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CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE PRACTICES IN VIETNAM

Differences between English and Vietnamese versions of
large listed companies

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ABSTRACT

Corporate Social Responsibility (CSR) Reporting is regarded as an essential for companies, bringing the triple-benefit combination. Fully constituted CSR reporting enhances internal decision-making process, supports external relation management and advances the stakeholder-related performance.

This thesis aims at comparing the CSR disclosure practices in English and Vietnamese versions of large listed Vietnamese companies' annual reports and sustainability reports. Specifically, the author analyzes the CSR disclosure practice in Vietnamese versions of annual reports. The result is used to compare with such practices in English versions of annual reports from previous studies with the goal of determining the actual practices of CSR disclosure in Vietnam and examining the information that included in Vietnamese versions but not in the English ones and vice versa.

The deductive, qualitative as well as the content analysis research method are employed to conduct the research on selected annual reports and sustainability reports. The result is compared against the previous studies based on four criteria: materiality, completeness, information balance and accuracy.

Findings in the empirical part reveals that the practices are different in Vietnamese and English versions of CSR disclosure by large listed Vietnamese companies. The differences concern the compliance level to GRI Guideline and the information balance. Moreover, the analysis concludes that the transparency level is higher among the Vietnamese versions.

Key words: corporate social responsibility reporting, CSR, large listed companies, Vietnam, annual report, AR, sustainability report, SR

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GLOSSARY

| | |
|------|---|
| CSR | Corporate Social Responsibility |
| SD | Sustainable Development |
| CSP | Corporate Social Performance |
| CFP | Corporate Financial Performance |
| SRI | Social Responsibility Investments |
| GRI | Global Reporting Initiative |
| G3.1 | Released in 2011 as an extended version of the G3, the G3.1 Sustainability Reporting Guidelines present sustainability disclosures that organizations can adopt in a flexible and accumulative manner, encouraging them to be transparent about their corporate social performance. |
| HOSE | Ho Chi Minh Stock Exchange |
| HNX | Hanoi Stock Exchange |
| VN30 | The index launched by the Ho Chi Minh Stock Exchange in January 2012, including 30 stocks with highest market capitalization and liquidity. |
| SSC | State Securities Commission of Vietnam |
| BOD | Board of Directors |
| VND | Viet Nam Dong |

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1 INTRODUCTION

1.1 Background information

In recent years, Corporate Social Responsibility (CSR) Reporting has proved to be a sufficient method in communicating and attracting investment and export opportunities, as well as supporting local economic development (O'Rourke 2004). Hence, the encouragement for CSR reporting and responsible business practices can eventually lead to the sustainable development in economy and society. According to a study conducted by the Governance & Accountability Institute (G&A), in 2011, 53% of S&P 500 companies around the world issued their Corporate Social Responsibility or Sustainability Reports, in respect to 19% in 2010. The amount of CSR reports published among the Fortune 500 companies also increased significantly, from 100 companies with CSR reports in 2010 to 285 in 2011 (King 2012). This can be considered as a remarkable figure, reflecting the size and level of development of CSR reporting in global economy.

CSR reporting is emerged not only in developed countries but also in developing economies around the world, especially in Vietnam. Over the past few years, the topics of sustainable development business and CSR disclosures, as the communication method, have been becoming a great concern to Vietnamese government and companies. However, the CSR practices and disclosures in Vietnam are in their very first stage, with the establishment of The Vietnam Business Link Initiative and The Business Office for Sustainable Development by The Vietnam Chamber of Commerce and Industry to promote CSR in 2000. Since then, the Vietnam Agenda 21 strategy – the Strategic Orientation for Sustainable Development in Vietnam has also been developed concentrating on the improvement of CSR awareness and implementation among local companies (CSR WeltWeit 2012). Still, there seems to be the deficiency of definite CSR policies and regulations, which makes a vast number of CSR disclosures by Vietnamese companies voluntary but unorganized and poorly-built.

During her internship at the Investment Promotion Center of Danang city, Vietnam, the author had the opportunity to study the potentiality of a Vietnamese company from domestic and foreign investors' perspective. As such, one of the

most important criteria for determining the most appropriate investment place worldwide lately is the sustainability of the business, concerning the transparency and ethical aspects, which is examined based on the CSR reporting. In order to increase such an awareness of Vietnamese companies about that field, some research of CSR reporting practices in Vietnam has been carried out. However, the research results are limited to the English version of CSR reporting, aiming at providing international investors with the information. Consequently, this thesis' writer has a strong desire to study the CSR disclosure in Vietnamese of large listed companies in Vietnam to bring the investors and stakeholders the whole picture of the situation of the CSR reporting in Vietnam. Furthermore, an analysis will be made in comparison to the English versions from the previous studies, in an attempt to make some suggestions for the improvement of CSR reporting in Vietnam.

1.2 Thesis objectives and research questions

This thesis aims to examine the CSR disclosures practices in Vietnamese versions of large listed companies' annual reports and identify similarities as well as differences between Vietnamese and English versions. The objectives can be gained by answering the following research question:

- Are there any differences between the CSR reporting practices in English and Vietnamese versions of companies' annual report and sustainability report in Vietnam?

First, the CSR disclosure practices in Vietnamese versions of large listed companies' annual reports are examined. After that, the thesis will identify, if any, variations in CSR disclosure practices in Vietnamese version of annual reports relative to that in English versions conducted by previous researchers for investors across national boundaries, based on two public previous studies of Le (2011) and of Hermawan (2011). Accordingly, there are two sub-questions to be addressed:

- How are CSR reporting behaviors in Vietnamese versions of companies' annual reports?

- Are there any differences between CSR reporting in Vietnamese versions and English versions, in term of:
 - Content
 - Quality

1.3 Research approach

Research method constitutes a critical piece of the thesis, in which it provides the author with the relevant means of conducting the research process, according to Eriksson and Kovalainen (2008, 25-26). In essence, for academic research, research method justifies the strategy employed to answer the research question and gives the rationale for the choice of method in order to obtain the research objectives (Greener 2008, 8). To be specific, research method is comprised of two components: research design and collection of data.

The first concern of the research design is the right choice of research approach. Adequately defined, research approach brings the solid answers for the initial research questions. There are three main types of research approaches, namely inductive, deductive, and combination. Deductive approach starts with developing the theory or hypothesis, then, the research strategy is designed to test that hypothesis. On the other hand, in inductive approach, the data collection and analysis happen in the first place, as the base for generating the theory.

Notwithstanding that, a research may employ the use of combination approach by integrating those two approaches' characteristics. (Saunders, Lewis & Thornhill 2009, 124-127.) As such, driven by the definite purpose this thesis, the deductive approach is implemented as the primary guideline, as shown in Figure 1 in page 8.

As stated in the introduction, the theoretical exploratory nature of this thesis is the annual report research. Therefore, the qualitative approach was deemed the most suitable to better understand the behavior of the Vietnamese CSR disclosure in large listed companies' annual reports. Especially, the thesis reveals the companies' perspective on what to include and what to exclude in the CSR disclosure. Conversely, quantitative research design is supposed to be ineffective for such an analysis. In fact, Rogelberg (2004, 163) states that the qualitative research aims to provide the researchers with the comprehensive knowledge on

the participants or processes studied, while quantitative research focuses on clarifying the phenomena or event by the construction of the hypothesis developed by the researcher (Arcidiacono, Procentese & Napoli 2009).

More importantly, the content analysis method is applied in examining the Vietnamese CSR disclosure in large listed companies' annual reports. Parker (2005) has identified that the content analysis is the most common and useful research method, which is being used by researchers to study the annual reports in social and environmental reporting. Content analysis is regarded as a useful technique to gather data, in which, the qualitative and quantitative data is codified and classified into the pre-defined categories. Consequently, it results in the acquirement of the information presentation and reporting patterns.

In addition, the collection of data is the other component of research design to be taken into account. Necessary data is elected from different sources and divided into two parts: theoretical part and empirical part. The theoretical part is built by utilizing the secondary data, which are books, reports and research articles regarding the CSR reporting, CSR reporting guidelines and standards and previous CSR reporting situation in Vietnam. Next, the empirical part uses both primary data and secondary data collected from annual reports of large listed companies in Vietnam, which also constitutes for the majority source of this research. Moreover, a great amount of empirical study data is gathered from the author's observations and the unstructured interview with Mr Ha Duy Ha, officer at state audit office of Vietnam concerning CSR reporting in Vietnam. In general, the following Figure 1 demonstrates the research design of this thesis.

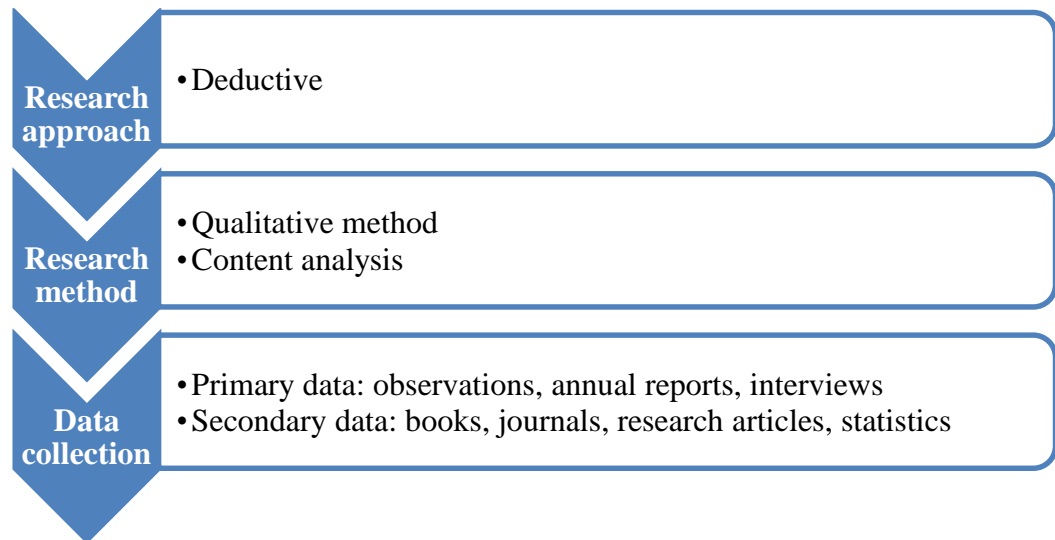


FIGURE 1. Research design

1.4 Scope and limitations

First of all, this research is primarily conducted with an attempt to examine the CSR reporting practices in Vietnam in English and Vietnamese. CSR and CSR reporting seems not to have been exploited in Vietnam, with no fully constructed legislation and instruction for the companies and the government. Over the last few years, there have been a small number of researches done on CSR reporting practices in Vietnam, most of which are done with the English CSR report versions. Consequently, the author strongly believes that the research on Vietnamese language CSR reports provides the broader view of the current situation of CSR reporting in Vietnam. However, within the limit of this thesis, CSR reporting is supposed to be narrowed down to the CSR disclosure in the Vietnamese versions of the large listed companies' annual reports and sustainability reports. Then, the differences between the Vietnamese and English versions will be identified and analyzed by the end of the paper. This aims at enhancing the consistency and reliability of the thesis's outcome.

Second, the research is carried out with the data collected in the annual reports and sustainability reports of the largest listed companies in Vietnam. The annual reports proved to be the most official and primary channel of communication of all large companies. However, due to the lack of CSR knowledge in Vietnam and the economic recession in 2010, Vietnamese companies are paying more attention

to the financial performance as well as the risk management information in their annual reports. Also, a considerable portion of CSR information disclosed on the companies' websites is not taken into account in this thesis. Moreover, the largest listed companies in Vietnam are under consideration as these companies have great impact on the CSR activities and CSR reporting practices of Vietnamese market. Such practices from SMEs and international companies existing in Vietnam still call for further research and study. As a result, the information within this thesis is analyzed at a general level.

Third, this thesis is generated from the investors' perspective, therefore, the target audience group is domestic and international investors who plan to make investments in Vietnam. In addition, the public sectors or legislators might find this research useful and practical for controlling and improving the situation in Vietnam. Even though this is a narrow topic, the study is capable of acknowledging other Vietnamese companies in this particular topic and improving the quality of CSR reports in Vietnam in long term.

1.5 Thesis structure

The thesis structure consists of two main parts: the theoretical framework and the empirical study. The following Figure 2 illustrates the structure of this thesis in a nutshell.

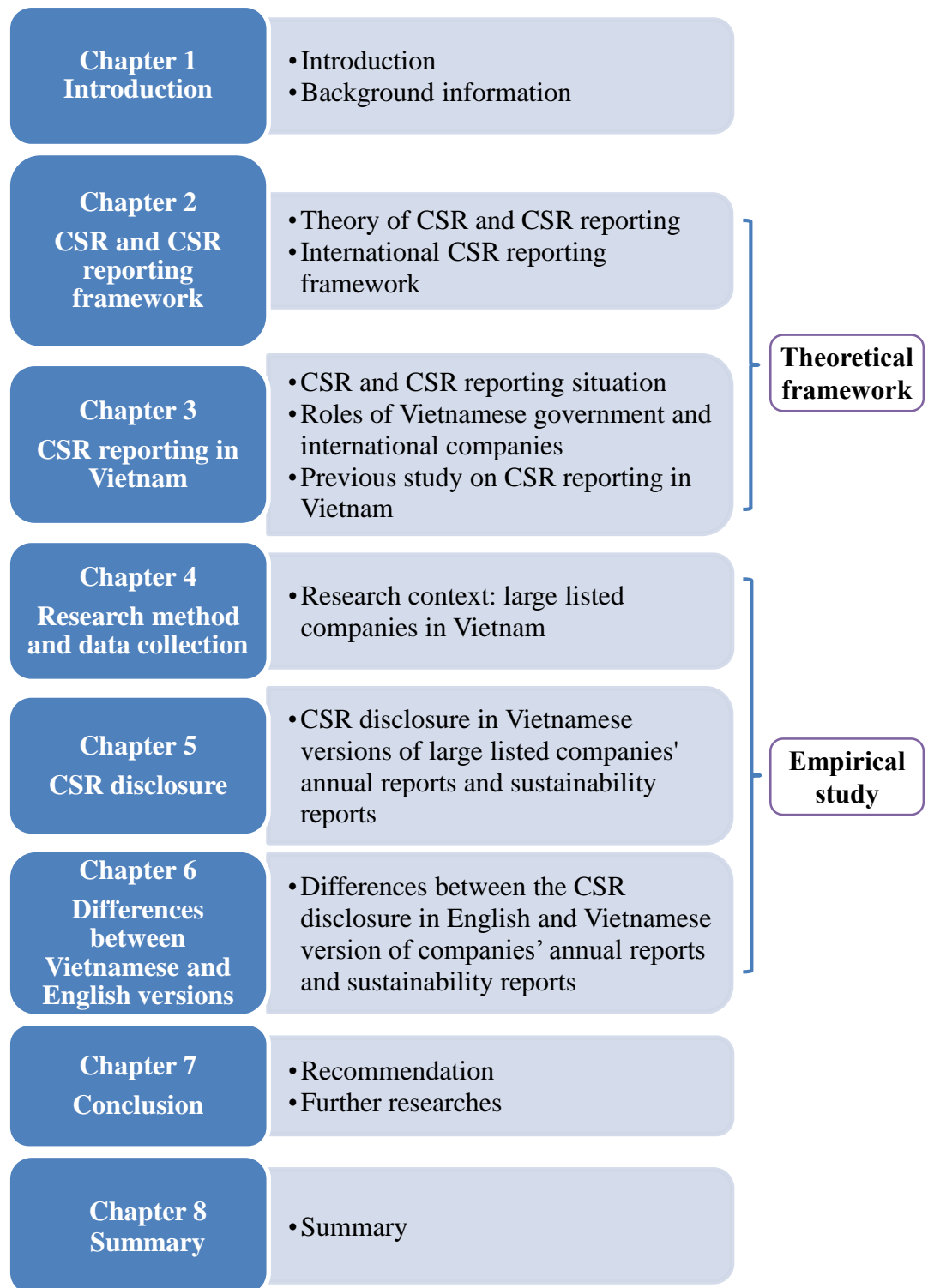


FIGURE 2. Thesis structure

First and foremost, the study starts with the introduction in Chapter 1, in which the background information, motives and objectives of the thesis are presented, together with the research methodology approaches and the study's structure.

Next, Chapter 2 and Chapter 3 cover the theoretical part of this study. Chapter 2

reviews the basic theory of CSR and CSR reporting, in term of its definition, classifications and categories of CSR disclosure and international CSR reporting frameworks. Meanwhile, Chapter 3 conveys the knowledge of CSR reporting in Vietnam, with regard to the current situation, the role of Vietnamese government and international companies in promoting such practices, and then, discusses the outcomes of previous studies on CSR reporting practices in this developing country.

Chapter 4, 5 and 6 describes the empirical part of this thesis. In Chapter 4, the author aims to examine the research context of the research within the large listed companies in Vietnam, and the appropriate research method and collection of data to be analyzed in the thesis. Basing on the theoretical framework, this research uses the data collected from large listed companies' annual reports and sustainability reports to determine the trend and practices of Vietnamese companies in conducting their CSR reporting. Within Chapter 6, various categories of CSR reporting are put into context of the CSR disclosures in Vietnamese and English versions of large listed companies' annual reports and sustainability reports, in order to examine the differences, if any, between them.

Chapter 7 includes the answer coming up with from the empirical part to solve the research problems. Furthermore, some recommendations for the improvement of CSR reporting practices for companies in Vietnam are developed as well as the future research possibilities are mentioned. Last but not least, Chapter 8 is here to make the summary for the whole thesis.

2 INTERNATIONAL CSR REPORTING FRAMEWORK

Over the last decade, there has been a great attention of companies on the commitment to social responsibility, as the attitude is changing upon the social and environmental aspects. Hence, the corporate social responsibility reporting appears as an appropriate communication method for CSR achievements.

2.1 Corporate Social Responsibility

The concept of corporate social responsibility owns a long history, establishing the concern of the business community toward society and environment. Since the 1950s, there have been many definitions of CSR. In the early stage, CSR was defined as “*obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society*” (Bowen 1953, 6). Later, in 1971, Johnson examined the merit of CSR and raised a new perception to this concept.

According to him, CSR balances a multiplicity of interests as well as shareholders’ and society’s expectations. Hence, CSR adds more value and profits for companies. This benefits not only the companies’ own well-being but also others’. The sphere of CSR has been explored, studied and developed continuously over the years. Until 1975, Backman (1975) recognized the effect of environmental issues, which had been separated from the formal CSR activities.

