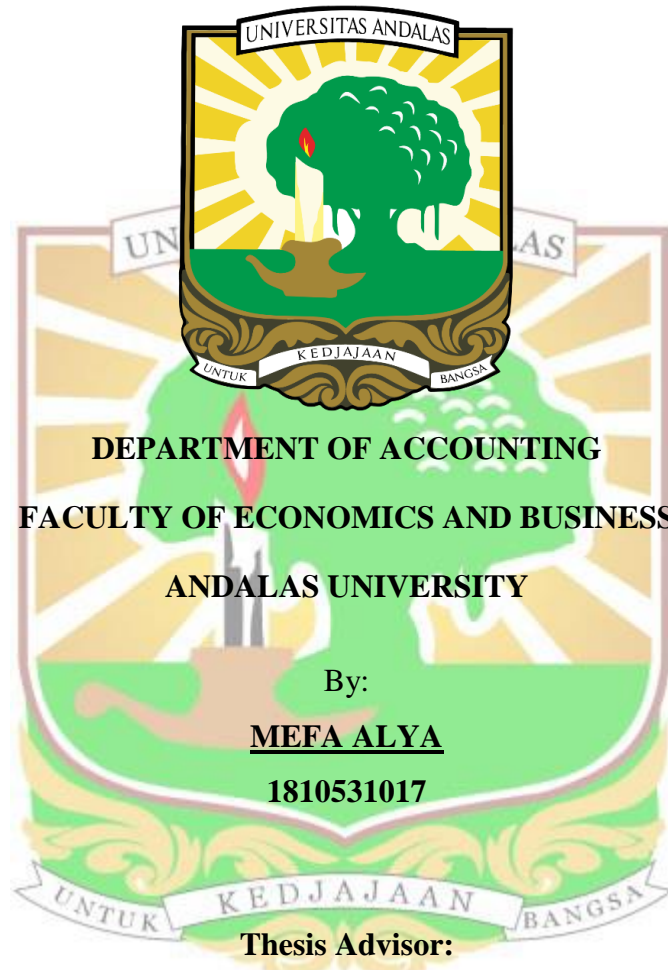


**THE EFFECT OF ENVIRONMENTAL DISCLOSURES ON BANKS'  
PROFITABILITY**

**THESIS**



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Submitted as Partial Fulfillment of the Requirement for Undergraduate Degree in  
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**PADANG**

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**ABSTRACT**

*Over the years, there has been an increasing trend in corporate sustainability, gaining significant importance from corporations, stakeholders, academics, and researchers over time, and companies are increasingly being pressured to disclose corporate sustainability reports. Over the past few years, an increased number of Indonesian companies have produced such reports, including the banking sector. This study aims to figure out the effect of sustainability reports, specifically the environmental disclosures, on the profitability of banks, measured by Return on Assets (ROA), Return on Equity (ROE), and Operating Margin. The population of this study is banks listed in the Indonesian Stock Exchange that are actively publishing their complete reports in the form of financial reports and sustainability reports for the period 2017-2019, which amounted to 46 banks. This study uses linear regression for data analysis. The results show that environmental disclosures have no positive significant effect on ROA, ROE, and Operating Margin.*

**Keywords:** *Sustainability Report, Environmental Disclosures, Profitability, Return on Assets, Return on Equity, Operating Margin*

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