The Impact of Corporate Social Responsibility and Environmental Performance to Improve Return on Asset in Manufacturing Company

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Abstract: There is an additional program to support environmental responsibility, namely PROPER (Company Performance Rating Program in Environmental Management). PROPER as an indicator that must be carried out by companies to manage production waste. Creating a green industry and a green environment will have a positive impact on the company, by increasing profitability. Company profitability can be measured by ROA, so that investors can see how the company manages assets to generate profit even though it incurs high costs to manage waste. The purpose of this study is to measure how significant the influence of CSR and environmental performance is on the profitability of manufacturing sector companies listed on the Indonesia Stock Exchange for the 2021 period. To answer the purpose of this study, the method used is quantitative research. By taking samples using purposive sampling technique. Secondary data was obtained using documentation data collection techniques from journals, annual reports and annual sustainability reports for the 2021 period which can be accessed on the IDX website, namely www.idx.co.id. The independent variable (X), namely CSR and environmental performance through PROPER, and the independent variable (Y), namely ROA (Return on Assets). The data analysis technique used was descriptive statistics, then performed multiple linear regression with the partial least square approach, tested the goodness of fit model, and tested the hypothesis using the WarpPLS cushion. Hypothesis testing will get the effect of the independent variable on the dependent variable.

Keywords: corporate social responsibility; environmental performance; return on asset; and manufacturing company

1. Introduction

According to the Ministry of Environment and Forestry (KLHK) the compliance of the manufacturing sector in environmental management is still low (Nurcaya, 2020). This is shown by the amount of B3 (Hazardous and Toxic Materials) waste from the Ministry of Environment and Forestry in Indonesia in 2021 of 60 million tons, from 2,897 companies in the manufacturing sector. 13.26 million tonnes (22.5%) of B3 waste that can be utilized means that the utilization of B3 waste in Indonesia is not optimal (Mutia, 2022), while the Ministry of Industry has encouraged manufacturing sector companies to protect the environment in their production processes, so that companies can increase their competitiveness and profitability, and boost the Indonesian economy.

The Ministry of Industry introduced the circular economy concept with 5 main principles, namely; Reducing the use of raw materials from natureReduce) through optimizing the use of reusable materials (Reuse) and the use of materials resulting from the recycling process (Recycle) or from the recovery process (Recovery) or by making corrections (Repair) (UISI, 2021). Circular economy principles have been included in the Corporate Social Responsibility (CSR) program with GRI (Global Reporting Initiative) standards with 91 measurement indicators. The CSR program has been regulated by Law Number 40 of 2007 concerning Limited Liability Companies as social and environmental responsibility, so that it is mandatory for companies related to natural resources. Even though the CSR program has been regulated by law, many manufacturing sector companies have not implemented it due to limited budgets which have caused the environment in Indonesia to not improve. Companies that implement CSR have managed to save up to IDR 3.2 trillion in energy, as well as IDR 169 billion in water savings (KPRI, 2021).

To improve environmental and economic improvements in Indonesia, the Ministry of Environment and Forestry created an additional program to assess company environmental performance, namely the Company Performance Rating Program called PROPER. The CSR and PROPER programs, when implemented together, can create a green industry, so that Indonesia can meet its waste reduction target of up to 70% (Nurbaya, 2020). This is in accordance with President Joko Widodo's statement regarding Indonesia's commitment to environmental conservation and global climate change mitigation at the United Nations Climate Change SummitConference of the Parties (COP 26), the three main components to support this commitment are reducing carbon footprint through downstream industries and stopping the export of raw materials for a number of commodities and creating downstream industries for exports of finished or semi-finished goods (KPRI, 2021). According to the World Bank Report, investing in creating a green environment will not have a negative impact on the company. Because companies can improve environmental performance and company profitability. Profitability is one way to analyze or assess the efficiency of a company's financial performance. One of the most common types of measurement of profitability is ROA (Return On Assets), because it can see the company's success in obtaining profits from waste management activities.