Those researches are the base for the introduction of the four-layer triangle definition of CSR by Carroll in 1979, which is widely used nowadays. Carroll suggests that the society expectations given to organizations, including economic, legal, ethical and discretionary responsibility, could be integrated and achieved by the implementation of social responsibility of business or CSR (Carroll 1979). *Economic responsibility* is the first and priority incentive of a business firm. It requires the companies to generate profit and maximize their earnings per share while producing goods, services to societal members and providing jobs and good wages for employees. Likewise, the firm needs to look for new material supplies, discover new resources, innovate technology, advance and develop their current and new product design. (Boatright 2012, 278) Apart from the economic responsibility, society also expects business firms to act and operate in comply

with federal, state and local government regulations, which comprise the *legal responsibility*. In essence, companies should pursue their profit motive with attention to following the framework of laws and fulfilling the legal requirements, for fair trading environment. (Carroll 1991, 14)



FIGURE 3. The Pyramid of Corporate Social Responsibility (Carroll 1991, 42)

Beyond the purely economic and legal responsibility, the business firms are believed to have other voluntary responsibilities, including ethical and discretionary ones. *Ethical responsibilities* interpret the behaviors and activities that are excluded from the law, however, are expected from society as the ethical moral norms. Although those standards are at higher level than law requirements, they reflect what customers, stakeholders and community consider as fairness, justices, rights and utilitarianism. Hence, business firms may find it difficult to comply them. At the very end of the CSR triangle lays the philanthropic responsibility. *Philanthropic responsibilities* surround the business' actions that make business firm a good corporate citizen from society's point of view. That is to say, it encompasses the activities to build up and improve the human welfare and goodwill. (Carroll 1991)

It is still a debatable topic how CSR benefits companies, workers and other stakeholders. An overview was conducted by Carroll and Shabana (2010, 88-92) in order to look for the reasons. They concluded that, with the pursuit of CSR, companies might find their direct advantages in term of the improvement in financial performances. Additionally, beyond the positive CSP-CFP relationship, Kuruzc et al. (2008, 87-91) accumulated the four advantages of CSR yielded from the four categories of CSR activities. Those are cost and risk reducing, gaining competitive advantage, developing reputation and legitimacy and seeking win-win outcomes through synergistic value creation (Kuruzc, Colbert & Wheeler 2008, 87-91). Therefore, the author believes that those earnings could be able to capture and embrace the essence of CSR activities among business community. The problems remaining with business managers are the way to decide on, implement and integrate CSR components effectively into business operation and especially the methods to communicate to stakeholders and public sector about their CSR achievement.

2.2 Theory background of Corporate Social Responsibility reporting

The adaption of CSR activities leads to the need of communicating on such operations of the companies. The CSR reporting, thus, plays an important role in building positive images of companies to their stakeholders and customers.

2.2.1 Definition

Corporate Social Responsibility reporting is regarded as an attempt as well as an approach to mandated or voluntarily reporting and disclosing business firms' acts, which are in charge of identifying, measuring and reporting on environment, labor, human rights and social relevant business behaviors and practices. In brief, CSR reporting equips firms with an effective CSR communication solution. As O'Rourke (2004, 4) suggested, CSR reporting designs to produce better information on the performance of companies in all aspects. In addition, the use of CSR reporting encourages more stakeholders' informed decision-making processes, creates new initiatives and incentives for companies to work on and to decrease the negative impacts of their activities (O'Rourke 2004, 6). The CSR

reporting made its first appearance during the 70s mostly in the US (Mathews 1997, 482). However, the idea was somehow underdeveloped and simple. The researchers and companies paid more attention to invent and develop various social accounting models (Khan, Halabi & Samy 2009, 350). CSR disclosures that are separately produced and published are often referred to CSR reports, environmental and social (E&S) reports or sustainability reports. CSR reporting are claimed to be in different patterns, such as the social accounting, social reporting, social disclosure, social auditing and sustainability reporting (Douglas, Doris & Johnson 2004, 389). The term CSR reporting and sustainability reporting is used interchangeably in this thesis, as there is official distinguishing on these two concepts.

The emergence of the design and implementation of CSR reporting and disclosure results from the increase in the CSR awareness. These years witnessed the shift of CSR reporting into the keystone of CSR movement and the chief support of promoting CSR practices worldwide. In order to reach that stage, CSR reporting was said to bring to the firms the triple-benefit combination. First of all, it is unquestionable that CSR disclosure is essential to internal decision making progress of the companies, by giving the managers the opportunity to examine the strong points and drawbacks throughout the whole corporate responsibility spectrum. In turn, the potential of long-term relationships, assets and operations will be ascertained thoroughly. Secondly, CSR reporting and disclosure enables the companies to captivate the interest of stakeholders, who support the socially responsible business and are capable of rewarding it. In this case, CSR reporting and disclosure have positive influence on the external relation management (Waddock & Bodwell 2004, 26). Last but not least, CSR reporting and disclosure strengthen the stakeholder dialogue by establishing a stakeholder communication's platform. The platform exists as a mean for stakeholders to understand, track, evaluate and give ideas on how firms interact and maintain the area of stakeholder-related CSR. Hence, fully-constituted CSR reporting advances the stakeholder-related performance (Nitkin & Brooks 1998, 1500).

2.2.2 Drivers of CSR reporting

The fundamental drivers of CSR reporting and disclosure are termed from the social factors and interests. They encompass the public sector's claim about the "right to know" about corporate activities' impacts, the consumers' attention to the environmental and social characteristics of the specific products. Moreover, the government's aim to design strategies of regulation based on the information disclosed and the financial institution's need of a proper reporting of non-financial risks are the other drivers (O'Rourke 2004, 6).

Government use of information

According to Moon and Vogel (2008, 313), simple privatization has not been the primary purpose of governments' use of CSR. In the wholesale shift of CSR from the public to private sectors, governments employ CSR reporting information as a support to a more dynamic and adequate government policies. This constitutes the regulatory aspect of the CSR information disclosure system. That is to say, public reporting systems are adopted as the complement and assistance to the traditional command-and-control regulatory mechanisms. The change in the regulatory mechanisms is stimulated by the increase in the critiques and ineffectiveness of the old-fashioned systems of labor and environmental regulation, which used to simply apply rule making and enforcement (Nadvi & Wältring 2004). Because this system is insisted as outpaced, especially with the rapid growth of global economy, governments are therefore seeking for new strategies. As such, CSR disclosure systems prove to be a promising factor that may assist governments in regulating the rising impacts of environment, labor and society of industry. Most importantly, CSR disclosure system is the solution for domestic and international governance deficits.

Consumer concerns

Consumers act as an important potential driver of CSR reporting for many companies, as the interests of this stakeholder group have extended beyond the areas of business operations. The recent years witnessed the growing attention of public sector, regarding the environmental and social impacts of the products and services, the companies' working place for employees and companies' activities

towards the community, which henceforth leads to new demands for corporate disclosure.

The ease to access to information around the world now enables the labor, environmental and human rights groups to direct public concern to negative impacts of production and target individual company practices. Multinational corporations are also under reputational pressures because of corporate scandals, pollution incidents, health problems and sweatshops problems. In regard to the current situation, CSR and sustainability reports offer to bring companies added values in customers' eyes, if communicated in an appropriate and suitable way.

In addition, differentiating the performance of similar firms is remaining complex and delicate for customers and investors based on existing information. Indeed, without doubt, it is sometimes hardly possible for consumers to make a comparison between the performance of Nike and Adidas, Coca-Cola and Pepsi, etc. (O'Rourke 2004, 7). In order to equip customers and investors with more information on companies' behaviors, firms are seeking for a more developed reporting system to demonstrate their ethical dealings with suppliers, employees and local environment (Creyer & Ross 1997, 425).

Investor concerns

The third primary driver of CSR reporting to be mentioned in this paper is the investor concerns, whose interests in CSR practices and reporting are reflected in the expansion of the socially responsible investments (SRI) around the world. SRI, often also named ethical investments or sustainable investments, is an investment procedure in which the social and environmental considerations are consolidated into the investment decision making. In most cases, the SRI decision-making process is derived by the positive screens, or practically choosing the shares that acquires superior CSR standards (Renneboog, Horst & Zhang 2008). This is the reason why the business firms are pressured to be more transparent on their social and environment performance.

The development and maturation of SRI, for example, the SRI assets in the US accomplished \$2.3 trillion in 2005 (Social Investment Forum (SIF) 2005), implies the importance of the relationship between the SRI and the CSR practices,

information and disclosure. The shift of SRI from margin to mainstream over the last decade requires the firms to progressively and properly communicate their social and environment performance to traditional and SRI investors (Renneboog, Horst & Zhang 2008, 1728).

At the same time, researches also show that the financial institutions call for more adequate and sufficient information on risks and liabilities, especially non-financial risks. Since there is a positive relationship between corporate social performance (CSP) and corporate financial performance (CFP), non-financial risks are thus becoming more essential for the performance of the firms. More often than not, the investors implement their decision making process in regard to the information in the more fully-constituted CSR reporting, in order to pick the first-rate environment and social performers and bypass the poor performers (O'Rourke 2004, 8).

Corporate interests in reporting

There is a wide range of benefits of these requirements on firms to report on the information they earlier neither recorded nor published. Firstly, among the other corporate interests of public disclosure of CSR practices, reputation and brand management is claimed to directly link to financial benefits of business firms the most (Ven & Graafland 2006, 6). This is more apparent in the industries with end customers, such as retail and food. A positive public image may have positive influence on customers' decision-making process while purchasing products (Brown & Dacin 1997). Moreover, good reputation helps firms to retain and engage qualified employees.

Secondly, with the assistance of CSR disclosure that captivates the stakeholders' expectations, business firms might find it easier to access to capital and shareholder value (Roberts 1992). Furthermore, the development of SRI has turned into an important factor. This results from the fact that the positive or negative screening to choose SRI depends on the information included in CSR reports (Laufer 2003, 255). There is also tendency that companies indicate in their CSR reports that they get listed in Dow Jones Sustainability Index or FTSE4Good Index (Kolk 2004).

Additionally, since the multinational business management has grown complicated, reporting practices shift into the key management mechanism for internal risk management as well as better management system (Kytte, Hamilton & Ruggie 2005). In most cases, business firms may consider companies' engagement in CSR reporting as a way to avoid disadvantages, in particular the interferences from regulatory bodies that the absence of reporting causes. Regardless of being voluntary work, CSR reports enable firms to meet governmental expectations. Last but not least, by informing that the companies are socially responsible or transparent, companies can gain or extend legitimacy and further repair or defend lost or threatened legitimacy (O'Donovan 2002, 360).

Other stakeholder interests

Improved corporate reporting is beneficial to many other stakeholders, in regard of developing countries' case. Rarely, the public sector has the access to the information about environmental and health-related effects of the industries and companies operating in their community. The situation is the same as workers or employees agreeing to work in industrial facilities, it is likely to have a deficiency in the information provided for them. Notwithstanding that, local governments are not very active in publishing the cost and benefit of economic operations and their influence on sustainable development. Hence, the fuller CSR reporting is proved to be useful for stakeholders in such countries to make more informed decisions about individual and collective development alternatives, based on information about the environmental, social and economic effects of business activities. (O'Rourke 2004, 9).

2.2.3 Standard Disclosures

Along with mandatory social disclosure, business firms also integrate CSR disclosure into their annual reports voluntarily. The nature and extent of disclosure in different companies are driven by their institutional environment and the influence of their community or by the market segment companies (Ingram 1978, 278). Numerous researchers have carried out a vast number of researches with the attempt to identify different categories of CSR disclosures. Many of them

agree that there are five primary themes to include in CSR disclosure, which are presented in the following:

- (1) Environment: On account of industrial pollution and global warming, environment aspect is becoming a dominant matter. To this extent, companies tend to encompass their activities to improve the environmental condition in their annual reports. Webb et al. (2009, 520) claimed that companies are paying serious attention to environmental issue, which is reported with the information of pollution control, product improvement, repair of environment, recycling of waste materials, environment policies, costs of environmental programs and compliance (Deegan & Rankin 1996) and energy related issues (Hackston & Milne 1996).
- (2) Personnel or Human Resources: With this theme, companies acknowledge the information regarding companies' pursuit for the well-being and improvement of their personnel or employees. Commonly, personnel disclosure are listed under the classification of:
 - a. Employee healthcare and safety in working place (Abbott 1979)
 - b. Personnel policies and regulations (Deegan & Rankin 1996, 567)
 - c. Employee education, training, counseling, assistance and remedial plan (Abbott 1979)
 - d. Human rights and supply chain (Webb, et al. 2009) and equal opportunities for women and men employees (Abbott 1979)
- (3) Product quality and safety (Hackston & Milne 1996, 78)
- (4) Political and regulation compliance (Webb, et al. 2009)
- (5) Community Involvement: Companies' engagement and responsibilities toward local community can be disclosed with community activities, public healthcare, education, arts, charity, etc. (Abbott 1979, 510)

2.2.4 Categories of disclosed information

The uprising in CSR reporting and disclosure, in form of mandatory and voluntary disclosures, contributes to the variety in reporting mechanism, methods, guidelines and in particular, reported information. Gray, Kouhy and Laver (1995), Guthrie and Parker (1990) and Ernst and Ernst (1978) had divided into three dimensions, namely evidence, news types and total amount of social disclosure, containing seven categories.

Evidence

- (1) Monetary disclosure, which concerns any quantitative information presented in financial statement and companies' notification.
- (2) Non-monetary-quantitative disclosure, indicating the information included in ARs that is in quantitative form of social activities, but not forming in financial statement.
- (3) Descriptive disclosure, pointing out the explanatory form of social issues information that is usually included in the body of ARs, for instance the company's financial contribution to charity and social activities.

News type

- (4) Negative news disclosure, making reference to the social related news that possibly harms the reputation and brand of the companies in term of CSR perspective, and may have negative social impact with true and accurate information of companies' operations, for examples, companies' scandal on social aspects or business closures.
- (5) Neutral news disclosure, which contains CSR information that neither good nor bad news to companies.
- (6) Good news disclosure, presenting the social information that is likely to enhance the reputation of the companies from CSR perspective.

Amount

- (7) Total amount of social disclosure, which manages the amount of CSR information on six categories above, in term of sentences and pages.

To what extent the CSR disclosure is about depends on the managers' willingness to present the information and establish companies' images and reputation. Even though a considerate balance on the good and bad aspects of information is beneficial to the credibility of the CSR reporting, companies are keen on disclosing positive stories, for instance, their achieved awards and completed goals (Lydenberg & Wood 2010).

2.3 International CSR reporting bodies and frameworks

Nowadays, there are many organizations and bodies that promote for and encourage the adaption of sustainability reporting as well as CSR reporting. Those bodies provide users with the guidelines on sustainability reporting, regarding either performance indicators to be reported, the reporting process standard or the reporting principles. Within this chapter, the author aims to discuss about three most widely used CSR reporting standards around the world. In which, the Global Reporting Initiative Guidelines is the most widely used in Vietnam, and the crucial base for this research.

2.3.1 Global Reporting Initiatives Guidelines

Overview of Global Reporting Initiatives (GRI)

The GRI was founded in 1997 by the CERES (www.ceres.org) and the United Nations Environment Program. Since 2002, this organization became an independent institution with the attempt "to develop and disseminate globally applicable sustainability reporting guidelines" (GRI 2002, 1). The GRI consists of three primary organizational units, which form this multi-stakeholder organization. Such organizational units are the Board of Directors, the technical advisory committee and the secretariat. The Board of Directors, elected by the stakeholder council of the organization, is in the main charge of development and publication of the GRI Guidelines. (Carol & Venkat 2007, 72).

At the moment of writing this thesis, the G4, 4th generation GRI Guidelines, has been released for half a year, in May 2013. This guideline version tempts to be the replacement of the third generation guideline, G3 and G3.1, within two-year time. The launch of a new generation was stimulated from the GRI's member companies, which gave their feedback from the adaption of previous guideline generation (Carol & Venkat 2007, 72). The G4 Guidelines takes into account the enhancement of: focus on Material Aspects, broader reporting boundaries of different impacts on companies, the development of "In Accordance" levels: "Core" and "Comprehensive", new governance and supply chain disclosure requirements (KPMG International 2013, 3-6).

The Global Reporting Initiatives Guidelines

Among the CSR reporting framework available, the Global Reporting Initiatives (GRI) Guideline is the most common one. Being a voluntary standard, GRI Guideline assists companies to communicate about their economic, environmental and social impacts and performance. The major intention of GRI is to establish the sustainability-reporting framework, to enhance and lift up the sustainability reporting practices to that of the traditional financial reporting. Alan (2003, 234) stated that GRI Guideline is becoming the efficient and crucial method. This reporting framework allows the companies and organizations to be transparent with their stakeholders on performance and accountability, beyond the financial bottom line. The GRI reporting framework is constituted by four main components, namely the Sustainability reporting guidelines, the Indicator protocols, the Sector supplement and the Technical protocols.

TABLE 1. GRI reporting framework content (GRI 2011, 3-4)

| | |
|--|--|
| Sustainability Reporting Guidelines | <p>The Guidelines are made up of:</p> <ul style="list-style-type: none"> - Principles for defining report content and ensuring the report quality. - Standard Disclosure, defining <i>Performance Indicators</i> and other disclosure items. |
| Indicator Protocols | <ul style="list-style-type: none"> - Tailored to each performance indicators in the Guidelines - Provide definitions, guidance, and other information to assist report preparers and to ensure consistency of the report. |

| | |
|----------------------------|---|
| Sector Supplements | Interpretations and guidance on how to apply them in a given sector and sector-specific performance indicators. |
| Technical Protocols | Guidance on issues facing most organizations in reporting process. For example: setting the report boundary, etc. |

The connection and the function of the four components mentioned above are further illustrated in the following figure.

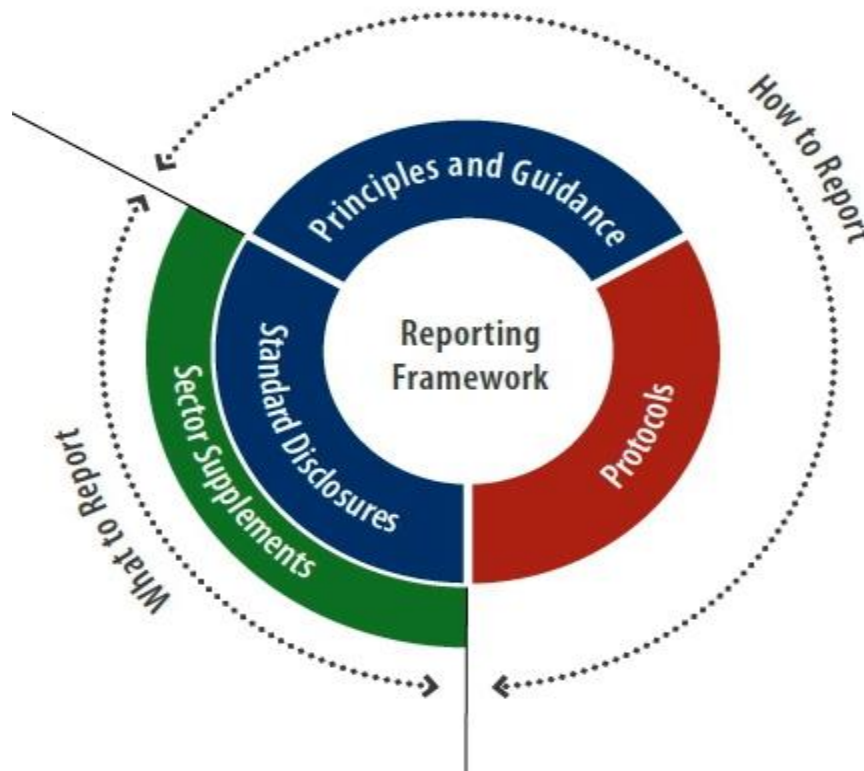


FIGURE 4. The GRI reporting framework (GRI 2011, 3-4)

2.3.2 Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises

Being the non-legally binding set of recommendations from the government, the OECD Guidelines for Multinational Enterprises identify responsible business behaviors. The disclosure areas covered in the Guidelines are human rights, employment and industrial relations, environment, bribery, consumer interest,

science and technology, competition and taxation (BIAC 2012). The Guidelines are initiated as a part of the OECD Declaration on International Investment and Multinational Enterprises. The Declaration aims at supporting the international investment via a broader, balanced collection of instruments, rights and commitments. Following the promotion of foreign investment, the Declaration includes the OCED Guidelines to encourage the good conducts. By that way, the foreign investment is maximized in term of economically, environmentally and socially sustainable development. (OECD 2011)

2.3.3 AccountAbility's AA1000 Assurance Standards

Overview of AA1000 framework

In 1999, the need for a more considerable clarity on issues of social and ethical accountability reporting results in the establishment of the AA1000 framework. The AccountAbility in the UK generated and developed this framework for two main reasons. First and foremost, it is necessary to achieve a "common currency of principles and process" regarding the sustainability reporting standards. Secondly, the AA1000 framework was originated as an independent standard, providing the insights for accountability-related issues.

