“Perceived ESG disclosure and credit decision-making orientation: The mediating role of intention to use sustainability information in an emerging market”

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PERCEIVED ESG DISCLOSURE AND CREDIT DECISION-MAKING ORIENTATION: THE MEDIATING ROLE OF INTENTION TO USE SUSTAINABILITY INFORMATION IN AN EMERGING MARKET

Abstract

Integrating environmental, social, and governance factors into the credit granting process is an imperative requirement for financial risk management. This study aims to quantify the impact of the perceived corporate environmental, social, and governance (ESG) information disclosure on Credit Decision-Making Orientation and determine the mediating role of the intention to use sustainability information. Research data were collected through a survey of 235 credit officers and managers at 32 commercial banks in Vietnam from February to August 2024 and subsequently analyzed utilizing partial least squares structural equation modeling. The empirical results indicate that the disclosure levels of environmental, social, and governance information do not have a direct impact on credit decision-making orientation. However, these three factors positively affect the intention to use sustainability information, wherein the environmental factor exerts the most substantial influence (β = 0.447), followed by governance (β = 0.416) and social factors (β = 0.363). Furthermore, the intention to use sustainability information acts as a full mediator, exerting a strong positive impact on credit decision-making orientation (β = 0.558) and explaining 26.2% of the variance in the dependent variable. The study concludes that subjective credit appraisal orientations among banking personnel are primarily driven by their cognitive intention to integrate sustainability data rather than the mere presence of corporate disclosures.

Keywords environmental, social, governance, credit decision, commercial bank

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INTRODUCTION

The transition of the global economy toward sustainable development has placed the commercial banking system at the center of resource allocation and non-financial risk management. In this context, integrating environmental, social, and governance factors into credit extension activities is not merely a regulatory compliance requirement but an urgent necessity to ensure financial system stability. In emerging markets such as Vietnam, this pressure is intensifying as regulatory authorities continuously issue directives to promote green credit growth. Although the institutional framework is gradually improving and enterprises have paid greater attention to sustainability reporting, practical implementation at credit institutions still faces multiple barriers. The proportion of green outstanding loans relative to total system credit remains modest, accompanied by a significant deficit in standardized data and the analytical capacity of appraisal officers. This situation raises a substantial scientific problem regarding the actual effectiveness of non-financial information flows when transmitted into the practical capital allocation decision process.

The fundamental issue that requires resolution is the notable lack of in-depth research on micro-behavioral mechanisms within banking institutions. The majority of contemporary theoretical perspectives have primarily focused on analyzing the impacts of environmental, social, and governance information at the macro or firm level, such as variations in the cost of capital or operational efficiency. However, the critical intermediate phase, which encompasses how credit officers directly receive, perceive, and translate this information into loan approval decisions, remains under-explored. An increase in corporate disclosure levels does not equate to the automatic utilization of such data by banking personnel. Discrepancies in risk assessment frequently originate from data inconsistencies and the inherent information reception habits of employees. Therefore, the current research gap lies in the omission of human cognitive factors and behavioral intentions during the appraisal process. Clearly identifying the nature of this scientific problem holds distinct significance, as it decodes the underlying reasons why an identical level of information disclosure can elicit highly divergent responses from different banks, thereby establishing a robust theoretical foundation to substantially promote sustainable credit flows.

1. LITERATURE REVIEW AND HYPOTHESES

Over the past decade, environmental, social, and governance elements have become integral components in assessing corporate sustainability and long-term financial risk. Grounded in information asymmetry theory (Akerlof, 1970) and signaling theory (Spence, 1973), this study views corporate disclosure as a primary mechanism to mitigate informational gaps between borrowers and lenders, thereby reducing agency costs and optimizing risk pricing (Healy & Palepu, 2001). Furthermore, legitimacy and stakeholder theories posit that financial institutions must continuously realign their operational behaviors with emerging value norms to maintain social trust and satisfy the expectations of diverse interest groups (Eccles et al., 2014; Suchman, 1995).

Extensive empirical evidence highlights the substantial economic value of non-financial information in financial markets. The initiation of voluntary and mandatory sustainability reporting demonstrates a positive association with a reduction in the cost of equity capital (Dhaliwal et al., 2011; El Ghoul et al., 2011) and corporate bond yield spreads (Yang et al., 2021). Robust sustainability performance directly enhances firm value, provided it is transparently disclosed (Fatemi et al., 2018), and mitigates overall business risk by stabilizing cash flows and fostering stakeholder resilience, particularly during economic crises (Albuquerque et al., 2019; Lins et al., 2017). Conversely, negative social responsibility profiles or high carbon emissions prompt investors and banks to demand higher risk premiums (Bolton & Kacperczyk, 2021; Goss & Roberts, 2011; Krueger, 2015). When these dimensions are disaggregated, specific environmental disclosures regarding climate risk adaptation (Clarkson et al., 2008; Flammer, 2021; Weber, 2012), social disclosures reflecting human resource stability, and governance transparency indicating reduced agency conflicts (Anderson et al., 2004; Ashbaugh-Skaife et al., 2006; Bhojraj & Sengupta, 2003) collectively shape the capital allocation strategies of credit providers.

