



# BOARD DIVERSITY REPORT 2025



## DISCLAIMER

The results of this assessment are based on publicly available information, which include records and documents about the companies acquired through public media channels. Therefore, the assessment results may not be entirely comprehensive and complete as they could be if internal information about corporate governance activities of the companies were available. Additionally, there may be cases where a company performs well but does not disclose related relevant information, and thus, that good performance is not reflected in this report's conclusions.

Like any other corporate governance assessment and scoring system, this assessment method is not free from certain shortcomings. Therefore, the information provided in this report should be used with caution. The editorial committee is not responsible for any consequences resulting from the use of this information or data.

# LIST OF ABBREVIATIONS

Abbreviation	Meaning	Abbreviation	Meaning
ACGS	ASEAN Corporate Governance Scorecard	EUDR	EU Deforestation Regulation
ACMP	Audit Committee Master Program	FTSE	Financial Times Stock Exchange
AGM	Annual General Meeting	GDP	Gross Domestic Product
AI	Artificial Intelligence	GenAI	Generative Artificial Intelligence
AICD	Australian Institute of Company Directors	GNDI	Global Network of Director Institutes
ASEAN	Association of Southeast Asian Nations	HNX	Hanoi Stock Exchange
BOD	Board of Directors	HOSE	Ho Chi Minh Stock Exchange
BOM	Board of Management	KPIs	Key Performance Indicators
BSM	Board Skills Matrix	OECD	Organisation for Economic Co-operation and Development
CBAM	Carbon Border Adjustment Mechanism	SSC	State Securities Commission of Vietnam
CEO	Chief Executive Officer	USD	United States Dollar
CPD	Continuing Professional Development	VCGS	Vietnam Corporate Governance Scorecard
CSR	Corporate Social Responsibility	VIOD	Vietnam Institute of Directors
CSMP	Corporate Secretary Master Program	VLCA	Vietnam Listed Company Awards
DCP	Director Certification Programme	VNCG	Vietnam Corporate Governance Code
DEI	Diversity, Equity and Inclusion	VNX	Vietnam Exchange
ESG	Environmental, Social and Governance		

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# FOREWORD

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The Vietnam Board Diversity Report is developed by the Vietnam Institute of Directors (VIOD) to provide a comprehensive and systematic overview of board diversity practices among listed companies in Vietnam.

The Report analyses 481 listed companies in the VNX Allshare Index as of 30 April 2025, covering the full spectrum of market capitalization segments: 50 large-cap companies, 150 mid-cap companies, and 281 small-cap companies. This segmentation enables meaningful comparison and trend identification across companies with varying levels of resources and exposure to governance standards.

Board diversity is assessed across six distinct dimensions. Data used in this Report was collected from publicly available sources, including annual reports, corporate websites, director biographies, and relevant secondary research. All data has been reviewed, standardized, and updated, with an effective date of 30 September 2025.

The Report is designed as a reference document to support companies, investors, and other stakeholders in understanding the current state of board diversity in Vietnam's listed market, and in identifying emerging trends and capability gaps. As such, it does not reflect – nor is it intended to predict – the operational performance or governance compliance of any individual company.

VIOD emphasizes that board diversity does not, in itself, equate to good corporate governance. Diversity of perspective and experience can enhance the quality of deliberation and decision-making; however, effective governance is an ongoing process, shaped by operating mechanisms, boardroom culture, and the quality of execution within a company's broader governance system.

This Report is structured around four main sections:

- Section 1: Report Overview
- Section 2: Board Diversity in a Shifting Landscape
- Section 3: Board Diversity in Vietnam's Listed Companies – 2025
- Section 4: Gaps in Board Diversity and a Recommended Roadmap for Action

We extend our sincere appreciation to the experts, researchers, and organizations who contributed their insights throughout the development of this Report. It is our hope that this publication will serve as a meaningful reference – one that supports Vietnamese listed companies in building boards that are not only more diverse, but more capable, more independent, and more ready to lead.

**VIETNAM INSTITUTE OF DIRECTORS (VIOD)**

# EXECUTIVE SUMMARY

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Year 2025 was a high point in the history of Vietnam capital market, when FTSE Russell announced the up-grading of Vietnamese stock market through a move to the Secondary Emerging Market status in October 2025, but will be fully implemented in September 2026. It is in this context that the question is no longer about whether the companies are abiding by the rules but whether their boards are able, diverse and independent to be in control within the ever-challenging global investment arena. It is here that ensuring board diversity is identified as a fundamental governance imperative – not a trend, not a formality, but a foundation for developing a lasting reputation and trust.

The Vietnam Board Diversity Report 2025 is a product of the Vietnam Institute of Directors (VIOD), which analyses 481 listed companies in Vietnam Index of Allshare 50 large-cap, 150 mid-cap and 281 small-cap, in total 481 listed companies in total (as of 30 April 2025). The board diversity is evaluated on the six dimensions, namely, gender, generation, independence, education background, skills and experience, and cultural diversity, - it was developed by referencing to the OECD assessment frameworks and adjusted to the realities of corporate governance in Vietnam.

## **The Present Situation: A Foundation is There, but there are still Gaps.**

Of 2,677 board seats surveyed, just 18 percent are occupied by women - a number that has not changed significantly over two years but remains a far cry short of the average worldwide count of 29 percent. More to the point, in 196 companies, equivalent to 41% of listed firms, there are no female members of the board at all and are primarily found in small-cap companies.

What matters is not simply the numbers, but the quality of women's representation on boards. Among female directors today, most hold non-executive positions, which primarily focused on oversight in line with traditional board functions. A striking 78.2 percent of companies lack even a single female independent director, despite the widely recognized role of female independent directors in strengthening board oversight and enhancing the comprehensiveness of decision-making.

The skills data further reveals that female directors have a higher rate of accounting experience than their male counterparts yet remain underrepresented in strategic and leadership capabilities. This suggests that the predominant pathway bringing women into the boardroom continues to be financial expertise rather than strategic leadership. Notably, both male and female directors show similarly low levels of ESG and AI competencies, pointing to a cross-cutting skills gap that needs to be addressed across the board.

In this context, the Vietnam Corporate Governance Code – VNCG Code 2026 – takes a meaningful first step by recommending at least one female board member, which is a significant advancement in Vietnam's governance standards. However, the ultimate objective is to ensure that female directors are placed in positions of substantive influence – particularly independent roles – and are equipped with the skills and the space to make meaningful contributions to long-term strategic direction and oversight.

# EXECUTIVE SUMMARY

With respect to board independence, only 26% of companies meet the recommended threshold of more than one-third independent directors, while 13% have no independent directors whatsoever. Independent board chairs are virtually absent at just 2.9% – despite being widely regarded as governance best practice in developed markets. Furthermore, 40% of companies have board members simultaneously serving on more than five other boards, raising legitimate questions about the depth of commitment and quality of oversight being provided.

