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Saudi Food Industry Value: Profile Disclosure, Profitability, and Sustainable Supply Chain Effects

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Abstract: The purpose of the current research is to examine the impact of industry profile, profitability, and sustainable supply chain on the value of the firm. The firm's success is directly related to the efficiency of its supply chain. This research was conducted on firms that typically trade on the Saudi Stock Exchange as belonging to the food industry. Purposive sampling was used in this study to show the sample. In addition, the data collected in this study from the annual report for 20 firms, for three years (2019-2021). This study finds that the Profitability, and Reports of Sustainable supply chain of the firm affect the firm value, and these results are consistent with the perspective of Stakeholder and Agency Theories. However, the firm's value is unaffected by the industry profile.

Keywords: Industries, firm Value, Sustainable supply chain Report, Profitability, Saudi Stock Exchange.

1 Introduction

Making the most earnings possible is one of the goals of starting a business. The primary goal of businesses that have made an opening public offering is toward raise the wealth of the shareholders by raising the business's value. The increased wealth would be gained via shareholders if the value of the firm rises.

The greater the stock price, the higher the firm's value likewise rises, encouraging investors to put their money to work since they are confident in the company's future. Sustainable growth will ensure corporate value if the firm carefully considers economic, social, and environmental factors. Investors are drawn for supplementary reports, for instance economic, social, and environmental report that could be provided by the firm in an integrated manner, according to Eipsten and Freedman [1]. The company's social responsibility report can also be used to refer to this supplementary information. Investors frequently use Sustainable Supply Chain Reporting (SSCR)to estimate a firm's market worth. Investors want to know how the firm operates in a way that is sustainable in a variety of ways, particularly in terms of the social, environmental, and economic aspects, as well as the possibility to increase firm value through sustainable management [2].

In recent years, environmental deterioration has become a major issue. The corporation is one of the economic factors that frequently contribute to environmental issues. The effects of this pollution have a broad impact on this condition and harm human life [3].

Many companies, from both small, medium, and larger-sized sectors, take advantage of human and natural resources to boost firm profitability. However, this might have negative long-term effects. During the short period, the firm's earnings could rise, but otherwise, the damage produced by the production process rises as well, leading to costs for sustainability in terms of the supply chain, health, and sanitation. As a result, the firm's reputation suffered [4].

As a result, the business must create an SSCR that serves as a means of a firm's responsibility to its stakeholders. A report about the effects of everyday activities on the economy, society, and the environment is called a SSCR [5].

One way that the corporation communicates with the community and shows concern is through SSCR disclosure. Firms that publish SSCR often provide the public with additional information so they may improve community trust and the firm's image. Giving creditors and financiers the assurance that their assets are unaffected by social and environmental concerns is one of the advantages of SSCR. Investments made by investors into the firm by the acquisition of shares of the firm would be fit to raise the value of the firm, which is represented by the price of the stock [5].

If a firm's worth rises and there is a strong investment return for shareholders, shareholder value will rise. Profitability is one of the aspects that affects a firm's worth. According to the findings of multiple earlier research, profitability may

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raise a firm's worth. The size of the profits of the firm will have an impact on its firm's value. High profitability indicates that the firm has promising futures, and investors will take these signals favorably, increasing the firm's worth [6].

The Muallifin et al. [7] study on the subject of SSCR discovered that businesses with an SSC reputation had a greater market value. Also, the value of a firm is significantly impacted negatively by profitability. In addition, Muallifin et al. [7] found that SSCR has no impact on market performance.

The research by Tarigan and Wahyudi demonstrates that while the social and environmental elements of SSCR have a negative impact on financial performance, the economic dimensions have no impact [8]. According to Safitri and Fidiana the disclosures about SSCR had a strong impact on market performance as well as financial performance [9].

This research tries to reexamine the impact of Profile Industry, profitability of the firm, and SSCR on the firm value in light of the above description and the research gaps. The firm that is a part of the food industry is the study's object. The research is focused on the food industry since it has firms that are of high caliber in terms of CSR performance, profitability, and liquidity, however, not all of them have established SSCR.

