

Accounting Conservatism and ESG Disclosure: Empirical Research in Vietnamese Listed Firms

Ngoc Hoang Thi Bich, Trong Vu Quang*, Giang Nguyen Thi Minh, Ninh Nguyen Thi

Thuongmai University, Hanoi, Vietnam

**Corresponding author: trongvuquang@tmu.edu.vn*

ABSTRACT. This study investigates the impact of accounting conservatism on the level of Environmental, Social, and Governance (ESG) information disclosure among Vietnamese listed non-financial enterprises. Utilizing a panel dataset comprising 1,116 firm-year observations across 186 firms in the period from 2018 to 2024, we employ the Between-Effects Model (BEM) to examine the influence of accounting conservatism, alongside other determinants including firm size, GRI adoption, industry sensitivity, and leverage on ESG disclosure. The empirical findings reveal that firms with a higher accounting conservatism degree in financial statement demonstrate a significant tendency to increase their ESG disclosure. These results yield important policy implications for improving financial statement disclosure and promoting sustainable development reporting among non-financial enterprises listed on Vietnam Stock Exchange.

1. Introduction

Conservatism is considered one of the oldest and most important practices in accounting [37]. Accounting conservatism not only contributes to mitigating the overstatement of asset value and managerial optimism [41], but it also establishes necessary reserves to help businesses cope with unforeseen difficulties [4, 17]. Although there are debates about the status and role of this accounting policy within the accounting regulation system [33], the literature, to date, consistently demonstrate the critical importance of conservatism in both accounting practice and corporate governance [3]. [5] characterizes accounting conservatism as the asymmetric timeliness of earnings recognition, whereby bad news is incorporated into financial reporting more quickly than good news. Fundamentally, this tendency reflects the stricter verification criteria accountants apply to recognizing good news compared to bad news.

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[28] relies on empirical results on the impact of conservative accounting practices on the pay-for-performance sensitivity (PPS) of CEO stock options grants to elucidate the view on the important corporate governance mechanism of conservatism accounting, as well as its role in mitigating information asymmetry and agency problems between managers, shareholders, and other stakeholders. On the one hand, the implementation and maintenance of accounting conservatism in an enterprise's accounting practices help to ensure earnings persistence [11, 26], thereby actively contributing to maintaining stock yields and reducing the cost of capital [1, 29]. On the other hand, enterprises that prepare and issue financial statements with an inherent assurance of accounting conservatism are perceived as trustworthy by information users, increasing comparability, reliability and helping to safeguard the interests of stakeholders [45]. Furthermore, accounting conservatism is considered as a valuable corporate governance mechanism for mitigating the excessive optimism of administrators [32].

The concepts of Corporate Social Responsibility (CSR) and Environment, Society and Governance (ESG) have evolved significantly over the decades [24]. Since CSR activities were rooted in the 1950s based on Howard Bowen's idea that businesses as the resource users generating material wealth, instead of just limiting their goals to financial metrics, they need to expand their goals to broader factors such as social and community responsibility. From voluntary activities, to the process of expanding awareness, increasing accountability, to the formation of widely adopted guidelines from organizations such as GRI, the United Nations' SDGs, ESG principles have become mainstream [44]. ESG ratings and indexes are becoming popular, allowing investors and stakeholders to evaluate companies based on their environmental, social and governance performance [30, 43]. Recent studies also indicate that, in response to public pressure regarding environmental disasters, environmental pollution scandals, and misinformation about sustainability performance, numerous public enterprises have adopted reporting standards and frameworks. This trend primarily aims to standardize the process of preparing and disclosing information in order to regain the trust of stakeholders and demonstrate their commitment to responsible operations [25, 38].

Thus, both the implementation of accounting conservatism and the practice of ESG disclosure demonstrate the concern, responsibility, and increase the reliability of enterprises to stakeholders from financial and non-financial perspectives, according to different standards and meeting different needs of stakeholders. Many previous studies have shown the relationship between ESG or CSR performance and accounting conservatism [10, 13, 42]. However, the question of how maintaining a conservative accounting policy at different levels affects the ESG disclosure is still an unanswered issue, especially in Vietnam - where the economy is developing with a frontier stock exchange. Besides, to date, there are no mandatory regulations compelling publicly listed enterprises to prepare and publish their financial statements or ESG reports in

accordance with international standards. Accordingly, the objective of the article is to focus on assessing the impact of accounting conservatism on the ESG disclosure at listed firms on Vietnam Stock Exchange.