The formulation of the problem in this study is how does the application of CSR and PROPER affect profitability as measured by ROA in manufacturing sector companies listed on the Indonesia Stock Exchange in 2021. The purpose of this research is to determine the effect of implementing CSR and PROPER on ROA of manufacturing sector companies. Abban & Hasan (2021) uses Granger causality to measure the two-way causality relationship between environmental performance and financial performance. The results state that there is indeed a causal relationship between the two, and after carrying out data endogeneity, it is found that environmental performance will improve financial performance. The results of other studies state that environmental performance affects ROA (Bassetti et al., 2021) and that environmental certification in a company can improve the company's financial performance. Another research model uses GMM (Akbar et al., 2021) concluded that investment in the environment has a positive impact on financial performance. Different results found by Jyoti & Khanna (2021) who argue that there is a negative relationship between environmental performance and financial performance, temporarily Boakye et al. (2021) states that there is a significant relationship between environmental performance and ROA and Tobin's Q. Current environmental issues are a must to research, bearing in mind that the earth we live in is getting older which will result in climate change which will impact the availability of resources and human life in general. These conditions provide a very important urgency for research on the

theme of the environment. The novelty of this research is the implementation of CSR and PROPER together and looking at the impact on company profitability, as well as to protect the environment and social impacts caused by the company, as a consideration for companies in making policies to increase their concern for the environment.

2. Literature Review

2.1. Legitimacy Theory

Legitimacy theory is the basis for company interaction with society regarding social norms. Legitimacy theory is applied in social and environmental accounting literature, to ensure companies operate in accordance with societal expectations so as to make companies more legitimate (legitimate) (Deegan, 2019). Legitimacy theory is applied to survive and increase company profitability. The company uses annual reports and sustainability reports to describe environmental responsibilities that have been carried out to society. Good and complete disclosure of social and environmental information on CSR can attract public attention, so that investors are interested in investing in companies, and the public can see the company's social activities and their impact on the surrounding community (Syamni et al., 2018).

2.2. CSR (Corporate Social Responsibility)

CSR (Corporate Social Responsibility) is a mandatory mechanism for companies to carry out their environmental and social responsibilities with the ability of company resources so that companies can achieve the expectations of society. CSR has three important elements, viz (Ji Min Shim, 2021): 1) Companies have a responsibility to profit, to increase company revenue; 2) The company has a responsibility towards people; 3) to provide welfare to employees and society have a responsibility to the planet, to maintain and enhance the quality of nature and the environment CSR has two dimensions of challenge, viz (Nur Oktamayuni Waaqi'ah et al., 2019): 1) Internal Dimension, namely the company is responsible according to applicable law regarding its relationship with employees. Such as health and safety and human management, environmental practices in the management of natural resources and the use of other resources in production. 2) External Dimension, namely the company's relationship with the local community. Such as suppliers, customers, government and NGOs that represent the environment and society. To see the company's CSR report, it can be seen in the sustainability reporting, which consists of reporting on economic, environmental and social impacts. Sustainability reporting has been regulated by the Global Reporting Initiative (GRI) created by the Global Sustainability Board (GSBB) so that sustainability reports are standardized (Chakroun et al., 2020). In 2013, the GRI was updated to become GRI 4, with 3 main categories, namely: the economic category, the environmental category, and the social category, with several indicators in each category.

2.3. Environmental Performance

The company pays attention to the environment as a form of corporate responsibility and concern for the environment (Lako, 2018). Environmental performance can be measured by companies using the Company Performance Rating Program in Environmental Management (PROPER) created by the Ministry of Environment and Forestry of the Republic of Indonesia. PROPER already has the principles of good governance, namely; transparency, fairness, accountability, and community involvement. The purpose of PROPER, ie (MENLHK, n.d.):

1) Improving corporate management of environmental management

2) Increasing the commitment of stakeholders in efforts to preserve the environment
3) Improving environmental management performance in a sustainable manner
4) Increase the awareness of business actors to comply with laws and regulations in the environmental sector
5) Encouraging the principles of Reduce, Reuse, Recycle and Recovery in waste management.

2.4. Financial performance

Financial performance is a condition that describes a company's finances which is analyzed with financial analysis tools, so that it can know the good and bad conditions of the company's finances. With the aim of financial performance, ie (Sujarweni, 2017):

1) To determine the success of the company's financial management in the current year and the previous year.
2) To determine the company's ability to manage its assets to generate profits.

