CORPORATE SOCIAL RESPONSIBILITY AND FIRM VALUE: THE MODERATING ROLE OF PROFITABILITY IN INDONESIAN CONSUMER NON-CYCLICALS

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Abstract

This study aims to analyze the effect of Corporate Social Responsibility (CSR) on firm value and to examine the role of profitability as a moderating variable in consumer non-cyclicals firms listed on the Indonesian Stock Exchange (IDX) during the period 2022-2024. This study uses a quantitavive approach with an associative research design. The research population includes all consumer non-cyclicals sector companies listed on the IDX. The sample was selected using purposive sampling based on specific criteria, resulting in 14 companies with a total of 42 observations. The data were analyzed using MRA panel data regression with an interaction model to test the moderating role of profitability, proxied by Return On Assets (ROA). Firm value was measured using Tobin's Q, while CSR disclosure was measured based on the Global Reporting Initiative (GRI) 2021 standards. Empirical testing shows that CSR has a negative and significant effect on firm value. Profitability does not show a direct effect on firm value. However, the CSR×ROA interaction variable has a positive and significant effect, indicating that profitability strengthens the relationship between CSR and firm value. Companies with credible financial performance are better able to implement CSR as a strategic investment, which in turn increases firm value and strengthens market confidence. In the long term, market assesment efficiency and better capital allocation can support sustainable economic growth by channeling investment to companies that have strong financial performance and are socially responsible..

Keywords: Corporate Social Responsibility, Firm Value, Profitability, Capital Market, Tobin's Q

INTRODUCTION

Developments in the global business environment have shifted corporate priorities from purely profit oriented objectives toward broader sustainability and stakeholder oriented goals. Corporate value is no longer assessed solely on financial performance but also on stakeholders perceptions of a firm's social and environmental responsibility. Increasing investor and consumer attention to sustainability issues has positioned corporate social responsibility (CSR) as a critical non financial signal in evaluating long term corporate prospects and credibility. Firms with strong reputations and adherence to social responsibility standards tend to obtain higher investor confidence and market valuation, as CSR reflects business sustainability and risk management quality (Aggraini et al., 2024; Kristanti, 2022).

From the stakeholder theory perspective, companies are accountable not only to shareholders but also to all stakeholders affected by their activities (Clarkson, 1995; Freeman, 1984). Accordingly, CSR has evolved into a strategic mechanism for managing stakeholder relationships through the integration of social, environmental, and ethical business practices (Awa et al., 2024). Effective CSR implementation and disclosure are expected to enhance corporate reputation, strengthen stakeholder trust, and shape market perceptions of organizational sustainability, thereby contributing to corporate value formation (Rastuti, 2015).

Empirical evidence generally indicates that CSR disclosure enhances corporate value by improving credibility and sustainability perception. Firms that intensively engage in CSR activities tend to attract investor interest, strengthen customer loyalty, and foster supportive work environments, all of which contribute to higher market valuation (Achyani et al., 2024; Alfira Riski & Prasetiono, 2023; Mayndarto, 2024; Mustaqim et al., 2025; Suharto et al., 2022; Sulbahri, 2021; Wahyuni & Pramudita, 2024). However, empirical findings in Indonesia remain inconsistent. While some studies report the effect of CSR and value relationship, others find insignificant effects (Fadli & Yusrawati, 2025; Rahmadany & Febrianto, 2025; Sufina & Tirtagiri, 2024). This inconsistency is often attributed to variations in CSR quality and credibility, as certain CSR practices in Indonesia are perceived as symbolic disclosure or greenwashing rather than substantive commitment. Consequently, market participants may not consistently interpret CSR disclosure as value relevant information, as Indonesian evidence also reports insignificant CSR on value associations.

One internal factor that may explain this inconsistency is profitability. Profitability reflects a firm's financial strength and operational performance, serving as a key credibility signal to investors and the market (Hasanuddin & Idris, 2025; Kusumaningrum & Iswara, 2022; Setyawan & Ghozali, 2025). Firms with strong profitability possess greater financial capacity to implement CSR programs strategically and sustainably, increasing the likelihood that such initiatives are perceived as genuine commitments rather than cost burdens. In this context, profitability may strengthen the credibility of CSR signals and enhance their effectiveness in shaping corporate valuation. Prior evidence also suggests that profitability reinforces the impact of CSR on corporate value, as financially stronger firms are better positioned to implement CSR consistently (Gunawan & Dwi Mulyani, 2023). Nevertheless, prior studies have predominantly examined profitability as an independent or mediating variable, with limited attention to its role as a moderating factor in the CSR and firm value.

