

2026 CORPORATE GOVERNANCE TRENDS: FULL GALLOP TOWARD MARKET UPGRADE

Support by:

Integrated ESG
Driving Sustainable Investment



HAPPY
NEW YEAR



YEAR OF
THE HORSE

Companionship – Commitment – Development

VIETNAM INSTITUTE OF DIRECTORS (VIOD)
Member of Global Network of Director Institutes (GNDI)

**Best wishes to you for a Happy and Prosperous
Year of the Horse!**



TABLE OF CONTENTS

FOREWORD	4
ABOUT VIOD	6
SECTION 1: GLOBAL CORPORATE GOVERNANCE TRENDS IN 2026	16
1.1. The 2026 Board Agenda: What Global Boards Are Focusing On.....	18
1.2. Corporate Governance In 2026: How Board Effectiveness Is Being Assessed.....	20
1.3. ESG In 2026: From Political Debate To Board Accountability.....	23
SECTION 2: MARKET UPGRADE – BOARD OVERSIGHT CAPABILITY AND GOVERNANCE RESILIENCE	26
2.1. Board Capability As The Foundation For Effective Oversight.....	28
2.2. 2026 Direction For Vietnamese Boards: Actions For Breakthrough And Market Readiness.....	30

FOREWORD

The Vietnam Institute of Directors (VIOD) respectfully extends our New Year greetings to our esteemed partners, board members, business leaders, and the entire VIOD membership network, including corporate members (CMP) and individual members (IMP). We wish you and your organizations a healthy and prosperous 2026, marked by renewed momentum, sustained growth, and continued strengthening of trust and reputation in the market.

We enter 2026 with a renewed mindset, strengthened confidence, and a strong determination for growth. For Vietnam's capital market, the market upgrade journey and the transition toward emerging market standards—supported by an increasingly refined legal and regulatory framework and clear international commitments by the Government—have become more concrete than ever. The provisions set out in Decision No. 2014/QĐ-TTg are no longer merely aspirational; they now represent a clear development trajectory closely linked to higher expectations for market quality and operational standards. Along this path, transparency, investor protection, oversight effectiveness, and the quality of corporate governance have become decisive factors in how enterprises are assessed by the market and long-term capital.

In parallel, the corporate governance landscape in Vietnam in 2026 is being further shaped by key policy directions. Resolution No. 68-NQ/TW underscores the role of the private sector while setting higher expectations for corporate governance capacity, transparency, and the efficient use of resources. Notably, Resolution No. 79-NQ/TW, issued by the Politburo on 6 January 2026, for the first time establishes a clear corporate governance discipline for state-owned enterprises and enterprises with state capital. It mandates that by 2030, 100% of state-owned enterprises must fully implement corporate governance standards in line with OECD principles.

The Vietnam Corporate Governance Code (VNCG Code) 2026, applicable to public companies under the “comply or explain” principle, further strengthens a critical benchmark for investors and market participants to assess corporate governance quality. In 2026, corporate governance is clearly “defined” as a core pillar of competitiveness and market confidence.

Against this backdrop, the spirit of “Breakthrough” has been established as the action keyword for 2026. This message was first launched at the 8th Annual Forum (AF8) for market participants, with a particular focus on public companies. A breakthrough to create trust and reputation—intangible yet powerful values with a profound impact on enterprise value. This calls for boards to further elevate their roles and effectiveness, demonstrate disciplined commitments to risk management and performance governance, and ensure readiness for volatility and multiple risk scenarios.

In 2026, VIOD reaffirms its commitment to accompanying the ACGS20 group—a cohort of 20 enterprises committed to leading and pioneering the enhancement of corporate governance quality in line with regional standards—thereby contributing to the improvement of Vietnam's national average score under the ASEAN Corporate Governance Scorecard (ACGS). At the same time, VIOD will

further strengthen engagement, knowledge sharing, training, and coaching for enterprises within the VNCG50 group, reinforcing their long-term positioning and competitiveness in the eyes of the market and investors.

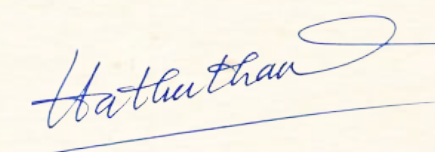
Directors Bulletin No. 13 – 01/2026, themed “2026 Corporate Governance Trends: Full Gallop Toward Market Upgrade,” is published by VIOD as a New Year edition for the Year of the Horse (Bính Ngọ) 2026. The Bulletin provides an overview of global corporate governance trends for 2026, with a particular focus on board oversight capacity and governance resilience in the context of market upgrading. It also offers practical directions to help enterprises and boards strengthen their governance foundations in a substantive and sustainable manner.

VIOD sincerely appreciates the trust and continued support of our partners and the VIOD membership network, including corporate members (CMP), individual members (IMP), board members, and senior business leaders. The journey to advance corporate governance in Vietnam has been nurtured over nearly a decade, beginning with the foundations laid by the Vietnam Corporate Governance Initiative (VCGI) and marking eight years since the official establishment of VIOD. We also extend our heartfelt thanks to IFC, SECO, and our partners for their enduring support of VIOD's corporate governance initiatives and the Directors Bulletin publication.

VIOD remains firmly committed to accompanying our partners and market participants in jointly building a professional, transparent, and trustworthy corporate governance ecosystem, contributing to the stable and sustainable development of Vietnam's capital market.

Happy New Year 2026 – Breakthrough and Success!

Chairman



Ha Thu Thanh



ANNUAL FORUM #8 (AF8)
BREAKTHROUGH BOARDS:
BEYOND GOVERNANCE, POSITIONING TRUST
AND ELEVATING REPUTATION IN CAPITAL MARKET



HAPPY YEAR OF THE HORSE
VIOD EXTENDS OUR BEST WISHES FOR
CONTINUED SUCCESS TO OUR VALUED PARTNERS
AT THE 8TH ANNUAL FORUM (AF8) - DECEMBER 2025



THE MINISTRY OF FINANCE
FINANCE-INVESTMENT NEWSPAPER





THE FIRST CHOICE FOR CORPORATE GOVERNANCE PROFESSIONALS AND HIGHLY EFFECTIVE BOARDS

The Vietnam Institute of Directors (VIOD) is a professional, independent, and pioneering organization that promotes the implementation of best practices and standards in corporate governance and sustainable development for Vietnamese enterprises.

VIOD's activities aim to enhance the professionalism of boards of directors, promote transparency and efficiency, bring together and connect board members, and build a network of directors and business leaders across economic sectors. By integrating corporate governance with sustainable development, VIOD contributes to creating an ecosystem for corporate governance and sustainable growth in Vietnam's stock and financial markets.

VISION



- ▶ VIOD is the first choice for forward-thinking boards of directors and leaders to build a strong, transparent, and effective business community.

MISSION



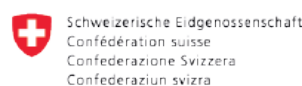
- ▶ Promote professionalism, expertise, and status of board members in Vietnam.
- ▶ Enhance corporate governance capabilities for businesses.
- ▶ Help improve investor confidence in Vietnam's private sector and capital market.

