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DISCLOSURE OF SUSTAINABILITY REPORTS AND INTEGRATED REPORTS HAS AN IMPACT ON COMPANY PROFITABILITY

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Abstract

The research aims to determine the impact of the Sustainability Report and Integrated Report on profitability. The Sustainability Report is measured based on the Global Reporting Initiative. The Integrated Report is measured by the nine (9) content elements of the Integrated Report. Profitability is measured using ROA. The population used in this research is mining companies on the BEI in 2016-2020, samples were taken from companies that publish financial reports, annual reports and Sustainability Reports accessed via the company website and the Indonesia Stock Exchange website. The data was analyzed using multiple linear regression techniques. The results of the research show that in the disclosure of the Sustainability Report, of the three (3) dimensions tested, the social dimension has a significant impact on profitability. While the Integrated Report disclosure has no impact on profitability.

Keywords: ***Sustainability Report, Integrated Report, Stakeholders and Profitability***

Introduction

Company value is a good or bad description of a company in managing its wealth. The value of a company is important to note so that the company can develop. Corporate value is created not only from the high profits earned but also from how the company pays attention to the natural, social and economic environment. (Kurniawati et al, 2020). The company is obliged to pay attention to life in the company environment, this is to ensure the continuity of the company's life so that it has a good image and value and hopes to increase profitability can be achieved because it attracts the attention of stakeholders. The obligation to live the environment is a must for companies, especially companies engaged in the mining industry. There are signs that the Indonesian mining industry has not been able to properly comply with environmental regulations. Mining activities have definitely affected the environmental conditions and the lives of the surrounding communities. Awareness of environmental preservation should also be fulfilled by every mining business actor. Not infrequently, problems arise due to mining activities. Starting from licensing issues, conflicts with local communities, to pollution due to mining waste. When mining activities are completed, sometimes there are also problems that arise. Some mining companies leave ex-mining holes just like that, reclamation and post-mining obligations are sometimes not fulfilled properly (Haholongan, 2016).

Data from the Ministry of Energy and Mineral Resources, there are around 8 million hectares of ex-mining land that have not been reclaimed until 2018. (Andi, 2021). The West Sumatra Forum for the Environment (WALHI) noted that throughout 2020 there had been 780 ecological disasters that occurred in West Sumatra. Ecological disasters occur due to a decrease in the carrying capacity and carrying capacity of the environment caused by the conversion of functions and clearing of forest areas, damage to watersheds, and loss of water catchment areas. Increased rainfall which is the impact of climate change also worsens the situation and triggers major disasters. Industrial competition has turned out to have a negative effect, the high desire and interest of companies to be able to gain profits and efforts to expand their business expansion have triggered environmental conflicts in Indonesia. Actually, Indonesia already has Law number 40 of 2007 which stipulates that every company that carries out operations in the field of Natural Resources is obliged to carry out Social and Environmental Responsibility (Corporate Social Responsibility). However, currently Social and Environmental Responsibility (Corporate Social Responsibility) activities do not fully contribute to sustainable development and many are more towards greenwash or marketing tools for companies. The lack of financial analysis made by companies to measure social and environmental impacts makes it impossible for the government to monitor and measure how far the company's program commitment to the sustainability of the natural and social environment is affected by its operational activities. Based on this incident, there is a dilemma for companies how to show commitment and contribution to sustainable development without reducing investor confidence in the sustainability of the business for the company itself. So we need a regulation that regulates detailed and measurable reports that can become an assessment record for the government to measure company commitments and programs for sustainable development, the report is a Sustainability Report. Sustainability Reports must also be supported by Integrated Reports in supporting the completeness of the information reported by a company (FMA, 2014).