The most critical gap, however, lies in emerging skills. At a time when the VNCG Code 2026 places ESG, AI, and cybersecurity squarely within the board's direct oversight responsibilities, the data reveals an almost complete absence of relevant expertise: just 0.4% of board members have ESG expertise, 0.2% have AI or information technology backgrounds, and 0.1% have cybersecurity experience. This is not a minor shortcoming – it is a systemic blind spot and a strategic governance risk that institutional investors are scrutinizing with increasing rigor.

## Three Priority Gaps

The Report identifies three interconnected gaps that require systematic attention. The first is the traditional gap in gender balance and independence – improving, but not yet at recommended levels, and largely driven by inertia rather than intent, with only 3.1% of companies having a formally documented diversity policy. The second is the emerging skills gap in ESG, AI, and cybersecurity – areas now placed as direct board responsibilities under the VNCG Code 2026, yet almost entirely unaddressed across the market. The third is the process gap in nomination, training, and evaluation: 94% of companies rely exclusively on internal networks when nominating

Board members, and only 0.4% conduct board effectiveness evaluations with published criteria and processes. Without an independent nomination process in line with best practice, any effort to improve board diversity remains dependent on individual will – which is neither sustainable nor measurable.

## A Recommended Roadmap

The Report proposes a framework for action built around four priority areas. The first is review and assessment – develop a Board Skills Matrix (BSM), conduct annual independent board evaluations, and comprehensively assess the substance of board independence. The second is intentional recruitment and nomination – broadening the candidate pool beyond internal networks through the Director Pool and specialist search firms, with selection criteria that explicitly prioritise closing emerging skills gaps and strengthening female representation in independent roles. The third is succession planning – building a one-to-three-year candidate pipeline and establishing staggered election mechanisms to preserve institutional continuity while creating space for fresh perspectives. The fourth is competency standardisation – delivered through participation in recognised programmes such as the Director Certification Programme (DCP), continuous development tied to the Board Skills Matrix, and robust conflict-of-interest management frameworks.

These four areas are mutually reinforcing, forming a cycle of continuous improvement. Through its ecosystem of DCP programmes, the Director Pool, independent board evaluation services, and professional networking forums, VIOD stands ready to accompany companies at every stage of this journey.

# EXECUTIVE SUMMARY

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## The Role of VIOD

As Vietnam's leading organisation for board leadership development, VIOD accompanies companies throughout this journey – from director competency certification through the Director Certification Programme (DCP), to continuous learning on ESG, AI, and risk governance, independent board evaluations and facilitating structured access to talent through the Director Pool: a curated pipeline of pre-screened candidates with diverse professional backgrounds, available when appointment needs arise – particularly for specialist roles in ESG, technology, and cybersecurity that 94% of companies currently cannot fill through internal channels.

This Report is designed as a substantive reference document – not to rank companies, but to help every board look squarely at its current reality, identify its gaps, and build a measurable roadmap for improvement. Because at this moment of historic opportunity for Vietnam's capital market, reputation and trust are not built through commitments on paper – they are built through the genuine quality of those who will sit in the boardroom.

## Looking Forward

Board diversity is not an end in itself. It is the condition that enables boards to ask the right questions, provide meaningful oversight, and set long-term strategic direction in an increasingly complex business environment. Global institutional investors are reading board composition as a signal of governance quality – and 33% indicating they are prepared to vote against management where they see insufficient progress. As Vietnam works toward its market upgrade in September 2026, this is no longer an abstract pressure

– it is a prerequisite for accessing long-term international capital and building enduring market credibility. Vietnam's market has a solid foundation, and positive momentum is building. The question is no longer whether change is needed – but whether the pace and systematic nature of that change are sufficient to translate promising signals into meaningful structural improvement, particularly in closing the skills gap in ESG, AI, and cybersecurity that the VNCG Code 2026 has placed directly at the board's door.

This Report is designed to serve as a practical reference for all those seeking concrete action, not merely general awareness.

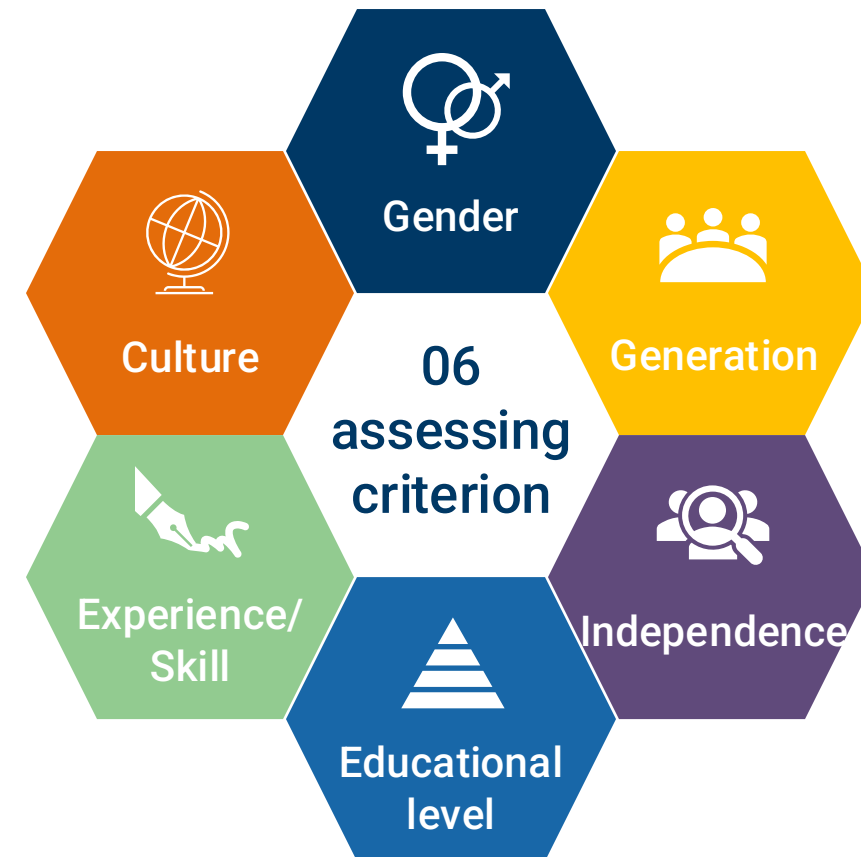
## VIETNAM INSTITUTE OF DIRECTORS (VIOD)