The institutional environment significantly accelerates the integration of these factors. Mandatory reporting regulations elevate market transparency, alter corporate behavior toward sustainability (Christensen et al., 2021; Ioannou & Serafeim, 2017), facilitate access to supplier credit (Liu et al., 2025), and generate profound transmission effects across bank lending networks (Wang, 2023). However, the mere availability of corporate reports does not guarantee effective utilization by financial institutions. Discrepancies in measurement methodologies and the widespread divergence of rating systems often complicate the precise interpretation of sustainability data (Berg et al., 2022; Christensen et al., 2022). Furthermore, textual inconsistency and low readability of disclosures impede the appraisal process (Hao et al., 2025). This underscores a critical transition in contemporary literature: The ultimate value of non-financial disclosure is fundamentally contingent upon the behavioral intention of financial agents to process and integrate this information into decision-making architectures (Basu et al., 2022; Ilhan et al., 2023). According to the Theory of Planned Behavior (Ajzen, 1991) and

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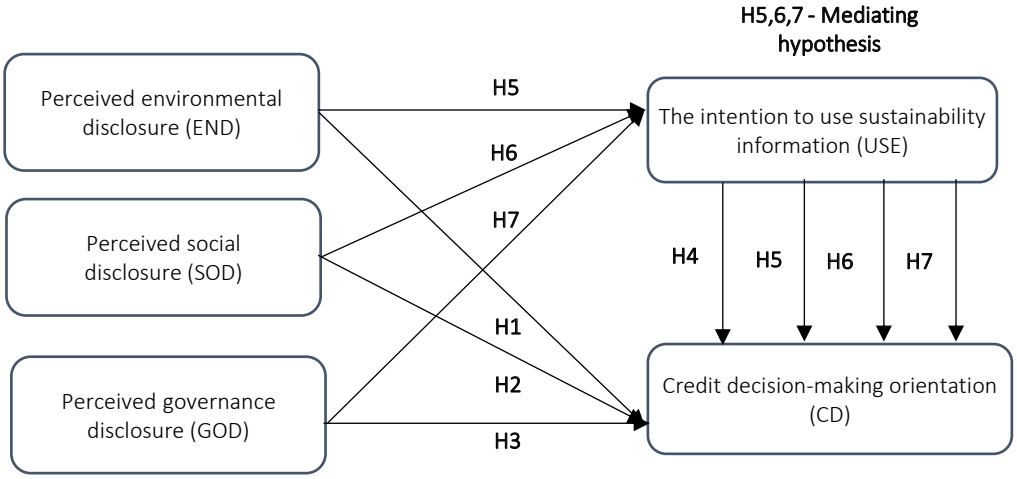

Figure 1. Proposed model and hypotheses

the Technology Acceptance Model (Davis, 1989), structured and comparable data reduce cognitive processing costs, thereby stimulating the intention of credit officers to actively utilize such information in their professional evaluations (Thompson & Cowton, 2004).

Building upon the Theory of Planned Behavior (Ajzen, 1991), this study argues that the perceived quality of corporate environmental, social, and governance (ESG) disclosure alone is merely an external stimulus; it cannot directly dictate lending behavior without passing through the cognitive filtration of the decision-maker. In the highly complex context of credit appraisal, the intention to use sustainability information acts as a vital psychological bridge that transforms raw ESG data into actionable risk metrics. When a borrowing firm is perceived to exhibit high levels of environmental, social, and governance transparency, it significantly enhances the perceived usefulness and minimizes the cognitive processing effort for credit officers. This elevated perceived transparency directly cultivates a strong behavioral intention to integrate such non-financial indicators into internal rating systems. Consequently, Credit Decision-Making Orientation (i.e., appraisers' behavioral disposition), including perceived interest rate adjustments or limit determinations, is not a mechanical response to corporate reports, but rather the ultimate behavioral outcome of this deliberate, intention-driven cognitive process.

In summary, while extensive literature confirms the macroeconomic and firm-level benefits of sustainability reporting, there remains a substantial deficit in understanding the micro-behavioral mechanisms within financial institutions. The cognitive process through which credit officers perceive, evaluate, and translate perceived corporate disclosures into Credit Decision-Making Orientation constitutes a significant research gap, particularly in emerging markets where data standardization is nascent.

Therefore, the primary purpose of this study is to investigate the impact of the perceived corporate environmental, social, and governance (ESG) information disclosure on Credit Decision-Making Orientation and to determine the mediating role of the intention to use sustainability information within Vietnam's commercial banking. Based on the theoretical framework and literature synthesis, the study proposes the following hypotheses:

H1: The perceived environmental disclosure (END) has a positive impact on credit decision-making orientation (CD).

H2: The perceived social disclosure (SOD) has a positive impact on credit decision-making orientation (CD).

H3: The perceived governance disclosure (GOD) has a positive impact on credit decision-making orientation (CD).

H4: The intention to use sustainability information (USE) has a positive impact on credit decision-making orientation (CD).

H5: The intention to use sustainability information (USE) plays a mediating role in the relationship between perceived environmental disclosure (END) and credit decision-making orientation (CD).

H6: The intention to use sustainability information (USE) plays a mediating role in the relationship between perceived social disclosure (SOD) and credit decision-making orientation (CD).

H7: The intention to use sustainability information (USE) plays a mediating role in the relationship between perceived governance disclosure (GOD) and credit decision-making orientation (CD).

The proposed research model is illustrated in Figure 1.