The AA1000 process standard

Adequately defined, the AA1000 is a process standard. The AA1000 suggests an ideal process for organizations to adopt, in order to account for their performances. The process reflects the procedure of social and ethical accounting, auditing and reporting. (AA1000 1999, 11). The AA1000 defined process includes five critical steps, which are described in the following figure.

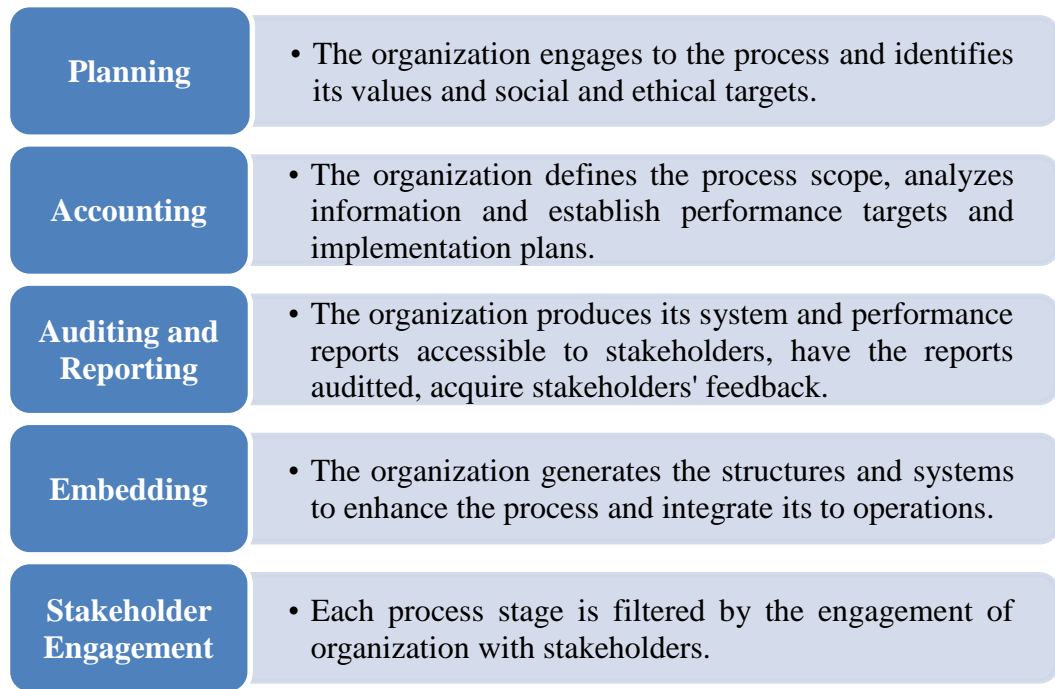


FIGURE 5. The AA1000 process standard (AA1000 1999, 11)

2.4 Criteria for Assuring Report Content and Quality

The CSR reporting of companies is subjected to not only the report content requirements but also the criteria for assuring the quality of reported information. Such requirements and criteria will be discussed within this section, based on the Principle for Ensuring Report Content and Quality developed by the GRI and AA1000. Then, the mentioned requirements will be used as the criteria for the author to identify the differences between the English and Vietnamese versions of CSR reporting, in terms of the content and quality of the disclosure.

2.4.1 Criteria for Assuring Report Content

Materiality

The Materiality criterion defines the report's boundary, scope and content. The material principle requires that the CSR reporting should occupy topics and Indicators that discuss all of economic, social and environmental impacts of the companies (Hausman 2008). The report, therefore, should focus on the information of the performance that is the most material topics towards the

companies. Other less relevant topics should be also mentioned, however, with less volume and concentration. Furthermore, the reported information should be useful for the decision-making process of the stakeholders.

Stakeholder inclusiveness

The Stakeholder inclusiveness criterion examines the engagement of the companies and the report to their stakeholders (AA1000 1999). In other words, the companies should firstly recognize their stakeholders, and then, illustrate how they had acknowledged the stakeholders' interests and concerns. More importantly, such interests and concerns are the critical determinant for defining the report's content and assurance. (GRI 2011)

Sustainability context

The Sustainability context criterion demands the reported information to be displayed in a wider context of sustainability. In other words, the companies should report on their performance in regard to a broader goals and objectives. Such goals and objectives are defined by recognized sectorial, regional, national and international sustainability development publications. (KPMG 2012, 9)

Completeness

The Completeness criterion takes into account the scope, boundary and timing of the CSR report. This principle requires that the reported information on material issues and different performance indicators should be able to explain the important economic, environmental and social effects (AA1000 1999). Hence, the stakeholders are able to evaluate the companies' performance in reporting period.

2.4.2 Criteria for Assuring Report Quality

Information Balance

The Information Balance criterion requires that the CSR report should provide the readers and stakeholders with reliable information on companies' performance. That is, the balanced reporting enables the readers to assess companies' performance based on both positive and negative information. According to the

GRI guideline (2011), it is necessary to avoid the bias while conducting CSR reporting, to enhance the fairness and tolerance of the report quality.

Comparability

The Comparability criterion makes it easier for the stakeholders to examine and evaluate the companies' performance. This principle requires the report preparers to arrange the reported information in a comparable manner. By that way, the stakeholders would be able to compare the current performance of the companies against the previous one, or against their objectives and targets. More often than not, it is more appropriate to enable the stakeholders to compare the companies' performance with the other companies, or the standards. Moreover, the comparability principle demands on the consistency of the report over time. (KPMG 2012, 9)

Accuracy

The accuracy criterion is designed to mitigate the quantity and quality of the reported information. The information within the report should be not only accurate but also detailed for the stakeholders to examine and evaluate the companies' performance (Ballou, Heitger and Landes 2006). The accuracy of the report depends on the appropriate appliance of qualitative data and quantitative and monetary information.

Timeliness

The Timeliness criterion regards the timing of CSR reporting, which affects the decision-making process of the stakeholders. Adequately defined, the report should be made on a regular manner, and the information should be available in time for stakeholders to make proper decisions. (GRI 2011)

Clarity

Clarity criterion examines the understandable and accessible characteristics of reported information. The report with appropriate clarity level fulfills the requirements of information from stakeholders' expectations. In other words, companies should pay considerate attention to the practices of CSR reporting, of

which the content is understandable and at proper level for stakeholders. The excessive and unnecessary data causes the decrease in clarity level of CSR disclosure. (GRI 2011)

Reliability

The Reliability criterion concerns about the trustworthiness of the reported information in CSR disclosure. It requires that the information and processes to conduct the report should be liable to examination, which is also critical to maintain the decent quality and materiality of the report (KPMG 2012, 5). In order to achieve that target, report preparers should gather, record, compile, analyze and then, disclose such information and processes in the report.

3 CSR REPORTING IN VIETNAM

Like the other developing countries, the first and priority of doing business in Vietnam is the profit generating. Consequently, little to no attention is paid on the corporate social responsibilities by managers, customers as well as the government (Okafor, Hassan & Doyin-Hassan 2008, 105). However, the revolution of global economy is forcing the developing countries to catch up with the trend. In order to secure their market share and competitive advantages, the companies in developing countries are more engaged to the social responsibilities (UNIDO 2002). The environmental, social and ethical aspects of their operations are becoming the crucial part of their strategies and implementation plans.

3.1 Current perception of companies and customers in CSR reporting or sustainability reporting in Vietnam

More importantly, the CSR activity and reporting practices in developing countries are significantly determined by the history, politic, economy and culture. In particular, the state is the main driving force of CSR practices in Vietnam (Desta 2010, 266-267). However, as the CSR operations and reporting are not codified in Vietnam, the adaption of such activities in Vietnam is very limited in quantity and quality. Only the large companies engaged to CSR and sustainability development in Vietnam. Apart from the taxation paid, large companies in Vietnam also register with the government to operate different CSR activities, such as the commitments to environment protection, to community activities and to their personnel (Ha, 2013).

In recent years, the sustainability development is becoming a serious issue in Vietnam for the Vietnamese government and enterprises. A vast number of sustainability development activities become the legal requirements by laws and regulations. As a result, Vietnamese companies integrate such activities into their strategies and business operations in a more relevant manner. However, making the report on sustainability development operations is relatively new to various Vietnamese companies, even though the sustainability reports are very common around the world. According to a research made by the Vietnam Business Council for Sustainable Development (VBCSD) on 150 Vietnamese enterprises, more than

half of them have no idea what a sustainability report is (VBCSD 2013). The detailed result of the research is further illustrated in the following figure.

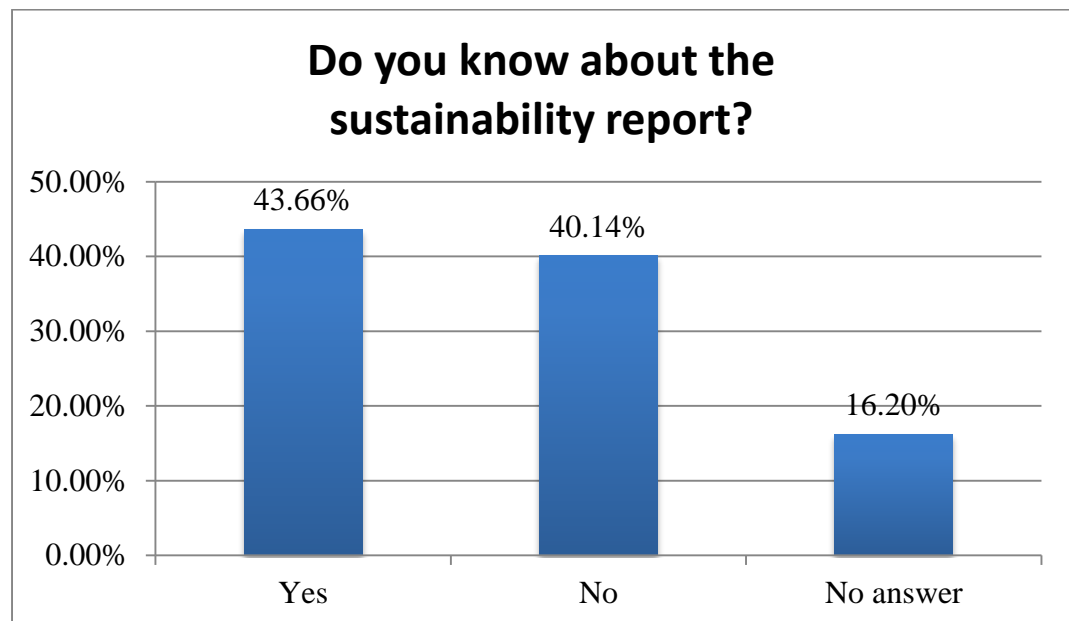


FIGURE 6. Sustainability report awareness survey (VBCSD 2013)

The research also analyzes the perception of Vietnamese managers and companies toward the benefits of sustainability report. 76,05% of Vietnamese managers and companies in the survey agree that "enhancing the companies' reputation and demonstrating for the implementation of CSR" are the most important benefits of sustainability reports. They are followed by the benefit of enhancing the competitive advantage (42,96%) and improving the profitability (40,14%). Notwithstanding that, only 2,1% of Vietnamese managers and companies realize the benefit of increasing transparency and helping companies in strategy-making process of sustainability reports. (VBCSD 2013)

In Vietnam, the CSR disclosure and sustainability development operations are relatively new issues. In reality, the Vietnamese listed companies did not provide the investors with proper information about their CSR activities. Such information as community investment, waste level, water usage, employee remuneration, diversity opportunities for employees are not available for investors. The lack of CSR disclosure and information leads to the decrease in SRI in Vietnam. (Vu 2013a).

On the contrary, according to the Vietnam Chamber of Commerce and Industry (VCCI), 65% of Vietnamese companies are eager to conduct their sustainability reports, with the support of the VCCI (Nguyen 2013). Furthermore, the introductory workshop on sustainability reporting in Hanoi early this year has improved the awareness of Vietnamese enterprises towards sustainability reporting. The workshop was organized in 25 June 2013, by the VCCI, GRI and State Secretariat for Economic Affairs/ Swiss Agency for Development and Cooperation (SECO/SDC).

Adapting to the global trend, more Vietnamese companies published their sustainability reports and include their CSR disclosure in annual reports. Especially, the multinational companies like Deloitte, Holcim, and large listed companies in Vietnam like the Bao Viet Holdings, the Vietnam Dairy Product Joint Stock Company are the trend leaders in this field. Moreover, more domestic and international investors are looking for companies engaging to CSR and being transparent about such operations to make their investments. As a result, the sustainability report award was organized by the SSI, HOSE, Stock Investment Journal and Dragon Capital in 2013. The award aims at encourage Vietnamese companies to engage more to CSR activities and be more transparent about their sustainability development activities. Consequently, it becomes easier for investors and other stakeholders to assess the information about the companies. (Vu 2013b).

3.2 Role of Vietnamese government in promoting CSR reporting practices in Vietnam

As in Singapore, the state is the prominent driving force of CSR and CSR reporting in Vietnam (Desta 2010, 267). The Vietnamese government consequently has the most control over the encouragement of CSR reporting among Vietnamese enterprises. The encouragement takes place in forms of the defined laws, regulations or the cooperation with international organizations, non-government organizations (NGOs) and multinational companies.

Until now, in Vietnam, there is no regulation or law regarding the production and publish of sustainability reports (SSC & IFC 2013). However, the companies are

encouraged to comply with such practices, and get used to being transparent about their sustainability development activities. The regulators attempt to acknowledge the sustainability reporting regulation when the perception and awareness towards sustainability values and the information transparency are enhanced among Vietnamese companies and managers. The regulation would pay attention to the sustainability development operations as the listed requirements, sustainability disclosure standards and the requirement for companies to publish their sustainability reports. (Vu 2013b).

In addition, the SSI and IFC have produced the Sustainability Reporting Guidance for Vietnamese Enterprises, with the attempt to assist Vietnamese companies with sustainability report preparation. The Guidance suggests the process and standard disclosure indicators for companies to produce sustainability reports. Also, the Guidance helps the companies to measure, manage and disclose on their significant environmental and social impacts. (SSC & IFC 2013, 7) The creation of very first sustainability reports of 2012 by large listed companies like the Bao Viet Holdings, the Vietnam Dairy Product Joint Stock Company signals the positive outcomes of the Guidance.

Following the publish of Sustainability Reporting Guidance for Vietnamese Enterprises, many other attempts were made to build a transparent and sustainability-oriented environment for Vietnamese enterprises. Such attempts are the Introductory Workshop on Sustainability Reporting in Hanoi in June 2013, calling for the support of GRI, IFC for improving CSR reporting practices in Vietnam, the cooperation with United Nation Global Compact (UNGC) to promote for sustainability development and the Award for Sustainability Reports by VCCI and SSC.

3.3 Previous studies on CSR reporting practices in Vietnam

CSR reporting is becoming an emerging concept among Vietnamese enterprises for the last few years, with the sustainability report publish of many multinational companies and large listed companies in Vietnam (Ha, 2013). However, CSR reporting endures a very short history in Vietnam. The Vietnamese enterprises therefore have little understanding and pay little attention to this issue (Bui 2010,

81). Consequently, there is a limitation in the quantity and quality of Vietnamese CSR disclosure practices studies and researches. The empirical studies on CSR disclosure practices in Vietnam cover the topics of the implementation and determinants of CSR adaption and the perception of managers, customers and stakeholders in Vietnam towards this issue.

There are currently only two official studies available regarding the CSR disclosure practices in Vietnam. The first one is the Corporate Social Disclosures in Southeast Asia: A Preliminary Study of Riandy Hermawan, which was presented at 10th International Conference on Corporate Social Responsibility in New Orleans 2011. This studies took into investigation the CSR disclosure practices in annual reports of the year 2007 and 2008 of 19 listed Vietnamese companies. Hermawan (2011, 14) aimed at examining the reported themes and the frequency of such theme within the research. The research also analyzed the changes in reporting practices over year in Vietnam. The analysis was conducted against the GRI Guidelines, by the content analysis research method. The table in the following demonstrates for the result of this research.

TABLE 2. CSR disclosure practices in Vietnam by Hermanwan (2011, 14)

| No | 2007 | | 2008 | |
|----|-----------------------|------------|-----------------------|------------|
| | Theme | Percentage | Theme | Percentage |
| 1 | External relations | 72.20 | Sustainability | 89.47 |
| 2 | Sustainability | 66.67 | Others | 84.21 |
| 3 | Products | 59.26 | Product | 80.70 |
| 4 | Others | 50.00 | External relations | 78.95 |
| 5 | Human resources | 46.10 | Human resources | 64.21 |
| 6 | Community involvement | 31.30 | Community involvement | 50.72 |
| 7 | Environment | 7.69 | Environment | 17.81 |
| 8 | Energy | 5.56 | Energy | 15.20 |

The other study was Corporate Social Responsibility Reporting in Large Listed Vietnamese Companies by Trang Le, in 2011. Similarly, this study identified the CSR reporting practices in English versions of 33 large listed Vietnamese companies' annual reports of the year 2010. The result of the study was also compared against the GRI Guidelines, but in a stricter manner. The main research method employed in this study was the content analysis. Le (2011, 47) also utilized the established research technique in CSR - content analysis with four dimensions to analyze the 33 annual reports. The four dimensions include:

1. Themes: Economic, Environmental, Social (Labor Practices and Decent Work), Human Rights, Society, and Product Responsibility
 2. Types of news: Financial information, Non-financial information, Descriptive information, Negative news, Good news, Neutrals news
 3. Volume: page measurement
 4. Time period of different CSR information and time period in the annual reports
- The result of Le (2011) is illustrated in the following table.

TABLE 3. CSR disclosure practices in Vietnam by Le (2011, 83)

| No | Theme | Percentage |
|----|------------------------|------------|
| 1 | Economic | 100.00 |
| 2 | Society | 84.84 |
| 3 | Labor Practice | 75.75 |
| 4 | Product Responsibility | 12.12 |
| 5 | Environment | 9.09 |
| 6 | Human rights | 0 |

The two studies agreed on the fact that the economic performance is the most disclosed information in CSR disclosure of Vietnamese companies. It is followed by the disclosure of social performance, labor practice or human resources information. Still, the product responsibility and environment performance account for a very limited amount in CSR disclosure. More significantly,

Vietnamese companies are unlikely to communicate about their human rights performance. In general, the CSR reporting is currently not the priority of a vast number of Vietnamese enterprises at all sizes (Ha, 2013).

4 RESEARCH METHOD AND DATA COLLECTION

As mentioned above, the research method and data collection are the essential parts of a thesis. Within this chapter, the research design and data collection method will be adequately defined in order to capture the relevant means of conducting the research process and generating appropriate research results.

4.1 Sample design: Large listed companies in Vietnam

The research context of this thesis is within the large listed companies in Vietnam, which have high public profiles, good reputation and strong expectation from domestic and international investors. The research will be conducted throughout the annual reports and sustainability reports (if any) as the primary source from Ho Chi Minh Stock Exchange (HOSE). The chosen companies are collected among the candidates on the index VN30, which is the most advanced and important from HOSE. In January 2012, HOSE launched VN30 containing 30 stocks with highest market capitalization and liquidity.

