

The Influence of Corporate Social Responsibility, Leverage and Firm Size on Firm Value: A Case Study of Food and Beverage Sectors

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Abstract

This research holds significant importance in the context of finance and corporate management by using independent variables including corporate social responsibility (CSR) evaluated through Corporate Social Disclosure Index, leverage evaluated through Debt to Equity Ratio, and firm size evaluated through Size, alongside the dependent variable of firm value evaluated through Tobin's Q. The research goal is to investigate how CSR, leverage and firm size affect the value of food and beverage companies that are listed on the Indonesia Stock Exchange between 2019 and 2022. The study's population consisted of 75 companies using purposive sampling guided by predetermined criteria, resulting in 27 companies with 108 data. This study employed a causal research design to determine cause-and-effect relationships, with secondary data acquired from financial and annual reports as well as data analysis methods such as the Classical Assumption Test, Hypothesis Test, Multiple Linear Regression Test, and Coefficient of Determination Test calculated through statistical tools. The findings indicate that CSR negatively affects firm value, implying that companies need to evaluate their CSR strategies to avoid adverse effects on the firm's value. Leverage negatively affects firm value, suggesting that companies should consider their capital structure to prevent incurring costs on the firm's value. On the other hand, firm size positively affects firm value, suggesting that it could be an encouragement for companies to maintain and expand their operations to enhance the firm's value. This research provides basic considerations for prospective investors to be more cautious when evaluating how companies represent both financial and non-financial information. Companies should also maintain good management performance, leading to an enhancement in their firm value over time.

Keywords: Corporate Social Responsibility, Leverage, Firm Size, Firm Value, Food Beverage Sector

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INTRODUCTION

The success of a company is reflected in investors' assessment of management's ability to manage the company and the extent to which management functions have been implemented (Julito & Ticoalu, 2023). The efforts and actions taken by management significantly impact the firm value. According to news.detik.com (2019), the food and beverage industry plays a significant role in the country's economic development. In the first quarter of 2019, the food and beverage industry grew by 6.77%, but in 2020, it only grew by 1.58%. In the third quarter of 2022, the food and beverage industry rebounded with a growth of 3.57%, surpassing the 3.49% recorded in the same period in 2021 (kemenperin.go.id, 2022). According to the data analysis results, it is observed that 80% of the sampled companies in the food and beverage sector also fluctuate in their firm values, as exemplified by PT. Indofood CBP Sukses Makmur Tbk, which obtained Tobin's Q of 3.13 in 2019, 1.43 in 2020, 1.48 in 2021, and 1.65 in 2022, as well as PT. Ultra Jaya Milk Tbk, which obtained Tobin's Q of 3.03 in 2019, 2.48 in 2020, 2.56 in 2021, and 3.27 in 2022. Therefore, companies need to find strategies to maintain and enhance their firm values, which can be determined by various factors such as the implementation of corporate social responsibility, the size of debts, and the size of the company.

The firm value plays a crucial role that investors should pay attention to (Tzeliem & Syahzuni, 2023). Savitri et al. (2020) also state that optimal benefits for shareholders can be achieved in line with the increase in the firm value and the rise in its stock price. If the firm value does not reflect good performance, investors tend to view the company as having a low value. Low assessments and fluctuations in the firm value indicate stock price instability, which can be a consideration for prospective investors' investment decisions (Ilham et al., 2022). Kristi et al. (2020) state that the implementation of social responsibility is a non-financial factor that investors consider can impact the firm value, particularly through corporate social responsibility (CSR). Companies need to undertake CSR activities to carry out their operational activities that are interconnected with human and natural resources. Therefore, companies are advised to disclose social responsibility as evidence of their concern for corporate sustainability (Machmuddah et al., 2020). CSR also contributes to increased consumer loyalty, subsequently boosting sales and profitability (Hichri & Ltifi, 2021). This enhances the company's image, leading to increased investor interest in investing. With excellent corporate performance, the firm value will increase (Lucia et al., 2020).