Financial analysis tools can use profitability ratios because they can describe the level of effectiveness of company management in generating profits as well as a measure of how shareholders get the rate of return on their investment. The most commonly used type is ROA (Return On Assets). ROA can show the results of using company assets in creating net income (Kabir & Thai, 2017; Lanis & Richardson, 2013; Mohammadi & Saeidi, 2022).

Some researchers state that there is indeed a relationship between environmental performance and financial performance. Rokhmawati et al. (2015) argues that the Proper rating has no effect on ROA, but CSR has an effect on ROA.(Angelia & Suryaningsih, 2015)states that environmental performance has an effect on ROE and ROA, CSR has no effect on ROA.(Lee et al., 2016)states that there is a positive and significant relationship between environmental responsibility performance and ROA and ROE. Aulia & Hadinata (2019) found that environmental performance affects financial performance. The same thing was also obtained by(Devie et al., 2019)And(Yawika & Handayani, 2019). The hypothesis put forward for this study is:

H1: CSR has an effect on company profitability
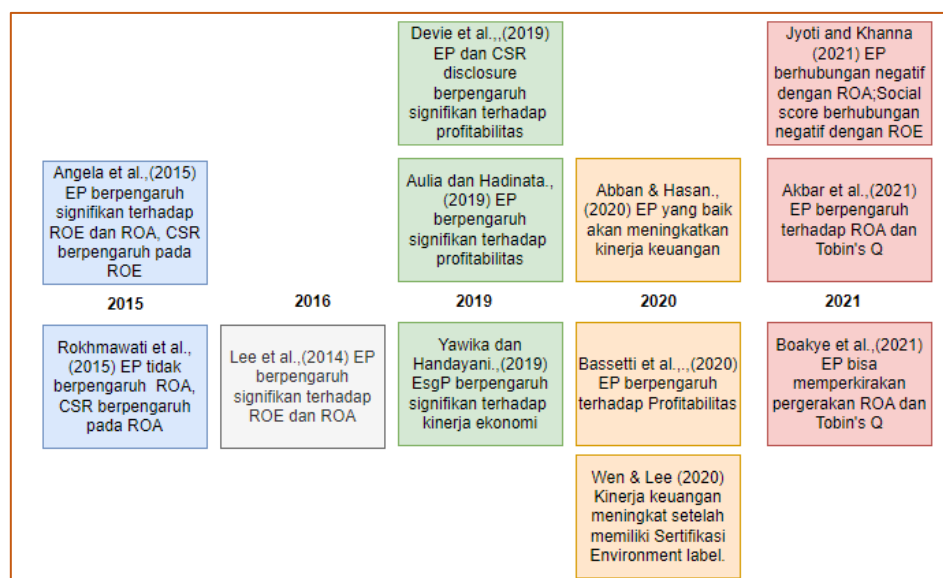

Figure 1. State of the art research.

Abban & Hasan (2021) uses Granger causality to measure the two-way causality relationship between environmental performance and financial performance. The results state that there is indeed a causal relationship between the two, and after carrying out data endogeneity, it is found that environmental performance will improve financial performance. The results of other studies state that environmental performance affects ROA(Bassetti et al., 2021)and that environmental certification in a company can improve the company's financial performance. Another research model uses GMM (Akbar et al., 2021) concluded that investment in the environment has a positive impact on financial performance. Different results found by Jyoti & Khanna (2021) who argue that there is a negative relationship between environmental performance and financial performance, temporarily(Boakye et al., 2021)states that there is a significant relationship between environmental performance and ROA and Tobin's Q. The second hypothesis put forward for this research is:

H2: environmental performance affects company profitability

3. Research Methods

This study uses a quantitative approach which is a systematic investigation using data that can be measured using statistics, or mathematics. So the research used aims to determine how significant the influence of CSR (Corporate Social Responsibility) and Environmental Performance on Profitability in the manufacturing sector on the IDX for the 2021 period.

