

ABSTRACT

ESTI QAMA. 2022. *Analysis of the Effect of Sustainability Reporting on Financial Performance of Public Companies Listed in the LQ45 Index on the Indonesia Stock Exchange. Undergraduate Thesis, Department of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Makassar. Supervised by Sahrullah and Safri Haliding.*

This study aims to analyze the effect of sustainability reporting disclosure, consisting of economic, environmental, and social aspects, on financial performance proxied by Return on Assets (ROA) and Return on Equity (ROE) in companies listed in the LQ45 index on the Indonesia Stock Exchange during the 2022–2024 period. This research employs a quantitative method using purposive sampling and multiple linear regression analysis. The results show that the environmental aspect has a positive and significant effect on financial performance as it enhances social legitimacy and operational efficiency. In contrast, the economic aspect does not have a significant effect on financial performance because its disclosure remains administrative in nature (compliance-oriented). The *t*-test results show that in the ROA model, the economic aspect ($t = -0.374601$; $p = 0.7095$) and social aspect ($t = -0.265215$; $p = 0.7917$) have no significant effect, while the environmental aspect ($t = 2.787916$; $p = 0.0070$) has a positive and significant effect. In the ROE model, the economic aspect ($t = -0.523437$; $p = 0.6025$) has no significant effect, whereas the environmental aspect ($t = 2.426309$; $p = 0.0178$) and social aspect ($t = 2.059906$; $p = 0.0433$) have positive and significant effects. The *F*-test indicates a significant simultaneous effect on ROA ($F = 3.486254$; $p = 0.020255$) and ROE ($F = 4.357373$; $p = 0.007554$). The Adjusted R^2 values of 15.09% (ROA) and 19.31% (ROE) indicate limited explanatory power of the model.

Keywords: Sustainability Reporting, economic aspect, environmental aspect, social aspect, financial performance, LQ45.