

Environmental, Social, and Governance (ESG) Standards and Financial Performance in Vietnam's Media Sector

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SUMMARY

While Environmental, Social, and Governance (ESG) standards are intended to promote sustainability, their actual impact on financial returns remains inconsistent and under-researched in emerging digital economies like Vietnam. Unlike manufacturing sectors such as clothing, the media and entertainment industry in Vietnam faces unique ESG challenges related to digital content responsibility and the profound societal influence of a young population. Understanding ESG's financial relevance in this sector is critical for determining if ethical frameworks drive long-term value or act as a mandatory expense. Environmental, social, and governance (ESG) standards are metrics that evaluate a company's ethical and sustainability efforts across three dimensions: environmental (e.g., emission reduction), social (e.g., employee welfare), and governance (e.g., regulatory compliance). We hypothesized that ESG standards had a significant impact on the financial performance of Vietnamese media and communication companies. Using a dataset of 179 observations, we analyzed the relationship between ESG scores and key financial indicators. Our findings indicated a statistically significant positive correlation between higher ESG scores and stronger financial performance, particularly for firms pursuing strong growth strategies. However, financial leverage negatively correlated with return on assets (ROA), suggesting that excessive debt might hinder profitability. These results highlighted the importance of ESG standard integration in corporate strategies to enhance financial stability and investor confidence. Our study contributed to the existing literature on ESG standards in developing economies and offers practical insights for business leaders and policymakers.

INTRODUCTION

The concept of environmental, social, and governance (ESG) was initially discussed by American economist Howard Bowen in 1953 in the form of Corporate Social Responsibility (CSR), discussing the social responsibilities of businesses in their production and business activities (1). Subsequently, the term ESG first appeared in 2003 in a United Nations report titled "Who Cares Wins", which recommended that ESG factors are essential for sustainable business and long-term value creation, and provided guidelines for companies,

investors, regulators and stock exchanges to endorse ESG standards to develop a resilient financial market in the long term (2).

The ESG standards are divided into three main categories: environmental, social, and governance. The environmental aspect reflects the impact of a company's operations on nature such as: carbon footprint, waste management, consumed energy. The social metrics indicate a company's interaction with its own employees and public. Governance shows the company management process including decision making processes and organizational structure (3). Over nearly two decades, ESG standards have evolved from a specialized reporting system that evaluates overall business landscape as a basis for financial investors to a general term that refers to how business or brand managers consider the impacts of their enterprises and products on the environment, society, and their workforce.

ESG standards are vital in shaping modern corporate governance by enhancing brand reputation, managing risks, and attracting investments. Companies that adopt ESG practices gain the trust of stakeholders and better navigate challenges such as climate change and social inequality (3).

Integrating ESG standards offers a complex balance of strategic advantages and potential risks for any firm. On the positive side, ESG-driven strategies help optimize resources, improve employee satisfaction, and ensure regulatory compliance as global sustainability standards rise (4). Moreover, ESG standards link to value creation in top-line growth, cost reductions, regulatory and legal interventions, productivity uplift and investment and asset optimization (5). By integrating ESG, companies can secure sustainable growth, remain competitive, and contribute positively to society and the environment (6). Companies that integrate ESG principles can mitigate risks, improve operational efficiency, and attract ethical investors. Eccles *et al.* emphasize that ESG-driven sustainability strategies contribute to long-term business resilience (4), while Clark *et al.* argues that strong ESG practices lead to financial outperformance by fostering investor confidence and stakeholder trust (7). However, there are also potential cons and risks involved. Wong and Zhang reported that adverse ESG disclosures on various media, particularly regarding environmental or governance issues, can damage a media and communication companies' reputation and financial standing. Consequently, transparency and accountability in ESG reporting are essential to fully realize its benefits and avoid reputational risks (8).