This study contributes to the empirical evidence on the relationship between accounting conservatism and sustainability disclosure in the context of developing countries, where the research relate to the topic is considered to be limited. Besides, the article also carries out the impact of other determinants including firm size, GRI adoption, industry sensitivity, and leverage on ESG disclosure. Furthermore, the findings suggest useful disclosure policy options for businesses in developing countries to effectively achieve their sustainable development goals. After the introduction, the subsequent sections of this paper are structured as follow: Section two, presents the theoretical framework and research hypotheses, part three details the research method, sample, and measurement of variables, part four describes the empirical research results and conclusions and recommendations are presented in the last part.

2. Theoretical framework and research hypotheses development

2.1. Theoretical framework

There are many theories used to study sustainability disclosure such as stakeholder, shareholder, agency theory... However, according to [19], stakeholder theory plays a central role in the topic of corporate social responsibility. Although the term stakeholders appeared earlier in the early 20th century, stakeholder theory was widely accepted in the early 1980s and had a profound influence on business ethics with the appearance of Freeman's work *Strategic Management: A Stakeholder Approach* [6]. The stakeholder perspective originates from Freeman's (1984) idea that a business must satisfy the needs of its stakeholders in order to survive. Stakeholders are defined as any group or individual that can impact on or be affected by the achievement of the organization's goals. Stakeholders include internal stakeholders such as shareholders, employees and external stakeholders such as customers, suppliers, governments and regulatory agencies, local communities, etc. Because they are affected and have an influence on stakeholders, corporations that want to survive and operate in the long term need to have a stakeholder management strategy.

To manage stakeholders, businesses need to maintain and improve effective communication relationships. If a company communicates effectively with its stakeholders, it will be more successful than those with ineffective public relations activities [47]. Disclosure of information related to economic, environmental, social activities towards sustainable development means demonstrating transparency and accountability of businesses. This is considered a crucial means of communication to maintain effective relationships with stakeholders. In addition, accounting conservatism, as mentioned above, posits that gains should be deferred while losses should be immediately accelerated [4, 5]. Consequently, firms adhering

to this principle tend to report a verifiable lower bound on the company's financial position, thereby providing stakeholders with inherent mechanism for risk protection [8, 22]. In summary, from the stakeholder theory perspective within a company, once they demonstrate financial responsibility through a high level of accounting conservatism, they can be expected to also exhibit high responsibility towards all other stakeholders [2, 21].

2.2. Literature review and Research hypotheses development

Recently, numerous prior empirical studies consistently demonstrate that accounting conservatism positively influences enterprises to increase the disclosure of information pertaining to social responsibility and sustainable development [7, 14, 18, 21].

Based on data comprising 966 firm-year observations spanning the period 1998 to 2009 retrieved from COMPUSTAT [18] investigated the impact of accounting conservatism on the corporate social performance of sample firms. The study utilized the year 2003 as a cut-off point, coinciding with the shift in the U.S. from a rules-based to an objectives-based system of accounting standards. The empirical findings for both the pre- and post-conversion sample periods consistently demonstrated that the level of accounting conservatism results in increased CSR performance. Similarly, research by [14] analysed data of 175 listed firms (1925 firm-year) on Tehran Stock Exchange and showed that embrace conservative accounting practices specifically to benefit their stakeholders are subsequently better located to deploy CSR activities and fulfill their stakeholder obligations.

In addition, [2] provides evidence that, when faced with pressure from stakeholders (e.g., creditors, equity holders), firms belong to non-financial and non-utility sectors tend to prioritize improving their levels of accounting conservatism over focusing on social responsibility activities. However, the study also provides evidence of a significant positive impact of accounting conservatism after the financial crisis (2008). Likewise, [7] used a research sample of 29 listed firms on the BIST Corporate Governance Index from 2013 to 2022 to examine the relationship between accounting conservatism and CSR activities. The research results show that accounting conservatism not only has an impact on earnings asymmetry but also has a positive influence on the overall CSR disclosure score as well as its components of environmental sustainability, community engagement, ethical practices, and stakeholder relationships.