The divergence between theoretical expectations and empirical findings in developing markets indicates an unresolved research gap. Although CSR is theoretically expected to enhance corporate value, market responses in Indonesia have not shown a consistent pattern, suggesting that the effectiveness of CSR may depend on financial credibility. Without adequate profitability support, CSR activities may be perceived as symbolic disclosure or expense allocation rather than a value creating strategy. Therefore, examining profitability as a moderating variable is essential to understand when and how CSR contributes to corporate value in emerging market contexts. Based on this gap, this study aims to reanalyze the effect of CSR on firm value and examine the role of profitability as a moderating variable in non-cyclicals consumer sector companies in Indonesia for the period 2022–2024.

REVIEW OF LITERATURE

Stakeholder Theory

Stakeholder Theory introduced by Freeman (1984), posits that a firm is accountable not only to its shareholders but also to all parties affected by its activities. These stakeholders include employees, customers, suppliers, investors, government, communities, and the environment. Within this perspective, organizational sustainability is not determined solely by financial performance but also by the firm's ability to maintain balanced and mutually beneficial relationships with its stakeholders. Organizations that fulfill stakeholder expectations through actions perceived as responsible and fair are more likely to obtain legitimacy and long term continuity.

Clarkson (1995) further developed Stakeholder Theory by distinguishing stakeholders into two categories: primary stakeholders and secondary stakeholders. Primary stakeholders are those who have a direct influence on organizational survival, such as investors, customers, employees, suppliers, and government. Secondary stakeholders, in contrast, do not directly affect organizational continuity but can influence public opinion and reputation, including communities and media. This classification emphasizes that organizations must manage relationships with both stakeholder groups to sustain legitimacy and social acceptance.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to a company's commitment to integrating social and environmental considerations into its business operations and interactions with stakeholders. CSR disclosure reflects corporate transparency and accountability regarding sustainability practices and social responsibility performance. Empirical evidence in Indonesia indicate that CSR disclosure enhances corporate reputation, strengthens stakeholder trust, and influences firm value (O. Sari & Muslimin, 2025). Firms that consistently implement CSR are perceived as having better sustainability orientation and lower non financial risk, thereby attracting investor interest and improving market perception.

From the perspective of Stakeholder Theory, firms are responsible not only to shareholders but also to broader stakeholder groups affected by corporate activities. CSR serves as a strategic mechanism for managing stakeholder relationships by addressing social and environmental expectations. Companies that fulfill stakeholder interests through CSR practices gain legitimacy, trust, and social acceptance, which support long-term business sustainability. Therefore, higher CSR engagement reflects stronger alignment with stakeholder expectations and is expected to contribute to corporate value formation.

Firm Value

Firm value represents market perceptions of a company's overall performance and future prospects, typically reflected in stock price and market based valuation measures such as Tobin's Q. A higher firm value indicates stronger investor confidence in the firm's ability to generate sustainable returns and manage risks effectively. Empirical evidence in Indonesia shows that firms with higher CSR disclosure and stronger financial performance tend to achieve higher firm value, as markets reward companies perceived as credible and sustainable (Gunawan & Dwi Mulyani, 2023). Firm value thus reflects how investors interpret both financial and non financial corporate signals.

In Stakeholder Theory, firm value is shaped by the firm's ability to meet stakeholder expectations and maintain supportive relationships with key stakeholders such as investors, customers, employees, and society. Companies that successfully balance economic objectives with stakeholder interests obtain legitimacy and continued stakeholder support, which enhances long-term market valuation. Thus, firm value can be viewed as an outcome of effective stakeholder relationship management and sustainable corporate practices.

Profitability

Profitability reflects a firm's ability to generate earnings from its assets and operations, indicating managerial efficiency and financial performance. Return on Assets (ROA) is widely used to measure profitability because it captures the effectiveness of asset utilization in producing profits. Empirical studies in Indonesia show that firms with higher profitability have greater capacity to implement CSR consistently and achieve higher firm value, as strong financial performance enhances credibility in the eyes of investors (Kusumaningrum & Iswara, 2022). Profitability therefore represents an internal financial strength that supports corporate sustainability initiatives.