Based on the above, this study seeks to find out the effect of the profitability of the firm, SSCR disclosure, and industry profile on the firm value in the industrial food sector, listed on the Saudi Stock Exchange. Especially after many studies have shown that Saudi society agrees with the importance of corporate social responsibility (CSR) practices that are beneficial to both parties (society and companies), such as the study of Nurunnabi, et al. [10]; and Pinto and Allui [11].

2 Theories and Literature Review

2.1 Stakeholder Theory

According to the stakeholder theory, the firm must assist its stakeholders in addition to serving its interests. As a result, the support given to a firm by its stakeholders seems to have a significant impact on its ability to sustain itself. CSR should extend beyond wealth maximization for the benefit of stakeholders, but rather should be applied more broadly to ensure that the welfare generated through the firm is not fixed to the shareholders' interests, but also to those of stakeholders with a benefit in or benefit more toward the firm. All firms, among other things, publishes SSCR, which is anticipated to further boost the firm value, in order to fulfill the demands of stakeholders [12].

2.2 Signaling theory

In Laurenco et al.'s article, Magness claims that the position of asymmetric information between external and internal partners of the firm. In conjunction with the Signaling theory, managers in high-level firms want to signal to stakeholders the value of the firm [13].

The Disclosures about information of CSR are intended to convey towards stakeholders the firm's attention for its environmental and social impact as well as to give extra information about its operations [14]. The management's signal to the community that the firm has promising future prospects through the disclosure of CSR for stakeholder expectations assures the growth of SSC [16].

2.3 Firm value

Since the value of the firm may bring maximum prosperity for shareholders if the firm's stock price rises [17]. The firm value is defined in the current research as the market value of the share price of the firm. Shareholders delegate management to experts in order to maximize business value while the professionals are acting as commissioners or managers. According to Safitri, enterprise value, usually referred to as value of the company, is the essential issue for shareholders since it serves as a measure of how the market views the firm [17]. The main aim of financial management is to enhance the firm’s value. After this objective, though, the owners of the company and money's source who is a creditor are still inconsistent [18]. Shares of the firm's value will rise if the business is successful, but bond debt has no impact on the firm's worth. Thus, some might argue that the value of ownership shares may serve as an appropriate index to determine the efficiency degree of the firm. Because of this, the goal of financial management is articulated in terms of increasing either the share price or the ownership value of the firm.

Managers are not required to seek out ways to boost share value at the expense of bondholders in order to achieve the goal of maximizing stock prices. Basically, the firm wants to maximize its worth. In order to do this, there is still a disagreement between the business's owner and the money source as a creditor. Shares of the firm's value will rise if the business is good, but bond debt, which makes up the firm's worth, is unaffected. It could be assumed that an ownership share value may serve as an ideal indicator for determining a degree of a firm's effectiveness. Because of this, the goal of financial management is stated in terms of increasing share prices or the ownership value of the firm. The goal of raising share prices does not require management to work to improve share values at the expense of bondholders [19, 20].

If a corporation performs well, that firm is thought to have great value. The price of a firm's shares can be used to determine its value. It can be assumed that the firm value is likewise good if the stock value is high. Because the primary objective of the business is to raise the value of the organization by enhancing the well-being of the shareholders or owners [17].

2.4 Industry Profile

High-profile and low-profile industries are the two categories of industrial profiles. According to Tanjung and Wahyudi, a high-profile sector is one in which a firm experiences high levels of environmental sensitivity (consumer visibility), political risk, or fierce rivalry. The issue increased the firm's attention to the operations of its firms [8]

The converse is true for the low-profile sector. This firm has a low degree of competition, a significant amount of political risk, and a high degree of consumer visibility, so despite errors or failures in the process and production outcomes, the public does not pay much attention to the actions of its enterprises. Because doing so enhances the company's reputation and has a positive impact on sales, consumer-oriented businesses can be expected to pay more attention to doing so.

