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Research/Review

The Effect of Sustainable Business Practices on Company Profitability: Evidence From the Asia Sustainability Reporting Rating (ASRRAT)

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Abstract: This study aims to analyze the effect of sustainable business practices, as measured through the disclosure of economic, environmental, and social aspects based on the Global Reporting Initiative (GRI) Standards 2016, on the profitability of companies participating in the Asia Sustainability Reporting Rating (ASRRAT) during the 2018–2024 period. The growing awareness of sustainability has encouraged companies not only to pursue profit but also to consider their impact on the environment and society as a form of legitimacy and accountability to stakeholders. The study population comprises all companies participating in ASRRAT from 2018 to 2024, with samples selected using a purposive sampling method. The final sample consists of 8 companies, yielding 56 observations. Data were obtained from annual reports and sustainability reports published on the official company websites and the National Center for Corporate Reporting (NCCR). The results reveal that environmental disclosure has a significant positive effect on company profitability, while economic and social disclosures show no significant effect. These findings reinforce both legitimacy theory and stakeholder theory, suggesting that companies can gain social legitimacy and stakeholder trust through genuine environmental commitment.

Keywords: Environmental Disclosure; GRI Standards; Profitability; Stakeholder Theory; Sustainable Business Practices.

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1. Introduction

Sustainable business practices have gained substantial attention and experienced significant growth over the past few decades. With the rising issues of global warming, population explosion, and ozone depletion in 2025, both individuals and organizations are increasingly required to adopt sustainable practices to minimize the impact of environmental degradation. Sustainable business practices involve the implementation of strategies and processes aimed at protecting the environment. These practices not only generate positive impacts on society but also help organizations achieve their long-term financial objectives.

Companies are now expected not only to generate profits but also to make positive contributions to the environment, society, and good governance—collectively referred to as Environmental, Social, and Governance (ESG). ESG practices encompass various aspects, including environmental impact management, social responsibility, and transparency in corporate governance. According to Elkington, as cited in Nugroho (2009), modern business goals extend beyond profit (profit) to include responsibility toward people (people) and the planet (planet). These three elements are known as the Triple Bottom Line (TBL). The extent to which companies implement the TBL principles can be assessed through their sustainability reports.

The Triple Bottom Line concept is often reflected in a company's Corporate Social Responsibility (CSR) initiatives. However, in practice, CSR implementation in Indonesia remains imperfect and suboptimal. Although CSR implementation is mandated by law, some companies carry out CSR activities merely to fulfill legal obligations without ensuring that these initiatives truly benefit their stakeholders. Some researchers define CSR as an approach that considers both internal and external stakeholders, while others argue that it is inherently a voluntary activity. In essence, CSR implementation should be strategically aligned with the company's business objectives to ensure that it generates benefits for the organization while simultaneously delivering positive impacts for all stakeholders.

According to the KPMG Sustainability Reporting Survey (2024), more than four-fifths of companies within the G250 group now include sustainability or ESG information in their annual reports. This proportion has increased to 82 percent in 2024, up from a low of 68 percent in 2022, following a decline from 78 percent in 2017. Meanwhile, the proportion of N100 companies that incorporate ESG and sustainability information in their annual reports has remained relatively stable, increasing by only two percentage points to 62 percent in 2024.

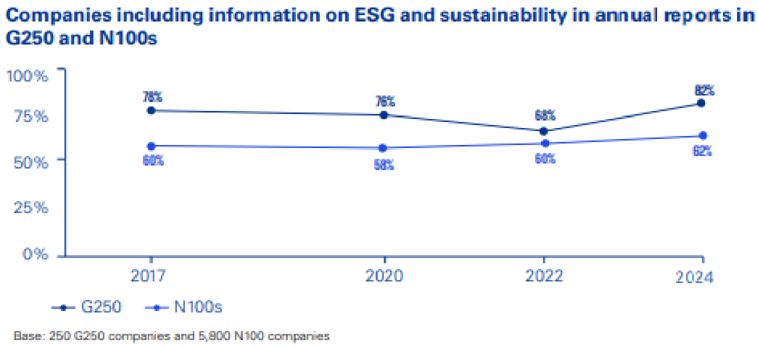

Figure 1. Global Percentage of Companies Including ESG and Sustainability Information in Their Annual Reports.