In the media industry specifically, adopting ESG standards

in the media industry is crucial for enhancing brand credibility and creating positive societal and environmental impacts. By integrating ESG standards, media companies can align their brand with sustainable values, reduce environmental footprints through energy-efficient operations, and promote meaningful social messages (9). ESG standards also ensure transparency, ethical governance, and fair treatment of employees, building trust among stakeholders (10). Besides that, investors and strategic partners increasingly favor media companies with clear ESG strategies, viewing them as reliable and sustainable (11). Beyond financial performance, ESG standards enhance risk management. Xhafa further demonstrated that media companies with robust ESG practices in the U.S. experience improved financial outcomes and reduced risk exposure (12). Companies demonstrating strong ESG commitments attract loyal audiences and investors, leading to improved financial performance. Liu *et al.* highlighted the role of social media in shaping public perceptions of corporate ESG efforts in China, emphasizing the importance of transparent communication (13). Furthermore, the role of media in ESG communication is also critical. Friede *et al.* found that effective media coverage of ESG initiatives not only shapes public discourse but also enhances corporate financial performance (14). In the digital age, media companies are uniquely positioned to influence sustainability conversations, affecting consumer preferences and investor decisions.

In Vietnam, ESG standards' influence on financial performance in media companies remains largely unexplored. The country's unique market conditions—including a young, tech-savvy population with high media consumption and the significant societal influence of the media industry—make it an important area for investigation (15).

Although previous studies provide valuable global insights, a specific gap remains regarding how ESG factors influence financial performance within Vietnam's media and communication industry. To address this gap, the present study hypothesized that ESG factors have a significant impact on the financial and business performance of Vietnamese media and communication companies. This hypothesis was examined through a quantitative analysis of ESG disclosures and financial metrics from media and entertainment firms listed on Vietnam's stock exchanges. The results indicated a statistically significant positive correlation between companies pursuing ESG standards and their financial performance.

RESULTS

Overview of Financial Performance, ESG, and Control Variables

The impact of pursuing ESG standards on a Vietnamese media and communications company's financial results is unknown. We hypothesized that implementing ESG has a significant impact on financial performance long term. Vietnamese companies listed on the Vietnamese stock exchanges were included in this study due to readily available data for several years. In this study, return on assets (ROA) and return on equity (ROE) were selected as key financial performance indicators because they effectively measure a company's profitability relative to its assets and shareholders' equity, respectively. These metrics were widely used in financial analysis to assess a firm's efficiency in generating returns. Additionally, Firm Size (SIZE) was included as a control variable since larger companies typically have greater resources and market influence, which can impact financial performance. Leverage (LEV) accounted for the role of