2.5 Sustainable supply chain Report

Expanding idea of sustainable development includes reporting on the SSC. According to SSC development, present progress may be satiated without compromising the demands of future generations [22]. SSC development must be put into practice since existing economic practices frequently harm the world's ecology and interfere with what the next generation requires. In order to assist sustainable development, SSCR is employed as a medium for firm communication with stakeholders. Fajarini [21] and Elkington [22] state that the Triple Bottom Line, which includes environmental, social, and economic aspects, is the emphasis of SSCR's disclosure of organizational performance. According to Fajarini [21], The reason for economists' resistance to acknowledging sustainable supply is that the economists are the group that is most hesitant to address SSC concerns because they view SSC as an issue involving economic resources instead of as a public issue [23].

The CSR now included in the SSCR openly documents the social, environmental, and economic effects of business operations. Being transparent about these issues can persuade stakeholders that the business has been well-managed and has taken investors' interests seriously, which will increase investor trust [24].

2.6 Profitability

Every firm aims to make the most money possible. The primary indicator of a firm's success is profit. The outcome of the firm's various policies and choices is profitability. The concept of profitability in respect of Gunawan and Mayangsari is a ratio that demonstrates the firm ’s capability to profit from the usage of its capital by demonstrating the firm ’s growth profits using all the investment operating in it [19].

The profitability rendering to Laurenco et al., is the magnitude of the profit made in line to investment and sales is one ratio used to gauge profitability, which is comprised of numerous others [13]. The higher the profitability, the more capable a firm can be of turning a profit. Contrarily, based on Agussalim et al., the profitability is the outcome of many corporate policies and choices [25].

According to the experts' theories presented above, profitability may be defined as a business' capacity to produce profits while utilizing its own resources. All revenue and expenditures made by the firm in relation to its assets and liabilities over a given time are included in its profitability. Profitability may be utilized as data for shareholders to demonstrate the advantages really obtained in the form of dividends [26, 27]. Profitability helps investors gauge how much the value of their shares will fluctuate. Profitability is a metric used by creditors to assess a firm’s capability to remit loan principles and interest payments to them.

In order to measure the profitability in this study Return on Assets (ROA) ratio is used. Agussalim, et al., [25] formulate ROA as follows:

$$ROA = \frac{Net\ Income\ Available\ to\ Common\ Stockholders}{Total\ Assets}$$

2.7 Prior studies

According to the findings of multiple earlier research, profitability may raise a firm's worth. The number of a firm's profits will have an impact on its market value. High profitability indicates strong business prospects, and as a result, shareholders would take these signs favorably, increasing the firm's worth.

According to Luthfia's study, there were variances in financial performance from the years 2007 to 2011 for those who took part in the Indonesia SSCR Awards. This is due to the fact that businesses that take part in SSCR will have a good reputation, which will raise consumer interest and willingness to pay for the firm's goods. As a result, the firm's sales volume will keep growing and its earnings will rise [28].

According to Shinta et al. [29] and Safitri [17], SSCR disclosures have a considerable beneficial impact on both market and financial performance. In respect to the study of Safitri and Fidiana the economic dimensions of SSCR have little bearing on financial performance, but the social and environmental dimensions have a negative impact [9]. According to a study by Tanjung and Wahyudi, SSCR has no impact on the performance of the firms [8].

According to a study by Shintaet al., profitability has a negative impact on business value. According to the research, the dividend policy, and investment opportunities, mitigated the impact of profitability on company value [29].

According to Desfiandi and Ali [31], and Safitri and Fidiana [9], SSCR is frequently utilized by investors to estimate a firm's market worth. Investors are keenly interested in how the firm operates in a socially, environmentally, and economically sustainable dimension, including the possibility for the firm to increase the value of the firm via sustainable management.

A corporation must take responsibility for the negative impact of its actions by releasing sustainable reports in addition to its attempts to boost the firm's value by optimizing management performance. The worth of the firm will increase as a result of this.