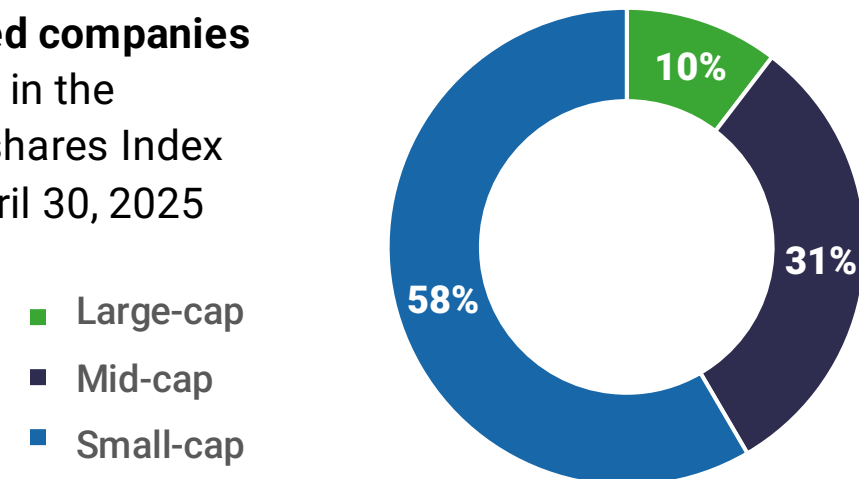
# Report Overview

# Methodology

- This report analyzes **481 listed companies included in the VNX Allshare Index** as of April 30, 2025, comprising:
  - Large-cap companies: 50 companies;
  - Mid-cap companies: 150 companies;
  - Small-cap companies: 281 companies;
- The analysis in this report is based on data collected from companies' annual reports, corporate websites, the websites of the State Securities Commission of Vietnam, the Ho Chi Minh Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX), and other relevant secondary research sources. All data was updated and effective as of September 30, 2025.
- Board diversity is assessed against six distinct criterion. These factors were developed with reference to assessment methodologies used by the OECD and several countries in the region, with adjustments made to reflect the specific characteristics of boards of directors in Vietnam.



**481 listed companies** included in the VNX Allshares Index as of April 30, 2025



# Key Highlights

**2677**

Total number of Board members in Vietnam in 2024

In detail:

Male

2205

82%

Female

472

18%

41% companies consists of only male directors

**24%**

Independent directors

In which:

18%

82%

Independent Female Directors

Independent Male Directors

Average age

**52**

Average tenure in Board

**4.2**

**~100**

Holding a University/ Higher degree

**12%**

Having expertise in Accounting

**54%**

Having expertise in Economics

**6%**

Having expertise in Law

**35%**

Having expertise in their Company's industries



# **BOARD DIVERSITY IN A SHIFTING LANDSCAPE**

# What Investors Expect from Boards in 2025

Insights from 52 major investment institutions representing USD 47 trillion in assets under management

Institutional investors no longer assess companies solely through financial metrics. They are increasingly reading the composition and quality of the Board of Directors as a signal of long-term governance capability – and are prepared to act when expectations are not met.

**85%**

Engagement with companies directly influences voting decisions

**52%**

Direct access to board members is increasingly expected – not just access to management

**33%**

Willing to vote against boards where there is no clear governance progress

### TOP 4 INVESTOR PRIORITIES IN 2025



Source: Georgeson – Global Institutional Investor Survey 2024 (Harvard Law School Forum, March 2025)

## Three foundations turning Board Diversity into a competitive advantage

### Decision-making quality – avoiding groupthink

Homogeneous boards may reach consensus quickly, but are also more likely to overlook risks and operate on flawed assumptions. Diversity creates constructive cognitive friction: different perspectives compel boards to challenge assumptions, debate scenarios, and make more informed decisions.

**79%**

Board members confirm that diversity brings more distinctive perspectives and enhances the quality of boardroom discussions.

Source: PwC Annual Corporate Directors Survey 2024

### Risk governance – earlier identification of emerging risks

Boards with diverse expertise – particularly those including directors with knowledge of technology and ESG – are better positioned to ask the right questions and identify risks before they escalate. This is the kind of substantive oversight capability that investors increasingly expect.

**4%**

Board members express confidence in their board’s ability to oversee GenAI and cybersecurity, while 75% acknowledge that these are among the highest-priority risks.

Source: PwC Malaysia Corporate Directors Survey 2024

### Financial advantage – a signal of strong governance quality

Organizations that treat diversity as a strategic priority often also have stronger governance systems and more transparent decision-making processes, factors that reinforce one another and contribute to sustainable financial advantage.

**39%**

likelihood of achieving higher profitability in companies leading in board gender diversity compared with those at the bottom tier

Source: McKinsey – Diversity Matters Even More, 2023

# Board Diversity: The Gap between Awareness and Action

Board members acknowledge the value of diversity, equity, and inclusion (DEI). In their view, diversity in the boardroom brings broader perspectives, improves board culture, and enhances the quality of discussion. However, when asked whether diversity truly affects business outcomes, the responses change significantly. This gap between recognizing governance benefits and believing in financial impact is precisely what companies must overcome if diversity is to become a genuine competitive advantage.

## Board members recognize the benefits of diversity

- 79%** Bringing more unique perspectives into the boardroom
- 75%** Improving the culture of discussion within the board
- 68%** Enhancing overall board effectiveness

Source: PwC Annual Corporate Directors Survey 2024

## But remain doubts about its business impact Gap

- 40%** Believing that diversity affects overall business performance
- 35%** Seeing a significant impact on financial results

*Female board members rate the business impact of diversity significantly higher than their male counterparts – this difference in perspective is itself one of the clearest demonstrations of the value of diversity in the boardroom.*

Source: PwC Annual Corporate Directors Survey 2024

## Oversight capability for emerging risks – the largest Gap

- 75%** Acknowledging the importance of GenAI and have implemented cybersecurity
- 4%** Being confident that the board has sufficient capability to oversee GenAI and cybersecurity
- 69%** Continuing to prioritize traditional skill sets when appointing new board members

*Only 10% prioritize AI, 5% prioritize ESG*

Source: PwC Malaysia Corporate Directors Survey 2024

### Why is this a governance issue?

- When board members recognize the governance benefits of diversity but do not yet see its connection to business performance, there is **insufficient motivation** to drive meaningful structural change.
- Institutional investors are increasingly evaluating boards through the lens of **substantive capability** – not formal composition or ratios on paper.
- A lack of technology and ESG expertise on the board is not merely a diversity issue – it is a **strategic risk governance gap**.

# Global standards have changed – and continue to evolve rapidly

Data from the OECD Corporate Governance Factbook 2025 – covering 52 jurisdictions worldwide

## OECD Corporate Governance Factbook 2025

Regulation on Gender Composition Disclosure (52 Jurisdictions)  
Share by type of regulations

■ Mandatory law
 ■ Recommendation
 ■ No regulation

Board level



Senior management level



A review of data across 52 jurisdictions reveals a clear trend: the world is moving away from treating board diversity and capability as merely a matter of “good practice” and is increasingly turning them into mandatory legal requirements – with the pace of change accelerating in recent years.