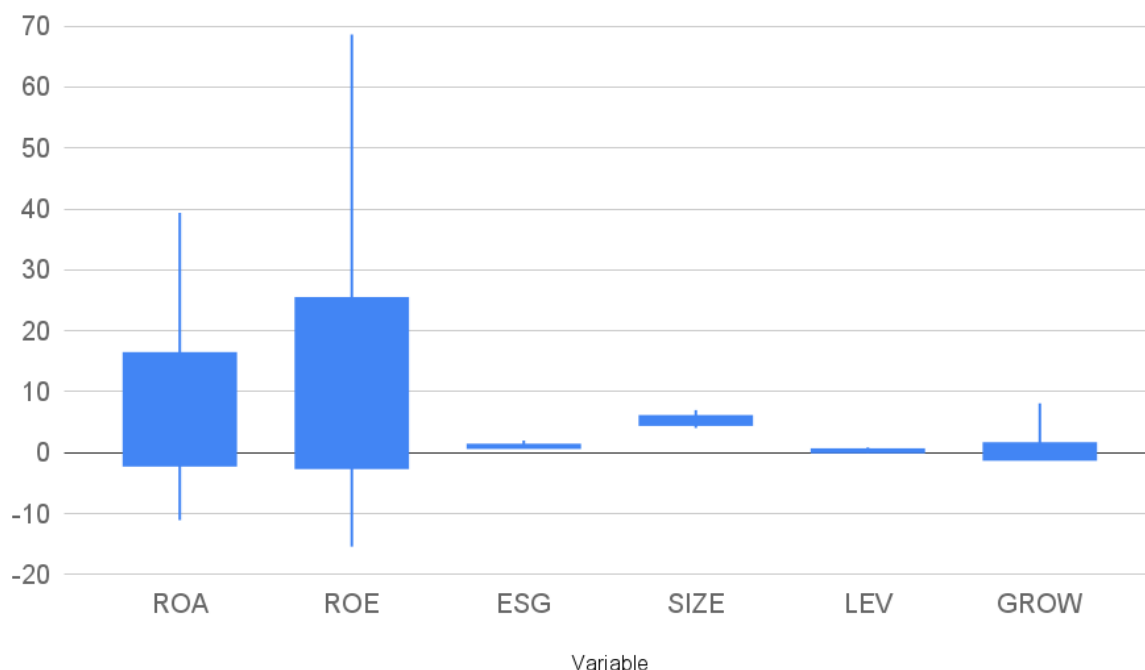


Figure 1. Descriptive statistics of financial and control variables (N=179). The figure compares the statistical distribution metrics of Return on Assets (ROA), Return on Equity (ROE), Environmental, Social, and Governance score (ESG), Firm Size (SIZE), Leverage (LEV), and Revenue Growth rate (GROW) across 41 Vietnamese media and entertainment companies. Each box displays the median, quartiles, and range. Data were manually collected from company financial statements of firms listed on the Ho Chi Minh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Unlisted Public Company Market (UPCOM) from 2019 to 2023.

financial structure, as a firm's debt level may influence both risk exposure and return potential. Growth Rate (GROW) was included to capture the expansion potential of firms, serving as an important factor in assessing future financial performance. The observations in this study were yearly financial metrics derived from financial statements of 41 media and communication companies over a five-year period from 2019 to 2023. Several companies were listed on the stock exchange for less than 5 years at the time of the research, thus in total we had 179 observations.

Before analyzing the impact of ESG on financial performance, it is essential to examine the distribution of key variables. We provided summary statistics, including the mean, standard deviation, minimum, and maximum values for all variables used in the study (**Figure 1**). The average ROA and ROE were 7.1 ± 9.2 and 11.4 ± 13.9 , respectively (**Figure 1**), with standard deviations and ranges indicating variability across firms and allowing assessment of ESG adoption's potential impact on financial outcomes. During the research period (2019-2023), Vietnam's economy experienced significant challenges due to the severe impacts of the COVID-19 pandemic. However, the average ROA and ROE were relatively high, at 7.12 ± 11.43 , respectively. Moreover, ROA and ROE exhibited a wide range, ranging from -11.07 to 39.36. The mean ESG rating was 1.05, with most companies identifying financial risk as the governance factor (1 point - the lowest ESG score). The standard deviation was approximately 0.22, signifying a minimal deviation in the data. Furthermore, the revenue growth rates were an average of 0.2 during this period. In addition, the financial leverage of enterprises in the media and entertainment sector remained relatively low, averaging 0.3.

Correlation Analysis of ESG Standards and Financial Performance in the Vietnamese Media Sector

To evaluate the relationships among ESG standards, financial performance, and control variables, we conducted Pearson correlation analysis (**Table 1**). High correlations between independent variables were evaluated to detect potential multicollinearity. Moderate positive correlations were observed between ESG standards and ROA/ROE, while a negative correlation was noted between LEV and ROA.

All reported correlations fell within the range of -0.8 to 0.8, indicating relatively weak linear relationships overall. Moderate positive correlations between ROA and ROE, and ESG standards and ROA, at 0.578* and 0.300* (* indicates

statistical significance at the 10% levels), respectively, showing a slight relationship between the firm's profitability, financial performance, and ESG scores. Additionally, SIZE and ESG showed a moderate positive correlation with a value of 0.419* (* indicates statistical significance at the 10% level), which means that if the firm's size increases, the ESG scores will slightly increase as the larger firms have more capabilities to invest in sustainable growth. In contrast, SIZE and ROA revealed the strongest negative correlation, at -0.667* (* indicates statistical significance at the 10% levels), indicating larger firms generally exhibited lower ROA, possibly due to higher asset bases diluting returns. Moreover, high LEV was associated lower ESG scores, with a correlation ratio of -0.247*, meaning that these two variables had a small dependence on each other.

To ensure that multicollinearity did not compromise regression estimates, we used the variance inflation factor (VIF) test (**Figure 2**). This step was necessary to validate the reliability of the regression models and to ensure that independent variables contributed meaningfully to the analysis. VIF values above 10 indicate a high degree of multicollinearity, which could bias the results. The average VIF for all variables was 1.16 (**Figure 2**) (a value below 10), suggesting that the overall model is likely stable due to low multicollinearity.