COMMITTED VALUES



- Compliance
- Transparency
- Integrity

FOUNDING PARTNERS



Swiss Confederation



FOUNDING MEMBERS



CORPORATE MEMBERSHIP PROGRAM (CMP)



STAKEHOLDERS



Regional integration and global connectivity

In 2025, the Vietnam Institute of Directors (VIOD) strengthened its international presence and actively participated in corporate governance initiatives. As Vietnam's technical partner in the ASEAN Corporate Governance Scorecard (ACGS) assessment, VIOD attended the 2025 ASEAN Corporate Governance Conference and Awards, fostering regional connectivity and professional dialogue. VIOD also joined a series of international events in Singapore co-organized by the Global Network of Director Institutes (GNDI) and the Singapore Institute of Directors (SID). Notably, for the first time, VIOD launched the Global Leadership Week in Switzerland, connecting Vietnamese business leaders with international leadership networks and expanding collaboration opportunities on its integration journey.



Enhancing the quality of corporate governance educational programs

VIOD continued to roll out a coherent, multi-level educational system to meet the growing needs of Board Members, executive teams, and corporate governance practitioners. Programs are developed in depth by role and function, closely aligned with international standards. The continuation of the Strengthening Your Board's Capacity Program in Switzerland (SBS2) and the first-time launch of DCP Advance reaffirm VIOD's commitment to building a long-term, advanced learning pathway for Vietnam's corporate leadership community.

20+

Advanced educational programs on corporate governance

500+

Senior leaders participated, including Chairs, Board Members, and CEOs

220+

Listed and public companies, financial institutions and consulting firms from Vietnam and abroad participated

VIOD
VIETNAM INSTITUTE OF DIRECTORS

Specialized forums and seminars closely aligned with practical needs

From the beginning of the year, VIOD worked closely with the State Securities Commission and the Stock Exchanges to co-organize a series of specialized forums and seminars to update trends and strengthen corporate governance capacity in line with international standards (such as the "Towards a transformative annual general meeting season" Forum, the Women Directors Forum, and the seminar on Resolution No. 68-NQ/TW). A key highlight was the 8th Annual Forum (AF8), which brought together over 350 domestic and international participants, marking a new stage of development and reaffirming the central role of the Board in building corporate trust and reputation in the capital markets.



2025

**A JOURNEY OF BUILDING SUSTAINABLE
TRUST AND REPUTATION**

AF8 – BREAKTHROUGH BOARDS: BEYOND GOVERNANCE, POSITIONING TRUST AND REPUTATION IN THE CAPITAL MARKET

After 25 years of formation and development, the Vietnamese stock market is entering an accelerated phase toward market upgrading, transitioning into a new operating landscape - one in which corporate governance capability, transparency, and the ability to build trust and reputation have become decisive factors in accessing and sustaining long-term capital flows.

The Vietnam Institute of Directors (VIOD), a pioneering – professional – independent organization in corporate governance, hosted its 8th Annual Forum (AF8) on December 5, 2025, in Ho Chi Minh City. Recognized as the country's most authoritative professional forum on corporate governance and sustainability, AF8 brought together the full spectrum of market stakeholders. AF8 gathered more than 350 senior leaders, including representatives of regulatory authorities, Chairs, Board Members, Chief Executive Officers, and Executive Management from over 250 listed and public companies, and large-scale private enterprises, alongside financial institutions, advisory firms, and domestic and international investment funds.

Under the theme “Breakthrough Boards: Beyond governance, positioning trust and reputation in the capital market”, AF8 convened business leaders to exchange perspectives and commit to action in upgrading their corporate governance “operating systems”, moving beyond traditional compliance-driven mindset to compete in regional and global capital markets with two critical assets: trust and reputation.

Market upgrading is not the end goal

In her opening speech at AF8, Ms. Vu Thi Chan Phuong - Chairwoman of the State Securities Commission of Vietnam (SSC), emphasized.

“Market upgrading is not the end goal. It is only the beginning of a new phase of development - one that demands higher standards of transparency, efficiency, and investor protection”



Ms. Vu Thi Chan Phuong - Chairwoman of SSC

From an international perspective, Ms. Nguyen Hong Giang - Senior Program Officer at the Swiss State Secretariat for Economic Affairs (SECO), echoed this view, underscoring that a strong governance culture is the key for Vietnam to fully unlock its potential as a resilient, attractive, and credible economy. She noted that today's investors clearly recognize that sustainable financial performance is closely



Ms. Nguyen Hong Giang
- Senior Program Officer of SECO



Ms. Elsa Ben Hamou Dassonville - Head of APAC Sustainability & Climate Solutions Specialists at MSCI

linked to governance standards that prioritize transparency, accountability, and sustainability.

In addition, according to Ms. Elsa Ben Hamou Dassonville - Head of APAC Sustainability & Climate Solutions Specialists at MSCI, global capital is not chasing short-term growth; it seeks confidence in companies that are transparent, well-governed, resilient, and equipped with a clear transition roadmap.

Vietnam's economy: Moving forward with optimism, breaking through with reform

At AF8, Mr. Michael Kokalari - Chief Economist of VinaCapital, painted an “optimistic yet cautious” picture of Vietnam's economic outlook. Key growth drivers - including exports, international tourism, and infrastructure investment - are expected to continue supporting the economy in 2026, while domestic consumption is projected to recover more visibly.

He noted that inflation remains under control, although exchange rate pressures persist amid a monetary policy stance focused on supporting growth. From a longer-term perspective, Mr. Kokalari emphasized that institutional reforms, lower capital costs, and the development of a truly competitive AI industry will be critical pillars enabling Vietnam to accelerate growth and move up the value chain.



Mr. Michael Kokalari - Chief Economist of VinaCapital

Corporate governance – A global currency

Discussions at AF8 revealed a growing consensus: corporate governance has become a “global currency”, linking corporate value with investors not only domestically but also internationally. This shift places corporate governance at the heart of sustainable growth strategies, requiring companies to adopt and practice governance standards aligned with regional and global benchmarks.

According to Ms. Alejandra Medina - Asia Corporate Governance Program Manager at OECD, corporate governance is no longer an internal matter but a “shared language” through which investors compare, assess, and position companies. The G20/OECD Principles of Corporate Governance serve as a common reference framework, enabling investors to gauge corporate maturity not only by financial results, but also by how companies make decisions and conduct themselves during periods of market volatility.

Regionally, the ASEAN Corporate Governance Scorecard (ACGS) has been implemented to raise governance standards among publicly listed companies, supporting deeper capital market integration within ASEAN and promoting the recognition of companies as “ASEAN Asset”. According to Mr. Phan Le Thanh Long - CEO of VIOD, inclusion on this list is akin to a “seal of approval”, affirming governance quality and credibility - particularly for foreign investors - and expanding access to regional capital markets.

Drawing on international experience, Ms. Jackie Mah – President & CEO of the Institute of Corporate Directors Malaysia (ICDM), highlighted that Boards play a central role in translating international standards and frameworks into effective, substantive governance capabilities within enterprises. According to her, promoting Board diversity - across structure, tenure, experience, expertise, and skill sets - is essential to fostering a healthy governance framework and culture.