The population in this study includes all companies listed on the IDX in the manufacturing sector. The reason for choosing this population is because in 2021 there will be an increase in manufactured B3 waste in the environment, so the Ministry of Environment and Forestry issues special regulations for the processing of B3 waste. The sampling technique in this study was non-probability using purposive sampling method. This method is carried out by selecting subjects based on specific criteria set by the researcher.

This research uses secondary data from the annual report and annual sustainability report on the IDX website. So, in this study requires data in the form of; net profit, total assets, 91 CSR indicators, and PROPER. The source of data in this study comes from secondary data in the form of an annual report and an annual sustainability report in 2021 which can be accessed on the IDX website namelywww.idx.co.id.

The data collection technique used in this study is the documentation method by collecting data and information through; documents, websites, and reports that can support the implementation of a research. This research retrieves data from the annual report and annual sustainability report of manufacturing sector companies listed on the IDX in 2021 through the IDX website.

The independent variable or independent variable (X) in this study is CSR and environmental performance through PROPER. CSR is a concept that must be carried out by companies in carrying out social, environmental and community responsibilities. In the sustainability report, if a CSR indicator is disclosed, it will be given 1, but if it is not disclosed, it will be given a value of 0. The total CSR items are totaled and then divided by 91 (the number of CSR indicators),
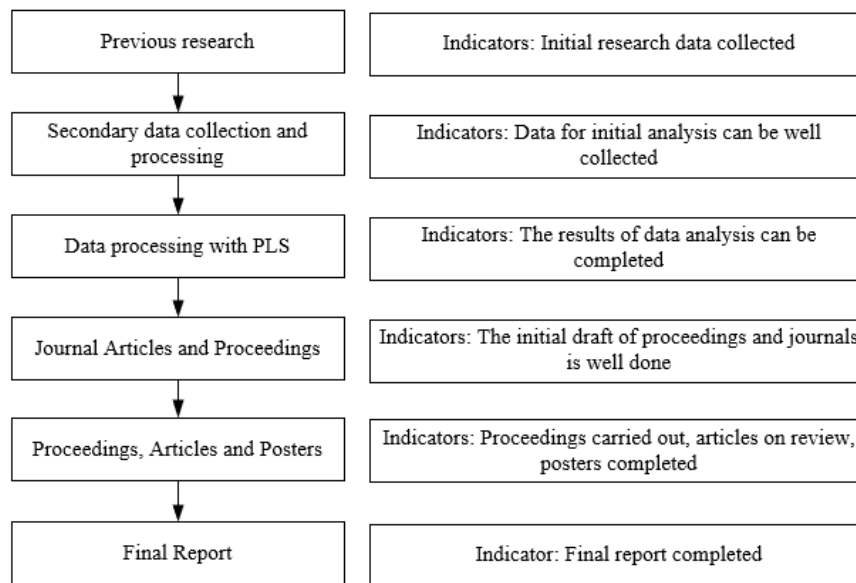
Figure 2. Research Chart

By formula Nurul Ajeng Shahnia & Arthik Davianti (2021):

$$\text{CSRJ} = \frac{\sum xij}{nj} \times 100\%$$

Information :

CSRij   = Corporate Social Responsibility Company Index
xij   = Pointsfor indicators that have been implemented
           (Given 1, if criteria disclosed in sustainability reporting. Given 0, if the criteria
           are not disclosed in sustainability *reporting*)
nj   = Number of disclosure criteria Corporate Social Responsibility (CSR) for firm j,
           nj ≤ 91

Environmental performance is a measurable result of the environmental management system, which is related to environmental aspects. Environmental performance is ranked through PROPER results, if gold is given a score of 5, green is given a score of 4, blue is given a score of 3, red is given a score of 2, and black is given a score of 1.
The dependent variable or dependent variable (Y) in this study is profitability through ROA. ROA compares profit after tax to total assets. By formula (Murniati & Sovita, 2021):

$$\text{ROA} = \frac{Laba\ Bersih\ setelah\ pajak}{Total\ Aset} \times 100\%$$

Descriptive statistics are used to provide an overview of the variables used in this study. This study uses a multiple regression model with a partial least square approach, with the following general formula:

$$Y = \alpha + \beta 1 X1 + \beta 2 X2$$

Information :