Regression Analysis of Independent Variables of ESG Factors and Financial Performance in the Vietnamese Media Sector

We performed a regression analysis using three different models to examine the impact of independent variables (ESG, SIZE, LEV, GROW) on the effectiveness of financial performance, scaled based on ROA/ROE.: pooled ordinary least squares (pooled OLS), random effects model (REM), and fixed effects model (FEM).

To assess the impact of ESG on corporate profitability, we calculated regression estimates with ROA as the dependent variable (**Table 2**). The positive coefficient of ESG (0.083) in the pooled OLS model suggested that firms with higher ESG scores tended to achieve better operational efficiency. However, the REM and FEM results showed variations (0.089 and 0.080, respectively). The relationship between LEV and ROA was significantly negative (around -0.211 and statistical significance at the 5% level for all 3 tests).

Across models, LEV was negatively associated with ROA (all $p < 0.001$), while GROW was positively associated

Variables	ROA	ROE	ESG	LEV	GROW	SIZE
ROA	1.000					
ROE	0.587*	1.000				
ESG	0.301*	0.240*	1.000			
SIZE	-0.667*	-0.125	-0.247*	1.000		
LEV	0.084	0.220*	0.010	0.045	1.000	
GROW	0.050	0.125	0.419*	0.009	0.081	1.000

Table 1. Correlation matrix of ESG and financial performance of companies in the media and entertainment industry. Table 1 reports the correlations between all factors. * indicate statistical significance at the 10% levels, respectively. ROA: Return on Assets (Net Income/Total Assets); ROE: Return on Equity (Net Income/Total Equity); ESG: Environmental, Social, and Governance score; SIZE: Firm Size (log of Total Assets); LEV: Leverage (Total Debt/Total Assets); GROW: Revenue Growth rate.

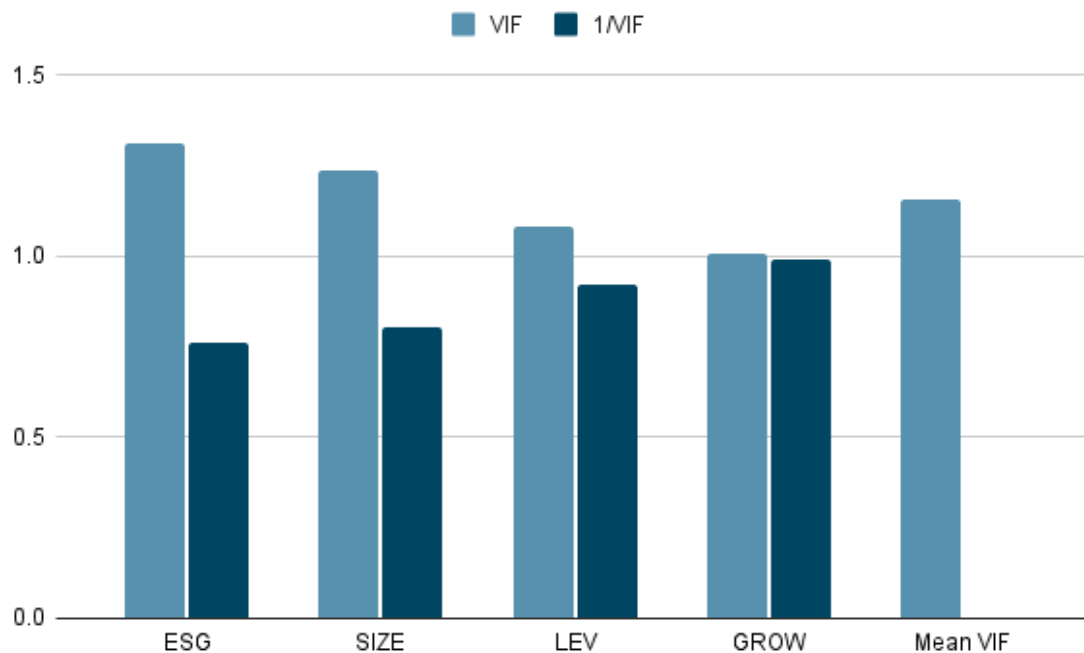


Figure 2. Variance Inflation Factor (VIF) test results for multicollinearity assessment in regression models. The figure displays the VIF values for all independent variables to detect potential multicollinearity issues. A VIF value below 10 indicates no significant multicollinearity. The low VIF values observed (all < 2.0) confirm that the variables are independent and suitable for regression analysis. ESG: Environmental, Social, and Governance score; SIZE: Firm Size (log of Total Assets); LEV: Leverage (Total Debt/Total Assets); GROW: Revenue Growth rate; Mean VIF: The average VIF score across all variables.