Ho Chi Minh City Securities Trading Center (HoSTC), the former of HOSE, was the first and foremost trading platform to enter the operation in 20 July 2000. After seven years of growing and functioning, the Ho Chi Minh City Securities Trading Center was transferred to Ho Chi Minh Stock Exchange (HOSE). Until now, there have been 342 listed shares, including 301 stocks, 38 bonds and 3 index fund certificates, representing over 40% of total GDP or over 273,320 billion VND. At the moment, the HOSE is the largest stock exchange in Vietnam. The VN Index, based on the price of the shares during a particular period of time, was the only index formed by the HOSE until 2011.

Following the growth and development period since the 2000s, the VN index, which was born during HOSE's infancy, deemed not to be appropriate for the needs of the market and investors in terms of stock information and operation on the trading session. In respect to a better and more flexible index system, the HOSE launched the VN30 index in February 2012, including 30 stocks within 9 main sectors (shown in Figure 3). This initiation demonstrates the basis for the

next stage of the HOSE growth process by better indicating the Vietnamese market developments, asserted Mr Tran Dac Sinh, the chairman of HOSE.

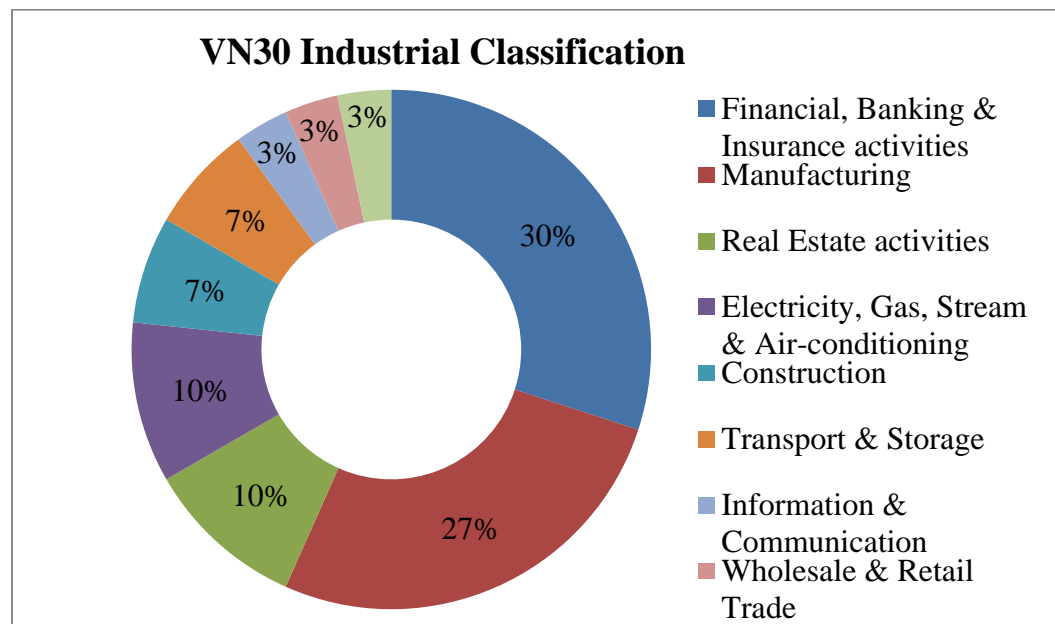


FIGURE 7. VN30 industrial classification

The author embraced those companies listed on the VN30 into the research of CSR disclosure in the Vietnamese versions of annual reports and sustainability reports due to four main reasons. First of all, the companies listed on the VN30 index were selected based on their market capitalization being the largest among the whole market. Secondly and most importantly, the chosen companies have the positive operation reputation and transparency. Hence, these VN30 companies tend to gain much trust from the domestic and international investors. Thirdly, the companies to be researched are among the pioneers and trendsetters in the field of business operation as well as CSR activities and CSR disclosure in their particular sectors. Therefore, they are considered as standards or models for a wide range of small medium sized companies in Vietnam. Finally, according to Branco and Rodriques (2006), those companies with highest public profiles are more engaged to the community activities, or CSR activities, with the attempts to attract customers and raise recognition throughout the society. The large listed companies to be examined are presented in the following table 2.

TABLE 4. List of stocks in VN30 index

| No | Stock Symbol | Company name |
|----|--------------|--|
| 1 | BVH | Bao Viet Holdings (Bao Viet) |
| 2 | CII | Hochiminh City Infrastructure Investment Joint Stock Company |
| 3 | CSM | The Southern Rubber Industry Joint Stock Company |
| 4 | CTG | Viet Nam Joint Stock Commercial Bank For Industry And Trade |
| 5 | DPM | Petrovietnam Fertilizer and Chemicals Corporation |
| 6 | DRC | Danang Rubber Joint Stock Company |
| 7 | EIB | Vietnam Export Import Commercial Joint Stock Bank |
| 8 | FPT | FPT Corporation |
| 9 | GMD | Gemadept Corporation |
| 10 | HAG | HAGL Joint Stock Company |
| 11 | HPG | Hoa Phat group Joint stock company |
| 12 | HSG | Hoa sen Group |
| 13 | IJC | Becamex Infrastructure Development Joint Stock Company. |
| 14 | KDC | Kinh Do Corporation |
| 15 | MBB | Military Commercial Joint Stock Bank |
| 16 | MSN | Ma San Group Corporation |
| 17 | OGC | Ocean Group Joint Stock Company. |
| 18 | PET | Petrovietnam General Services Corporation |
| 19 | PGD | Petro Viet Nam Low Pressure GAS Distribution Joint Stock Company |
| 20 | PPC | Pha Lai Thermal Power Joint Stock Company |
| 21 | PVD | Petrovietnam Drilling & Well Service Corporation |
| 22 | PVT | PetroVietNam Transportation Corporation |
| 23 | REE | Refrigeration Electrical Engineering Corporation |
| 24 | SBT | Société De Bourbon Tay Ninh |
| 25 | SSI | Sai Gon Securities Incorporation |
| 26 | STB | Sai Gon Thuong Tin Commercial Joint Stock Bank |
| 27 | VCB | Joint Stock Commercial Bank For Foreign Trade Of Viet Nam |
| 28 | VIC | VINGROUP Joint Stock Company |
| 29 | VNM | Viet Nam Dairy Products Joint Stock Company |
| 30 | VSH | Vinh Son - Song Hinh Hydropower Joint Stock Company |

4.2 Data collection

Due to the nature extent of the research subject that aims at analyzing how the manner of conducting CSR disclosure of large listed Vietnamese companies is, the information in annual reports and sustainability reports of such companies is exploited. The necessary data for the investigation, the 2011-2012 annual reports and sustainability reports were collected at the database of the companies and/ or the database of the HOSE.

During the initial stage of the research, it could be comprehended that there are very few Vietnamese companies producing stand-alone sustainability reports. Specifically, among the 30 companies chosen for investigation, the only two companies conducting their stand-alone sustainability reports are the Bao Viet Holdings (Bao Viet) and Viet Nam Dairy Products Joint Stock Company (Vinamilk). On the other hand, every chosen company in this research published the annual report as the compulsory requirement to be listed on HOSE. Furthermore, in Vietnam, annual reports seem to be the most prominent and official stream for CSR disclosure, rather than other methods (Spence 2009). As the result, the implementation of annual report research is relevant in this thesis. The following figure 5 reflects the data collection process of the research.

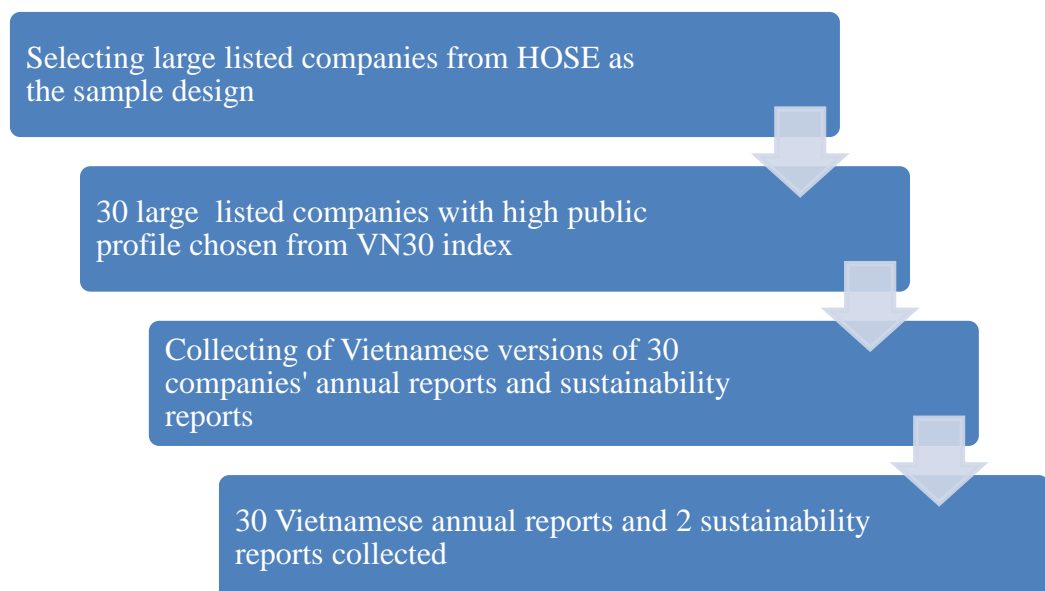


FIGURE 8. Data collection process

4.3 Research method

Due to the fundamental nature and the chief assignment of this thesis, the content analysis is considered as the primary guidance. According to Hsieh and Shannon (2005, 1277), content analysis is among the ordinary methods used to appraise the textual information. This method, thus, is commonly utilized in CSR disclosure practice researches. In order to conduct a content analysis paper work, Stray (2008) suggested that it is necessary to form a set of categories into which the data is classified. Subsequently, the author employs the measurement range of information with five dimensions from the earlier work of Ernst & Ernst (1978), Guthrie and Parker (1990) and Gray et al. (1995) and GRI 3.1 guideline's study, including:

- Themes: Economic, Environment, Labor practices and Decent Work, Human Rights, Society, Product Responsibility and Others
- Evidence: Monetary, Non-monetary, Descriptive
- News Type: Negative, Good, Neutral
- Volume of disclosure: Per company, Per page or sentence.
- Location in report: Statement from the Chairman, BOD's report, etc.

Within each dimension mentioned above, the particular CSR disclosure in annual reports and sustainability reports were analyzed and evaluated, containing the nature and adequacy of the disclosure method.

In respect to the CSR reporting standards currently adapted in Vietnam, it is worth noting that GRI is the most active guideline. For that reason, the author was determined to pick the GRI 2011 guideline (see appendix 1) as the dominant standard. A checklist was consequently made, in regard to the first dimension of themes, for deducing the textual data regarding the themes presented in companies' CSR disclosure.

TABLE 5. Checklist for the theme dimension (GRI 2011)

| Themes | Aspects |
|-----------------------------|---|
| Economic Performance | <ul style="list-style-type: none"> - Economic performance - Market performance - Indirect economic impacts |

| | |
|--|--|
| Environmental Performance | <ul style="list-style-type: none"> - Materials - Energy - Water - Biodiversity - Emissions, effluents and wastes - Products and services - Compliance - Transport - Overall |
| Labor Practices and Decent Work Performance | <ul style="list-style-type: none"> - Employment - Labor/ Management relations - Occupational Health and Safety - Training and Education - Diversity and equal opportunity - Equal remuneration for women and men |
| Human Rights Performance | <ul style="list-style-type: none"> - Investment and Procurement Practices - Non-discrimination - Freedom of Association and Collective bargaining - Child labor - Forced and compulsory labor - Security practices - Indigenous rights - Assessment - Remediation |
| Social Performance | <ul style="list-style-type: none"> - Local communities - Corruption - Public Policy - Anti-Competitive Behavior - Compliance |
| Product Responsibility Performance | <ul style="list-style-type: none"> - Customer health and safety - Product and service labeling - Marketing communication - Customer privacy - Compliance |

The result of the CSR disclosure analyzing process will be used as the input for the next critical stage of the research – developing the differences between the English and Vietnamese versions of CSR disclosure. The CSR disclosure behavior in Vietnamese versions will be examined against the previous academic researches on the English versions in Vietnam. The author plans to criticize the distinctions upon the criteria for ensuring CSR report content and quality from GRI and AA1000 guideline mentioned in chapter 2.

The CSR disclosure practices in English versions of Vietnamese companies'

annual reports will be acknowledged from the study of Hermawan (2011) and Le (2011), which were discussed in chapter 3 of this research. However, due to the timeliness of the two researches, which was conducted within 2007-2008 annual reports of Hermawan (2011) and 2010 annual reports of Le (2011), the author decided to make the comparison on Le (2011)'s research result. In addition, as Le's and this study follow strictly the GRI Guidelines, the comparison between these two researches are consequently more relevant.

The comparison was planned to make upon the ten criteria for assuring report content and quality. However, the research result of previous research on CSR disclosure practices in Vietnam is limited. As a consequence, the comparison is conducted upon four criteria, namely the materiality and completeness of report content and information balance and accuracy of report quality.

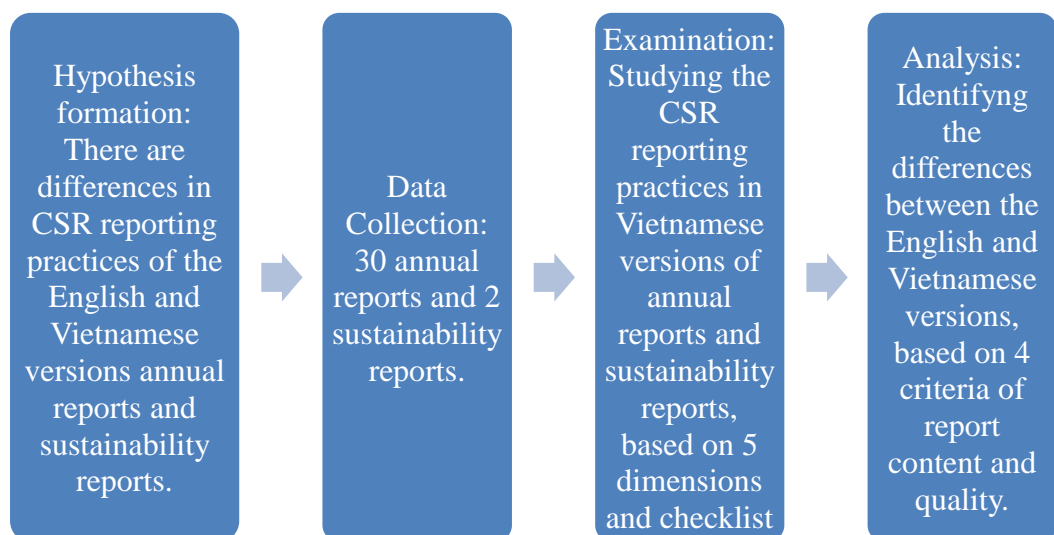


FIGURE 9. Research design

5 CSR DISCLOSURE IN THE VIETNAMESE VERSION OF COMPANIES' ANNUAL REPORTS AND SUSTAINABILITY REPORTS

Integrating CSR disclosure into annual reports and producing stand-alone sustainability reports are the two primary trends in the world nowadays. These two CSR communication and performance measurement methods are being used hand-in-hand by a vast number of companies and organizations, in both developed and developing countries. This chapter aims at examining the CSR disclosure practices in annual reports and sustainability reports of large listed Vietnamese companies.

As the number of annual reports taken into investigation in this research is much greater than that of the sustainability reports, the author finds it irrelevant to make a general examination on CSR report practices for both types of report. Consequently, 30 annual reports and two sustainability reports from the data collection will be analyzed in two separate sections, CSR disclosure in annual report in the first part and sustainability report analysis in the next study piece.

5.1 CSR reporting volume

The personal observation during the research process helps to discover that the CSR disclosure in large listed Vietnamese companies seemed to be promising in Vietnamese versions. The annual reports of 30 companies chosen include the needed information regarding their CSR activities, without any exception. On average, the CSR disclosure integrated in annual reports cover approximately 17 pages. The total volume of CSR disclosure in annual reports fluctuates significantly, from the least of three pages of Société De Bourbon Tay Ninh's to the most of 51 pages of PetroVietnam Transportation Corporation's annual report. Noticeably, the volume of CSR disclosure varies greatly among business sectors. The financial, banking and insurance service providers and food processing companies are likely to disclose the most on their CSR performance. Whereas, the electricity, gas, steam and air conditioning producers seem not to be interested in reporting on such performance. The variation is emerged from the different perceptions of different companies towards the CSR activities, the emphasis on different business activities as well as the consciousness of the CSR reporting

practices. The examination of total CSR disclosure volume is carried out among the annual reports, which is illustrated in the following table.

TABLE 6. Volume of CSR disclosure in annual reports

| Volume of CSR disclosure | Number of reports |
|--------------------------|-------------------|
| ≥ 24 pages | 6 reports |
| 9-23 pages | 18 reports |
| ≤ 8 pages | 6 reports |

The CSR disclosure is theoretically believed to consist of six themes, namely economic performance, environment, labor practices and decent work, human rights, society and product responsibility disclosure (GRI 2011, 24). In addition, the analysis process of this research helps to find out other aspects included in the CSR reports of Vietnamese companies. The following Figure 9 demonstrates for the volume of each category.

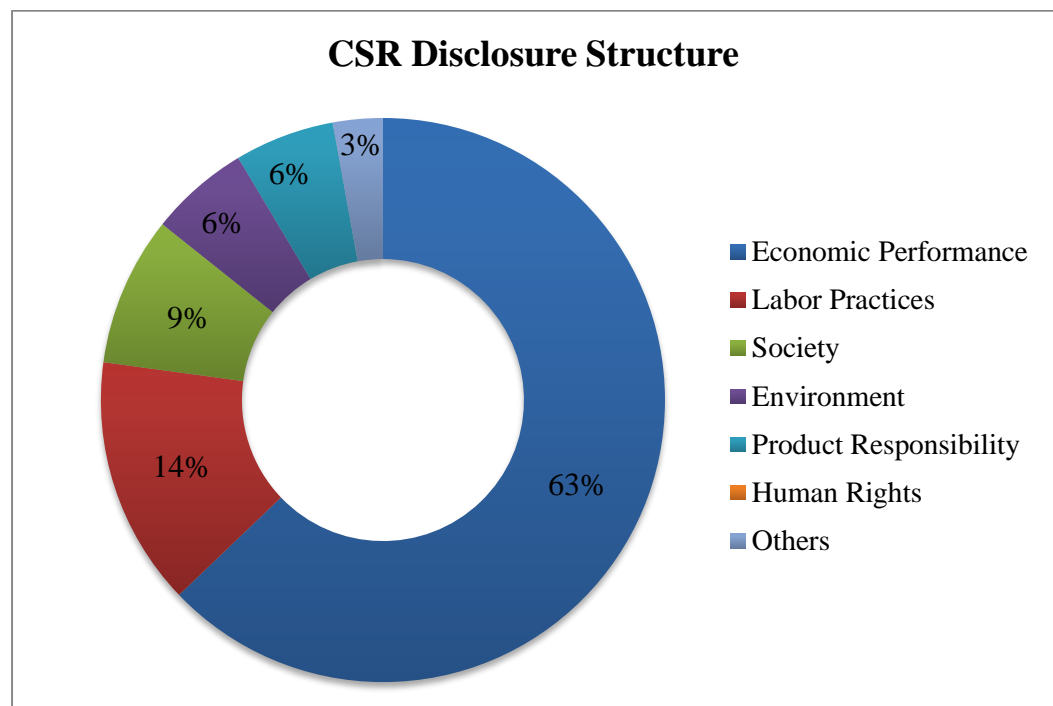


FIGURE 10. CSR disclosure structure in annual reports

Understandingly, the economic performance disclosure represents for the most of the CSR disclosure, which is 63%. The second most reported information is the labor practices and decent work performance. However, the difference in report

volume of two separate themes is still very huge, nearly 50%. More significantly, the Vietnamese CSR disclosure completely ignores the human rights performance.