Building trust and reputation – Strategic non-financial assets of enterprises

From the perspective of Vietnamese enterprises, Mr. Le Thanh Liem - Board Member of Vietnam Dairy Products JSC (Vinamilk), noted that the gap between domestic regulations and international standards can only be narrowed through substantive Board action. Proactively issuing Board resolutions and conducting self-assessments against recognized corporate governance benchmarks not only reflects a modern governance mindset but also lays the foundation for building sustainable trust and reputation. In this context, regional and international standards are viewed as strategic destinations that enhance corporate credibility, rather than merely formal compliance requirements.



Panel discussion:

"Positioning trust and corporate reputation in the capital market – Challenges and success stories"

of business models - whether strengthening regional foundations or accessing global capital markets - the ability to build trust and reputation ultimately rests on the quality of governance. From integrating ESG and climate-related risk governance into long-term strategy, to strengthening succession planning, dialogue, and decision-making in family businesses, all efforts converge on one objective: enhancing governance capacity to build trust, attract quality capital, and affirm the position of Vietnamese enterprises in an era of deeper integration.

From the perspective of a securities firm, Mr. Nguyen Khac Hai – Managing Director of Legal and Compliance at SSI Securities Corporation (SSI) – emphasized that trust and reputation are intrinsically linked: reputation builds trust, and trust, in turn, reinforces reputation. At SSI, these two intangible assets are cultivated through three core pillars: enhanced transparency, a culture of compliance embedded across the entire organization, and automated governance systems enabled by digitalization and robust processes.

In addition, two dedicated thematic sessions at AF8 reinforced a consistent message: regardless



Thematic session 1: ESG ratings and climate-related risks (left)



Thematic session 2: Family business to institutional governance - Empowering private sector (right)

ACGS20 & VNCG50: A launchpad for elevating corporate governance standards

For the first time in Vietnam, VIOD introduced the "ACGS20 – ASEAN Aspiration" initiative. The initiative focuses on 20 pioneering companies with clear strategies and action plans to enhance governance quality, strengthen transparency, and work toward achieving "ASEAN Asset" status in upcoming ACGS assessments. ACGS20 aims to contribute to the ASEAN Capital Markets Forum's (ACMF) capital market development strategy for 2026–2030, while improving Vietnam's overall corporate governance performance relative to the region.



Recognition of the ACGS20 enterprises

At the same time, 2025 marks the second year of VIOD's implementation of the Vietnam Corporate Governance Scorecard Initiative – VNCG50, which recognizes 50 pioneering Vietnamese companies committed to improving corporate governance practices. The VNCG50 aims to support and encourage listed Vietnamese companies to enhance their governance practices in line with ASEAN standards and criteria, thereby narrowing the governance gap between Vietnam and the region and laying the groundwork for the development of the VNCG50 Index in 2026.



Recognition of the VNCG50 enterprises

ACGS20 and VNCG50 represent concrete steps supporting Vietnamese enterprises align more closely with regional governance standards. Within this broader integration landscape, what shifts in global corporate governance trends will continue to set new expectations for Boards and Vietnamese companies in 2026?

SECTION 1: GLOBAL CORPORATE GOVERNANCE TRENDS IN 2026



1.1 THE 2026 BOARD AGENDA: WHAT GLOBAL BOARDS ARE FOCUSING ON

In 2026, the board agenda has become one of the clearest indicators of governance quality. Insights from the National Association of Corporate Directors (NACD) 2026 Governance Outlook show that boards are entering the year with a sharper and more disciplined focus. Across global markets, boards are operating in an environment where uncertainty is persistent, risks are increasingly interconnected, and expectations of board accountability continue to rise.

While economic volatility remains a key concern—with more than 30 percent of directors expecting heightened economic stress in 2026, a majority remain confident in their companies' growth prospects. This combination of caution and confidence is reshaping how boards use their time and attention.

As a result, boards are no longer treating the agenda as a routine administrative document. Instead, it is increasingly used as a strategic tool to direct attention, shape discussion, and reinforce accountability. Rather than expanding agendas endlessly, many boards are making deliberate choices about where to focus. These choices reveal what boards believe truly matters for performance, resilience, and long-term value creation.

Strategy remains central, but execution takes priority

One of the most visible changes in board agendas is how strategy is discussed. Strategy is no longer confined to a single annual review. Instead, it appears regularly through discussions on execution.

Findings from the NACD survey show a decisive shift from strategy formulation toward strategy execution. More than 60 percent of directors identify strategy execution as the area where board oversight most needs improvement. In response, more than 60 percent of boards are increasing the time devoted to strategy

discussions during meetings, while more than 40 percent report more frequent engagement between meetings.

In practice, this means boards are asking fewer questions about whether a strategy sounds right and more questions about whether it is being delivered, where execution is slowing, and whether underlying assumptions still hold as conditions change. Boards increasingly recognize that weak execution and lack of follow-through can erode value more quickly than flawed strategic intent.

Leadership and workforce readiness move up the agenda

People-related issues feature prominently in the 2026 board agenda. The NACD survey identifies CEO succession planning as the board practice most in need of improvement in the year ahead. Directors also highlight workforce adaptability, organizational agility, and shortages of skilled employees as the most significant barriers to effective strategy execution.

At the same time, confidence in board capability is uneven. Only around one-third of directors report being strongly confident in their board's collective skill set, while approximately 14 percent express concern that their boards may lack the capabilities required for the challenges ahead.

These findings underscore a broader shift in board priorities. Leadership readiness, succession depth, and organizational culture are no longer treated as episodic issues, but as ongoing governance responsibilities closely linked to execution quality and risk management.

Technology transformation with mixed results

Technology is the third major theme shaping board agendas in 2026. NACD data shows that 76 percent of directors expect artificial intelligence to factor into their companies' growth strategies. However, many organizations report only slight or moderate success in translating these

investments into clear operational or financial benefits.

This gap between ambition and outcomes has sharpened board attention on technology governance. Boards are focusing more closely on performance metrics, alignment between workforce skills and technology objectives, and disciplined evaluation of digital initiatives. Technology discussions are increasingly framed around execution risk and value realization, rather than innovation alone.

“Boards must strike a balance between using AI innovatively and ethically. Those who take both seriously can develop solutions that drive value without creating outsized harm.”

— Dottie Schindlinger, Executive Director of the Diligent Institute

How boards are translating priorities into agenda design

While NACD highlights director expectations, Diligent's governance insights shed light on how boards are responding in practice. Rather than adding more agenda items, many boards are narrowing their focus to a smaller number of issues that require sustained attention. Strategy appears more frequently on agendas, but in shorter and more focused discussions tied to execution milestones and decision points.

Diligent also observes a clear shift in board information practices. Boards are moving away from lengthy, backward-looking reports and toward clearer dashboards and forward-looking indicators that support judgment and timely

intervention. Agenda design and information flow are increasingly treated as governance tools in their own right.