ROA	Pooled OLS		REM		FEM	
	Coef.	$P > z $	Coef.	$P > z $	Coef.	$P > z $
ESG	0.083	0.003**	0.089	0.081	0.081	0.207
SIZE	0.004	0.726	0.018	0.298	0.140	0.003
LEV	-0.211	$1.0 \times 10^{-3**}$	-0.211	$1 \times 10^{-3**}$	-0.229	$1.0 \times 10^{-3**}$
GROW	0.063	0.001**	0.066	$1 \times 10^{-3**}$	0.065	$1 \times 10^{-3**}$
Constant	0.128	0.033	0.039	0.700	-0.684	0.014
R-squared	0.774		0.861 0.639 0.771		0.868 0.416 0.606	

Table 2. Regression analysis results for Return on Assets (ROA). The table presents the regression coefficients (Coef.) and p -values for the impact of independent variables on ROA across three models: Pooled Ordinary Least Squares (Pooled OLS), Random Effects Model (REM), and Fixed Effects Model (FEM). ROA: Return on Assets; ESG: Environmental, Social, and Governance score; SIZE: Firm Size (log of Total Assets); LEV: Leverage (Total Debt/Total Assets); GROW: Revenue Growth rate. Asterisks (**, ***) indicate statistical significance at the 5% and 1% levels, respectively. p -values < 0.001 are denoted as $< 1.0 \times 10^{-3}$.

($p < 0.001$). The effect of ESG varied among the models. In the pooled OLS model, ESG had a positive and significant effect on ROA ($p = 0.003$); however, in the REM and FEM models, the ESG factor was not statistically significant, with p -values of 0.081 and 0.207, respectively. Firm size also presented mixed results; in the FEM model, size had a positive and significant effect on ROA ($p = 0.003$). Conversely, SIZE was insignificant in the OLS and REM models, with p -values of 0.726 and 0.298, respectively.

To ensure the consistency of findings, we conducted a robustness test (Table 3). We made adjustments to

address potential biases, such as omitted variables or model misspecifications. The results confirmed that ESG standards remained positively associated with ROA even after modifications.

Robust tests of ESG Impact on ROE within Vietnamese Media Firms

To complement the ROA analysis, we also performed regression analysis using ROE as the dependent variable (Table 4). The findings revealed a consistently positive relationship between ESG and ROE across all three models.

ROA	Coefficient	Std. err.	z	P> z	(95% conf. interval)
ESG	0.047	0.007	6.64	$<1.0 \times 10^{-3}$	0.033 – 0.061
SIZE	0.021	0.004	5.76	$<1.0 \times 10^{-3}$	0.014 – 0.028
LEV	-0.212	0.001	-247.01	$<1.0 \times 10^{-3}$	-0.213 – -0.210
GROW	0.065	0.004	15.35	$<1.0 \times 10^{-3}$	0.057 – 0.073
Constant	0.042	0.022	1.96	0.050	$<1.0 \times 10^{-3}$ – 0.084

Table 3. Robustness test regression results with the dependent variable Return on Assets (ROA) following remediation. The table reports the results of the robustness check regression analysis with ROA as the dependent variable. Metrics include the regression Coefficient, Standard Error (Std. Err.), z-score, p-value, and the 95% Confidence Interval (95% Conf. Interval). Independent variables: ESG (Environmental, Social, and Governance score), SIZE (Firm Size = log of Total Assets), LEV (Leverage = Total Debt/Total Assets), GROW (Revenue Growth rate). p-values < 0.001 are denoted as $< 1.0 \times 10^{-3}$.