Sustainability Reports are measurable reports issued by companies or organizations regarding the economic, environmental and social impacts caused by the company's daily operational activities. The Sustainability Report also presents the values and models of corporate governance and shows the relationship between its strategy and commitment to a sustainable global economy. This report is an intrinsic element of integrated reporting and a more recent development that combines analysis of financial and non-financial performance both qualitative and quantitative information (Budirahardjo, 2019). This is necessary as a form of investor assessment of the company whether company management in various aspects has been implemented in accordance with the 2016 Global Reporting Initiative (GRI) Standard responsibilities and disclosures. (Anna, 2019). Law no. 40 of 2007 concerning Limited Liability Companies (PT) explains that companies that carry out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities. Social and environmental responsibility as referred to in paragraph (1) is an obligation of the company which is budgeted and calculated according to the costs of the company, the implementation of which is carried out by taking into account propriety and fairness. Social and Environmental Responsibility is regulated by Government Regulations.

Several previous studies have revealed that profitability influences environmental disclosure and leverage influences environmental disclosure negatively. This means that a company that has high profitability will present a more complete sustainability report (Hilmi and Rianda. 2020). In line with the research above, Japlim et al (2016) say that companies need the ability to be able to communicate environmental activities to stakeholders to support reputation and value. from the company itself and maintain the trust of stakeholders so that it will increase the company's profitability. The Sustainability Report is the answer to the need for non-financial (social and environmental) information. Sustainability Report is a form of company or organization reporting regarding the economic, environmental and social impacts caused by business activities. The Sustainability Report also presents the organization's values and governance model, and shows the relationship between its strategy and commitment to a sustainable global economy. Sustainability Reports (Sustainability Report) helps organizations measure, understand, communicate the environmental performance of organizational governance. Therefore an international agency issued a guide in submitting a Sustainability Report. The institution is the Global Reporting Initiative (GRI) as a guideline for preparing Sustainability Reports (GRI, 2016).

Literature review

Stakeholder Theory

Stakeholders are people or groups who have a closer relationship and have almost no impact on company activities (Phillip, et al. 2003:482). Freeman, et al (2007) stated that stakeholders are focused on value and improving company operations so that they become companies in satisfying their own interests. Stakeholder theory is of the view that companies must carry out social disclosure as one of their responsibilities to stakeholders (Gray et al, 1995). Stakeholder theory is one of the main theories that is widely used to underlie research on sustainability reports. Stakeholder theory is a theory which states that a company is not just an entity that operates to seek profit or its own interests, but must provide benefits to all its stakeholders, including shareholders, creditors, consumers, suppliers, government, society, analysts and other parties. . (Chairiri and Ghozali:23 2007)

Legitimacy Theory

According to Deegan (2000), legitimacy theory reveals that companies continuously try to act in accordance with the boundaries and norms in society, for their efforts, companies try to ensure that their activities are accepted according to the perception of external parties. Legitimacy theory places public perception and recognition as the main impetus for disclosing information in financial reports (Rokhlinasari, 2015). Legitimacy is recognition of the legality of something. Legitimacy is often an important aspect for the company, a strategic factor for the future development of the company (Ahmad and Sulaiman, 2004). This theory encourages companies to provide confidence that their activities and performance can be accepted by society. Reports of corporate social and environmental responsibility activities disclosed in the Sustainability Report can be used to prove that the company has carried out social responsibility.

Financial performance

Hutabarat (2020:2) said that financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly. Performance is also the result of an evaluation of past work that has been completed. The results of the work are compared with the standards that have been set together. Every work that has been completed requires periodic assessment or measurement. Furthermore, Kasmir (2015:121) said that financial performance is a measure of the success of the company in its operational activities. Tjahjono (2013) expressed a similar opinion, saying that to measure a company's financial performance, a tool is needed to analyze it. Financial ratios are a tool used to analyze a company's financial condition and performance. By calculating various ratios so that we can get comparisons that might be useful rather than the raw numbers themselves

Hutabarat (2020: 3) says that there are several objectives for financial performance, including the following:

1. To meet the level of profitability or profitability so that by knowing this, you can show the company's ability to generate profits during a certain period.
2. To determine the level of liquidity, this can indicate the company's ability to fulfill its financial obligations immediately or the company's ability to fulfill its finances when billed.
3. To determine the level of solvency, this can show the company's ability to fulfill its financial obligations if the company is liquidated, both short-term and long-term financial obligations.
4. To determine the level of business stability, by knowing this, it can show the company's ability to carry out its business stably, which is measured by considering the company's ability to pay its debts on time, as well as its ability to pay dividends to shareholders without experiencing obstacles or financial crisis.