The imbalance in CSR disclosure structure is the common trend in CSR disclosure in annual reports of large listed Vietnamese companies. The reason for this lies in the fact that these annual reports are among the first ones to include the CSR disclosure. In addition, the companies emphasize at giving detailed information regarding their business performance, which is crucial for decision-making process of the stakeholders. Furthermore, due to the lack of experience, it is difficult for Vietnamese companies to precisely report on what their stakeholders desire to know.

5.2 Standard Disclosures

The analysis on the practices of Performance Indicator reporting of CSR disclosure in annual reports recognizes a great diversity in terms of the volume of disclosure and the information reported concerning each theme. The thesis aims to examine in details the variation in disclosure of each performance themes in this sub-chapter.

5.2.1 Economic Performance

Among the six performance indicator themes suggested by the GRI guideline, Economic Performance was the most disclosed information in all of annual reports. The economic performance disclosure in the Vietnamese version annual reports represented a comprehensive collection of information. The aspects included in this disclosure theme are the economic performance assessment, financial status, employee compensation, market presence policies, risk management and indirect economic effect. This disclosure theme covered approximately 12 pages, presented in the message of the Chairman or CEO, the summary of operational activities or the report of BOD in annual reports. It was recognized that the volume and content of economic performance reporting harmonized among the chosen companies, in which same business-sector ones tended to disclose on the similar information, within the same volume. It is likely that the mining and quarrying companies and the wholesale and retail companies

disclosed about their economic performance the most, around 27 pages on average. On the other hand, the transport and storage companies have a tendency to communicate the least on economic information in five pages generally.

The very first thing to be mentioned commonly in the economic performance disclosure is the external economic environment evaluation. Its reports provide the analysis of the global economy situation and the national economy by GDP, inflation, CPI and the economic trends inside the country. Also, the situation of the business sector the company is operating in is described to provide the readers a broader view of the external determinant of companies' operation. Following the external economic environment are the annual reports, which take into consideration the consolidated economic performance of the companies and its subsidiaries. The companies concentrated on reporting about their business activities and operating results of the year 2012, in comparison to the defined targets.

Another topic settled in this disclosure theme is the companies' financial performance assessment. This disclosure aspect, which concerns the capital structure, profitability, liquidity and solvency ratios, complements the whole picture about the economic situation and status for the year. All of the annual reports taken into investigation were inclusive of this information above, which attributed for five pages of the total volume.

Beside business performance information, the other core of this disclosure theme is the risk management. This aspect was made up of more than two pages within the risk management policy section of the report. Apparently, the Vietnamese economy is still in the recovering stage after the global economic recession in 2008 and the Eurozone crisis in 2010, which is said to have the significant negative influence onto the developing and small economies in long term. Hence, the risks mentioned in the reports are related to economic risks, legal risks and operational risks, expressing the company's main concentration in this period. Especially, with manufacturing companies, the material risk and working safety risk are also the serious concerns. Furthermore, the natural disaster in Vietnam is becoming the serious threat to people's lives and economy these years. The

companies examined in this thesis, especially the three in electricity, gas, steam and air-conditioning sector, were paying more attention to the risk of climate change. Some notes about the climate change risks can also be found from some other annual reports; however, the three companies in electricity, gas, steam and air-conditioning sector generated the policies and implementation plan in the most appropriate manner.

The economic performance disclosure in these 30 annual reports referred not only to the business achievement and risk management but also to other information, namely the local market presence policies, the employee compensation and the indirect economic effect. Firstly, the companies in manufacturing sector, particularly the Vietnam Dairy Product Joint Stock Company, adapted the local market policies on local hiring and local supplier, reflecting their concern with this moral issue. Secondly, the employee compensation regarding cover of benefit plan for employee information was disclosed in some annual report, within the human resource policy part, or within the consolidated financial report explanatory part. Finally, almost all the companies in this research engaged to the investments or services for the infrastructure development for public benefits. These investments are also regarded as the social engagement programs, which will be discussed in more details within the social performance indicator disclosure part.

Even though the economic performance disclosure proved to be the most fully constructed part of CSR disclosure in chosen companies' annual reports, this disclosure category suffered from some drawbacks. Concretely, the local policy and local hiring procedure were not mentioned thoroughly. Also, despite its importance to the business operations, the indirect economic impacts seemed not to be taken into serious consideration. The lack of those disclosure themes was thought to be the reason for the decrease in CSR disclosure materiality of the annual reports.

Being the most disclosed information, economic performance disclosure has the most diversified content. Similarly, the compliance to the GRI guideline of this disclosure was the highest, which is reflected in the following table.

TABLE 7. Compliance level to GRI Guideline of economic performance disclosure.

| Aspects | | Indicators | Volume (reports) |
|---------------------------------|-----|---|------------------|
| Economic Performance | EC1 | Direct economic value generated: revenues, operating costs, employee compensation, donations, community investments, etc. | 30 |
| | EC2 | Financial implications, risks and opportunities due to climate change. | 4 |
| | EC3 | Organization's defined benefit plan. | 5 |
| | EC4 | Financial assistance received from government. | 0 |
| Market Performance | EC5 | Standard entry-level wage by gender compared to local minimum wage. | 8 |
| | EC6 | Local policy | 1 |
| | EC7 | Procedures for local hiring and proportion of local senior management. | 0 |
| Indirect economic impact | EC8 | Infrastructure investments and services provided for public benefit | 1 |
| | EC9 | Indirect economic impacts | 0 |

5.2.2 Labor Practices and Decent Work Performance

The second most reported information in CSR disclosure was the Labor Practices and Decent Work performance. This disclosure theme covered three pages of the total volume, located in the human resource and human resource policies section of the BOD's report. The labor practices and decent work performance disclosure could be found from 29 annual reports. Likewise, this disclosure category endured the tremendous variation in the volume of disclosure, with three companies reporting on this topic in six to seven plus pages and the rest sharing the same content within two to four pages. In which, the Petrovietnam General Services Corporation, from the wholesale and retail industry, made a disclosure of nearly eight pages. Whereas, the companies from construction and transport companies conducted the smallest amount, within less than a page. The labor practices and decent work performance indicators were reported in three main themes, including human resource overview, human resource policies, gender equality and working safety.

The overview of the total work force initiated this disclosure category in one page, commonly with the analysis of the total number of employees by contract types, age groups, educational level and gender. Among these categories, the educational level and age groups were the two most common topic of reporting. Almost all of the companies included such information in their CSR disclosure. After that, the analysis related the total number of employees to the turnover of the company within the year.

The labor practices and decent work continued with the human resource policies, in term of the training and education, wage and remuneration, labor and management relations. These issues were also the basic concerns of job hunters and employees in Vietnam. In most cases, training and education is the focal point of human resource policies. This disclosure discussed the number and detailed description of such programs as well as the statistic of employees taking part in, monetary investment, and strategic plans for educational program development. Besides, the education and training disclosure mentioned the training programs tailored to the position and work responsibility. Moreover, the personal development and career assessment programs were also taken into consideration in this part. The companies also concentrated on the most basic disclosure - wage and remuneration policies for their personnel, which were dictated by the development evaluation programs.

Another topic being covered in this disclosure category was the occupational health and safety. However, only two companies conducted the disclosure on this theme due to the dangerous nature of their operation. They were Petrovietnam Drilling & Well Service Corporation (PVD), from the mining and quarrying sector, and Petrovietnam Fertilizer and Chemicals Corporation, from manufacturing industry. Within this aspect, the companies mentioned the number of employees represented in formal joint management- worker health and safety boards, which placed an important part in administering and advising on occupational health and safety programs. Additionally, the training program on the working safety and health care and rate of injury by years (LTIFR- Lost Time Injury Frequency Rate) were briefly discussed.

In addition, the company culture and employee motivation were the serious

concerns of the companies, which were included in the beginning of the annual reports or in the BOD's report section. This disclosure surrounded the mental and physical supporting programs for labor force and the defined moral code of working.

Lastly, as the gender equality is a social problem in Vietnam, some companies from the finance, banking and insurance and wholesale and retail sector focused on the equal opportunities for both gender workers. More importantly, Hoa Sen Group, Bao Viet Holdings and Petrovietnam General Services Corporation made it clear about their compensation programs for women employees but not for men employees. Such programs revealed the compensation for women employees on International Women day, Vietnamese Women day and pregnancy period. This disclosure aspect demonstrated a crucial step forward in establishing an equal working environment for all of their work force.

Due to the fact that most companies concentrated so much on employment and training and education aspects, the labor and management relation, they left out working safety and gender equality. Reality showed that hierarchical structure of the companies, in which the top managers were in control of everything, weakened the labor and management relation in Vietnam. For that reason, this disclosure aspect was not paid enough attention by the governance bodies. Furthermore, there have been several scandals regarding the working safety and gender equality in the working environment in Vietnam. Notwithstanding that, the working safety and gender equality were not yet the primary topic of the CSR disclosure.

In general, the labor practices and decent work disclosure is well constructed by the companies. However, the volume, transparency and reliability of this disclosure suffered from a deficit. The compliance level to GRI guideline is illustrated in the following table.

TABLE 8. Compliance level to GRI Guideline of labor practices and decent work performance disclosure.

| Aspects | Indicators | Volume (reports) |
|---------|------------|------------------|
|---------|------------|------------------|

| | | | |
|---|------|---|----|
| Employment | LA1 | Total workforce per employee category. | 29 |
| | LA2 | Number and rate of new employee hires and employee turnover by age, gender, and region. | 20 |
| | LA3 | Benefits for full-time employees but not for temporary or part-time employees. | |
| | LA15 | Return to work and retention rates. | |
| Labor/ Management relations | LA4 | Employees covered by collective bargaining agreements. | |
| | LA5 | Minimum notice period(s) regarding operational changes. | |
| Occupational Health and Safety | LA6 | Total workforce represented in formal joint management-worker health and safety committees. | 1 |
| | LA7 | Rates of injury, diseases, lost days, and absenteeism, total number of work-related facilities. | 1 |
| | LA8 | Education, training, counseling, prevention and risk-control programs regarding serious diseases. | 3 |
| | LA9 | Health and safety topics. | |
| Training and Education | LA10 | Average hours of training. | 10 |
| | LA11 | Programs for skills management and lifelong learning. | 29 |
| | LA12 | Percentage of employees receiving performance development reviews. | 17 |
| Diversity and equal opportunities | LA13 | Composition of governance bodies and breakdown of employees per employee category. | 29 |
| Equal remuneration for women and men | LA14 | Ratio of salary and remuneration of women to men by employee category. | 3 |

5.2.3 Social Performance

Due to Vietnamese cultural tradition and Buddhist teaching influence, the social performance disclosure could be found from more than two thirds of the annual report in this thesis. However, both the companies and customers mistook the social performance in Vietnam for the charity work. For that reason, nearly all of the CSR disclosure examined in this research discussed their charity activities and related information. This disclosure theme covered around two pages in 21

reports. In respect to the volume, the financing, banking and insurance service and the information and communication companies disclosed on this theme the most, within two to four pages. On the other hand, the transport industry companies disclosed the least on this issue, around one third of page.

Understandably, the social performance disclosure in the CSR reporting concerned mostly on the local community engagement and development programs, for instance, the charity activities surround the building infrastructure programs in rural areas, scholarships for students in remote places, blood donation, etc. Occasionally, the companies also included the actual amount of money spent on each activity, or on the social performance as a whole.

Apparently, the social performance disclosure of the companies in this research is at very fundamental level. Despite the fact that the companies carried out many society engagement programs, they were unable to report on such operations in a proper manner. The programs were mentioned in a formalistic way, without any monetary data about the amount of financial resources spent and the detailed description of the operations. Furthermore, other important themes like anti-corruption behaviors, public policy contribution, anti-competitive activities and the compliance level to laws and regulations were completely excluded from such CSR disclosure.

TABLE 9. Compliance level to GRI Guideline of social performance disclosure.

| Aspects | | Indicators | Volume (reports) |
|--------------------------|------|--|------------------|
| Local communities | SO1 | Operations with implemented local community engagement. | 21 |
| | SO9 | Operations with potential or actual negative impacts on local communities. | 0 |
| | SO10 | Prevention and mitigation measures implemented in operations. | 0 |
| Corruption | SO2 | Business units analyzed for risks related to corruption. | 0 |
| | SO3 | Employees trained in anti-corruption policies and procedures. | 0 |
| | SO4 | Actions in response to corruption. | 0 |
| Public Policy | SO5 | Public policy positions and participation. | 0 |
| | SO6 | Value of contributions to political parties. | 0 |

| | | | |
|----------------------------------|-----|---|---|
| Anti-Competitive Behavior | SO7 | Legal actions for anti-competitive behavior, anti-trust and monopoly practices. | 0 |
| Compliance | SO8 | Fines and non-monetary sanctions for non-compliance with laws and regulations. | 0 |

5.2.4 Environmental Performance

Following the same trend with social performance disclosure, the information regarding the environmental performance was small in term of volume and quality. In total, there were eight companies from five business sectors disclosing about this category of standard disclosure. The volume of this performance disclosure varied from one-third page of Gemadept Corporation to five pages of the Vietnam Dairy Product Joint Stock Company. It is likely that the product producing companies are more engaged to the environmental disclosure than the financial, banking and insurance companies. According to Mr Ha (2013), it is harder for recognize their environmental impacts, as such impacts are very limited in those companies. This disclosure category can be divided into five main themes, including the consumption of materials, energy and water, the amount of wastes reused, the strategy to reduce materials, energy and water consumption, products and services environmental impacts and the compliance level.

First and foremost, the environmental performance reporting, which was located in the environmental protection part of the annual report, usually commenced with the information on the materials, energy and water consumed. After that, a table was conducted to illustrate for the amount of such natural resources saved in the year. Secondly, the insurance provider Bao Viet Holdings and the mining company Petrovietnam Drilling & Well Service Corporation (PVD) made a report on their waste management, with the amount of waste produced and recycled. Thirdly, the companies revealed their environmental protection performance via the report on the internal strategies and initiatives for the efficient-using of the materials, energy and water. Especially, Sai Gon Thuong Tin Commercial Joint Stock Bank managed an external environmental performance policy, by placing the environmental performance evaluation system on their business partners.

Furthermore, the companies in real estate activities and manufacturing sector

reported on their product environmental impact examination. Finally, more often than not, the environmental performance disclosure concluded with the compliance level of companies to the national and local environmental law and regulation.

Despite the fact that the environmental performance disclosure was conveyed in a proper way with many types of information, it lacked of some critical report concerning the biodiversity, emissions, effluents, transport and overall monetary investments on such programs. In addition, the deficit of monetary data on environmental investment worsened the reliability level of the CSR disclosure in annual reports.

TABLE 10. Compliance level to GRI Guideline of environmental performance disclosure.

| Aspects | | Indicators | Volume |
|---------------------|------|---|--------|
| Materials | EN1 | Materials used. | 2 |
| | EN2 | Materials used that are recycled input materials. | 0 |
| Energy | EN3 | Direct energy consumption. | 0 |
| | EN4 | Indirect energy consumption. | 5 |
| | EN5 | Energy saved. | 5 |
| | EN6 | Initiatives to provide energy-efficient or renewable energy based products, services and reductions achieved. | 10 |
| | EN7 | Initiative to reduce indirect energy used and reductions achieved. | 0 |
| Water | EN8 | Total water withdrawal by source. | 0 |
| | EN9 | Water source affected by withdrawal of water. | 0 |
| | EN10 | Volume of water recycled and reused. | 2 |
| Biodiversity | EN11 | Protected areas and areas of high biodiversity value outside protected areas. | 1 |
| | EN12 | Impacts of activities, products and services on biodiversity in such areas. | 0 |
| | EN13 | Habitat protected or restored. | 0 |
| | EN14 | Biodiversity impact management strategies, actions and plans. | 0 |
| | EN15 | Number of IUCN Red List species and national conservation list species with habitats affected. | 1 |

| | | | |
|---|------|--|---|
| Emissions, effluents, and wastes | EN16 | Direct, indirect greenhouse gas emissions. | 0 |
| | EN17 | Other relevant indirect greenhouse gas emissions. | 0 |
| | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | 0 |
| | EN19 | Emissions of ozone-depleting substances. | 0 |
| | EN20 | NO, SO, and other air emissions. | 0 |
| | EN21 | Total water discharge by quality and destination. | 0 |
| | EN22 | Total waste by type and disposal method. | 2 |
| | EN23 | Number and volume of significant spills. | 0 |
| | EN24 | Transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII. | 0 |
| | EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats affected. | 0 |
| Products and Services | EN26 | Initiatives to mitigate environmental impacts of products and services. | 8 |
| | EN27 | Products sold and their packaging materials recycled by category. | 1 |
| Compliance | EN28 | Fines and non-monetary sanctions for non-compliance with environmental laws and regulations. | 4 |
| Transport | EN29 | Environmental impacts of transporting products and other goods, materials used for operations. | 0 |
| Overall | EN30 | Environmental protection expenditures and investments by type. | 0 |

5.2.5 Product Responsibility Performance

The least information included in Vietnamese CSR disclosure was the product responsibility performance, within five annual reports. The reported volume varied from one-third page of Vietcombank to two pages of Bao Viet Holdings. More interestingly, the financial, banking and insurance providers in Vietnam tended to disclose more on this performance than other companies do. The product responsibility performance included two topics, which were the product development and customer-related issues. Vietnamese companies were likely to include this performance disclosure in the product development section, within the executive's reports of the annual reports.

The product development disclosure was conducted around one page in Vietnamese CSR reporting. The disclosure concerned the product and service development, tailored for improved customer experience, health and safety. The other topic covered in this disclosure was the customer-related issues in one page, regarding the customer satisfaction and customer privacy. Vietnamese companies tended to report on their practices related to customer satisfaction, such as the establish and operation of Customer service center to assist every customer, customer satisfaction survey, etc. In addition, the SSI described their customer privacy programs, regarding the policies and implementation plans for protecting customer privacy and avoiding the loss of customer data.

In summary, Vietnamese companies were unlikely to pay proper attention to product responsibility reporting as well as the operations regarding the improvement of their products. There have been recently many scandals concerning the violation of customer health and safety and low compliance level to products' and services' quality regulation in Vietnam. Therefore, the Vietnamese customers and stakeholders concern more about these missing information.

Like the low quality of product responsibility disclosure, the compliance level to GRI guideline of this disclosure was also very low. Even though the customer health and safety topic was brought up in Vietnamese CSR reporting, the disclosure on such topic was limited to a formalistic form. The following table illustrates for the employment of GRI guideline in this disclosure of Vietnamese CSR reports.