ROE	Pooled OLS		REM		FEM	
	Coef.	P> z	Coef.	P> z	Coef.	P> z
ESG	Coef.	P> z	Coef.	P> z	Coef.	P> z
SIZE	0.167	0.011*	0.203	0.012*	0.210	0.043*
LEV	0.005	0.775	0.021	0.460	0.173	0.023*
GROW	-0.017	0.250	-0.008	0.459	-0.029	0.061
Constant	0.092	0.002**	0.095	$<1.0 \times 10^{-2***}$	0.093	$<1.0 \times 10^{-2**}$
R- squared	0.078	0.412	-0.024	0.882	-0.931	0.037

Table 4. Regression analysis results using Return on Equity (ROE) as the dependent variable. The table presents the regression coefficients (Coef.) and p-values for the impact of independent variables on ROE across three models: Pooled Ordinary Least Squares (Pooled OLS), Random Effects Model (REM), and Fixed Effects Model (FEM). ESG: Environmental, Social, and Governance score; SIZE: Firm Size (log of Total Assets); LEV: Leverage (Total Debt/Total Assets); GROW: Revenue Growth rate. The p-values of the coefficients are reported separately. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

However, the results also highlighted that financial leverage (LEV) did not have a statistically significant impact on ROE, in contrast to its strong negative effect on ROA.

To further validate the impact of ESG standards on financial performance, we performed robustness tests (Table 5). Similar to the ROA analysis, we made adjustments to account for potential biases. The findings remained consistent, confirming that ESG continued to be a significant determinant of ROE. With a p-value smaller than 1.0×10^{-3} , which was less than 5%, ESG and GROW demonstrated positive relationships with ROE, with coefficients of 0.170 and 0.078, respectively. This highlighted the significance of ESG scores and the firm's growth on shareholder profitability. Conversely, the p-values for SIZE and LEV (0.631 and 0.059) exceeded 0.05, indicating no linear correlation between SIZE, LEV, and ROE.

DISCUSSION

The central objective of this study was to investigate how environmental, social, and governance (ESG) standards influence the financial performance of media and entertainment companies in Vietnam. We hypothesized that ESG factors have a significant positive impact on the financial and business performance of these firms. To test this, we examined ESG data alongside financial metrics from 41 companies listed on Vietnam's stock exchanges, resulting in 179 observations analyzed through panel regression models. Our results indicated a statistically significant positive correlation between companies pursuing ESG standards and their financial performance, particularly Return on Assets

(ROA) and Return on Equity (ROE). Based on these findings, we concluded that ESG standard integration is a critical driver of financial stability and long-term business resilience in Vietnam's media sector.

Overall, our analysis suggested that firms with stronger ESG commitments tend to operate more efficiently, benefiting from enhanced risk management and stakeholder trust. At the same time, some models showed weaker statistical significance for ESG, implying that firm-specific characteristics and other unobserved factors may also play a crucial role in financial performance. In terms of Return on Equity (ROE), ESG demonstrated a consistently positive impact across all models, reinforcing the idea that sustainable business practices could enhance investor confidence and long-term financial stability (7). Revenue growth (GROW) also exhibited strong positive relationships with both ROA and ROE, suggesting that expanding firms could leverage ESG commitments to further improve profitability. However, financial leverage (LEV) had a significant negative correlation with ROA, indicating that excessive debt can hinder financial efficiency even when ESG initiatives are implemented. Firm size (SIZE) presented mixed results, with a notable effect on ROA in the Fixed Effects Model but no clear impact on ROE. This suggests that while larger firms are likely to have more resources to invest in ESG, size alone does not determine financial success.