Sustainability Report

According to Elkington (1999), a sustainability report is a report that not only contains financial performance information but also non-financial information consisting of information on social and environmental activities, with this information making it possible for the company to grow sustainably (Sustainable Performance). Sustainability Report is a general term that is considered synonymous with other terms such as Triple Bottom Line Report. Apart from pursuing profits, companies must be involved in fulfilling the welfare of society (people), and contribute to preserving the environment. Tarigan and Samuel (2014) stated that a sustainability report is a report that contains financial and non-financial performance. Furthermore, Mulpiani (2019) explains that sustainability reports are reports issued by companies and organizations to explain economic, environmental and social issues caused by company operational activities. Sustainability reports present organizational values and guidelines for governance and show the relationship between strategy and a company's commitment to a sustainable global economy. The importance of sustainability reports for companies because they can assist in setting goals, measuring performance, and managing company operations to make them more sustainable. A sustainability report is a type of company report that contains economic performance, environmental performance, and social performance of a company that aims to communicate company activities to stakeholders.

Disclosure of the Sustainability Report is one of the disclosure information that is sustainable, in accordance with the signaling theory which reflects and provides a good signal to investors by providing information that is transparent and in accordance with the disclosures made by the company (Pratama, 2019). The Global Reporting Initiative (GRI) is an international organization whose main activities are focused on achieving transparency and reporting of a company through developing standards and disclosure of sustainability. The sustainability report is a stand-alone report although it is often reported or disclosed together with the annual report. The demand for companies for more transparent disclosure increases the pressure for companies to collect, control, and publish their sustainability information. Sustainability reports are the key for managers to convey company activities (Wijayanti, 2017).

Sustainability Report Measurement

Sustainability report measurement follows the Global Reporting Initiative (GRI) guidelines, namely the Global Reporting Initiative (GRI) Standard. This is because the Global Reporting Initiative (GRI) guidelines are the most widely used guidelines for reporting sustainability reports in Indonesia. The measurement consists of disclosures related to economic, environmental and social topics totaling 91 disclosure items. Each item disclosed by the company will be given a checklist, then the number of the checklist will be divided by the number of items that should be included in the sustainability report. Sustainability reports in this study are calculated using Sustainability Reporting Disclosure (SRD) with the following formula:

$$SRD = \frac{\text{(Number of items disclosed)}}{\text{(Number of items should be)}}$$

Integrated Report

According to the International Integrated Reporting Council (IIRC) on the Integrated Report (IR) Framework (IIRC, 2013) says an Integrated Report is a concise communication about how the organization's strategy, governance, performance and prospects, in the context of the external environment that can generate value short, medium and long term. Apart from containing financial information, the Integrated Report also contains other information relevant to the organization (Ketut A, 2021) According to Mipo (2010) an Integrated Report is a concise and integrated communication. Integrated Reports generally contain profiles, governance and corporate social responsibility, reports and statements from members of the board of directors and board of commissioners, management analysis and discussions, as well as audited financial reports. Kurniawan (2020) stated that an Integrated Report is a method that can be used to provide accountability to stakeholders through integrating various economic, environmental and social aspects.. Based on the definitions above, it can be concluded that an Integrated Report is a structured report, containing financial and non-financial information created to report company activities in full.

