studies of thirteen Vietnamese commercial banks in 2024”** shows new progress in the public ESG policy commitments of Vietnamese commercial banks. Notably, banks are increasingly paying attention to the disclosure of ESG information in their Sustainability Reports and Annual Reports. Based on analytical findings, our report then provides recommendations to commercial banks and the SBV for further integration of ESG content into their policies, disclosures, and implementation in alignment with international standards.

In addition to the Introduction, this report is structured into four main sections:



**New Progress in Environmental,
Social, and Governance (ESG) Policy
Commitments in the Vietnamese
Banking-Finance Sector**

1

2

Introduction to Methodology

**Public ESG Policy Commitments
of 13 Vietnamese Commercial Banks**

3

4

**Conclusions
and Recommendations**

1

NEW PROGRESS IN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY COMMITMENTS IN THE VIETNAMESE FINANCE-BANKING SECTOR





1.1 Global trends in environmental, social, and governance policy commitments and implementation: Updating policies and shaping a unified global sustainability reporting framework

During 2023-2024, significant progress was made in shaping responsible business practices and ensuring transparency and accountability of countries' sustainable development information. Key developments include their legalisation in some countries, updates to the disclosure requirements of the International Financial Reporting Standards (IFRS), and regulations related to ESG rating activities and corporate sustainability.

Since its widespread adoption in 2005, the primary focus of the International Financial Reporting Standards (IFRS) has been to unify financial reporting principles and standards to ensure transparency and comparability of financial performance across businesses worldwide. More recently, the scope of IFRS has broadened to incorporate sustainability disclosure as an international financial reporting standard. Specifically, on June 26, 2023, the International Sustainability Standards Board (ISSB) officially issued its first two (02) IFRS Sustainability Standards as guidance for sustainability disclosure, including IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures (IFRS, 2023). The standards, effective for annual reporting periods beginning on or after January 1, 2024, mark significant progress towards globally consistent sustainability disclosures. In response, multiple nations are demonstrating leadership in sustainable development by actively integrating these standards into their national legislation. For instance, the Singapore Exchange has issued the Listing

Rules (February 2024) mandating all issuers to prepare annual sustainability reports commencing in the 2025 financial year, in line with both IFRS S1 and IFRS S2 of the ISSB in climate-related disclosures. This regulation specifically requires issuers to disclose their Scope 1 and Scope 2 greenhouse gas (GHG) emissions¹ and measurement approach from the 2025 fiscal year, with Scope 3 GHG emissions disclosure following from the 2026 financial year (SGX Group, 2024). China is setting its sights on becoming a global leader in corporate sustainability reporting in the next decade. On May 27, 2024, China's Ministry of Finance opened a public consultation on the Exposure Draft of the Chinese Sustainability Disclosure Standards for Businesses, aiming to establish a mandatory, ISSB-aligned reporting system by 2030, with fundamental sustainability-related and climate-related disclosure standards set to be introduced by 2027 (China Briefing, 2024). In September 2024, Australia enacted the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act, mandating businesses to prepare sustainability reports containing mandatory climate-related financial disclosures (Australian Securities and Investments Commission, 2024). Accordingly, Australian businesses are required to make disclosures on governance, strategy, risk management, and metrics and targets (including Scope 1 and Scope 2 greenhouse gas emissions) from the first reporting year, and Scope 3 emissions from the second year. The Australian government has confirmed its full adoption of the ISSB's IFRS S2 Climate-Related Disclosures in

¹ The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. See more at: <https://ghgprotocol.org/sites/default/files/2022-12/FAQ.pdf>

Australia, with necessary adjustments for local suitability (Australian Government Department of Finance, 2024).

In addition to updating policies and legalisation of sustainability disclosure in general, regulations on ESG ratings were also introduced for the first time by the European Union in 2024. ESG commitments and practices are not only standards that nations and organisations consider integrating into their strategies, but also a criterion for monitoring and assessing corporate performance in responsible business practices. As a result, independent third-party ESG indexes such as MSCI ESG Ratings, FTSE4Good, and S&P 500 ESG serve as references and benchmarks for investors to assess the implementation of corporate sustainability commitments towards responsible business with environmental, social, and governance criteria. The quality and reliability of these indices must be ensured. To that end, the European Union issued its regulation on environmental, social, and governance (ESG) rating activities in November 2024, aiming to enhance the reliability and comparability of rating activities. The new rules aim to improve the transparency and integrity of the operations that ESG ratings providers carry out and prevent potential conflicts of interest. In particular, ESG rating providers established in the European Union will need to be authorised and supervised by the European Securities and Markets Authority (ESMA). They will have to comply with transparency requirements, in particular with regard to their methodology and sources of information. ESG rating providers established outside the European Union will need to obtain an endorsement of their ESG ratings by an EU-authorized ESG rating provider, a recognition based on a quantitative criterion, or be included in the EU registry of ESG rating providers on the basis of an equivalence decision (European Union, 2024).



Photo by Nguyen Duc Hieu/Oxfam

In the context of corporate sustainability disclosure, the European Union has also promulgated a number of new regulations during the 2023-2024 period to ensure reporting comparability and promote responsible business practices. Specifically, the European Union issued the Corporate Sustainability Reporting Directive (CSRD) on January 5, 2023. Under CSRD, issuers, including small and medium enterprises (SMEs), must start sustainability reporting in 2025 for the financial year 2024. Consequently, the European Sustainability Reporting Standards (ESRS) were released on November 22, 2023, with the aim of standardising reporting for CSRD-regulated companies. For non-European companies, the requirement to provide a sustainability report applies to all companies generating a net turnover of EUR 150 million in the EU (European Union, 2023). To foster sustainable and responsible corporate behaviour in companies' operations and across their global value chains, the European Union continued to release its Corporate Sustainability Due Diligence Directive (CSDDD) on July 25, 2024. The new rules will ensure that companies in scope identify and address adverse human rights and environmental impacts of their actions inside and outside Europe. Member States will have to transpose the Directive into national law and communicate the relevant texts to the Commission by 26 July 2027, with full application for all companies by July 2029 (European Union, 2024).

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Today, 2024). These measures aim to address “greenwashing” concerns, improve investor protection, and cultivate a more sustainable financial system.

Assessment of common trends

In 2024, global stakeholders continue to demonstrate strong interest in ESG commitments and implementation. This trend underscores the importance of ESG and climate-related risk factors in broader business operations and specifically within the Finance-Banking sector, in response to increased regulatory pressure and risk management demands. Accordingly, several key issues are shaping current ESG trends, including:



First, there is an increase in ESG-oriented investment by financial institutions and banks toward sustainability and green finance.

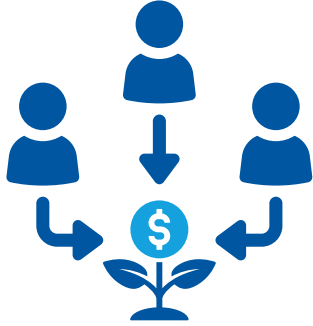
In 2024, financial institutions continued to announce their green funding commitments. In 2024, the World Bank (WB) issued the 9-year USD 225 million Amazon Reforestation-Linked Outcome Bond. This initiative aims to reduce carbon emissions, enhance biodiversity, and promote local community development (WB, 2024). In July 2024, the European Bank for Reconstruction and Development (EBRD) issued an EUR 1 billion green bond to finance a range of environmentally sustainable projects, specifically targeting energy efficiency, renewable energy, water management, waste management, and pollution prevention and control (EBRD, 2024). In Germany, Deutsche Bank has pledged to double its sustainable

financing and ESG-related investments to EUR 500 million by 2025 (Deutsche Bank). Meanwhile, MUFG Bank, part of Mitsubishi UFJ Financial Group (MUFG), has announced its plan to support environmentally and socially sustainable development projects through the issuance of green, social, and sustainability bonds and loans. Accordingly, MUFG has committed JPY 100 trillion (USD 703 billion) to sustainable finance by 2030, tripling its previous target (MUFG, 2024). With the release of its new Sustainable Finance Framework, MUFG aims to contribute to “its sustainable business growth and enhance its corporate value” in financing. Alternatively, banks are also demonstrating their ESG commitments by refusing loans that contribute to increased carbon emissions. For example, the Commonwealth Bank of Australia (CBA) has committed to reducing its financed emissions from coal-fired power to zero by 2030 (CBA, 2024). Similarly, the National Australia Bank (NAB) announced it would cease financing new thermal coal mining projects or clients from September 2023 onwards (NAB, 2024). The disclosure of specific targets by international financial institutions and banks regarding their scale of ESG-related investments and green portfolios—as well as their efforts to reduce carbon emissions not only from internal operations but also across their lending portfolios—demonstrates a consistent commitment to achieving “net-zero” emissions and aligning with the United Nations’ goal of limiting global warming to below 1.5°C. These are also the key highlights in the global trend of fulfilling ESG commitments and their implementation.

Second, the recognition of ESG’s role has expanded and rapidly gained traction across the Middle East and Asia.

Insights from a number of reports on the role of ESG in these regions point to

positive developments from climate change conferences (Euromoney, 2024) and evolving ESG awareness and practices among global organisations and investors. Accordingly, several key updates regarding ESG and sustainable development policies for the 2023–2024 period have been recorded.



In 2024, the Asian Development Bank (ADB) issued its Environmental and Social Framework (ESF), which will take effect in January 2026, replacing the 2009 Safeguard Policy Statement (SPS). Updated standards on public and occupational health and safety have also been introduced, which will contribute to protecting children, workers, and communities from risks such as sexual exploitation, abuse, and harassment. In addition, a new climate change standard affirms ADB's support for the Paris Agreement, while a new standard on stakeholder engagement reinforces the bank's commitment to meaningful consultations, enhanced information disclosure, and effective grievance mechanisms. Current standards for biodiversity protection have also been strengthened, supporting nature-positive investment (ADB, 2024). Meanwhile, in April 2024, ASEAN released its ASEAN Taxonomy Version 3. This latest version introduces Technical Screening Criteria (TSC) for two new key sectors: Transportation & Storage and Construction & Real Estate. At the national level, Thailand issued the Thailand Taxonomy Phase 1 in June 2023. Two other Southeast Asian nations, Indonesia and the Philippines, also released their national green taxonomies in 2024 (FFA, 2024).



Third, the transition of energy and industrial structures toward a net-zero carbon economy is underway.

In response to global climate change, environmental and climate issues have become a central focus of ESG strategies. To achieve carbon reduction targets, countries and businesses are progressively shifting their energy structures towards renewable energy, replacing fossil fuels and phasing out coal-fired power projects. Some industries, such as textiles and agriculture, are also gradually transforming their production processes and technologies to meet ESG criteria by using environmentally friendly raw materials, reducing waste and emissions, and improving working conditions for employees.



Fourth, the focus on social and governance pillars is growing.

In addition to environmental protection and climate change mitigation, the social and governance pillars of ESG are receiving increasing attention compared to previous periods. These areas include diversity, equity, and inclusion (DEI), human rights, enhanced transparency and accountability, employee rights, working conditions, community issues, and vulnerable groups, which are becoming more central to ESG strategies.

1.2 Vietnam's trends in Environmental, Social, and Governance policy commitments

In recent years, agendas addressing sustainable development goals have been discussed and formalised through a series of agreements, shaping the country's future economic direction. At the 26th United Nations Climate Change Conference (COP26) in November 2021, the Government of Vietnam made a strong commitment to achieving net-zero emissions by 2050. At COP27 and COP28, this commitment is once again reaffirmed by the Government. Additionally, Vietnam has committed to halting the construction of new coal-fired power plants from 2030 and gradually phasing out coal power entirely by 2040. The government has also proposed implementing a declaration on forests and land use, alongside joining the Global Methane Pledge to reduce global methane emissions by at least 30% from 2020 levels by 2030.

From 2020 to 2022, to translate these sustainable development commitments into action, the Vietnamese Government approved and implemented a range of national policies and strategies. For each key pillars of ESG, Vietnam has established several specific international commitments, policies, and laws. These were comprehensively summarised and analysed in FFV's 2022² second analysis report, which was published in 2023. The period from 2021 to 2022 marked a pivotal phase in shaping the policy framework to steer the economic growth and operations of businesses and credit institutions

towards a greener economy, sustainable development, and responsible business practices. Building on this foundation, additional policies and regulations focused on SDGs and responsible business practices were issued in 2023 and 2024.

In 2023, the Prime Minister issued Decision No. 843/QĐ-TTg (dated July 14, 2023)³ on approving the National Action Plan (NAP) on refining the legal and policy framework to promote responsible business practices for the period of 2023–2027. The aim of this NAP is to ensure that the State refines its legal and policy framework in alignment with international commitments to which Vietnam is a signatory across five key areas: investment; labour; protection of vulnerable groups' rights; environment; and consumer rights protection. This process establishes a legal framework that ensures businesses comply with regulations on responsible business practices; encourages them to go beyond minimum legal requirements in implementing such practices; and refines sanctions to address violations related to responsible business conduct in Vietnam, ultimately contributing to sustainable socio-economic development. Thus, as one of 30 countries to issue a NAP⁴, Vietnam demonstrates a strong commitment to achieving SDGs on the basis of proposing principle-based solutions in which enterprises are encouraged to conduct business activities that not only comply with legal regulations

² Full report available at: <https://vietnam.fairfinanceasia.org/2023/12/21/nhung-buoc-tien-ban-dau-huong-den-ben-vung-cam-ket-moi-truong-xa-hoi-quan-tri-trong-nganh-ngan-hang-viet-nam/>

³ Decision No. 843/QĐ-TTg, dated July 14, 2023, on the National Action Plan on refining legal and policy framework to promote responsible business practices for the period of 2023–2027: <https://datafiles.chinhphu.vn/cpp/files/vbpq/2023/7/843-ttg.signed.pdf>

⁴ Available at: <https://vass.gov.vn/hoat-dong-khoa-hoc/Chuong-trinh-hanh-dong-Quoc-gia-cua-Viet-Nam-ve-thuc-hanh-kinh-doanh-co-trach-nhiem-1821>

but also adhere to best practices to meet higher legal standards. The NAP is one of the foundational programmes promoting ESG commitments and practices in the business sector. As part of the efforts to implement this NAP, legal documents related to responsible business conduct were finalised and passed in 2023-2024. These include the Law on Consumer Rights Protection, the Social Insurance Law, the Trade Union Law, and Decree 13/2023/ND-CP on Personal Data Protection.

In addition, in 2024, the Government also issued Decision No. 262/QĐ-TTg

on approving the plan for implementing the National Power Development Plan for the 2021-2030 period, with a vision towards 2050, effective from April 1, 2024⁵. The content of this approved plan demonstrates Vietnam's commitment to reducing environmental pollution and greenhouse gas emissions by restructuring the national power mix, shifting electricity production from fossil fuels to new and renewable energy sources. Under this strategy, Vietnam commits to gradually phasing out coal-fired power by 2040 to contribute to achieving its net-zero emissions target by 2050.

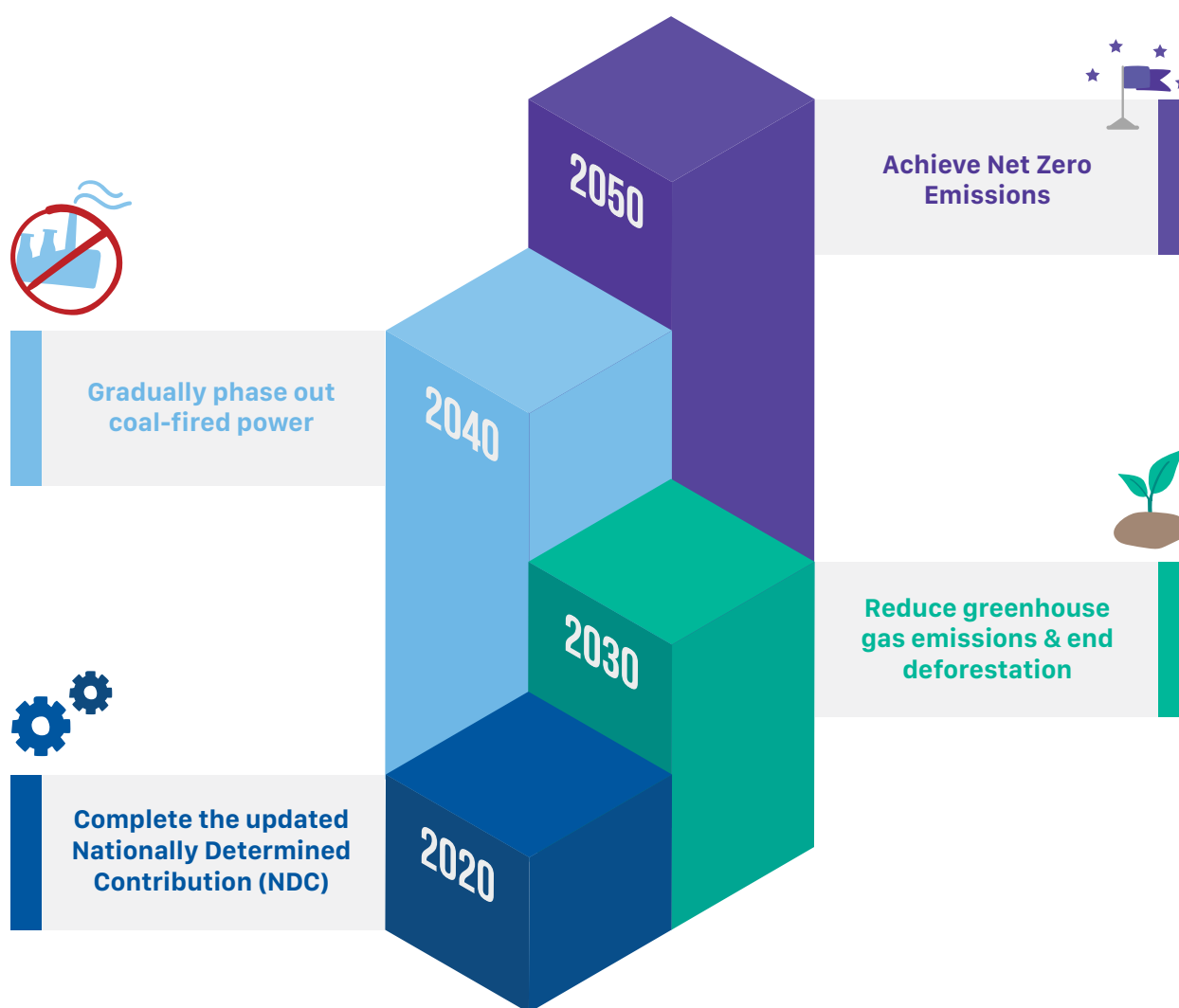


Figure 1 Vietnam's commitments in its climate change response roadmap

Source: Compiled from the plan for implementing the Power Development Plan VIII, COP26 commitments, and the national climate change strategy

⁵ Decision 262/QĐ-TTg, dated April 1, 2024, on approving the plan for implementing the National Power Development Plan for the 2021-2030 period, with a vision towards 2050: <https://datafiles.chinhphu.vn/cpp/files/vbpq/2024/4/262-ttg.signed.pdf>

Also in 2024, the Government issued Decision No. 13/2024/QĐ-TTg on promulgating the list of greenhouse gas-emitting sectors and facilities required to conduct greenhouse gas inventories⁶.

To support businesses in adopting sustainable business practices, at the end of 2023, the Ministry of Planning and Investment issued Circular No. 13/2023/TT-BKHDT on guiding the mechanism for organising and implementing the “2022-2025 programme to support private sector enterprises in sustainable business”⁷.

With the Government’s strong strategic and policy commitments aimed at green growth and sustainable development, ESG and sustainability reporting have become widely discussed and emphasised topics

in Vietnam. ESG awareness within the Vietnamese business community has evolved significantly. ESG is no longer just a trend; it’s now a mandate and a requirement for businesses, directly impacting costs, taxation, and technological changes related to the carbon emissions of export-oriented businesses. Foreign-invested enterprises are considered to have taken early and concrete steps in implementing ESG practices. According to research conducted by the Vietnam Business Forum in early 2024, many foreign-invested enterprises have been actively engaging in ESG initiatives and setting corporate-level targets and requirements. The survey revealed that nearly 80% of foreign-invested enterprises have already started addressing ESG-related issues, although most are still in the early stages, as follows:

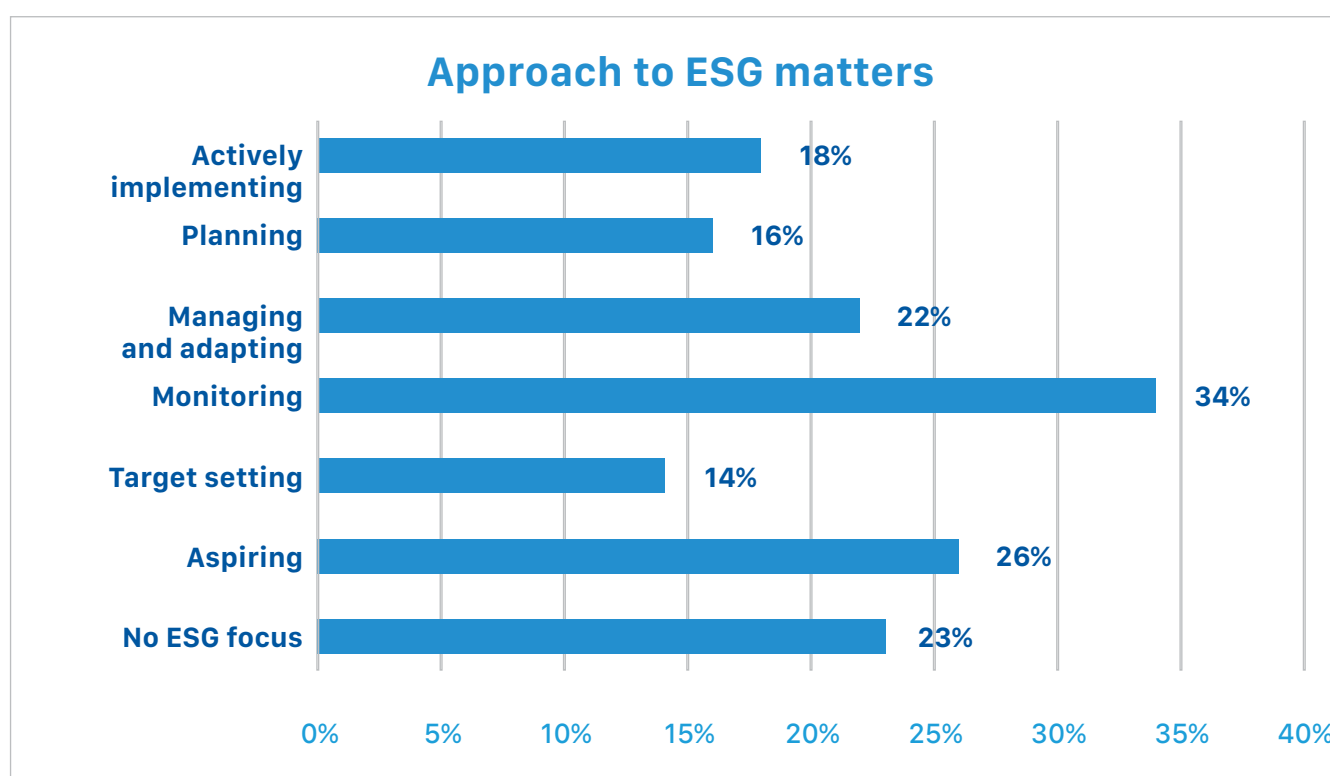


Figure 2 Current status of ESG initiative engagement of foreign-invested enterprises

Source: Pathway towards a sustainable economic recovery – Vietnam Business Forum (VBF), 2024

⁶ Decision No. 13/2024/QĐ-TTg on promulgating the list of greenhouse gas-emitting sectors and facilities required to conduct greenhouse gas inventories: <https://datafiles.chinhphu.vn/cpp/files/vbpg/2024/8/13-ttg-signed.pdf>

⁷ Circular 13/2023/TT-BKHDT, dated December 12, 2023, on guiding the mechanism for organising and implementing the “2022-2025 programme to support private sector enterprises in sustainable business”: <https://datafiles.chinhphu.vn/cpp/files/vbpg/2023/12/13-bkhdt.pdf>



Photo by Nguyen Duc Hieu/Oxfam

Regarding Vietnamese enterprises, an assessment report by the Agency for Enterprise Development (AED) on the level of sustainable business practices according to the Environmental, Social, and Governance framework revealed the following: In terms of awareness, ESG remains a relatively new concept, especially for MSMEs. Out of 1,019 surveyed businesses, a significant 39% had never heard of ESG, and 62% were not yet familiar with Vietnam's ESG-related regulations and policies like Decision No. 167/QĐ-TTg, Circular No. 13/2023/TT-BKHĐT, and Circular No. 96/2020/TT-BTC. Large enterprises clearly lead in accessing information, formulating strategies, and implementing ESG-related activities. Nevertheless, 26-30% of MSMEs are in the initial stages of learning and adopting ESG criteria. In terms of overall ESG practice, based on average score as per the report's assessment criteria, Vietnamese enterprises are currently performing best in the Social pillar (68%), followed by Governance (63%), and finally Environmental

(52%). Across all three pillars, the level of ESG practice is directly proportional to the enterprise size. Large enterprises, with their robust resources, demonstrate the highest capability in complying with and adopting ESG standards. Meanwhile, MSMEs require substantial support to access and enhance their ESG practice effectiveness. The primary challenges faced by enterprises include: (1) Lack or absence of ESG-related information; (2) Lack of ESG training programmes; (3) Absence of clear and well-defined government policies on ESG. Enterprises also put forward recommendations concerning their most pressing interests: (1) The issuance of detailed guidelines on ESG practices for businesses; (2) Access to green loans from the government or other institutions; (3) Tax incentives or exemptions for businesses that commit to ESG practices with specific targets. Regarding the disclosure of sustainable development policies, the AED's study also found that only 7% of enterprises have



Photo by Nguyen Duc Hieu/Oxfam

such policies and publicly disclose them. An additional 20% have internal policies and commitments formalised in writing but have not made them public. 51% have such policies but without formal documentation, and 21% currently have no policy in place. Thus, the proportion of enterprises publicly disclosing their sustainable development policies remains very low.

In light of these realities and the demands from the business community, relevant government agencies and organisations overseeing and supporting enterprises have provided technical assistance for the assessment and disclosure of sustainability-related information. As part of the “Vietnam Improving Private Sector Competitiveness (IPSC)” project, the AED, with support from the United States Agency for International Development (USAID), has developed the Toolkit for

assessing the level of sustainable business practice according to the ESG framework⁸. Businesses can access the toolkit and its instructions online. The toolkit comprises a total of 82 questions, including 16 on the Environmental pillar, 32 on the Social pillar, and 34 on the Governance pillar. As part of the UK Partnering for Accelerated Climate Transitions Programme (UK PACT), in October 2024, the State Securities Commission published a Handbook on Implementing and Disclosing ESG Information for “promoting green finance through improved climate-related financial disclosures”⁹.

Thus, there are clear observations that the implementation of commitments and disclosure of Environmental, Social, and Governance (ESG) information has become imperative for Vietnamese enterprises and is now gradually being put into practice.