2. RESEARCH METHODOLOGY

This study employs a quantitative research design utilizing a cross-sectional survey approach to empirically validate the theoretical model concerning the impact of perceived environmental, social, and governance disclosure on credit decision-making orientation. The analytical procedure proceeded through a systematic sequence, initiating with the meticulous development of the measurement instrument, followed by targeted data collection, and culminating in advanced statistical estimation using partial least squares structural equation modeling via SmartPLS software. The primary target respondents were deliberately selected to comprise credit officers and managers directly engaged in the loan appraisal and approval processes within commercial banks in Vietnam. The selection of these specific professionals is theoretically justified by their direct role as the ultimate cognitive processors who evaluate non-financial risks in credit applications to form their Credit Decision-Making Orientation, ensuring the high practical relevance of the empirical sample. Given the strict confidentiality protocols governing personnel information in the banking sector, the study applied a purposive non-probability sampling technique combined with the snowball sampling method to access qualified respondents.

The data collection was rigorously executed via an online questionnaire distributed through professional banking networks from February to August 2024. A total of 350 questionnaires were distributed across 35 commercial banks, yielding 264 initial responses. After a systematic data cleaning process, 235 valid responses from 32 banks were retained for the final analysis. This sample size satisfies the general guidelines for partial least squares structural equation modeling, providing adequate statistical power to analyze the relationships within the structural model. As detailed in Table 1, the respondent demographics demonstrate a robust and representative stratification, consisting of 70.2% credit officers and 29.8% managers, with the majority (50.2%) possessing between five and ten years of professional experience, and 42.6% holding a master's degree or higher, thereby guaranteeing that the participants possessed adequate professional expertise to critically evaluate sustainability factors.

In compliance with research ethics, this study implemented protocols to ensure the objectivity, anonymity, and voluntary informed consent of all par-

Table 1. Characteristics of the survey sample (N = 235)

Criteria	Category	Frequency	Percentage (%)
Position	Credit Officer	165	70.2%
	Manager (Head/Deputy Head)	70	29.8%
Work Experience	< 5 years	59	25.1%
	5-10 years	118	50.2%
	> 10 years	58	24.7%
Bank Type	State- owned Commercial Bank	24	10.2%
	Joint Stock Commercial Bank	188	80.0%
	Foreign Bank	23	9.8%
Education Level	Bachelor's Degree	135	57.4%
	Master's Degree/MBA or higher	100	42.6%

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ticipants. Prior to accessing the survey, respondents were informed of the academic purpose of the research, and their participation was voluntary without any institutional coercion. Furthermore, the authors state that the primary dataset collected from this survey is original and has not been utilized for publication in any other academic papers. The core measurement scales were adapted from international frameworks to ensure measurement reliability and contextual validity within the banking sector. Specifically, the questionnaire items were primarily adapted from prominent studies and institutional guidelines (e.g., Ajzen, 1991; Davis, 1989; Weber, 2012; Global Reporting Initiative, 2021; Basel Committee on Banking Supervision, 2021). To guarantee semantic equivalence and contextual appropriateness for the Vietnamese banking sector, all measurement items underwent a rigorous forward and backward translation process.

The items were intentionally designed to capture the concrete, standardized data points that credit officers genuinely require for risk quantification, rather than abstract environmental claims. Specifically, the items measuring the perceived quality of corporate disclosure were carefully constructed by integrating rigorous reporting criteria from the Task Force on Climate-related Financial Disclosures (2017) and critically validated sustainability metrics from Keysight Technologies (2022), alongside foundational guidelines from the Global Reporting Initiative and the Basel Committee on Banking Supervision. This deliberate design restricted the questions to material financial risks and behavioral intentions grounded in the Theory of Planned Behavior. All observed variables were evaluated using a standardized 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), chosen to minimize cognitive fatigue while providing sufficient variance for structural equation modeling. The complete measurement matrix, detailing the specific observed variables and their corresponding theoretical sources, is presented in Table 2.

Following the rigorous data collection phase based on the established measurement matrix, the raw

Table 2. Measurement matrix for the research model

Variables/Measurement items	Sources
Perceived Environmental Disclosure (END)	
END1: Greenhouse gas emissions and key environmental metrics in accordance with international standards	Adapted from Basel Committee on Banking Supervision (2021); Clarkson et al. (2008); Friede et al. (2015); Global Reporting Initiative (2021); IFRS Foundation (2023); Task Force on Climate-related Financial Disclosures (2017)
END2: Climate change mitigation strategies, targets, and transition pathways	
END3: Capital expenditures and initiatives directed toward improving environmental performance	
END4: The identification, assessment, and management of financial risks associated with environmental factors	
Perceived Social Disclosure (SOD)	
SOD1: Policies ensuring occupational health, safety, and favorable working conditions for employees	Adapted from Freeman (1984); Friede et al. (2015); Global Reporting Initiative (2021); OECD (2023)
SOD2: Training programs and human capital development initiatives	
SOD3: Policies and empirical data related to diversity, equity, and inclusion within the organization	
SOD4: The management of social impacts arising from business operations on employees, customers, and local communities	
Perceived Governance Disclosure (GOD)	
GOD1: Governance structure, board composition, and the degree of board independence	Adapted from Basel Committee on Banking Supervision (2021); Global Reporting Initiative (2021); OECD (2023)
GOD2: Internal control mechanisms, risk management systems, and operational oversight procedures	
GOD3: Business ethics policies, anti-corruption measures, and compliance control mechanisms	
GOD4: Executive remuneration policies that are explicitly linked to sustainable development targets.	
Intention to Use Sustainability Information (USE)	
USE1: I intend to proactively seek and review the sustainability information of corporate clients during upcoming credit appraisals.	Adapted from Ajzen (1991); Davis (1989); Weber (2012)
USE2: I plan to integrate sustainability indicators into the credit risk assessment and internal rating processes for corporate clients.	
USE3: I perceive that requesting additional sustainability data from clients is highly useful for enhancing the quality of my credit decision-making orientation.	
USE4: In the future, utilizing sustainability data will become a routine practice in my credit proposal and management workflow.	