Despite the majority of empirical research results on the positive relationship between prudence and CSR or ESG disclosures, recent literature has mixed results. In the previous phase of the crisis (2008), analytical data from research sample of [2] showed that when enterprises increased their prudence on their financial statements, the level of CSR disclosure tended to decrease. Meanwhile, the level of ESG disclosure at a high and low level, or the lack of disclosure is not affected or differentiated by the level of accounting conservatism, according to empirical research at SMEs on the Malaysian Stock Exchange from 2019 to 2021 [31].

Based on the stakeholder theory explaining the relationship between accounting conservatism and ESG disclosures, mentioned in the previous section, combined with the empirical evidence presented above, we expect that once listed companies in Vietnam implement a high level of accounting conservatism, they will also demonstrate a stronger commitment to social responsibility activities and a higher level of disclosure. On this basis, the first research hypothesis is stated as follows:

H1: Accounting conservatism of Vietnamese listed enterprises has a positive impact on their ESG disclosure

In addition, the study also makes hypotheses related to the relationship between control factors including firm size, GRI adoption, sensitive industries, and Leverage and disclosures of ESG information as follows:

According to [48], firm size is an important control variable because smaller firms are limited in their capacity to sustain CSR activities, compared to larger firms that have more infrastructure and abundant free cash flow. Several studies show that company size is likely to influence the level and extent of CSR or ESG disclosure, in that reporting is generally more prevalent amongst larger firms [2, 14, 18, 21, 42]. Therefore, we expect the size of the Vietnamese listed firms have a positive impact on the level of ESG disclosure. The H2 hypothesis is stated as follows:

H2: The size of Vietnamese listed enterprises has a positive impact on their ESG disclosure.

The absence of an adopted reporting framework for ESG disclosure significantly increases the likelihood that the published information will lack comprehensive coverage of material issues. Consequently, such a report might be characterized by poor standardization and limited comparability [27]. In prior studies, the GRI framework was the most widely used in the preparation and dissemination for issuing non-financial report like sustainability. The GRI's disclosure framework also includes broader aspects, capturing and reflecting non-financial indicators of the environmental, social, and governance impacts of the company's activities [46]. Besides, [34] based on transnational data also shows that the GRI adoption not only helps to improve firm value (period 2011 – 2019), but is also driven by the mechanism and characteristics of the CSR committee of enterprises. Whereas, research by [36] in Vietnam also substantiate that the application of GRI also has a positive impact on the level of disclosure of information on sustainable development goals. Therefore, we expect that the application of the GRI framework will increase the level of ESG disclosure of Vietnamese businesses. Therefore, the H3 hypothesis is mentioned as follows:

H3: The application of GRI increases the level of ESG disclosure in Vietnamese listed firms

Industry classification has consistently been identified as a significant determinant explaining the heterogeneity of CSR activities [9]. Specifically, enterprises operating within environmentally sensitive sectors are empirically demonstrated to have a higher propensity to disclose information concerning their environmental and social performance compared to their non-sensitive counterparts [40]. Similarly, [19] analyze data from 365 listed companies selected from BRICS between 2010 and 2012 to demonstrate that companies in sensitive industries (those with stronger socio-environmental impacts) often achieve higher and more consistent ESG performance compared to enterprises in non-sensitive sectors. Accordingly, we expect that listed firms on the Vietnamese stock exchange classified as environmentally sensitive sectors will present a greater level of ESG disclosure. So, the H4 hypothesis is formed as follows:

H4: There is a positive relationship between a company belong to sensitive industries and its ESG disclosure.

The implementation and disclosure of environmental, social, and governance related information demonstrates the company's commitment to integrating into its business in a sustainable manner, and aims to help balance the interests of its stakeholders. In the course of their operations, firms always require debt financing to sustain and expand their activities. While leverage can potentially enhance profitability, an excessive reliance on debt can introduce substantial financial risks, which may adversely affect future capital raising capabilities and potentially diminish the stakeholder's value [35]. Furthermore, heavily indebted firms often face considerable debt servicing pressure, leading them to minimize discretionary expenditures, including activities related to stakeholder engagement and corporate social responsibility. Consequently, high debt levels are hypothesized to negatively impact both the firm's ESG activities and the subsequent level of ESG information disclosure. Several studies have provided empirical results showing that leverage ratios have a negative impact on the level of ESG disclosure [15, 35]. Accordingly, the research hypothesis is stated as follows:

H5: There is a negative relationship between the leverage and the ESG disclosure at Vietnamese listed companies.