⁸ Available at: <https://esg.business.gov.vn/evaluate>

⁹ Available at: https://ssc.gov.vn/cs/jdcp/q?IdcService=GET_FILE&allowInterrupt=1&dID=153835&dDocName=APPSSCGOVVN1620148764&filename=UK%20PACT%20So%20tay%20ESG_SSC_VN.pdf

1.3 New progress in Vietnamese commercial banks' ESG policy commitments

ESG awareness within the Vietnamese business community has evolved significantly, driven by strong commitments of the Government, the launch of action programmes aimed at responsible business and carbon reduction to achieve “Net Zero” by 2050, and international financial institutions’ and stakeholders’ expectations related to international trade. ESG is no longer just a trend; it’s now a mandate and a requirement for businesses, which is directly tied to costs, taxation, and technological changes in response to the carbon emissions standards of export-oriented businesses. As the largest source of funding in the economy for business activities, the banking sector continues to play a crucial role in advancing Vietnam’s current ESG policy commitments.

The Green Banking Development Project has been accelerated by the State Bank of Vietnam (SBV) through the promulgation of Decision No. 1663/QĐ-NHNN dated August 6, 2024, on amending and supplementing a number of articles of the SBV Governor’s Decision No. 1604/QĐ-NHNN dated August 7, 2018, on approving the Green Banking Development Project in Vietnam. Accordingly, the SBV sets the target that by 2025, more credit institutions will implement environmental and social risk management in credit granting, gradually aligning with international standards, with (1) 100% of credit institutions and foreign bank branches developing internal regulations on environmental risk management in credit granting; (2) 100% of credit institutions and foreign bank branches conducting

environmental risk assessments as part of credit granting processes, applying environmental standards to financed projects, and integrating environmental risk assessments into overall banking credit risk assessments; and (3) at least 10–12 banks establishing dedicated environmental risk management units/departments.

FFV’s three (03) biennial analyses of commercial banks’ ESG policy commitments reveal their significant progress. These include:



The development of sustainability reports and the increased disclosure of ESG-related commitments. Vietnamese commercial banks are now more open to disclosing their ESG commitments, which are systematically presented and receive greater attention from their leadership. In 2024, several banks emerged as pioneers by publishing standalone sustainability reports instead of integrating them into their annual reports, namely Asia Commercial Joint Stock Bank (ACB), Fortune Vietnam Joint Stock Commercial Bank (LPBank), Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), Ho Chi Minh City

Development Joint Stock Commercial Bank (HDBank), and Vietnam Maritime Commercial Joint Stock Bank (MSB). While having yet to release a standalone sustainability report, Vietnam Prosperity Joint Stock Commercial Bank (VPBank) continued to provide a report on Climate-Related Financial Disclosure (TCFD) to meet growing stakeholder expectations for the bank's transparent disclosures on its climate-related risks. This report also outlines the long-term goals of the bank's sustainable development strategy. Even though HDBank has not yet developed a TCFD report, it has begun to mention in its Sustainability Report a plan to expand its climate finance portfolio to USD 800 million by 2025. This expansion is set to significantly reduce greenhouse gas emissions, with an estimated annual reduction of over 54,000 tons from 2021 to 2025 and continuing thereafter (HDBank, 2024). Although the level of detail related to ESG policies varies across banks, it is evident that Vietnamese commercial banks are increasingly focusing on sustainability goal commitments and disclosures compared to previous years. For banks that have not prepared their standalone sustainability reports, sustainability-related information is being increasingly integrated into their annual reports. Most commercial banks now refer to the Global Reporting Initiative (GRI) standards in their sustainability reporting.



Exclusion lists for credit granting to fossil fuel-related activities. The 2023–2024 period saw significant progress in the strong and shared commitments of several banks in implementing their exclusion lists. Notably, Vietnam Technological and Commercial Joint Stock Bank (Techcombank) released its first exclusion list in 2023 for credit granting and has continued to uphold it in 2024. VPBank and HDBank showed an ongoing commitment to excluding coal-fired power financing, a component in their respective exclusion lists. Specifically, HDBank has declared, “HDBank commits to not finance activities related to coal, oil exploration and production, as well as infrastructure services related to coal and coal-fired thermal power plants.” This declaration demonstrates the bank's firm commitment to fully excluding coal mining and coal power from its lending portfolio. Southeast Asia Commercial Joint Stock Bank (SeABank) has also issued an exclusion list that includes fossil fuels and screened all credit granting transactions related to the development, expansion, operation, or maintenance of coal mining, coal transportation, and coal-fired power plants, as well as dedicated infrastructure services supporting any activities on its exclusion list. These commitments by Vietnamese commercial banks represent a new milestone in their green transition, aligning with regional and global trends.

Environmental and social risk policy updates. Out of the 13 analysed banks, 12 have publicly disclosed that they have developed and adopted environmental and social risk management policies/frameworks within their credit operations. This development reflects their earnest attention to the matter and active

implementation of the SBV's Circular No. 17/2022 on guiding environmental risk management in credit granting¹⁰, while also striving to implement the Green Banking Development Project. Many banks are not only focusing on environmental risks but are also incorporating social risks into their policies, namely:

- Techcombank issued its regulation on Environmental and Social Risk Management Policy, effective from June 1, 2023.
- VietinBank has integrated environmental and social risk assessments into its credit review, appraisal, and approval processes.
- Eximbank developed an Environmental and Social Management System (ESMS) with ADB's support in 2023.
- MSB has conducted environmental and social risk assessments for all loans to be approved from June 1, 2023.
- HDBank officially implemented its Regulation on Environmental, Social, and Governance (ESG) Policy in 2023, which guides its employees and stakeholders on the standards that the bank aims to uphold.
- SeABank began implementing its Environmental and Social Management System (ESMS) in January 2022.

Notably, three (03) banks—HDBank, VPBank, and SeABank—have publicly disclosed portions of their environmental and social risk management policies on their official websites. These policy updates and changes have led to positive shifts in practice. According to the SBV's conclusion at the "ESG in Banking: Leading through Implementation" conference,

progress in ESG implementation is evident in the growth rate and proportion of outstanding loans undergoing environmental and social risk assessments in the banking sector. As of September 30, 2024, outstanding credit undergoing environmental and social risk assessments exceeded VND 3.2 quadrillion, accounting for over 22% of the total outstanding loans within the economy. This represents a 15.62% increase compared to the end of 2023, outpacing the overall credit growth rate of the economy¹¹.

Furthermore, recent FFV's analyses have revealed more specific and detailed policy commitments on **certain aspects of Gender Equality, Human Rights, Personal Data Protection, and Grievance Mechanisms for communities affected by bank-funded activities**. Several commercial banks, such as BIDV, ACB, SeABank, and Vietcombank, have declared their commitments against gender discrimination in labour relations. For instance, ACB's policy states, "ACB creates development opportunities for all employees equally and without discrimination by gender, religion, etc." Similarly, VPBank declares in its 2023 Code of Conduct and Professional Ethics that it "strictly prohibits all forms of discrimination, harassment, racism, ethnic stigma, religious stigma, and gender stigma." In terms of grievance mechanisms for affected communities, HDBank and SeABank are two (02) banks with clearly defined policies for this commitment. SeABank's policies specify designated departments responsible for receiving complaints/inquiries related to its environmental and social risk

¹⁰ SBV's Circular No. 17/2022/TT-NHNN, dated December 13, 2022, on guiding environmental risk management: <https://congbao.chinhphu.vn/loi-dung-van-ban-so-17-2022-tt-nhnn-38402>

¹¹ Available at: <https://baodautu.vn/live-hoi-thao-esg-trong-nganh-ngan-hang-thuc-thi-de-dan-dau-v954.html>

management and/or financed projects. The responsibility to verify complaints through discussion(s) with clients and to ensure a satisfactory written response is also outlined. In line with the requirements of Decree No. 13/2023/ND-CP on Personal Data Protection¹², most banks have now issued policies and general transaction terms and conditions regarding personal data protection, making this information publicly available on their websites.



Furthermore, **a number of banks, such as HDBank and VPBank, now require financed businesses** to adhere to specific ESG policy-related standards. Article 6 of HDBank's Regulation on ESG Policy shows the bank's prioritisation toward financing clients who do not engage in activities that negatively impact the environment (i.e., those involving natural fuels, greenhouse gas emissions, waste, paper/deforestation, or domestic water). VPBank has also stated that at the client level, environmental and social action plans (ESAPs) are developed to support projects in implementing corrective actions, thereby aligning with

the bank's Environmental and Social Policy within a reasonable timeframe. For project credit granting, ESAPs have become legally binding covenants in loan agreements, requiring clients' compliance and regular reporting to confirm their compliance. VPBank's Sustainability Report also highlights its expectations to proactively encourage clients to disclose and expedite their transition plans. To this end, VPBank anticipates significant short-term fluctuations in its reporting metrics. These fluctuations may stem partly from data updates or data disaggregation, improved models or methodologies, shifts in market practices and standards, and clients' emissions reductions, particularly those starting to explore and develop action plans aiming for carbon neutrality.

To conclude, ESG themes in Vietnamese commercial banks' ESG policies disclosed in 2024 are broader in scope, with more information provided. These positive developments no longer represent isolated efforts by one bank, as seen in past assessments, but rather signal emerging transition trends across the majority of commercial banks (particularly large-cap ones), including both state-owned and private commercial banks. Moreover, commercial banks now recognise that implementing ESG policy commitments is not only essential but also crucial to their banking operations. This is evident even in the case of non-listed banks like Agribank, although not subject to the sustainability reporting requirement under Circular No. 96/TT-BTC (effective since 2021), yet still publicly and systematically discloses information related to its ESG policy commitments.

¹² Decree No. 13/2023/ND-CP on Personal Data Protection: <https://datafiles.chinhphu.vn/cpp/files/vbpq/2023/4/13nd.signed.pdf>

2

INTRODUCTION TO METHODOLOGY





2.1. Fair Financial Guide Methodology (FFGM)

The analysis of ESG policy commitments of Vietnamese commercial banks is conducted based on the Fair Finance Guide Methodology (FFGM), developed by Profundo and Fair Finance International (FFI).¹³ This methodology has been widely applied and published in countries across Asia, Europe, Latin America, and Africa.¹⁴ In Asia, the FFGM has been used to analyse the policies of financial institutions in Bangladesh, Japan, India, Thailand, Indonesia, the Philippines, Pakistan, Cambodia, and Vietnam. Reports on analysis results can be found on Fair Finance Asia's (FFA) official website.¹⁵

The approach of the FFGM

FFGM is designed from the perspective of (current and potential) clients, shareholders, and investors, aiming to inform their decisions regarding the use of services, business partnerships, and investments in financial institutions. Accordingly, ESG-related commitments and disclosures are among the factors that enable these stakeholders to make informed decisions. As such, the methodology focuses exclusively on publicly available information disclosed by the banks themselves. The assessment criteria are based on sustainable finance initiatives, international conventions, and standards issued by major institutions and organisations such as the United Nations (UN), the International Finance Corporation (IFC), and the Organisation for Economic Cooperation and Development (OECD)¹⁶. Core references include the Sustainable Development Goals (SDGs); United Nations Guiding Principles on Business and Human

Rights (UNGPs); UN Framework Convention on Climate Change (UNFCCC); the Kyoto Protocol (1997) that aims to reduce the emission of gases that contribute to global warming; the Paris Agreement (2015) on Climate Change; OECD Guidelines for Multinational Enterprises; IFC Performance Standards on Environmental and Social Sustainability; UN Principles for Responsible Investment (UNPRI); UN Principles for Responsible Banking (UN PRB); G20 High-Level Principles on Financial Consumer Protection; UN Guidelines for Consumer Protection (UNGCP); UN Convention on the Rights of Persons with Disabilities (CRPD); Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); several fundamental conventions of the International Labour Organisation (ILO), such as Convention No. 98 on the Right to Organise and Collective Bargaining; Convention No. 111 on Discrimination; International Covenant on Economic, Social and Cultural Rights (ICESCR); International Union for Conservation of Nature (IUCN); Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and Equator Principles (EP).

Convention No. 98 on the Right to Organise and Collective Bargaining; Convention No. 111 on Discrimination; International Covenant on Economic, Social and Cultural Rights (ICESCR); International Union for Conservation of Nature (IUCN); Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and Equator Principles (EP).

¹³ Details on the methodology and tools are available at <https://fairfinanceguide.org/ff-international/about-us/#panel-2>

¹⁴ Results for analysis of banks and financial corporations in Japan: <https://fairfinance.jp/>. Scores of banks in Indonesia: <https://responsibank.id/>. Results for analysis of banks in Thailand: <https://fairfinancethailand.org/>

¹⁵ See more at: <https://fairfinanceasia.org/partners/>

¹⁶ The adoption of international initiatives and standards implies that the assessment of ESG commitments by commercial banks should be based on best practices, moving beyond mere compliance to exceed the minimum requirements set by national laws and regulations.

Assessment methodology of the Fair Finance Guide International (FFGI)



Figure 3 FFGM and international conventions and standards

2.2 Themes for analysis

FFGM is structured around three core ESG pillars comprising 23 themes. Each theme consists of 9 to 27 criteria (see Annex 1). As of 2024, Fair Finance has standardised eight (8) mandatory themes, including:

Environmental (E): Climate Change, Nature

Social (S): Gender Equality, Human Rights, Labour Rights

Governance (G): Corruption, Tax, Transparency and Accountability

In the third assessment of Vietnam, FFV analyses 11 themes reflecting the ESG commitments of commercial banks. Compared to previous assessments, one formerly mandatory theme, which is Arms, has been removed from the list of required topics and is therefore not included in the 2024 ESG assessment of Vietnamese commercial banks. In addition to the eight mandatory themes under FFGM, three more themes have been added: Power Generation, Financial Inclusion, and Financial Consumer Protection, as follows:

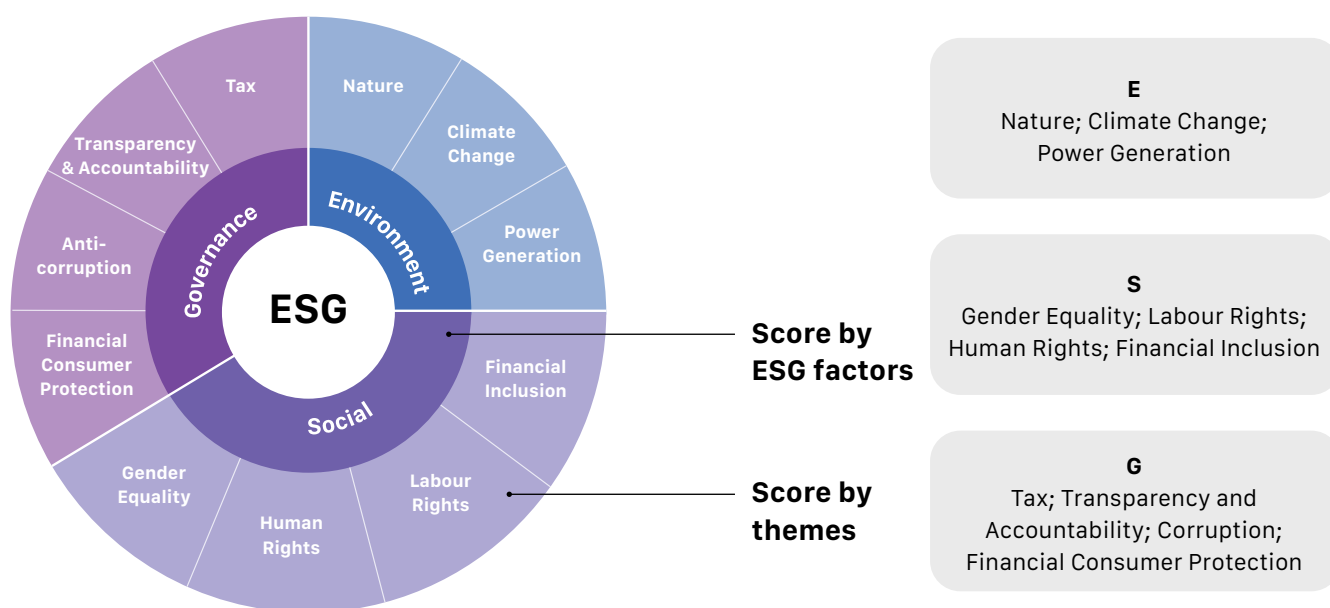


Figure 4 ESG themes under FFV analysis

For details on assessment criteria under each theme, refer to Annex 3.
Data collected for analysis is published by the banks themselves on their websites.

The analysis uses data updated by banks as of 31 November 2024. Regarding information in press releases, the data must be updated within 12 months prior to the scoring reference year (2023). The methodology does not use any third-party data and/or internal information provided by banks.

The bank's public data is found in the following documents:

- Bank policies, including internal operating policies, investment and/or lending policies, and policies for corporate clients receiving loans or investments from banks
- 2023 Annual Report
- 2023 Sustainability Report
- 2023 Financial Statements
- Report on Climate-related Financial Disclosures (TCFD); Green, Social, and Sustainable Finance Frameworks
- Bank's Investment and Lending Policies; Exclusion Lists
- Bank Charter
- Internal operating policies (publicly disclosed): code of conduct, culture handbook, public announcements, and press releases, etc.
- Newsletters issues within the previous 12 months
- Terms and conditions, product and service information, and introductory materials available on the bank's website
- Any other official information published on the bank's website.



2.3 Analytics toolkit

Toolkit and Updates Across Assessment Rounds

FFGM develops an analytics toolkit structured by themes, each comprising a set of criteria designed to measure and assess policies. To ensure the methodology remains up to date, based on Fair Finance's recommendations from countries adopting this toolkit and insights from subject-matter experts, the assessment criteria are adjusted annually to reflect changes in international conventions, standards, and evolving real-world contexts. For example, in the first assessment in 2020, FFV used the FFGM 2018 toolkit. In the second assessment in 2022, FFV used the 2021 toolkit. Similarly, the third assessment conducted in 2024 adopted the 2023 version of the toolkit. The primary differences between these toolkit versions lie in the modifications to the criteria under each theme, including the addition, removal, or partial revision of certain criteria. Scores for each theme are averaged across groups of criteria. Therefore, FFGM essentially ensures consistency across different scoring times. A notable revision in the 2023 toolkit is the removal of the theme on Arms from the list of mandatory themes. Accordingly, this theme was not assessed under the Social (S) pillar in the third assessment for Vietnam, as previously noted.

Scores for criteria and themes

Applying a content analysis approach, FFV assesses publicly available information and documents disclosed by the banks, which are accessible to stakeholders, to assign scores for each criterion based on its clarity and scope of application. Each criterion is scored on a scale from zero to one (0–1

point). The score of a criterion is calculated by combining the criterion's score for the content and the score for the scope of application (applicable to every activity and service of the bank or only to a specific area, such as credit activities). Specifically:

- If the information clearly states that the criterion is applied to all products and services provided by the bank in line with the scoring criteria, the bank will receive one (1) point.
- If the criterion is clearly addressed but the scope of application is not specified, the score is typically 0.5. Accordingly, the score for the content is 1, and the score for the scope of application is 0.
- If no public information is found on the criterion, the score is zero (0). A score of zero (0) means the criterion is not found in any of the bank's publicly disclosed documents or information. This does not imply that the bank lacks relevant policies or commitments regarding these criteria.

As a precaution during the analysis process, to avoid the risk of overlooking any relevant information, the draft analytics toolkit for each bank is sent to the respective bank for feedback prior to the final publication of results.

- A theme score will be based on a combination of scores for all criteria. Accordingly, the score of each theme is normalised on a 0–10 scale, with 10 representing the highest possible score for a theme.

2.4 Participating commercial banks

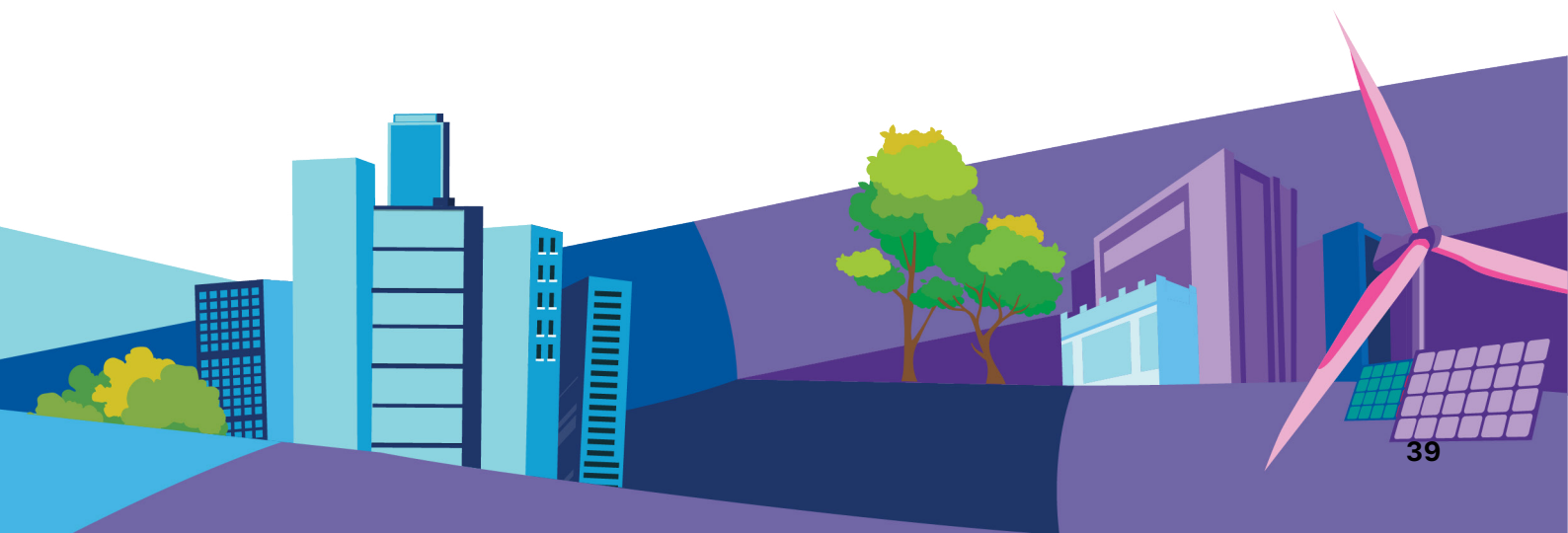
In the first assessment in 2020, ten (10) commercial banks were analysed based on the criteria for having the largest charter capital and/or involvement in financing activities for energy projects. In the second assessment in 2022, these ten (10) banks continued to be included in the analysis, with the addition of one (01) bank,

HDBank, which is active in the renewable energy sector, bringing the total number of assessed banks to eleven (11). For the third assessment in 2024, ESG policy commitments were analysed across 13 banks, as two (02) more banks were added to the policy analysis list, including ACB and SeABank, as presented in the Table below:

	Abbreviations	Ticker symbol	Full name
1	Agribank	-	Vietnam Bank for Agriculture and Rural Development
2	ACB	ACB	Asia Commercial Joint Stock Bank
3	BIDV	BID	Joint Stock Commercial Bank for Investment and Development of Vietnam
4	EximBank	EIB	Vietnam Export Import Commercial Joint Stock Bank
5	HDBank	HDB	Ho Chi Minh City Development Joint Stock Commercial Bank
6	LPBank	LPB	Fortune Vietnam Joint Stock Commercial Bank
7	MSB	MSB	The Maritime Commercial Joint Stock Bank

	Abbreviations	Ticker symbol	Full name
8	Seabank	SSB	Southeast Asia Comercial Joint Stock Bank
9	Techcombank	TCB	Viet Nam Technological and Commercial Joint Stock Bank
10	VIB	VIB	Vietnam International Commercial Joint Stock Bank
11	VietcomBank	VCB	Joint Stock Commercial Bank for Foreign Trade of Vietnam
12	VietinBank	CTG	Vietnam Joint Stock Commercial Bank of Industry and Trade
13	VPBank	VPB	Vietnam Prosperity Joint Stock Commercial Bank

Table 1 List of banks under analysis



2.5 Assessment Process

There are three main stages in the assessment process: (1) Preparation; (2) analysis and quality control; and (3) reporting.

During the preparation phase for the third analysis, FFV sent each bank the results of the second assessment, along with the third assessment toolkit (which had been revised for 2024) and announcement regarding the third assessment round via the banks' official communication channels

(email and official dispatches). Following the completion of the analysis and internal quality control process, with technical support from experts at Profundo, FFV sent each bank a detailed analysis of their scoring results to collect feedback (if any) within the designated feedback period.

After reviewing the feedback and addressing any missing or additional information (if any), FFV finalised and reported the assessment results.

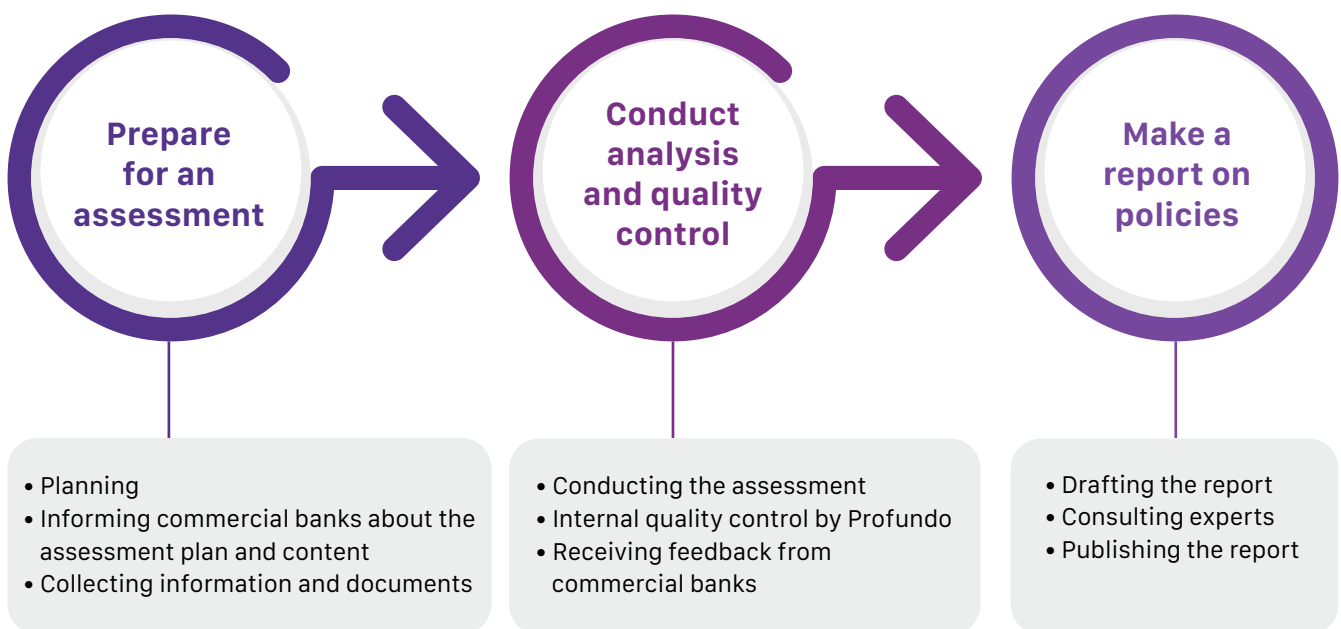


Figure 5 2024 Vietnam's Bank Assessment Process

2.6. Limitations of the methodology

FFGM has the following limitations:

- FFGM focuses on analysing the publicly available policies of commercial banks. Therefore, the zero (0) point in the analytics toolkit does not necessarily mean that the bank has no policy or commitment regarding the assessed criteria or themes. In some cases, banks may express such commitments in policies/commitments that are not widely publicised, which are not considered according to this methodology.
- The analysis of public policies based on ESG-related criteria does not reflect the level of implementation of such criteria by commercial banks in reality. Therefore, additional reports, assessments, or research using different approaches are necessary to understand the actual ESG performance of each bank.