Table 2 (cont.). Measurement matrix for the research model

Variables/Measurement items	Sources
Credit Decision-Making Orientation (CD)	
CD1: The perceived transparency and quality of a borrowing firm's ESG disclosure serve as a basis for me to consider applying more favorable lending interest rates.	Adapted from Basel Committee on Banking Supervision (2021); Chava (2014); Goss and Roberts (2011); Weber (2012)
CD2: I am willing to apply more flexible credit conditions for clients perceived to demonstrate strong ESG compliance.	
CD3: The perceived level of transparency in a firm's ESG information positively influences my decision when determining their maximum credit limit.	
CD4: For borrowing firms with high perceived ESG risks, I will impose stricter loan covenants and credit control clauses in the loan agreement.	

dataset underwent a systematic screening process to ensure data integrity. The analytical procedure then systematically assessed the measurement model for internal consistency and discriminant validity using the Heterotrait-Monotrait ratio. Subsequently, the structural model was evaluated through a bootstrapping technique with 5,000 subsamples to test the specified hypotheses and determine out-of-sample predictive relevance. The detailed outcomes of these quantitative analyses are presented in the following section.

3. RESEARCH RESULTS

To empirically validate the research model and the proposed hypotheses, this study employed the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique utilizing SmartPLS software. The analytical procedure strictly adhered to the guidelines established by Hair et al. (2019), beginning with the assessment of the measurement model to ascertain reliability and validity, followed by the evaluation of the structural model to test the hypothesized relationships and the model's predictive power.

To address potential collinearity issues and control for Common Method Bias (CMB), a full collinearity assessment was performed. As shown in the statistical outputs (Table 3), the Variance Inflation Factor (VIF) values for all latent construct indicators range from 1.536 (CD4) to 2.353 (GOD4). All values are strictly below the conservative threshold of 5.0 (Hair et al., 2017) and even comply with the highly stringent threshold of 3.3 suggested by

Table 3. Reliability and convergent validity assessment results

Construct	Observed Variable	Loading	Cronbach's Alpha	Composite Reliability (CR)	AVE	VIF
Credit Decision-Making Orientation (CD)	CD1	0.768	0.794	0.866	0.618	1.569
	CD2	0.784				1.545
	CD3	0.818				1.739
	CD4	0.774				1.536
Perceived Environmental Disclosure (END)	END1	0.843	0.852	0.899	0.691	2.016
	END2	0.764				1.743
	END3	0.849				1.964
	END4	0.864				2.062
Perceived Governance Disclosure (GOD)	GOD1	0.853	0.866	0.908	0.713	2.094
	GOD2	0.826				2.071
	GOD3	0.807				1.876
	GOD4	0.889				2.353
Perceived Social Disclosure (SOD)	SOD1	0.770	0.834	0.888	0.665	1.756
	SOD2	0.827				1.729
	SOD3	0.866				2.085
	SOD4	0.795				1.692
Intention to Use Sustainability Information (USE)	USE1	0.779	0.815	0.878	0.644	1.622
	USE2	0.809				1.683
	USE3	0.837				1.885
	USE4	0.784				1.620

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Kock (2015). These empirical results confirm that multicollinearity is non-existent in this study, and common method variance (CMV) does not pose a threat to the validity of the model's estimations.

The measurement model assessment results, detailed in Table 3, indicate that all scales met the established criteria for reliability and convergent validity. Specifically, the outer loadings for all 20 observed variables exceeded the recommended threshold of 0.708, ranging from 0.764 to 0.889, thereby confirming the significant contribution of the observed items to their respective latent constructs. Regarding internal consistency reliability, both Cronbach's Alpha and Composite Reliability (CR) coefficients for all constructs surpassed the 0.70 level, falling within the range of 0.794 to 0.908. Convergent validity was established as the Average Variance Extracted (AVE) for each construct exceeded 0.50, demonstrating that the latent variables explain more than 60% of the variance of their constituent indicators.

In addition to reliability and convergent validity, the discriminant validity of the research concepts was examined using the Heterotrait-Monotrait (HTMT) ratio. As presented in Table 4, all HTMT values were below the conservative threshold of 0.85 as proposed by Henseler et al. (2015). The highest recorded value was 0.625 between the Intention to Use Sustainability Information and Credit Decision-Making Orientation constructs, which is significantly lower than the 0.90 threshold. This result provides robust evidence that the constructs in the model are statistically distinct and that no severe multicollinearity issues exist that could distort the regression results.