If a corporation additionally considers economic, social, and environmental factors, its value will rise steadily and sustainably. Based on the study of Eipsten and Freedman [1] investors are drawn to supplement and additional reports, like economic, social, and environmental data that may possibly provide by the firm in an integrated manner. The firm's CSR can also be used to refer to this supplementary information [32, 33].

Firms that practice and disclose environmental and social responsibility have an impact on the financial performance of the firms since those that release more information on CSR do better financially than those that publish less information.

2.8 Framework

the theoretical framework of this study as shown in Figure 1, billed based on the above discussion, is as follows:

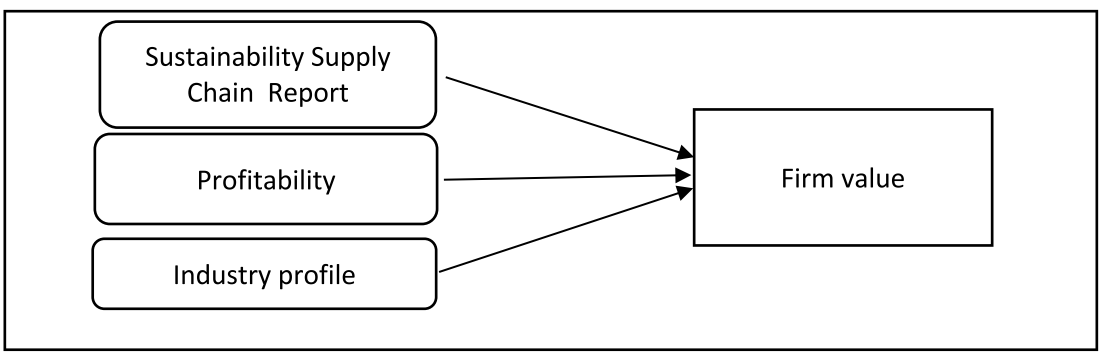

Fig. 1: Study Model

2.9 Research Hypothesis

Based on the above description regarding the thersitical framework of the study, literature review, and theories, the hypothesis the study proposed is as follows:

H_1: The SSCR significantly impacts on the Firm value.

H_2: The profitability of the firm significantly impacts on the Firm value.

H_3: The industry profile significantly impacts on the Firm value.

3 Research Methodology and Measurement

The research design refers to a defined method of data collection and analyses used in order to conduct a study (Saunders, Lewis &Thornhill [32]. Research design can also be described as a plan of action developed in an organized manner [39]. The current study adopted a quantitative method, which was defined by Given as a systematic empirical investigation of observable phenomena through mathematical, statistical, and computational techniques [43]. In regard to this, Choy argued that the advantage of the quantitative method is its quick evaluation, with no time wasted in the firms during data collection, the arrangement and tabulation of responses in a short time frame, and the simple comparison of the numerical data acquired via this approach between firms or groups [41]. Another perspective added that the best way to learn about the relationship through measurable variables, with the intent of clarifying, managing, and predicting a phenomenon, is through a quantitative method [44].

The aim of the quantitative method in research is to employ and develop mathematical models, hypotheses, and/or theories relating to the phenomenon [43]. Yin claimed that the best method for research employed in the study depends mainly on the research aims of the study [45]. In this study the quantitative method was employed owing to the numeral reasons clarified by Bryman; firstly, the measurement of the quantitative method provides the basis for more precise estimates of the degree of relationship between variables (e.g., correlation analysis). Secondly, the measurement of the quantitative method allows the researcher to delineate fine variances between samples and variables [40].

3.1 Measurement of the Variables

3.1.1 Sustainable supply chain Report

The Global Reporting Index (GRI) standard version 4.0's CSR disclosure index, which includes 161 items, is used to compute the annual report's disclosure about the information regarding to CSR and the SSCR of the firm entity. The results are then modified for each firm. The CSR Index is calculated by assigning a record of 0 if an element is not disclosed, as well as 1 if one element is disclosed. The total score for each organization is calculated after assigning scores to each item. The formula for calculating the CSR index is:

$$\text{CSRICC} = \frac{\sum XXiiCC}{nyy}$$

Casey:CSR Index of firm y

∑Xiy: Amount of elements reported by the firm y

ny: Amount of elements for firms established by GRI 4.0 Index.