Requirement for independent directors

**92%**

*Increased from 62% since 2014*

Requirement for disclosing Board candidates' profile

**88%**

*Enhancing nomination transparency*

Requirement for Board approval of Sustainability policies

**71%**

*Increased from 51% since 2022*

Requirement for disclosing Board Gender composition

**65%**

*Compared to 34% at the senior management level*

- Disclosure of board gender composition is rapidly shifting from a “recommended practice” to a legal obligation in most markets. Investors want to see the actual composition of the board, not merely hear statements of commitment.
- Board independence has become a legal requirement across nearly all major markets within just one decade. Vietnam needs to follow this trajectory to meet the expectations of international institutional investors.
- ESG has been embedded into the actual governance structure at the board level – it is no longer confined to sustainability reporting or CSR. Boards must have the capability to approve and oversee these issues, not merely sign off on them.
- Markets are now evaluating boards through the lens of substantive capability. Requirements to disclose directors' qualifications signal that the question is no longer “Who sits on the board?” but “What skills do they bring?”

Source: OECD Corporate Governance Factbook 2025

# VNCG Code 2026 – when Board diversity becomes a capability requirement

## Vietnam Corporate Governance Code 2026

Issued: February 4<sup>th</sup>, 2026 · Based on G20/OECD 2023 · “Comply or Explain” mechanism

Board at the center

ESG integration

AI risks

**9**  
Key  
principles

### Principle 2.1

#### **Board composition must be diverse in skills, experience, and gender**

Board composition should reflect diversity in knowledge, experience, skills, culture, age, and gender. Companies are required to develop a Board Skills Matrix aligned with strategic direction, ensure at least one female board member, and disclose gender diversity policies in the annual report.

### Principle 1.3

#### **The Board is responsible for overseeing ESG risks – environmental, social, and climate**

The Board monitors risks and opportunities related to environmental, social, and climate factors to ensure that corporate strategy aligns with sustainable development objectives—including risks arising from climate change, supply chain disruption, and environmental issues.

### Principle 6.5

#### **The Board oversees cybersecurity, digital transformation, and AI-related risks**

The Board must ensure the establishment of risk management systems covering cybersecurity, digital transformation, and artificial intelligence, including legal implications. These risks must be integrated into the company’s overall risk management framework.

### Principle 6.7

#### **Internal control systems integrate sustainability-related risks and opportunities**

Risk management and internal control systems must incorporate material sustainability risks and opportunities, including climate, environmental, and social risks across the company’s operations and value chain.

Three of these principles (Principles 1.3, 6.5, 6.7) are entirely new in the VNCG Code 2026—all placing direct responsibility for ESG and technology oversight at the board level. Companies cannot effectively comply with these principles if their boards lack members with the relevant expertise. This is why board capability diversity is no longer optional.

**The Board Skills Matrix** compels companies to ask a critical question: What capabilities are currently missing from the board? It transforms diversity from a formal objective into a measurable strategic need.

As ESG, climate, AI, and cybersecurity become direct board responsibilities (Principles 1.3, 6.5, 6.7), a board composed purely of finance and legal expertise will inevitably face blind spots in oversight. Appointing directors with expertise in these areas is no longer a trend—it is a requirement to effectively implement these principles.



# Board diversity in Listed companies in Vietnam

# Gender diversity – Positive signals from Large companies, with significant untapped potential across the market

## Gender diversity

The proportion of female board members remains stable, with ample room for improvement