Table 4. Discriminant validity assessment results (HTMT)

Variable	CD	END	GOD	SOD	USE
CD					
END	0.143				
GOD	0.239	0.045			
SOD	0.222	0.217	0.072		
USE	0.625	0.451	0.508	0.370	

Upon confirming the reliability of the scales, the study proceeded to assess the structural model. The structural model estimation results are visual-

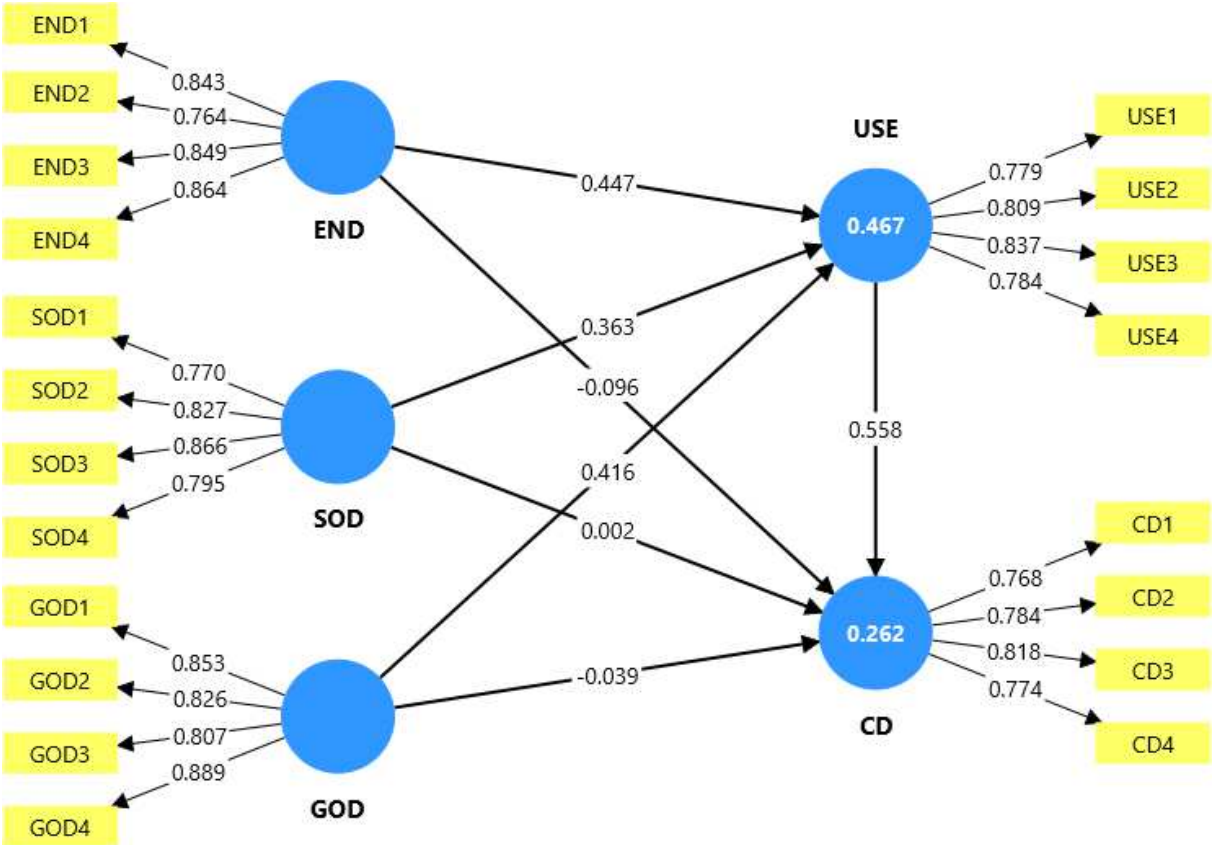

Figure 2. PLS-SEM structural model analysis results

ly illustrated in Figure 2, displaying the path coefficients and the coefficients of determination (R^2) of the endogenous variables. Observations from Figure 2 reveal that the model explains 46.7% of the variance in the mediating variable, Intention to Use Sustainability Information (R^2 = 0.467), and 26.2% of the variance in the dependent variable, Credit Decision-Making Orientation (R^2 = 0.262). The path coefficients in the figure also preliminarily indicate distinct differences in impact intensity among the relational branches, particularly highlighting the prominent role of Intention to Use Sustainability Information in driving Credit Decision-Making Orientation.

Detailed hypothesis testing results, derived via the bootstrapping technique with 5,000 subsamples, are summarized in Table 5. An important and somewhat surprising finding of the study is that perceived ESG information disclosure factors do not exert a statistically significant direct impact on Credit Decision-Making Orientation. Specifically, the paths from Perceived Environmental Disclosure (β = –0.096, p > 0.05), Perceived Social Disclosure (β = 0.002, p > 0.05), and Perceived Governance Disclosure (β = –0.039, p > 0.05) to Credit Decision-Making Orientation were all rejected. Conversely, all three perceived disclosure dimensions exhibit a robust and statistically significant positive effect on the mediating variable, Intention to Use Sustainability Information (p = 0.000). Among these, Perceived Environmental Disclosure exerts the most substantial influence (β = 0.447, p = 0.000), followed by Perceived Governance Disclosure (β = 0.416, p = 0.000) and Perceived Social Disclosure (β = 0.363, p = 0.000). These significant component paths confirm the necessary cognitive baseline for mediation. Simultaneously, supporting Hypothesis H4, Intention to Use Sustainability Information exerts a very strong positive direct impact on Credit Decision-Making Orientation (β = 0.558, p = 0.000).