3.1.2 Profitability

Profitability is the capability of the firm to earn a profit. ROA is the measure used for this study to determine profitability. Return on Assets, which can calculated based on the following formula:

$$ROA = \frac{Net\ Income\ Available\ to\ Common\ Stockholders}{Total\ Assets}$$

3.1.3 Company Value

Several factors may be used to determine a firm's worth, among them is the stock's market price. since it represents how investors see all of the equity, they have invested in. Price to Book Value (FV) is used as a proxy for the firm value in the following formula:

$$Price\ to\ Book\ Value = \frac{stock\ market\ price\ per\ share}{book\ value\ per\ share}$$

3.1.4 Industry Profile

Dummy variables are used to measure industrial profiles, with firms in high-profile industries receiving a score of 1 and those in low-profile industries receiving a score of 0. Regarding to Tanjung and Wahyudi contend that high-profile businesses often attract public attention because of the possibility for their operational actions to cross many interest groups [8]. High-profile firms include those in the food sector and retail food firms such as the dairy, confectionary, meat, agriculture, and seafood industries. Low-profile firms, on the other hand, are those that do not receive much attention from the public when certain elements of their operations failure or go wrong, leading to poor products.

3.2. Population and Research Samples

The population can be defined as a total collection of all items involved in a particular study. The elements involved can be people, objects, or events, which are considered in a particularly problematic condition [42]. Saunders et al. [32] and Udofia [33] argued that the items involved in a study of the population are regarded as the total elements needed for drawing conclusions. The population of the study is the full set of cases from which a sample (representative) is drawn

[34]. Obalola expressed that studies are only conducted by considering a particular population, not in a vacuum [35].

Firms listed on the Saudi Stock Exchange's food industry sector throughout the study period made up the study's sample (2019-2021). The study's sample includes businesses that are economically successful while also considering issues related to human rights, human resources, financially prosperous, community participation, corporate governance, the environment, and conducting business in accordance with recognized worldwide standards of ethics. Regarding the above criteria, the Saudi Stock Exchange considers 20 firms in the food industry to fulfill the standards each period so that they can serve as guidance for investors.

Purposive sampling was the method of sampling that was employed. Because the group is the only one with the data required, or because the group meets the research's requirements, samples are chosen from certain categories of groups that can supply the information.

3.3. Data collection technique

The following techniques are employed to collect data for this study:

a) Documentation, or data collecting on the subject of the study.

b) Library studies, including literature on issues related to writing this study.

4 Analysis and Discussion

4.1. An overview of the research object

In respect to the information collected through the Saudi Stock Exchange's official website, 20 firms are known to have constantly been listed over the research period (2019–2021). The purposive sampling approach was used to determine the research sample.

4.2. Analysis of the Statistical Descriptive

Table 1 displays the results of the analysis of the statistical descriptive information:

Table 1: results of the analysis of the statistical descriptive

	N	**Min.**	**Max.**	**Mean**	**Std. Dev.**
SSCR	20	0.051	0.815	0.40140	0.277340
ROA	20	4.830	60.150	24.61527	0.641215
PI	20	0.000	1.000	0.27673	0.447119
FV	20	2.73	39.01	8.186	0.544039
Valid N (listwise)	20				

Based on the above Table, the minimal results of the analysis of the statistical descriptive in a value for the SSCR of 0.051, a maximum of 0.815, and an average of 0.401. The ROA value, which ranges from 4.830 to 60.150, serves as a proxy for the company's profitability. Dummy variable industry profile values get a maximum amount of 1 while a minimum amount of 0. The minimum Firm value as determined by FV is 2.73, while the maximum is 39.01, and the average is 8.186.