TABLE 11. Compliance level to GRI Guideline of product responsibility performance disclosure.

| Aspects | | Indicators | Volume |
|-------------------------------------|-----|---|--------|
| Customer health and safety | PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement. | 0 |
| | PR2 | Incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts. | 0 |
| Product and service labeling | PR3 | Product and service information required by procedures. | 0 |

| | | | |
|--------------------------------|-----|---|---|
| | PR4 | Incidents of non-compliance with regulations and voluntary codes. | 0 |
| | PR5 | Practices concerning customer satisfaction. | 0 |
| Marketing communication | PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications. | 0 |
| | PR7 | Incidents of non-compliance with marketing communication regulation | 0 |
| Customer privacy | PR8 | Complaints about breaches of customer privacy and losses of customer data. | 1 |
| Compliance | PR9 | Fines for non-compliance with laws and regulations concerning provision and use of products and services. | 0 |

5.2.6 Human Rights Performance

A very special feature that should be noticed is that human rights performance was completely neglected by all the companies taken into investigation. This raises a serious concern, whether the Vietnamese companies were ignoring these critical issues, or they were not eager or able to make a report on such topics. Understandably, as the Vietnamese labor priority concerns in their jobs are salaries and other benefits (Ha, 2013), consequently, the companies tended to forget or avoided such issues in their management and regulation-making process. At the same time, the first and only force that efficiently stands on the employees' side seems to be the labor union, (but not the management board and the government), which is still more or less powerless. In Vietnam the companies and government tend to take the corrective actions after any human right violation, rather than give the power to the employees at the first place.

5.2.7 Other

Most interestingly, rather than standard disclosures as suggested in the GRI guideline, the companies included the model of sustainability development of the company and indicated the information on recent social issues, such as the food safety, the gender equality issue in the report. Moreover, as the food safety and gender equality is a sensitive problem in Vietnamese society and culture (Ha,

2013), it is assumed in this study that the disclosure of this issue is to gain the attention of the community and build a better image of the company.

In addition, the Vietnamese companies reported on other CSR related issues, such as the model of sustainability development or materiality matrix. Usually, the sustainability model was based on the triple bottom line model, aiming at forming the critical factors for the SD of the companies, such as social contribution, economic growth and environmental protection. The other issue – materiality matrix was illustrated in Vinamilk’s annual report. Vinamilk presented the approach to define the content of this report was presented. The Vinamilk's materiality matrix aimed at prioritizing the themes for the company, which is built on the collected perceptions of key stakeholders.



FIGURE 11. Vinamilk materiality matrix (Vinamilk 2012, 16)

5.3 News types

Nowadays, rather than being a voluntary trend, companies are required to be transparent on their operations. Consequently, the companies were approaching the new way of reporting, in which they produced CSR disclosure with a balance of news types, including the good news, neutral news and negative news. In order to evaluate the balance of reported information, the author occupied an analysis on the usage of such news type in the following table.

TABLE 12. News types distribution in CSR disclosure in annual reports

| News type | Number of reports including |
|----------------------|-----------------------------|
| Good news | 30 |
| Neutral news | 15 |
| Negative news | 15 |

The analysis shows that large listed Vietnamese companies engaged to the use of good news the most. The abundant adoption of good news in CSR disclosure was the practices of Vietnamese companies consistently. Apparently, Vietnamese large listed companies desired to communicate more about their positive operation and business behavior, in order to captivate more customers and investors. From Vietnamese managers' perspective, annual reports and CSR disclosure were the most efficient methods to promote their positive image. They had an inclination to ignore and refuse to mention about their negative operations.

In contrast, the neutral news is also being used with a low frequency level. The companies only implement their neutral disclosure in the company profile, strategy analysis and corporate governance part.

Most interestingly, the companies remarkably include negative news in around half of the CSR disclosure in this thesis. With the formalistic reporting practices in Vietnam, this result is found unexpected and impressive. The proper utilization of negative news results from the launch of Circular 09/2010-TT-BTC of January 2010, guiding the implementation of information publish of listed companies. According to the law, companies are required to report about their operational

activities in all aspects, including the negative ones. In addition, the information regarding the negative operation has to be reported within an appropriate period, from the occurrence. The research also analyzes the distribution of different news types among the performance disclosure themes. The outcome is then combined in the following table.

TABLE 13. News types distribution in different CSR disclosure theme in annual reports

| | Good news | Neutral news | Negative news |
|----------------------------------|-----------|--------------|---------------|
| Economic Performance | 30 | 14 | 15 |
| Environmental Performance | 10 | 0 | 0 |
| Labor Practices | 29 | 15 | 2 |
| Human Rights | 0 | 0 | 0 |
| Society | 21 | 0 | 0 |
| Product Responsibility | 5 | 0 | 1 |

Like in other performance disclosure, the companies made an abundant use of good news to describe their financial performance and business results in economic performance disclosure. The neutral news also appeared within the business strategy and financial indicator disclosure. More importantly, the usage of negative news was significant in Vietnamese CSR reporting, which is against the common tendency. The year of 2012 was not a financially successful year of almost all Vietnamese companies. In addition, the newly-formed Circular 09/2010-TT-BTC of January 2010 demands the disclosure of any negative operations of the business. Hence, the companies ended up with reporting on their negative business results of the year 2012, in terms of profitability. Nevertheless, this negative type of disclosure was supported by good explanation on why the companies performed badly during the year. Generally, although Vietnamese companies took crucial step to include negative news in their annual reports and provided the readers with actual information regarding the performance, the disclosure seemed to be formalistic.

The labor practices and decent work was another performance disclosure to apply all three of news types. Similarly, this performance disclosure focused the most on good news, with the information on training and education programs and remuneration and remuneration for employees. Neutral disclosure was presented in form of total work force information, in 15 reports. However, the only two companies including negative news in their reports were PVD and Vinamilk. In PVD's case, they conducted the reporting on the Lost Time Injury Frequency Rate, which concerns the occupational safety aspect of the employees. Also, Vinamilk encompassed the disclosure on the number of occupational accidents among workers.

Another disclosure occupying the negative news type was the product responsibility performance. In which, the Vinamilk disclosed information on their food safety violation accident. This disclosure theme also employed the good news to describe other product and service policies and customer strategies. Apart from the human rights disclosure, the environmental and social performance disclosure showed a lack of variety in the usage of news types. Such disclosure only included the good news information, in 10 and 21 Vietnamese annual reports respectively.

To sum up, the distribution of different news types fluctuated by different performance disclosure. The proper usage of different news types, including the good, negative and neutral ones enhanced the balance quality of the report. On one hand, the economic, labor practices and decent work and product responsibility disclosure were able to take advantage of different news types. On the other hand, the others were still in lack of proper management of this disclosure category.

5.4 Evidence

The evidence disclosure, including the monetary, non-monetary and descriptive assists to measure the accuracy of the CSR disclosure and sustainability reports quality. Good usage of such evidence disclosure efficiently managed the understandable and accessible characteristics of reported information. The implementation of evidence disclosure method is illustrated in the following table.

TABLE 14. Evidence news distribution in annual reports

| Evidence | Number of reports including |
|---------------------|-----------------------------|
| Monetary | 30 |
| Non-monetary | 30 |
| Descriptive | 30 |

The analysis shows that all of the Vietnamese annual reports in this research included the evidence news in a proper manner. All of the companies choose to deliver their report with equal amount of monetary, non-monetary and descriptive information. The author believes that this increases the accuracy, creditability and reliability of the reports from the readers' point of view. However, the general distribution of evidence news types among the reports is not likely to show the actual usage of this reported information category and reflect the exact quality of the reports. In order to look at the distribution at a deeper level, the distribution of the evidence news within the performance disclosure is shown in table 12.

TABLE 15. Evidence news types distribution in different CSR disclosure theme in annual reports

| | Monetary | Non-monetary | Descriptive |
|----------------------------------|----------|--------------|-------------|
| Economic Performance | 30 | 30 | 30 |
| Environmental Performance | 1 | 4 | 6 |
| Labor Practices | 4 | 22 | 10 |
| Human Rights | 0 | 0 | 0 |
| Society | 2 | 2 | 10 |
| Product Responsibility | 0 | 3 | 3 |

The wealth of economic information included in Vietnamese CSR disclosure seems to go along with the relevant usage of evidence news types, as can be seen from the table 12. Among the performance disclosures, the three evidence news types appeared in every report's economic performance disclosure. Obviously, the companies needed to employ the monetary information to conduct the report on

their financial performance and business result of the year. The visual information, or non-monetary, was also applied to support the financial performance and employee compensation disclosure. In addition, the business performance assessment and risk management disclosure engaged to the most usage of the descriptive information in Vietnamese CSR reporting.

The second most usage of evidence news types belonged to the labor practices and decent work disclosure. In which, the non-monetary are the most widely used in this performance disclosure, within 22 reports. Large listed Vietnamese companies had tendency to make use of visual information to describe their total workforce by different categories. Furthermore, the descriptive information was exercised in 10 reports, to illustrate the education, training, health, and safety programs. Even though the word form information was found from every report's labor practice and decent work performance, the descriptive information was used only in 10 reports. This is because, rather than descriptive information, the companies tended to employ the narrative or declarative form to discuss about their employment and human resource policies. On the other hand, the monetary types of news were not very common in this disclosure, included in only four reports. The evidence news type often delivered financial plans on employee compensation and remuneration.

The social disclosure was also among the performance disclosure including all of evidence news types, despite the limited quantity and quality. The descriptive was the most used information in this disclosure. This type of evidence news often reflected the social engagement activities of the companies, such as the charity, school building, blood donation. Vietnamese companies also applied the non-monetary information to support such information, in terms of images and graphs. Occasionally, the monetary information was exercised to describe the financial budget of social activities.

The environment disclosure followed the same trend to disclose all three types of evidence news, however, within small amount. Among the evidence information included in this disclosure theme, the monetary data accounted for the smallest amount. The only report to include the information concerning the amount of monetary saved due to environmental-friendly programs was of Bao Viet

Holdings. Moreover, six reports applied descriptive information to discuss their environmental activities and policies. The non-monetary disclosure was also included to acknowledge the readers about the energy and water usage and environmental achievements of the companies.

Apart from the human rights disclosure that was totally ignored in Vietnamese CSR reporting, the product responsibility disclosure employed the least of evidence news types. In only three reports, the non-monetary information often referred to the images of the products, and the descriptive information discusses the different product policies and customer-related problems.

5.5 Sustainability reports

Among the 30 companies taken into investigation, only two, the Bao Viet Holdings (Bao Viet) and the Vietnam Dairy Products Joint Stock Company (Vinamilk), published their sustainability report, which were also their first and foremost stand-alone type of CSR disclosure. Within this section of the thesis, these two Vietnamese version sustainability reports will be analyzed and examined based on the same five dimensions: themes, evidence, new types, volume and location of the information.

5.5.1 Report volume

From the analysis on the Bao Viet and Vinamilk's sustainability report volume, it can be concluded that the reports had an appropriate amount of CSR disclosure, which consist approximately 36 pages. Within 36 pages, the companies proved to have thoroughly constructed an appropriate picture about the CSR activities of the companies, illustrating the informative disclosure on almost on the standard disclosure themes. In Vietnam, the annual report has been the only official stream and communication method, as stated in chapter 4. Consequently, the stand-alone sustainability report is a very new phenomenon. In this case, the sustainability reports could be seen as an experiment of the companies. Also, due to the lack of experience and proper understanding regarding the stakeholders' perceptions towards the sustainability reports, the company seemed to struggle to determine what to include and what to exclude in the report. The following figure 8 will

demonstrate the average disclosure volume of the stand-alone sustainability reports.

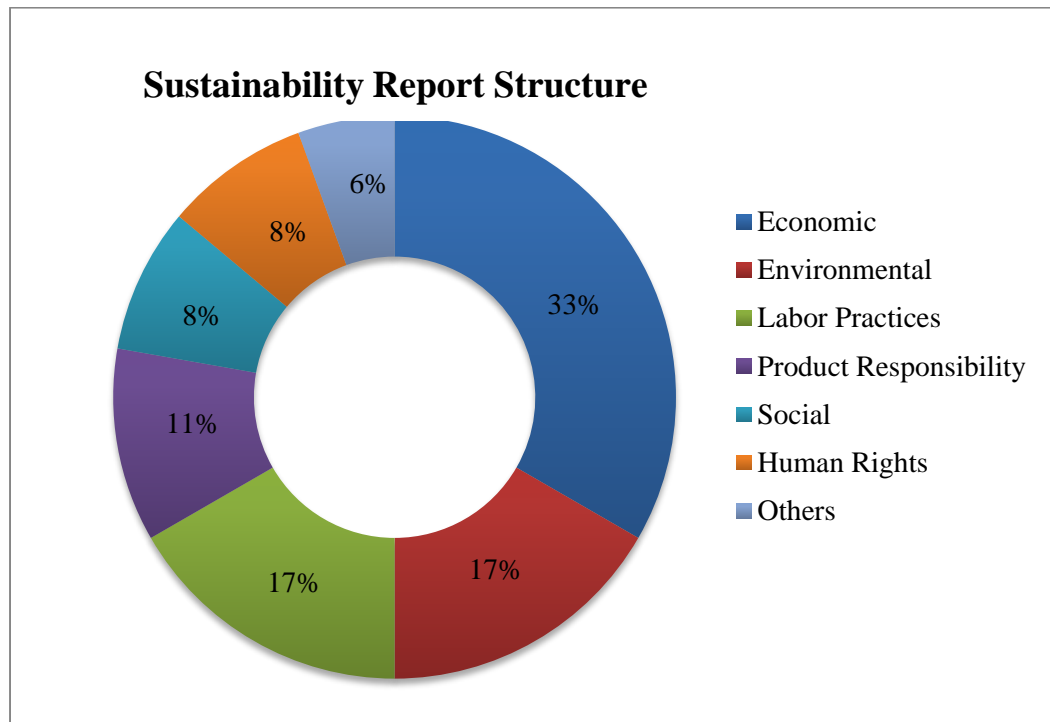


FIGURE 12. CSR disclosure structure in Sustainability reports

On average, the companies focused more on the economic, labor practices and decent work and environmental performance disclosure. These three themes of disclosure represented nearly two thirds of the CSR performance disclosure. The practices seem to resemble that of CSR disclosure in annual reports, however, with better adaptation. The rest volume of the reports was distributed relatively equally among the other themes. Significantly, the human rights performance was included within these two sustainability reports. The less difference in volume indicates that the companies had been succeeded in managing the information balance throughout the sustainability reports, which was different from the case of CSR disclosure in annual reports.

A closer look at the individual companies' sustainability reports revealed another interesting perception to the author. While the Bao Viet paid more attention to the economic and labor practices and decent work performance, the Vinamilk took the opposite trend to utilize more of report volume on environmental and product responsibility performance. As Bao Viet is in the financial service sector and

Vinamilk is a food processing company, the difference implies the diversity and variation in CSR disclosure practices of the companies within service supply and product producing business sectors.

5.5.2 Standard Disclosures

In order to ensure the consistency of the research, the standard disclosures practices in sustainability reports will be studied in the same manner as in the annual reports. As providing the compliance table to GRI Guideline is time-consuming, the author decided to exclude that in this part. However, the GRI Guideline's Performance Indicator number will be provided with each aspect included, for further analysis in the chapter 6 of the thesis.

Economic Performance

By analyzing the Economic Performance disclosure in sustainability reports, the author discovered that this aspect normally covered the information on the same information with the annual reports in 12 pages. In addition, Vinamilk constructed the report in regard to the strategic plan of choosing local suppliers and hiring local employees (EC6, EC7). In order to clarify for the topic, the company encompassed the proportion of local supplier and employees compared to the total amount. The report ignored the information on employment compensation policy and indirect economic impact, though the company did not disclose that information because such policies were not taken into consideration from the managers' perspective.

Next, the economic performance assessment coupled with financial indicators (EC1) accounted for the most of this segment with four pages, which were located in economic growth situation section and the message from the Chairman. The community investment and donation was also mentioned in this section, with the total monetary amount for the activities (EC8). The topic would be discussed in detail in the social performance disclosure of the report. More importantly, the risk management was disclosed the greatest volume in this sector by the Bao Viet, with 13 pages, compared to three pages of those of Vinamilk. The risk management for the climate change (EC2) was also paid a little attention by the

company as the report only stated the risks caused by climate change in Vietnam under the challenges for sustainable development section, excluding the policy or strategic plan regarding the risk.

Environmental Performance

The Environmental Performance disclosure focused on the amount of energy saved by conservations and efficiency improvements (EN4), the initiatives to provide energy-efficient or renewable energy (EN5) and the initiatives to reduce indirect energy consumption by both companies (EN6) in six pages. In other words, the readers were equipped with the information on the amount of office equipment, stationery, electricity, water, gas and oil saved by the companies and the SD environmental-friendly strategies in the future operation of them. Those information was took place within two pages of the report.

Furthermore, Vinamilk conducted the report on their product packaging material recycled and their impacts on environment (EN26, EN27). The disclosure aspects surrounded the information of packaging material and initiatives for efficient usage of such material.

Labor Practices and Decent Work Performance

The next performance indicator to be examined in the sustainability reports is the Labor Practices and Decent Work Performance disclosure, which accounts for approximately six pages. More often than not, the disclosure started with the report of the company's occupational health and safety management and policies in the working environment section by one and a half pages. The measurement indicators on occupational safety management by years were provided. They are the budget for occupational safety management programs, budget for healthcare projects, the number of working (LA7) and the corrective actions. The second issue to be mentioned was the human resource of the company within the overview of personnel section (LA1, LA2). The human resource information was followed by the disclosure on the establishment of the labor and management relations. Beside this section, this type of disclosure could be found from the corporate governance section of the report. In total, the disclosure made up for almost one page of the whole report, representing the employee proportion

protected by collective bargaining agreements (LA4), the regulation of the notice period of operational changes and how the changes were communicated to the employees (LA5). Finally, the core of this disclosure was the policy and implementation of the skills management and lifelong educational programs for employees (LA11, LA12), which could be found from the recruitment and training policy section, like in the annual reports. Another aspect noticed in this disclosure was the equal remuneration for women and men employees in the company that could be found under the same chapter in the report. This expressed the companies' concern on the gender equality issues in Vietnam, which caused much discrimination among women and men in families, companies and communities as well as raised a huge attention of public criticism.

Human Rights Performance

Although the Labor Practices and Decent Work Performance disclosure was well-constituted, the Human Rights Performance is not conducted in such a way. In the same working environment section, the disclosure on human right issue was generated within around three pages, comprising of the data on procurement practices (HR2) and the companies' own labor union operation (HR5). The procurement practice segment showed the companies' regulation and strategic plan regarding the choice of suppliers or business partners that were subject to the human right examination. Furthermore, this section undergone the operation of the labor union of the companies with the attempt to protect the rights of each and every employee and their policies regarding the labor disputes occurred during the working time. In addition, the companies typically included small amount of information on the use of child labor and force and compulsory labor (HR6, HR7).

In most cases, this disclosure category was not taken seriously in the annual reports. However, this disclosure theme was found from the two sustainability reports. This indicated that the Vietnamese enterprises are paying more attention to this serious issue.

Social Performance

In Vietnam, Social performance is a critical and vital factor for the reputation of the companies. On that account, the social performance disclosure is an inevitable part of CSR report. Nevertheless, the social performance was commonly mistaken with the charity performance in Vietnam. For that reason, the social performance disclosure commonly adjusted only the company's local community engagement activities (SO1), for instance, charity work, building schools and hospital for rural areas, giving scholarships for poor students, etc., and the budget for such projects, within the average of three pages. Under the same section regarding community sustainability development, the detailed description of such projects could also be found as a efficient marketing tool for companies.