“Boards are going to have to be a bit more fluid and flexible. Dashboards are really the only way forward.” — Dottie Schindlinger, Executive Director, Diligent Institute

What the 2026 board agenda ultimately signals

Taken together, NACD and Diligent offer a consistent message. Directors expect boards to concentrate on execution, people, and technology. In response, boards are reshaping agendas, increasing engagement, and demanding more decision-useful information.

In 2026, the board agenda is no longer a neutral document. It signals how a board defines its role and how seriously it takes responsibility for long-term value creation and organizational resilience.

References:

Diligent (2025), *Corporate Governance Trends*
NACD (2026), *Boards Prioritize Strategic Execution, Technology, and People*



1.2 CORPORATE GOVERNANCE IN 2026: HOW BOARD EFFECTIVENESS IS BEING ASSESSED



An external assessment perspective

While board agendas reveal what boards choose to focus on internally, governance assessments in 2026 reflect a different and increasingly influential perspective. Investors, regulators, proxy advisors, and governance rating agencies are no longer satisfied with formal compliance or well-documented structures. Instead, they are asking a more fundamental question: **does the board govern effectively in practice?**

Research and thought leadership from KPMG, PwC, Deloitte, and EY show strong convergence around this shift. Across markets, governance quality is now assessed less by what boards have in place, and more by **how boards behave, decide, and respond when faced with uncertainty, trade-offs, and execution risk.**

Board judgment and decision-making quality

One of the first dimensions examined in governance assessments is the quality of board judgment. Effective boards are distinguished not by the absence of disagreement, but by the

quality of discussion that precedes decisions. They are able to surface difficult issues, challenge management constructively, and make informed choices even when information is incomplete or ambiguous.

Importantly, strong boards are also willing to revisit decisions when circumstances change. In volatile environments, clinging to past assumptions is increasingly viewed as a governance weakness rather than a sign of consistency.

By contrast, boards that avoid debate, rush consensus, or rely heavily on formal processes without meaningful discussion may appear orderly and compliant. However, external assessors increasingly view such boards as ineffective, particularly when poor outcomes are repeated without evidence of learning or adjustment.

Key takeaway for boards: Board effectiveness is judged not only by decisions made, but by the quality of debate, challenge, and judgment that leads to those decisions.

Capital allocation as a test of governance credibility

Capital allocation has emerged as one of the clearest tests of board effectiveness. Approving investments, acquisitions, or major projects is no longer sufficient to demonstrate good governance. Assessors increasingly examine whether boards oversee execution, monitor performance against expectations, and hold management accountable for outcomes.

Boards that approve large investments but fail to track delivery, cost overruns, or value realization risk undermining their governance credibility. Conversely, boards that demonstrate discipline across the full investment lifecycle signal strong stewardship and effective oversight.

This focus reflects a broader understanding that capital allocation decisions shape long-term value more directly than many formal governance mechanisms.

Key takeaway for boards: Capital allocation should be governed as a full cycle—from approval to execution, monitoring, and post-investment review.

Risk oversight judged by integration and foresight

Risk governance remains a core area of assessment, but expectations have evolved significantly. Rather than asking whether risk frameworks and registers exist, assessors now focus on **how risk considerations are integrated into strategic, financial, and operational decisions.**

Effective boards demonstrate foresight by discussing emerging risks early, exploring scenarios, and considering how risk interacts with strategy and execution. Board culture plays a decisive role in this process. Boards that encourage open discussion of uncertainty and dissent are better positioned to anticipate disruption and respond effectively.

By contrast, boards that treat risk as a compliance exercise or delegate it entirely to committees may struggle to demonstrate effective oversight when unexpected events occur.

Key takeaway for boards: Effective risk oversight requires integration into core decision-making and a board culture that supports openness and constructive challenge.

Technology oversight as a capability signal

Technology has become one of the most visible signals of board capability. Digital transformation initiatives, cybersecurity incidents, and the rapid adoption of artificial intelligence expose whether boards understand execution risk, organizational resilience, and long-term implications.

External assessors increasingly look at how boards oversee technology implementation, manage cyber risk, and evaluate returns on digital investments. The focus is not on technical expertise, but on whether boards can ask the right questions, understand trade-offs, and ensure alignment with strategy.

Boards that treat technology as a narrow technical matter risk being viewed as unprepared for the challenges of digital governance.

Key takeaway for boards: Boards must have sufficient understanding to govern technology-related risks, oversee execution, and ensure alignment with strategic objectives.



Board capability, dynamics, and continuous learning

Finally, governance assessments increasingly turn inward, focusing on the board itself. Skills relevance, board dynamics, and willingness to learn are now seen as critical components of effectiveness. Boards operating with outdated skill sets or rigid ways of working struggle to meet rising expectations, regardless of formal compliance.

Regular board evaluation, thoughtful refreshment, and continuous learning signal that a board takes its responsibilities seriously and is prepared to adapt as the governance environment evolves.

Key takeaway for boards: Board effectiveness depends on ongoing evaluation, skills renewal, and a commitment to continuous learning.

What governance assessment means in 2026

In 2026, board effectiveness is assessed through behavior, discipline, and consistency over time. Formal structures remain necessary, but they are no longer sufficient. Governance credibility is built through how boards think, decide, and act under pressure—especially when outcomes fall short of expectations.

For boards of listed companies, this shift underscores a clear message: **effective governance is visible, observable, and judged continuously.**