The proportion of a company's debt can also impact its value, as illustrated through the leverage ratio (Markonah et al., 2020). According to Sumardi (2020), leverage is defined as the use of borrowed funds to increase a company's profits. However, if the amount of debt is too large, it can hurt the firm value. Conversely, if debt utilization is managed effectively, it can positively influence the increase in the firm value (Hanifah & Gunaningrat, 2022). The size of a company whether large or small, also influences the firm value. The measurement of the firm size can be calculated based on total assets, total equity, or sales. Larger-scale companies tend to assure investment decisions for investors, which in turn increases the firm value (Reschiwati et al., 2020). In making investment decisions, investors assume that large companies have positive performance achievements and have undergone development. Another viewpoint expressed by Hirdinis (2019) is that a large-scale

company can facilitate access to funding sources, which will also impact the enhancement of its firm value. Companies classified as large will attain various advantages that cannot be obtained by small companies (Wahyuningrum & Sunarto, 2023).

The research of Tarjo et al. (2022) explains that corporate social responsibility has a positive impact on the firm value. However, according to Mukhtaruddin et al. (2019), corporate social responsibility hurts the firm value. Subsequently, Markonah et al. (2020) revealed that leverage has a positive effect on the firm value. On the other hand, Ardian et al. (2023) conveyed that leverage hurts the firm value. Furthermore, Husna et al. (2019) assert that the firm size has a positive effect on the firm value. This differs from Bon et al. (2022), who explain that the firm size cannot influence the firm value. Nevertheless, this research does not use financial fraud as a moderation variable and adds leverage and the firm size as independent variables, focusing on food and beverage companies listed on the Indonesia Stock Exchange from 2019 to 2022. The reason for applying the leverage variable is to assist investors in evaluating the proportion of debt to equity, guiding the sustainability of stock investments in companies. Meanwhile, the firm size variable is added because it can be a reflection of the overall sales volume of the company. The selection of companies in the food and beverage sector is made because this sector is a fundamental industry that continues to grow and generates unavoidable competition. The aim of this research is to examine how corporate social responsibility, leverage, and firm size impact the value of companies in the food and beverage industry on the Indonesia Stock Exchange during the period from 2019 to 2022.

LITERATURE REVIEW

Signaling Theory

The signaling theory serves as an understanding of management's actions in conveying information to investors to influence their decisions regarding the company's condition. Initially introduced by Spence (1973), the signaling theory reveals that management endeavors to convey signals in the form of high-quality information that can reflect the company's state and be beneficial for investors. The perspective of the signaling theory implies that when a company can send signals to investors through information reporting, it will create a positive outlook for investors regarding the company's prospects (Triani & Tarmidi, 2019). The company's information dissemination also acts as a signal for investors in their decision-making process for investment (Hermawan et al., 2023). Investors prefer comprehensive, relevant, and accurate information to analyze financial reports and observe the company's sales growth from year to year (Pattiruhu & Paais, 2020). Complete financial reporting information will form a positive signal for investor confidence, thereby enhancing the firm value.

Legitimacy Theory

Initially, the legitimacy theory was introduced by Dowling et al. (1975), stating that this theory describes the difference between the values applied by a company and the values believed by the public. According to Sari (2019), the legitimacy theory is

more focused on the corporate management system to build interaction between the company and the community. The legitimacy theory is considered a system-oriented perspective, meaning that companies can exert or receive influence from the scope of their activities (Silva, 2021). Thus, companies are aware that operational sustainability depends on their connection with the community and the environment in which they conduct their activities (Rodrigues et al., 2021). According to Winarto et al. (2020), the implementation of Corporate Social Responsibility (CSR) is considered an activity that is acceptable to the community. Solikhah et al. (2020) also affirm that the legitimacy theory serves as a link between the company and the community through CSR activities aimed at improving the welfare and trust of the public, as well as addressing issues in the surrounding environment to be accepted by the community as an effort to enhance the firm value.

Firm value

Putri et al. (2021) propose that the firm value can determine an investor's perception, correlating the company's success with its stock value. The extent of stock value ownership leads to an increase in the firm value, and this not only instills confidence in investors regarding the current prospects but also in the future potential of the company. The escalating firm value is considered an accomplishment by investors because a company deemed good signifies good performance as well (Sukesti et al., 2021). As an alternative measurement of firm value, Tobin's Q ratio is applied, involving all elements of a company's debt and equity (Sari & Wulandari, 2022). Sari et al. (2023) explain that if Tobin's Q value is < 1 , then the company's book value exceeds its market value, indicating that the company is perceived to have undervalued stocks. If Tobin's Q = 1, it means the company's market value is equivalent to its book value, indicating that the market successfully evaluates the company normally. However, if the value is > 1 , then the company's market value surpasses its book value, signifying high growth potential in the company, causing the firm value to exceed its assets (overvalued).