3. Methodology

3.1. Sample collection

The research sample includes data collected from audited financial statements, annual reports, sustainability reports, ESG reports of enterprises listed on the Hanoi Stock Exchange (HNX) and the Ho Chi Minh City Stock Exchange (HOSE) in the period (2018 - 2024). Listed firms are chosen because in Vietnam, they must comply with regulations on information disclosure on the securities market. In addition, financial statements, according to the regulations of the stock exchange, are audited by independent auditing firms [16]. Businesses in the sectors of banking, financial services, insurance, securities were not included in the study sample. Enterprises that

publish annual reports, intermittent financial statements, or insufficient number of years of listing during the study period are also eliminated. The final study sample consisted of 186 listed companies equivalent to 1,116 firm-year observations used for the analysis.

3.2. Variable measurement

ESG disclosure measurement: On the basis of sustainability reports or annual reports, this study applies a content analysis method to measure sustainability reporting scores. This method has been used as a familiar measurement to rate ESG scores [39, 49].

The ESG disclosure score is operationalized through a weighted average of its three constituent components: Environmental (E), Social (S), and Governance (G) disclosure. The measurement of disclosure level for each item employs a three-point ordinal scale, defined as follows:

Value	Description of Disclosure Level
0	Non-disclosure of the information item.
1	Disclosure in the form of aggregate quantification (e.g., reporting solely the monetary amount or the physical unit of measurement).
2	Disclosure in the form of detailed narrative and/or comprehensive quantitative information (or includes the amount and unit of measurement e.g., cubic meter measures the water, kwh measures electrical energy, tons measure the weight of raw materials, etc.)

Accounting conservatism degree: The level of accounting conservatism (*ConsAcc*) is measured based on non-operating accruals according to [20]. In which,

$$ConsAcc = (Total\ accruals_{i,t} - operating\ accruals_{i,t}) * (-1) / Average\ total\ assets_{i,t}$$

In which, a greater positive value of *ConsAcc* signifies a higher level of conservatism implementation. It is advantageous to estimate accounting conservatism degree for each firm-year observation; Suitable for many types of businesses, including listed enterprises and especially not affected by fluctuations in stock prices. This measurement is a frequently utilized metric in accounting conservatism research recently such as [12, 23].

Firm Size is measured by the natural logarithm of Total assets of each company at year end. This scale is commonly used to measure enterprise size [48, 49].

GRI adoption: we also used a binary variable, in which the companies who adopted the GRI framework for preparing and presenting ESG report are marked 1, and 0 otherwise. This measurement was conducted by recent studies related to relationship between accounting conservatism and ESG disclosure, such as [36, 46].

Sensitive Industry: Industrial context is estimated by following criteria applied in research of [40], in which: 1 represents environment sensitivity and 0 non-sensitivity. According to the classification, the firms operate in industries like: Metal - Nonmetallic Mineral - Fabricated,

Apparel - Leather and Allied Products, Construction, Chemical – Pharmaceutical are classified into sensitive firms, whereas other fields are non-sensitive, such as Architectural, Engineering, Specialized Design Services and Related Services, Administrative and Support Services.

Leverage: is measured by the ratio of debt to total assets at year end. This measurement also used by previous studies have a same topic such as [35, 49]

3.3. Research models

To test the aforementioned research hypotheses, the study employs the Between-Effects Model (BEM) to investigate the impact of independent variables on ESG. This model is deemed appropriate and effective for assessing the influence of time-invariant factors on the dependent variables. In addition to the BEM application, several diagnostic tests were performed to validate the assumptions of panel data regression, consist of: Multicollinearity Test which use the Variance Inflation Factor (VIF) was examined to detect the presence of multicollinearity; Heteroscedasticity Tests, in which the Breusch-Pagan/Cook-Weisberg test and White's test were utilized to identify the phenomenon of heteroscedasticity. Finally, to solve Heteroscedasticity problem: the Feasible Generalized Least Squares (FGLS) regression for cross-sectional time-series data was employed to correct for variance. The findings from these diagnostic inspections are detailed in Tables 2 and 3 within the results and discussion section.