Source: KPMG.com, 2024.

Based on the report from the Indonesia Stock Exchange (IDX), the number of listed companies in Indonesia that have published Sustainability Reports has continued to increase up to December 2024. A total of 882 listed companies, or 94 percent of all firms listed on the IDX as of December 2024, have issued Sustainability Reports for the 2023 reporting year. Investors in the capital market have begun to consider the sustainability and ESG aspects of listed companies before making investment decisions. The implementation of ESG Reporting is expected to further enhance the quantity, quality, and transparency of ESG-related disclosures among listed companies. Ultimately, ESG reporting can assist investors in making investment decisions that comprehensively prioritize sustainability considerations.

In Asia, particularly among companies listed in the Asia Sustainability Reporting Rating (ASRRAT), firms are expected to adopt sustainable business practices that can strengthen their reputation and profitability. However, the relationship between ESG performance and corporate profitability remains a subject of debate among academics and practitioners (Zhang, 2025). Some studies suggest that strong ESG performance can improve profitability by reducing risks, increasing operational efficiency, and enhancing customer loyalty.

Law No. 40 of 2007 concerning Limited Liability Companies and the Financial Services Authority Regulation (POJK) No. 51 of 2017 on corporate social responsibility (CSR) require companies in Indonesia to implement CSR as an integral part of their business strategy (Geovani Marstumikhe Glesia et al., 2023). These regulations reflect the government's recognition of the importance of transparency and accountability in sustainability disclosure. According to Cerciello et al. (2022), sustainable business practices can enhance profitability through improved corporate reputation, reduced operational costs, and stronger customer loyalty. The study emphasizes the importance of strategic disclosure—sharing sustainability-related information transparently—to maximize the benefits of sustainable practices.

Drawing from the above background, this study aims to examine "The Effect of Sustainable Business Practices on Company Profitability among Firms Listed in the Asia Sustainability Reporting Rating (ASRRAT)." By selecting companies listed under ASRRAT as the research sample, the study seeks to produce more credible findings, as ASRRAT has already filtered companies that regularly issue sustainability reports following structured standards such as the Global Reporting Initiative (GRI).

2. Method

This study employs a quantitative approach with an associative research design to examine the influence of sustainable business practices on company profitability. The associative design was chosen because it enables the measurable testing of causal relationships between variables through statistical analysis. The data used are numerical and derived from the sustainability and financial reports of companies participating in the Asia Sustainability Reporting Rating (ASRRAT) for the 2018–2024 period. This approach aims to empirically test whether the disclosure of economic, environmental, and social aspects affects corporate profitability, based on previously formulated hypotheses (Darwin et al., 2021).

The object of this study is corporate profitability using the Return on Asset (ROA) proxy for companies included in the Asia Sustainability Reporting Rating (ASRRAT) for the period 2018-2024. Companies included in ASRRAT have undergone a rigorous evaluation process using international reporting standards such as the Global Reporting Initiative (GRI). This selection ensures high compliance and quality in ESG (Environmental, Social, and Governance) reporting, thereby guaranteeing that the data are accurate and representative. The study population comprises eight companies, yielding a total of 56 observations over the 2018–2024 period. The sampling technique used is purposive sampling, with criteria including companies that consistently participated in ASRRAT and published complete sustainability and financial reports each year (Sugiyono, 2019).

The research utilizes secondary quantitative data, obtained through non-participant observation by downloading financial and sustainability reports from the official websites of the Indonesia Stock Exchange (IDX), sample companies, and the National Center for Sustainability Reporting (NCSR). Data analysis was conducted using multiple linear regression analysis with the aid of SPSS software, to test the influence of independent variables (economic, environmental, and social disclosures) on the dependent variable (profitability). The analysis procedure includes descriptive statistical tests, classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), as well as model testing through the F-test, t-test, and coefficient of determination (R^2) to evaluate the validity and strength of the regression model (Ghozali, 2021).