Corporate Social Responsibility (CSR)

Corporate social responsibility is known for a company's awareness of social and environmental issues while operating its business (Carroll, 2021). Elkington (1997) revealed that CSR has three components: profit, people, and planet, known as the triple bottom line concept. This concept illustrates that companies should not only focus on seeking profits but also consider the well-being and rights of stakeholders (people) and maintain environmental sustainability (planet). Hermawan et al. (2023) state that investor interest in investment can be enhanced by a high CSR value of the company, which can contribute positively to the firm value. The GRI Index standard is one way to measure CSR disclosure by examining a company's annual reports or sustainability reports for specific items (Zuhriah & Maharani, 2022). Each disclosed item receives a score of 1 but for items not disclosed, a score of 0 is assigned, which is then summed up to compare and determine the level of a company's engagement in CSR (Alkayed & Omar, 2023). This research uses the GRI Standards 2016 with 136 items and the GRI Standards 2021 with 117 items. Some aspects of CSR disclosure

applied in the GRI Index include economic, environmental, social, and other relevant aspects (Suryono, 2022).

Leverage

Leverage is a ratio used to compare a company's owner equity and funds acquired through loans from creditors, to assess the extent to which the company is responsible for debt obligations to meet assets (Bintara, 2020). An increase in total debt can be an expense for the company, potentially reducing its image and the trust of investors, thus impacting a decrease in the firm value as well (Putri & Ramadhan, 2020). One method of measuring leverage is through the use of the Debt to Equity Ratio (DER) to calculate the total equity with the total debt of the company. Angelia et al. (2020) also state that this measurement provides an overview of the company's ability to fulfill its obligations, including both current and non-current liabilities. Hasanuddin et al. (2021) convey that if $DER < 1$, it indicates that the company's debt is less than its equity value. If $DER = 1$, it indicates that the company's debt usage is equal to its total equity. However, if $DER > 1$, it signifies that the company's debt is greater than its equity.

Firm Size

Assessing the size of a company can be done through asset sales, stock value, and sales rate calculations (Margono & Gantino, 2021). This research applies total sales to observe the scale of a firm size. A high volume of company sales facilitates funding activities through external funding sources, thereby streamlining the company's operations (Sakinah & Hendrani, 2022). According to Indrati et al. (2023), companies with high sales figures attract more attention from investors, leading to an increase in stock demand and encouraging investors to invest in the company, increasing the firm value. By Undang-Undang Nomor 7 Tahun 2021 Pasal 35 – 36, the categorization of MSMEs is based on criteria such as annual sales revenue up to Rp 2,000,000,000 for microbusinesses, Rp 2,000,000,000 – Rp 15,000,000,000 for small businesses, and Rp 15,000,000,000 – Rp 50,000,000,000 for medium-sized businesses (databooks.katadata.co.id, 2023).

RESEARCH METHODS

This research employs a causal design to evaluate the cause-and-effect relationships among variables, using a quantitative method that requires measurements or proxies for corporate social responsibility, leverage, and firm size as independent variables, and firm value as the dependent variable. The following are operational definitions of variables:

1. Corporate social responsibility is measured using the Corporate Social Disclosure Index, calculated by the formula:

$$CSD_{ij} = \frac{\sum X_{ij}}{n_j}$$

2. Leverage is measured using Debt to Equity Ratio, calculated by the formula:

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

3. Firm size measured using Ln Total Sales, calculated by the formula:

$$Size = Ln (Total Sales)$$

4. The firm value is measured using Tobin's Q, calculated by the formula:

$$\text{Tobin's Q} = \frac{(\text{MVE} + \text{Debt})}{\text{Total Asset}}$$

The studied population includes manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2019 to 2022. The research utilizes purposive sampling techniques to select samples based on specific criteria, such as companies that issued consecutive financial reports from 2019 to 2022, did not incur losses, presented financial statements in Indonesian Rupiah, and engaged in CSR activities. From the total population of 75 companies, a sample of 27 companies with 108 data points was obtained based on the research criteria. The data analysis method is conducted through descriptive statistical tests. The collected data will be tested for its validity using classical assumption tests, including the Normality Test, Multicollinearity Test, Heteroskedasticity Test, and Autocorrelation Test. Hypothesis testing includes model feasibility test (F Test), partial test (T-Test), and Coefficient of Determination (R2) using multiple linear regression analysis to assess the correlation between two or more independent variables and one dependent variable. The equation model for multiple linear regression is as follows:

$$FV = \alpha + \beta_1 CSR - \beta_2 LEV + \beta_3 Size + \varepsilon$$

Explanation:

FV = Firm Value (Tobin's Q)

CSR = Corporate Social Responsibility (CSDij)

LEV = Leverage (DER)

Size = Firm Size (Size)

α = Constant Coefficient

β = Coefficient for each independent variable

ε = Error

HYPOTHESIS

Based on the theoretical exploration discussed earlier, we establish the subsequent hypothesis:

H1: Corporate Social Responsibility has a positive effect on Firm Value of Food and Beverage Sectors for the 2019 - 2022 period

H2: Leverage harms Firm Value of Food and Beverage Sectors for the 2019 - 2022 period

H3: Firm Size has a positive effect on Firm Value of Food and Beverage Sectors for the 2019 - 2022 period

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1. The Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Std. Deviation
CSR	108	0.22	0.91	0.5332	0.12986
LEVERAGE	108	0.11	2.46	0.7907	0.58168
FIRM SIZE	108	27.03	32.34	29.4352	1.41050
FIRM VALUE	108	0.67	7.90	2.0606	1.45293

Data source processed, 2024

According to the summary of descriptive statistical analysis, the variable Corporate Social Responsibility (CSR) is measured using the Corporate Social Disclosure Index (CSDij) with an average value of 0.5332. This indicates that food and beverage companies disclose CSR at a rate of 53.32%, which is still quite far from the total disclosure of all items in the GRI standard. The lowest disclosure of 0.22 is reported by PT. Sekar Laut Tbk in 2022 and the highest of 0.91 is reported by PT. Sawit Sumbermas Sarana Tbk in 2022. Furthermore, the leverage variable is measured using the debt-debt-equity ratio (DER) with an average value of 0.7907, indicating that food and beverage companies fall into the healthy category as they have a DER value below 1 (Hasanuddin et al., 2021). This indicates that companies only use 79% of their equity to settle their debts. The lowest leverage value of 0.11 is reported by PT. Wilmar Cahaya Indonesia Tbk in 2022 and the highest of 2.46 is reported by PT. Tunas Baru Lampung Tbk in 2022.

Next, the firm size variable uses the measurement of Ln total sales, resulting in an average value of 29.4352 or Rp 6,074,981,136,211 in non-Ln form, meaning that food and beverage companies are categorized as large companies because they have sales exceeding 50 billion Rupiahs, according to the classification criteria in Undang - Undang Nomor 7 Tahun 2021 Pasal 35 - 36 (databooks.katadata.co.id, 2023). In other words, the company has easier access to generate funds both from internal and external sources. The lowest firm size value of 27.03 is reported by PT. Delta Djakarta Tbk in 2020 and the highest of 32.34 is reported by PT. Indofood Sukses Makmur Tbk in 2022. Finally, the firm value variable uses Tobin's Q measurement with an average value of 2.0606, indicating that food and beverage companies have overvalued stock prices because the market value is twice as large as the book value. This condition signifies that the company's performance is satisfactory, categorizing its value as good because it is more than 1 (Sari & Septiano, 2023). The lowest firm value of 0.67 is reported by PT. PP London Sumatra Indonesia Tbk in 2022 and the highest of 7.90 is reported by PT. Multi Bintang Indonesia Tbk in 2019.

Classical Assumption Test

Before evaluating the classical assumption tests, an outlier analysis was conducted to eliminate extreme values from 16 data, resulting in 92 remaining data. Based on the normality test using Kolmogorov-Smirnov, it was concluded that the data is normally distributed as the significance value is $0.200 > 0.05$. The multicollinearity test results obtained Variance Inflation Factor (VIF) values < 10 for

each variable, namely CSR at 1.065, leverage at 1.325, and firm size at 1.311, as well as tolerance values > 0.1 for each variable, namely CSR at 0.939, leverage at 0.755, and firm size at 0.763, indicating no multicollinearity. Heteroskedasticity test results using the Spearman test by relating each independent variable to the residual values obtained significance values > 0.05 for each variable, namely CSR at 0.920, leverage at 0.653, and firm size at 0.968, indicating no heteroskedasticity. Autocorrelation test results using Durbin Watson (DW) produced a DU value of 1.7285 as explained in the DW table, where n = 92 and k = 3. This study used the Cochrane-Orcutt method to calculate the lag formula for each variable, resulting in a DW value of 1.738, indicating that the data is free from autocorrelation symptoms.