Product Responsibility Performance

Even though the product responsibility performance indicator was absent in the Bao Viet sustainability report, Vinamilk placed eight pages for this disclosure category. The product responsibility performance disclosure was divided into two aspects in Vinamilk's sustainability report, which were called the product responsibility and the product responsibility indicator. The first section of this theme discussed the company's food safety, customer health and safety (PR1, PR2) and product labeling (PR3) and information strategies. Among these topics, Vinamilk targeted to the most abundant problem in Vietnam recently – food safety. The food quality related scandals have been rising these years in Vietnam and becoming the biggest concern of consumers. The deficiency in end product quality management process of the authority in Vietnam leads to the suspicion of Vietnamese customers. Thus, the extensive disclosure on product responsibility of Vinamilk reflected the company's attempt to illustrate and communicate about their dairy product quality. By the food safety disclosure, the report represented the information regarding the quality of materials, production and the end products, the initiatives to ensure the food processing system quality, such as the adaption of Hazard Analysis and Critical Control Points based Food system or the usage of new technology. Furthermore, the products recall and return process, policies and implementation plan were also reported concretely.

Other than food safety, the report also acknowledged about the customer health and safety and product labeling performance. Customer-related disclosure

illustrated activities, which engage to the improvement for customers' health, in cooperation to external initiatives. Coming next, the product labeling disclosure defines the information shown on the labeling of the products and the necessary information that was missing from the labeling. Moreover, the report addresses the supporting activity, which aimed at equipping customers with more know-how for the good usage of the specific products.

Last but not least, the disclosure of product responsibility indicator table in the same section added more value for the report quality. Along with the product responsibility indicator, the company cited the compliance level to such indexes, including number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products, product labeling, etc.

Evidence

The evidence information was employed with high frequency in the sustainability reports, which is illustrated in the following table.

TABLE 16. Volume of each evidence disclosure classification in sustainability reports

| Classification | Volume | Proportion |
|-----------------------|---------------|-------------------|
| Monetary | 3 pages | 8% |
| Non-monetary | 13 pages | 36% |
| Descriptive | 14 pages | 38% |

As can be seen from the table above, the least disclosed information is the monetary data, which stands for 8% of the total volume. This evidence type of disclosure was primarily used to report the economic performance assessment and financial situation of the companies. The monetary type of disclosure was also employed, in an occasional way, to discuss about the wages and remuneration for the workforce and management board and budget for the environmental and social projects. However, the application of monetary data in the sustainability reports was considered limited in quantity and quality.

On the other hand, the descriptive disclosures account for most of the report volume. For the most part, this type of disclosure was implemented in describing

the companies' different policies, strategies and implementation plan for performance management. Despite of the fact that it is an effective interpretation and presentation technique for CSR performance, the descriptive disclosure was abused in the Vietnamese sustainability reports.

News Type

In order to examine the practices of Vietnamese companies in including the news type disclosure in their report, a figure on volume of each news type disclosure classification is provided in the following.

TABLE 17. Volume of each news type disclosure classification in sustainability reports

| Classification | Volume | Proportion |
|---------------------|----------|------------|
| Bad news | 1 pages | 3% |
| Good news | 23 pages | 64% |
| Neutral news | 12 pages | 33% |

There is a tendency that the Vietnamese concentrated more on their good and neutral news disclosure, which represented the positive practices and performance as well as the explanation for companies' strategies, policies and operations. The bad new disclosure was rarely mentioned in the reports with only one page on average. The bad news was often used to depict the negative performance of the companies, in respect to the negative economic performance in Bao Viet's report, the number of working accidents and the lack of labeling information in Vinamilk's report. However, as in the annual reports, the bad news disclosure was mostly followed by a good explanation for the negative performance. The abundant usage of the good and neutral disclosure possibly lessened the transparency of the reports, which made it difficult for the stakeholders to assess the CSR performance of the companies.

6 DIFFERENCES BETWEEN THE CSR DISCLOSURE IN ENGLISH AND VIETNAMESE VERSION OF COMPANIES' ANNUAL REPORTS AND SUSTAINABILITY REPORTS

The fundamental intention of this thesis is to examine the CSR disclosure practices in Vietnamese versions of large listed companies' annual reports and sustainability reports in Vietnam. Above all, the thesis concentrates on the comparison between the English and Vietnamese versions of such CSR disclosure published by large listed Vietnamese companies, based on this research and previous researches. Since the Vietnamese version annual reports are required by regulations in Vietnam for the listed companies whereas the English annual reports are voluntary behaviors, the author believes that the analysis will bring a more reliable and accurate view on the topic.

Due to the scope of the available researches, the author is determined to conduct the comparison analysis on the disclosure of different performance themes. Furthermore, as the two stand-alone sustainability reports are covered in this research, it is more relevant to combine them into the analysis. Conveying another research concerning the comparability of results from the two sustainability reports and results from Le (2011) is time-consuming with only marginal outcome. In addition, due to the different amount of samples in the two researches, 33 annual reports of Le (2011) 's and 30 annual reports and 2 sustainability reports in this research, the statistics presented in the tables will be displayed in percentage amount of the reports in separate research or pages.

The most obvious difference that caught the author's attention immediately is the sustainability reports published for the first time by listed companies in Vietnam. Actually, out of 30 companies taken into investigation in this research, two of them conducted the stand-alone sustainability reports. Although one sustainability report was built in Vietnamese and one were launched in both English and Vietnamese, this is a remarkable step forward of Vietnamese companies. Such availability of stand-alone sustainability reports allows the assessment of their domestic as well as international stakeholders. While all of the 30 companies taken into this research conducted the report on their CSR disclosure, with two extra stand-alone sustainability reports, one of the companies among 33

companies in Le (2011)'s research neglected their CSR disclosure. Moreover, the average amount of CSR disclosure in English annual reports of large listed companies in Vietnam is 13 pages (Le 2011, 49). On the other hand, the average CSR disclosure volume in Vietnamese version is larger, with more than 18 pages.

6.1 CSR disclosure content

6.1.1 CSR disclosure materiality

The materiality principle requires the CSR disclosure to include all of the companies' economic, social and environmental impacts in a proper manner. The materiality of the reports could be examined via the volume disclosed in each performance theme. The disclosure volume of particular themes, in term of percentages of included reports, is indicated in the following table.

TABLE 18. The CSR disclosure themes by percentage of included reports in English and Vietnamese versions

| | English version (reports) | Vietnamese version (reports) |
|----------------------------------|------------------------------|---------------------------------|
| Economic Performance | 100% | 100% |
| Environmental Performance | 9% | 38% |
| Labor Practices | 76% | 97% |
| Human Rights | 0% | 6% |
| Society | 85% | 72% |
| Product Responsibility | 12% | 16% |

The analysis shows that the Vietnamese versions of CSR disclosure owned a better materiality characteristic with all of the themes covered. Meanwhile, the English versions ignored the disclosure of human rights performance of the companies. Among the English and Vietnamese versions of CSR disclosure, the economic performance disclosure stood for the most of volume. All of companies from two researches chose to disclose on this common and necessary theme. However, the second disclosed CSR theme in English versions was the social performance, while it was the labor practices and decent work performance of the

Vietnamese ones. In detail, the English's social disclosure could be found from 85% of the reports, and the Vietnamese reports including this theme account for 97% of the total volume. While the product responsibility disclosure stayed with the same volume in two versions, the environment disclosure had a higher proportion in Vietnamese versions, which was 38% compared to 9% of the English versions. Also, the human right performance was better reflected by Vietnamese versions of CSR disclosure, with two sustainability reports including this disclosure theme. Besides the differences in the English and Vietnamese versions, this could be considered the enhancement of CSR disclosure quality by years of companies in Vietnam.

For the listed companies in Vietnam, the Vietnamese annual reports are the compulsory requirements. The content of such reports is thus governed by the regulation and government. As the result, the CSR disclosure in Vietnamese annual reports was larger than that of the English versions; in particular the economic and labor practice performance. Furthermore, as the primary business area of companies taken into investigation is inside Vietnam, the companies tends to conduct more on CSR disclosure, to build a better image in the community and capture more domestic customers and investors. The materiality of the report also depends on the distribution of information among the performance themes. The disclosure volume on individual performance disclosure theme will be also indicated in the following table.

TABLE 19. The CSR disclosure themes by pages in English and Vietnamese versions

| | English version (pages) | Vietnamese version (pages) |
|----------------------------------|----------------------------|-------------------------------|
| Economic Performance | 9 | 11 |
| Environmental Performance | 3 | 2 |
| Labor Practices | 2 | 3 |
| Human Rights | 0 | 1 |
| Society | 2 | 2 |
| Product Responsibility | 3 | 3 |

From the table above, it is clear that the CSR disclosure in Vietnamese versions of annual reports resembled the one in English versions. The most disclosure volume belonged to the economic performance disclosure, with a slightly higher volume of Vietnamese versions. More importantly, the human right disclosure was presented in Vietnamese CSR disclosure, but with limited quantity. The CSR disclosure in both versions of Vietnamese companies was still lack of the information balance between reported themes. However, as the total value of CSR disclosure does not represent for the quality of the report, the author was determined to conduct the analysis on different aspects of the report content.

6.1.2 Completeness

The completeness criterion demands the companies to disclose all the material issues and other performance indicators, to better reflect the companies' performance. Such feature could be examined by the compliance level of the report to GRI Guidelines.

In general, the compliance level to GRI guideline of CSR disclosure in annual reports of Vietnamese companies was still very low. Within this research, the compliance level of English and Vietnamese versions of CSR disclosure will be analyzed, based on different themes. However, only the aspects, which were mentioned in the CSR disclosure of two versions, are taken into consideration here. The left out aspects will be eliminated in this analysis, in order to provide the readers with a concise and concrete result.

Economic Performance

TABLE 20. Compliance level to GRI Guideline of economic performance disclosure in English and Vietnamese CSR disclosure

| Aspects | Indicators | English (33 reports) | Vietnamese (32 reports) |
|-----------------------------|--|-------------------------|----------------------------|
| Economic Performance | EC1 Direct economic value generated: revenues, operating costs, employee compensation, etc. | 94% | 100% |
| | EC2 Financial implications, risks and opportunities due to climate change. | 0% | 19% |

| | | | | |
|---------------------------------|-----|--|----|-----|
| | EC3 | Organization's defined benefit plan. | 0% | 16% |
| | EC4 | Financial assistance received from government. | 0% | 0% |
| Market Performance | EC5 | Standard entry-level wage by gender. | 0% | 25% |
| | EC6 | Local policy. | 6% | 6% |
| | EC7 | Local hiring and proportion of local senior. | 3% | 0% |
| Indirect economic impact | EC8 | Investments and services for public benefit. | 0% | 3% |
| | EC9 | Indirect economic impacts. | 6% | 0% |

The analysis shows that the Vietnamese versions of CSR disclosure in annual reports recognized a higher compliance level to the GRI guideline. While the companies chose to report on only four indicators in English versions within this disclosure aspect, six indicators were found from the Vietnamese ones. The differences were reflected in the disclosure of the risk management due to climate change, and the employee compensation.

In detail, while 19% of Vietnamese annual reports disclosed on the climate change risk management programs, none of the companies disclosed such thing in English annual reports. Due to the fact that these natural disasters have affected greatly on the daily as well as working lives of Vietnamese with more terrible consequences, Vietnamese citizens are demanding to know more about the risk management of climate change of the companies.

Likewise, even though the employee compensation was included in from 16% regarding benefit plan to 25% regarding the standard wage of Vietnamese annual reports, it was excluded in the English versions. This information was not only compulsory but also useful to attract potential Vietnamese speaking employees for the companies.

Apart from that, the reporting practices were the same in other disclosure aspects. This indicated the low level of compliance to GRI guideline, which reduced the CSR disclosure quality of Vietnamese companies, in both Vietnamese and English versions.

Labor practices and decent work performance

TABLE 21. Compliance level to GRI Guideline of labor practices and decent work performance disclosure in English and Vietnamese CSR disclosure

| Aspects | Indicators | English (reports) | Vietnamese (reports) | |
|---|------------|---|----------------------|-----|
| Employment | LA1 | Total workforce per employee category. | 52% | 97% |
| | LA2 | Rate of new employee hires and employee turnover by age, gender, and region. | 6% | 63% |
| | LA3 | Benefits for full-time employees but not for temporary or part-time employees. | 30% | 0% |
| | LA15 | Return to work and retention rates. | 0% | 0% |
| Occupational Health and Safety | LA6 | Workforce in formal joint management-worker health and safety committees. | 3% | 3% |
| | LA7 | Rates of injury, diseases, lost days, and absenteeism, total number of work-related facilities. | 0% | 3% |
| | LA8 | Education, prevention and risk-control programs regarding serious diseases. | 12% | 9% |
| | LA9 | Health and safety topics. | 0% | 0% |
| Education and Training | LA10 | Training average hours. | 15% | 38% |
| | LA11 | Programs for skills management and lifelong learning. | 0% | 97% |
| | LA12 | Employees receiving performance development reviews. | 0% | 53% |
| Diversity and equal opportunities | LA13 | Composition of governance bodies and breakdown of employees per employee category. | 0% | 0% |
| Equal remuneration for women and men | LA14 | Ratio of salary and remuneration of women to men by employee category. | 0% | 13% |

In Vietnamese versions of CSR disclosure in annual reports, the labor practices and decent work performance was the second most disclosed information. However, in the English ones, this disclosure theme was the third one, following the economic and social performance. The distinction between the two versions on this disclosure theme was represented in the table above. The most significant dissimilarities were placed in the employment, training and education and gender equality disclosure.

From the table above, it was noticeable that the compliance level of employment aspect is higher among the English versions of CSR disclosure, with more reporting disclosure indicators. The English CSR disclosure did a more appropriate job with the disclosure on benefits for full-time employees but not for other types, by 30%. Whereas, none of Vietnamese companies chose to include such information in Vietnamese CSR disclosure. On the other hand, the Vietnamese versions proved to be more efficient in term of disclosure on total workforce information and the rate of new employees, as can be seen from the statistics. Since such data is legally required by the government and stock exchange platform in the Vietnamese annual reports of listed companies, it is understandable why the differences existed.

Within the training and education disclosure, the Vietnamese versions of CSR disclosure presented a more advanced compliance level. Furthermore, the disclosure on this aspect also accounted for nearly half of the labor practices and decent work reporting in Vietnamese CSR reporting. It is undoubtable that a huge number of readers of Vietnamese annual reports of the companies in this research are Vietnamese-speaking job hunters. In order to attract those potential employees, the companies had to make their core labor policies clear and visible. In addition, the training and education policies are critical for job hunters' choice in Vietnam (Ha, 2013).

Last but not least, the difference in equal remuneration for women and men disclosure caught the author's attention, with higher compliance level from the Vietnamese CSR reporting. Even though the inequality between women and men has been there for a long time, there was no serious action to solve the problems.

That's why the topic is becoming the great concern of people and organizations. In other words, being transparent on such topic would create a very positive image of the companies among the society.

Social performance

TABLE 22. Compliance level to GRI Guideline of social performance disclosure in English and Vietnamese CSR disclosure

| Aspects | | Indicators | English | Vietnamese |
|--------------------------|-----|--|---------|------------|
| Local communities | SO1 | Operations with local community engagement | 58% | 70% |

Unsurprisingly, the CSR reporting practices on social performance recorded no difference in both of the English and Vietnamese versions of annual reports. At the same time, the dissimilarity concerning the report volume was not that significant. The analysis results reflected the fact that the social performance is still mistaken as charity and community involvement work in Vietnam. Despite Vietnamese companies carried out a huge amount of community engagement activities, they were not able to conduct a proper report on such operations.

Environmental Performance

TABLE 23. Compliance level to GRI Guideline of environmental performance disclosure in English and Vietnamese CSR disclosure

| Aspects | | Indicators | English | Vietnamese |
|------------------|-----|---|---------|------------|
| Materials | EN1 | Materials used. | 0% | 6% |
| | EN2 | Materials used that are recycled input materials. | 3% | 0% |
| Energy | EN3 | Direct energy consumption. | 0% | 0% |
| | EN4 | Indirect energy consumption. | 0% | 16% |
| | EN5 | Energy saved. | 9% | 16% |
| | EN6 | Initiatives to provide energy-efficient or renewable energy achieved. | 0% | 31% |
| | EN7 | Initiative to reduce indirect energy used and reductions achieved. | 0% | 0% |

| | | | | |
|---|------|--|----|-----|
| Water | EN8 | Total water withdrawal. | 3% | 0% |
| | EN9 | Water source affected by withdrawal of water. | 0% | 0% |
| | EN10 | Water recycled and reused. | 0% | 6% |
| Biodiversity | EN11 | Protected areas and areas of high biodiversity value outside protected areas. | 0% | 3% |
| | EN12 | Impacts of activities, products and services on biodiversity in such areas. | 0% | 0% |
| | EN13 | Habitat protected or restored. | 0% | 0% |
| | EN14 | Biodiversity impact management. | 0% | 0% |
| | EN15 | Number of IUCN Red List species and national conservation list species with habitats affected. | 0% | 3% |
| Emissions, effluents, and wastes | EN16 | Greenhouse gas emissions. | 0% | 0% |
| | EN17 | Other indirect greenhouse gas emissions. | 0% | 0% |
| | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | 3% | 0% |
| | EN21 | Water discharge and destination. | 3% | 0% |
| | EN22 | Waste and disposal method. | 0% | 6% |
| Products and Services | EN26 | Initiatives to mitigate environmental impacts of products and services. | 3% | 25% |
| | EN27 | Products sold and their packaging materials recycled. | 0% | 3% |
| Compliance | EN28 | Fines and sanctions for non-compliance with environmental regulation. | 3% | 13% |

The environmental performance reporting was the critical part in the two language versions. The distribution of reported information was, on the other hand, different in English and Vietnamese versions. The dissimilarities were recorded in the energy, product and service and compliance disclosure.

First of all, regarding the energy disclosure, the Vietnamese CSR reporting proved to have better content structure and disclosure method, while the English versions

just focused on the information of energy saved within only 9% of total reports. It was tremendous that the energy-related subject was becoming the great concern of companies and governments. Compared to 9% of English versions, 16% of Vietnamese CSR disclosures published information on the indirect energy consumption and energy saved. Even bigger number of Vietnamese annual reports (30%) disclosed on the initiatives for the efficient usage of energy of their companies. The English annual reports, on the other hand, ignored this disclosure classification.

Secondly, another significant difference was discovered in the products and services disclosure. To be specific, eight Vietnamese CSR reports clarified the information regarding the efforts and plans on examining the environmental impacts of their products and services. Such information, on the contrary, was available only in one English version. Furthermore, the Vietnamese sustainability report of Vinamilk conducted the reporting on their products and packaging materials reused and converted to usable materials. It is undeniable that this type of public disclosure enabled companies to gain the trust and support of local government and legislators. Meantime, the companies would be able to avoid any interferes from them.

Last but not least, in like manner, the companies were more willing to disclose on their compliance level to environment laws and regulations in Vietnamese CSR reports than that in the English one. Regardless of the small amount of difference, 13% and 3%, this acknowledged a remarkable distinction in reporting practices in two language versions. The companies were not interested in disclosing about the compliance level to international stakeholders in the English annual reports. Meanwhile, they tended to be more transparent and honest about such issue in the Vietnamese CSR disclosure. The author believes that this practice will keep continuing in the Vietnamese CSR reports for two reasons. Firstly, almost all of the non-compliance actions with environmental laws and regulations of large listed companies in Vietnam are reported publicly in newspapers and magazines. As a result, the companies cannot help but publish such information in their annual reports. Secondly, it is legally required for the companies to be transparent about such information to their stakeholders, either on their website, in

Vietnamese annual reports or by notifications in a reasonable period from the occurrence of the actions.