Model 1 to investigate the impact of accounting conservatism on ESG disclosure is set as following equation:

$$ESGD_{i,t} = \beta_0 + \beta_1 ConsAcc_{i,t} + \varepsilon_{i,t} \quad (1)$$

To test the impact of control variables on the level of ESG disclosure, the study uses model 2 as shown below:

$$ESGD_{i,t} = \beta_0 + \beta_1 ConsAcc_{i,t} + \beta_2 FirmSize_{i,t} + \beta_3 GRI_{i,t} + \beta_4 SenIndus_{i,t} + \beta_5 Lev_{i,t} + \varepsilon_{i,t} \quad (2)$$

4. Research results

Prior to executing the tests designed to evaluate the research hypotheses outlined in the preceding section, the descriptive statistical results for each variable are presented in Table 1, while the correlation matrix between the variables is displayed in Table 2. The analysis reveals that the mean score for ESGD across the sample is 0.829, accompanied by a standard deviation of 0.36. This statistical profile suggests two key findings: firstly, the observed standard deviation indicates a considerable degree of heterogeneity in ESG disclosure practices among the sampled firms. Secondly, despite this variability, the relatively low mean score suggests that the overall prevalence of ESG information disclosure remains modest within the sampled enterprises. This result is quite consistent with the level of assessment of ESG disclosure in Vietnam according to [36]. In addition, the mean of ConsAcc is positive 0.0137, indicating that Vietnamese listed firms

have prudent accounting practices to a certain extent although to a fairly small. Meanwhile, just over 10% of the ESG reports in the sample set claim to be applicable and prepare the report according to the GRI, the mean value of this variable is 0.1075. Table 1 also shows that nearly 70% of enterprises belong to the group of environmentally sensitive industries when the mean value of the SenIndus is 0.6989. Finally, the mean of the Lev is 0.4645, indicating that the debt-to-asset ratio of the enterprises in the sample set is at an acceptable threshold.

Table 1: Descriptive statistics

Variable	Observations	Mean	Std. dev.	Min	Max	VIF
ESGD	1,116	0.8309	0.3603	0.2963	2	
ConsAcc	1,116	0.0137	0.1158	-1.3285	0.2962	1.06
Firmsize	1,116	28.305	1.3141	25.4865	32.8187	1.25
GRI	1,116	0.1075	0.3099	0	1	1.13
SenIndus	1,116	0.6989	0.4586	0	1	1.15
Lev	1,116	0.4645	0.2088	0.0027	1.1029	1.23

To assess the possibility of multicollinearity in the research models, the study determined the value of VIF. The results presented in Table 1, the final column show that the VIF coefficients of the variables in the model are all less than 2, ensuring that there is no multicollinearity [50]. In addition, the results in Table 2 present the results of the heteroskedasticity test. Based on the statistical significance at the level of 1% of both Breusch–Pagan/Cook–Weisberg and White's tests in model (2), and at 10% in White's test in the model (1) showing that the heteroskedasticity exist in the both research models. To overcome this problem, the study implemented the Cross-sectional time-series FGLS regression to adjust the variance for each group.

Table 2: The test for heteroskedasticity

Tests	Model (1)	Model (2)
Breusch–Pagan/Cook–Weisberg test	2.77*	83.59***
White's test (chi ²)	1.77	112.28***

***, **, *, represents statistical significance at the level of 1%, 5%, 10%

The results in Table 3, both under model 1 and model 2 show that accounting conservatism has a positive impact on the ESG disclosure. In both models, the between-effect model and the standardized model, GLS result in a positive coefficient of *ConsAcc* (β_1). The results indicate that the H1 hypothesis is accepted.

As presented in Table 3, the econometric results derived from Model 2 indicate that all estimated coefficients are positive, with the exception of the *Lev* variable, which exhibits a negative sign. These effects are found to be statistically significant at the 1% and 5% levels, respectively. These outcomes suggest that, similar to the positive effect of accounting conservatism (implied by the level of prudence principle in accounting), firm size also exerts a positive and significant influence on the level of ESG disclosure. This is evidenced by the

consistently positive coefficient (β_2) across both the Between-Effects Model (BEM) and Feasible Generalized Least Squares (FGLS) specifications. The positive relationship confirms that larger firms demonstrate a propensity to provide more comprehensive and detailed ESG information. This finding is consistent with the prior empirical evidence reported by studies such as [40, 48], thereby providing strong support for the acceptance of Hypothesis H2.