3. Results And Discussion

Research Data Analysis Results

Descriptive Statistical Analysis

Descriptive statistics were employed to analyze the data by providing an overview or description of the dataset, including the mean, standard deviation, maximum value, and minimum value of each variable. In this study, the variables analyzed include the disclosure of economic performance in sustainability reports, environmental performance disclosure, social performance disclosure, and profitability. The results of the descriptive statistical analysis in this study are presented in Table 1.

Table 1. Results of Descriptive Statistical Analysis.

Variables	Minimum	Maximum	Mean	Standard Deviation
Economic Disclosure (X1)	0.08	1.00	0.6538	0.29374
Environmental Disclosure (X2)	0.10	1.00	0.6738	0.27639
Social Disclosure (X3)	0.12	1.00	0.5478	0.25693
Profitability (Y)	-0.08	0.45	0.0697	0.09315

Source: Processed data, 2025.

Based on Table 1, the results of the descriptive statistical analysis for each variable can be explained as follows:

1. Economic Disclosure (X_1)

   The mean value of economic disclosure is 0.6538, indicating that, on average, the sampled companies disclosed 65.38 percent of the total 13 economic performance indicators in their Sustainability Reports. The standard deviation is 0.29374, suggesting that the variability of economic performance data is 29.374 percent relative to the mean, indicating that the data are relatively homogeneous. The minimum economic performance disclosure value is 0.08, recorded by PT Indo Tambangraya Megah Tbk, while the maximum value of 1.00 was achieved by PT Bio Farma (Persero) and PT Pupuk Kalimantan Timur.

2. Environmental Disclosure (X_2)

   The mean value of environmental disclosure is 0.6738, meaning that, on average, the sampled companies disclosed 67.38 percent of the total 30 environmental performance indicators in their Sustainability Reports. The standard deviation is 0.27639, indicating a variability of 27.639 percent relative to the mean, suggesting that the data are relatively homogeneous. The minimum environmental disclosure value is 0.10, obtained by PT PELNI (Persero), while the maximum value of 1.00 was achieved by PT Pupuk Kalimantan Timur.

3. Social Disclosure (X_3)

   The mean value of social disclosure is 0.5478, which indicates that, on average, the sampled companies disclosed 54.78 percent of the total 34 social performance indicators in their Sustainability Reports. The standard deviation is 0.25693, showing that the variability of social performance data is 25.693 percent relative to the mean, implying that the data are relatively homogeneous. The minimum social disclosure value is 0.12, recorded by PT Indo Tambangraya Megah Tbk, while the maximum value of 1.00 was achieved by PT Pupuk Kalimantan Timur.

4. Profitability

   The mean value of profitability is 0.0697, indicating that, on average, companies in the sample generated a profit of 6.97 percent of their total assets. The standard deviation is 0.09315, showing a variability of 9.315 percent relative to the mean, suggesting that the data are relatively heterogeneous. This indicates variations in profitability among companies, including those experiencing losses and others achieving high profitability. The minimum profitability value is –0.08, showing that some companies experienced a loss equivalent to 8 percent of total assets, recorded by PT Bio Farma (Persero). Meanwhile, the maximum profitability value of 0.45 was recorded by PT Indo Tambangraya Megah Tbk.

Classical Assumption Test

1) Normality Test

The normality test was conducted to determine whether the regression model and its error terms (residuals) are normally distributed. A good regression model is characterized by residual values that follow a normal distribution. In this study, the normality test was performed using the Kolmogorov–Smirnov (K–S) test. The data are considered normally distributed if the significance value obtained from the test is greater than 0.05. The results of the normality test are presented in Table 2.

Table 2. Normality Test Results.

