Dear the Editor,

Thank you very much for the opportunity to revise and submit the paper to the *Journal of Risk and Financial Management*. Please be advised that all comments from the reviewer are now considered and incorporated in the revised version. More importantly, the paper will be professionally edited by the language editor recommended by the Reviewers to ensure consistency, clarity and coherence of information presented in the paper.

I would like to take this opportunity to thank you for your continuing support.

Best regards

Loan Van
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<th>Reviewers’ Comments</th>
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<td><strong>Reviewer 1</strong></td>
<td>Thank you. We have written three new paragraphs for more explanation.</td>
<td>The concept of CSR has been introduced in Vietnam since 2002 by international organizations such as the World Bank (Tran and Jeppesen, 2016). Research about CSR in Vietnam might begin since that time. My literature review shows that research on it is little, particularly relating to SMEs. Most research focuses on customers’ perception towards CSR (see, e.g. Bui, 2010; Thi and Van, 2016; Nguyen, 2016; Tran et al., 2017; Van, 2019). In other words, they explored how Vietnamese customers understand CSR. Their findings show that the concept of CSR is still new to research participants. In addition, many studies in Vietnam used CSR dimensions by Carroll (1991) such as economic, legal, ethical and philanthropic responsibilities (see, e.g. Bui, 2010; Nguyen et al., 2014; Thi and Van, 2016; Nguyen, 2016). They have not pointed out drivers such as the internal environment of SMEs that impacting the implementation of CSR in firms—this will be explored in our research. Our review on literature shows that research about CSR in Vietnam usually studies the views of consumers, rather than managers, especially relating to SMEs (see, e.g. Bui, 2010; Thi and Van, 2016; Tran et al., 2017; Van, 2019). Collecting CSR opinions by customers may be easier than that by managers—this implies that our research, which studies manager perspectives, may be invaluable for literature. Research by Tran and Jeppesen (2016) is one of few studies exploring the voice of managers about CSR in SMEs in Vietnam. Tran and Jeppesen (2016) interviewed 20 managers and 125 workers in 20 Vietnamese textile, garment and footwear firms. Their study explored the way to practice CSR in the firms such as physical environment, working conditions, wages and benefits. Their research findings showed that CSR was not implemented in the firms because financial resources were limited; and managers and workers did not understand the concept of CSR. Nguyen and Pham (2016) are other...</td>
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researchers studying factors influencing the implementation of CSR in Vietnamese firms. Four factors such as regulatory system, knowledge of CSR, capital and human resources were used to test in their research. They sent a questionnaire to 207 firms in different business fields. Their research results showed that only the two factors affecting the way the firms practiced CSR are capital and human resources. As can be seen that SMEs in Vietnam may not be ready for adoption of CSR due to cash limitations, however, in the industry of textile and garment, they may do due to the pressure of international partners, or competitive environment. Factors impacting the adoption of CSR in firms in Vietnam such as competitive context, social influences, the understanding of managers about CSR and the internal environment of firms have not been focused in these studies yet. Our research will examine them from the view of managers who can play a decisive role in putting CSR in firms’ developmental strategy.

What is your sampling strategy? How do you select your sample of SMEs?

Thank you. We added more information about this.

Quantitative research was a survey on 330 top, middle and low-level managers in different SMEs in Vietnam. We chose the firms based on the list of registered SMEs in the textile and garment industry provided by Ho Chi Minh City Tax Department.

You must provide a possible explanation about the correlation between CSR and MTCT.

Thank you. We explained this.

Research findings show that competitive context (observed variable MTCT) is the strongest driver to impact the strategy, plans and decisions of CSR in SMEs (see Table 1, 3 and 6). This is a reason for SMEs to engage CSR in order to reach their own business objectives. The context here relates customers, international partners, suppliers and business partners, policies and standards of the industry and market, formal and informal surveys of customers. The large majority of goods (90%) in the Vietnam’s textile and garment industry are exported to other countries such as United States, Japan and Europe (Song, 2018; Duyen, 2019). So, the expectations of external stakeholders particularly international customers and business partners may be important for companies in Vietnam in terms of the international standards of CSR and the industry. The pressure of shipment returns by
European partners such as in 2018 (Bach Hue, 2019) can be an example to answer why competitive context is the most important impact on adopting CSR in companies. This finding is different with other research of CSR in SMEs (e.g. De Kok and Uhlaner, 2001; Massoud, 2010)—their research said that SMEs are often challenged from local rather than international markets and deal with less stakeholder stress. The difference can be due to the export market-specific characteristics of the industry in Vietnam. Another interesting point here is that SMEs have to put CSR in their business plans immediately because of stakeholder pressure and competitive context. Although SMEs have financial limitation compared to large enterprises (Kusyk and Lozano, 2007; Sweeney, 2007), they will adopt CSR soon owing to business requirements and stakeholders’ satisfaction.

The conclusions could be extended

Thank you. We added two new paragraphs in Conclusion Section.

This study is conducted in Vietnam where scholarship is emerging. This contributes to a broader understanding of CSR in SMEs especially in the developing world. The research is also significant because it explores the SMEs’ engagement of CSR in a country where CSR is new to the public. Another contribution of this study relates to the research sample. The study collected the data from SMEs perspectives, not large enterprise ones. In other words, our research findings reflect the view of SME managers who have an important role in making decisions about why firms need to put CSR in their business strategy. Finally, this research provides empirical evidence in the textile and garment industry. SMEs may have resource limitations, however, they are ready to practice CSR due to the pressure of competitive context and social influences.

There are limitations in this study that needs to be considered in future research. Firstly, this study was conducted only in the textile and garment industry. Thus, generalizability of the research results is limited. Research in future should explore in other industries so that it can find out similarities and differences among them. Secondly, our research was surveyed in SMEs only. Future studies need to examine in large
companies in order to compare the practice of CSR between SMEs and large enterprises in the developing world such as Vietnam. Finally, future studies should use cross-country ones for better understanding the use of CSR theories in different countries.