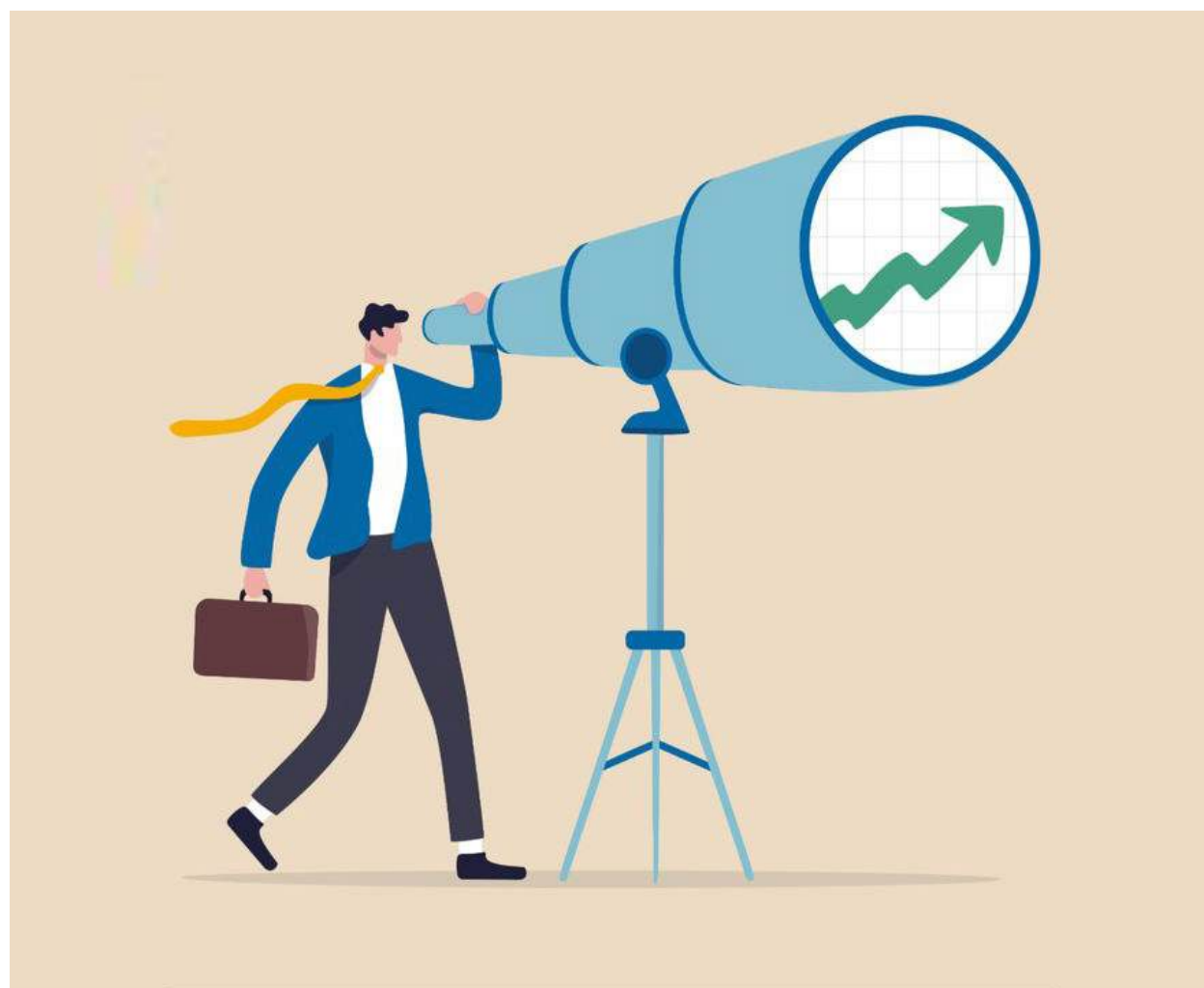
References:

KPMG (2025), *On the 2026 Board Agenda*

PwC (2025), *Corporate Governance Trends*

Deloitte (2024/2025), *Board Governance, Risk and Technology Oversight*

EY (2025), *Global Board Risk and Governance Survey*



1.3

ESG IN 2026: FROM POLITICAL DEBATE TO BOARD ACCOUNTABILITY



In 2026, environmental, social, and governance (ESG) issues enter a critical transition phase. After years of rapid expansion, heightened expectations, and growing political debate, ESG is no longer defined by ambitious statements or symbolic commitments. Instead, it is increasingly shaped by regulation, data, and accountability.

For boards, this marks a fundamental shift. ESG is no longer a question of positioning or reputation management. It has become a matter of governance discipline, risk oversight, and long-term value protection.

Across markets, political resistance to ESG—particularly in the United States—has intensified. At the same time, regulatory requirements in many advanced economies continue to tighten. This divergence has created a fragmented

landscape that boards must navigate carefully. The result is not the end of ESG, but its evolution into a more rigorous, evidence-based, and board-governed domain.

ESG amid turbulent political tides

The political environment surrounding ESG remains unstable. In some jurisdictions, ESG has become a contested concept, facing criticism and pushback from policymakers and interest groups. In others, particularly in Europe, governments continue to introduce regulations that require companies to demonstrate measurable progress on environmental and social issues.

For boards, this divergence creates complexity but not optionality. Regardless of political narratives, companies remain exposed to climate risks, supply chain disruptions, workforce expectations,

and investor scrutiny. Boards that focus on delivering tangible ESG outcomes—rather than responding to political noise—are more likely to maintain strategic clarity and resilience.

The key governance challenge is consistency. Boards must ensure that ESG priorities are aligned with business fundamentals and long-term strategy, rather than fluctuating with political cycles.

Board implication: Boards should anchor ESG oversight in long-term value creation and risk management, avoiding reactive shifts driven by short-term political pressures.

AI ethics joins the ESG agenda

As artificial intelligence becomes embedded in core business processes, its ethical use is increasingly viewed as an integral part of ESG governance. Issues such as algorithmic bias, data privacy, transparency, and accountability now sit at the intersection of technology, social responsibility, and governance.

In 2026, stakeholders—including regulators, investors, and customers—expect companies to explain not only how AI is used, but how risks are identified, monitored, and mitigated. This places new demands on boards overseeing ESG, particularly in sectors such as finance, healthcare, and consumer services.

AI ethics is no longer a technical matter. It is a governance issue that affects trust, compliance, and social impact.

Board implication: Boards should ensure that AI governance frameworks are integrated into ESG oversight, with clear accountability, risk assessment, and disclosure expectations.

From greenwashing to data-driven accountability

One of the most significant shifts in ESG governance is the growing backlash against greenwashing. False, exaggerated, or unsupported sustainability claims are increasingly challenged by regulators, investors, and civil society.

Regulatory initiatives—such as the EU Green

Claims Directive—are forcing companies to substantiate ESG claims with reliable data. At the same time, market expectations are changing. Customers and investors are becoming less tolerant of aspirational messaging that is not matched by measurable performance.

For boards, this raises the stakes. ESG disclosures are no longer primarily about storytelling; they are about credibility, legal exposure, and trust.

Board implication: Boards must ensure that ESG statements and disclosures are supported by verifiable data, robust controls, and clear internal ownership.

AI-augmented ESG monitoring and reporting

As ESG data requirements become more complex, companies are increasingly turning to digital tools to support measurement, monitoring, and reporting. AI-enabled analytics platforms now allow organizations to track emissions, supply chain risks, and social indicators with greater granularity and timeliness.