Multiple Linear Regression Analysis

In this research, there is a regression equation as follows:

$$FV = -1.343 - 3.962CSR - 0.572LEV + 0.278Size + \varepsilon$$

From the explained equation, the constant value of -1.343 is interpreted as follows if all independent variables are valued at 0, the estimated value of the firm value is expected to decrease by 1.343. The beta value of variable X1 (CSR) is -3.962, meaning that if the CSR variable increases by 1%, the firm value variable decreases by 3.962. The beta value of variable X2 (leverage) is -0.572, indicating that if the leverage variable increases by 1%, the firm value variable decreases by 0.572. The beta value of variable X3 (firm size) is 0.278, meaning that if the firm size variable increases by 1%, the firm value variable also increases by 0.278.

F-Test (Model Feasibility)

To determine the feasibility of the model, an F-test was conducted with a calculated F value of 16.622 > the F table value of 2.71, and a significance value of 0.000 < 0.05, indicating a significant overall influence on the regression model. Therefore, this study meets the criteria for further testing. The purpose of hypothesis testing is to assess how independent variables partially influence the dependent variable. According to the table above, the variable CSR yields a T value of -6.077 and a significance value of 0.000 < 0.05, indicating that CSR has a significant negative effect on firm value. The variable leverage produces a T value of -2.741 with a significance value of 0.007 < 0.05, suggesting that leverage has a significant negative impact on firm value. The variable firm size results in a T value of 3.534 and a significance value of 0.001 < 0.05, indicating that firm size significantly and positively influences firm value.

Coefficient of Determination Test (Adjusted R Square)

The coefficient of determination test is used to understand the extent of the influence of independent variables on the dependent variable. Data analysis shows that the adjusted R square value of 0.342 can be considered as 34.2%, indicating that the variable of company value can be influenced by the variables of CSR, leverage, and company size, while 65.8% is explained by other variables.

DISCUSSION

The Influence of Corporate Social Responsibility (CSR) on Firm Value

Based on the data analysis, H1 is accepted where corporate social responsibility (CSR) measured by the corporate social disclosure index hurts the value of food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. In this context, high CSR disclosure should make companies incur more costs to focus on CSR activities without considering other operational performance, which can be detrimental especially if not accompanied by an improvement in financial ratios. This condition will make investors hesitant to invest, thus affecting the decline in the firm value. Based on descriptive analysis, the average value of CSR implementation disclosed by food and beverage companies from 2019 to 2022 is 53.32%, which means companies have not yet reached the standards set for CSR disclosure. Most companies focus more on other operational activities that are believed to attract investor interest to invest (Adiputra & Hermawan, 2020). From the investors' perspective, they will also focus more on gaining capital gains without considering the CSR programs carried out by the company. Therefore, companies with low CSR disclosure will attract more investors to invest, thus increasing the firm value (Bawai & Kusumadewi, 2021). Although according to legitimacy theory, CSR is considered to be one of the strategies to build interaction between stakeholders and the company, in reality, extensive CSR activities fail to increase the firm value (Guo et al., 2020). The findings of this research are consistent with Mukhtaruddin et al. (2019) and Adiputra et al. (2020), which assert that CSR hurts firm value.