Regarding the mediating role, the indirect effects analysis confirms that Intention to Use Sustainability Information plays a full mediation role in the relationship between perceived ESG information disclosure and Credit Decision-Making Orientation. Hypotheses H5, H6, and H7 were all supported with a significance level of p = 0.000.

Finally, to address the limitations of relying solely on the R^2 coefficient for model evaluation, the study applied the PLSpredict procedure to assess out-of-sample predictive power as recommended

Table 5. Hypothesis testing and mediation effects results

Hypothesis	Relationship	Coefficient (β)	T-value	P-value	Conclusion
Direct Effects					
H1	END → CD	–0.096	1.371	0.171	Rejected
H2	SOD → CD	0.002	0.026	0.979	Rejected
H3	GOD → CD	–0.039	0.563	0.574	Rejected
H4	USE → CD	0.558	7.686	0.000	Accepted
Indirect Effects					
H5	END → USE → CD	0.250	5.786	0.000	Accepted
H6	SOD → USE → CD	0.203	5.729	0.000	Accepted
H7	GOD → USE → CD	0.232	5.844	0.000	Accepted

Table 6. Predictive power assessment results (PLSpredict)

Observed Variable	Q^2_predict	PLS-SEM_RMSE	LM_RMSE	Δ (PLS – LM)
CD1	0.036	0.738	0.752	–0.014
CD2	0.021	0.882	0.901	–0.019
CD3	0.057	0.828	0.845	–0.017
CD4	0.046	0.800	0.814	–0.014
USE1	0.254	0.670	0.691	–0.021
USE2	0.319	0.668	0.682	–0.014
USE3	0.292	0.731	0.750	–0.019
USE4	0.275	0.659	0.673	–0.014

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by Shmueli et al. (2019). The results in Table 6 indicate that all Q^2_predict values for the observed indicators of the dependent variable are greater than 0, affirming predictive relevance. Notably, when comparing the Root Mean Square Error (RMSE) between the PLS-SEM model and the naive linear benchmark (LM), the results show that RMSE_PLS is lower than RMSE_LM for all observed indicators of Credit Decision-Making Orientation and Intention to Use Sustainability Information. This discrepancy confirms that the proposed structural model possesses high predictive power, ensuring that the drawn conclusions are not only theoretically statistically significant but also hold high practical value in forecasting Credit Decision-Making Orientation at Vietnamese commercial banks.

4. DISCUSSION

The empirical results present significantly different findings compared to the majority of previous publications regarding the relationship between the perceived environmental, social, and governance disclosure and Credit Decision-Making Orientation. While capital market-level studies frequently confirm the direct impact of non-financial disclosure on the cost of equity (Dhaliwal et al., 2011; El Ghoul et al., 2011) or corporate bond yield spreads (Yang et al., 2021), data from the Vietnamese commercial banking system do not support these direct relationships. None of the three components of perceived ESG disclosure exert a statistically significant direct effect on Credit Decision-Making Orientation. This finding indicates that in an emerging market with nascent data standardization, the mere presence of non-financial information in loan applications is insufficient to alter the subjective credit appraisal of officers. This aligns with the perspective that divergence in measurement methodologies and inconsistencies in rating systems complicate the interpretation of sustainability information (Berg et al., 2022; Christensen et al., 2022), and that textual inconsistency in disclosures impedes the appraisal process (Hao et al., 2025). These factors explain why disclosed information does not automatically translate into credit advantages unless it undergoes cognitive filtration and deliberate reception by bank personnel.

Despite the absence of direct impacts, all three perceived disclosure dimensions exert a strong positive influence on the intention to use sustainability information among credit officers, with high statistical significance. Perceived environmental disclosure demonstrates the largest impact coefficient, followed by perceived governance and social disclosures. This result is consistent with the trend wherein financial institutions increasingly prioritize climate risks and demand transparency regarding environmental adaptation in lending activities (Bolton & Kacperczyk, 2021; Clarkson et al., 2008; Weber, 2012). The substantial impact of perceived governance information on usage intention also reinforces the argument that transparency in management structures mitigates agency conflicts, thereby enhancing data reliability for decision-makers (Anderson et al., 2004; Ashbaugh-Skaife et al., 2006; Bhojraj & Sengupta, 2003). Conversely, perceived social disclosure, while exhibiting a lower impact, remains a significant antecedent. This reflects the reality that indicators related to human resource stability and community relations may be more difficult to quantify and directly link to credit risk compared to environmental and governance metrics. These relationships demonstrate that the distinct characteristics of each sustainability pillar heterogeneously affect the cognitive process, exactly as predicted by the Theory of Planned Behavior (Ajzen, 1991) and the Technology Acceptance Model (Davis, 1989), which posit that highly comparable and clearly structured information reduces cognitive processing costs, thereby stimulating the intention to use sustainability information (Thompson & Cowton, 2004).