	Unstandardized Residual
N	51
Asymp. Sig. (2-tailed)	0.200c,d

Source: Processed data, 2025

Based on Table 2, the Kolmogorov-Smirnov (KS) test results show an Asymp. Sig. (2-tailed) value of 0.200. This value is greater than the significance value of 0.05. This means the data is normally distributed, so this research model has met the classical assumption of normality, and this research can be continued.

2) Multicollinearity Test

Multicollinearity testing aims to determine whether a correlation exists between independent variables in the regression model. Multicollinearity can be detected by examining the tolerance and variance inflation factor (VIF) values for each independent variable. If the tolerance value is greater than 0.10 and the VIF is less than 10, the regression model in this study is free from multicollinearity. The results of the multicollinearity test are presented in Table 3.

Table 3. Multicollinearity Test Results.

Variables	Tolerance	VIF
Economic Disclosure	0.235	4,251
Environmental Disclosure	0.399	2,504
Social Disclosure	0.220	4,547

Source: Processed data, 2025.

Based on Table 3, the results of the multicollinearity test indicate that the economic disclosure, environmental disclosure, and social disclosure variables do not experience multicollinearity. This is indicated by a tolerance value greater than 0.1 and a VIF value less than 10 for each independent variable.

3) Autocorrelation Test

The autocorrelation test aims to determine whether a linear regression model has a correlation between the confounding errors in one period and the errors in the previous period. If a correlation occurs, it is said to be autocorrelation. One method used to detect this autocorrelation is the Run Test. The results of the autocorrelation test can be seen in Table 4.

Table 4. Autocorrelation Test Results.

Runs Test	
	Unstandardized Residual
Test Valuea	0.02860
Cases < Test Value	25
Cases >= Test Value	26
Total Cases	51
Number of Runs	20
Z	-1,837
Asymp. Sig. (2-tailed)	0.066

Source: Processed data, 2025.

Based on Table 4, it can be seen that the Asymp. Sig. (2-tailed) value is 0.066. This value is greater than the established significance level of 0.05. Thus, the residuals of the model are declared random. This means that the regression model does not contain autocorrelation, so the non-autocorrelation assumption in the regression analysis has been met. This strengthens the fact that the regression model used in this study is suitable for use in hypothesis testing, because one of the main classical assumptions, namely freedom from autocorrelation, has been met.

4) Heteroscedasticity Test

The heteroscedasticity test is used to determine whether the residual variances of one observation differ from one to another in the model. The Glejser test is used to determine whether there is an indication of heteroscedasticity in a regression model by regressing the absolute residuals. Data are declared free of heteroscedasticity if the significance value is greater than 0.05 and are declared heteroscedasticity if the significance value is below 0.05. The results of the heteroscedasticity test can be seen in Table 5.

Table 5. Heteroscedasticity Test Results.

Variables	Sig.
Economic Disclosure (X1)	0.986
Environmental Disclosure (X2)	0.289
Social Disclosure (X3)	0.819

Source: Processed data, 2025.

Table 5 shows that the independent variable of economic disclosure has a significance value of 0.986, environmental disclosure has a significance value of 0.289, and social disclosure has a significance value of 0.819. Based on these results, it can be concluded that all independent variables are free from symptoms of heteroscedasticity or do not occur.

Multiple Linear Regression Analysis

Regression analysis is used to measure the strength of the relationship between two or more variables and to indicate the direction of the relationship between the dependent variable and the independent variable. Multiple regression analysis in this study was conducted to examine the influence of economic disclosure, environmental disclosure, and social disclosure on profitability. The regression analysis was calculated using IBM SPSS (Statistical Package for the Social Sciences) Statistics 26. The results of the regression equation can be seen in Table 6.

Table 6. Results of Multiple Linear Regression Analysis.

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-2,957	0.105		-28,096	0,000
Economic Disclosure (X1)	-0.009	0.203	-0.012	-0.44	0.965
Environmental Disclosure (X2)	0.429	0.160	0.556	2,679	0.010
Social Disclosure (X3)	-0.136	0.237	-0.161	-0.576	0.567

Source: Processed data, 2025.