Y = ROA
α = intercept model
β = regression coefficient
X1 = CSR
X2 = PROPER
ε = error term model (residual variable)

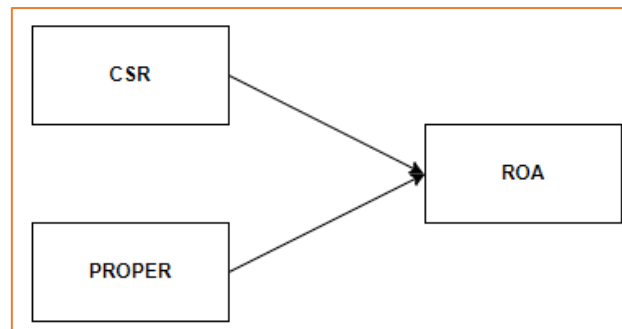The research model used in this research can be described as follows:

Figure 3. Research Model

In this study, the first researcher is responsible for preparing proposals, collecting research data, and making budget plans. In addition, the first researcher will also assist in the preparation of proceedings and journal articles, and in the end, make a final research report. The second researcher is responsible for processing research data, compiling proposals, and writing articles for proceedings and journals. The second researcher also collaborated with the first researcher to make a final research report.

4. Results and Discussion

4.1. Population and Sample Data

Manufacturing companies listed on the IDX in 2021	215
The manufacturing company is conducting an IPO in 2021	(18)
Manufacturing company to be auctioned and suspended in 2021	(6)
Manufacturing companies are not members of PROPER	(14)
Manufacturing company does not generate profit (loss)	(40)
Manufacturing companies do not disclose required variables	(65)
TOTAL	**72**

4.2. Descriptive Test

Table 1. Descriptive Test

Variable	Minimum	Maximum	Mean	Std. Deviation
Y	.07	34.31	7.5939	7.80158
X1	.41000	.76000	.5575000	.11523094
X2	2	5	3.36	.678

The results above show that the smallest ROA (Y) is 0.07% and the largest value is 34.31% with

an average of 7.59% and a standard deviation of 7.8%. For CSR (X1) the smallest is 0.41 and the largest value is 0.76 with an average of 0.55 and a standard deviation of 0.11. For Environmental Performance (X2) the smallest is 2 and the largest value is 5 with an average of 3.36 and a standard deviation of 0.67.
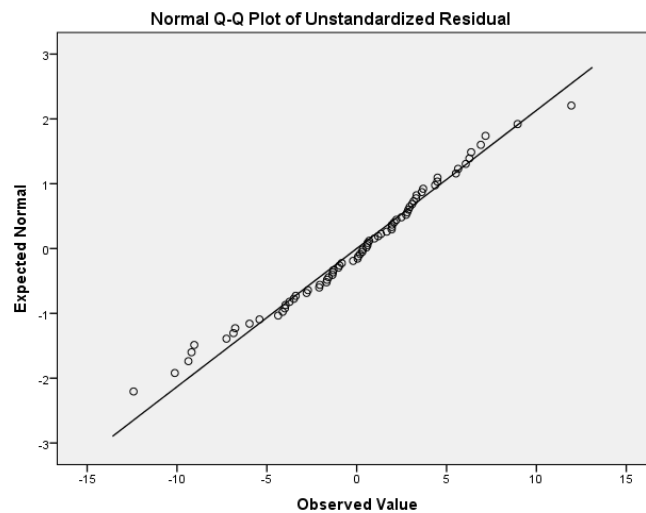
4.3. Normality test

Figure 4. Normality test

The picture above shows that the points that describe the research to be used can be said to be spread around the diagonal line and not scattered from the diagonal line. So that it can be said that the data to be regressed in this study is normally distributed. Then, a normality test was carried out with the Shapiro-Wilk test to ensure that the data was normally distributed.

Table 2. Normality Test (Shapiro-Wilk)

	Shapiro-Wilk		
	Statistics	df	Sig.
Unstandardized Residuals	.986	72	.587

From the results of the Shapiro-Wilk test the p-value (sig.) was 0.587. Because 0.587 > 0.05 it can be said that the data is normally distributed at a significance level of 5%. So that the assumption of normality has been fulfilled.