According to Stakeholder Theory, profitability is essential for fulfilling the financial expectations of primary stakeholders, particularly shareholders and investors. Firms with strong profitability possess sufficient resources to undertake CSR initiatives substantively rather than symbolically, increasing stakeholder trust in the authenticity of CSR commitments. Consequently, profitability strengthens the credibility and effectiveness of CSR as a stakeholder-oriented strategy, which may enhance its impact on firm value.

Hypothesis Development

Corporate Social Responsibility and Firm Value

CSR disclosure serves as a non financial signal that communicates a firm's commitment to sustainability, ethical conduct, and stakeholder responsibility. In capital markets, such signals reduce information asymmetry and enhance investor perceptions of corporate credibility and long term viability. Firms that actively disclose CSR activities are therefore more likely to gain stakeholder trust, strengthen corporate reputation, and attract investment, which ultimately increases firm value. Empirical evidence in Indonesia supports this signaling role of CSR. CSR disclosure has been shown to influence investor assessment of corporate prospects and risk (Kurniawan & Sanjaya, 2022) and to enhance corporate image and investor confidence, leading to higher firm value (Andayani, 2021; Hek et al., 2024; Nafi'a et al., 2025). These findings indicate that CSR functions as value-relevant information in market valuation processes.

Based on Stakeholder Theory, firms that fulfill stakeholder expectations through CSR practices gain legitimacy and sustained stakeholder support, which contributes to long term value creation. Accordingly, CSR is expected to affects firm value.

H1: Corporate Social Responsibility affects firm value.

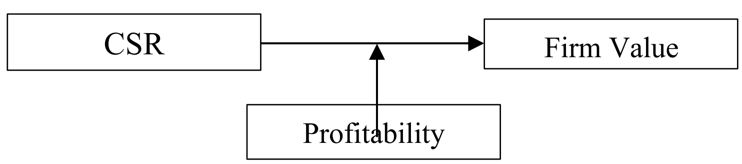
The Role of Profitability in Moderating the Influence of CSR on Firm Value

Profitability reflects a firm's financial strength and operational credibility, which are critical factors in shaping stakeholder and investor perceptions. High profitability signals efficient management and sustainable earnings capacity, increasing confidence that CSR activities are supported by adequate resources rather than symbolic disclosure. Consequently, stakeholders are more likely to interpret CSR initiatives of profitable firms as genuine strategic commitments rather than discretionary costs. Empirical studies indicate that profitability strengthens the effectiveness of CSR in enhancing firm value. The impact of CSR on firm value is more pronounced in firms with higher profitability (Azima et al., 2024; Susilawati et al., 2025). Profitability also determines the extent to which CSR contributes to value creation, acting as a reinforcing factor in the CSR on firm value relationship (R. Sari & Febrianti, 2021). These findings suggest that financial capability enhances the credibility and market relevance of CSR disclosure.

From a Stakeholder Theory perspective, profitable firms possess greater capacity to meet both financial and non-financial stakeholder expectations simultaneously. This alignment increases stakeholder trust and amplifies the value-enhancing effect of CSR. Therefore, profitability is expected to strengthen the influence of CSR on firm value.

H2: Profitability strengthens the effect of CSR on firm value.

Figure 1.
Research Framework



Source: Developed by the Author (2026)

RESEARCH METHOD

This study uses an associative quantitative research design that aims to analyze the relationship between Corporate Social Responsibility (CSR), profitability, and firm value. The study focuses on companies in the non-cyclicals consumer sector listed on the Indonesia Stock Exchange (IDX) during the period 2022–2024. The research population includes all companies in this sector, while the sample was determined using purposive sampling based on several criteria; namely companies that were listed before the observation period, consistently published annual reports in rupiah, recorded positive net income, and disclosed sustainability reports in accordance with the Global Reporting Initiative (GRI) 2021 standards. Based on these criteria, 14 companies were obtained as research samples with a total of 42 company observations for the 3 year period. The use of purposive sampling in quantitative research is widely used to ensure that the characteristics of the sample are in line with the research objectives (Sekaran & Bougie, 2016).