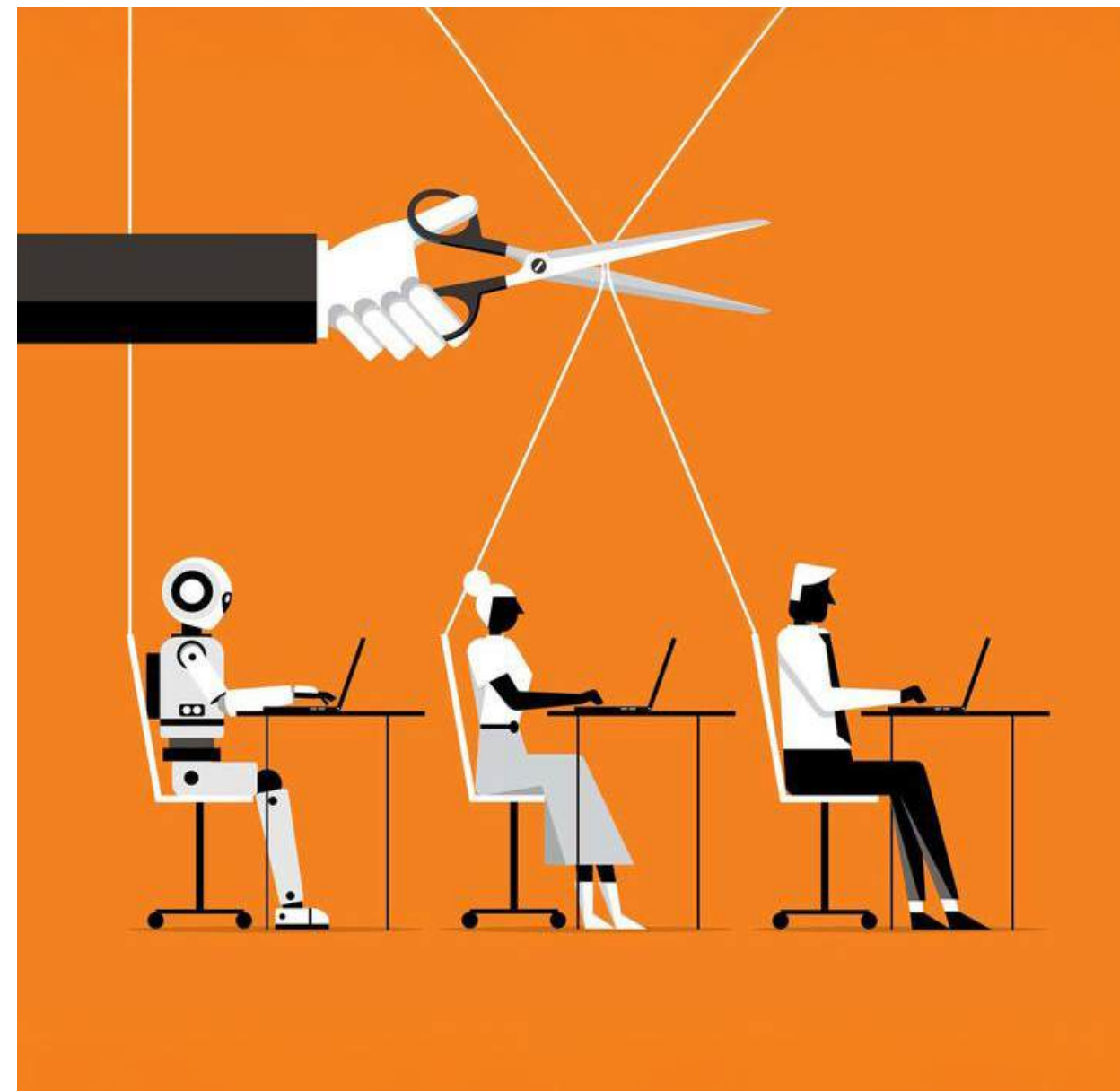
These tools offer clear benefits, but they also introduce governance questions. Boards must understand how ESG data is generated, validated, and used in decision-making. Reliance on technology does not remove accountability; it changes how oversight must be exercised.

Board implication: Boards should oversee not only ESG outcomes, but also the systems and controls used to generate ESG data, ensuring reliability and auditability.

Circular economy practices move into the mainstream

Another defining ESG trend in 2026 is the shift toward circular economy models. Companies are increasingly redesigning products and processes to emphasize durability, reuse, repair, and recycling.

This shift is driven by both regulatory pressure and customer demand. Circularity is becoming a measurable performance indicator, rather than a voluntary initiative. For boards, this raises strategic questions about cost structures, supply chains, and long-term competitiveness.



Importantly, circular models can unlock new sources of value, including lower material costs and new revenue streams such as resale and repair services.

Board implication: Boards should treat circular economy initiatives as strategic investments, integrating them into business models, capital allocation decisions, and ESG reporting.

What ESG governance means in 2026

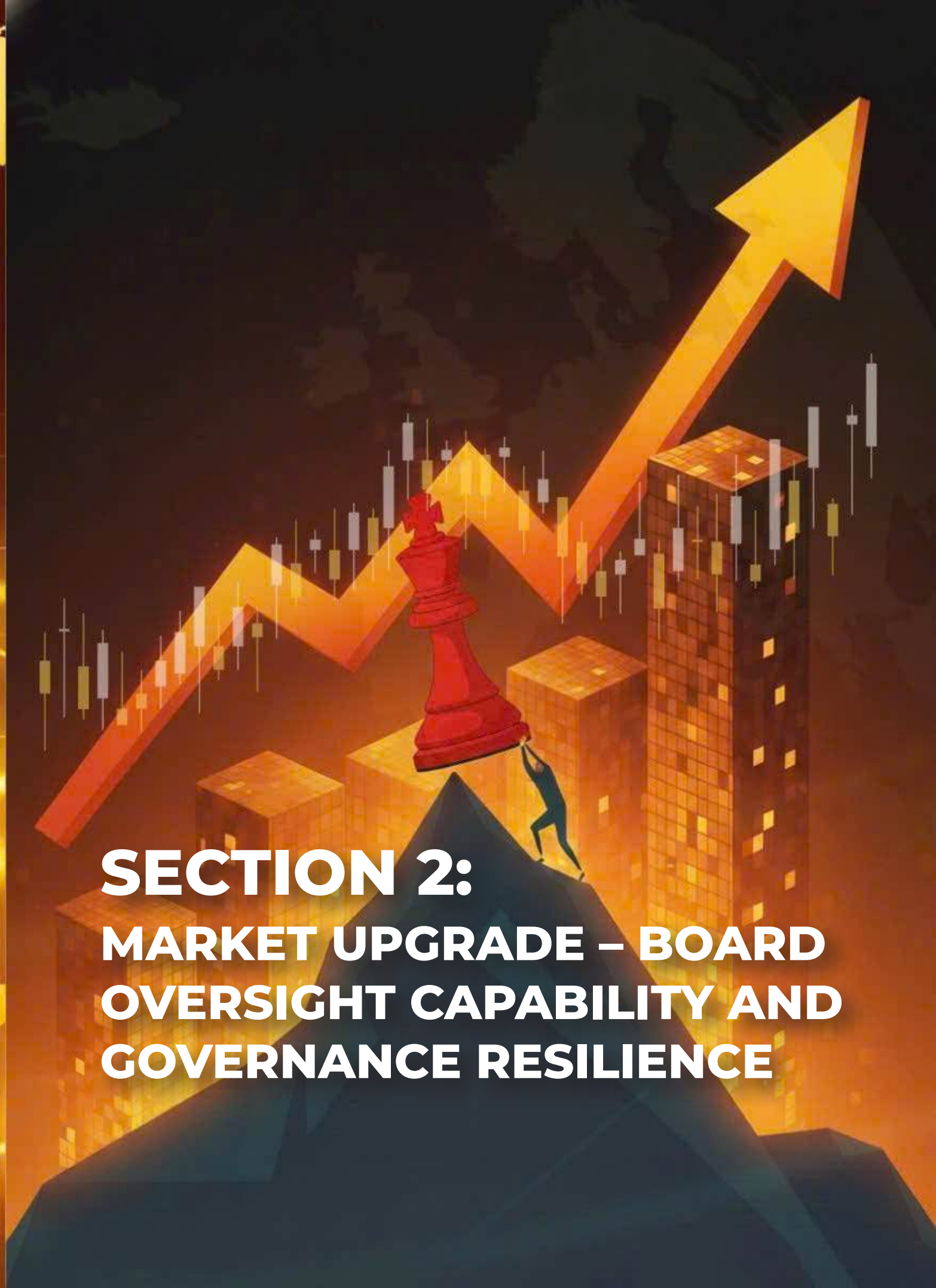
In 2026, ESG is neither dead nor optional. It is becoming more demanding, more regulated, and more closely tied to governance effectiveness. The emphasis is shifting away from ambition and

messaging toward execution, data integrity, and accountability.