Based on table 6, the multiple linear regression analysis equation is as follows:

$Y = -2.957 - 0.009X1 + 0.429X2 - 1.136X3$

The above equation can be interpreted as follows:

1) Constant Value (a)
The value of the constant a is -2.957 with a significance value of 0.000. This means that if all independent variables (economic disclosure, environmental disclosure, and social disclosure) are zero, then the predicted profitability value (dependent variable) is -2.957. Because the value is significant ($p < 0.05$), this intercept indicates that the model has an important constant.
2) The Value of Economic Disclosure (X1) on Profitability
The economic disclosure variable has a coefficient value of -0.009 with a significance level of 0.965. This negative coefficient value indicates an inverse relationship between economic disclosure and corporate profitability. However, because the significance value is well above 0.05, the effect is declared statistically insignificant. This means that the level of economic disclosure in a company's sustainability report is not strong enough to influence changes in profitability. This is in line with several studies showing that the economic information disclosed in sustainability reports is often more formal and not directly related to a company's financial performance.
3) Environmental Disclosure Value (X2) on Profitability
The environmental disclosure variable showed a regression coefficient of 0.429 with a significance value of 0.010, which is less than 0.05. This indicates that environmental disclosure has a positive and significant effect on profitability. This means that a one-unit increase in environmental disclosure will increase company profitability by 0.429, with the remaining impact being influenced by other variables.
4) Social Disclosure Value (X3) on Profitability
The social disclosure variable showed a coefficient value of -1.136 with a significance level of 0.567. This result indicates that social disclosure has a negative effect on profitability, although this effect is also insignificant. This suggests that a company's increased disclosure of social aspects, such as CSR activities, community involvement, and employee rights protection, does not necessarily increase profitability.

Coefficient of Determination Test (R^2)

The R^2 test was conducted to measure the model’s ability to explain the variation of the dependent variable, with values ranging between 0 and 1. If the adjusted R^2 value approaches 1, it indicates that the independent variables are able to provide nearly all the necessary information to explain the variation in the dependent variable. The results of the coefficient of determination (R^2) test are presented in Table 7.

Table 7. Results of the Determination Coefficient Test (R^2).

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	$0{,}439^a$	0.193	0.141	0.44239

Source: Processed data, 2025.

Based on Table 7, the adjusted value is 0.141. This means that 0.141, or 14.1 percent, of the variation in profitability is influenced by the variables of economic disclosure, environmental disclosure, and social disclosure. The remaining 85.9 percent is influenced by other variables outside this study.R^2

Model Feasibility Test (F Test)

The F-test is used to assess the feasibility of the model in the study. If the p-value is <0.05, the regression model is suitable for further analysis. If the p-value is >0.05, the regression model is not suitable for further analysis. The F-test is presented in Table 8.

Table 8. Results of Model Feasibility Test (F Test).

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,197	3	0.732	3,742	$0{,}017^b$
	Residual	9,198	47	0.196		
	Total	11,395	50			

Source: Processed data, 2025.

Based on Table 7, the Adjusted R^2 value is 0.141. This means that 14.1 percent of the variation in profitability is explained by the variables of economic disclosure, environmental disclosure, and social disclosure, while the remaining 85.9 percent is influenced by other variables not included in this study.

Hypothesis Test (t-Test)

Hypothesis testing using the t-test aims to determine how well the independent variable can explain the dependent variable individually. Based on the established significance level, if the significance value is less than (sig < 0.05), it can be concluded that the independent variable has a significant effect on the dependent variable. The results of the hypothesis test can be seen in Table 9.

Table 9. Hypothesis Test Results.

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-2,957	0.105		-28,096	0,000
Economic Disclosure (X1)	-0.009	0.203	-0.012	-0.44	0.965
Environmental Disclosure (X2)	0.429	0.160	0.556	2,679	0.010
Social Disclosure (X3)	-0.136	0.237	-0.161	-0.576	0.567

Source: Processed data, 2025.