3

PUBLIC ESG POLICY COMMITMENTS OF 13 VIETNAMESE COMMERCIAL BANKS





3.1 Overview of ESG policy commitments of Vietnamese commercial banks

The commitment to and implementation of ESG policies has become a global imperative, and Vietnam is no exception to this trend. In alignment with this movement, Vietnamese commercial banks have made notable strides in formalising their ESG policy commitments in recent years. The 2024 assessment reveals that ESG policy commitments among Vietnamese commercial banks have improved compared to previous assessments in 2022 and 2020. The average ESG score of Vietnamese commercial banks in the 2024 research

sample was 2.0 out of 10 points, representing a 0.5 (33.3%) increase from 2022 and a significant 0.9 (81.8%) increase from 2020. The improvement in ESG scores in this assessment, compared to previous ones, was observed across all three pillars: Environmental (E), Social (S), and Governance (G). However, among these three pillars, policy commitments primarily concentrate on the Social (S) and Governance (G) pillars, while those on the Environmental (E) pillar remain somewhat less defined.

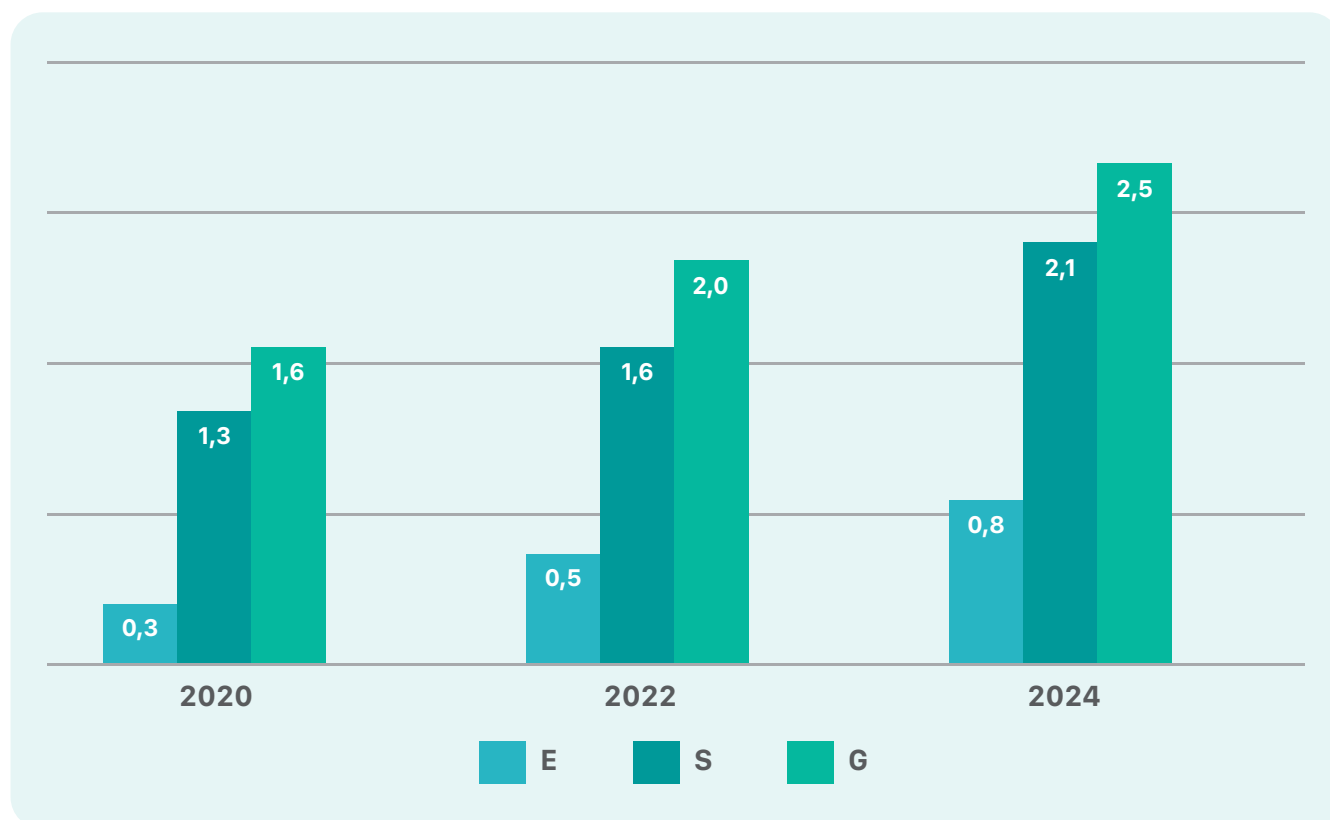


Figure 6 Average ESG commitment score of Vietnamese commercial banks (2020, 2022, and 2024)
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

• **Environmental (E) Pillar:** Despite modest improvements in the Environmental score, performance in this area remains consistently low across all three assessment rounds. The Environmental pillar encompasses three core themes: Climate Change, Power Generation, and

Nature. Notably, the number of banks addressing Climate Change increased from 1-2 banks in 2020-2022 to 8 out of 13 banks in 2024. However, the points awarded for the Climate Change theme primarily relate to policies governing internal banking operations. In addition, Power Generation

scores for most banks improved positively, with the majority of banks announcing investment policies favouring renewable energy. The number of banks publishing policies on Nature remains limited. In 2024, apart from VPBank, only HDBank has publicly disclosed policy commitments on this theme, addressing areas such as wildlife protection and preventing negative impacts on high conservation value areas.

- **Social (S) Pillar:** The increase in the Social pillar scores can be attributed to enhanced policy commitments by banks in the research sample across all four themes within this pillar (Financial Inclusion, Gender Equality, Labour Rights, and Human Rights). Financial Inclusion, which has historically achieved the highest scores among all themes, continued to show improvement in 2024 at several banks, including Vietcombank, HDBank, Techcombank, and VIB. Regarding Gender Equality, an increasing number of banks are publicly disclosing policy commitments on this theme. While only 5 out of 10 banks had Gender Equality policy commitment scores in 2020, this increased to 8 out of 11 banks in 2022 and reached 13 out of 13 banks in 2024. BIDV, Agribank, Vietinbank, and VPBank demonstrated the most substantial improvements in this theme. Particularly noteworthy is the progress in Labour Rights and Human Rights policy commitments,

whereas very few banks publicly disclosed these commitments in previous years, by 2024, most banks have made these policies public (Labour Rights: 13/13 banks; Human Rights: 9/13 banks).

- **Governance (G) Pillar:** Within the four Governance themes (Financial Consumer Protection, Corruption, Transparency and Accountability, and Tax), the most substantial contributions to improved scores of the G pillar came from the Financial Consumer Protection and Transparency and Accountability themes. In terms of Financial Consumer Protection, banks have increasingly strengthened their policy commitments related to employee ethics in customer service, grievance mechanisms, and customer data privacy. The Transparency and Accountability theme also witnessed especially significant advancement. While the 2022 assessment found that a low number of banks had integrated sustainability reporting within their annual reports and none had standalone sustainability reports, the 2024 assessment reveals universal adoption of integrated sustainability reporting, with several banks (BIDV, HDBank, LPBank, MSB, and ACB) publishing standalone sustainability reports. Most banks (12/13 banks) have also disclosed Environmental Risk Management policies or frameworks governing their credit operations.

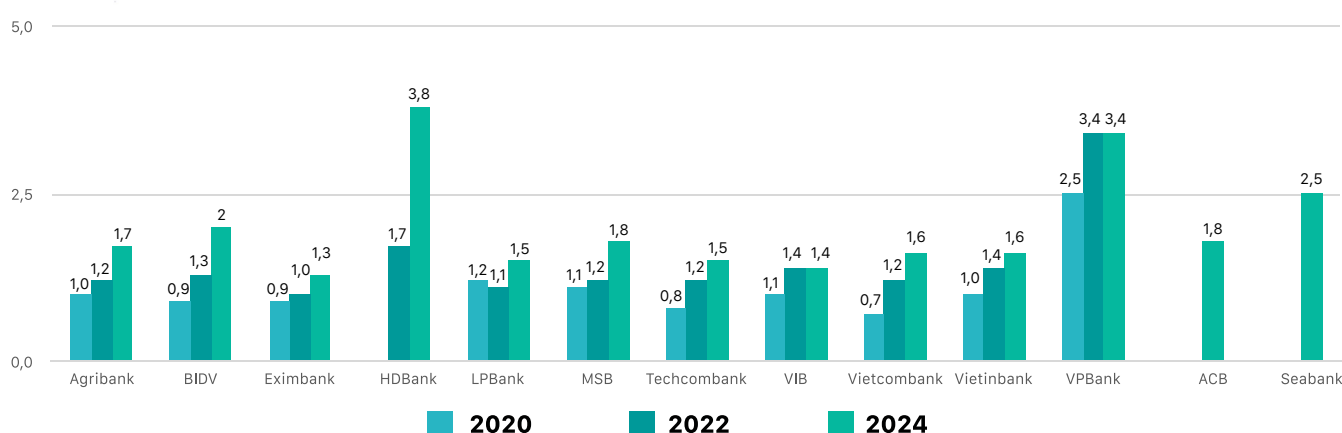


Figure 7 ESG Policy Commitments by Individual Commercial Banks in 2020, 2022, and 2024

(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

Despite positive progress, the 2024 analysis shows that Vietnamese commercial banks are still in the nascent stages of ESG policy commitment and implementation. Among the banks included in the 2024 analysis, BIDV, Agribank, Vietcombank, HDBank, LPBank, and MSB have demonstrated positive progress in publicly disclosing their ESG policy commitments that align with international standards. HDBank's transformation is particularly remarkable, with its ESG score reaching 3.8 out of 10 points in 2024, a substantial increase of 2.1 points from 2022. This improvement is primarily attributed to HDBank's publication of a standalone Sustainability Report in 2023, the implementation of the Policy on Environmental and Social Risk Management in Credit Extension, and the establishment

of grievance mechanisms for individuals and communities negatively impacted by the finance-related activities of the bank. Additionally, ACB and SeABank, two new additions to the 2024 analysis, have also shown significant ESG policy commitments in line with our scoring criteria, with 1.8 and 2.5 out of 10 points in 2024, respectively.

Consistent with previous years, public ESG policy commitments primarily concentrate on the commercial banks' internal operations and financing/investment policies. However, in 2024, some banks, including HDBank, SeABank, and VPBank, have begun to set out ESG policy requirements for businesses receiving their finance, loans, and investment capital.

3.2 ESG policy commitments of Vietnamese commercial banks by theme

3.2.1 Environmental policy commitments

The Environmental (E) pillar comprises three (03) themes: Climate Change, Power Generation, and Nature. The average Environmental policy commitment score for

the 13 banks in the 2024 research sample reached 0.8 out of 10 points, marking an increase of 0.3 (60%) from 2022 and 0.5 (166.7%) from 2020.

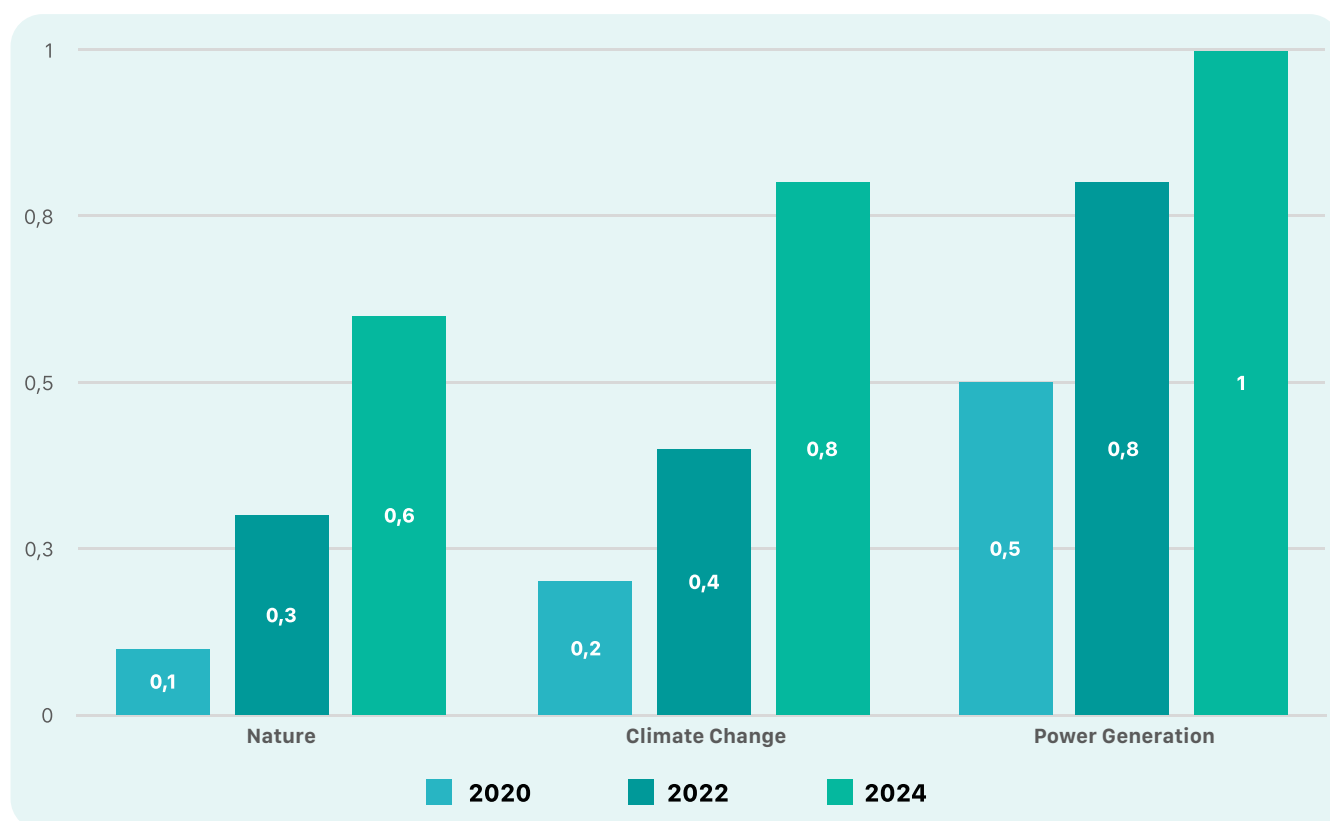


Figure 8 Commitments on Environmental (E) factors of Vietnamese commercial banks)

(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

In 2024, banks continued to advance green growth initiatives, environmental and nature protection efforts, and expanded capital allocation for green credit activities aimed at greenhouse gas emission reduction. Similarly, in previous years, Environmental policy commitments predominantly focused on increasing financing for renewable energy projects. A limited number of banks (including HDBank, VPBank, and SeABank) have made

explicit commitments to exclude coal-fired power generation or coal-related activities from their financing portfolios. Notably, only HDBank and VPBank have established policy commitments governing their financial management and investment portfolios, including requiring environmental impact assessments that include data on greenhouse gas emissions and climate risks for large scale project financing; establishing measurable

reduction objectives that are aligned with limiting the maximum global temperature increase of 1.5°C for its financed and invested greenhouse gas emissions; and measuring and disclosing climate-related impacts in line with the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). A range of banks (HDBank, SeABank, and VPBank) have implemented policies addressing fossil fuel financing and power generation, specifically committing to exclude financing for coal-fired power generation or

coal-related activities. BIDV has pledged to phase out coal power lending in alignment with the Government’s vision for 2050.

At the ASEAN regional level, Environmental policy commitment scores for Vietnamese commercial banks generally lag behind the regional average of countries such as Thailand and Indonesia.

Detailed analyses of Climate Change, Power Generation, and Nature themes are presented in the subsequent sections.

Country	Climate Change	Power Generation	Nature
Vietnam (2024)	0,8	1,0	0,6
Thailand (2024)	1,1	-	1,4
Indonesia (2024)	1,5	1,4	1,2
Philippines (2023)	0,7	-	0,8

Table 2 Commitments on the Environmental (E) theme across ASEAN countries

(Source: Compiled from Fair Finance Reports of Indonesia, Philippines, and Thailand)

*Note: Thailand and the Philippines do not assess the Power Generation theme

3.2.1.1 Climate Change

Climate change is commanding increasing attention from nations worldwide, including Vietnam. Achieving the Vietnamese Government’s net-zero emissions target by 2050 requires the engagement of all organisations and individuals throughout the economy. As primary providers of project and enterprise financing, commercial banks leverage significant influence in advancing climate objectives. Climate Change policy commitment scores of Vietnamese commercial banks reached 0.8 out of 10 in 2024, marking a 0.4 (100%) increase from 2022 and a 0.6 (300%) increase from 2020. However, Climate Change policy scores remain notably lower than those in other

themes. While a growing number of banks, including Agribank, BIDV, HDBank, LPBank, MSB, SeABank, Vietinbank, and VPBank, have publicly disclosed their Climate Change commitments and earned scores in this criterion, others either lack public policy commitments entirely or maintain policies limited to internal operational matters. Eight (8) out of the thirteen (13) banks surveyed have issued clear statements committing to carbon emission reductions across both their operational activities and lending portfolios, demonstrating alignment with the 2050 net-zero emission target of the Vietnamese Government. These Climate Change policy commitments are

progressively converging with international standards and frameworks. Whereas only 2 of 11 banks demonstrated alignment with global climate standards and initiatives in the 2020 and 2022 assessments, this figure rose to 8 out of 13 banks in 2024. Of the 13 banks with the highest scores, HDBank,

VPBank, and SeABank are three (03) banks achieving the highest scores in this category, distinguishing themselves by not only targeting greenhouse gas reductions from direct and indirect banking operations but also implementing fossil fuel exclusion policies within their lending practices.

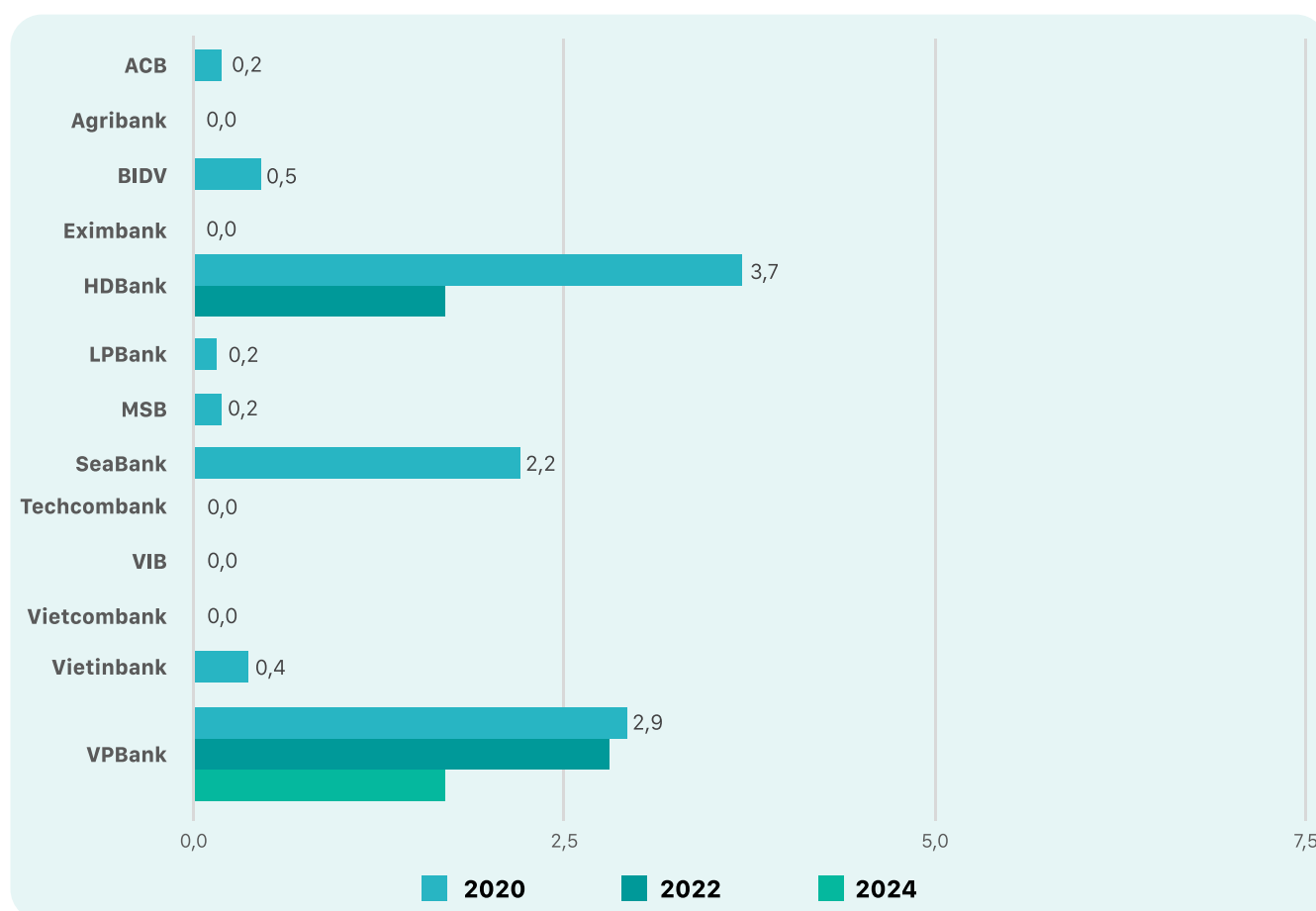


Figure 9 Commitments on Climate Change of Vietnamese commercial banks

(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

In general, Vietnamese commercial banks have primarily focused their public disclosures on policies addressing greenhouse gas emissions from internal operations. Policy commitments related to client activities (Scope 3 emissions), encompassing financial and investment portfolio management policies and those regarding companies that the bank invests in or finances, remain largely absent from public reporting. Notable exceptions include HDBank, SeABank, and VPBank, which have established exclusion lists for credit

granting targeting greenhouse gas emission reduction, such as excluding financing for coal mining and coal-fired power generation. Several emission reduction commitments often fall short of international best practices and standards. For example, while banks mention greenhouse gas emission reduction targets, these objectives tend to be generic, lacking specificity or measurability. Furthermore, banks have yet to disclose greenhouse gas emissions data covering Scopes 1, 2, and 3 associated with their financing and investment portfolios.

Most commercial banks have established greenhouse gas emission reduction targets, both direct and indirect, that align with the Government's net-zero commitment by 2050. However, these targets tend to be generic and lack specific and measurable indicators.

BIDV (2024), 2023 Sustainability Report, p.9: "pursues the strategy of positioning the Green Bank Brand, becoming the market leader in ESG practices and sustainable finance, gradually approaching international standards on green finance and implementing the roadmap of transition to a Net-Zero Bank by 2045".

Vietinbank (2024), 2023 Annual Report, p.224: "Sustainable development is one of VietinBank's key strategies. Environment and climate change are critical targets, especially when Vietnam is developing an action plan towards 'net zero' by 2050. VietinBank accompanies businesses in promoting the mobilisation of sustainable finance, transfer of green, low-carbon technology, and adaptation to climate change".

ACB (2024), 2023 Sustainability Report, p.57: "always actively accompanies national goals in environmental protection, reducing greenhouse gas emissions, and minimising climate change. Not only does the Bank ensure that its activities do not harm the environment and protect the Earth's climate system, but ACB also shares awareness with stakeholders to quickly clean up the environment and correct negative consequences caused by humans. Annual Report, p. 99: "ACB's GHG emissions declined 11% in 2023 compared to 2022. While ACB is not considered a significant GHG emitter, the bank maintains its commitment to controlling and minimising emissions to the greatest extent possible, contributing to both net-zero and carbon neutrality goals".

VPBank (2024), 2023 Climate-related Financial Disclosures (TCFD), p.21: "With climate-related messages and disclosures, VPBank transparently demonstrates the Bank's transformation efforts for climate change adaptation to achieve the Net Zero emissions goal by 2050. In the process of implementing the sustainable transition strategy, industry recommendations and environmental regulations are expected to change and improve in each period. Therefore, VPBank will continue to seek the best practices to periodically review and revise the Bank's transition plan to ensure its consistency with governmental policies and laws regarding national climate change policies and legal frameworks.

To achieve Net Zero emissions by 2050, VPBank has developed a roadmap as below:

Step (1): Statisticise and measure GHG emissions;

Step (2): Develop a roadmap for implementing GHG emission management solutions;

Step (3): Monitor, report, and disclose information"

LPBank (2024), 2023 Sustainability Report, p.37: “A critical component of our Sustainability Pillar 2, ‘Transition to a sustainable and carbon-neutral economy’ is green finance activities. LPBank’s green finance initiatives are designed to address climate change in alignment with the Vietnamese Government’s commitments under the Paris Agreement. Furthermore, these activities support Vietnam’s pledge to achieve net-zero emissions by 2050, as announced at the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26). Banks maintain a bidirectional relationship with climate change: while climate change presents risks to banks’ investment portfolios, bank lending simultaneously impacts the climate through financing decisions. Recognising this dynamic, we understand the imperative to strengthen our climate risk management capabilities and ensure our loan portfolio alignment with our net-zero commitment through an integrated framework. This approach will create new opportunities to support our clients in achieving their decarbonisation targets and other sustainability goals”.

HDBank (2023), 2023 Policy on Environmental and Social Risk Management in Credit Extension: Stipulates activities and projects that HDBank will not finance “III. Fossil Fuel Exclusion List: 1. Coal prospection, exploration, mining, or processing; 2. Oil exploration or production; 3. Standalone fossil gas exploration and/or production; 4. Transportation systems and associated infrastructure primarily dedicated to coal transport for power generation; 5. Crude oil pipeline; 6. Oil refineries”.

SeABank (2024), 2023 Annual Report, p.168: “All SeABank’s credit grants (except for consumer personal loans and credit cards) are screened according to the exclusion list to ensure SeABank does not finance activities that have a negative impact on the environment and society. Projects/options on the exclusion list will be denied credit by SeABank, including Coal industry activities. Exclusion List on Environmental and Social Risks: Item 13: Developing, expanding, operating, or maintaining coal mining, coal transportation, coal-fired power plants/sites (excluding detained coal-fired power plants used for industrial applications, for instance, mining, blast furnace and cement or chemical industry), or infrastructure assets exclusively dedicated to support any of these activities”.