For boards, this evolution carries a clear message: ESG oversight must be embedded in governance systems, decision-making processes, and risk frameworks. Companies that treat ESG as a compliance exercise may struggle. Those that govern it rigorously are better positioned to protect trust, manage risk, and support sustainable growth.

Reference:

Marr, B. (2025), *5 ESG Trends That Will Shape Business in 2026*, Forbes



**SECTION 2:
MARKET UPGRADE – BOARD
OVERSIGHT CAPABILITY AND
GOVERNANCE RESILIENCE**

2.1 BOARD CAPABILITY AS THE FOUNDATION FOR EFFECTIVE OVERSIGHT



As boards are asked to oversee increasingly complex organizations, governance quality is no longer judged primarily by structure or formal independence. Instead, attention is shifting toward a more fundamental question: **does the board have the collective capability to exercise effective oversight in a complex and rapidly changing environment?**

Evidence from leading global boards shows that capability has become the quiet differentiator between boards that can guide organizations through disruption and those that struggle to keep pace. In this context, board capability is not an abstract concept—it shapes the depth of discussion, the quality of challenge, and ultimately the credibility of board decisions.

Why traditional board strengths are no longer enough

For decades, boards have been built around a familiar core of experience: senior executive leadership, financial oversight, and industry knowledge. These strengths remain essential. However, they were developed in an era when

business risks were more linear, technology evolved more slowly, and regulatory expectations were more contained.

Today, boards are confronted with a different reality. Strategic decisions are increasingly intertwined with technology, data, human capital, and ESG-related risks. Oversight failures often arise not because boards lack diligence, but because **they lack sufficient understanding to ask the right questions at the right time.**

The challenge for boards is not to become experts in every domain, but to ensure that their collective capability allows for informed judgment across issues that cut across traditional boundaries.

Capability gaps become oversight risks

Board capability matters most where complexity is highest. Areas such as digital transformation, cybersecurity, climate exposure, supply chain resilience, and workforce dynamics now sit squarely within the board's oversight remit.

When boards lack familiarity with these domains, several patterns tend to emerge:

- Discussions remain high-level and deferential to management
- Risks are reviewed in isolation rather than in relation to strategy
- Warning signals are recognized late, often after value has been eroded

In contrast, boards with broader capability are better able to connect dots, challenge assumptions, and anticipate second-order risks. Capability, in this sense, directly affects the board's ability to protect long-term value.

When expertise is fragmented, oversight weakens

Another recurring challenge is not the absence of expertise, but its concentration. Financial and control expertise often sits within the audit committee, while strategic or governance experience is concentrated in board leadership roles. Technology or transformation insight, when present, may be limited to one or two individuals.

As governance issues increasingly span multiple dimensions, this fragmentation creates blind spots. Effective oversight requires that **critical issues are understood and debated at the full-board level**, not delegated entirely to committees or individual experts.

Boards that rely too heavily on specialists risk turning oversight into a reporting exercise rather than a collective governance responsibility.

Refreshing the board is necessary—but not sufficient

Many boards respond to capability gaps through refreshment, bringing in new directors with different backgrounds. This is an important step, particularly as new directors often contribute perspectives related to technology, innovation, or emerging business models.

However, refreshment alone does not guarantee stronger oversight. If new directors are not effectively integrated, or if board dynamics discourage challenge and open discussion, new capabilities may have little impact on board behavior.

Effective boards recognize that capability is shaped not only by who is appointed, but by **how the board works together.**

Capability as an ongoing governance responsibility

Strong boards treat capability as something to be actively managed over time. This includes:

- Regular reflection on whether board skills remain aligned with strategic and risk priorities
- Willingness to acknowledge emerging gaps as the business environment evolves
- Investment in continuous learning, not only for new directors but for the board as a whole

In this sense, board capability is not a one-off design choice. It is a dynamic governance asset that must evolve alongside the organization.

Why this matters for boards in a market upgrade context

As Vietnam's capital market moves toward higher standards, board capability will become increasingly visible to investors, regulators, and governance assessors. Oversight quality will be inferred from how boards engage with complexity, how they challenge management, and how consistently they exercise judgment under pressure.

Boards that demonstrate strong collective capability send a powerful signal of governance maturity. Those that do not may find that formal compliance is no longer sufficient to sustain market confidence.

A foundation for what comes next

Effective oversight begins with capability. Without it, even well-designed governance frameworks struggle to deliver results. With it, boards are better positioned to translate governance principles into disciplined action—a theme that becomes central in the discussion of board priorities for 2026.

Reference:

Deloitte (2025), *On the Board's Agenda: Director Skills for Navigating a Complex Business Environment*, Deloitte Center for Board Effectiveness.

2.2 2026 DIRECTIONS FOR VIETNAMESE BOARDS: ACTIONS FOR BREAKTHROUGH

The year 2026 marks an important transitional phase for Vietnam's capital market, as policy reform efforts gradually move into a stage where execution quality at the enterprise level becomes the key basis for assessment. As the market moves closer to its upgrading objectives, differences among companies are no longer defined primarily by size or short-term growth rates, but are increasingly reflected in the quality of corporate governance, decision-making capability at the highest level, and the ability to build trust and reputation in the capital market.

Developments throughout 2025 have shown that institutional reform is a necessary condition; however, substantive governance capability at each enterprise is the decisive factor determining the ability to integrate and attract long-term capital. International governance standards, requirements for transparency and accountability, risk governance, and ESG are gradually becoming the market's "common language," compelling Vietnamese enterprises to shift their governance approach from form to substance.

The 8th Annual Forum (AF8), organized by the Vietnam Institute of Directors (VIOD), clearly reflected the growing consensus among market stakeholders regarding the central role of the Board of Directors in this phase. The core value of AF8 did not lie in individual messages, but in affirming a phase-shifting requirement: trust and reputation in the capital market cannot be built through slogans or formalities, but must be created through the way boards lead strategy, govern risk, and exercise accountability in a consistent and transparent manner.

On this basis, drawing from signals accumulated throughout 2025 and crystallized at AF8, six key action directions can be identified that boards of Vietnamese enterprises should prioritize in 2026. These directions span from enhancing governance quality in line with international standards, strengthening internal control and risk management foundations, integrating ESG into strategy, proactively adapting to new legal and regulatory requirements, to governing change and improving transparency and dialogue with shareholders and investors.



1. Strengthening Corporate Governance Quality to Meet International Standards

The objective should not stop at compliance with domestic regulations, but move toward international standards of transparency and accountability emphasized at AF8. Accordingly, boards should proactively review and self-assess their current governance frameworks against international benchmarks such as the G20/OECD Principles of Corporate Governance, the ASEAN Corporate Governance Scorecard (ACGS), and sustainability reporting standards issued by the International Sustainability Standards Board (ISSB), using these frameworks as indicators of governance maturity.