The Influence of Leverage on Firm Value

Based on the data analysis, H2 is accepted where leverage measured by the debt-to-equity ratio hurts the value of food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. In this context, companies with excessive debt are considered unhealthy because excessive debt usage can decrease profits (Ningsi, 2021). This aligns with the use of signaling theory which indicates that high levels of leverage will send a negative signal to investors because high levels of debt pose more risk to the company, which then negatively impacts its value (Suranta et al., 2023). Based on descriptive analysis, the proportion of debt held by food and beverage companies from 2019 to 2022 tends to be low because the average value is 79.07%, indicating that companies do not need to use all their capital to pay off these debts, thus the risk of losses is smaller. This is considered a positive signal for investor attention in making investments, leading to increased demand for stocks along with an increase in firm value (Arsyika & Zaki, 2024). Therefore, company management should utilize the debt it holds because the company shouldn't rely entirely on debt financing to avoid the risk of bankruptcy (Indrati & Artikasari, 2023). The findings of this research are similar to Ardian et al. (2023), Endri et al. (2020), Harianto et al. (2022), dan Lestari et al. (2023), which affirm that leverage hurts firm value.

The Influence of Firm Size on Firm Value

Based on the data analysis, H3 is accepted where firm size measured by Ln total sales has a positive effect on the value of food and beverage sector companies listed

on the Indonesia Stock Exchange (IDX) from 2019 to 2022. This indicates that the larger proportion of the firm size can increase investor interest in companies considered to have positive progress, growth, and favorable prospects, thereby contributing to the increase in firm value (Dirman, 2020). This also aligns with signaling theory where if a company's revenue is large, it can generate high profits leading to an increase in stock prices and causing an increase in firm value (Revi & Anom, 2021). Based on descriptive analysis, the average firm size is 29.4352 or Rp 6,074,981,136,211 in non-Ln form indicating that the scale of food and beverage companies is relatively large. Increasing the scale of the firm size will generate easy sources of funding for the company as it tends to have more stable conditions (Al-Slehat, 2019). This stability will create investment interest for investors, thereby driving an increase in stock prices and subsequently increasing the firm value (Margono & Gantino, 2021). The findings of this research are similar to Yulianti et al. (2022), Husna et al. (2019), Putri et al. (2023) dan Syahzuni et al. (2023), which affirm that firm size has a positive impact on firm value.

CONCLUSION

This study aimed to investigate how corporate social responsibility (CSR), leverage, and firm size influence the value of food and beverage sector companies listed on the Indonesia Stock Exchange from 2019 to 2022. The information can be found in the discussion of research results in the previous chapter where the first hypothesis was accepted, indicating that CSR negatively affects the firm value, meaning that low CSR disclosure increases the firm value. The results of the second hypothesis were accepted where leverage negatively affects the firm value, meaning that a low level of leverage leads to an increase in the firm value. The results of the third hypothesis were accepted where firm size positively affects the firm value, meaning that a larger scale of the company can cause an increase in the firm value. The limitations of this study include that some sources of CSR disclosure data come from annual reports, so not all CSR disclosure items are presented in detail as found in sustainability reports. Additionally, the sample size used is only 36% of the total population, suggesting that future research should focus on diversifying objects by including more samples of companies and study periods to generate more diverse data. Moreover, the coefficient of determination value of 34.2%, which is relatively low, indicates that the contribution from CSR, leverage, and firm size variables is not yet sufficiently strong to increase the firm value. Therefore, it is necessary to test using other variables such as profitability to assess the company's ability to achieve profits, thus presenting a good investment opportunity for investors and potentially increasing the firm value.

This research can provide valuable insights for company management, especially in the food and beverage sector, regarding the importance of disclosing social responsibility, the level of debt held, and the scale of firm size in influencing firm value. It is recommended that companies conduct research and set targets beforehand to maximize their potential in demonstrating social responsibility by taking social actions according to stakeholders' needs and customer interests. For example, if the majority of customers are more interested in environmental issues, the company could focus on implementing green initiatives as a CSR strategy. Companies

can also carry out CSR activities that will provide more advantageous opportunities for their financial performance, such as innovating new environmentally friendly products or prioritizing community conditions, which can foster loyalty and interest among the public to purchase those products, thereby increasing company sales and affecting profit earnings. Additionally, companies need to pay attention to the proportion of debt to remain in an optimal position, adjusting it according to financing needs and considering future risks. Furthermore, companies can maintain good funding sources to preserve their scale, utilizing existing company assets to optimize revenue generation. Meanwhile, for investors, it's important to consider a company's prospects from both non-financial and financial perspectives related to CSR disclosure outlined in sustainability reports or annual reports, as well as from financial aspects such as debt levels and total revenues stated in financial reports, which can contribute to increasing company value. This enables investors to have the opportunity to achieve greater returns or profits when investing in the right companies.

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