Box 1 Examples of commitments to Climate Change of Vietnamese commercial banks

3.2.1.2 Power Generation

In pursuit of net-zero emissions by 2050, the Vietnamese Government has implemented several policy frameworks, including the Vietnam Renewable Energy Development Strategy through 2030, with a vision to 2050 (Decision No. 2068/QĐ-TTg dated 25 November 2015). This strategy

emphasises “utilising proven renewable energy technologies such as hydropower, wind, solar, biomass, and biogas to develop renewable sources that effectively supply electricity to the national grid and meet thermal energy demands for production and residential use.” The government has

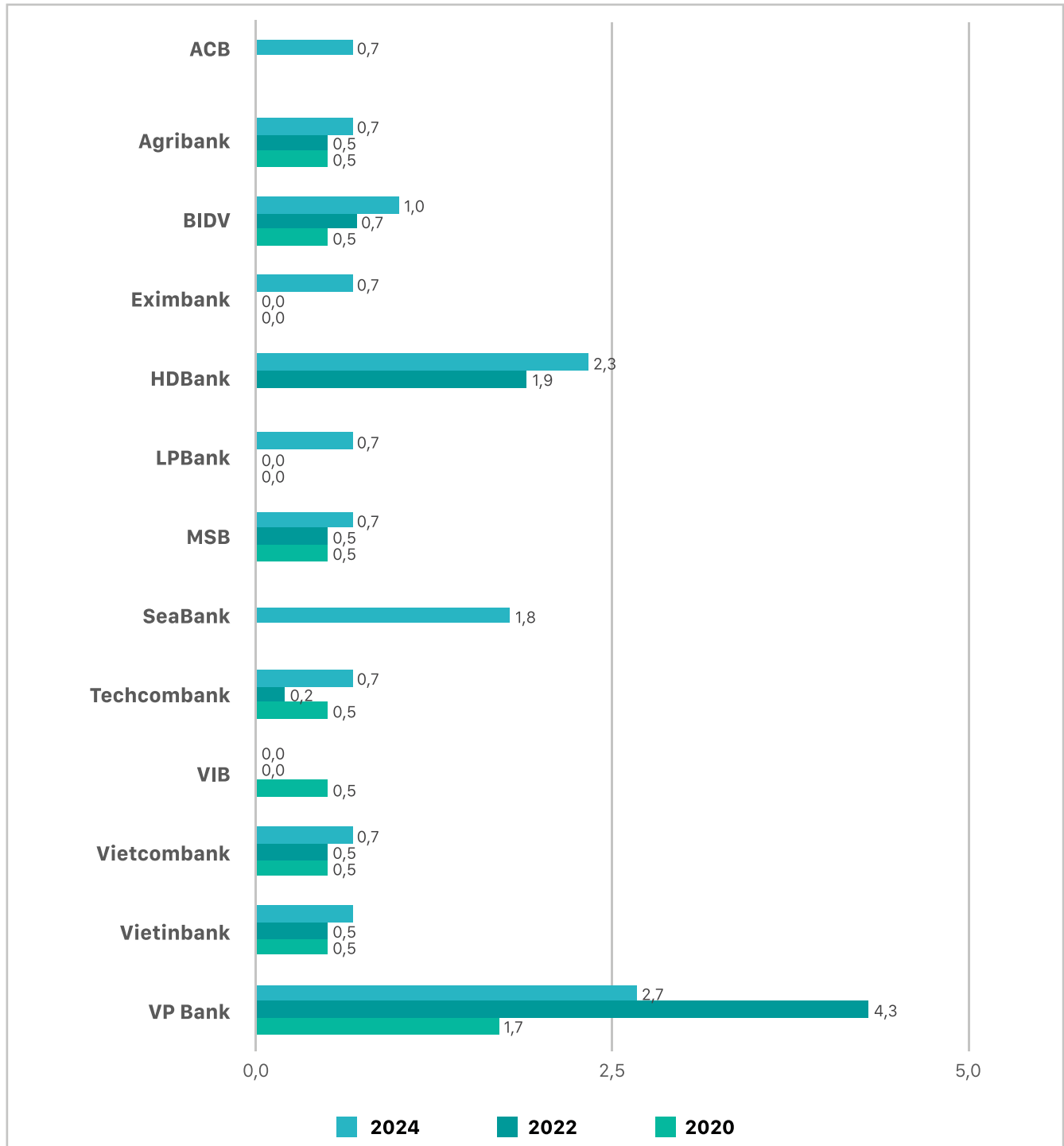


Figure 10 Commitments on Power Generation of Vietnamese commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

also established just energy transition objectives, including the acceleration of renewable energy deployment for power generation and the control of greenhouse gas emissions from electricity production (Prime Minister's Decision No. 500/QĐ-TTg dated 15 May 2023 on approving the National Power Development Plan for the 2021-2030 period, with a vision towards 2050). Aligned with these national policies, commercial banks have intensified their green credit policies, with particular emphasis on green financing for renewable energy. While policy commitments to the power generation sector were previously confined to a handful of commercial banks, 2024 marked a watershed moment with most commercial banks now publicly disclosing formal policy positions in this area. The majority of banks in our research sample are actively financing companies involved in renewable energy production (wind, solar, small and medium-sized hydropower, geothermal power, tidal power, etc.). As a result, assessment scores

for this theme improved across all banks in the assessment sample. Policy commitment scores for the Power Generation theme among Vietnamese commercial banks reached 1.0 out of 10 in 2024, reflecting an increase of 0.2 (25%) from 2022 and 0.5 (100%) from 2020.

However, most banks have not yet set specific targets for increasing renewable energy financing or phasing out fossil fuel-based power generation lending. Only a select few banks, such as VPBank, HDBank, and SeABank, have published formal exclusion policies that restrict or prohibit financing for certain fossil fuel-based power generation activities, particularly coal-fired power plants and oil-based electricity generation. BIDV has established coal power lending reduction targets aligned with the Government's 2050 vision. VPBank remains the sole bank to have implemented an explicit exclusion policy for large-scale hydropower projects.



Photo by Nguyen Duc Hieu/Oxfam



SeABank (2024), Exclusion List on Environmental and Social Risks: Item 12: Coal-related activities include (a) developing or expanding coal-fired power plants, coal mining sites, coal transportation assets used exclusively for coal, or (b) infrastructure assets exclusively dedicated to supporting any of these activities. Item 13. Developing, expanding, operating, or maintaining coal mining, coal transportation, coal-fired power plants/sites (excluding detained coal-fired power plants used for industrial applications, for instance, mining, blast furnace, and cement or chemical industry), or infrastructure assets exclusively dedicated to support any of these activities.

HDBank (2023), 2023 Policy on Environmental and Social Risk Management in Credit Extension: Stipulates activities and projects that HDBank will not finance “III. Fossil fuel exclusion list: 1. Coal prospection, exploration, mining, or processing; 2. Oil exploration or production; 3. Stand-alone fossil gas exploration and/or production; 4. Transportation systems and associated infrastructure primarily dedicated to coal transport for power generation; 5. Crude oil pipeline; 6. Oil refineries.”

VPBank (2024), E&S Exclusion List in Credit Granting Activities: Projects, production plans, businesses and services restricted for credit: 2. New coal-fired power plant projects or any coal-fired power plants in operation (Clients are considered for credit on a case-by-case basis: Those requiring working capital and there is no extension of the life of the project or capacity expand, and pursuing greenhouse gas emissions reduction technologies (i.e. carbon capture, flue-gas desulfurisation, replacement of coal fuel with more eco-friendly fuel or sustainable renewable energy transition etc.). The Bank excludes from credit granting: 5. Production or trade in radioactive materials, including nuclear reactors and components thereof. This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment considered as a radioactive source to be trivial and/or adequately shielded. From the lending exclusion catalog, p. 3: 13. Hydropower projects with large capacity as defined by the World Commission on Dams (including hydroelectric dams with a height of 15 meters or more from lowest foundation to crest or with a height between 5 and 15 meters from the foundation having a reservoir volume of more than 3 million cubic meters).

Box 2 Examples of commitments to Power Generation of Vietnamese commercial banks

3.2.1.3 Nature

Commercial banks' policy commitments on the Nature theme remain limited, with no notable progress compared to previous years.

Commercial banks' policy commitments on the Nature theme are primarily integrated into broader commitments related to environmental factors, natural heritage, and compliance with Vietnamese laws and policies, such as the Law on

Environmental Protection. Nature-related contents, including biological diversity and natural habitat, have been incorporated into the assessment of environmental and social risks at various banks. 2024 policy commitments on the Nature theme by commercial banks scored 0.6/10, an increase of 0.3 (equivalent to 100%) compared to 2022 and 0.5 (equivalent to 500%) compared to 2020. However, these policy commitments remain general in scope and have yet

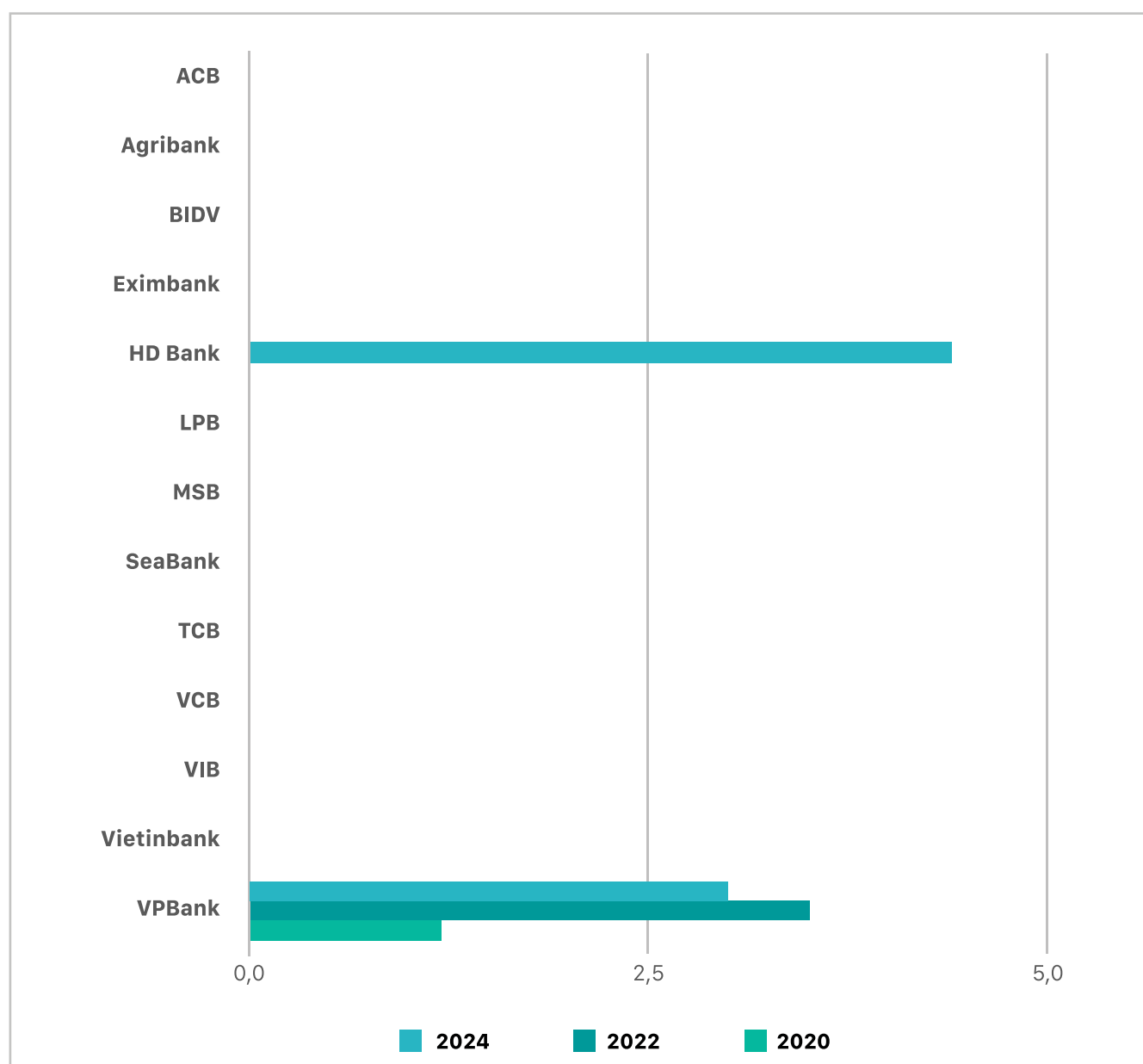


Figure 11 Policy commitments on Nature by commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

to be articulated as banks' standalone policies or commitments. No bank has yet measured or disclosed its biodiversity footprint¹⁸ within its investment portfolio. In previous years, only VPBank had referred to policy commitments on nature and

biodiversity within its Environmental and Social Exclusion List. However, in 2024, HDBank made strong commitments to Nature through its Policy on Environmental and Social Risk Management in Credit Extension, issued at the end of 2023.



HDBank (2023), 2023 Policy on Environmental and Social Risk Management in Credit Extension:

According to Appendix 1, Item 9: The Environmental and Social Policy stipulates that all clients are assessed against and committed to complying with...IFC E&S Performance Standards (including relevant Environmental, Health, and Safety Guidelines).

According to Appendix 3, General Exclusion List, HDBank does not finance the following activities and projects: Item 1: any activity deemed illegal... wildlife or products regulated under CITES; Item 10. Destruction of high conservation value areas. Based on IFC PS6 on Biodiversity Conservation and Sustainable Natural Resource Management of Living Natural Resources.

VPBank (2024), E&S Exclusion List in Credit Granting Activities:

According to Section II, the bank does not grant credit to: 1. Produce or trade any products or services that violate Vietnamese laws or international regulations, conventions, agreements, or are subject to international bans/partial removal orders such as hazardous pharmaceutical products, pesticides/herbicides, chemicals, ozone-depleting substances, PCBs, wildlife or products under CITES; 10. Conduct commercial logging operations or purchase logging equipment in primary humid tropical forests or old-growth forests for use; 11. Destroy High Conservation Value areas (including UNESCO World Heritage Sites, conservation areas for IUCN Threatened Species, wetland conservation under Ramsar Convention, etc.); 12. Produce or trade wood or other forestry products that are not harvested from sustainably managed forests.

Box 3 Examples of commitments to Nature of Vietnamese commercial banks

¹⁸ According to the Institute for European Environmental Policy (IEEP), the biodiversity footprint is the impact of a commodity, company, person or community on global biodiversity, measured in terms of biodiversity change, as a result of production and consumption of particular goods and services. See more at: https://ieep.eu/wp-content/uploads/2022/12/Biodiversity-Footprint_Report_IEEP.pdf

3.2.2 Policy commitments on the Social (S) pillar

The Social (S) pillar covers four (04) themes, including Financial Inclusion, Gender Equality, Labour Rights, and Human Rights. 2024 policy commitments on the Social (S) pillar by commercial banks scored 2.1/10, an increase of 0.5 (equivalent to 31.2%) compared to 2022 and 0.8 (equivalent to 61.5%) compared to 2020. In particular, the theme of Financial Inclusion continues to have a strong focus, with policy commitments consistently improving. This aligns with the National Financial Inclusion Strategy to 2025, with a vision to 2030, issued by the Government (Decision No. 149/QĐ-TTg, dated January

22, 2020). In 2024, Vietnamese commercial banks achieved a policy commitment score of 6.1/10 for Financial Inclusion, making it the highest-scoring theme among the 11 assessed. Concurrently, while at lower levels, the themes of Gender Equality, Human Rights, and Labour Rights also showed notable improvement in 2024 compared to previous years. Specifically, in 2024, the policy commitment scores for Gender Equality, Human Rights, and Labour Rights reached 1.4/10 (51% increase from 2022), 0.8/10 (315% increase from 2022), and 1.5/10 (196% increase from 2022) points, respectively.

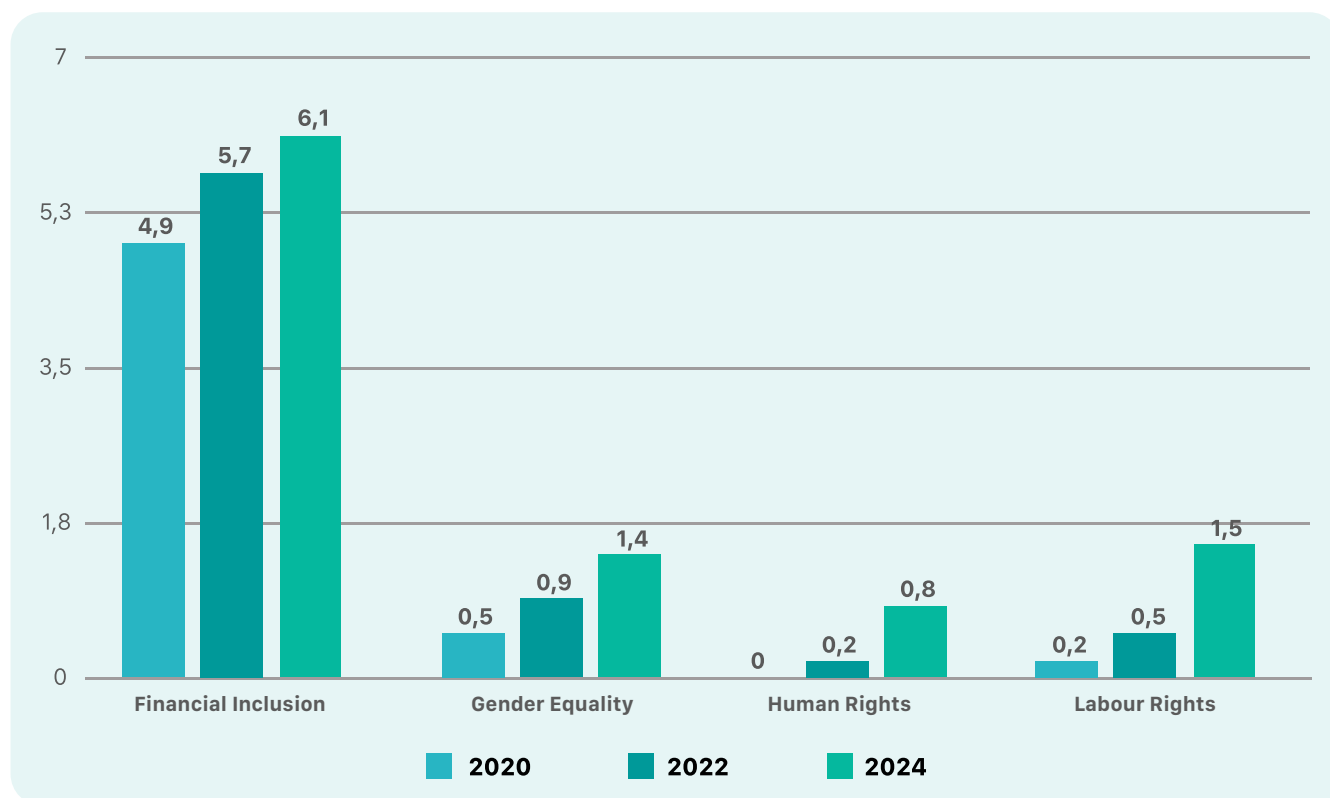


Figure 12 Commitments on each theme of the Social (S) pillar of Vietnamese commercial banks)
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

Compared to several ASEAN countries, Vietnam's overall policy commitments on the Social pillar remain relatively lower across most areas.

*Details on themes including Financial Inclusion, Gender Equality, Labour Rights, and Human Rights are presented in the following sections.

Country	Financial Inclusion	Gender Equality	Human Rights	Labour Rights
Vietnam (2024)	6,1	1,4	0,8	1,5
Thailand (2024)	6,8	1,8	2,3	2,4
Indonesia (2024)	5,6	1,5	1,8	1,8
Philippines (2023)	7,0	1,3	1,3	2,0

Table 3 Commitments on the Social (S) pillar of countries in the ASEAN region

(Source: Compiled from Fair Finance Reports of Indonesia, Philippines, and Thailand)



Photo by Nguyen Duc Hieu/Oxfam

3.2.2.1 Financial Inclusion

Financial Inclusion is the only criterion under which all Vietnamese commercial banks in the research sample have made numerous policy commitments aligned with international initiatives and standards, with continuous improvement.

The Financial Inclusion theme focuses on banks' policy commitments to ensuring access to financial products and services for all customer segments, particularly the

poor, vulnerable groups, and MSMEs. In 2024, the average score for the Financial Inclusion theme reached 6.1/10, marking a 4.6% increase compared to 2022. Notably, some banks demonstrated significant improvement in disclosing their financial inclusion policies, including HDBank and Vietcombank. HDBank's Financial Inclusion score increased by 87%, and Vietcombank's by 32%, compared to 2022.

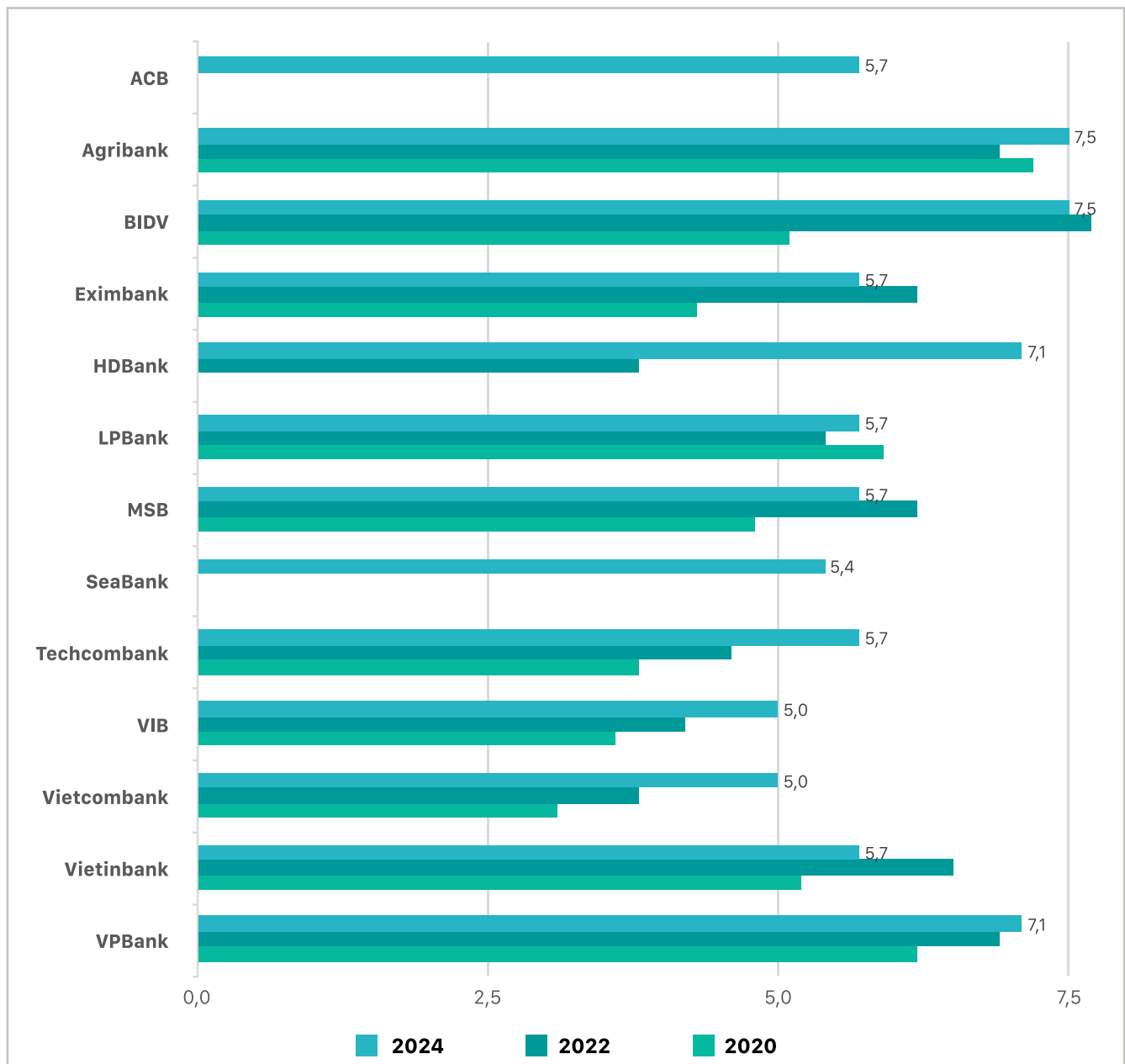


Figure 13 Commitments on Financial Inclusion of Vietnamese commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)



Photo by Nguyen Duc Hieu/Oxfam

To achieve the national strategic goal on Financial Inclusion, the SBV has issued the Banking Industry's Action Plan to implement the national strategy. This serves as a guiding principle for Vietnamese commercial banks in disclosing and implementing their own financial inclusion policies. The products and policies introduced by banks aim to increase access to financial products and services for all citizens, particularly vulnerable groups.

Specifically, all commercial banks in the research sample have developed policies, services, and products targeting poor and vulnerable groups, such as MSMEs, farmers, and low-income individuals. These include expanding branches to rural and remote areas, offering digital banking services, and opening bank accounts without a fee. Several banks have made particular efforts to develop products and services that enhance financial access for disadvantaged groups such as MSMEs, women-owned businesses, and

low-income individuals. Notably, 5 out of 13 banks reported that loans to MSMEs account for over 10% of their lending portfolios, including BIDV, Agribank, ACB, HDBank, and Eximbank. Some banks (5/13 banks) do not require collateral from MSME clients for loans, namely BIDV, Agribank, Techcombank, VPBank, and Eximbank. Significantly, some banks also have policies to enhance financial literacy for low-income individuals, vulnerable groups, and MSMEs, including BIDV, Agribank, HDBank, and VPBank.

However, as in previous assessments, banks have not placed sufficient emphasis on publicly disclosing policies on customer rights and product and service risks (including risks of overdue debt) for low-educated customers and MSMEs. Information such as no minimum balance requirements for bank accounts, credit processing time standards, and associated risk disclosures remains limited or inaccessible on publicly available channels.



In 2020, no banks publicly offered housing finance products specifically for low-income individuals. By 2022, Vietinbank and VPBank had publicly disclosed such policies. This number further increased to four banks in 2024, now including Vietinbank, Agribank, VPBank, and SeABank. Specifically:

Agribank: Agribank allocated VND 11 billion to support the “Elimination of Temporary and Dilapidated Houses” programme in Kien Giang Province. “Agribank continues to be the leading bank in disbursing loans under the credit programme for social housing, worker housing, and the renovation of old apartment buildings, contributing to the implementation of the national project ‘Investing in the construction of 1 million social housing units for low-income earners and industrial park workers during the 2021-2030 period.’ To date, Agribank has approved 11 social housing projects and 39 home buyers, with a total approved amount of VND 3,023 billion and an outstanding balance of VND 589 billion”.

SeABank (2024), Annual Report 2023, p.115: “The operation plan of the Risk Management Committee for the last 06 months of 2023”... considers prioritising credit granting to the SME segment according to the Green Taxonomy, providing lending services to meet people’s housing needs and social housing projects.” Annual Report, p.14: The International Financial Corporation (IFC) continues to invest USD 100 million in SeABank to boost access to home loans for the middle- and low-income segment”.