Integrated Report Measurement

Montecalvo et al. (2018) said that the International Integrated Report (IR) Framework has seven guiding principles in disclosing company information through an Integrated Report and eight content elements that must be fulfilled in order for a report to be worthy of being called an integrated report. The principle referred to is as follows:

1. Guiding Principles consist of:
   a) Strategic focus and future orientation
   b) Information Connectivity
   c) Connectivity with stakeholders
   d) Materiality
   e) Conciseness
   f) Reliability and Completeness
   g) Consistency and Comparability
2. Element Content consists of:
   a) Overview of the organization and external environment
   b) Governance
   c) Business Model
   d) Risks and Opportunities
   e) Strategy and Resource Allocation
   f) Performance
   g) View h) Basis of Preparation and Presentation

Profitability

Septiana (2019:107) says Profitability is the net result of a number of company policies and decisions with the main objective to see how much the company's ability to make a profit. Furthermore Natalia (2014) Company profitability is the company's ability to generate net profit from activities carried out in the accounting period. Profitability can be proxied by Return On Assets which is a ratio to measure a company's ability to generate profits from investment activities and to measure management's ability to gain overall profits (profit). Company performance can be reflected in several ways, one of which can be done by companies and interested parties to see the level of company performance by paying attention to several aspects such as liquidity, solvency and profitability. Profitability can be a good measurement of financial performance because it reflects the company's ability to earn profits (Sawir, 2012). Septiana (2019:108) states that the profitability ratio is a ratio that aims to determine a company's ability to generate profits over a certain period. Apart from that, it also provides an overview of management's effectiveness in carrying out its operational activities. Septiana (2019) states that the benefits obtained from the profitability ratio can determine the level of profit earned by the company in one period, the previous year's profit position with the current year, profit development from time to time, the amount of net profit after tax with own capital and also productivity of all company funds used, both capital and loan capital.

Profitability Ratio

Measurement Profitability ratios are measured using the ratios of profit margin on sale, return on investment, return on equity and earnings per share of common stock. The following ratios are used:
The on sale margin ratio consists of

a. Gross Profit Margin = $\frac{\text{(HPP-Sales)}}{\text{(Sales)}}$

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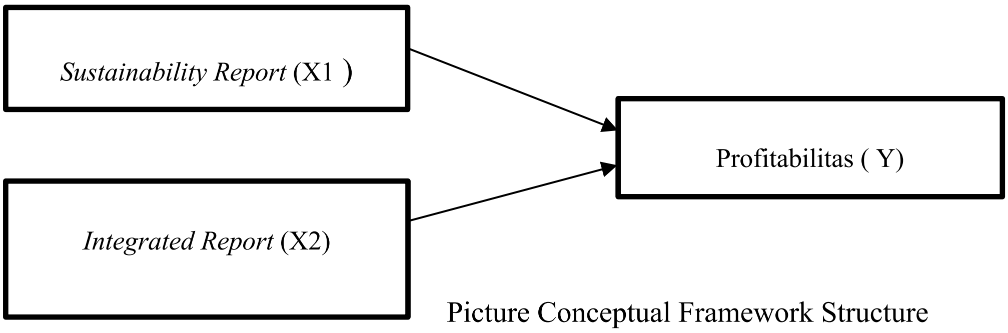
b. *Net profit margin* $= \dfrac{Earning\ After\ Interest\ And\ Tax}{Sales}$

c. $ROA = \dfrac{Earning\ After\ Interest\ And\ Tax}{Total\ Asset}$

d. ROE $= \dfrac{Earning\ After\ Interest\ And\ Tax}{Total\ Equity}$

e. EPS $= \dfrac{\text{Laba Saham Biasa}}{\text{Saham Biasa yang Beredar}}$

Conceptual Framework



Picture Conceptual Framework Structure

Research Methodology
Research Objects and Locations

The research object is a scientific target to obtain data with a certain purpose and use about something objective, valid and reliable about a certain variable (Sugiyono 2017:8). In this research, the research object is the profitability of Mining Companies, the disclosure of Sustainability Reports and the disclosure of Integrated Reports. As for the location of this research, mining companies listed on the Indonesia Stock Exchange, Sugiyono (2017:9) stated the meaning of research methods as follows: Research methods are a scientific way to obtain data with specific purposes and uses. Based on this, four keywords need to be considered, namely, the scientific method, data, purpose, and usability. collecting data and observing to find relationships and influences between the variables studied. This study uses a quantitative research method.