The full mediating role of the intention to use sustainability information constitutes the crux of the research model. The results indicate that the impacts of perceived environmental, social, and governance disclosures on Credit Decision-Making Orientation are entirely transmitted through this usage intention, with indirect coefficients of 0.250, 0.203, and 0.232, respectively, all achieving statistical significance. In other words, non-financial information only truly participates in shaping lending judgments when appraisal officers proactively form the behavioral intention to exploit and integrate sustainability data into their perceived decision-making architecture. This find-

ing expands current understanding beyond the macro-level linkages documented in cost-of-capital literature by elucidating the previously underexplored micro-behavioral mechanism. It directly supports the argument that the ultimate value of non-financial disclosure fundamentally depends on the behavioral intention of financial agents to process and integrate sustainability information (Basu et al., 2022; Ilhan et al., 2023). The lack of direct effects further emphasizes that even when enterprises comprehensively disclose data, this information must be cognitively processed by credit officers to become a weighted input in shaping their credit orientations.

The strong correlation between the intention to use sustainability information and Credit Decision-Making Orientation, evidenced by a path coefficient of 0.558, confirms the status of this behavioral variable as the most proximate antecedent to subjective credit evaluations. When contrasted with studies that identify indirect linkages from disclosure to reduced business risk or cash flow stability (Albuquerque et al., 2019; Lins et al., 2017), our findings suggest that in the Vietnamese market, the primary mechanism for such information to exert an economic effect is through the acceptance and deliberate utilization by the appraisal staff themselves. This full mediation also explains why mandatory disclosure regulations can alter corporate behavior and propagate through lending networks (Christensen et al., 2021; Ioannou & Serafeim, 2017; Wang, 2023), yet the ultimate effect on Credit Decision-Making Orientation remains uneven in the absence of reception readiness from information users. The research model successfully explains 46.7% of the variance in the intention to use sustainability information and 26.2% of the variance in Credit Decision-Making Orientation, while demonstrating higher predictive relevance compared to the naive linear benchmark in the PLSpredict evaluation. This indicates that the selected variables are not only statistically significant but also hold practical value for forecasting self-reported credit orientations in Vietnamese commercial banks. Overall, this study addresses the theoretical gap regarding the micro-mechanisms of sustainability information reception within financial institutions. By demonstrating that perceived environmental, social, and governance disclosures do not automatically generate favorable Credit Decision-Making Orientation without the formation of the intention to use sustainability information, the research emphasizes the necessity of shifting the focus from the volume and frequency of disclosure to the quality, structure, and usability of data from the appraiser's perspective. Comparatively, the absence of direct impacts in this study contrasts with evidence from developed markets, where sustainability information may be more standardized and deeply integrated into risk assessment systems, allowing for more automatic pricing mechanisms. This suggests that the institutional environment and the developmental stage of data infrastructure regulate the relationship between disclosure and credit outcomes, presenting a potential avenue for future investigations.

CONCLUSION

The primary objective of this study is to determine the impact of the perceived corporate environmental, social, and governance (ESG) information disclosure on Credit Decision-Making Orientation while clarifying the mediating role of the intention to use sustainability information within Vietnam's commercial banking system. Empirical results indicate that the perceived corporate sustainability reporting across all three dimensions has no statistically significant direct impact on the credit decision-making orientation of bank officers. Instead, the intention to use sustainability information acts as a full mediator. This intention is positively driven by the information transparency of borrowers and directly affects the self-reported credit decision-making orientation of appraisal officers. Consequently, the study reaches the critical conclusion that the mere mechanical existence of sustainability disclosures is insufficient to alter appraisal and credit risk management orientations in an emerging market with nascent data standards. Sustainable credit capital allocation trends are only truly catalyzed when appraisers possess a clear behavioral intention and proactively integrate this data into the risk assessment process.

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Theoretically, this study contributes a novel perspective to the academic literature by examining the micro-behavioral mechanisms in the processing of non-financial information by financial institutions. The majority of previous empirical works have typically focused on analyzing the direct linkage between information disclosure and the cost of capital or operational performance at the macroeconomic or firm level (Albuquerque et al., 2019; Dhaliwal et al., 2011; Lins et al., 2017). In contrast, the current study deeply analyzes the cognitive and psychological processes of decision-makers by combining the Theory of Planned Behavior (Ajzen, 1991) and the Technology Acceptance Model (Davis, 1989). The empirical findings support the perspective that the value of information disclosure lies not in the mere availability of data but depends on the behavioral intention of information processors to integrate those indicators into the risk assessment framework (Basu et al., 2022; Ilhan et al., 2023). This provides a robust theoretical foundation to explain the discrepancy between the increasing volume of sustainability reporting and the lag in actual capital flow transitions through the full mediating role of behavioral intention.

Regarding practical and policy aspects, the research findings offer significant implications for commercial banks and regulatory authorities in promoting sustainable finance. Commercial banks should not solely focus on requiring enterprises to increase the quantity of disclosure documents but must also emphasize enhancing the analytical capacity and readiness of their credit appraisal staff. Designing specialized training programs on non-financial risk quantification skills and standardizing internal appraisal procedures are essential to reduce the information processing burden on employees. Concurrently, banks need to proactively integrate climate and social risk criteria into their credit policies in accordance with international standards as recommended by the Basel Committee on Banking Supervision (2021). For regulatory authorities, promulgating detailed legal frameworks and clear technical guidelines modeled after the Task Force on Climate-related Financial Disclosures (2017) will help standardize the quality of corporate sustainability information. This, in turn, facilitates more effective data utilization by financial institutions.