4.4. Multicollinearity Test

Table 3. Multicollinearity Test

Model		Std. Deviation	
		Tolerance	VIF
1	(Constant)		
	CSR	.865	1.157
	PROPER	.865	1.157

Based on the table above, it can be seen that the Tolerance value for all independent variables is > 0.1 and the VIF (Variance Inflation Factor) value for all independent variables is < 10. With Tolerance 0.865 > 0.1 and VIF (Variance Inflation Factor) 1.1157 < 10. It can be concluded that nothing happened multicollinearity in the data.
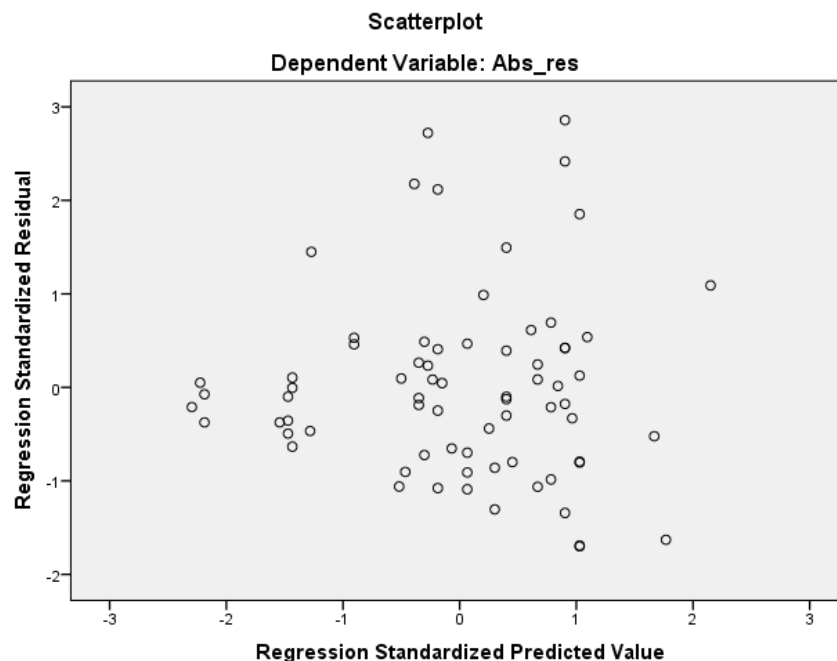
4.5. Heteroscedasticity Test

Figure 5. Heteroscedasticity Test

The picture above shows that the dots that describe the research data to be used can be said to be scattered and do not form a particular pattern. These results indicate that the data to be regressed in this study do not have symptoms of heteroscedasticity. Next, the Glejser test was carried out to ascertain whether the heteroscedasticity assumption had been fulfilled.

Table 4. Heteroscedasticity Test

Model		B	T	Sig.
1	(Constant)	1.641	2.454	.017
	CSR	-.281	-.634	.522
	PROPER	-.720	-1.579	.119

From the results above, all p-values (sig.) of the variables exceed 0.05. For CSR (X1) sig. 0.522 > 0.05 and PROPER (X2) sig. 0.119 > 0.05. So it can be concluded that there is no heteroscedasticity in the data so that the data can be used for research.

4.6. Autocorrelation Test

Table 5. Autocorrelation Test

Model	Durbin-Warton
1	2.168

Based on the du value of 1.6751 (obtained from the dw table) and the dw value from the SPSS calculation results above is 2.168, it can be concluded that dU < dW < 4-dU (1.6751 < 2.168 < 2.3249), meaning that there is no autocorrelation in the data. So that it can proceed to the next analysis.