Data collection technique

Data collection techniques are the most strategic steps in research, because the main purpose of research is to obtain data. Without knowing data collection techniques, researchers do not get data that meets the established standards (Sugiyono, 2017:9). Furthermore, Sugiyono (2017:10) states that data is divided into two:

1. Primary data is data obtained from direct empirical research results from direct actors or directly from the place where the data originates.
2. Secondary data, namely data obtained from other parties or the results of research from other parties.

This research uses secondary data sources in the form of financial report documents as follows:

1. Environmental Social Responsibility (TJSL) performance data contained in the Sustainability Report.
2. Corporate governance performance data taken from the Annual Report.
3. Financial performance data taken from Financial Statements and Annual Reports.

Data collection techniques with data collection tools are documentation in the form of company annual financial reports, financial reports and sustainability reports. This method is used to obtain information about Sustainability Reports and Integrated Report disclosures for mining companies in 2016-2020 which are obtained through the website of PT. Indonesian Stock Exchange (www.idx.co.id). And also through the respective company websites.

Population

The population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiono, 2017:216). The population in this research are all mining companies listed on the Indonesia Stock Exchange (BEI). The period used as observation data is 2016-2020. With the criteria of mining companies listed consecutively on the Indonesia Stock Exchange during the 2016-2020 period

Sample

The sample is a part of the population. The samples in this research were Annual Reports, Financial Reports, and Sustainability Reports of Mining Companies listed on the Indonesia Stock Exchange for 2016-2020, consisting of 30 companies. The sampling technique used in this research used the purposive sampling method. The purposive sampling method is a data collection technique by considering certain criteria (Sugiyono, 2017:217).

Research Results And Discussion

Descriptive Statistics Test Results

The data for conducting the descriptive analysis test in this study is from 2016 to 2020, namely 150 observational data. Description of the variables in the descriptive statistics used in this study include the minimum, maximum, mean, standard deviation of one dependent variable, namely profitability and two independent variables, namely the Sustainability Report and the Integrated Report. Descriptive statistics are concerned with collecting and ranking data. Descriptive statistics describe the character of the sample used in this study. The distribution of descriptive statistics for each variable is shown in the following table:

Table Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1.1	150	,22222	1,00000	,71185	,14165
X1.2	150	,17647	,911764	,49784	,20308
X1.3	150	,37500	,791666	,523750	,07780
X2_IR	150	3,4444	5,5555	4,468843	,31685
Y_ROA	150	-,57570	,456000	,035149	,11342
Valid N (listwise)	150				

Source: Data processed by SPSS V.26 (2022)

This table shows the results of the descriptive statistical research for each variable studied at the Mining Companies in 2016-2020. The number of valid data is 150. The results of descriptive statistical tests on the profitability variable (Y) show a maximum value of 45.6 for PT Bayan Resource Tbk in 2018. This means that the profitability of PT Bayan Resource Tbk in 2018 is higher than the sample. other. Meanwhile, the minimum value of 45.6 owned by PT Perdana Karya Perkasa Tbk in 2019 means that the profitability of PT Perdana Karya Perkasa Tbk in 2019 was lower than the other samples. The results of descriptive statistical tests on the Sustainability Report Disclosure variable are explained in three categories, namely economic, environmental and social. The Economic Category (X1.1) shows a maximum value of 1,000 belonging to PT Aneka Tambang Tbk in 2020. This means that the Sustainability Report Disclosure for the economic category (X1.1) owned by PT Aneka Tambang Tbk in 2020 is higher than the other samples. Meanwhile, the minimum value was 0.2222 owned by PT Elnusa Tbk in 2016. This means that the disclosure of the Sustainability Report in the economic category (X2) owned by PT Elnusa Tbk in 2016 was lower than in other samples. The environmental category (X1.2) shows a maximum value of 0.91176 for PT Adaro Energy Tbk in 2018. This means that the Sustainability Report disclosure for the environmental category (X1.2) owned by PT Adaro Energy Tbk in 2018 is higher than the other samples. Meanwhile, the minimum value of 0.1764 held by PT Perdana Karya Perkasa Tbk in 2018 means that the Sustainability Report disclosure in the environmental category (X1.2) held by PT Perdana Karya Perkasa Tbk in 2018 was lower than the other samples. The social category (X1.3) shows a maximum value of 0.7916 belonging to PT Bukit Asam Tbk in 2016. This means that the disclosure of the social category Sustainability Report (X1.3) owned by PT Bukit Asam Tbk in 2016 is higher than the other samples. While the minimum value of 0.375 owned by PT Elnusa Tbk in 2016 means that the disclosure of the Sustainability Report in the social category (X1.3) owned by PT Elnusa Tbk in 2016 is lower than the other samples. The results of descriptive statistical tests on the Integrated Report (X2) disclosure variable show a maximum value of 5.555 for PT Aneka Tambang Tbk in 2020. This means that the Integrated Report (X2) disclosure held by PT Aneka Tambang Tbk in 2020 is higher than the other samples. Meanwhile, the minimum value of 3.4444 held by PT Mitra Investindo Tbk in 2016 means that the Integrated Report (X2) disclosure held by PT Mitra Investindo Tbk in 2016 was lower than the other samples.