Hypothesis testing with the t-test of each variable can be explained as follows:

1) First Hypothesis Testing (H1)

   Table9 shows that the economic disclosure variable (X1) has a regression coefficient value of -0.009 with a t-value of -0.044 and a significance value of 0.965. This significance value is much greater than the set significance level of 0.05. This means that economic disclosure does not significantly influence company profitability. Thus, the first hypothesis (H1) which states that economic disclosure has a significant effect on profitability is rejected. These results indicate that the amount of information related to economic performance disclosed in the sustainability report does not necessarily increase company profitability.

2) Testing the Second Hypothesis (H2)

Table 9 shows that the environmental disclosure variable (X2) shows a regression coefficient value of 0.429 with a t-value of 2.679 and a significance value of 0.010. Because the significance value is less than 0.05, it can be concluded that environmental disclosure has a positive and significant effect on profitability. Thus, the second hypothesis (H2) which states that environmental disclosure has a significant effect on profitability is accepted. These results indicate that companies that disclose more information regarding their environmental performance tend to achieve higher profitability, which is most likely due to increased corporate reputation, stakeholder support, and investor and consumer trust.

3) Testing the Third Hypothesis (H3)

Table9 shows that the social disclosure variable (X3) has a regression coefficient value of -0.136 with a t-value of -0.576 and a significance value of 0.567. This significance value is greater than 0.05, which means that social disclosure does not have a significant effect on company profitability. Thus, the third hypothesis (H3) which states that social disclosure has a significant effect on profitability is rejected. This indicates that social activities carried out by companies, although beneficial in terms of social and moral legitimacy, do not necessarily have a direct financial impact on profitability in the short term.

Discussion of Research Results

The Effect of Economic Disclosure on Corporate Profitability

The statistical test results show that the regression coefficient for economic disclosure is −0.009 with a significance value of 0.965 (> 0.05). This indicates that economic disclosure has no significant effect on company profitability. These findings suggest that the economic information disclosed in sustainability reports is not yet strong enough to influence investors' economic decisions or a company's financial performance.

This result is consistent with several studies conducted in Indonesia, which have found that the disclosure of the economic dimension in sustainability reports does not necessarily have a direct impact on financial performance. Supporting studies include those by Nuru et al. (2024), Wardhana & Hersugondo (2025), Martusa et al. (2025), Cahyawati & Azizah (2023), Pramudito et al. (2022), Dewi & Nurhayati (2021), Putri & Sari (2021), Hermawan et al. (2022), Novita & Siregar (2020), and Asri & Kurnia (2023), all of which concluded that economic disclosure does not have a significant effect on company profitability.

These studies reaffirm that the economic benefits of sustainability activities tend to be long-term in nature and are not immediately reflected in short-term profitability. Moreover, economic disclosures are often made to fulfill public legitimacy expectations rather than to directly drive economic value. Thus, these findings strengthen the view that economic disclosure serves more as a means of achieving social legitimacy than as a short-term strategy to enhance corporate financial performance.

The Influence of Environmental Disclosure on Corporate Profitability

The test results for environmental disclosure show a positive coefficient of 0.429 with a significance value of 0.010, which is less than 0.05. This indicates that environmental disclosure has a positive and significant effect on company profitability. These findings demonstrate that the higher the level of environmental disclosure made by a company, the better its financial performance. This suggests that environmental awareness can serve as an important corporate strategy to strengthen investor confidence, enhance operational efficiency, and reduce legal and reputational risks.

This result is consistent with the findings of Burki et al. (2024), Sanjaya et al. (2024), Muhardini et al. (2023), Cahyawati & Azizah (2023), Wardhana & Hersugondo (2025), Santi & Iswara (2023), Pramudito et al. (2022), Gunawan (2023), Hermawan & Harymawan (2021), and Saleh & Yenti (2022), all of which concluded that environmental disclosure has a positive and significant impact on company profitability.