Aligning governance practices with international standards is increasingly becoming an inevitable requirement, driven not only by integration trends and market expectations, but also by the objective of improving enterprise quality and Vietnam's capital market in the upgrading roadmap under Decision No. 2014/QD-TTg approved by the Prime Minister.

2. Strengthening Internal Control and Risk Management Systems

In a market operating under higher standards, internal control capability and risk management effectiveness become critical factors in ensuring enterprise stability and predictability. Companies need to establish comprehensive risk management frameworks covering financial, operational, legal, and ESG risks.

At the same time, boards should enhance the role of the Audit Committee, ensuring the quality and effectiveness of internal audit and external audit, and treating these functions as important tools for strengthening governance discipline and protecting shareholder interests.

3. Integrating ESG into Business Strategy Rather Than Treating It as a Supporting Factor

The role of ESG in attracting capital and enhancing enterprise value has become an almost mandatory requirement in markets operating under higher

standards. Companies need to develop ESG strategies aligned with industry characteristics and risk profiles, while disclosing sustainability information in accordance with international frameworks such as GRI and TCFD/ISSB.

ESG should be governed as a strategic issue, integrated into decision-making, capital allocation, and performance oversight, rather than implemented as a separate, compliance-driven activity.

4. Proactively Adapting to New Legal and Regulatory Requirements Related to Corporate Governance

Policy developments during 2025–2026, including Resolution 68-NQ/TW on private sector development, Resolution 79-NQ/TW on the development and enhancement of state-owned enterprises, the issuance of the updated Vietnam Corporate Governance Code (VNCG Code) 2026 with closer alignment to OECD and ACGS principles, together with amendments to Circular 96 on information disclosure, are shaping a new legal environment with increasingly high expectations for governance quality at the enterprise level.

Accordingly, Resolution 68-NQ/TW places private enterprises on a governance trajectory aligned with international standards, while Resolution 79-NQ/TW subjects state-owned enterprises and enterprises with state capital to a new governance discipline, in which roles and positions are no longer assumed but must be demonstrated through capital efficiency and substantive governance quality. For public companies, the VNCG Code 2026, applied under the "comply or explain" mechanism, provides a framework for the market and investors to assess the role and execution capability of boards in a more substantive manner.

In response, boards need to proactively review and adjust governance practices in line with the enterprise's ownership structure and business model, rather than applying uniform or mechanical approaches.

5. Governing Change as a Strategic Requirement

Improving market quality is not merely a technical matter, but a long-term transformation process. Enterprises need to shift their focus from short-term targets toward sustainable strategies, while investing in training and capacity building for both the Board of Directors and executive management.

In parallel, digital technologies should be promoted to enhance operational efficiency, risk governance, and information transparency, thereby supporting boards in effectively performing their oversight and strategic guidance roles.

6. Strengthening Transparency and Enhancing Dialogue with Shareholders and Investors

Transparency does not stop at timely and

adequate disclosure; it lies in the quality of accountability embedded in board decisions. Accordingly, boards need to make decision-making processes more transparent, clearly articulating strategic thinking, underlying rationale, and the level of consensus on key matters such as strategy, risk governance, and shareholder protection.

At the same time, boards should establish proactive, structured, and substantive engagement mechanisms with shareholders and investors, treating such dialogue as an integral component of strategic governance. This forms the foundation for building trust, reinforcing corporate reputation, and improving access to long-term capital as Vietnam's capital market operates under increasingly higher standards.



VIOD'S PUBLICATIONS

SDGG Bookshelf: Leadership, Corporate Governance & ESG



New Corporate Governance - Successful Board Management Tool. Authored by Martin Hilb and translated by VIOD experts, this book is an essential companion for board members on their journey toward achieving excellence in corporate governance.



Board Nomination Handbook published by VIOD with professional support from the International Finance Corporation (IFC), this guide provides practical guidance on the planning, nomination, appointment, evaluation, and development of Board members.



New Living Case on Corporate Governance, compiled by Professor Martin Hilb. This publication focuses on 20 practical governance situations across multiple countries and sectors, offering valuable reference materials for business leaders.



OECD Guidelines on Corporate Governance of State-Owned Enterprises do Developed by the OECD, provide core principles on transparency, accountability, and governance effectiveness for state-owned enterprises, reflects the latest updates compared to the 2019 version.

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Academic Reports



The Corporate Governance Assessment Report for Vietnamese Listed Companies 2025 (VLCA 2025 CG Report) is an in-depth publication that examines the current state of corporate governance practices and identifies key gaps between Vietnamese listed companies and regional as well as international standards. Based on an analysis of publicly disclosed data from 481 listed companies, the report presents an investor-oriented perspective and benchmarks Vietnam's Corporate Governance Scorecard (VLCA) against the ASEAN Corporate Governance Scorecard (ACGS), serving as an important reference for Boards of Directors in strengthening corporate governance quality.

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Newsletter of the Global Network of Director Institutes (GNDI)

A platform where Director Institutes within the Global Network share and exchange the latest developments and emerging trends in corporate governance, with the active participation of VIOD.

Read GNDI Newsletter at:



2026 PROGRAMS AND EVENTS

CHAIR DEVELOPMENT PROGRAM (CDP)

CDP1	TBD	Ho Chi Minh City
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STRENGTHENING YOUR BOARD'S CAPACITY (SBS)

SBS3	September	Switzerland
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DIRECTOR CERTIFICATION PROGRAM (DCP)

DCP40	19 - 21 March	Ho Chi Minh City
DCP41	16 - 18 April	Hanoi
DCP42 (Bilingual)	21 - 23 May	Ho Chi Minh City
DCP43	16 - 18 July	Hanoi
DCP44	13 - 15 August	Ho Chi Minh City
DCP45	17 - 19 September	Ho Chi Minh City
DCP46	15 - 17 October	Hanoi
DCP47	19 - 21 November	Ho Chi Minh City

AUDIT COMMITTEE MASTER PROGRAM (ACMP)

ACMP12	09 - 10 April	Ho Chi Minh City
ACMP13	25 - 26 June	Hanoi
ACMP14	25 - 26 August	Ho Chi Minh City
ACMP15	22 - 23 October	Hanoi
ACMP16	12 - 13 November	Ho Chi Minh City

2026 PROGRAMS AND EVENTS

CORPORATE SECRETARY MASTER PROGRAM (CSMP)

CSMP11	26 - 27 May	Ho Chi Minh City
CSMP12	04 - 05 June	Hanoi
CSMP13	23 - 24 July	Ho Chi Minh City
CSMP14	20 - 21 August	Hanoi
CSMP15	22 - 23 September	Ho Chi Minh City
CSMP16	08 - 09 October	Hanoi
CSMP17	24 - 25 November	Ho Chi Minh City

FORUMS

Women Directors Forum	March	Hanoi
Annual Meeting Season & General Emerging Market Spirit	March	Hybrid
Annual Forum #9	04 December	Hanoi



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