6 out of 13 banks have publicly disclosed products and services to enhance banking and financial access for women and women-owned businesses, including BIDV, Agribank, VPBank, HDBank, SeABank, and MSB. Specifically:

BIDV (2024), 2023 Sustainability Report, p.62: “Deploying the women-owned SMEs (WSME) support programme under the Project Agreement to mitigate the impact of the COVID-19 pandemic for WSMEs, signed between BIDV and ADB, SBV. The programme supports WSME loan interest for structured loans at BIDV or supports commitment fee withdrawal for new loans at BIDV with a maximum amount of USD 10,000/customer. Customers are entitled to participate in free training courses and business advisory sessions provided by ADB consultants. BIDV has supported nearly 170 WSMEs with a total amount of assistance exceeding USD 1.5 million. The bank also carries out various initiatives to enhance financial and business capacity, thereby improving financial access for SMEs and WSMEs”.



Agribank (2024), 2023 Annual Report, p.69: "By December 31, 2023, Agribank, in coordination with the Farmers' Union and the Vietnam Women's Union, has been managing and implementing loan disbursement through loan groups, including 63,160 loan groups and 1,212,139 customers. Outstanding loans reached VND 206,343 billion, accounting for 18.3% of bank-wide retail outstanding loans; NPL ratio stood at 0.5%".

MSB (2024), 2023 Sustainability Report, p.13: "For customers and partners: Develop and promote products and services with social criteria; enhance finance inclusion activities (supporting women-owned businesses, micro-enterprises/customers, and prioritising partnerships in the fields of healthcare and education, etc.)".

MSB (2024), 2023 Sustainability Report, p.13: "As of end 2023, HDBank's green finance portfolio exceeded VND 12 trillion and total 2023 disbursements to women-owned businesses exceeded VND 3.4 trillion... In recent years, HDBank has expanded cooperation with many international organisations, such as IFC, DEG, and Proparco, to disburse hundreds of millions of USD for renewable energy programmes, high-tech agriculture, small and medium-sized enterprises (SMEs), and women-owned businesses in Vietnam".

HDBank (2024), 2023 Sustainability Report, p.5: "As of end 2023, HDBank's green finance portfolio exceeded VND 12 trillion and total 2023 disbursements to women-owned businesses exceeded VND 3.4 trillion... In recent years, HDBank has expanded cooperation with many international organisations, such as IFC, DEG, and Proparco, to disburse hundreds of millions of USD for renewable energy programmes, high-tech agriculture, small and medium-sized enterprises (SMEs), and women-owned businesses in Vietnam".

SeABank (2024), Annual Report 2023, p.171: "Accompany women-owned businesses with a series of products and services of preferential credit: By the end of 2023, the number of women-owned corporate customers in SeABank achieved a 148% YOY increase." P. 172: "Since 2016, SeABank has implemented a loan product for members of the Women's Union - SeAWomen with a maximum loan limit of VND 100 million and a maximum loan term of 48 months. The highlight of this product is free early repayment and streamlined procedure/loan application for customers".

Box 4 Examples of commitments to Financial Inclusion of Vietnamese commercial banks

3.2.2.2 Gender Equality

All banks in the research sample have publicly disclosed their policy commitments on Gender Equality, albeit to varying extents. Notably, gender equality policies have seen significant improvement in three banks: BIDV, Agribank, and LPBank.

Gender Equality is a theme that has been clearly articulated in Vietnam's national legal framework, including the 2013 Constitution, the Law on Gender Equality, and the Labour Code. Most recently, a general goal set out in the Government's Resolution No. 28/NQ-CP on the National Strategy for Gender Equality in the 2021-2030 period is to "continue to narrow the gender gap, create conditions and opportunities for women and men to participate and enjoy equally in all areas of life and society, contributing to the country's sustainable development."¹⁹ This robust national strategy is a crucial factor, encouraging Vietnamese commercial banks to increasingly publicise their Gender Equality policy commitments. In 2024, Vietnamese commercial banks achieved a policy commitment score of 1.4/10 for Gender Equality. This represents a 50% increase compared to 2022 and a 170% increase from 2020. Most commercial

banks (11 out of 13 banks) have publicly disclosed a zero-tolerance policy against all forms of gender-based discrimination in employment and occupations (compared to 5 out of 11 banks in 2022). Additionally, 9 out of 13 banks are committed to proactive fair pay, up from 5 out of 11 in 2022. Similar to previous years, banks' Gender Equality policy commitments primarily focus on internal operations, strategic planning, and transparency. The proportion of women participating in and having equal access to at least two key management departments—such as the Board of Management, the Board of Directors, and/or the Supervisory Board—remains at 30% to 40%, with little change. However, an increasing number of banks have begun to publicly articulate zero-tolerance policies that specify forms of gender-based discrimination in the workplace, including verbal, physical, and sexual harassment. In 2022, only one bank publicly disclosed such a policy. By 2024, this number increased to five. Furthermore, while no banks publicly committed to preventing and mitigating gender-based discrimination against clients in 2022, three banks disclosed such policies through accessible channels by 2024, including HDBank, MSB, and VPBank. HDBank, MSB, VPBank.

¹⁹ Resolution No. 28/NQ-CP, dated March 21, 2021 promulgating the National Strategy for Gender Equality in the 2021-2030 period: <https://datafiles.chinhphu.vn/cpp/files/vbpq/2021/03/28.signed.pdf>

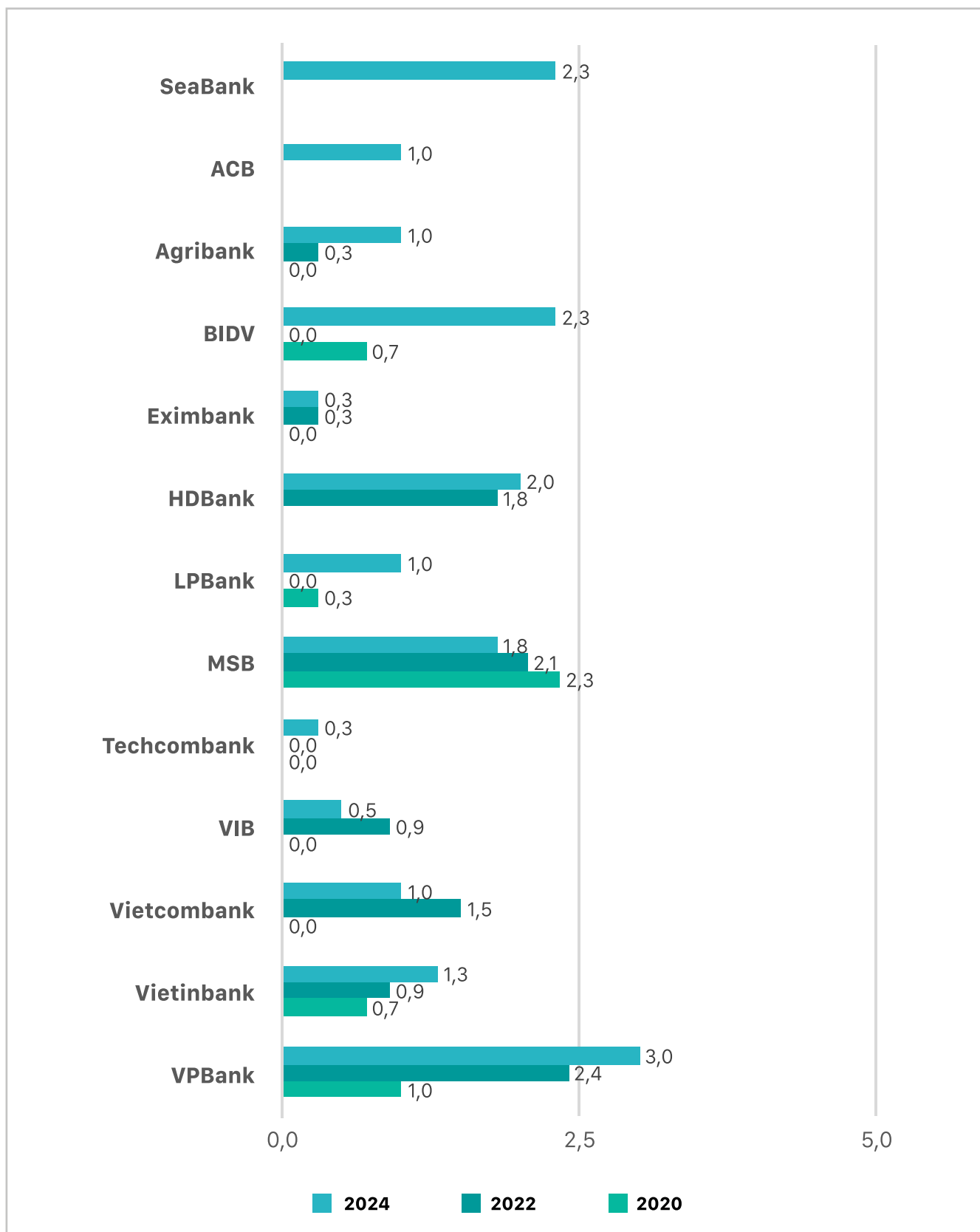


Figure 14 Policy commitments on Gender Equality of Vietnamese commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

However, gender equality policy commitments related to banks' requirements for funded and invested companies remain vague and have yet to be publicly disclosed through accessible channels. Only HDBank scored in this area, as it has introduced a Policy on Environmental and Social Risk Management, ensuring that all clients are assessed

against and committed to complying with "E&S requirements," which include IFC's E&S Performance Standards (including relevant Environmental, Health, and Safety Guidelines). In addition, although many banks have prioritised lending to women-owned businesses, they have not disclosed the proportion of such loans in relation to the total amount financed for MSMEs.



In the previous assessment, only five banks—HDBank, MSB, VIB, Vietcombank, and VPBank—had publicly committed to a zero-tolerance policy against all forms of gender-based discrimination in employment and occupations. By 2024, more banks, including BIDV, Vietinbank, Agribank, ACB, SeABank, and LPBank, also publicly disclose this policy:

BIDV (2024), BCPTBV 2023, tr16: BIDV (2024), 2023 Sustainability Report, p.16: regimes, policies, and activities of the bank. Page 74: BIDV commits no gender discrimination in any bank policies, activities, or compensation schemes. Female staff at BIDV are always treated equally and fairly as male staff".

Vietinbank (2024), 2023 Annual Report, p. 276: "In 2023, thanks to the due attention of the Management, regarding gender equality at VietinBank, VietinBank's Committee for the Advancement of Women has carried out activities related to the national strategy on gender equality and for the advancement of women. Although the bank does not explicitly state a zero-tolerance policy against all forms of gender-based discrimination in employment and occupations, it does refer to a gender equality policy".

ACB (2024), BCPTBV 2023, tr72: ACB (2024), Sustainability Report 2023, p. 72: ACB creates development opportunities for all employees equally and without discrimination by gender, religion, etc. Policies on gender equality and opportunities at ACB are specifically stipulated in the Labour regulations and the Collective Labour Agreements and are applied in ACB's activities, such as recruitment, training, job placement, career development, labour relations management, as well as salary and benefits".

LPBank (2024), Sustainability Report 2023, p.23, the bank stated, "At LPBank, we value building a working culture that encourages creativity and comprehensive personal development. We believe that every employee has the potential and capability to become the best version of themselves, continuously enhancing their expertise through ongoing learning and training. We are committed to helping our employees fully embrace our corporate culture:

- Promote teamwork and collaboration to achieve shared results.
- Challenge the status quo with a willingness to experiment and embrace risks.
- Create a joyful and friendly working environment where we feel like family."

In addition, on page 65 of the 2023 Sustainability Report, the bank stated that "LPBank also values recruiting staff from diverse groups regarding age, gender, ethnicity, and different cultural backgrounds. This contributes to realising our vision of becoming

a reputable and sustainably growing business in the region." 2023 Sustainability Report, p.69, "LPBank is consistently committed to building a workplace that offers equal opportunities for all individuals, regardless of gender. In 2023, female employees accounted for 57% of new hires, an increase of approximately 2% compared to 2022".

SeABank, Code of Professional Ethics, p.22: All forms of harassment, discrimination, racism, ethnic stigma, and gender stigma are strictly prohibited, ensuring the establishment of an equal, respectful, and healthy working environment.

Additionally, a few banks, such as BIDV and HDBank, offer training programmes to address workplace discrimination and gender bias.

BIDV (2024), 2023 Sustainability Report, p.71. "The training courses at BIDV are designed to enhance comprehensive capabilities for learners in both (i) professional knowledge and skills, as well as (ii) soft skills in operational processes and customer communication, and (iii) leadership skills. Page 75: Employees at BIDV enjoy various policy regimes, benefits, salary and bonus mechanisms, career advancement and personal development opportunities, and are respected for human rights and have the chance to participate in human rights training. BIDV has closely adhered to the programme and guidance of the Vietnam Banking Union and has also issued and disseminated documents to promote awareness and knowledge among employees regarding human rights, such as gender equality, forced labour, child labour, and discrimination".

HDBank (2023), Policy on Environmental and Social Risk Management in Credit Extension, Article 7, p. 15: "E&S training" addresses topics related to stakeholders' expanding E&S interests and concerns, including regulators, shareholders, investors/lenders, and interest groups. However, the training content does not specifically address gender-based discrimination. 2023 Sustainability Report, p.144: "In addition to assessing the bank's gender equality commitment based on the number and proportion of female managers, HDBank consistently maintains diversity in terms of age, qualifications, nationality, competencies, and experience of our employees to foster an inclusive and equitable working environment. Furthermore, HDBank promotes diversity and inclusion through various programmes and policies, including comprehensive training and development initiatives aimed at enhancing employees' skills and raising awareness about diversity and equality across the organisation. Sustainability Report, p. 149: "HDBank will continue to strengthen communication and dissemination of legal provisions and internal regulations, provide training on anti-discrimination and equal treatment in the workplace, and respect the human rights of our employees and stakeholders".

3.2.2.3 Human Rights

Policy commitments on Human Rights of Vietnamese commercial banks have improved significantly in 2024 compared to previous years. While there were only three (03) banks publicly disclosed such commitments in 2022, this number increased to nine (09) in 2024.

These banks have committed to respecting human rights and upholding a zero-tolerance policy towards all forms of discrimination in employment and occupations, including on

the basis of gender, race, ethnicity, sexual orientation, and physical ability. Notable improvements in human rights policy disclosure were observed in BIDV, HDBank, VPBank and SeABank. Among them, SeABank stands out as the only bank to make explicit reference to UNGPs.

While the overall human rights commitment score in 2024 remains relatively modest, it reflects positive improvements (0.8/10 in 2024, a 315% increase compared to 2022).

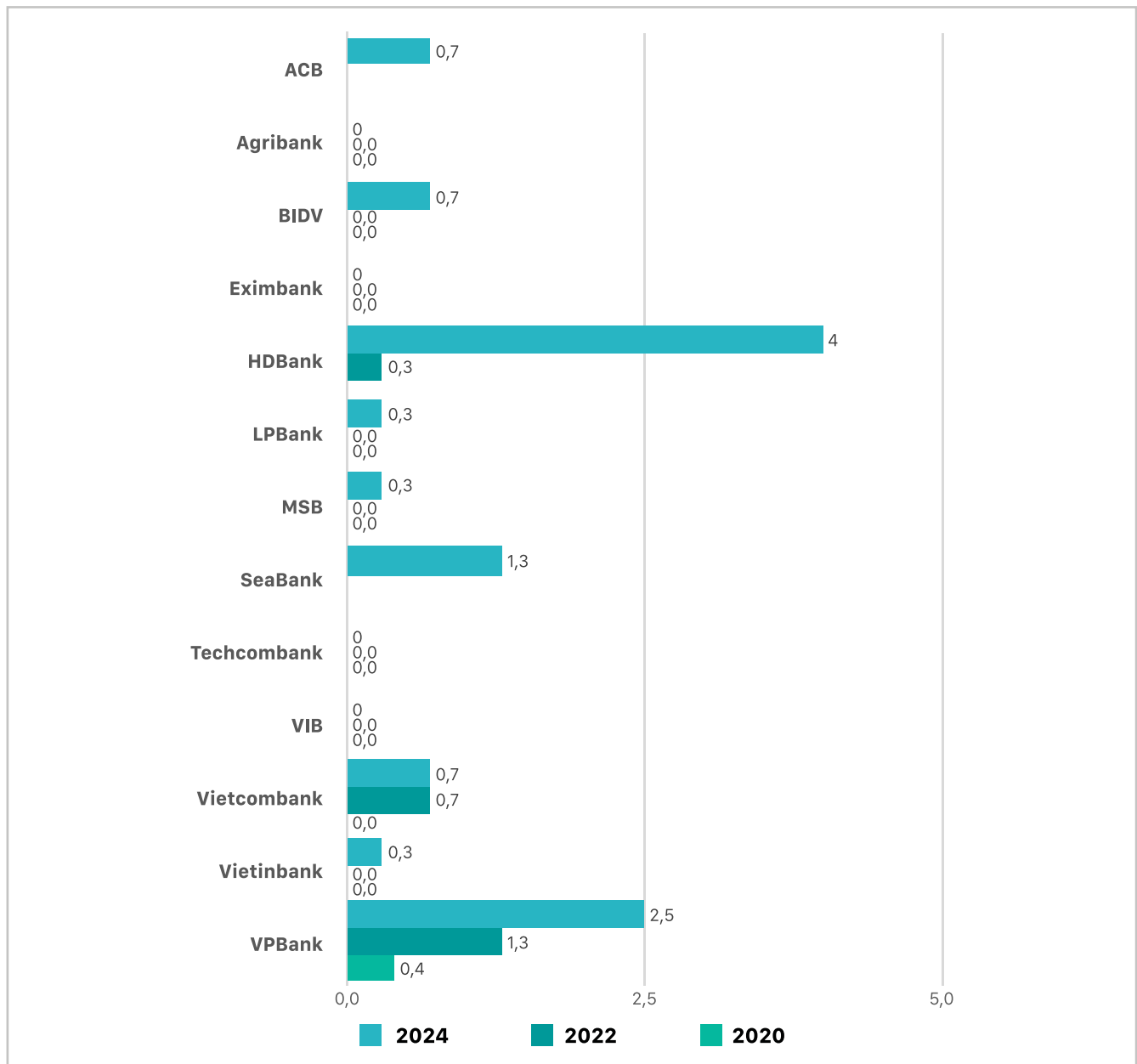


Figure 15 Commitments on Human Rights of Vietnamese Commercial Banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

Similar to 2022, commercial banks' Human Rights policies in 2024 primarily address internal banking operations. Their policies on this theme for corporate clients receiving investment or credit remain largely absent. In 2024, a few banks, particularly HDBank and VPBank, publicly disclosed their policies under this theme. The goal of such policies is to encourage businesses to have commitment policies on their obligations to respect human rights (HDBank); prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local communities and obtaining free, prior, and informed consent (FPIC) when it concerns

indigenous peoples (HDBank, VPBank); and prevent conflict over land rights and acquire natural resources only with free, prior, and informed consent (FPIC) of people or groups with customary tenure rights. However, Vietnamese commercial banks' public policy commitments still lack other requirements and incentives for businesses to publish their Human Rights policy commitments, such as respecting children's rights; respecting the rights of persons with disabilities; integrating human rights criteria into their operational procedures and policies; and including clauses on compliance with human rights criteria in their contracts with subcontractors and suppliers.

BIDV (2024), 2023 Sustainability Report, p75: "At BIDV, the labour policies are fully implemented to ensure compliance with Vietnamese laws, including the Regulations on Human Rights under the 2013 Constitution, the Labour Code, Business Conduct, and other relevant laws. BIDV is consistently evaluated as complying with the provisions of the Labour Code and is recognised as an organisation with a good working environment, employees at BIDV enjoy various policy regimes, benefits, salary and bonus mechanisms, career advancement and personal development opportunities, and are respected for human rights and have the chance to participate in human rights training." Sustainability Report, p16: "At BIDV, there is no gender discrimination in all regimes, policies, and activities of the bank." Sustainability Report, p.75: "The talent appreciation regime of BIDV is equitable, without discrimination based on gender, age, religion, ethnicity, race, cultural background, and different languages. In the working environment of BIDV, there is no differential treatment, no forced labour, no use of child labour, and no occurrence of other violations of human rights as well as the Labour Code".

HDBank (2024), 2023 Sustainability Report, p.143: A fair, equitable and diverse workplace—"HDBank has issued a Policy on Anti-Discrimination and Grievance Mechanism to safeguard employees' rights, including fairness and equality in recruitment practices; equality in employment relations; equal pay; gender equality; staff association; the rights of people with disabilities; non-discrimination against people living with HIV; grievance and whistleblowing mechanisms (hotline and anonymous channels)".

HDBank (2023), 2023 Policy on Environmental and Social Risk Management in Credit Extension, Section 9, Appendix 1: the bank is committed to “ensuring that all clients are assessed against and committed to complying with...IFC E&S Performance Standards (including relevant Environmental, Health, and Safety Guidelines)”.

SeABank (2024), 2023 Annual Report, p.155 “SeABank is committed to respecting human rights in all activities of the bank. We believe that everyone should be treated equally with respect. SeABank strives to ensure that our operations and business practices are in line with the United Nations’ guidelines on business rights and human rights.” 2023 Annual Report, p.178: “build a safe, friendly, healthy and equal working environment, e.g. prohibiting acts of violence, sexual harassment, other forms of harassment, racism, ethnic discrimination, gender discrimination; economical use of the Bank’s electricity, water, equipment and materials, actively protecting the green, clean, beautiful working environment...”.

Code of Professional Ethics, p.20: “do not discriminate against customers based on race, color, religion, national origin, age, sex, sexual orientation, gender identity, disability, marital status, or family status...”.

ACB (2024), 2023 Sustainability Report, p.29: the Bank “respects human rights and adheres to social ethical norms.” Sustainability Report, p72: “ACB creates development opportunities for all employees equally and without discrimination by gender, religion, etc. Policies on gender equality and opportunities at ACB are specifically stipulated in the Labour regulations and the Collective Labour Agreements and are applied in ACB’s activities, such as recruitment, training, job placement, career development, labour relations management, as well as salary and benefits”.

VPBank (2024), 2023 Annual Report, p.184: “VPBank is not only committed to complying with laws and international standards applicable to business activities of credit institutions but also promotes upholding and protecting fundamental human rights in accordance with international practices and current legal regulations of Vietnam. At VPBank, fundamental human rights are protected via the implementation of policies and regulations for employees, the provision of products and services to customers, and the use of products and services provided by partners. Training on human rights is included in the mandatory training programme to raise awareness in this area across the bank. The results show that 100% of VPBank employees (including security staff) have fully participated in these training”.

Box 6 Examples of commitments to Human Rights of Vietnamese commercial banks

3.2.2.4 Labour Rights

Public policy commitments on labour rights saw significant improvement in 2024. While only 5 out of 11 banks publicly disclosed their Labour Rights policies in 2022, by 2024, all banks in the research sample published policies on this theme at varying levels.

The average policy commitment score for Labour Rights reached 1.5 out of 10 in 2024, a sharp improvement compared to previous years, representing a 196% increase compared to 2022 and a 640% increase compared to 2020. However, Labour Rights policies remain mainly focused on banks' internal operations, such as respecting the ILO Declaration on Fundamental Principles and Rights at Work (disclosed by 10/13 banks). These policies primarily address core labour standards, such as 1. The elimination of all forms of forced or compulsory labour; 2. The effective abolition of child labour; and 3. The elimination of discrimination in respect of employment and occupation. The principle of freedom of association and the effective recognition of the right to collective bargaining are still insufficiently addressed in banks' policy commitments.

In addition, several banks have integrated the labour standards of the ILO Declaration on Fundamental Principles and Rights at Work into their procurement policies (5/13 banks). Most banks (10/13 banks) have

policies on maternity leave that are in line with Vietnam's Labour Code. However, only a few banks (BIDV, ACB, and VPBank) have adopted explicit commitments to maternity protection that align with the ILO Maternity Protection Convention.

Furthermore, banks have begun to establish mechanisms for receiving feedback, input, and complaints from employees. The role of trade unions is also included as part of these grievance and communication channels. While in 2022, only five banks (BIDV, HDBank, VIB, Vietcombank, and VPBank) published such policies, in 2024 this number increased with the addition of Agribank, ACB, MSB, and SeABank.

Notably, improvements in Labour Rights commitments in 2024 were observed across several banks, including BIDV, Agribank, HDBank, MSB, VPBank, VIB, Techcombank, and LPBank.

Bank policies for corporate clients receiving financing or credit remain largely absent from the Labour Rights theme. However, several banks have made strong commitments, such as "all forms of forced and compulsory labour are unacceptable" (4 out of 13 banks) or "child labour is unacceptable" (3 out of 13 banks). These commitments are reflected in their Environmental and Social Exclusion Lists for Credit Granting.