This study uses secondary data obtained through documentation techniques from annual reports and sustainability reports published on the official website of the Indonesia Stock Exchange and the official websites of each company. Corporate Social Responsibility (CSR) acts as an independent variable and is measured using the 2021 Global Reporting Initiative (GRI) index, which is a sustainability reporting standard widely used in CSR research because it provides comprehensive and standardized indicators (GRI, 2021). Profitability acts as a moderating variable and is proxied using Return on Assets (ROA), which is commonly used to measure a company's ability to generate profits from its assets (Brigham & Houston, 2019; Horne & Wachowicz, 2007). Firm value as a dependent variable is measured using Tobin's Q because it reflects market valuation and investor expectations of the company's future prospects and is relatively difficult for management to manipulate (Chung & Pruitt, 1994).

Table 1.
Operational Variables

Variable Type	Variable	Measure	Reference
Independent	CSR	$\text{GRI Disclosure} = \dfrac{\text{Jumlah tem yang diungkap}}{\text{Total item GRI}}$	(GRI, 2021)
Dependent	Firm value	$\text{Tobins'Q} = \dfrac{(\text{Kapitalisasi Pasar} + \text{Total Utang})}{\text{Total Aset}}$	(Tobin, 1969)
Moderation	Profitability	$\text{ROA} = \dfrac{\text{Laba Bersih}}{\text{Total Aset}}$	(Brigham & Houston, 2019)

Source: Developed by the Author (2026)

Data analysis was performed using multiple linear regression with the Moderated Regression Analysis (MRA) technique to test the existence of a moderating effect in the research model. The regression approach was chosen because it is capable of estimating linear relationships between variables and testing the statistical significance of influences through regression coefficients (Gujarati & Porter, 2009). This method allows testing the direct influence of Corporate Social Responsibility (CSR) on firm value while evaluating the role of profitability as a moderating variable. Before testing the hypothesis, the regression model was first tested through classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests to ensure the feasibility of the research model (Ghozali, 2021). The moderating effect was tested by forming an interaction variable between CSR and profitability (CSR×ROA) in the regression model, and its existence was determined based on the significance of the interaction variable coefficient. Based on this analytical framework, the research regression model was formulated as follows:

$$TQ_{\mathrm{it}} = \alpha + \beta_1 CSR_{\mathrm{it}} + \varepsilon_{\mathrm{it}}$$

$$TQ_{\mathrm{it}} = \alpha + \beta_1 CSR_{\mathrm{it}} + \beta_2 ROA_{\mathrm{it}} + \beta_3 (CSR_{\mathrm{it}} \times ROA_{\mathrm{it}}) + \varepsilon_{\mathrm{it}}$$

The dependent variable in this study is firm value, proxied by Tobin's Q, which reflects how the market values a company relative to its total assets (Tobin, 1969). The independent variable is Corporate Social Responsibility (CSR), which is measured using the 2021 Global

Reporting Initiative (GRI) index to reflect the level of corporate sustainability disclosure (GRI, 2021). Profitability, proxied by Return on Assets (ROA), acts as a moderating variable to test whether a company's ability to generate profits from its assets moderates the effect of CSR on firm value (Brigham & Houston, 2019). The CSR × ROA interaction is used to test this moderating effect in this research model (Ghozali, 2021; Sekaran & Bougie, 2016).

RESULTS AND DISCUSSION

Based on the results of classical assumption testing, the regression model in this study is declared to meet the feasibility criteria. The normality test shows that the data is normally distributed, while the heteroscedasticity and autocorrelation tests do not indicate any violations of classical assumptions. Therefore, the regression model are feasible for further hypothesis testing.

Table 2.
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	42	25	100	62.07	20,751
TOBIN'S Q	42	3.85	6.97	5.2875	.73606
ROA	42	.69	4.61	2.4597	.76629
Valid N (listwise)	42				

Note: CSR (Corporate Social Responsibility), ROA (Return On Assets)

Source: Processed Data (2026)

Table 2 presents the descriptive statistics of the research variables used. Based on this table, the number of observations analyzed in this study was 42 company data for each variable. For the Corporate Social Responsibility (CSR) variable, the minimum value recorded was 25 and the maximum value was 100. The mean CSR value was 62.07 with a standard deviation of 20.751. The standard deviation value, which is relatively smaller than mean value, indicates that the level of CSR disclosure in the sample companies did not show extreme variations during the observation period. The firm value proxied by Tobin's Q has a minimum value of 3.85 and a maximum value of 6.97. This variable has a mean value of 5.2875 with a standard deviation of 0.73606. The standard deviation, which is smaller than mean value, indicates that the variation in firm value among the sample companies is within a relatively moderate range. Meanwhile, Return on Assets (ROA) as a proxy for profitability has a minimum value of 0.69 and a maximum value of 4.61. Mean value for ROA 2.4597 with a standard deviation of 0.76629. A comparison between mean value and the standard deviation shows that the profitability level of the sample companies did not experience high fluctuations during the research period.

