

Compliance or Beyond: Seeking an answer for ESG practices of listed companies in Vietnam

Hien Thu Nguyen^{1,2*}

¹Ho Chi Minh City University of Technology (HCMUT), Ho Chi Minh City, Vietnam

²Vietnam National University Ho Chi Minh City, Ho Chi Minh City, Vietnam

*Corresponding author: nthuhien@hcmut.edu.vn

APPENDIX A

KLD ESG Score Framework

Dependent Variable: Esg_score, e_comp, s_comp, g_comp, esg_strength and esg_concern

Esg_score is the sum of scores from 6 main components of ESG: community, corporate governance, diversity, employee relations, environment, and product quality. The ESG score of each of the components is calculated by subtracting total concern scores from total strength scores. The e, s, and g components are also calculated by summing the individual components for e (environment), s (community, employee relations, and part of diversity), and g (corporate governance, product, and part of diversity). Esg_strength and esg_concern are the sum of the strengths and concerns of all components, respectively.

E (Environment)		S (Social)		G (Governance)	
ENVIRONMENT		COMMUNITY		CORPORATE GOVERNANCE	
Strengths:		Strengths:		Strengths:	
• Beneficial Products and Services	ENV_STR_A	• Charitable Giving	COM_STR_A	• Limited Compensation	CGOV_STR_A
• Pollution Prevention	ENV_STR_B	• Innovative Giving	COM_STR_B	• Ownership Strength	CGOV_STR_C
• Recycling	ENV_STR_C	• Support for Housing	COM_STR_C	• Transparency Strength	CGOV_STR_D
• Clean Energy	ENV_STR_D	• Support for Education	COM_STR_D	• CG Other Strengths	CGOV_STR_X
• Management Systems	ENV_STR_G	• Volunteer Programs	COM_STR_G	Concerns:	
• Environment Other Strength	ENV_STR_X	• Community Other Strengths	COM_STR_X	• High Compensation	CGOV_CON_B
Concerns:		Concerns:		• Ownership Concern	CGOV_CON_B
• Hazardous Waste		• Investment Controversies	COM_CON_A	• Accounting Concern	CGOV_CON_F
				• Transparency Concern	CGOV_CON_G

E (Environment)		S (Social)		G (Governance)	
• Regulatory Problems	ENV_CON_A	• Negative Economic Impact	COM_CON_B	• CG Other Concerns	CGOV_CON_H CGOV_CON_X
• Ozone Depleting Chemicals	ENV_CON_B ENV_CON_C	• Tax Disputes	COM_CON_D	PRODUCT QUALITY	
• Substantial Emissions		• Community Other Concerns	COM_CON_X	Strengths:	
• Agriculture Chemicals	ENV_CON_D			• Quality	
• Climate Change	ENV_CON_E	EMPLOYEE RELATIONS		• R+D-Innovation	PRO_STR_A
• Environment Other Concerns	ENV_CON_F ENV_CON_X	Strengths:		• Benefits to Economically Disadvantaged	PRO_STR_B PRO_STR_C
		• Union Relations		• Product Other Strengths	
		• Cash Profit Sharing	EMP_STR_A	Concerns:	
		• Employee Involvement	EMP_STR_C EMP_STR_D	• Product Safety	PRO_STR_X
		• Retirement Benefits Strength	EMP_STR_F	• Marketing-Contracting Concern	
		• Health and Safety Strength	EMP_STR_G	• Antitrust	PRO_CON_A
		• Employee Strengths - Other	EMP_STR_X	• Product Other Concerns	PRO_CON_D
		Concerns:		DIVERSITY	PRO_CON_E PRO_CON_X
		• Union Relations		Strengths:	
		• Health and Safety Concerns	EMP_CON_A EMP_CON_B	• CEO	
		• Workforce Reductions		• Promotion	
		• Retirement Benefits Concern	EMP_CON_C EMP_CON_D	• Board of Directors	
				Concerns:	
				• Non-Representation	DIV_STR_A
				• Diversity Other Concerns	DIV_STR_B DIV_STR_C

E (Environment)	S (Social)	G (Governance)
	<ul style="list-style-type: none"> • Emp. Relations EMP_CON_X • Other Concerns <p>DIVERSITY</p> <p>Strengths:</p> <ul style="list-style-type: none"> • Work-Life Benefits DIV_STR_D • Women and Minority Contracting DIV_STR_E • Employment of the Disabled DIV_STR_F • Gay and Lesbian Policies DIV_STR_G • Diversity Other Strengths DIV_STR_X <p>Concerns:</p> <ul style="list-style-type: none"> • Controversies DIV_CON_A • Diversity Other Concerns DIV_CON_X 	<p>DIV_CON_B</p> <p>DIV_CON_X</p>