**18%**

Board members are female

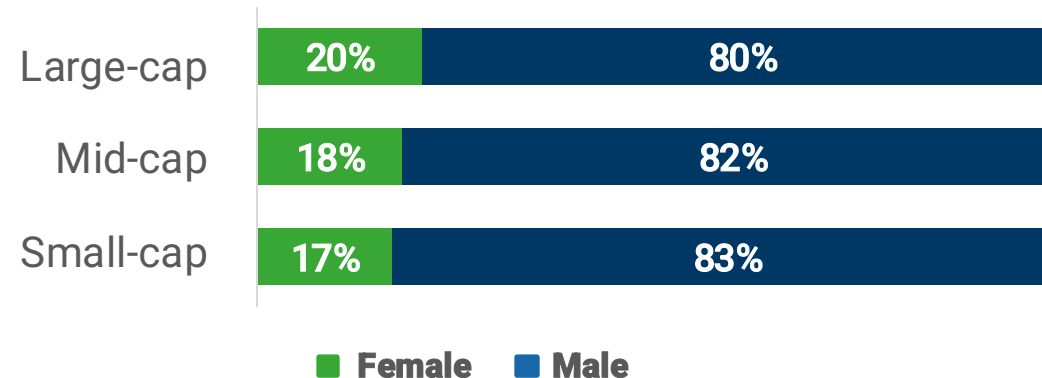
**59%**

Companies having female board members

**21%**

Newly appointed Board members are female

## Proportion of female Board members by company size



**11%**

Companies having Chairwoman

**12%**

Companies having female CEO

### Large-cap

**78%**

Companies having female Board members

**16%**

Companies having Chairwoman

**10%**

Companies having female CEO

### Mid-cap

**63%**

Companies having female Board members

**8%**

Companies having Chairwoman

**15%**

Companies having female CEO

### Small-cap

**53%**

Companies having female Board members

**11%**

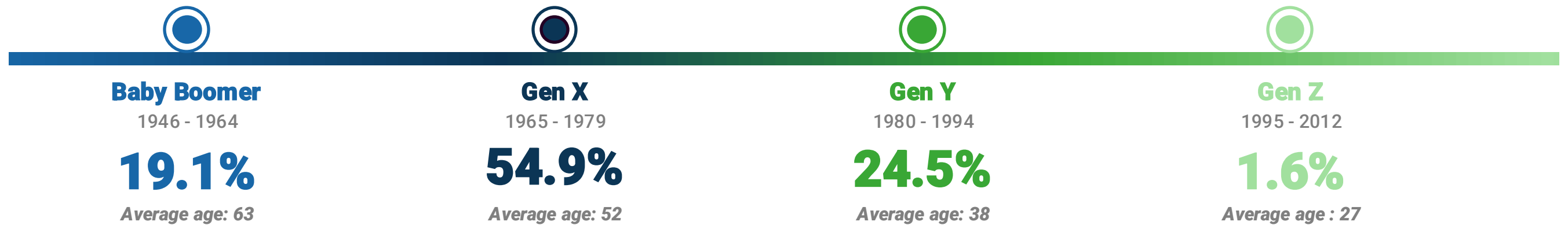
Companies having Chairwoman

**11%**

Companies having female CEO

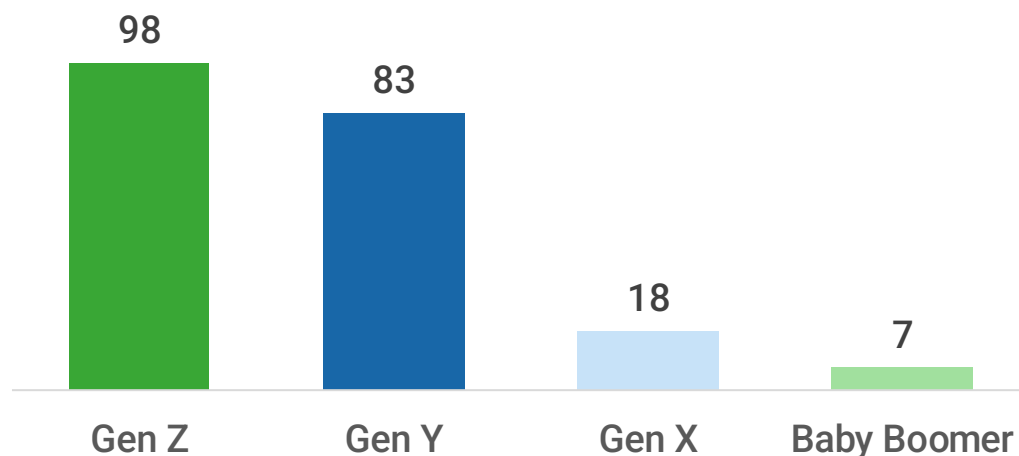
- The 18% share of female board members has remained stable over two consecutive years, reflecting a foundation that is being maintained. However, for the market to continue narrowing the gap with the global average (29%), it must move from “maintaining” to targeted improvement.
- Large-cap companies are moving in the right direction—78% already have at least one female board member, suggesting that pressure from institutional investors is having a positive effect. This is an encouraging signal and can serve as a model for mid-cap and small-cap companies as they develop their own roadmap.
- At the same time, 41% of listed companies still have no female board members at all, most of them in the small-cap segment. This is the group that should be prioritized for support, particularly in the context of the VNCG Code 2026, which has now formally introduced recommendation to appoint at least one female board member in practice.

# Age & Generational Diversity – Gen X dominates while a new generation emerges

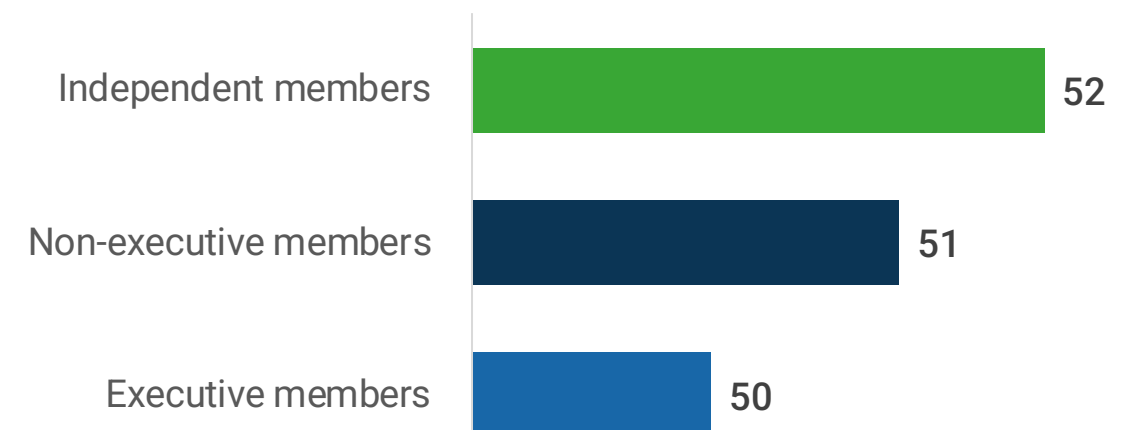


- Gen X currently accounts for 53.8% of board positions, providing a strong foundation of experience. AA positive signal is that Gen Y and Gen Z together account for approximately 90% of new board appointments in 2024, significantly higher than their current share - indicating that generational transition is underway and moving in the right direction.
- The key question is no longer when Gen Y will become the majority, but whether this transition is being strategically guided to address capability gaps – particularly in ESG and technology – or merely replacing individuals with similar profiles.
- The average age across all three board roles, independent members, executive members, and non-executive members, all within the Gen X cohort. This suggests that age diversity within boards remains limited. Introducing perspectives from younger generations—especially in independent director roles – would help foster more multidimensional thinking in the boardroom.