These studies emphasize that the environmental aspect of sustainability reporting is a critical indicator for investors, as it reflects a company's commitment to sustainable business practices. Companies that actively disclose their environmental performance tend to strengthen stakeholder trust, build a positive corporate image, and gain market support—all of which ultimately contribute to improved profitability.

From the perspective of legitimacy theory, Deegan (2002) asserts that companies that openly disclose their environmental responsibilities gain stronger social support and legitimacy, as the public tends to view environmentally conscious firms more favorably. This finding also aligns with stakeholder theory proposed by Freeman (1984), which posits that stakeholder satisfaction achieved through effective environmental management can enhance customer loyalty, operational efficiency, and financial performance.

The Influence of Social Disclosure on Corporate Profitability

The test results show that social disclosure has a negative coefficient of −0.136 with a significance value of 0.567 (> 0.05). This indicates that social disclosure has no significant effect on profitability. In other words, corporate social activities have not yet provided a direct financial impact on profitability.

This finding is consistent with the studies conducted by Muhardini et al. (2023), Nuru et al. (2024), Cahyawati & Azizah (2023), Wardhana & Hersugondo (2025), Pramudito et al. (2022), Dewi & Nurhayati (2021), Gunawan (2023), Hermawan et al. (2022), Novita & Siregar (2020), and Putri & Sari (2021), all of which concluded that social disclosure does not significantly affect company profitability.

These findings suggest that social disclosure remains largely symbolic or descriptive in nature and has not yet served as a strong signal for investors in assessing a company's financial performance. Social activities are often undertaken primarily to maintain corporate image and legitimacy in the eyes of the public rather than as a strategy to increase short-term profits. Therefore, although social disclosure plays an important role in supporting long-term reputation and legitimacy, it has not yet become a factor that directly influences profitability.

4. Conclusion

Based on the data analysis and discussion presented in the previous chapter, the following conclusions can be drawn:

1. The regression test results indicate that economic disclosure has no significant effect on company profitability.

   This finding suggests that the extent of economic disclosure is not a key factor in improving profitability. The economic information disclosed by companies may still be formal in nature or may not provide a strong signal to investors and other stakeholders. From the perspective of stakeholder theory, this implies that stakeholders do not yet perceive economic disclosure as information that directly generates economic value. Meanwhile, according to legitimacy theory, the social legitimacy obtained through economic disclosure is insufficient to enhance public trust in the company's financial performance.
2. The regression test results show that environmental disclosure has a positive and significant effect on company profitability.

   This finding indicates that the higher the level of environmental disclosure made by a company, the greater its profitability. This result aligns with stakeholder theory, which posits that companies demonstrating environmental responsibility earn trust and support from the public, regulators, and investors. From the viewpoint of legitimacy theory, environmental activities and disclosures strengthen a company's social legitimacy by demonstrating alignment between business practices and prevailing environmental norms. Therefore, environmental disclosure not only represents regulatory compliance but also serves as a strategic tool for enhancing corporate reputation and firm value.
3. The regression test results reveal that social disclosure has no significant effect on company profitability.

   This indicates that social activities disclosed by companies have not yet provided a direct impact on profit growth. According to stakeholder theory, social activities are still often perceived as philanthropic efforts rather than as part of a business strategy that creates economic value. Within the framework of legitimacy theory, this finding suggests that the social legitimacy gained from social activities has not been fully recognized or responded to positively by the market. Consequently, companies should develop more strategic and integrated social disclosures that align with operational activities to enhance economic value while maintaining social legitimacy.

4. Simultaneously, economic, environmental, and social disclosures influence company profitability, although not all dimensions show partial significance.

   This result implies that the comprehensive implementation of sustainability practices plays an important role in fostering sustainable financial performance. A well-rounded disclosure approach can improve corporate image, strengthen stakeholder relationships, and maintain legitimacy in the public eye. Therefore, sustainability practices should continue to be developed so that all three dimensions—economic, social, and environmental—can contribute proportionally to profitability and the company's long-term value.

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