

Reviews of ECONJOURNAL-D-23-00049R2

Environmental Social Responsibility, Local Environmental Protection Strategy and Corporate Financial Performance — Empirical Evidence from Heavy Pollution Industry

Round 1

Reviewer 1

This article systematically analyzes the interactive mechanism of "responsibility- performance" in the process of corporate environmental social responsibility decision-making, explores the economic significance of corporate environmental social responsibility decision-making, and the possibility of establishing a long-term mechanism. This study focuses on a series of important influencing factors in the process of "responsibility- performance" interaction, quantifies the environmental protection attitude of local governments through text analysis, and empirically tests the influence mechanism of corporate ownership nature, industry competitiveness, and forward-looking environmental strategy. The overall structure of the article is relatively complete, the workload is sufficient, and it also has a certain theoretical marginal contribution.

Minor revisions

1. The core issue of concern in this study is the relationship between environmental social responsibility and financial performance, and the existing literature on the relationship between the two is relatively weak and recommended to be added.
2. In examining the impact mechanisms of expected performance feedback, the authors present two inconsistent findings of existing research on the impact of expected performance gap on social responsibility, but directly state hypothesis 2: "Expected performance gap exhibits a positive moderating effect on the responsibility-performance relationship ", what is the basis for this? Additional refinements are suggested to enhance the reasonableness of the hypothesis.
3. It is recommended to enrich the theoretical analysis in the section "Other adjustment mechanisms of the internal and external environment of enterprises".
4. What is the reason for choosing expected performance feedback rather than financial performance as an influencing factor for environmental responsibility? This needs to be made clear.
5. The formula defined by the UnEBIT variable lacks the meaning of specific symbols.
6. The article regresses groupings of expected performance feedback, local environmental strategies (environmental attitudes, environmental regulation), and industry competitiveness based on sample medians rather than averages.

Is this grouping method scientific and well-founded?

7. From the model built by the authors, the nature of ownership does not seem to play a moderating role in the group regression results in Table 4. Try to set the reason in more clearly.

8. The authors stated that the expected performance surplus is more conducive to the positive interaction between responsibility and performance than the expected performance gap. It is significant to address the issue of how to promote the initiative of environmental social responsibility of companies with the performance gap. This should be addressed in the appropriate place in the article.

9. In the conclusion, the authors put forward that "The environmental protection strategies of local governments have a negative regulatory effect on the performance responsibility relationship". Is the proposed environmental protection strategy not conducive to environmental social responsibility? It seems different from the reality.

10. The data in the article are chosen for the 2010-2020 period, and whether the data can be updated to enhance the guiding meaning of the conclusions in reality.

11. Line number is recommended in order to put forward opinions about revision.

After a careful review of this article, I believe that it should be resubmitted for review after minor revisions that will be pointed out to the author.

12. Expand literature review by citing related work such as following DOIs: 10.22105/bdcv.2022.325256.1041, 10.56578/josa010104, 10.1007/978-981-19-9909-3_9, 10.1155/2022/1464340, 10.22105/riej.2021.266497.1183,

clear and specific suggestions stating which aspects of the manuscript must/should be improved, and your rationale.

Reviewer 2

The article takes the expected performance feedback as the entry point to study the relationship between environmental social responsibility, local environmental protection strategies, and corporate financial performance. From the research perspective, the article has certain contributions, that is, on the basis of the existing research related to environmental responsibility and financial performance, it further considers the impact of the feedback role of financial performance on the corporate commitment to environmental social responsibility and proposes that there is a benign mutual promotion mechanism between the two. This has significance for the promotion of the enterprise economy as well as the environment. However, the following issues remain to be discussed with the authors.

1. The authors should explain better the benign mechanism between corporate

environmental responsibility and financial performance. It is not clear how the benign mechanism is reflected.

2. The article as a whole lacks certain theoretical model derivation, and only two regression models to verify this mutual promotion relationship lack certain explanatory power and cannot substantively verify the reliability of the conclusion.

3. "Scholars found that only through government environmental regulation can enterprises fulfill their social responsibility and achieve the effect of reducing resource waste and environmental pollution." Whether this is a personal judgment of the authors. If the view is from other scholars, additional literature is suggested to clarify it.

4. The environmental protection strategy in hypothesis 4 needs to be expressed as specific strategies in order to make the hypothesis a testable conclusion to be tested.

5. In designing the expected performance feedback indicator, the article directly sets equal to 0.5. It is recommended to use multiple points for robustness testing.

6. The author's description of some variables is not clear enough, such as the meaning of Pit-Ait in the definition of variables in Table 1.