The practical validity of these findings was further evidenced by summary statistics and international benchmarks. Despite this, the average ROA and ROE were relatively high at 7.1 ± 9.2 and 11.4 ± 13.9 , indicating that media and entertainment

ROE	Coefficient	Std. err.	z	P> z	(95% conf. interval)
ESG	0.170	0.018	9.30	$<1.0 \times 10^{-2}$	0.134 – 0.206
SIZE	0.004	0.008	0.48	0.631	-0.012 – 0.019
LEV	-0.008	0.004	-1.89	0.059	-0.017 – 0.001
GROW	0.078	0.014	5.43	$<1.0 \times 10^{-3}$	0.050 – 0.107
Constant	0.064	0.045	1.41	0.158	-0.026 – 0.153

Table 5. Regression results using Return on Equity (ROE) as the dependent variable following remediation. The table reports the results of the robustness check regression analysis by regressing ROE on all the other factors (ESG, SIZE, LEV, and GROW) of Equation (2) to account for potential biases. Metrics include the regression Coefficient, Standard Error (Std. Err.), z-score, p-value, and the 95% Confidence Interval (95% Conf. Interval). Independent variables: ESG (Environmental, Social, and Governance score), SIZE (Firm Size = log of Total Assets), LEV (Leverage = Total Debt/Total Assets), GROW (Revenue Growth rate). The p-values of the coefficients are reported separately. **, and * indicate statistical significance at the 5%, and 10% levels, respectively.

companies were efficient and productive in managing their balance sheets to generate profits. Moreover, ROA and ROE exhibited a wide range of -11.07 to 39.36, indicating significant variability in how COVID-19 impacted companies within the industry. The mean ESG rating was 1.05, with most companies identifying financial risk as the Governance factor (1 point - the lowest ESG score). The standard deviation of ESG was approximately 0.22, signifying minimal deviation among firms. Furthermore, the average revenue growth rate during this period was 0.2, which showed a considerable gap between companies. This reflected the impact of natural and human-oriented disasters, such as floods or pandemics. In addition, the financial leverage of enterprises in the media and entertainment sector remained relatively low, averaging 0.3, suggesting that firms relied minimally on debt financing.

According to the regression results (Table 4), ESG and GROW were the two most significant variables positively influencing ROE. The strong statistical significance of ESG underscored the importance of sustainability practices and social responsibility in enhancing profitability. Likewise, the positive correlation between GROW and ROE suggested that companies with higher growth rates achieve better financial performance, likely due to expansion opportunities and investment returns. In contrast, SIZE and LEV did not exhibit statistically significant effects on ROE, indicating that company size and financial leverage may not be primary determinants of profitability in this context. In summary, the findings highlight the importance of sustainability and growth strategies in boosting profitability while suggesting that other factors may also influence financial performance.

The findings highlighted the importance of sustainability and growth strategies in boosting profitability while suggesting that other factors may also influence financial performance. These results emphasize that companies that integrate ESG standards often exhibit strong financial performance; however, whether ESG standards adoption translates into improved financial performance depends on various factors. Companies must strategically balance ESG investments with financial stability to maximize long-term benefits.

Key findings highlight that companies prioritizing sustainability and ethical practices enhance operational efficiency and attract investor confidence. For instance, Omnicom Group's commitment to achieving net-zero carbon emissions by 2030 and its effective measures, such as switching to renewable energy have resulted in a 25% reduction in carbon emissions compared to 2017 (16).

Similarly, ViacomCBS's strategies to mitigate environmental impact, including transitioning to renewable energy sources and reducing waste, have led to a 20% reduction in carbon emissions across its supply chain by 2025 compared to 2019 (17).

The research underscored the importance of growth strategies (GROW) in boosting financial outcomes, with firms demonstrating higher growth rates achieving superior ROE. Larger firms with more resources are better positioned to invest in sustainable practices, which in turn boost their ESG scores and overall profitability. In contrast, the analysis revealed that higher leverage (LEV) correlates with decreased financial efficiency, particularly in asset management. These insights stress the need for balanced financial strategies to optimize the benefits of ESG implementation. For example, the study found that companies with higher debt levels, such as those with a LEV ratio above 0.3, faced increased risks and lower financial performance. This finding emphasizes the need for careful debt management and strategic planning to mitigate potential risks. The result showed that encouraging the adoption of ESG practices could potentially promote sustainable development, mitigating risks while fostering long-term competitiveness in the Vietnamese media and communication industry. On the other hand, ESG integration and practice in Vietnam are currently more common among large organizations. Thus, the conclusions of this study are likely only applicable to large organizations in Vietnam.

