

List of Changes

Manuscript: #EECE-6842

Assessment of Impact of Economic Sustainability on Shareholder Return and Economic Profit of BRICS Industrial Companies Following Digital Transformation Strategy

Response and Revision made by Author(s)

Reviewer #1:

No	Comments	Revision/Changes
1	Please include at least 3 relevant IJTech articles (2020 - present) as references	<p>The following references have been added to this section:</p> <p>Berawi, M.A., 2020. Managing Nature 5.0: The role of Digital Technologies in the Circular Economy. <i>International Journal of Technology</i>, Volume 11(4), pp. 652–655</p> <p>Berawi, M., 2022. Innovative digital technology and economy capacity development. <i>International Journal of Technology</i>, Volume 13(7), p. 1369</p> <p>Pishalkina, I., Pishalkin, D., Suloeva, S., 2022. Research of the efficiency of mining and metallurgical enterprises based on environmental, social and governance risk rating in the context of digital transformation. <i>International Journal of Technology</i>. Volume 13(7), pp. 1442-1451.</p>
2	<p>Results and Discussion: The result should be compared with the one from previous research which uses consolidated metrics. Moreover, if the comparison exhibit some differences, how to claim which one is (closer to) right and which one is (more likely to be) wrong?</p>	<p>The following material have been added to this section:</p> <p>“...Our finding also did not match with those of Narula et al., 2023 who studied 220 Indian firms from the year 2018-2020 and found no impact of ESG scores and their components on Tobin Q. The difference in results can be explained by the different time periods in the samples, as well as the fact that TSR is a better measure of value for shareholders than Tobin Q the latter can be affected by accounting manipulations..”</p> <p>“...The coefficient at ESG combined score is negative and significant at 10% level (Table 3). This matches the conclusions in studies (Duque-Grisales and Aguilera-Caracuel, 2019) and confirmed our assumptions that in short-term social initiatives increased the company’s expenses leading to decrease in profit. The latter was not compensated by decrease in cost of</p>

		<p>funding and this led to the reduction of firm's value..."</p> <p>"...Thus, the hypothesis 3 can not be rejected. The results for Chinese market still contradict to findings of Huang et al., 2022. Additionally, our findings contradicted with those of Narula et al., 2023 for Indian market. These variances can be explained by difference in the period of sampling or differences in the dependent variables but still require further investigation..."</p> <p>"...Our findings agreed with those of Skhvediani et al., 2022 who found significant positive relationship between ES practices and market value added of companies in technology and industrial sectors..."</p> <p>"... Thus, the hypothesis H4 cannot be rejected. Our findings agree with those of Skhvediani et al., 2022 or Garcia, 2017 who found the strongest FP-ES relationship for the companies from high-carbon-intensive industries..."</p>
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Reviewer #2:

No	Comments	Revision/Changes
1	<p>Methodology: Consider briefly discussing how the chosen variables and methodology contribute to addressing the identified gaps in the literature, reinforcing the paper's novelty</p>	<p>The following material have been added to this section:</p> <p>Thus, choosing TSR and EVA as dependent variables, firstly, helped to reduce the impact of accounting adjustments, which had not been done in the existing literature. Secondly, the choice of TSR and EVA helped to close the gap in the literature on the short-term and long-term impact of ESG practices on companies' value. Thirdly, the paper measures the effectiveness of individual sustainable development practices, while the existing literature is limited to the study of aggregated estimates.</p>