## New Appointments in 2024 – Which Generation is entering the Board room?

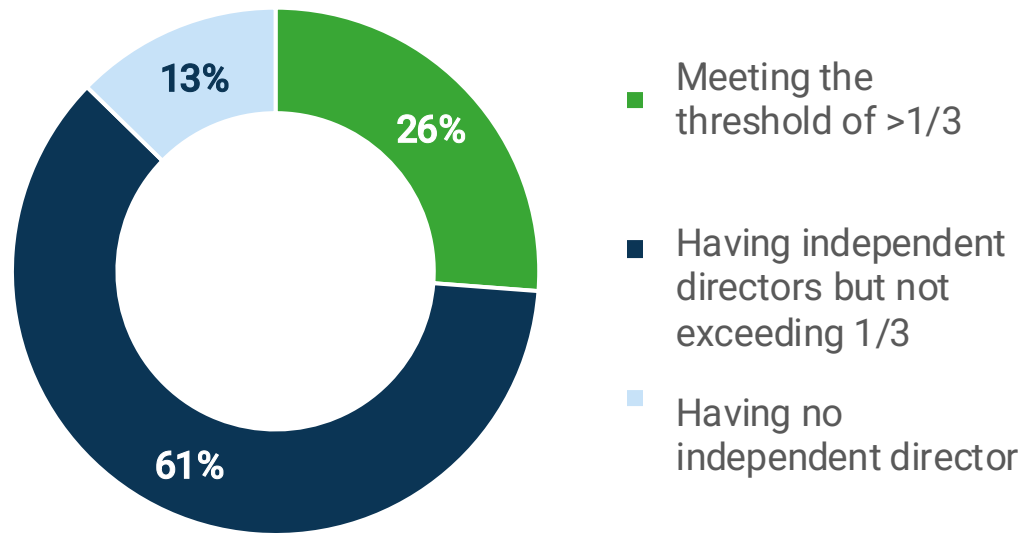


## Average age by Board positions



# Board Independence – Structure is forming, but gaps remain against requirements

Proportion of independent directors by company



**22%**

Companies having female independent directors

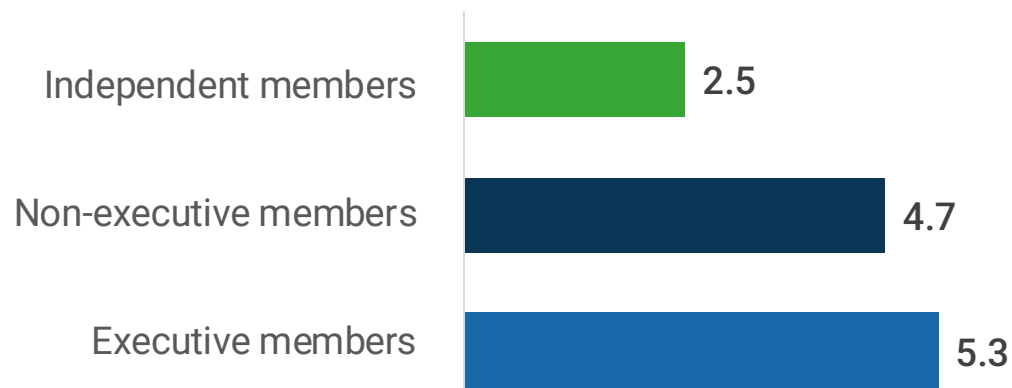
**18%**

Independent members are female

**40%**

Companies with board members serving on >5 other boards

Tenure of Board positions



- 26% of companies meet the threshold of having more than one-third independent directors, as recommended – an encouraging signal that part of the market is moving in the right direction. However, 61% of companies have independent directors but fall short of this threshold, and 13% have none at all, indicating significant room for substantive improvement, beyond formal compliance.
- Among current independent directors, only 18% are women, and just 22% of companies have female independent directors. This represents a critical gap, but also a clear opportunity: each independent director appointment can simultaneously enhance both independence and gender diversity, if selection criteria are intentionally designed.
- Independent Chairmen/ Chairwomen remain at a modest level (only 2.9%), despite being a criterion in corporate governance best practice.

# Skills and Cultural Diversity – A strong professional foundation, but greater need for emerging skills and international experience

**Board Competency Matrix by Market Capitalization**  
(across 481 companies)

	Market	Large	Mid	Small
<b>TRADITIONAL SKILLS SET</b>				
Economics	>50%	>50%	>50%	>50%
Accounting	5-20%	5-20%	5-20%	5-20%
Law	6.4%	5-20%	7.0%	5.2%
Industry-related expertise	5-20%	5-20%	5-20%	5-20%
<b>NEW SKILLS SET</b>				
Sustainable development/ ESG	0.4%	1.6%	0.4%	0.1%
AI/Information Technology	0.2%	1.9%	0%	0%
Cybersecurity	0.1%	0.3%	0%	0%

■ >50% of companies have achieved   
 ■ 5%-20% companies have achieved   
 ■ 1%-5% companies have achieved   
 ■ <1% companies have achieved

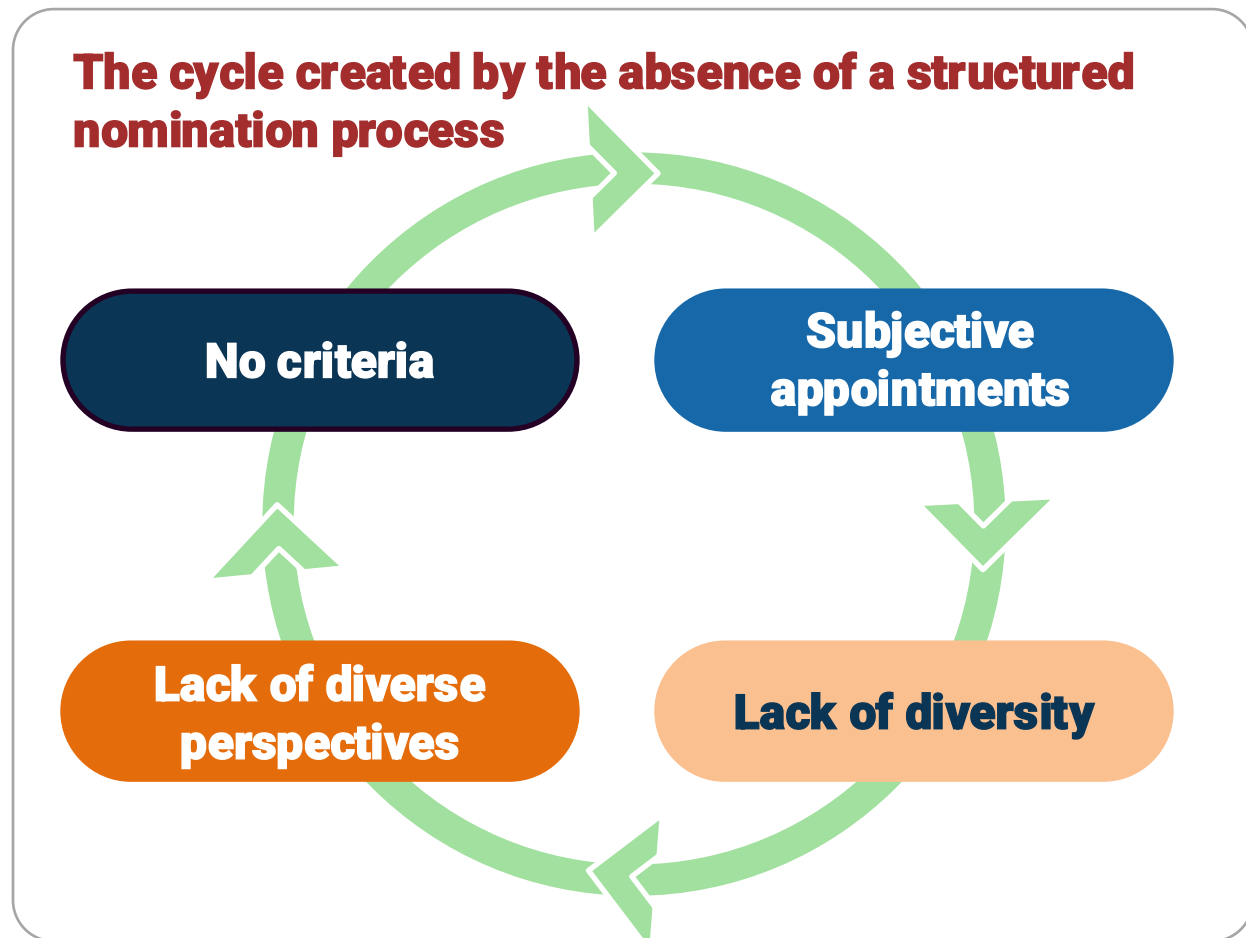
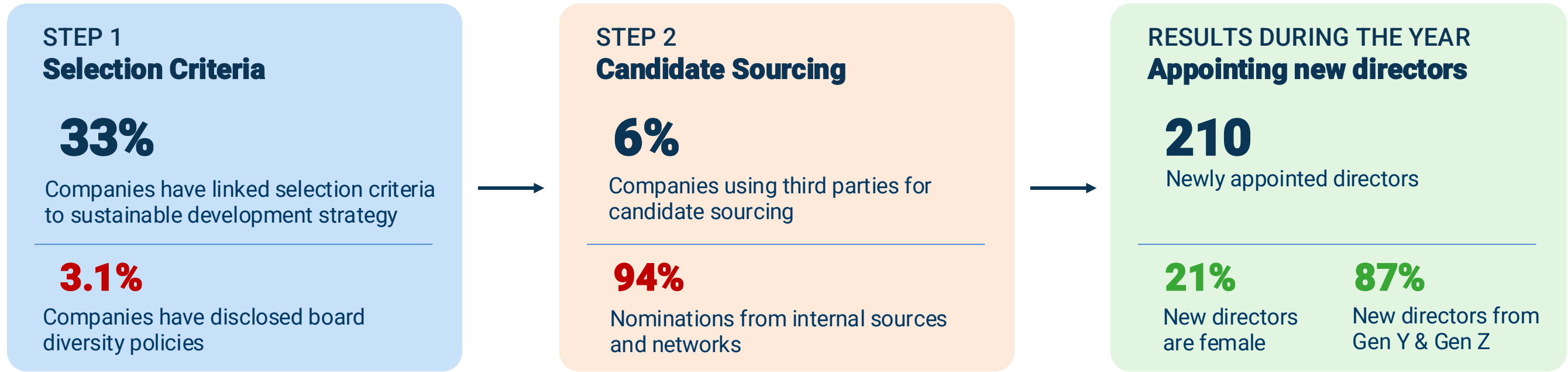
## Cultural Diversity and International Experience