Product Responsibility Performance

TABLE 24. Compliance level to GRI Guideline of product responsibility performance disclosure in English and Vietnamese CSR disclosure

| Aspects | | Indicators | English | Vietnamese |
|-----------------------------------|-----|---|---------|------------|
| Customer health and safety | PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement. | 0% | 6% |
| | PR2 | Incidents of non-compliance with regulations and voluntary codes of health and safety impacts. | 3% | 0% |
| Marketing communication | PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications. | 0% | 0% |
| | PR7 | Incidents of non-compliance with marketing communication regulation. | 0% | 16% |
| Customer privacy | PR8 | Complaints about breaches of customer privacy and losses of customer data. | 3% | 0% |

In general, apart from the human rights performance, which is totally ignored in the English versions of CSR disclosure, the product responsibility performance is the least mentioned information in both language versions. The small volume of disclosure on product responsibility performance led to the low level of compliance to the GRI guideline in overall. There were only three themes, which were reported in the annual reports and sustainability reports taken into investigation. In addition, the distribution of the information was incoherent among the reports as well.

While the English CSR reporting paid more attention to the marketing communication disclosure, the Vietnamese CSR reporting was subject to the disclosure of customer-related aspects. In details, three English annual reports disclosed on marketing communication information, concerning the programs

complied with laws, regulations and voluntary codes. This type of information was more likely to create a good reputation of the companies within international stakeholders. In contrast, customer-related information was the focal point of Vietnamese annual reports and sustainability reports.

The differences in disclosure practices are believed to be in relation to the scandals of health and safety level of products and service in Vietnam recently. The customer health and safety problems are raised within the food producing and processing industry, while the customer privacy is the serious issue in banking and insurance service. As the food safety and food quality problem in Vietnam is emerging at an alarming rate, Vietnamese customers are demanding to know about the production standards of food producing companies. The companies were therefore more transparent on such issues in their annual reports.

Human Rights Performance

TABLE 25. Compliance level to GRI Guideline of human rights performance disclosure in English and Vietnamese CSR disclosure

| Aspects | | Indicators | English | Vietnamese |
|---|-----|--|---------|------------|
| Investment and Procurement Practices | HR2 | Business partners that have undergone human rights screening, and actions taken. | 0% | 6% |
| Freedom of Association and Collective bargaining | HR5 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at risk, and actions taken. | 0% | 6% |
| Child labor | HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken. | 0% | 6% |
| Forced and compulsory labor | HR7 | Operations and suppliers identified as having risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forced or compulsory labor. | 0% | 6% |

The compliance level to GRI Guideline's human rights performance disclosure recognized a significant difference between both versions. While the English versions of CSR disclosure ignored this theme, the two Vietnamese sustainability reports included this disclosure. However, as can be seen from the table, the compliance level of Vietnamese CSR disclosure was still low, with only four performance indicators covered in the reports.

In general, the completeness principle was accomplished well by the Vietnamese versions of CSR disclosure, in term of labor practices and decent work, environment and human rights themes. The author believes that this trend will continue in the future, as these themes are being governed in Vietnamese annual reports and sustainability reports by the local government. Furthermore, the experience and understanding of Vietnamese enterprises with these reporting practices are enhanced gradually.

6.2 CSR reporting quality

6.2.1 Information balance

The information balance ensures the transparency and the moderation of the CSR disclosure. In other words, the balance of favorable and unfavorable reported information and the balance of the emphasis on various topics in the report define the quality of CSR report.

First and foremost, the author was encouraged to examine the balance of news type disclosure in the reports, regarding the good, neutral and negative information on the performance of the companies. The table in the following reveals the volume of reports on different news type categories, tailored to different performance indicator from Le (2011)'s research.

TABLE 26. News type disclosure in English versions by percentage of report, Le (2011)

| | Good news | Neutral news | Negative news |
|-----------------------------|-----------|--------------|---------------|
| Economic Performance | 91% | 0% | 3% |

| | | | |
|----------------------------------|-----|-----|----|
| Environmental Performance | 9% | 0% | 3% |
| Labor Practices | 0% | 12% | 0% |
| Human Rights | 0% | 0% | 0% |
| Society | 85% | 0% | 0% |
| Product Responsibility | 12% | 0% | 0% |

In order to execute the analysis, necessary observation of the author for this thesis is shown in the following table.

TABLE 27. News type disclosure in Vietnamese versions by percentage of reports

| | Good news | Neutral news | Negative news |
|----------------------------------|-----------|--------------|---------------|
| Economic Performance | 94% | 44% | 47% |
| Environmental Performance | 31% | 0% | 0% |
| Labor Practices | 91% | 47% | 6% |
| Human Rights | 6% | 0% | 0% |
| Society | 66% | 0% | 0% |
| Product Responsibility | 16% | 0% | 3% |

The positive news type disclosure practices seemed to align among the large listed companies in Vietnam, with most of the companies tended to mention about the same types of positive information. Le (2011) suggested that the economic performance and social performance disclosure were the most positive disclosed information. Bearing with the same tendency, the economic and society topic also acquired the largest amount of the total volume of Vietnamese version CSR reporting. However, notably, the rising of good news disclosure concerning the labor practices implied for a significant change in reporting practices. This lies in the fact that the Vietnamese companies are in need of Vietnamese speaking employees almost every year. The positive information regarding the labor force information and the human resource policies and benefits for the personnel represented an excellent communication method for the company. Similarly, the

environmental and product responsibility were made up mostly by the good news in both English and Vietnamese CSR reports.

Bearing the same tendency, the neutral news was not used much in CSR disclosure. While the neutral news was found only from the labor practices and decent work performance in English version of CSR disclosure, it was found in both economic and labor performance disclosure in Vietnamese versions. The neutral news of economic performance in Vietnamese versions mainly concerned the performance of global and national-level economy. Whereas this is a voluntary disclosure in English version, it is the compulsory reporting in Vietnamese versions of annual reports.

Most interestingly, the usage of negative news was magnificent in this research. While the negative news was rarely conducted in English versions with one report in economic performance and one in environmental performance, it was used with high frequency in Vietnamese CSR disclosure. Two thirds of the companies taken into this research reported about their negative operating results in their annual reports. Two companies disclosed about their bad labor performance, in term of rate of injury and working accidents during the year. Furthermore, one out of 30 companies made a report concerning their product quality, within the product responsibility performance. As the CSR activities in Vietnam are governed by the state, this huge distinction therefore results from the changes in regulation. Specifically, the launch of Circular 09/2012-TT-BTC of January 2010, which guides the implementation of information publish of listed companies, dictates the transparency in reporting practices of the companies. In other words, the companies must report in public about any of their negative business operations within a reasonable time. Hence, including the bad news of CSR activities in Vietnamese annual reports is a part of the new regulation.

6.2.2 Accuracy

The accuracy principle is employed to mitigate the quantitative and qualitative quality of the reported information, which is determined by the usage of different types of evidence information. Within this research, the author focuses on the usage and distribution of the evidence types of information in the two versions,

English and Vietnamese. The distribution of evidence types of reported information, including monetary, non-monetary and descriptive one varies among the reports. The two tables in the following are conducted in order to examine the differences between the English and Vietnamese CSR disclosure practices.

TABLE 28. Evidence news type disclosure in English versions by percentage of reports (Le 2011)

| | Monetary | Non-monetary | Descriptive |
|----------------------------------|----------|--------------|-------------|
| Economic Performance | 88% | 94% | 70% |
| Environmental Performance | 0% | 9% | 3% |
| Labor Practices | 6% | 41% | 3% |
| Human Rights | 0% | 0% | 0% |
| Society | 42% | 79% | 15% |
| Product Responsibility | 0% | 0% | 0% |

TABLE 29. Evidence news type disclosure in Vietnamese versions by percentage of reports

| | Monetary | Non-monetary | Descriptive |
|----------------------------------|----------|--------------|-------------|
| Economic Performance | 100% | 100% | 100% |
| Environmental Performance | 6% | 19% | 25% |
| Labor Practices | 19% | 75% | 38% |
| Human Rights | 0% | 0% | 0% |
| Society | 12% | 12% | 38% |
| Product Responsibility | 0% | 12% | 12% |

The analysis shows the same tendency in the usage of monetary information between the two versions. In which, the economic, labor practices and social performance disclosure employed this evidence type the most. Obviously, it is used to describe the business operating results of the companies, or the budget plans for human resource and society-related programs of the companies. The

environmental, human rights and product responsibility performance were the ones with least monetary information in both versions.

Non-monetary information analysis also recognized the abundant usage of economic and labor practice performance. However, there was a huge difference in the employment of such evidence information within the social performance in English and Vietnamese versions.

In contrast, the usage of descriptive information was dissimilar in English and Vietnamese versions. Rather than utilizing the descriptive information to describe different performance in Vietnamese versions, the companies tended to use narrative form to tell about their performance in English versions. The difference lies in the government's control of information in Vietnamese CSR disclosure. In details, such economic, labor practices and product responsibility performance are required to be described in Vietnamese versions by regulation. This is also considered as the change in CSR reporting trend over the year, which is more engaged to the descriptive information, more than the narrative one.

7 CONCLUSIONS

7.1 Conclusions

In conclusion, the analysis encountered some differences in CSR reporting practices in Vietnamese and English annual reports and sustainability reports. The most significant differences were found from the coverage of economic, environmental and social impacts, the completeness or compliance to GRI guideline level and the information balance in the reports. Such differences proved that the CSR disclosure in English versions of large listed Vietnamese companies is considered as a marketing tool, rather than actual CSR report. In other words, such English CSR disclosures were designed to capture more international and domestic investors and customers for the companies. The benefits of being transparent about the companies' performance and enhancing the strategy planning process were very limited in English versions. On the other hand, as being governed by the authority, the Vietnamese versions of CSR disclosure were conducted in a more honest and transparent manner. The Vietnamese CSR disclosure focused on slight different reader segmentation than that of the English versions that are the Vietnamese customers, Vietnamese employees, the government and regulators and investors.

The analysis on CSR disclosure of English and Vietnamese version annual reports indicates some significant differences between two versions. The differences include the quantitative and qualitative content and quality, representing different focuses of the companies. The most notable quality dissimilarities are recorded within the information balance or the usage of news types, with a critical increase in the employment of negative information. On the other hand, the most considerable qualitative distinctions are found from the compliance to GRI guideline, representing the completeness and diversity in CSR disclosure content.

Accordingly, the differences between two versions are due to three main reasons, including the increase in CSR reporting understanding, CSR reporting regulation and CSR scandals in Vietnam recently. First of all, the improvement in CSR reporting understanding leads to the improvement of customers' and investors' perception towards this issue. Their requirements for CSR reporting quality

consequently increase over years. The international investors also play an important role in such enhancement, as they tend to apply the CSR international standards for Vietnamese companies. As a results, the Vietnamese companies paid proper attention to their CSR and CSR reporting, with the attempt to attract more customers, investors and capture more Foreign Direct Investments.

Secondly, the CSR reporting regulations in Vietnam are in the process of being advanced gradually. The launch of Circular 09/2010-TT-BTC of January 2010, guiding the implementation of information publishes of listed companies, calls for the transparency in CSR reporting. Furthermore, the Guideline to conduct sustainability report in Vietnam made by SSC and IFF implies for the "report or explain" rule, and enhances the quality of CSR disclosure content in Vietnamese reports. In Vietnam, the state or government is in the most control of CSR and CSR reporting practices, also the Vietnamese annual reports. Hence, this could be considered the most important reason for any differences in Vietnamese and English CSR disclosure and improvement of CSR reporting quality over years.

Lastly, the rise of CSR related scandals and violation in recent years in Vietnam require a better CSR and CSR reporting operation. The scandals surround the environmental destroy, the food safety and working accidents. These events put a down to companies' image and reputation within the local community and society. In order to regain or establish a positive company image, the companies tend to be more transparent about their CSR activities, especially in terms of environmental, labor practices and product responsibility performance.

7.2 Further research possibilities

Online CSR reporting practices in Vietnam

The most official and prominent streams for CSR disclosure are the annual reports and sustainability reports. However, many companies in Vietnam and around the world tend to communicate their CSR performance via their websites or social media. In addition, online CSR reporting can get interaction from stakeholders and customer easier. The author therefore believes that it is crucial to study such

online practices in Vietnam in order to produce a set of guideline for Vietnamese companies.

CSR disclosure practices in SMEs in Vietnam

A vast number of Vietnamese companies are small medium sized enterprises. However, CSR activities and CSR reporting remain unnoticed in such companies. As SMEs contribute greatly to the economic growth of a country, their implementation of CSR activities and reporting is therefore very crucial. In Vietnam, the CSR issues are not paid proper attention in many SMEs, due to the lack of financial, legal and knowledge supports, despite analysis shows that they are eager to conduct CSR reporting. The analysis on such topic would be essential in the current situation, equipping the SMEs with the instruction to the adaption of CSR and CSR reporting.

8 SUMMARY

This thesis exists to examine the CSR reporting practices in Vietnamese versions of large listed companies' annual reports and sustainability reports in Vietnam. Furthermore, and more importantly, the study assists to identify the differences between the English and Vietnamese versions of CSR disclosure in such companies' annual reports and sustainability reports. With those goals, the core research findings have successfully answered the research questions.

Firstly, the theoretical background is exploited in the first part of this study. The definition and drivers of CSR reporting are introduced. The reported information, together with its categories and principles are, then, described as the base for the empirical study. Afterwards, the study identifies the CSR reporting in Vietnam in great detail, giving a more general picture on the current situation in Vietnam.

Secondly, in the empirical part, the sample design, data collection process and research design are presented to illustrate for the research process. The CSR reporting practices in Vietnamese versions of large listed companies' annual reports and sustainability reports are examined carefully, based on five dimensions. Such dimensions are themes, news types, evidence news types, volume and location of information. This knowledge consequently fulfills the first sub research question.

Next, basing on the CSR reporting practice examination, the author identifies the differences in CSR reporting practice between the English and Vietnamese versions of large listed companies' annual reports and sustainability reports. The difference identification process is conducted against four criteria of report content, namely materiality and completeness and report quality, including information balance and accuracy.

In conclusion, the author finds that the Vietnamese versions of CSR disclosure are more transparent, with better quality and quantity. As such, the author discovers some significant differences in the CSR reporting content and quality between the two versions. Moreover, the author provides some insights on the different reader segmentation of the two versions and the reasons of such differences in report content and quality.

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APPENDICES

APPENDIX 1. GRI Guidelines

Economic Performance Indicators

| Aspects | Indicators | Description |
|---------------------------------|------------|---|
| Economic performance | EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. |
| | EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. |
| | EC3 | Coverage of the organization's defined benefit plan obligations. |
| | EC4 | Significant financial assistance received from government. |
| Market performance | EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. |
| | EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. |
| | EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation. |
| Indirect economic impact | EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. |
| | EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. |

Environmental Performance Indicators

| Aspects | Indicators | Description |
|------------------|------------|---|
| Materials | EN1 | Materials used by weight or volume. |
| | EN2 | Percentage of materials used that are recycled input materials. |
| Energy | EN3 | Direct energy consumption by primary energy source. |

| | | |
|---|------|---|
| | EN4 | Indirect energy consumption by primary source. |
| | EN5 | Energy saved due to conservation and efficiency improvements. |
| | EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. |
| | EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. |
| Water | EN8 | Total water withdrawal by source. |
| | EN9 | Water sources significantly affected by withdrawal of water. |
| | EN10 | Percentage and total volume of water recycled and reused. |
| Biodiversity | EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. |
| | EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. |
| | EN13 | Habitats protected or restored. |
| | EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. |
| | EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. |
| Emissions, effluents, and wastes | EN16 | Total direct and indirect greenhouse gas emissions by weight. |
| | EN17 | Other relevant indirect greenhouse gas emissions by weight. |
| | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. |
| | EN19 | Emissions of ozone-depleting substances by weight. |
| | EN20 | NO, SO, and other significant air emissions by type and weight. |
| | EN21 | Total water discharge by quality and destination. |
| | EN22 | Total weight of waste by type and disposal method. |
| | EN23 | Total number and volume of significant spills. |

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| | EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. |
| | EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. |
| Products and services | EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. |
| | EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. |
| Compliance | EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. |
| Transport | EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. |
| Overall | EN30 | Total environmental protection expenditures and investments by type. |

Labor Practices and Decent Work Performance Indicators

| Aspects | Indicators | Description |
|------------------------------------|------------|--|
| Employment | LA1 | Total workforce by employment type, employment contract, and region, broken down by gender. |
| | LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. |
| | LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. |
| | LA15 | Return to work and retention rates after parental leave, by gender. |
| Labor/ Management relations | LA4 | Percentage of employees covered by collective bargaining agreements. |
| | LA5 | Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. |

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| Occupational Health and Safety | LA6 | Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs. |
| | LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. |
| | LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. |
| | LA9 | Health and safety topics covered in |
| Training and Education | LA10 | Average hours of training per year per employee by gender, and by employee category. |
| | LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. |
| | LA12 | Percentage of employees receiving regular performance and career development reviews, by gender. |
| Diversity and equal opportunity | LA13 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. |
| Equal remuneration for women and men | LA14 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. |

Human Rights Performance Indicators

| Aspects | Indicators | Description |
|---|------------|---|
| Investment and Procurement Practices | HR1 | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. |
| | HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. |

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| | HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. |
| Non-discrimination | HR4 | Total number of incidents of discrimination and corrective actions taken. |
| Freedom of Association and Collective bargaining | HR5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. |
| Child labor | HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. |
| Forced and compulsory labor | HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. |
| Security practices | HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. |
| Indigenous rights | HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. |
| Assessment | HR10 | Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments. |
| Remediation | HR11 | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms. |

Social Performance Indicators

| Aspects | Indicators | Description |
|--------------------------|------------|---|
| Local communities | SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. |
| | SO9 | Operations with significant potential or actual negative impacts on local communities. |

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| | SO10 | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. |
| Corruption | SO2 | Percentage and total number of business units analyzed for risks related to corruption. |
| | SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. |
| | SO4 | Actions taken in response to incidents of corruption. |
| Public Policy | SO5 | Public policy positions and participation in public policy development and lobbying. |
| | SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. |
| Anti-Competitive Behavior | SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. |
| Compliance | SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. |

Product Responsibility Performance Indicators

| Aspects | Indicators | Description |
|-------------------------------------|------------|--|
| Customer health and safety | PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. |
| | PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. |
| Product and service labeling | PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. |
| | PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. |
| | PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. |

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| Marketing communication | PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. |
| | PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. |
| Customer privacy | PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. |
| Compliance | PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. |

INTERVIEW

- 1) What is the current situation of CSR and Sustainable Development activities in Vietnam?
- 2) How are the CSR reporting in annual reports and sustainability reporting practices in Vietnam?
What are the perception of the managers, customers, law-makers in Vietnam and domestic and international investors towards the reporting of CSR activities?
- 3) How is the Guideline to make sustainability report, published by the IFC and SSI, enhancing the disclosure on environmental and social issue among Vietnamese companies?
- 4) What is the CSR information commonly included in the CSR disclosure? What is excluded? Is there any difference between the different language versions of CSR disclosure in annual reports and sustainability reports, in term of quality and quantity?
- 5) How is the quality of the CSR disclosure in annual reports and sustainability reports launched by Vietnamese companies at the moment?