7. The sample of this study selected the heavy pollution industry, but the undertaking of environmental social responsibility is not limited to the heavy pollution industry. Does this sample selection method reduce the application value of the article?

8. The sample years of the article are relatively old, and it is recommended to update to the most recent years of data available to enhance the application value of the article.

9. The English of your article must be improved before resubmission. Strongly recommend that the English of the article be thoroughly checked for typos, grammar, and words...Also, there are long sentences that need to be broken up.

10. There are still several hanging questions: What is the purpose of environmental responsibility? Given the long investment cycle, uncertain costs, and unknown expected benefits, is it sufficient to argue for the initiative of environmental social responsibility based solely on the "responsibility-performance" relationship? In reality, the interaction between the government, enterprises, and other stakeholders will make the decision more complex, and it is suggested to build a systematic model to explain and justify the whole decision-making process more completely.

11. From the existing theoretical framework of the article, a more desirable direction for this study to contribute is the construction of a long-term mechanism for corporate environmental social responsibility initiatives. It is suggested that the authors consider incorporating evolutionary analysis or simulation analysis to obtain a stable strategy in line with realistic scenarios and enhance the scientific and application value of the conclusions.

Round 2

Reviewer 1

Dear Authors

The paper is very well written, and contributes Environmental Social Responsibility, Local Environmental Protection Strategy and Corporate Financial Performance — Empirical Evidence from Heavy Pollution Industry. The following are the suggestions to improve the paper.

Please include any specific comments for the author concerning his/her manuscript. These comments will be sent to the author. Please use as much space as necessary. Please be as constructive as possible and includeThis article systematically analyzes the interactive mechanism of "responsibility-performance" in the process of corporate environmental social responsibility decision-making, explores the economic significance of corporate environmental social responsibility decision-making, and the possibility of establishing a long-term mechanism. This study focuses on a series of important influencing factors in the process of "responsibility-performance" interaction, quantifies the environmental protection attitude of local governments through text analysis, and empirically tests the influence mechanism of corporate ownership nature, industry competitiveness, and forward-looking environmental strategy. The overall structure of the article is relatively complete, the workload is sufficient, and it also has a certain theoretical marginal contribution.

Minor revisions

1. The core issue of concern in this study is the relationship between environmental social responsibility and financial performance, and the existing literature on the relationship between the two is relatively weak and recommended to be added.
2. In examining the impact mechanisms of expected performance feedback, the authors present two inconsistent findings of existing research on the impact of expected performance gap on social responsibility, but directly state hypothesis 2: "Expected performance gap exhibits a positive moderating effect on the responsibility-performance relationship ", what is the basis for this? Additional refinements are suggested to enhance the reasonableness of the hypothesis.
3. It is recommended to enrich the theoretical analysis in the section "Other adjustment mechanisms of the internal and external environment of enterprises".
4. What is the reason for choosing expected performance feedback rather than financial performance as an influencing factor for environmental responsibility? This needs to be made clear.
5. The formula defined by the UnEBIT variable lacks the meaning of specific symbols.
6. The article regresses groupings of expected performance feedback, local environmental strategies (environmental attitudes, environmental regulation),

and industry competitiveness based on sample medians rather than averages. Is this grouping method scientific and well-founded?

7. From the model built by the authors, the nature of ownership does not seem to play a moderating role in the group regression results in Table 4. Try to set the reason in more clearly.

8. The authors stated that the expected performance surplus is more conducive to the positive interaction between responsibility and performance than the expected performance gap. It is significant to address the issue of how to promote the initiative of environmental social responsibility of companies with the performance gap. This should be addressed in the appropriate place in the article.

9. In the conclusion, the authors put forward that "The environmental protection strategies of local governments have a negative regulatory effect on the performance responsibility relationship". Is the proposed environmental protection strategy not conducive to environmental social responsibility? It seems different from the reality.

10. The data in the article are chosen for the 2010-2020 period, and whether the data can be updated to enhance the guiding meaning of the conclusions in reality.

11. Line number is recommended in order to put forward opinions about revision.

After a careful review of this article, I believe that it should be resubmitted for review after minor revisions that will be pointed out to the author.

12. Expand literature review by citing related work such as following DOIs: 10.22105/bdcv.2022.325256.1041, 10.56578/josa010104, 10.1007/978-981-19-9909-3_9, 10.1155/2022/1464340 ,10.22105/riej.2021.266497.1183,

e clear and specific suggestions stating which aspects of the manuscript must/should be improved, and your rationale.

Reviewer 2

All the points suggested have been addressed, In my opinion, the article may be considered for publication

Round 3

Reviewer 1

Dear Authors

Thank you very much for your replying on all the comments.

Regards