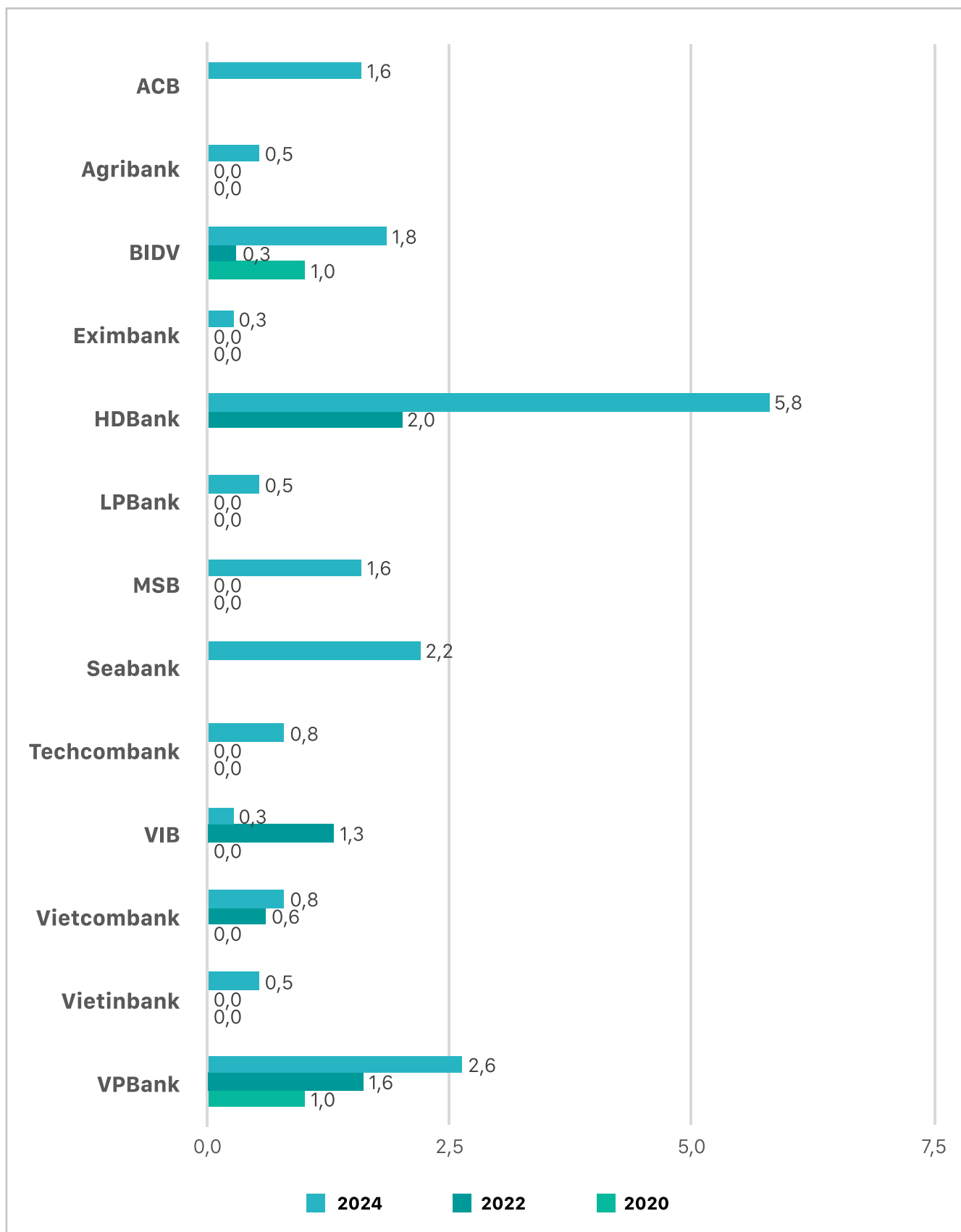


Figure 16 Commitments on Labour Rights of Vietnamese commercial banks
 (Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

BIDV (2024), 2023 Sustainability Report, p.69: "BIDV establishes a maternity leave regime based on compliance with the provisions of the Labour Code, applicable to all employees at BIDV, including (i) female employees during maternity leave and (ii) male employees with wives during maternity leave. During and after maternity leave, staff (i) still enjoy the prescribed benefits, (ii) are evaluated and classified on work performance periodically based on actual working time. After the end of maternity leave, female staff continue to be prioritised to reduce the number of working hours per day until the child is 1 year old. This demonstrates BIDV's comprehensive support and companionship for employees on maternity leave, enabling them to resume work after maternity leave, ensuring their position and job title remain unchanged, and helping staff feel secure in their work".

ACB (2024), 2023 Sustainability Report, p.68: "Maternity leave benefits are applied to all ACB employees, including men and women, in compliance with the Labour Code. Employees are also entitled to use ACB Care programmes, which provide comprehensive healthcare. In addition, during and after maternity leave, employees still enjoy welfare benefits according to the Bank's regulations and are still evaluated and ranked on their work performance annually based on actual working time".

VPBank (2024), 2023 Annual Report, p.189:

"• According to VPBank's policy, maternity leave is applied to all employees, including men and women, in compliance with the Labour Code. At the same time, employees also enjoy the VPBank Care health insurance programme with many benefits, specifically for female employees during pregnancy and maternity leave. In addition, during and after maternity leave, employees are still entitled to benefits according to bank regulations and are still evaluated and ranked by their work performance annually based on actual working time.

- 100% of staff are retained and return to work after maternity leave ends. VPBank always accompanies and supports employees on maternity leave and when returning to work, how to integrate and get back into the initial rhythm of work as well as ensure the same position".

Techcombank (2024), 2023 Annual Report, p.126: "Our exclusion list includes:
8. Production or activities involving harmful or exploitative forms of forced labour/child labour".

SeABank (2024), BCTN 2023, tr95: "For example, production projects or activities related to harmful or exploitative forms of forced labour or child labour,... or certain activities related to the coal and coal mining industry will be screened and excluded, not considered for credit/investment or not become outsourced partners of the Bank".

HDBank (2023), 2023 Policy on Environmental and Social Risk Management in Credit Extension, Appendix 3, Exclusion List: Section I.13 Forced labour or harmful child labour." According to Item 9, Appendix 1: "Ensures that all clients are assessed against and committed to complying with...IFC E&S Performance Standards (including relevant Environmental, Health, and Safety Guidelines)".

Box 7 Examples of commitments to Labour Rights of Vietnamese commercial banks

3.2.3 Governance policy commitments

The Governance (G) pillar is constituted by four (04) key themes: Financial Consumer Protection, Transparency and Accountability, Corruption, and Tax. In 2024, the average score for Governance policy commitments reached 2.5/10, marking an increase of 0.5 (or 20%) compared to 2022, and an increase of 0.9 (or 56.2%) compared to 2020. Overall, 2024 Governance policy commitments did not differ significantly from those in 2022. The most notable improvements were observed in the areas of Financial Consumer Protection and Transparency and Accountability. In 2024, the score for policy commitments on Financial Consumer Protection reached

3.4/10, a 26% increase compared to 2022; the score for Transparency and Accountability rose to 2.1/10, an 87% increase over 2022; the score for Corruption-related policy commitments remained stable at 2.4/10, similar to 2022 level; and the score for the Tax theme increased to 2.0/10, representing a 9% improvement compared to 2022.

Within the Governance (G) pillar at the ASEAN regional level, Vietnamese banks scored comparably to their regional counterparts in the Tax and Transparency & Accountability themes but scored lower in the Financial Consumer Protection and Corruption themes.

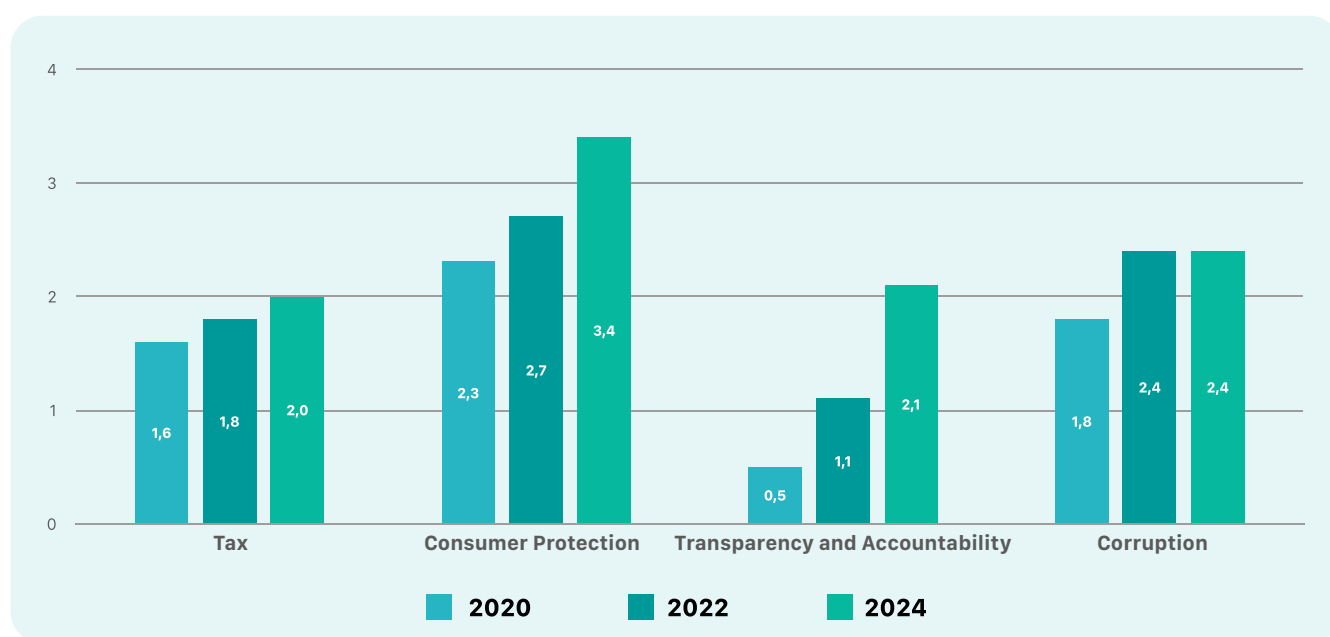


Figure 17 Commitments on Governance (G) of Vietnamese commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

Country	Financial Consumer Protection	Corruption	Transparency and Accountability	Tax
Vietnam (2024)	3,4	2,4	2,1	2,0
Thailand (2024)	6,8	5,0	2,2	2,1
Indonesia (2024)	5,2	4,4	2,3	1,1
Philippines (2023)	4,9	3,5	1,4	0,4

Table 4 Commitment on Governance (G) of ASEAN countries
(Source: Compiled from Fair Finance Reports of Indonesia, Philippines, and Thailand)

3.2.3.1 Financial Consumer Protection

Policy commitments on Financial Consumer Protection of Vietnamese commercial banks in the research sample have gradually improved in terms of scope and level of information disclosure.

Financial Consumer Protection is one of the goals set by the Government in the National Financial Inclusion Strategy²⁰ and has also been included in the Banking Industry's Action Plan in Decision No. 1309/QĐ-NHNN²¹. Therefore, the disclosure and implementation of the policy commitments on Financial Consumer Protection are not only individual goals of each bank, but also a collective objective of the entire banking system. In fact, when analysing the policy commitments on Financial Consumer Protection of Vietnamese commercial banks, it was revealed that they are increasingly disclosing policies on this theme. In 2024, the average score for Financial Consumer Protection policy commitments reached 3.4, marking a 28.1% increase compared to 2022. Most banks in the sample have disclosed policies such as those regulating staff ethics

in serving clients in a nondiscriminatory way; consumers' access to adequate complaints handling and redress; respecting clients' private data protection (not disclosing to other parties without clients' consent); personal information privacy with details on the types of data collected, how and why the data is collected and processed, data sharing, and the rights and obligations of data subjects; commitments to disclosing fee schedules on the bank's website; and no access restrictions for customers because of Information and Communication Technology (ICT)-based financial services via the banks' nationwide branch and transaction office networks. Several banks have explicitly stated principles of fair and non-discriminatory treatment of customers (BIDV, Vietinbank, Vietcombank, VPBank, HDBank, ACB, SeABank, MSB), often reflected in their culture handbooks or codes of conduct. Several banks have made these documents publicly available on their websites, namely VPBank (since 2013, updated in 2023), BIDV (2022), Vietinbank (2024), and SeABank (2023).

²⁰ Decision No. 149/QĐ-TTg on National Financial Inclusion Strategy: <https://chinhpphu.vn/?pageid=27160&docid=198928&tagid=6&type=1b>

²¹ Decision No. 1309/QĐ-NHNN on the Banking Industry's Action Plan for the National Financial Inclusion Strategy: <https://thuvienphapluat.vn/van-ban/Tien-te-Ngan-hang/Quyết-dinh-1309-QĐ-NHNN-2020-Ke-hoach-nganh-Ngan-hang-thuc-hien-Chien-luoc-tai-chinh-quoc-gia-449826.aspx>

All banks in the research sample have disclosed their customer grievance mechanisms, but most have not publicly reported grievance outcomes, such as the number of complaints received through grievance channels, the main issues, in which institutions/bodies for consumer defence of complaints, were registered, or public commitments to reduce consumer complaints. In the 2023 Annual Report, Agribank disclosed the number of customer support requests received via feedback channels. HDBank and ACB stated that 100% of customer feedback was addressed. Some banks (BIDV, Vietinbank, MSB, VPBank, HDBank, SeABank, ACB) have made commitments to communicating fairly and transparently about their products and services. However, they have yet to publicly disclose policies that disclose clients' rights and the risks of products and services, nor commitments to accessibility for people

with disabilities and other vulnerable groups. Agribank has mentioned its policies to support access for clients in remote and underserved areas. HDBank has disclosed its plan to develop supportive services and provide solutions for clients with disabilities; design appropriate procedures and policies for this group; and conduct accessibility reviews at its transaction offices. Regarding personal data protection, in accordance with Decree No. 13/2023/ND-CP²², most banks have made explicit commitments to safeguarding clients' personal data. Agribank and BIDV, in particular, have clearly stated the principle that client information will not be disclosed to any individual or organisation without prior notification and consent from the client, or unless otherwise required by law. In 2024, 12/13 banks had publicly disclosed their general terms and conditions on personal data protection on their official websites.



Photo by Nguyen Duc Hieu/Oxfam

²² Decree No. 13/2023/ND-CP on Personal Data Protection: <https://datafiles.chinhphu.vn/cpp/files/ybpg/2023/4/13nd.signed.pdf>

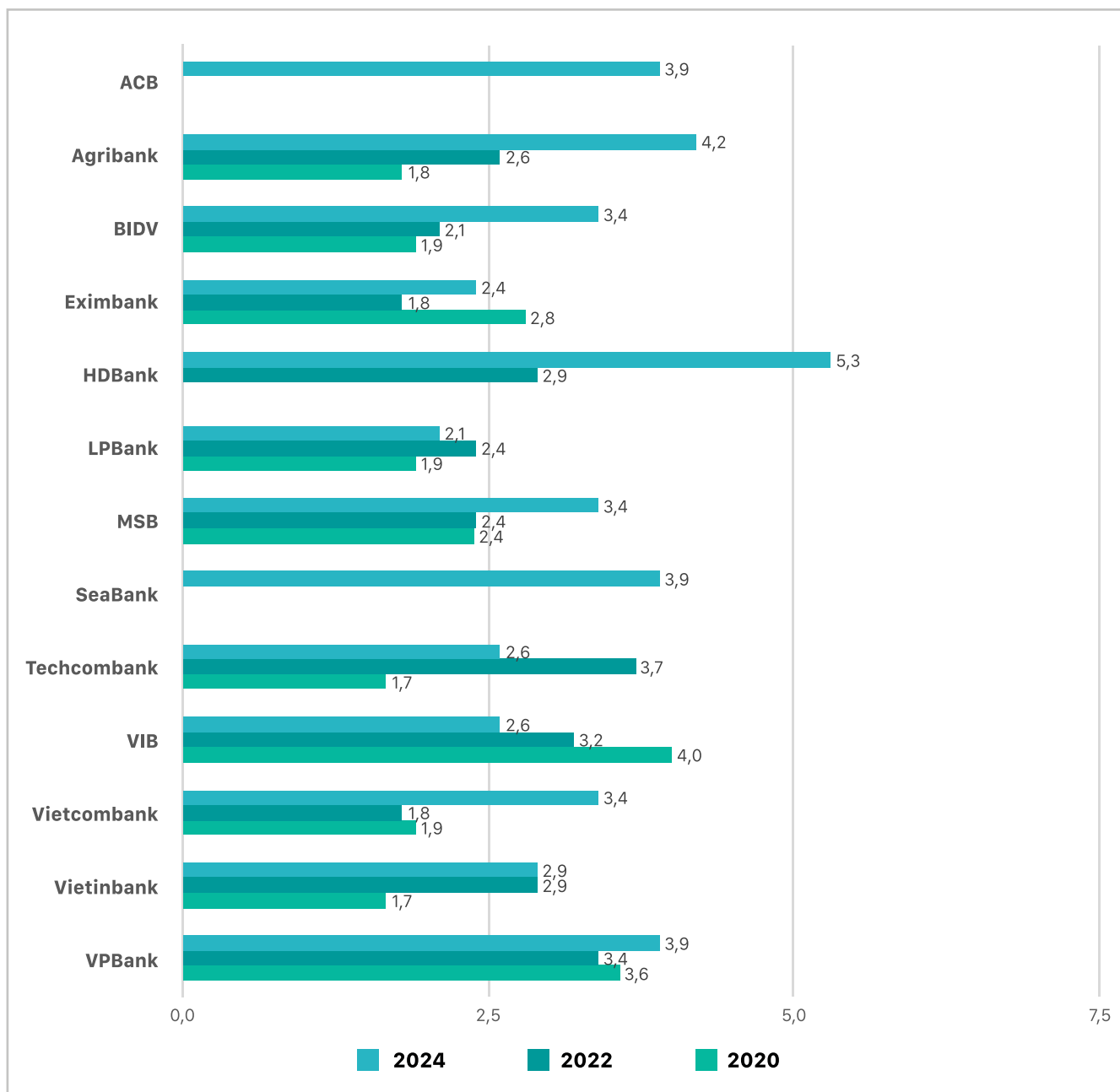


Figure 18 Commitments on Financial Consumer Protection of Vietnamese commercial banks

(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

Although strong commitments toward Financial Consumer Protection have been made, the following remains absent in public policy commitments: disclosure policies on customer rights and product and service risks; disclosure of risk profiles with regard to investment products; procedures and policies to avoid tie-in sales; Alternative Dispute Resolution (ADR) Mechanisms; policies/procedures on debts collection and

companies that represent the bank (third parties); remuneration structures for staff of both financial services providers and authorised agents to encourage responsible business conduct, fair treatment of consumers and to avoid conflicts of interest; and public commitments to reduce consumer complaints, fixing goals to achieve and making this information accessible to any stakeholder.

Vietinbank (2024), 2023 Annual Report, p.55: "Proactively managed credit risk on both portfolio and transaction levels, promptly identified potentially risky industries/sectors/customers to timely deploy measures to support customers in recovering their production and business activities such as debt restructuring, new disbursement, preferential interest rates, etc. Thanks to those, the asset quality of VietinBank is always well controlled, the NPL ratio is low, and the NPL coverage ratio is high compared to the industry's benchmark".

Agribank, Code of Ethics and Code of Conduct for bank staff, p.4, đề cập: "mentioned: "2. Conduct towards customers and partners a) Bank staff are required to demonstrate a professional and friendly manner in transactions, maintain a prompt, attentive, welcoming, and dedicated attitude to leave a positive impression and build trust with customers and partners. b) Bank staff must dress neatly and appropriately, uphold a serious and respectful demeanor at work, treat customers and partners with fairness and respect, and handle tasks based on principles of rationality and empathy. Staff must avoid favouritism or any actions that inconvenience or harass customers and partners, and refrain from behaviours that may lead to conflicts of interest or negatively impact relationships with customers and partners".

VCB (2024), Annual Report, p.136: "Vietcombank always ensures transparency without any discrimination based on race, religion, or gender".

BIDV (2022), Culture Handbook, p.27: To customers: "Always be dedicated, friendly, hospitable and proper in interacting with customers; be committed, professional, and thorough to inform and provide the highest quality services to customers." Page 22, the Code of Ethics stipulates "sincerely support colleagues, customers and stakeholders; maintain respect, cooperation, mutual understanding, non-discrimination; preserve business ethics".

HDBank (2024), 2023 Sustainability Report, p. 169: "Financial inclusion for people with disabilities—In 2023, HDBank was selected by the Asian Development Bank (ADB) to participate in the ADB TSCFP Disability Inclusion Initiative project. This project aims to enhance the inclusion of people with disabilities across the Asia-Pacific, as part of the efforts to foster a sustainable and inclusive banking sector. Key future priorities include improving knowledge and awareness about inclusion and access for people with disabilities; developing supportive services and providing solutions for customers with disabilities; designing processes and policies suitable for people with disabilities; and reviewing accessibility for people with disabilities at transaction offices".

ACB (2024), 2023 Annual Report, p.79: ACB also focuses on activities to raise employees' awareness of the need to protect customer information through training activities and specific disciplinary regulations in case of violations. In 2022, 93.80% of ACB's staff were equipped with knowledge on information loss prevention and data security through basic cybersecurity training courses. **ACB (2024), 2023 Sustainability Report, p.29:** ACB's Code of Ethics: Respect customers and treat customers fairly.

MSB (2024), 2023 Sustainability Report, p.19: Equal treatment of customers.

3.2.3.2 Corruption

The policy commitments on the Corruption theme have demonstrated limited progress since 2022.

Anti-corruption measures in Vietnam are underpinned by national legislation, including the Law on Anti-Corruption²³, and the revised Law on Anti-Money Laundering²⁴. Under these national regulatory frameworks, all Vietnamese commercial banks have published policy commitments

on this theme and implemented them using their own approach. Banks have disclosed their policy commitments on the Corruption theme at varying levels of detail within their policy frameworks, which continue to be maintained and refined to ensure compliance with current regulations. As a result, the 2024 policy commitment score on the Corruption theme stands at 2.4 out of 10, representing only marginal improvement from previous assessments.



²³ 2018 Law on Anti-Corruption No. 36/2018/QH14: <https://vbpl.vn/TW/Pages/vbpq-toanvan.aspx?ItemID=137284&Keyword=Lu%E1%BA%ADt%20ph%C3%B2ng%20ch%E1%BB%91ng%20tham%20nh%C5%A9ng>

²⁴ Law on Anti-Money Laundering 2022 No. 14/2022/QH15: <https://vbpl.vn/TW/Pages/vbpq-toanvan.aspx?ItemID=157721&Keyword=Lu%E1%BA%ADt%20ph%C3%B2ng%20ch%E1%BB%91ng%20r%E1%BB%ADa%20ti%E1%BB%81n>

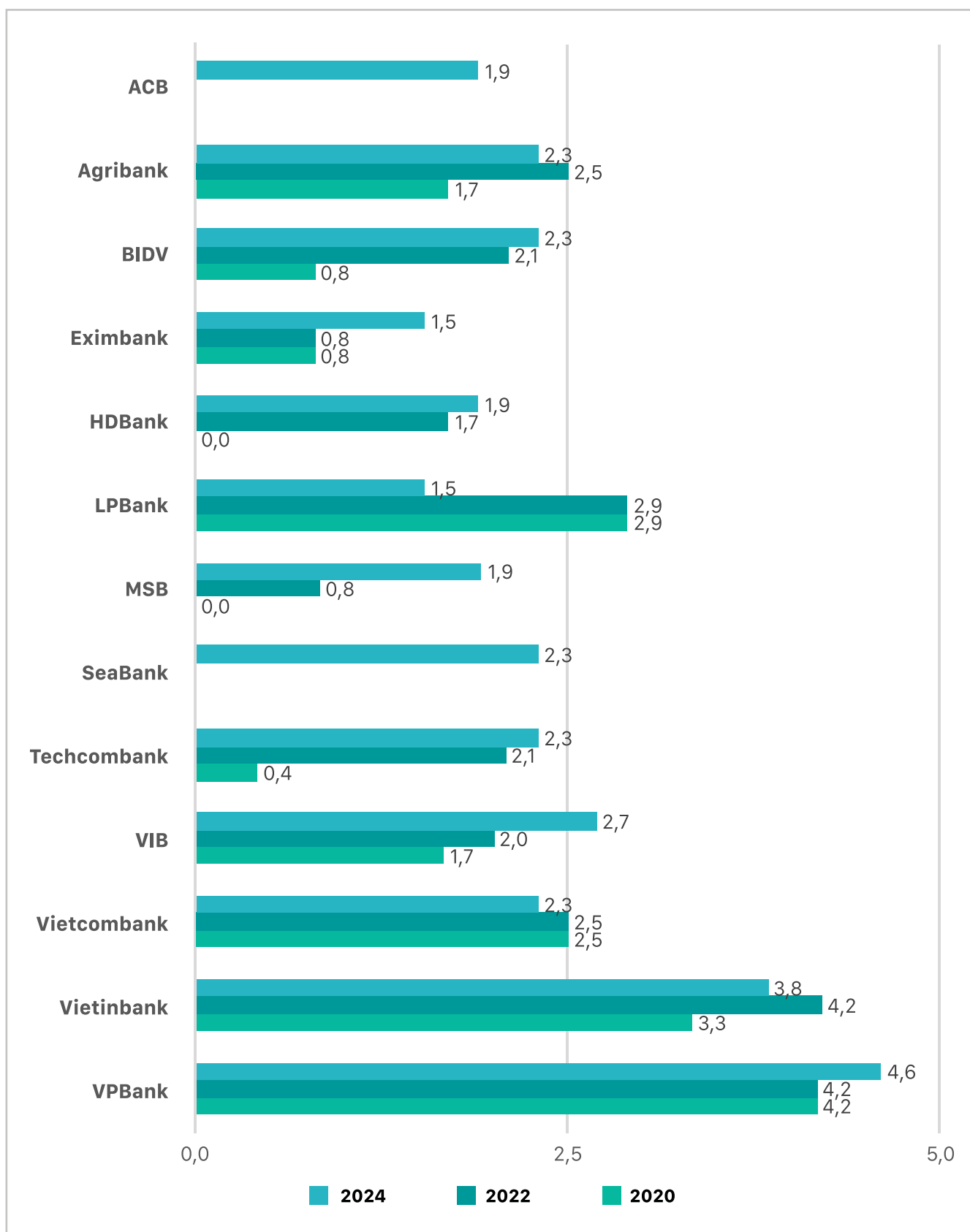


Figure 19 Commitments on Corruption of Vietnamese commercial banks
(Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

All banks in the research sample have established relatively clear anti-corruption policies (offering, promising, giving and requiring, either directly or indirectly, bribes and other undue advantages in order to acquire and to maintain assignments and other undue advantages, is unacceptable) and anti-money laundering policies. Whilst in 2022, many banks only addressed these issues in their terms and conditions, the 2024 review shows that banks now incorporate these matters in their sustainability reports (HDBank, ACB, Techcombank, MSB, LPBank, VIB) or publish them as standalone policy documents (Vietcombank, BIDV, Vietinbank, VPBank, SeABank). However, policy commitments on the Corruption theme remain predominantly focused on banks' internal operations: 9 out of 13 commercial banks have publicly disclosed their counter-terrorism financing policies; 3 out of 13 banks have mentioned taking enhanced security measures to maintain direct or indirect business relationships with politically exposed persons (PEPs); 4 out of 13 banks disclose information related to the verification of ultimate

beneficial owner(s) of a company. Although Know Your Customer (KYC) or electronic KYC (eKYC) procedures have been implemented in all banks, these primarily focus on customer verification when they use banks' services. 3 out of 13 banks have taken enhanced security measures to maintain direct or indirect business relationships with politically exposed persons (PEPs).

Beyond disclosure of policy commitments on the Corruption theme in annual and sustainability reports, several banks have developed standalone policies addressing anti-corruption, anti-bribery, anti-money laundering (AML), and counter-terrorism financing (CTF). These are publicly accessible on the websites of BIDV, Vietcombank, Vietinbank, VPBank, and SeABank. Particularly noteworthy are VPBank and SeABank, which have created dedicated compliance sections on their websites to systematically present these policies. These two banks have also extended their anti-corruption frameworks to include compliance requirements for customers/partners.



Photo by Nguyen Duc Hieu/Oxfam



Statement of BIDV on Anti-Money Laundering/Counter-Terrorism Financing Compliance

"BIDV implements a comprehensive Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) programme on the following areas: (i) establishing a compliance structure in accordance with the "three lines of defense model"; (ii) developing the AML/CTF regulation framework, supervising the implementation of AML/CTF policies and promptly updating them to ensure their compliance with all governmental legal requirements and international practices; (iii) investing in modern information systems supporting AML/CTF... BIDV has assigned the Head of Legal, Supervision and Compliance Group to be in charge of AML/CTF and has adopted a uniform compliance structure from the Head Office to branches. All transactions at BIDV must comply with both internal customer acceptance policies and sanctions policies without violation. In particular, BIDV does not establish relationships with a number of specific customers/transactions. BIDV has built up specific requirements on Know Your Customer (KYC); Enhanced Due Diligence (EDD); and detecting, reporting, and handling suspicious transactions. Furthermore, BIDV has also developed and implemented a risk-based assessment approach at a bank-wide level on different factors, including customers, products, delivery channels, countries/geographical areas, which are the basis to propose methods/actions to prevent money laundering/terrorism financing according to the risk level in an effective and timely manner".

