

ABSTRACT

This study aims to analyze the effect of Sustainability Report and financial performance on Return on Assets (ROA) in companies belonging to the coal subsector in Indonesia. Sustainability Report is used to measure the level of disclosure of corporate social and environmental responsibility, while financial performance reflects the overall financial condition of the company. ROA is chosen as an indicator of profitability that shows the efficiency of the company in managing assets to generate profit. This study uses secondary data obtained from annual reports and sustainability reports of coal companies listed on the Indonesia Stock Exchange (IDX) in a certain period. The analysis method used is multiple linear regression to test the extent to which Sustainability Report and financial performance have a significant effect on ROA. The results of this study are expected to contribute to the development of sustainability reporting practices and increase corporate awareness of the importance of social responsibility in supporting sustainable financial performance.

The results show that Sustainability Report disclosure generally has a significant effect on financial performance. The economic aspect disclosure demonstrates a significantly positive impact, while the environmental and social aspects show varying influences on ROA. This study concludes that sustainability disclosure can enhance transparency, investor trust, and operational efficiency, thereby positively impacting financial performance. These findings contribute to stakeholders' understanding of the importance of the Sustainability Report as a strategic tool to support business sustainability and investment decision-making.

Keywords: Sustainability Report, Financial Performance, Return on Assets (ROA), Coal Subsector