4.3. Test of Multicollinearity

The Multicollinearity test results are shown in table 2:

Table 2: Results of Test of the Multicollinearity

	Model	**Collinearity Statistics**	
		VIF	**Tolerance**
1	Constant		
	SSCR	1.671	0.891
	ROA	1.931	0.911
	PI	1.905	0.857
Dependent Variable: FV			

Based on Table 2, analysis utilizing the multicollinearity test showed findings that indicated that the value of the tolerance was greater than 0.10 and that the value of VIF was less than 10. These tests' findings lead to the conclusion that there are no issues with multicollinearity in the regression model.

4.4. Normality Test

A normality test seeks to identify whether or not the data distribution is normal. The Normality test results are shown in table 3:

Table 3: Normality test, One Sample Kolmogorov – Smirnov Test

		Unstandardized Residual
N		20
Normal Parameters (a,b)	Mean	0.000000
	Std. Deviation	8.91254
Most Extreme Differences	Absolute	0.301
	Positive	0.301
	Nigative	-0.119
Kolmogrov – Smirnov Z		1.628
Asymp. Sig. (2-tailed)		0.071
a. Test distribution is normal. b. Calculated form data		

The assumption value model is evident in table 3 above. If the sign (2-tailed) is 0.061, the residual value is considered to be normal since 0.061>0.05. The model's data can then be considered to be normal.

4.5. Heteroscedasticity Test

The Heteroscedasticity test results are shown in table 4:

Table 4: Heteroscedasticity Test Results

			Unstandardized Residual
Spearman's Test	SSCR	Correlation coefficient	0.320
		Sig. (2-tailed)	0.201
		N	20
	ROA	Correlation coefficient	-0.198
		Sig. (2-tailed)	0.206
		N	20
	PI	Correlation coefficient	0.102
		Sig. (2-tailed)	0.451
		N	20
	Unstandardized Residual	Correlation coefficient	1.000
		Sig. (2-tailed)	
		N	20

With a significance level greater than 0.05, the variable's correlation to the Unstandardized Residual is significant, as can be observed in table 4. It may be said that regression model's heteroscedasticity is correct since the significance is more than 0.05.

4.6. Hypothesis testing Determination Analysis (R2)

Determination Analysis (R^2) test results are shown in table 5:

Table 5: Results of Test of the Autocorrelation

Summary of the Model[a]				
Model	R	R^2	Adjusted R^2	Std Error at the Estimate
1	0.461[b]	0.115	0.185	19864
a. Dependent Variable: FV				
b. Predictors: Constant, SSCR, ROA, PI				

The result of Adjusted R2 is 0.185, This shows that the industry profile may account for 18.5% of the firm's value as determined by the value of the profitability, industrial profile, and sustained report, whilst the remaining portion (100% - 18.5% = 81.5%) is addressed through factors not included in this research. These results are based on the test of coefficient determination analysis, which is shown in Table 5.

4.7. The Test of Simultaneous Regression Coefficient

The results of the Test of Simultaneous Regression Coefficient (F-Test) are shown in table 6:

Table 6: Results of F-Test

Model	Sum of Squares	F	Sig.
Regression	1095.004	2.968	0.012
Residual	4018.341		
Total	3961.707		

According to the findings of the simultaneous test, a statistical test with F counts of 0.012 and 0.000 indicates that the degree of error is less than 5%. According to the findings of this F-test, the effect of the SSCR, industry profile, and profitability on firm value are all explained by the linearly estimated linear regression model, in addition to it could similarly state that the dependent variable impacted by all independent variables together.

4.8. Multiple Linear Regression Analysis

The Multiple Linear Regression Analysis results are shown in table 7:

Table 7: Multiple Linear Regression Analysis

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t-value**	**Sig.**
	B	**Std. Error**	**Beta**		
Constant	0.412	0.411		0.917	0.000
SSCR	0.526	0.201	0.165	0.623	0.006
ROA	0.701	0.196	0.533	0.583	0.000
PI	0.064	0.915	0.026	0.192	0.641
Dependent Variable: FV					

The equation of the regression analysis is as follows:

$Y = 0.412 + 0.526X_1 + 0.701X_2 + 0.064X_3$

Constants of 0.412 indicate that if the profitability, industry profile, and SSCR values are all zero, the firm value is equal to 0.412 units. A persistent magic report rise of one unit will result in a 0.526-unit increase in the firm value, according to the sustained variable regression coefficient. The coefficient indicates a positive relation between the value of the firm and the value of the SSCR; the higher of the value of the SSCR, the firm value will be better. In the table above, the SSCR variable has a significance value of 0.007, which is less than 0.05, indicating that it significantly impacts the firm's value. The results of this research indicate that the extent to which CSR is practiced has an impact on the rise in firm value. This is consistent with the idea that a business cannot exist just for its profit and must also help its stakeholders. Stakeholders will become satisfied if the firm can enhance the advantages they receive, which will raise the value of the business. The social data that the corporation offers in its annual report has started to receive positive feedback from investors. Wider social disclosures made by firms in their financial statements and annual reports seem to affect the volume of trading in the firm when the volume of trade increases after the publication of financial statements and the annual reports that raise the value of the firm.

The ROA value of 0.701 serves as a proxy for the variable profitability regression coefficient, indicating that if profit of the firm rises with one unit, the firm's value will rise by 0.701 units as well. The coefficient is positive, indicating that there is a correlation between profitability and firm value, with the latter increasing as profitability increases. The profitability variable's significance value in the table above is 0,00. Profitability has a considerable impact on firm value when the significant value is less than 0.05. According to the study's findings, the firm's increased profitability will also result in better earnings per share. Investors will become more interested in spending their cash by purchasing firm shares as earnings per share rise. The evidence is that when more investors purchase corporate shares, the stock price of the firm will rise, increasing the firm's worth. From a different angle, it may be inferred from this research that investors typically favor prosperous firms because they assume that by selecting a lucrative firm, they would reap the rewards of their investing in the shape of dividends paid to stockholders.

The regression coefficient for the industry profile variable is 0.064, which means that if the industry profile increases by one unit, the firm value will likewise rise by 0.064 units. The industry profile and firm value are positively correlated, as indicated by the positive coefficient, the higher the industry profile value, the greater the firm value. In the table above. The variable of industrial profile's significance value is 0.641. If the significance value is larger than 0.05, the industry profile has no discernible influence on the value of the company. The findings of this research demonstrate that the kind of industry does not significantly affect the ability of stakeholders to provide a stronger signal for raising the value of the firm.

According to other studies, including Attia and Salama [36], Attia and Eldin [37], and Faridi and Sulphey [38], this research was conducted on firms that are regularly listed on the Saudi Stock Exchange and are in the food industry.

5 Conclusion and Recommendations

Most governments nowadays are putting a lot of effort into encouraging the corporate sector to participate in their nations' social responsibility initiatives for sustainable development. From the perspective of sustainable development, the private sector's participation in social responsibility encompasses the social, environmental, and economic components and has been broadened to address concerns about corruption removal, poverty reduction, and human rights preservation.

The SSCR transparency had an impact on the value of the firm, as well as the profitability of the firm had an impact on the value of the firm, while the industry profile had no impact, according to the results of the data analysis and debate, which led to this conclusion. This study can help businesses, particularly those that are concerned with the significance of disclosing sustainability reports that have the potential to alter a company's worth. Additionally, it is anticipated that policymakers will take these findings into account when making decisions on how to prepare the SSCR.

This study recommends that would involve making social responsibility disclosure one of the common conditions for bidding and tenders in Saudi Arabia. The Saudi government should also work to decrease the taxes imposed on the firms to motivate them to practice social responsibility or develop an award for the best firms that contribute more to society, because that will reflect positively on the sustainability of the firm. Furthermore, the Saudi government must raise the instructions, and regulations, and monitor the firms' disclosures in the annual reports in an effective way.

Conflicts of Interest Statement

The authors certify that they have NO affiliations with or involvement in any organization or entity with any financial interest (such as honoraria; educational grants; participation in speakers' bureaus; membership, employment, consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing arrangements), or non-financial interest (such as personal or professional relationships, affiliations, knowledge or beliefs) in the subject matter or materials discussed in this manuscript.

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