Future research should explore more granular ESG data, especially to assess the separate impact of Environmental (E), Social (S), and Governance (G) strategies on the media and communication organizations to find which strategies are most effective in improving long-term financial performance. Qualitative assessments, such as interviews or case studies, would also deepen understanding of these dynamics within the Vietnamese context. For the media and communication industry in Vietnam, the findings of this research indicate that ESG integration is associated with superior financial outcomes in large organizations. This insight suggests managers of medium and small companies should plan ESG integration as a strategic driver of sustainable financial performance as their companies grow rather than treating ESG standards as a mandatory expense.

MATERIALS AND METHODS

Data

The research data sample was collected from all data

Variables		Definition	
Dependent variables	ROA	Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$
	ROE	Return on Equity	$\frac{\text{Net Income}}{\text{Equity}}$
Independent variable	ESG	ESG points	
Control variables	SIZE	Firm size	$\text{Log}(\text{Total Assets})$
	LEV	Financial leverage	$\frac{\text{Debt}}{\text{Total Assets}}$
	GROW	Sales growth	$\frac{\text{Sale}_t - \text{Sale}_{t-1}}{\text{Sale}_t}$

Table 6. Definitions of variables using dependent variables Return on Assets (ROA) and Return on Equity (ROE). Definitions of the variables utilized in the quantitative analysis. Dependent variables: ROA (Return on Assets= Net Income/Total Assets), ROE (Return on Equity=Net Income/Total equity), SIZE (Log of Total Assets), LEV (Leverage= Total Debt/Total Assets), and GROW (Sales Growth= (Sale_t-Sale_{t-1})/Sale_{t-1} where Sale_t represents the company's revenue in the current period and Sale_{t-1} is the revenue from the previous period.

of media and entertainment firms listed on the Vietnamese stock market from 2019 to 2023. The study includes 41 companies listed on the HOSE, HNX, and UPCOM exchanges. Data on ESG factors were gathered from annual reports and sustainability reports, while performance data were obtained from the companies' published financial statements. The dataset is organized in tabular form and comprises 41 companies over a 5-year period, resulting in 179 observations. Several companies were newly listed on the UPCOM exchange after 2019; therefore, not all firms have a complete set of observations for the 5-year period.

Methodology

Quantitative methods were employed to examine the impact of ESG factors on key financial performance indicators, return on assets (ROA) and return on equity (ROE), while controlling for firm size (SIZE), financial leverage (LEV), and growth rate (GROW). ROA and ROE measure a company's profitability relative to its assets and shareholders' equity, respectively, and are widely used to evaluate efficiency in generating returns. SIZE accounts for the effect of company scale, as larger firms typically have greater resources and market influence. LEV captures the role of financial structure, given that debt levels may affect both risk exposure and return potential, while GROW reflects expansion potential, an important factor in assessing future financial performance.

$$\text{ROA}_{i,t} = \beta_0 + \beta_1 * \text{ESG}_{i,t-1} + \beta_2 * \text{SIZE}_{i,t} + \beta_3 * \text{LEV}_{i,t} + \beta_4 * \text{GROW}_{i,t} + \mu \quad (\text{Equation 1})$$

$$\text{ROE}_{i,t} = \beta_0 + \beta_1 * \text{ESG}_{i,t-1} + \beta_2 * \text{SIZE}_{i,t} + \beta_3 * \text{LEV}_{i,t} + \beta_4 * \text{GROW}_{i,t} + \mu \quad (\text{Equation 2})$$

Details of the dependent, independent, and control variables used in Equations (1) and (2) were presented (**Table 6**).

Considering the dataset's panel structure, three econometric models were employed: pooled ordinary least squares (pooled OLS), fixed effects model (FEM), and random effects model (REM), which were performed using Stata 17.0 (StataCorp LLC, College Station, TX, USA).

Pooled OLS treats all data as a single cross-section, acting as a baseline. FEM accounts for unobserved, time-invariant firm-specific traits that may correlate with variables such as ESG, SIZE, LEV, and GROW. REM, on the other hand, assumes that firm-specific effects are random and uncorrelated with the regressors, allowing it to utilize both within- and between-firm variation. Running all three models allows for comparison via tests like the Hausman test, enhances the robustness of the results, and offers complementary insights into how variables such as ESG, SIZE, LEV, and GROW affect financial performance indicators, including ROA and ROE.

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