Agribank, Bank Charter, Article 11: "Anti-money laundering and counter-terrorism financing responsibilities. Agribank has the following responsibilities: (i) Neither conceal nor engage in business activities involving funds of demonstrably illicit origin. (ii) Establish internal anti-money laundering and counter-terrorism financing policies and procedures. (iii) Implement anti-money laundering and counter-terrorism financing measures. (iv) Cooperate with competent authorities in money laundering and terrorist financing investigations".

VIB (2024), 2023 Annual Report, p. 30-36: "The bank has built a new AML system to meet integration requirements, enabling automated customer KYC processes, transaction control, and suspicious behaviour detection." Section 2.0, "Terms and Conditions for Opening and Using Individual Current Accounts: eKYC verification, account opening eligibility: "Not being a politically exposed person." However, this requirement currently appears only within payment terms and conditions rather than as a bank-wide operational policy.



VPBank, 2022 Regulations on Anti-Money Laundering, "Article 11: Customer as politically exposed person; p. 12. The Bank's policy framework addresses three areas: (1) Identification of foreign customers as politically exposed persons (PEPs); (2) List of foreign individuals as PEPs; and (3) Measures applicable to foreign individuals as PEPs".

Vietcombank, Statement on Anti-Money Laundering Compliance Policy: Vietcombank maintains a public declaration on its website affirming its commitment to anti-money laundering, counter-terrorism financing, and sanctions in accordance with Vietnamese law and international practices.

Techcombank, Point d, Clause 2.1, p.4, General Terms and Conditions for Customers being Organisations at Techcombank stipulates: Customers are obliged to fully declare information of the ultimate beneficial owners of transactions conducted via any Account opened at Techcombank, especially as required for compliance with regulations outside the territory of Vietnam such as FATCA; to update information immediately when there is a change and/or upon the request of Techcombank, and to check all transactions in order to ensure that all the beneficial owners are not involved in/related to money laundering, terrorism or terrorism financing activities in accordance with provisions of law and the regulations of Techcombank;"

ACB (2024), 2023 Sustainability Report, p.46: "ACB is clearly aware of the importance of preventing and combating corruption, money laundering, and financial crimes. ACB is committed to transparency in the financial system and ensuring compliance with the law and international practices. ACB leaders set examples and build a culture by raising awareness and knowledge for all employees through courses on the following topics: professional ethics, anti-corruption, anti-money laundering, anti-terrorist financing, and fighting the proliferation of weapons of mass destruction." Annual Report, p. 115, ACB's Code of Conduct encompasses seven (7) core principles, including provisions for information confidentiality and anti-corruption measures.

SeABank (2024), 2023 Annual Report, p.96: SeABank has established AML regulations, invested in an AML system, and organised AML training courses for all SeABank staff. Code of Professional Ethics, p. 12: "SeABank strictly prohibits any form of bribery, bribery facilitation or acceptance of bribes in relation to SeABank's colleagues, clients, partners, contractors, suppliers or any other organisations or individuals for personal gain or to influence decisions, gain advantages, avoid disadvantages, or secure business opportunities for individuals, related parties or associated partners".

3.2.3.3 Transparency and Accountability

Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance on providing guidelines on disclosure of information on the securities market, marks the first regulatory requirement for enterprises to report on their environmental and social (ESG) impacts as part of their annual reports. To date, 100% of banks in the research sample have incorporated sustainability reporting, either integrated within their annual reports or published as standalone reports. Several banks, such as BIDV, HDBank, ACB, LPBank, and MSB, have opted for standalone sustainability reports. Many of these reports, whether integrated or standalone, also reference fundamental GRI standards, as evidenced by Vietcombank, Agribank, BIDV, Vietinbank, VPBank, HDBank, SeABank, ACB, MSB, VIB, and LPBank. ACB is the only bank that has undertaken an audit of its sustainability report. At the same time, the majority of commercial banks (11 out of 13 banks) have developed environmental and social risk management frameworks. As a result, in

2024, Transparency and Accountability policy commitment scores showed a marked improvement, reaching 2.1 out of 10 - an increase of 91% compared to 2022.

While all banks disclose investment portfolios by size and sector in their financial statements, none provide comprehensive portfolio breakdowns combining sectoral and regional data. Regarding specific analytical criteria, only a few banks have disclosed policy commitments, for example, the disclosure of companies in which they hold equity stakes, shares, and long-term capital contributions. Only 4 out of 13 banks (VPBank, SeABank, Techcombank, and Vietcombank) reported the names of companies in which they have long-term capital investments in their financial statements. A small number of banks, including Vietcombank, SeABank, and HDBank, have established complaint mechanisms for individuals and communities that may be adversely affected by the finance-related activities of banks.

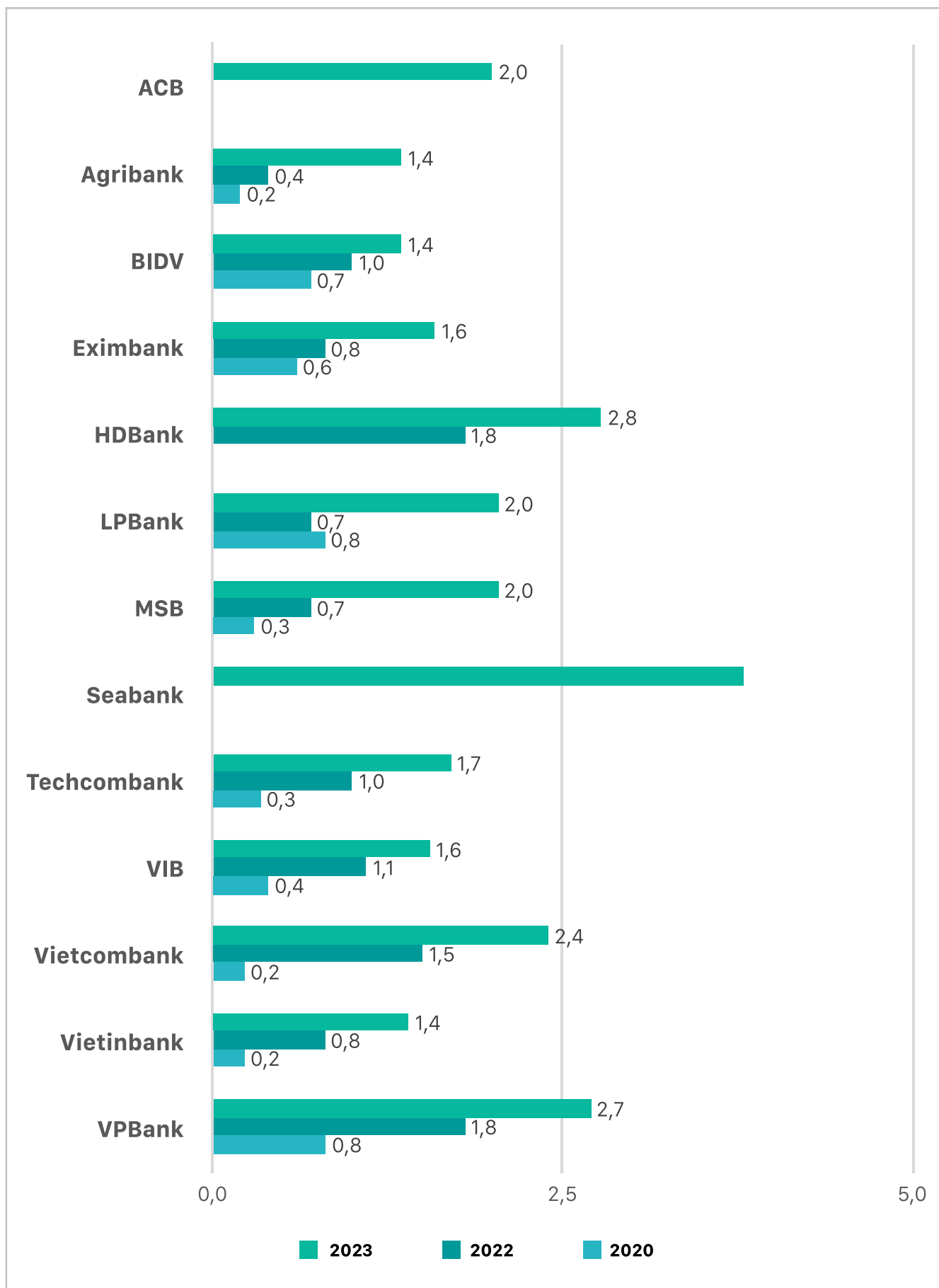


Figure 20 Commitments on Transparency and Accountability of Vietnamese commercial banks
 (Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

As in previous years, banks' public disclosures continue to exhibit significant gaps in the Transparency and Accountability theme, particularly in terms of disclosing the number of companies with which it has engaged on social and environment topics; results of engagement with financed companies on social and environmental topics, including the topics, goals and deadlines; names of companies that are excluded from investment/financing due to sustainability issues, including the

reasons for this exclusion; voting policies, which explains how to vote on shareholder resolutions related to ESG themes; voting records at companies where it is a shareholder; reports on the consultation with civil society organisations and other stakeholders; and commitments to respecting and cooperating in good faith with State-based non-judicial and judicial grievance mechanisms when cases that it is connected to are reported and reviewed by these agencies.

Vietinbank (2024), 2023 Annual Report, p. 226: "VietinBank aims to prioritise financing of projects/business plans that bring environmental and social benefits, strengthen internal governance system, effective control and decision-making processes on the principle of upholding laws while ensuring the rights and meeting the needs of shareholders..." p. 55: "Regularly reviewed, updated and deployed policies on social and environmental management in credit granting activities as guided by the Government and State Bank of Vietnam. Focused on and regularly improved the assessment of environmental and social impacts in credit underwriting and credit decision-making for investment projects. The implementation of environmental and social risk assessment was carried out simultaneously with the review, underwriting, and approval of credit extension".

BIDV (2024), 2023 Sustainability Report, p.14: "BIDV carries out environmental risk management assessment for 100% of investment projects with factors affecting the environment according to regulations of the State Bank of Vietnam. BIDV considers risk and environmental impact assessment to be an important factor in making lending decisions".

Agribank (2024), 2023 Annual Report, p.11: "Agribank publicised the bank's commitment to Environmental - Social - Governance (ESG); drafted the plan to apply ESG standards in the whole system for the period of 2024-2030; issued many guiding documents to promote green credit growth and manage environmental and social risks in credit granting; prioritised loans for projects and programmes to develop production and business in agricultural and rural areas, especially programmes and projects that create added values and focus on clean energy and high-tech agriculture; actively participated in environmental protection activities and projects sponsored by the World Bank and international financial organisations. 2023 Annual Report, p.63: "Agribank has issued regulations on environmental risk management in credit activities and integrated them into the appraisal process. Agribank focuses on assessing environmental risks for projects under consideration for credit, regularly monitors and manages environmental risks during and after disbursement to ensure that projects funded by Agribank have minimal negative impacts on the environment".

HDBank (2024), 2023 Sustainability Report, p.7: "In 2023, the Bank officially adopted the Regulation on Environmental - Social - Governance (ESG) Policy to communicate to our employees and stakeholders the standards that we strive for. Governance and supervision mechanisms were also established to help implement the commitments of the Bank's Board of Directors. HDBank has also officially issued an exclusion list for credit extension".

Eximbank (2024), 2023 Annual Report, p.106: "The management structure of Eximbank has been set up and increasingly fortified in light of international standards. Among which, a corporate governance framework targeting sustainable development, including the charter, rules, and regulations, should be in place to form a professional, thorough, transparent, and effective management system. Eximbank can therefore align with its highest management principle of protecting shareholders' interest, while harmonising the sustainable development goals and expressing its responsibility to society and the environment... One of the practical actions aiming at sustainable management that Eximbank took in 2023 was the completion and effective employment of the "Environmental and Social Management System at Eximbank" with the support of the Asia Development Bank (ADB). This is the policy to manage reputational risk and applies to trade finance operations of the Bank".

SeABank (2024), 2023 Annual Report, p.28: SeABank started implementing the Environmental and Social Management System (ESMS) from January 2022 and updated some key parts continuously. ESMS helps SeABank check borrowers and screen for risks to children and forced labour, track, monitor and report greenhouse gas (GHG) emissions of SeABank and its borrowers, apply IFC Performance Standards (PS) into the ESRM process to review risks for high-risk transactions, including various financial products such as syndication and equity financing. ESMS is applied to most transactions at SeABank, including individual customers, trade finance, guarantee, microfinance, SME customers, large corporate customers, climate finance, project finance, and equity financing." Page 168: SeABank has also established a mechanism to receive and resolve complaints related to SeABank's environmental and social policies and/or SeABank-funded production and business projects/plans via email: contact@SeABank.com.vn or hotline: 1900 555 587 and publicise this information on the website...



3.2.3.4 Tax

Policy commitments on Tax amongst Vietnamese commercial banks in 2024 remained largely unchanged compared to previous years.

Tax-related policy commitments of Vietnamese commercial banks predominantly address banks' internal operations. Banks fully disclose their total assets, revenues, profits, taxes paid to the state budget, and FTE (full-time employee) headcounts in Vietnam within their financial statements. In addition to banks that operate solely within Vietnam (such as Eximbank, LPBank, VIB, MSB, Techcombank, ACB, SeABank, VPBank, as well as HDBank—which maintains a single transaction office in Malaysia), banks with international presence (namely Vietinbank, BIDV, Agribank, and Vietcombank) have published reports on their overseas operations. However, these disclosures fall short of assessment criteria, lacking reporting of country-by-country data on total assets, revenues, profits, FTEs, and subsidies received from and payments to governments. The average score for Tax, despite showing some improvement

in 2024 at 2.0 out of 10, demonstrates no significant advancement from previous years, representing only a 9.4% increase from 2022.

In line with previous findings, bank disclosures confirm that none of the sampled Vietnamese commercial banks had subsidiaries, branches, or associates in jurisdictions with no or zero corporate tax or in jurisdictions with harmful corporate tax practices, unless they have substance and their profits are generated from local economic activities. However, the following information was still lacking and not announced by banks on accessible channels, including commitments to not giving customers advice on developing or transacting with transnational systems for the purpose of tax evasion; not providing financial services to companies in tax havens, unless the company has substance and its profits are generated from local economic activities; or publishing key information of any company-specific tax ruling they have obtained from tax authorities; or policies towards corporate clients on tax commitments.



Photo by Nguyen Duc Hieu/Oxfam

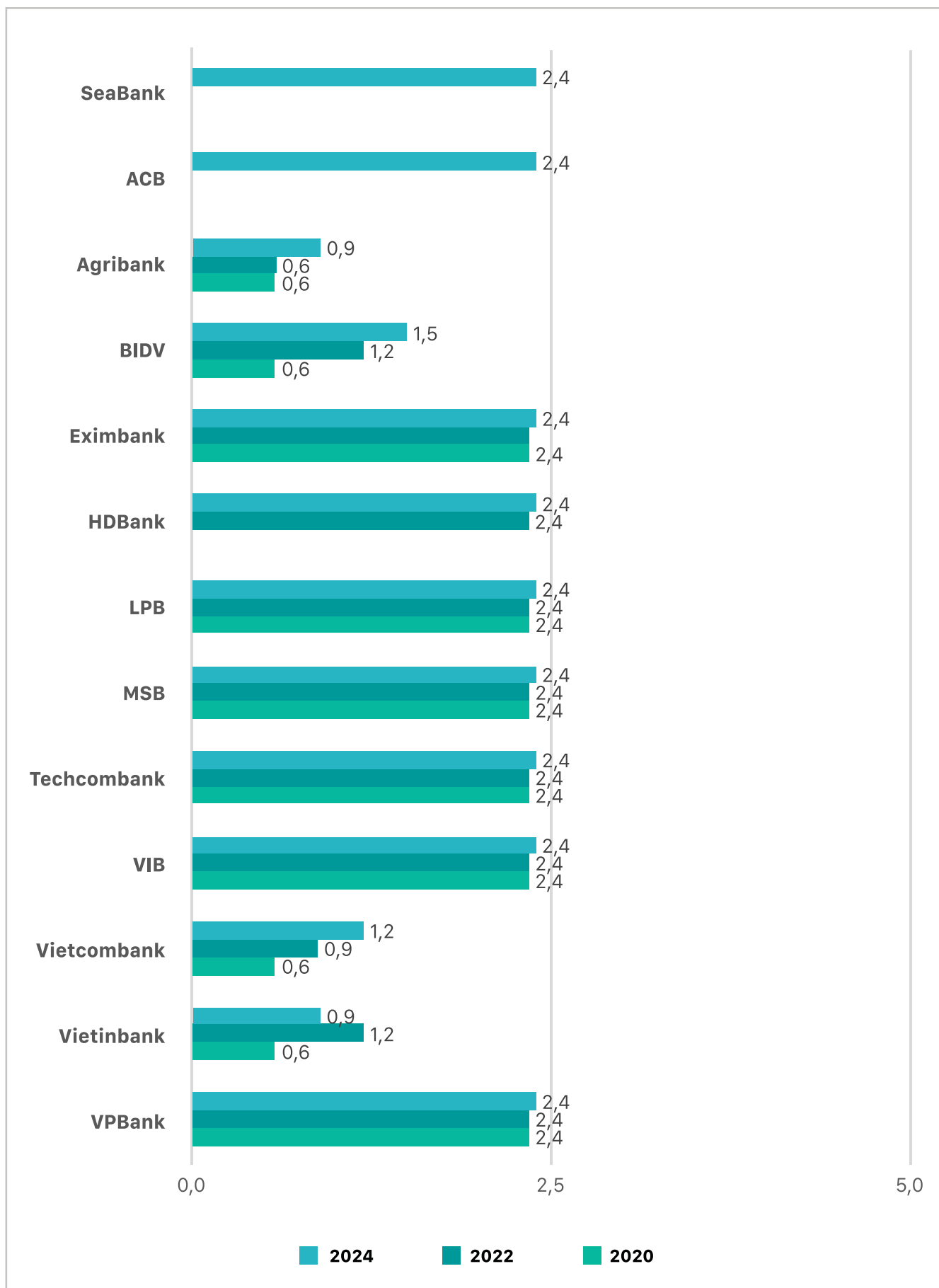


Figure 21 Commitments on Tax of Vietnamese commercial banks
 (Benchmark: Fair Finance Vietnam's FFGM-based assessments, 2020-2022)

4

CONCLUSIONS AND RECOMMENDATIONS





CONCLUSIONS

The analysis report on the ESG policies across 13 Vietnamese commercial banks in 2024 showed that ESG commitments of Vietnamese commercial banks have achieved notable progress:

- Banks have actively developed sustainability reporting frameworks and substantially enhanced their ESG-related disclosures
- Several banks have published their exclusion lists for credit granting to fossil fuel-related activities
- Most banks have updated their environmental and social risk policies
- More specific and detailed policy commitments on certain aspects of Gender Equality, Human Rights, Personal Data Protection, and Grievance Mechanisms for communities affected by bank-funded activities are now in place
- A number of banks (HDBank, VPBank, SeABank) have begun to introduce requirements for corporate clients receiving the bank's loans/credit

These findings are examined in detail in section 1.3 of this report. Overall, banks have demonstrated increased engagement with Environmental, Social, and Governance considerations through more transparent, systematic, and consistent ESG disclosure. Whilst the level of ESG policy commitments still varies considerably across banks, compared to previous assessments, most

have shown clear progress in strengthening their ESG-related policy frameworks.

The publication of standalone sustainability reports highlighting core ESG policies of several banks represents a significant milestone in the ESG policy commitment journey of Vietnamese commercial banks. The consistent and unwavering commitment by three banks to discontinue financing for coal-fired and oil-fired power projects signals a strategic shift in their business operations in alignment with Net Zero targets through responsible banking models. Although current ESG policies among Vietnamese commercial banks remain incomplete, particularly regarding ESG commitment requirements for borrowers and the alignment of Climate Change, Nature, Human Rights, and Labour Rights policies with international standards, the banks' emerging commitments to gender equality, community grievance mechanisms, and personal data protection demonstrate significant progress. These developments reflect a growing awareness among commercial banks of stakeholder expectations regarding ESG policy commitments and indicate a more proactive approach to ESG integration.

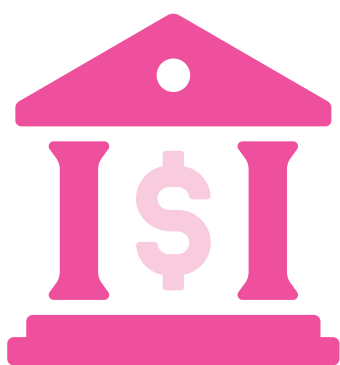
Given these achievements, we are confident that Vietnamese commercial banks will continue to advance their ESG policy commitments and implementation in the forthcoming period.





RECOMMENDATIONS

Based on the analysis of the 13 commercial banks, the “NEW PROGRESS TOWARDS SUSTAINABILITY - ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITMENTS IN THE BANKING SECTOR: Case studies of thirteen Vietnamese commercial banks in 2024” report continues to put forth recommendations to the State Bank of Vietnam and commercial banks to promote their ESG commitments in accordance with international standards while approaching the regional level.



For commercial banks

1. Commercial banks should keep reviewing the status of their ESG policies, including internal operating policies, investment/lending policies, and those applied to corporate customers who take out credit or receive investment from them, as well as the level of information disclosure and ESG

commitments corresponding to each theme for the development of plans for policy revision, updating and formulation in line with each bank’s strategic goals.

2. Commercial banks should make ESG information disclosures regarding themes that they have policies on and have been implementing in a consistent, transparent, and systematic manner on a regular basis and between reporting periods. In particular, banks should consider the following:

(i) Developing and publishing a standalone sustainability report along with an E&S exclusion list for credit and investment activities is a strategic way to standardise information regarding the bank’s ESG policy commitments and sustainable development objectives, enabling stakeholders to access such commitments in a more timely, comprehensive, and user-friendly manner.

(ii) Certain applicable policy content should be formalised as independent policies to enhance consistency, rather than being reiterated across Annual Reports or Sustainability Reports.

(iii) At the same time, establishing dedicated ESG-related sections on the bank’s website to systematically disclose relevant policies is essential to ensure stakeholder accessibility.

3. Banks can play a pivotal role in steering progress towards sustainable development goals. Therefore, policies requiring and/or encouraging clients to declare and implement ESG commitments should be developed and implemented beyond a primary focus on internal operating policies.

4. Commercial banks need to have a dedicated ESG department/personnel in

charge of studying and consulting on the development of an ESG policy roadmap in line with their strategy and ensuring compliance. Mechanisms to monitor and measure the realisation of ESG commitments and policies are also required. This department should also manage stakeholder feedback and complaints (where applicable) regarding ESG policies and implementation, ensuring the effectiveness of the policy commitments of commercial banks. In addition, to align banking ESG policies and practices with international standards, these dedicated functions must design specific and measurable future targets rather than making disclosures without quantifiable performance indicators.

5. To achieve financial inclusion, banks should prioritise designing banking products and services that are appropriate for vulnerable groups and communities with limited access to banking services, as well as mechanisms for consulting social organisations and communities on related issues and grievance mechanisms for communities impacted by banks' investment/financing activities.



For the State Bank of Vietnam and relevant line ministries and departments

Given the inclusion and complexity of ESG policies' contents, commercial banks can only implement and conform to them upon the completion of a legal framework and associated implementation guidelines, which

must ensure the alignment between the SBV and competent authorities. As such, 05 additional recommendations are proposed:

1. Develop and promulgate a common set of ESG standards for commercial banks in Vietnam in alignment with international standards and conventions.

2. Criteria for green classification (taxonomy) in the field of credit and investment should be announced as a priority.

3. Develop a set of tools to evaluate and rank the level of ESG commitments of commercial banks based on the common standards released by SBV (with possible reference to the Fair Finance Guide Methodology, FFGM). It is recommended that the assessment process embrace transparent consultation with social organisations, research institutes, and relevant stakeholders.

4. Since Environmental (E) and Social (S) factors are cross-cutting and require knowledge of various fields, the openness of the State Bank of Vietnam and line ministries and departments, together with contributions from the community, social groups, and science and technology organisations will ensure the practicability of developed policies in which E and S criteria are successfully integrated.

5. Given that ESG commitment and implementation in Vietnam are still in nascent stages, achieving long-term goals requires not only coordination among relevant line ministries and departments, but also collaboration with non-state initiatives and a strong attention from research institutes and universities to increase ESG awareness among leaders and ensure future ESG strategies are effectively implemented across commercial banks in Vietnam.

Appendix 1: Fair Finance

Fair Finance International

Established in 2009, Fair Finance International (FFI)²⁵ is an international network of over 100 civil society organisations that seek to strengthen the commitment of banks and other financial institutions to social, environmental, and human rights standards. FFI currently operates in many countries such as Belgium, Bolivia, Brazil, Cambodia, Colombia, Germany, India, Indonesia, Japan, the Netherlands, Norway, Pakistan, Peru, the Philippines, South Africa, Sweden, Thailand, and Vietnam. FFI provides evidence based on a rigorous methodology to benchmark and motivate financial institutions and stakeholders to introduce and enforce more responsible policies. FFI encourages clients to make decisions and conduct activities more responsibly for the environment and society through transparent and ethical behaviour that contributes to sustainable development. For more information about FFI, please see: <https://fairfinanceguide.org/ff-international/about-us/#panel-0>

Fair Finance Asia

Fair Finance Asia (FFA) is a regional network of civil society organisations and professionals in Asia. The network is committed to ensuring that financial institutions' business decisions and financing strategies in the region respect the social and environmental well-being of local communities. FFA members come from ten countries in the region, including Bangladesh, India, Cambodia, Indonesia, Japan, Laos, Pakistan, the Philippines, Thailand, and Vietnam. For more information about FFA, please see <https://fairfinanceasia.org/us>

Fair Finance Vietnam

Fair Finance Vietnam (FFV) is a coalition of the collective efforts of various organisations in the field of education and collaborates with communities for sustainable development. This initiative contributes to providing input and recommendations and encouraging Vietnamese commercial banks and stakeholders to plan and implement ESG policies, thereby contributing to green growth and sustainable development. For more information about FFV, please see <https://vietnam.fairfinanceasia.org/>

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²⁵ At the time of establishment, in 2009, the organisation was named Fair Finance Guide International (FFGI).

Appendix 2: Introduction to the analytical themes of the Fair Finance Guide Methodology (FFGM) and its application in Vietnam

FFGM analyses 23 themes, including 8 mandatory themes: Climate Change, Nature, Gender Equality, Human Rights, Labour Rights, Corruption, Tax, Transparency and Accountability. These themes are divided into 3 groups: Cross-cutting themes, Sector themes, and Operational themes. Beyond the 8 mandatory themes, the Fair Finance Initiative in each country has its flexibility to incorporate other themes from the list of 23 themes that are relevant to the local contexts in its policy assessments of financial institutions. Each theme will be assessed using specific criteria aligned with the Sustainable Development Goals (SDGs), international conventions, standards, and initiatives, as well as good practices of financial institutions worldwide.