Table 3: The impact of c accounting conservatism on ESGD

Variables/models	Expected sign	Model 1		Model 2	
		BEM	GLS	BEM	GLS
Const.		0.816*** (32.83)	0.822*** (172.79)	-0.471 (-1.02)	-0.861*** (-9.67)
ConsAcc (β_1)	(+)	1.088*** (3.02)	0.173*** (3.02)	0.6964** (2.29)	0.107*** (3.26)
FirmSize (β_2)	(+)			0.0454*** (2.73)	0.057*** (18.00)
GRI (β_3)	(+)			0.575*** (8.64)	0.573*** (49.27)
SenIndus (β_4)	(+)			0.100** (2.13)	0.148*** (17.36)
Lev (β_5)	(-)			-0.269** (-2.30)	-0.193*** (-9.33)
R-squared		0.0473		0.4306	
F-statistic		9.14***		27.23***	

***, **, *, represents statistical significance at the level of 1%, 5%, 10%, respectively t-statistic in ()

In addition, the results in Table 3 also show the coefficients of *GRI* variable (β_3) and *SenIndus* variable (β_4) all are positive at a statistical significance of 1% and 5% in both BEM and GLS testing models, implying that the H3 and H4 hypotheses are accepted. These findings indicate that Vietnamese listed firms that utilize the GRI framework for the preparation and disclosure of information exhibit a significantly more complete and detailed level of reporting compared to those that do not adopt this standard. Furthermore, this empirical evidence consistently demonstrates that firms operating within environmentally sensitive sectors exhibit a significantly elevated level of ESG disclosure compared to their non-sensitive listed firms. This result is supported by the results of previous studies such as [40]. Finally, the regression coefficient of the *Lev* variable (β_5) consistently represents negative values in both the initial model and the normalized model. This result accepts the H5 hypothesis on the one hand, and on the other hand, implies that businesses with a low leverage ratio will tend to disclose ESG information higher than those with a high ratio. Studies on the same topic as [15, 35] have also published similar experimental results and support this trend.

5. Discussion and Conclusion

This study investigates the relationship between accounting conservatism and Environmental, Social, and Governance (ESG) disclosure among non-financial publicly listed enterprises in Vietnam. The primary objective is to evaluate the extent to which a firm's commitment to reporting on ESG matters to its stakeholders is motivated or underpinned by prudent accounting practices. Our findings show a positive association relationship between accounting conservatism and ESG disclosure during the sampling period. The research results support the accounting conservatism hypothesis that promotes ESG disclosure, which is consistent with stakeholder theory and previous empirical studies presented in Part 2 on ESG disclosure of enterprises. In addition, the results also show that businesses that apply the GRI framework to prepare and disclose ESG information and businesses in the environmentally sensitive group have a high level of ESG information disclosure. Meanwhile, firms with low leverage ratio have a higher level of ESG disclosure than those with high this ratio.

The findings from this study carry significant implications for publicly listed firms and regulatory bodies within developing economies. In such dynamic environments, often characterized by the absence of strict mandatory ESG implementation regulations and marked by inconsistency in ESG disclosure, promoting prudence practice in accounting becomes crucial. The research suggests a dual benefit: Increased accounting conservatism not only fulfills the needs for transparency and financial accountability demanded by stakeholders with a financial interest in the firm, but it also proactively contributes to elevating ESG disclosure to meet the requirements of non-financial stakeholders. This dual accountability impact is essential for enabling firms to communicate effectively with all stakeholder groups, thereby supporting sustainable development. For enterprises in export-oriented developing countries, such as Vietnam, this finding holds even greater relevance. It acts as a catalyst, driving businesses to accelerate the adoption of IFRS Sustainability Standards frameworks to effectively satisfy the information demands of international partners in the context of increasing globalization. In the process of moving towards using IFRS Sustainability Standards for integrated reporting purposes, Vietnamese listed firms should use the GRI Standards for ESG disclosure.

Although the research objectives have been solved and the research hypotheses have been proven, this research still has certain limitations. The research sample used is non-financial listed enterprises on the Vietnamese stock exchange, which are fairly large-scale enterprises. Due to limited research resources, the authors have not yet accessed and obtained data from unlisted enterprises. In particular, for developing countries such as Vietnam, the number of small and medium-sized enterprises (accounting for 97%) is very large, so the findings of the study may not be representative of all Vietnamese enterprises. It also requires further studies to expand the

scope of the study to small and medium-sized enterprises in order to generalize the relationship between prudent accounting and ESG disclosures. In addition, future research also needs to approach and supplement study on the influence of other factors on ESG disclosure.

Conflicts of Interest: The authors declare that there are no conflicts of interest regarding the publication of this paper.

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