Hypothesis Testing

Table 3.
Regression Model 1
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.715	.215		26.541	.000

CSR	-9.998e-5	.000	-.341	-2.294	0.027

a. Dependent Variable: TOBIN'S Q

Source: Processed Data (2026)

In this study, Corporate Social Responsibility (CSR) disclosure was measured using a disclosure index based on the Global Reporting Initiative (GRI) guidelines. The number of observations used in the analysis was 42 company data. The results of testing the Model 1 hypothesis in Table 3 show that Corporate Social Responsibility has a regression coefficient of –9.998E–5 with a significance value of 0.027. This significance value is below the significance level of 0.05, indicating that CSR has a significant effect on firm value as proxied by Tobin's Q. A negative regression coefficient indicates a negative relationship between CSR and firm value. Thus, the first hypothesis (H1), which states that Corporate Social Responsibility affects firm value, is accepted.

Table 4.
Regression Model 2
Coefficients

Model	***Unstandardized Coefficients***		***Standardized Coefficients***	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	5.599	.391		14.333	.000
CSR	.000	.000	-.552	-3,950	.000
ROA	-.027	.127	-.028	-.209	.835
CSR × ROA	.160	.037	.592	4.336	0.000

a. Dependent Variable: TOBIN'S Q

Source: Processed Data (2026)

Furthermore, the results of testing Model 2 in Table 4 show that Return on Assets (ROA) as a proxy for profitability has a regression coefficient of –0.027 with a significance value of 0.835. This significance value is greater than the significance level of 0.05, so ROA does not have a significant effect on firm value.

In Table 4 show result of testing the interaction variable between CSR and ROA, a regression coefficient of 0.160 with a significance value of 0.000. This significance value is below the significance level of 0.05, indicating that the interaction between CSR and ROA has a significant effect on firm value. A positive regression coefficient indicates that ROA strengthens the effect of CSR on firm value. Thus, the second hypothesis (H2), which states that profitability moderates the effect of Corporate Social Responsibility on firm value, is accepted.

Corporate Social Responsibility Affects Firm Value

The results of testing Model 1 show that Corporate Social Responsibility (CSR) has a negative and significant effect on firm value in the consumer non-cyclicals sector during the period 2022–2024. The negative regression coefficient indicates that an increase in the level of CSR disclosure is actually responded to by the market with a decline in firm value as proxied by Tobin's Q. This finding shows that, in the context of the Indonesian capital market, CSR is not yet fully perceived as a mechanism for value creation, but is rather viewed as an activity that has the potential to put pressure on short term financial performance and operational efficiency.

Within the framework of Stakeholder Theory (Freeman, 1984), CSR is normatively positioned as a strategic instrument to align the interests of the company with various stakeholder groups, thereby building legitimacy and increasing firm value. However, the negative relationship found in this study indicates a gap between theoretical expectations and actual market responses. This gap reflects that the market does not yet fully believe in the credibility of CSR as a non financial signal that can reflect the managerial quality and long term prospects of a company, especially when its economic benefits cannot be directly observed. This finding is in line with Clarkson (1995) view that CSR activities will be responded to by the market if they are able to create real value for primary stakeholders. When CSR functions more as symbolic disclosure or merely fulfilling regulatory obligations, the market tends to respond neutrally to negatively. This condition reinforces the findings of Komara et al. (2020) and Afifah et al. (2021) which show that the quality of CSR disclosure in Indonesia is still heterogeneous and in many cases does not reflect a strategically integrated commitment to sustainability, thus failing to influence firm value.

Furthermore, the results of this study are consistent with Sufina & Tirtagiri (2024) and Fadli & Yusrawati (2025), who found that CSR can have a negative impact on firm value if it is not aligned with core business strategies and economic value creation. Investors in emerging markets such as Indonesia tend to show a short term orientation and a high level of sensitivity to financial performance indicators, while the long term benefits of social and environmental activities are often indirect, not immediately quantifiable, and prone to information asymmetry. As a result, CSR has not yet fully functioned as a credible signal capable of reducing uncertainty and influencing market valuation mechanisms.