**6.4%** Directors with foreign nationality

**8.1%** Directors with international working experience

- Traditional skill sets – economics, accounting, and sector-related expertise – remain relatively strong and consistent across all three market-cap segments. This provides a solid professional foundation and reflects the fact that Vietnamese boards have largely been built with deliberate emphasis on practical business understanding.
- Emerging capabilities, however, present an entirely different picture: ESG at 0.4%, AI/IT at 0.2%, and cybersecurity at 0.1%, with mid-cap and small-cap companies almost entirely absent in these areas. As the VNCG Code 2026 places direct board-level oversight responsibility on these three domains, the gap between governance expectations and current board capability is large.
- Cultural diversity and international experience also remain limited – only 6.4% of board members are foreign nationals, and 8.1% have international work experience, concentrated mainly in large-cap companies. In the context of Vietnam’s efforts to achieve market reclassification and attract international investment capital, global perspectives in the boardroom will increasingly become a genuine competitive advantage.

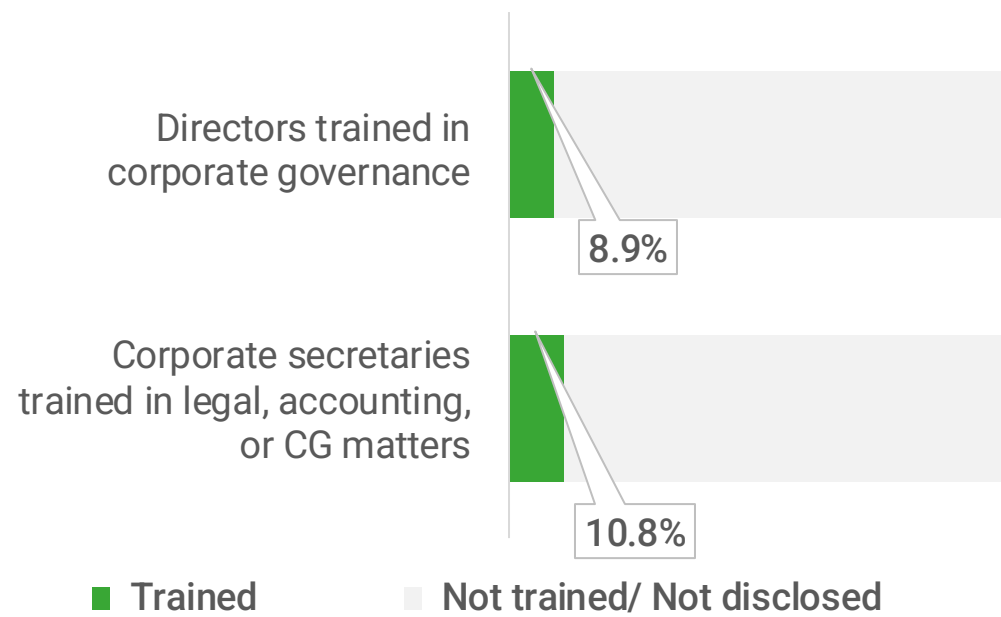
## Board Nomination and Search – A lack of structured processes aligned with best practice



- The current nomination process remains largely lacking standards aligned with best practice: only 33% of companies have selection criteria linked to sustainable development strategy, 3.1% disclose formal diversity policies, and 94% rely entirely on internal networks for nominations. When candidate selection is confined to existing networks, qualified ESG and AI experts, as well as capable female leaders without established connections, face significant barriers to entry.
- This creates a self-reinforcing cycle: the absence of clear criteria leads to subjective appointments, limited diversity results in a lack of diverse perspectives, and the lack of diverse perspectives. The 210 new board appointments made during the year represent a real opportunity, but only if guided by clear criteria and supported by a sufficiently broad candidate pool.

## Capability Development – Many Boards have implemented introducing training policies, but Board evaluation remains virtually absent

**Status of Corporate Governance Training for the Board members and Corporate Secretary**



**0.4%** Board performance evaluation during the year – with disclosed criteria and process

**0.4%** Individual board member performance evaluation during the year – with disclosed criteria and process

**0.6%** Board committee performance evaluation during the year – with disclosed criteria and process

- Corporate governance training has been introduced in a number of companies—an encouraging sign that awareness of board capability development is beginning to take shape. However, the rate remains modest: only 8.9% of board members and 10.8% of company secretaries have received training, indicating that most of the market has yet to invest systematically in governance capability.
- Board performance evaluation is almost non-existent: only 0.4% of companies conduct evaluations of the board, individual board members, and board committees. Without periodic evaluation, boards have no basis for identifying capability gaps, assessing whether training is addressing the right needs, or meaningfully implementing the Board Skills Matrix required under the VNCG Code 2026.



# The gaps in Board diversity and Recommended Roadmap

## Three priority gaps to address in the Board diversity roadmap

### Traditional Gap: Gender balance, independence, and transparency

Female representation and board independence are improving but remain below recommended thresholds. Most companies have yet to formalize diversity policies – diversity is occurring by inertia rather than by intent.

#### IMPLICATIONS IF NOT ADDRESSED

Institutional investors are increasingly scrutinizing board composition. A lack of transparency undermines market confidence and may hinder market upgrade.

→ **Clear diversity policies and measurable roadmaps are required**

### Emerging Gap: ESG, AI, and Cybersecurity capabilities

The VNCG Code 2026 places ESG, AI, and cybersecurity under direct board responsibility – yet across the market, there is an almost complete absence of directors with relevant expertise. This is not a minor shortfall; it is a systemic blind spot.

#### IMPLICATIONS IF NOT ADDRESSED

Boards may approve ESG strategies and oversee AI-related risks without having members capable of asking the right questions, reducing commitments to mere formality.

→ **ESG-savvy and Tech-savvy Directors are needed, appointed with intent**

### Process Gap: Nomination – Training – Evaluation

Most companies rely on internal networks for nominations, conduct little to no board evaluation, and lack feedback loops for improvement. Without structured processes, diversity efforts depend on individual intent, making them unsustainable.