Despite achieving scientifically valuable results, this study inherently possesses certain limitations that open avenues for future research. First, the study employs a cross-sectional survey method and self-reported data at a single point in time. This approach precludes the close monitoring of appraisal behavior shifts over the long term. Therefore, subsequent studies should apply longitudinal research designs or experimental methods to affirm causal relationships more robustly. Second, the current model operationalizes the perceived quality of corporate ESG disclosures as reflective constructs to capture the subjective cognitive perceptions of credit officers. However, future investigations utilizing objective, secondary physical metrics of ESG, including carbon emissions or board diversity, should consider employing formative indices or composite specifications (Hair et al., 2019; Jarvis et al., 2003). This measurement design would more accurately reflect the non-interchangeable nature of physical sustainability dimensions. Finally, the survey scope is currently restricted to the Vietnamese market. Expanding comparisons to other regional countries with varying levels of information infrastructure and institutional development will assist in verifying the generalizability of this theoretical model.

AUTHOR CONTRIBUTIONS

Conceptualization: Dang Phuong Mai, Bui Thi Thu Loan.
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APPENDIX A. Survey questionnaire

Dear Sir/Madam,

Our research team is conducting an empirical study to evaluate the impact of corporate Environmental, Social, and Governance (ESG) disclosures on Credit Decision-Making Orientation within the Vietnamese banking system.

As a professional directly involved in the credit appraisal and decision-making process, your expert insights are pivotal to the reliability and practical validity of this research. We guarantee that all responses will be kept strictly confidential and utilized exclusively for academic data analysis.

The questionnaire will take approximately 5 minutes to complete. We sincerely appreciate your valuable cooperation and contribution!

Part I: Demographic and organizational profile

(Please mark an [X] in the box that best corresponds to your current status)

1. Current professional position:

☐ Credit Officer
☐ Manager (Head/Deputy Head of Department)

2. Years of experience in the banking sector:

☐ Less than 5 years
☐ 5 to 10 years
☐ More than 10 years

3. Type of banking institution:

☐ State-owned Commercial Bank
☐ Joint-Stock Commercial Bank
☐ Foreign Bank

4. Highest educational attainment:

☐ Bachelor's Degree
☐ Master's Degree/MBA or higher

Part II: Evaluation of perceived ESG disclosure and credit decisions

Based on your practical experience in appraising corporate loan applications, please indicate your level of agreement with the following statements.

Measurement Scale (5-point Likert): **1** = Strongly Disagree **2** = Disagree **3** = Neutral **4** = Agree **5** = Strongly Agree

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A. Perceived Environmental Disclosure (END)

Your assessment regarding the perceived quality of environmental information disclosed by borrowing firms:

Code	Statement	1	2	3	4	5
END1	Greenhouse gas emissions and key environmental metrics in accordance with international standards.					
END2	Climate change mitigation strategies, targets, and transition pathways.					
END3	Capital expenditures and initiatives directed toward improving environmental performance.					
END4	The identification, assessment, and management of financial risks associated with environmental factors.					

B. Perceived Social Disclosure (SOD)

Your assessment regarding the perceived quality of social information disclosed by borrowing firms:

Code	Statement	1	2	3	4	5
SOD1	Policies ensuring occupational health, safety, and favorable working conditions for employees.					
SOD2	Training programs and human capital development initiatives.					
SOD3	Policies and empirical data related to diversity, equity, and inclusion within the organization.					
SOD4	The management of social impacts arising from business operations on employees, customers, and local communities.					

C. Perceived Governance Disclosure (GOD)

Your assessment regarding the perceived quality of governance information disclosed by borrowing firms:

Code	Statement	1	2	3	4	5
GOD1	Governance structure, board composition, and the degree of board independence.					
GOD2	Internal control mechanisms, risk management systems, and operational oversight procedures.					
GOD3	Business ethics policies, anti-corruption measures, and compliance control mechanisms.					
GOD4	Executive remuneration policies that are explicitly linked to sustainable development targets.					

D. Intention to Use Sustainability Information (USE)

Your personal behavioral intention regarding the utilization of sustainability data:

Code	Statement	1	2	3	4	5
USE1	I intend to proactively seek and review the sustainability information of corporate clients during upcoming credit appraisals.					
USE2	I plan to integrate sustainability indicators into the credit risk assessment and internal rating processes for corporate clients.					
USE3	I perceive that requesting additional sustainability data from clients is highly useful for enhancing the quality of my credit decision-making orientation.					
USE4	In the future, utilizing sustainability data will become a routine practice in my credit proposal and management workflow.					

E. Credit Decision-Making Orientation (CD)

Your self-reported policy orientations or behavioral dispositions when establishing credit terms:

Code	Statement	1	2	3	4	5
CD1	The perceived transparency and quality of a borrowing firm's ESG disclosure serve as a basis for me to consider applying more favorable lending interest rates.					
CD2	I am willing to apply more flexible credit conditions for clients perceived to demonstrate strong ESG compliance.					
CD3	The perceived level of transparency in a firm's ESG information positively influences my decision when determining their maximum credit limit.					
CD4	For borrowing firms with high perceived ESG risks, I will impose stricter loan covenants and credit control clauses in the loan agreement.					

Part III: Open-ended feedback

Should you have any further insights, recommendations, or practical observations regarding how corporate ESG transparency influences banking appraisal processes, credit risk management, or loan approvals, kindly share them in the space provided below:

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We extend our deepest gratitude for your time, active participation, and vital contribution to the success of this empirical study.

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