4.7. Multiple Regression Analysis

Multiple Linear Regression Analysis was carried out to determine whether there is an effect of CSR and PROPER on ROA. The regression model is formulated as follows.

$$Y=\alpha+\beta1X1+\beta2X2+\varepsilon$$

Information :

Y = ROA
α = Constant
β1 = regression coefficient of the CSR variable
X1 = CSR
β2 = regression coefficient of environmental performance variable (PROPER)

Table 6. Multiple Regression Analysis

	B	Std. Error	T	Sig.
(Constant)	-.623	1.132	-.551	.583
CSR	2.343	.721	3.247	.002
PROPER	2.849	.744	3.831	.000

From the table in the Coefficients above by looking at column B, the following equation is obtained.

$$Y = -0.623 + 2.342X1 + 2.849X2 \text{ or}$$

$$ROA = -0.623 + 2.342CSR + 2.849EP$$

From the results of the linear regression equationmoderationthat each variable can be interpretedas follows:

1) Constant (a) is equal to-0.623shows that if the valueCSR and Environmental Performance are equal to zero, so the ROA value is -0.623. Negative constant values can be interpreted as zero so that it can also be stated that if CSR and Environmental Performance are zero then ROA is also zero.
2) Regression coefficient (β1) a positive value of 2,342 states that every additional 1% of CSR will increase ROA by 2,342%. And vice versa for every 1% decrease in CSR, ROA will also decrease by 2,342%.
3) Regression coefficient (β2) a positive value of2,846stated that every additional 1% Environmental Performance will increase ROA by 2,846%. And vice versa if Environmental Performance decreases by 1% then ROA will also decrease by 2,846%.

4.8. t test (Partial Test)

Table 7. t Test (Partial Test)

	B	T	Sig.
(Constant)	-.623	-.551	.583
CSR	2.343	3.247	.002
PROPER	2.849	3.831	.000

The hypothesis for the variable X1

H0 = 0 :   CSRdoes not have a significant effect on ROA.
H1 ≠ 0 :   CSRhas a significant effect on ROA.

The hypothesis for the variable X2

H0 = 0 :   PerformanceEnvironment has no significant effect on ROA.
H1 ≠ 0 :   PerformanceEnvironment has a significant influence on ROA.

The SPSS output table above on the CSR variable (X1) shows a significance value of 0.002 <0.05, so it can be said that H0 is rejected at a significance level of 5%. So it can be concluded that the CSR variable has a significant effect on ROA. The environmental performance variable (X2) shows a significance value of 0.000 <0.05, so H0 can be rejected at a significance level of 5%. So it can be concluded that the Environmental Performance variable has a significant effect on ROA.

4.9. f Test (Simultaneous Test)

Table 8. f Test (Simultaneous Test)

	F	Sig.
Regressions	19.879	.000
Residual		
Total		

Hypothesis:

H0 = 0 :   CSR and PROPER does not have a significant effect on ROA.
H1 ≠ 0 :   CSR and PROPER has a significant effect on ROA.

The SPSS output table above shows a significance value of 0.000 < 0.05, so H0 can be rejected at a significance level of 5%. So it can be concluded that the CSR and Environmental Performance variables together have a significant effect on ROA.

4.10. Determination Coefficient Test

Table 9. Determination Coefficient Test

Model	R Square
1	.605

From the table above it can be explained that the R Square figure or the coefficient of determination is 0.605. In this case, it means that 60.5% ROA (Y) can be explained by CSR and

Environmental Performance. While the rest (100% - 60.5% = 39.5%) is explained by other causes or other variables not in the model. So it can also be interpreted that CSR and Environmental Performance affect ROA by 54.1%.

4.11. Analysis results

4.11.1. CSR affects ROA

The results of testing the hypothesis based on the t test, which is used to test the effect of CSR on ROA profitability shows that CSR has a significant influence on ROA profitability. This can be proven from the significant value obtained, which is 0.002, which means that the significance level is less than 0.05. Then the hypothesis which states that CSR has an effect on ROA profitability is accepted.

The results of testing the hypothesis that has been carried out, it can be explained that CSR has a significant influence on ROA profitability in manufacturing companies listed on the Indonesia Stock Exchange for the 2021 period. CSR is a concept especially for companies to have environmental and social responsibility in all aspects of the company.

Based on the results of this study, the higher the value of CSR owned by a company, the ROA will increase, because complete CSR disclosure can create a good image for companies in the commodity market and capital market. A good corporate image will have a good impact on the sustainability of the company in the long term (sustainable development). As well as more attractive to investors to invest their capital, because of a good corporate image, high consumer loyalty. With increasing consumer loyalty, the company's sales will improve so that the level of company profitability will increase. And ROA is one of the ratios that are taken into account by investors because if the level of return they get is greater, it will have an impact on the company's share price in the capital market which increases.