In contrast, the findings of this study differ from those of Alfira Riski & Prasetiono (2023), Suharto et al. (2022), and Achyani et al. (2024), who found a significant relationship between CSR and firm value. This difference confirms that the impact of CSR is highly contextual, depending on the quality of implementation, consistency of execution, and the company's ability to communicate the strategic value of CSR transparently and sustainably to stakeholders. Thus, CSR does not automatically create firm value but requires the support of internal governance and adequate financial capacity to function as a strategic instrument for long-term value creation.

Profitability Strengthens the Effect of CSR on Firm Value

The results of Model 2 testing show that profitability, proxied by Return on Assets (ROA), does not have a direct effect on corporate value. This finding indicates that profit performance, independently, is not strong enough to shape market perceptions of corporate value if it is not accompanied by strategic mechanisms capable of converting that financial performance into sustainable advantages. Thus, profitability alone does not automatically serve as a signal of corporate quality for investors, especially in the context of emerging markets that increasingly consider non-financial factors in the corporate assessment process.

Conversely, the positive significance of the CSR×ROA interaction variable confirms that profitability as a moderating variable that strengthens the influence of Corporate Social Responsibility (CSR) on firm value. This finding shows that the effectiveness of CSR in creating value is conditional and highly dependent on the company's financial capacity. In companies with high profitability, CSR implementation tends to be perceived as more credible, consistent, and long-term oriented, thus eliciting a stronger market response.

Conversely, in companies with low profitability, CSR activities have the potential to be viewed as an inefficient allocation of resources and lacking strong economic justification.

Within the framework of Stakeholder Theory Freeman (1984), adequate profitability reflects a company's ability to meet the interests of key stakeholders on a sustainable basis. Profitability provides the financial basis that enables companies to implement CSR not only as a symbolic practice but as an integral part of their value creation strategy. Therefore, CSR supported by strong profitability performance is better able to function as a credible non-financial signal, reducing information asymmetry and strengthening investor legitimacy and trust in the company.

These findings are consistent with the research of Gunawan & Dwi Mulyani (2023), Susilawati et al. (2025), and Azima et al. (2024), which show that profitability strengthens the relationship between CSR and firm value. Companies with stable profit performance are considered to have a higher commitment to sustainability, so that the implementation of CSR is not perceived as a short-term response or mere regulatory compliance, but rather as a long-term strategic investment. This view is in line with Awa et al. (2024), who emphasize that the effectiveness of CSR in managing stakeholder relationships is highly dependent on the fundamental economic strength of the company.

Conceptually, the findings of this study confirm that the relationship between Corporate Social Responsibility and firm value is contingent, not linear. CSR does not automatically create firm value, but requires certain internal conditions to function optimally. In this context, profitability as a reinforcing mechanism that determines whether CSR is perceived as a cost burden or as a strategic instrument for creating firm value. Thus, this study expands the literature by emphasizing the role of profitability as a moderating variable in the relationship between CSR and firm value.

CONCLUSION

This study aims to analyze the effect of Corporate Social Responsibility (CSR) on corporate value and examine the role of profitability as a moderating variable in consumer non-cyclicals companies listed on the Indonesia Stock Exchange for the period 2022–2024. Empirical test results show that CSR has a negative and significant effect on corporate value, while profitability, proxied by Return on Assets (ROA), has no direct effect on corporate value. However, profitability is proven to positively moderate the relationship between CSR and corporate value, indicating that the impact of CSR on corporate value is highly dependent on the company's financial capacity. These findings imply that increased CSR disclosure is not automatically responded to positively by the market if it is not supported by adequate financial performance. CSR tends to be perceived as more credible and valuable when companies have strong profitability, so that these activities are seen as part of a long term value creation strategy, rather than merely a cost burden or fulfillment of formal obligations. Therefore, company management needs to integrate CSR policies in line with business and financial strategies in order to influence investor confidence and create sustainable firm value.

This study has limitations, including the use of the Global Reporting Initiative (GRI) index as the sole reference for measuring CSR, while not all companies consistently apply these standards, as well as the use of a single proxy for profitability (ROA) that does not fully represent comprehensive financial performance. Future research is recommended to extend the observation period, cover a more diverse range of industries, use alternative proxies for profitability and corporate value, and adopt a more diverse approach to CSR measurement in order to improve the generalization and external validity of the research findings.

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