Multiple Linear Regression Test Results

This regression test aims to find out how the independent variable influences the dependent variable based on the results of multiple linear regression analysis tests using computer tools using the SPSS program, which can be seen in the following picture:

$$Y = B_0 + \beta 1X1.1 + \beta 2X1.2 + \beta 3X1.3 + \beta 4X2 + \varepsilon$$

Information :

Y = Profitability
α = Constant
β1, β2, β3 = Regression coefficient
X1.1 = Economy Category
X1.2 = Environment Category
X1.3 = Social Category
X2 = Integrated Report
e = Error term

Table Multiple Linear Regression Test Results

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	-,157	,143		-1,096	,275
	X1.1	-,056	,075	-,070	-,742	,459
	X1.2	,005	,053	,009	,093	,926
	X1.3	,342	,137	,235	2,498	,014
	X2	,011	,031	,031	,360	,720
a. Dependent Variable: Y_ROA						

Based on the table above the results of calculations and multiple linear regression tests obtained a constant value (α) of the regression model = -0.157, and the regression coefficient (β) of each independent variable obtained β1 = -0.056 , β2 = 0.005, β3 = 0.342 and β4 = 0.011. Based on the constant values and regression coefficients, the relationship between the independent variables and the dependent variable in the regression model can be formulated as follows:

$$Y = -0{,}157 - (-0{,}056)(X1.1) + 0{,}005(X1.2) - 0{,}342(X1.3) + 0{,}011(X2)$$

From the above equation can be explained as follows:

1. Constant Value (α) is -0.157. This means that if the profitability variable is considered constant (value 0), then the profitability value is -0.157.
2. For the value of the variable regression coefficient (X1.1) the economic category is -0.056. This shows that there is a negative relationship to profitability. Each increase in the economic category by 1% will reduce profitability by -0.158.
3. The regression coefficient value for the environmental category variable (X1.2) is 0.005. This shows that there is a positive relationship to profitability. Every 1% increase in the environmental category will increase profitability by 0.005.
4. For the value of the regression coefficient of the social category variable (X1.3) is 0.342. This shows that there is a positive relationship to profitability. Every 1% increase in social disclosure will increase profitability by 0.342
5. The value of the Integrated Report variable regression coefficient (X2) is 0.011. This shows that there is a positive relationship with profitability. Every 1% increase in Integrated Report disclosure will increase profitability by 0.011.