Table 5 Analytical themes of the FFGM and its application in Vietnam

Applicable in Vietnam 2024		List of themes (in English and Vietnamese)		No. Criteria (2020)	No. Criteria (2022)	No. Criteria (2024)
Cross-cutting themes		Animal Welfare	Bảo vệ động vật	15	15	14
	X	Climate Change	Biến đổi khí hậu	24	26	28
	X	Anti-corruption	Phòng chống tham nhũng	12	12	13
	X	Gender Equality	Bình đẳng giới	15	17	20
		Health	Sức khỏe	16	16	16
	X	Human Rights	Quyền con người	13	15	15
	X	Labor Rights	Quyền của người lao động	14	16	19
	X	Nature	Thiên nhiên	15	15	15
	X	Tax	Thuế	17	17	17

Applicable in Vietnam 2024		List of themes (in English and Vietnamese)		No. Criteria (2020)	No. Criteria (2022)	No. Criteria (2024)
Sector themes		Arms	Vũ khí	16	15	15
		Financial Sector	Ngành tài chính	14	14	
		Fisheries	Nghề cá	19	19	19
		Food	Thực phẩm	27	27	13
		Forestry	Rừng	14	14	11
		Housing & Real Estate	Bất động sản & nhà ở	28	28	
		Manufacturing Industry	Ngành chế tạo	17	17	9
		Mining	Khai khoáng	22	22	21
		Oil & Gas	Dầu khí	28	28	16
	X	Power Generation	Sản xuất điện	21	21	15
Operational themes	X	Consumer protection	Bảo vệ khách hàng	21	19	19
	X	Financial Inclusion	Tài chính toàn diện	13	13	14
		Remuneration	Lương bổng	12	12	10
	X	Transparency & Accountability	Minh bạch và trách nhiệm giải trình	22	28	27

FFGM analysed commercial banks' policies on the following types of financial investments, products, or services:

- Corporate credits
- Project finance
- Proprietary assets
- Asset management

Appendix 3: Detailed criteria in 11 themes analysed in Vietnam

Table 6 The detailed criteria of 11 themes used to analyse Vietnam's case

THEME	CRITERIA
Climate change	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <p>1. For its own direct and indirect greenhouse gas emissions, the bank establishes measurable reduction objectives that are aligned with limiting the maximum global</p>
	<p><i>Criteria on policies regarding the bank's management of its portfolio of loans and investments</i></p> <p>2. The bank discloses its financed emissions - meaning the absolute scope 1, 2, and 3 emissions associated with part of its lending and investment portfolio</p> <p>3. The bank discloses its financed emissions - meaning the absolute scope 1, 2, and 3 emissions associated with its entire lending and investment portfolio</p> <p>4. For large scale project financing, the bank requires environmental impact assessments that include data on greenhouse gas emissions and climate risks</p> <p>5. For its financed and invested greenhouse gas emissions, the bank establishes measurable reduction objectives that are aligned with limiting the maximum global temperature increase of 1.5°C</p>

THEME	CRITERIA
Climate change	<p><i>Criteria on the bank's policies regarding fossil fuels</i></p> <p>7. Companies involved in the development of new thermal coal mines are excluded from investment and financing</p> <p>8. Companies involved in the development of new coal-fired power plants are excluded from investment and financing</p> <p>9. The bank excludes financing and investing in companies active in thermal coal mining for more than 20% of their activities</p> <p>10. The bank excludes financing and investing in companies active in coal-fired power for more than 20% of their activities</p> <p>11. The bank excludes financing and investing in companies that produce more than 10Mt of thermal coal per year and/or have more than 5GW in coal power capacity</p> <p>12. The bank has a time-bound phase-out strategy in financing and investing in companies related to coal that is aligned with a 1.5-degree climate scenario</p> <p>13. The bank fully excludes financing and investing in companies active in thermal coal mining and/or coal-fired power generation</p> <p>14. Companies engaged in new oil and gas exploration and development are excluded from investment and financing</p> <p>15. The bank has a time-bound phase-out strategy in financing and investing in companies related to oil and gas that is aligned with a 1.5 degree scenario</p> <p>16. Companies active in the extraction of oil from tar sands are excluded from investment and financing</p> <p>17. The bank excludes financing and investing in companies active in oil and gas extraction for more than 30% of their revenue</p> <p>18. The bank excludes financing and investing in companies active in oil and gas-fired power generation for more than 30% of their electricity generated</p> <p>19. The bank fully excludes financing and investing in companies active in oil and gas extraction and/or fossil fuel-fired power generation</p>

THEME	CRITERIA
Climate change	<p><i>Criteria on the bank's policies regarding companies that it invests in or finances</i></p> <p>20. Companies disclose their scope 1, 2, and 3 greenhouse gas emissions</p> <p>21. Companies reduce their scope 1, 2, and 3 emissions in line with a 1.5-degree scenario</p> <p>22. Companies switch from fossil fuels to renewable fuels</p> <p>23. Companies have a system in place to ensure that there is zero deforestation and forest degradation in their supply chain</p> <p>24. Conversion of peatland and high-carbon stocks for agricultural development is unacceptable.</p> <p>25. Biofuel production process is in line with the 12 principles of The Roundtable on Sustainable Biomaterials (RSB).</p> <p>26. Companies do not participate in direct or indirect lobbying (attempting to influence decisions made by regulators) aimed at weakening climate policy</p> <p>27. Companies integrate climate change criteria in their procurement and operational policies.</p> <p>28. Companies include clauses on the compliance with criteria on climate change in their contracts with subcontractors and suppliers.</p>
Nature	<p><i>Criteria on Factors related to the bank's strategies and transparency</i></p> <p>1. The bank measures and discloses the biodiversity footprint of its portfolio</p>

THEME	CRITERIA
Nature	<p><i>Criteria on the bank's policies regarding companies that it invests in or finances</i></p> <ol style="list-style-type: none"> 2. Companies prevent negative impacts on High Conservation Value (HCV) areas within their business operations and the areas they manage 3. Companies prevent negative impacts on protected areas that fall under the categories I-IV of the International Union for Conservation of Nature (IUCN) within their business operations and the areas they manage 4. Companies prevent negative impacts on UNESCO World Heritage sites within their business operations and the areas they manage 5. Companies prevent negative impacts on protected areas that fall under the Ramsar Convention on Wetlands within their business operations and the areas they manage 6. Companies prevent negative impacts on population or number of endangered species listed in the IUCN Red List of Threatened Species 7. Trade in all endangered animals and plants under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) 8. Production of, or trade in, living genetically modified organisms can only take place if permission has been obtained from the importing country and all requirements of the Cartagena Protocol have been met. 9. Companies prevent the introduction of invasive alien species into ecosystems 10. Deep sea mining is unacceptable 11. Companies conduct water scarcity impact assessments and prevent negative impacts on water scarce regions 12. Companies have comprehensive mitigation measures in place to address community and ecosystem water requirements in areas where environmental impact assessments identify that significant impacts to water resources are likely

THEME	CRITERIA
Nature	<p>13. Companies make an environmental impact assessment of the total consequences of a large-scale project on biodiversity, at least according to GRI 304: Biodiversity 2016 or other relevant standards</p> <p>14. Companies integrate criteria on nature into their procurement and operational policies</p> <p>15. Companies include clauses on the compliance with criteria on nature in their contracts with subcontractors and suppliers</p> <p><i>Criteria related to the bank's strategy and transparency regarding financings and investments in the power generation sector</i></p> <p>1. The bank finances companies involved in renewable energy production (wind, solar, small and medium-sized hydropower, geothermal power, tidal power, etc.)</p> <p>2. The bank has a specific measurable target to increase its finance for renewable energy generation</p> <p>3. The bank has a specific measurable target to reduce either its total amount of finance for fossil fuel-fired power generation, or to reduce finance for fossil fuel-fired power generation, relative to its finance for renewable energy generation</p> <p><i>Criteria related to policies regarding companies that the bank invests in or finances</i></p> <p>4. Companies involved in the development of new coal-fired power plants are excluded from investment and financing</p> <p>5. The bank excludes financing and investing in companies active in coal fired power for more than 20% of their activities</p> <p>6. The bank excludes financing and investing in companies active in oil and gas fired power generation for more than 30% of their electricity generated</p> <p>7. Nuclear energy is unacceptable</p>
Power Generation	

THEME	CRITERIA
Power Generation	<p>8. Large scale hydropower generation is unacceptable</p> <p>9. The construction of dams complies with the 7 principles of the World Commission on Dams or the Hydropower Sustainability Assessment Protocol</p> <p>10. The construction of all water-related infrastructure projects complies with the 7 principles of the World Commission on Dams</p> <p>11. Biomaterial production complies with the 12 principles of the Roundtable on Sustainable Biomaterials</p> <p>12. Companies publish a sustainability report that adopts (a number of) GRI Standards</p> <p>13. Large companies and multinational corporations publish their sustainability reports that are set up in accordance with recognised sustainability reporting frameworks</p> <p>14. Companies integrate environmental, social and governance (ESG) criteria in their procurement and operational policies</p> <p>15. Companies include clauses on the compliance with environmental, social and governance (ESG) criteria in their contracts with subcontractors and suppliers</p>
Gender Equality	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <p>1. The bank has a zero-tolerance policy against any form of gender-based discrimination in employment and occupations</p> <p>2. The bank has a zero-tolerance policy against all forms of gender-based violence in the workplace, including verbal, physical, and sexual harassment</p> <p>3. The bank provides training to address gender-based discrimination and biases in the workplace</p> <p>4. The bank actively manages equal remuneration</p> <p>5. The bank has systems in place to prevent and mitigate gender discrimination of its customers</p>

THEME	CRITERIA
Gender Equality	6. The bank guarantees at least 30% participation and equal access for women on the board of management, the board of directors, or the board of supervisors
	7. The bank guarantees at least 40% participation and equal access for women on the board of management, the board of directors, or the board of supervisors
	8. The bank provides targeted professional development for employees to promote equal access for women to senior management positions
	<i>Criteria on Factors related to the bank's strategies and transparency</i>
	9. The bank discloses the percentage of financing to women-owned businesses or other vulnerable groups, on the total amount of financing to MSMEs
	<i>Criteria on the bank's policies regarding companies that it invests in or finances</i>
	10. Companies have policies in place to mitigate risks associated with gender-based human rights
	11. Companies have a zero-tolerance policy against any form of gender-based discrimination in employment and occupations
	12. Companies have a zero-tolerance policy against all forms of gender-based violence in the workplace, including verbal, physical, and sexual harassment.
	13. Companies provide training to address gender-based discrimination and biases in the workplace
	14. Companies actively manage equal remuneration
	15. Companies have systems in place to prevent and mitigate gender discrimination of their customers
	16. Companies guarantee at least 30% participation and equal access for women on the board of management, executive, and senior positions
	17. Companies guarantee at least 40% participation and equal access for women on the board of management, executive, and senior positions

THEME	CRITERIA
Human rights	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <ol style="list-style-type: none"> 1. The bank respects all human rights as defined in the United Nations Guiding Principles on Business and Human Rights 2. The bank has a zero-tolerance policy towards all forms of discrimination in employment and occupation, including on the basis of gender, race, ethnicity, sexual orientation, and physical ability
	<p><i>Criteria on the bank's policies regarding companies that it invests in or finances</i></p> <ol style="list-style-type: none"> 3. Companies respect all human rights as described in the United Nations Guiding Principles on Business and Human Rights 4. Companies have commitment policies on their obligations to respect human rights 5. Companies have a human rights due-diligence process to identify, prevent, mitigate, and account for how they address their impact on human rights 6. Companies have processes to enable the remediation of any adverse human rights impact which they cause or to which they contribute 7. Companies establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted 8. Companies respect the rights of indigenous peoples in the course of their operations

THEME	CRITERIA
Human rights	<p>9. Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local communities and obtaining free, prior, and informed consent (FPIC) when it concerns indigenous peoples</p> <p>10. Companies prevent conflict over land rights and acquire natural resources only with free, prior, and informed consent (FPIC) of peoples with customary tenure rights</p> <p>11. Companies have special attention for respecting the rights of children</p> <p>12. Companies have special attention for respecting the rights of persons with disabilities</p> <p>13. Companies do not enable settlements, including their economic activities, in occupied territories, in respect of International Humanitarian Law</p> <p>14. Companies integrate human rights criteria into their procurement and operational policies</p> <p>15. Companies include clauses on compliance with human rights criteria in their contracts with subcontractors and suppliers</p>
Labour rights	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <p>1. The bank respects the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work</p> <p>2. The bank integrates the labour standards of the ILO Declaration on Fundamental Principles and Rights at Work in its procurement policies.</p> <p>3. The bank respects the International Labour Organisation Maternity Protection Convention</p> <p>4. The bank establishes procedures for managing and processing employee complaints and solving labour rights violations, preferably in consultation with the relevant trade union</p>

THEME	CRITERIA
Labour rights	<p><i>Criteria on the bank's policies regarding companies that it invests in or finances</i></p> <p>5. Companies uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>6. All forms of forced and compulsory labour are unacceptable</p> <p>7. Child labour is unacceptable</p> <p>8. Discrimination in employment and occupations is unacceptable</p> <p>9. Companies are committed to fair recruitment practices</p> <p>10. Companies pay a living wage to their employees</p> <p>11. Companies apply a maximum of working hours (maximum 48 hours per week plus 12 hours of overtime)</p> <p>12. Companies have a comprehensive health and safety policy</p> <p>13. Companies respect the ILO Maternity Protection Convention</p> <p>14. Companies ensure equal treatment and working conditions for migrant workers and pay special attention to informal workers</p> <p>15. Companies provide decent working conditions for homeworkers</p> <p>16. Companies have a clear management system to monitor and, if necessary, ensure compliance with the Labour Law</p> <p>17. Companies establish procedures on how to deal with and process employee complaints and how to solve violations and conflicts, preferably in consultation with the relevant trade union.</p> <p>18. Companies integrate labour rights criteria in their procurement policies</p> <p>19. Companies include clauses on the compliance with criteria on labour rights in their contracts with subcontractors and suppliers</p>

THEME	CRITERIA
Financial inclusion	<ol style="list-style-type: none"> 1. The bank has policies, services and products that specifically target the poor and vulnerable groups or MSMEs 2. The bank has branches in rural areas, not only in cities 3. The bank provides online banking, e-money, or e-banking and mobile banking services 4. The bank's share of loans channeled to MSMEs (micro, small and medium enterprises) is above 10% 5. The bank does not require collateral for MSMEs to borrow 6. The bank has a disclosure policy on customer rights and product and service risks (including risks of overdue debt) for low-educated customers and MSMEs 7. The bank has a corresponding local language and national language version of the bank's terms and conditions 8. The bank has a policy to improve financial literacy of low-income, marginalised and vulnerable groups, and MSMEs 9. The bank does not charge clients to open a basic bank account or only charges a reasonable fee 10. The bank does not require a minimum balance for maintaining a basic bank account 11. The bank has a standard and provides information on credit processing time 12. The bank has appropriate, affordable, and convenient financial products to send or receive domestic remittances through an account 13. The bank provides low-income housing finance 14. The bank provides products and services to improve access to banking services and finance for women and women-owned businesses

THEME	CRITERIA
Tax	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <ol style="list-style-type: none"> 1. For at least three quarters of the countries in which the financial institution operates and/or 75% of its total revenue, it reports country-by-country on its revenue, profit, FTEs, subsidies received from governments, and tax payments to governments in a way that matches the consolidated accounts 2. For each country in which the financial institution operates, it reports country-by-country on its revenue, profit, FTEs, subsidies received from governments and tax payments to governments in a way that matches the consolidated accounts 3. For each country in which the bank operates, it reports country-by-country on its total assets in a way that matches the consolidated accounts 4. The bank does not advise customers to establish international organisations to avoid or evade taxes 5. The bank does not engage in transactions with international organisations to avoid or evade taxes 6. The bank publishes key information of any company-specific tax ruling it has obtained from tax authorities 7. The bank does not have subsidiaries, branches or associates in jurisdictions with no or zero corporate tax or in jurisdictions with harmful corporate tax practices, unless they have substance and their profits are generated from local economic activities 8. The bank does not provide financial services to companies in tax havens, unless the company has substance and its profits are generated from local economic activities
	<p><i>Criteria on the bank's policies regarding companies that it invests in or finances</i></p> <ol style="list-style-type: none"> 9. Companies publish their full group structure, including indirectly and jointly owned entities

THEME	CRITERIA
Tax	<p>10. Companies publish an explanation of the activities, functions and ultimate shareholder of every subsidiary, branch, joint stock company, or affiliate located in jurisdictions with no or zero corporate tax practices or in jurisdictions with harmful corporate tax practices</p> <p>11. For each country in which companies operate, they report country-by-country on their revenue, profit, FTEs, subsidies received from governments and payments to governments (e.g., withholding taxes, and company tax)</p> <p>12. Companies focus their international enterprise structure and their international transactions in a way that reflects the economic substance of the activities and transactions undertaken, without any steps made primarily to secure a tax advantage</p> <p>13. Companies publish key information of any company-specific tax ruling they have obtained from tax authorities</p> <p>14. Companies make public, to the extent legally and practically possible, the decision of any adjudication or arbitration to which it, or any of its subsidiaries, is a party, undertaken to resolve a tax dispute, whether in a court or in an arbitration setting</p> <p>15. Companies have a management system which results in immediate actions if suspicions arise that employees or suppliers are guilty of facilitating tax avoidance or evasion</p> <p>16. Companies integrate criteria on tax in their procurement policies and operational policies</p> <p>17. Companies include clauses on the compliance with criteria on tax in their contracts with subcontractors and suppliers</p>
Corruption	<p><i>Criteria related to policies regarding the bank's internal operations</i></p> <p>1. Offering, promising, giving, and requiring, either directly or indirectly, bribes and other undue advantages in order to acquire and to maintain assignments and other undue advantages, is unacceptable</p> <p>2. The bank has an anti-money laundering policy</p> <p>3. The bank has a policy to prevent terrorist financing and financing of proliferation</p> <p>4. The bank properly verifies the ultimate beneficial owner(s) of a company</p>

THEME	CRITERIA
Corruption	<p>5. The bank takes enhanced security measures to maintain direct or indirect business relationships with politically exposed persons (PEPs)</p> <p>6. The bank reports on its participation in the decision-making processes of international norms and legislation (lobby practices)</p> <p>7. The bank has a policy against making political contributions</p>
	<p><i>Criteria on the bank's policies for corporate customers receiving financing/borrowing</i></p> <p>8. Companies publicly disclose their ultimate beneficial owner or owners including full name, date of birth, nationality, jurisdiction of residence, number, and categories of shares, and if applicable the proportion of shareholding or control</p> <p>9. Offering, promising, giving, and requiring, either directly or indirectly, bribes and other undue advantages in order to acquire and to maintain assignments and other undue advantages, is unacceptable</p> <p>10. Companies have an action management system in case of suspected corruption by employees or suppliers</p> <p>11. Companies report on their participation in the decision-making processes of international norms and legislation (lobby practices)</p> <p>12. Companies integrate criteria on corruption in their procurement policies and operational policies</p> <p>13. Companies include clauses on compliance with criteria on corruption in their contracts with subcontractors and suppliers</p>
Financial Consumer Protection	<p>1. The bank has a policy to disclose client's rights and the risks of products and services</p> <p>2. The bank has a policy that regulates staff ethics in serving clients in a nondiscriminatory way</p> <p>3. The bank ensures that consumers have access to adequate complaints handling and redress that have a due diligence process in place</p>

THEME	CRITERIA
Financial Consumer Protection	<p>4. The bank discloses the results of complaints, monitoring such as the number of complaints, main issues, in which institutions/body for consumers defence the complaints where registered (direct or indirect ones), and from which channels they were received (call centre, website, e-mail, phone, bank branch)</p> <p>5. The bank has public commitments to reduce consumer complaints, setting goals to achieve and making this information accessible to any stakeholder</p> <p>6. The bank has Alternative Dispute Resolution (ADR) Mechanisms, an independent redress process available to address complaints that are not efficiently resolved via the financial services providers and authorised agents' internal dispute resolution mechanisms such as the Ombudsman</p> <p>7. The bank has a debt resolution policy available for consumers who have become over-indebted</p> <p>8. The bank commits to communicating fairly and transparently about its products and services, in plain and accessible language that considers people living with disabilities and vulnerable groups</p> <p>9. The bank has developed and implemented risk profiles with regard to investment products</p> <p>10. The bank respects clients' private data protection (it does not disclose to other parties without clients' consent)</p> <p>11. Consumers' financial and personal information is protected through appropriate control and protection mechanisms with defined and published guidelines for which the data may be collected, processed, held, used, and disclosed</p> <p>12. The bank publishes its policies/procedures for debt collection and companies that represent them (third parties)</p> <p>13. The bank has procedures and policies to avoid tie-in sales or inappropriate sales practices</p> <p>14. The bank commits to inform its customers timely on changes in fees</p>

THEME	CRITERIA
Financial Consumer Protection	<p>15. The bank has a remuneration structure for staff of financial services providers and authorised agents that is designed to encourage responsible business conduct, fair treatment of consumers and to avoid conflicts of interest</p> <p>16. The bank has a programme to properly train and qualify employees and authorised agents on consumer rights and protection policies and practices</p> <p>17. The bank has a programme to properly train and qualify employees and authorised agents on products and services to consumers</p> <p>18. The bank ensures that there are no access restrictions for customers because of Information and Communication Technology (ICT)-based financial services</p> <p>19. The bank has a policy committed to providing accessibility for customers with disabilities and special needs at all physical branches and electronic services, and at online platforms</p>
Transparency and accountability	<p>1. The bank describes its finance and investment framework regarding environmental and social issues and provides insight into how the bank ensures that investments meet the conditions set in its policies</p> <p>2. The bank publishes the names of governments in which it invests in bonds</p> <p>3. The bank publishes the names of companies in which it invests (stocks, bonds, private equity)</p> <p>4. The bank mentions and describes all companies (on its website) to which it grants new credits</p> <p>5. The bank mentions and describes all companies (on its website) to which it has granted credits</p> <p>6. The bank discloses the names of all outstanding project finance transactions and project-related corporate loans, including the information required by the Equator Principles 4 (EP4)</p> <p>7. The bank publishes a breakdown of its portfolio by region, size and industry</p> <p>8. The bank publishes a breakdown of its portfolio in a cross table, combining industry and region data</p> <p>9. The bank publishes a sufficiently detailed breakdown of its portfolio, for example based on the first two digits of NACE and ISIC</p>

THEME	CRITERIA
Transparency and accountability	<p>10. The bank publishes a sufficiently detailed breakdown of its portfolio, for example based on the first four digits of NACE and ISIC</p> <p>11. The bank publishes the number of companies with which it has engaged on social and environmental topics</p> <p>12. The bank publishes the names of companies with which it has engaged on social and environmental topics</p> <p>13. The bank publishes the results of such engagements, including the topics, goals and deadlines</p> <p>14. The bank publishes the names of companies that are excluded from investment and financing due to sustainability issues, including the reasons for this exclusion</p> <p>15. The bank discloses a voting policy which includes guidelines on how to vote on shareholder resolutions related to environmental, social, and governance issues</p> <p>16. The bank publishes its voting record</p> <p>17. The bank publishes a sustainability report</p> <p>18. The bank publishes a sustainability report that is set up in accordance with the General Disclosures requirement of the GRI Universal Standard 2021 or in accordance with recognised sustainability reporting frameworks</p>



THEME	CRITERIA
Transparency and accountability	<p>19. The bank's sustainability report is verified externally</p> <p>20. The bank reports on the consultation with civil society organisations and other stakeholders</p> <p>21. The bank provides a breakdown of the volume of assets that are managed internally and/or externally</p> <p>22. The bank discloses the names of external asset managers</p> <p>23. The bank has set up mechanisms to ensure engagement and voting practices of external asset managers or service providers reflect their sustainability policies</p> <p>24. The bank has a complaint mechanism for individuals and communities that may be adversely affected by activities that it is connected to, and the scope of the complaint mechanism covers financed activities</p> <p>25. The bank has set up a grievance mechanism that is accessible, and clearly explains its process for managing complaints</p> <p>26. The bank reports on the progress and performance of its grievance mechanism</p> <p>27. The bank commits to respecting and cooperating in good faith with State-based non-judicial and judicial grievance mechanisms when cases that it is connected to are brought to such a mechanism</p>

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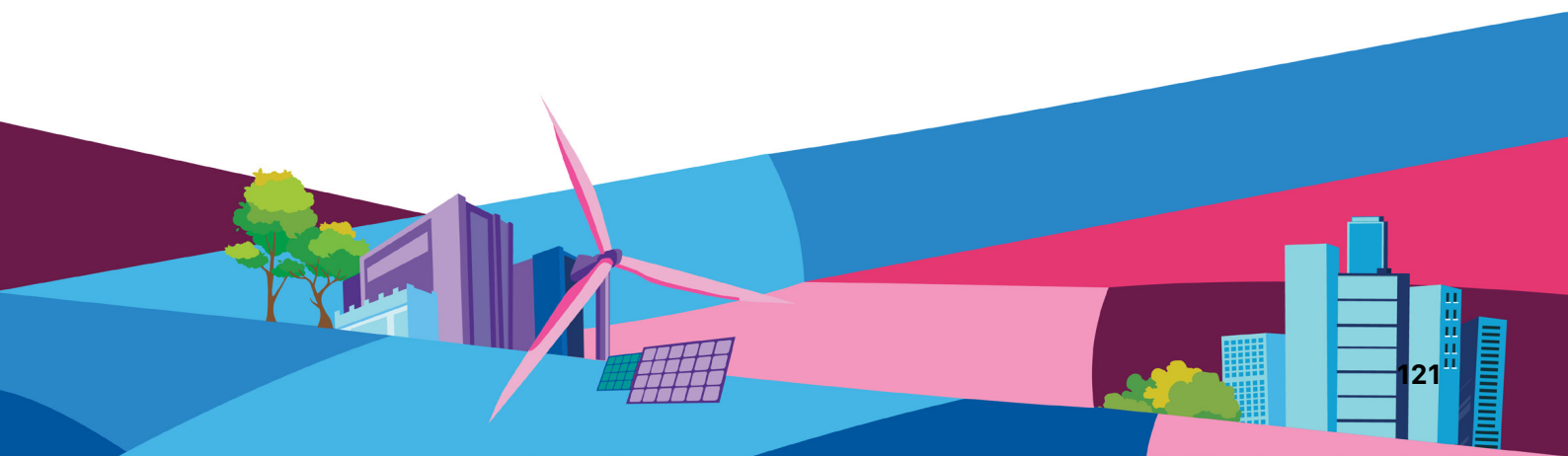
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The Fair Finance Vietnam initiative is working towards reducing the negative consequences that Vietnamese financial institutions' investments have on the environment and the community. This initiative contributes to providing input and recommendations and encouraging Vietnamese commercial banks and stakeholders to plan and implement ESG policies, thereby contributing to green growth and sustainable development.

For more information about FFV, please see:

<https://vietnam.fairfinanceasia.org/>

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