#### IMPLICATIONS IF NOT ADDRESSED

A self-reinforcing cycle persists: no criteria → familiar appointments → lack of diversity → no recognition of the need for change → repetition.

→ **A Board Skills Matrix and a structured nomination process are required**

# Recommended Roadmap for Vietnamese Boards of Directors

1

## Review and Assessment

- **Board Skills Matrix (BSM)** – develop and disclose a Board Skills Matrix to identify capability gaps against the company’s five-year strategy
- **Annual independent Board evaluation** – assess Board composition, committee effectiveness, quality of discussions, and substantive independence
- **Independence review** – review multiple roles, conflicts of interest, and cumulative tenure

2

## Recruitment and Nomination

- **Expand the candidate pipeline** – engage headhunters, the VIOD Director Pool, and networks of independent experts beyond the company’s industry
- **Nomination criteria based on the BSM** – prioritize skills that address identified gaps, such as ESG, technology, and cybersecurity, rather than relying on familiar reputable candidates
- **Disclose the Board member selection criteria prior to the AGM** – ensure transparency with shareholders regarding the rationale for selecting each candidate

3

## Succession

- **Succession planning** – build a one- to three-year pipeline for each key position to avoid a power vacuum in times of transition
- **Term limits** – adopt staggered terms, with one-third of the Board renewed each term, to preserve institutional memory while creating space for fresh perspectives
- **Culture of constructive challenge** – establish data-based challenge mechanisms and rotate committee roles to diversify oversight perspectives

4

## Capability Standardization

- **Competency certification ((DCP, CSMP, ACPM,...)** – standardize minimum competencies in legal responsibilities, finance, risk governance, and fiduciary duties
- **Continuing professional development (CPD)** aligned with the BSM – provide targeted training to address identified capability gaps rather than broad-based learning, with priority given to ESG, AI, and cybersecurity
- **Behavioral standardization** – establish a code of ethics, mechanisms for managing conflicts of interest, and a culture of data-driven challenge

# Board Skills Matrix and Competency-based nomination process



**Director Pool – Addressing the question of “Where to find the right candidates?”**  
A high-quality, pre-screened candidate pipeline – readily accessible when appointment needs arise

**Break the closed circle**  
Currently, 94% of companies nominate candidates from internal networks – the Director Pool broadens access to external experts, women leaders, and ESG/technology specialists who may not yet have direct connections

**Pre-screened and trained candidates**  
A pool of candidates who have completed the DCP and other certification programmes – with minimum competency standards validated, reducing the risk of unsuitable appointments

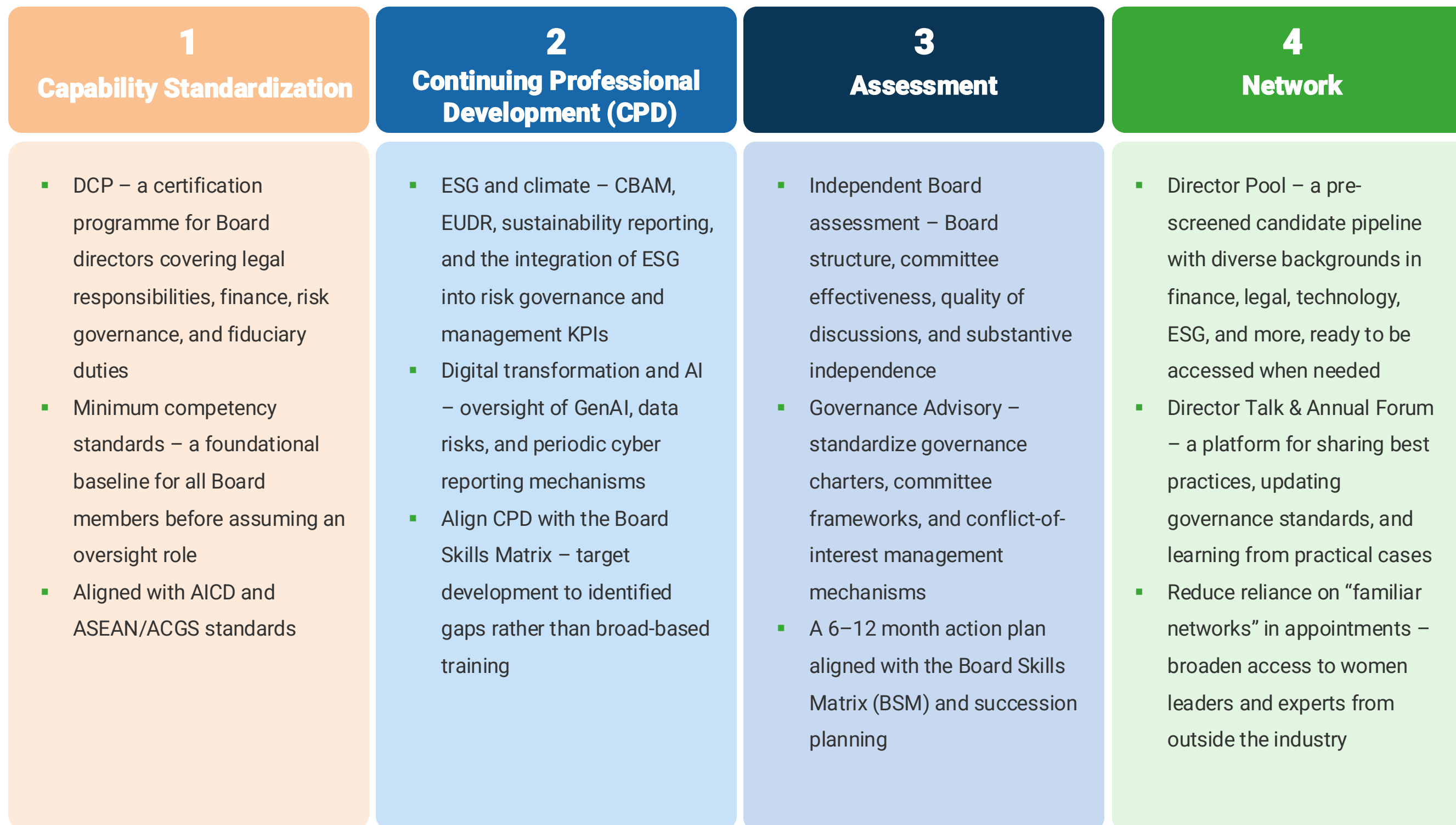
**Rapid access when needs arise**  
Particularly valuable for specialist roles such as technology, ESG, and cybersecurity – avoiding the need to start the search from scratch when a Board seat becomes vacant

**The Director Pool is particularly well suited for:**

- ESG specialists
- AI and technology specialists
- Cybersecurity specialists
- Potential female Board candidates
- International experts
- New independent directors

# The Role of VIOD – A comprehensive support ecosystem for Vietnamese Boards of Directors

From capability development to candidate pool – VIOD supports companies throughout the entire governance improvement journey





# References

# References

No.	Documents
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