Hypothesis test

Partial Test Results (t Test)

The partial test was carried out with the aim of finding out whether the independent variables in this study have an effect on the dependent variable individually by carrying out a partial test which is seen from the significance test, where the condition is that if the probability is above 0.05 then the dependent variable does not significantly influence the independent variable. The partial test results in this study are shown in the following table:

Table Partial Test Results (t test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,157	,143		-1,096	,275
	X1.1_K.Ekonomi	-,056	,075	-,070	-,742	,459
	X1.2_K. lingkungan	,005	,053	,009	,093	,926
	X1.3_K. social	,342	,137	,235	2,498	,014
	X2_IR	,011	,031	,031	,360	,720

a. Dependent Variable: Y_ROA

Source: Source: Data processed by SPSS V.26 (2022)

The partial significance test basically shows how far an independent variable individually or partially can explain variations in the dependent variable. Acceptance or non-acceptance of the hypothesis is carried out using the following criteria:

a. H1 is accepted, if t count > t table with a significant level <0.05 b.
b. H2 is accepted, if t count > t table with a significant level <0.05

Table Partial Test Results (t test)

Variabel	Probabilitas	Keterangan	Prob
X1.1	0,459	Tidak Signifikan	Ditolak H1.1
X1.2	0,926	Tidak Signifikan	Ditolak H1.2
X1.3	0,014	Signifikan	Diterima H1.3
X2	0,720	Tidak Signifikan	Ditolak H2

Source: Processed data (2022)

Based on the table above, the results of the influence can be analyzed as follows:

The Sustainability Report variable is the economic dimension of profitability with a significance value of 0.459 > 0.05 so that it can be said, H1.1 is rejected. That is, the economic dimension of the Sustainability Report has no effect on profitability. The variable Sustainability Report environmental dimension to profitability with a significance value of 0.926 > 0.05 so that it can be said, H1.2 is rejected. That is, the environmental dimension of the Sustainability Report has no effect on profitability. The variable Sustainability Report social dimension to profitability with a significance value of 0.014 <0.05 so that it can be said, H1.3 is accepted. That is, the social dimension of Sustainability Report affects profitability. Integrated Report disclosure variable on profitability with a significance value of 0.720 > 0.05 so that it can be said, H2 is rejected. That is, Integrated Report disclosure has no effect on profitability. Result Coefficient of Determination (R2) The determinant coefficient (R2) test was carried out to see how much the independent variable, namely the Sustainability Report (SR) Integrated Report (IR), was able to explain the dependent variable, namely Profitability. To find out how big the relationship can be seen from the Adjust R-Square value.

Table Result Coefficient of Determination (R2)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,223[a]	,050	,024	,112077979702826
a. Predictors: (Constant), X4_IR, K.Ekonomi , K. sosial , K. Lingkungan				
b. Dependent Variable: Y_ROA				

Source: Data processed by SPSS V.26 (2022)

The Adjust R-Square value in this study was 0.24. This shows the ability of the independent variables, namely the Sustainability Report (SR) Integrated Report (IR) in explaining the dependent variable of profitability, which is equal to 24%, while the remaining 76% is caused by other variables not included in this study.

Conclusion

Based on the results of the research and discussion described above, the authors draw the following conclusions:

1. Disclosure of Sustainability Reports in the economic category does not have a significant effect on profitability because the disclosure of the economic dimension in the Sustainability Report is more focused on corporate responsibility in the economic field. This is one of the factors in the results of this study that stakeholders prefer to see the company's economic performance rather than responsibility in the economic field.
2. Disclosure of a Sustainability Report in the environmental category has no significant effect on profitability because stakeholders are more concerned with the company's economic performance. And environmental disclosure is seen as a form of corporate obligation that must and should be carried out as a form of fulfilling corporate responsibility for the environment without affecting company profitability. And with the disclosure of this environmental dimension it can have a positive impact on public trust (company legitimacy) to maintain business continuity.
3. Disclosure of Sustainability Reports in the Social Category has a significant effect on Profitability because the practice of disclosing social performance is for the purpose of gaining legitimacy as a response to public pressure. With the acceptance from the community (legitimacy), it is hoped that it will increase the value of the company so that it will improve the company's image and influence sales so that it can increase company profits.
4. Disclosure of the Integrated Report on profitability does not have a significant effect on profitability because this Integrated Report has not yet become a major benchmark for investors in making investment decisions, meaning that the disclosure of this Integrated Report has not become an aspect that can increase profitability, where profitability a company is needed to attract investors who want to invest. However, the existence of integrated reporting disclosure is also an important thing to be able to provide additional information benefits for stakeholders.

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