This is according to research(Alfawaz & Fathah, 2022; Balabanis et al., 1998; Huang & Watson, 2015; Kabir & Thai, 2017; Mohammadi & Saeidi, 2022; Parengkuan, 2017; Rosdwianti et al., 2016; Sa'adah & Sudiarto, 2022 ; Suciwati et al., 2016; Syamni et al., 2018)which states that high CSR disclosure will affect the company's profitability, because with the company demonstrating ability in good environmental management consumers will be interested in using the company's products.

4.11.2. Environmental Performance has an effect on ROA

The results of hypothesis testing based on the t test, which is used to test the effect of environmental performance on ROA profitability indicate that environmental performance has a significant influence on ROA profitability. This can be proven from the significant value obtained, which is 0.000, which means that the significance level is less than 0.05. Then the hypothesis which states that environmental performance affects ROA profitability is accepted.

The results of the hypothesis testing that has been carried out, it can be explained that environmental performance has a significant influence on ROA profitability in manufacturing companies listed on the Indonesia Stock Exchange for the 2021 period. Environmental Performance with PROPER is an assessment from the Ministry of Environment and Forestry of how well a company manages its production waste.

Based on the results of this study, the higher the PROPER value owned by the company, the ROA will increase, because the company's environmental and social responsibility is very good and exceeds what is expected by society. This means that the company is able to invest in the environment in the form of reducing raw materials, energy consumption, minimizing waste, and other environmental regulations, so that the company will have a good image. With

a good image this will affect the profitability of the company, which will make investors invest their capital, the government will provide financial assistance, and the public will increase their loyalty to the company which has an impact on increasing company sales and then increasing company profitability.

This is according to research (Chakroun et al., 2020; Chasbiandani et al., 2019; Dita & Ervina, 2021; Ikhas & Muharam, 2016; Lestari et al., 2019; Setyono, 2015; Tiarasandy et al., 2018; Wangi & Lestari, 2020; Widhiastuti et al., 2017)which states that a high PROPER will affect the company's profitability, because the company can create a good corporate image this has an impact on consumer loyalty which will increase which affects the increase in purchases so that the company's profitability increases.

4.11.3. CSR and Environmental Performance affect ROA

The results of testing the hypothesis based on the f test, show the results that have a significant influence. This can be proven from the significance value obtained, which is 0.000, which means that the significance level is less than 0.05. Then the hypothesis which states that CSR and environmental performance affect ROA profitability is accepted.

The results of testing the hypotheses that have been carried out, it can be explained that CSR and environmental performance together have a significant influence on ROA profitability in manufacturing companies in the 2021 period. This shows that the better CSR will be followed by good environmental performance so that company profitability increase.

CSR is one of the driving factors for creating good environmental performance so that it can affect company profitability. Complete CSR disclosure, the PROPER obtained by the company will be higher. When CSR disclosure is successfully achieved, it will generate many benefits from corporate image, consumer loyalty, investors, stakeholders, and consumer trust which will have an impact on increasing company profitability. By creating a good social and environmental environment, the company has fulfilled government regulations as well as the expectations of society and consumers. This means that the company has been able to make good efforts for the environment around the community and the community does not accept the impact of environmental damage from the company's production process. This proves that the company has assessed CSR as a long-term investment, because it can provide social legitimacy and an environmentally friendly assessment from the government and society. So that the PROPER obtained has a high value. So with complete CSR disclosure and high PROPER, it will have an impact on increasing sales volume, which in turn will increase the company's profitability.

This is according to research(Putra, 2017; Rounaghi, 2019)which states that with high CSR disclosure and a high PROPER value it will affect company profitability, because companies can demonstrate ability in waste management which can reduce the effect of waste so consumers will increase company purchases which in turn will increase company profitability.

5. Conclusion

This is according to research Putra (2018) and Rounaghi (2019) which states that with high CSR disclosure and a high PROPER value it will affect company profitability, because companies can demonstrate ability in waste management which can reduce the effect of waste so consumers will increase company purchases which in turn will increase company profitability.

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