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(Research/Review) Article

The Influence of Sustainability Reporting and Profitablity on Investor Trust in Manufacturing Companies Listed on the Indonesia Stock Exchange

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Abstract: The concept of Environmental, Social, and Governance (ESG) encourages companies to enhance transparency in disclosing their economic, social, and environmental performance through sustainability reporting, which is expected to increase accountability and serve as a positive signal to investors. In Indonesia, particularly in the manufacturing sector that contributes significantly to the economy while also generating environmental impacts, sustainability reporting practices have been expanding, although their effectiveness in building investor trust remains contested. This study aims to analyze the influence of sustainability reporting and profitability on investor trust in manufacturing companies listed on the Indonesia Stock Exchange (IDX), employing a quantitative method based on secondary data from annual and sustainability reports for the period 2020–2023. The sample was determined using purposive sampling, while the analysis was conducted through multiple linear regression with Price to Book Value (PBV) as a proxy for investor trust. The results indicate that, simultaneously, economic performance, environmental performance, social performance, and profitability significantly affect investor trust. However, partially, economic, environmental, and social performance show no significant effect on investor trust. In contrast, profitability exerts a positive and significant influence, making it the primary factor shaping investor trust. These findings suggest that investors in Indonesia still prioritize financial information over sustainability disclosures in making investment decisions.

Keywords: Economic Performance; IDX; Investor Trust; Manufacturing Companies; Sustainability Reporting

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1. INTRODUCTION

Environmental, Social, and Governance (ESG) is a framework used to assess corporate performance in environmental, social, and governance aspects (Gustanto & Risman, 2025). The ESG concept encompasses three main pillars that serve as the foundation for evaluating sustainability impacts and ethical practices in business operations. The environmental pillar focuses on a company's impact on nature, including natural resource management, carbon emissions, and biodiversity conservation (Saqib et al., 2023). The social pillar concerns the company's relationship with employees, local communities, and customers, emphasizing issues such as equality, health and safety, and social responsibility (Fedotova et al., 2023). Meanwhile, the governance pillar relates to ethical principles in corporate management, including transparency, accountability, and anti-corruption measures (Efunniyi et al., 2024). These three aspects have become critical criteria for investors in evaluating risks and long-term corporate value, and are increasingly adopted as benchmarks for assessing corporate performance.

Sustainability reporting has become both a trend and a necessity for progressive companies to disclose their economic, social, and environmental performance to all business stakeholders (Suhartini et al., 2024). Sustainability reflects the balance between people, planet, and profit, widely known as the Triple Bottom Line (TBL). According to Elkington, companies must take responsibility for both the positive and negative impacts they generate on economic, social, and environmental dimensions.

At present, sustainability reporting serves multiple functions. For businesses, it acts as a tool to measure the achievement of objectives within the Triple Bottom Line framework. For investors, sustainability reporting functions as a means to monitor corporate performance and as an accountability mechanism for the allocation of financial resources, particularly within the landscape of Sustainable and Responsible Investment (SRI). At the same time, for other stakeholders including the media, NGOs, government, consumers, and academics (Saraswati & Alam, 2022) sustainability reports serve as benchmarks for evaluating the seriousness of corporate commitment to sustainable development.

In Indonesia, the Indonesia Stock Exchange (IDX) has encouraged listed companies to engage in sustainability reporting. This initiative aligns with global trends and Indonesia's commitment to sustainable development. Although an increasing number of companies have begun publishing sustainability reports, the completeness and quality of these reports remain varied (Al-Shaer et al., 2022).

Manufacturing companies are industrial enterprises engaged in producing goods or products to meet consumer demand. The manufacturing process involves transforming raw materials into finished products ready for use (Pell et al., 2021). The use of machinery, techniques, and labor are hallmarks of manufacturing companies. The sector continues to grow and has now entered a new phase that accelerates its expansion even further (Cahya & Yasin, 2024).

Table 1. Proportion of added value of the manufacturing sector.

Year	Proportion of Added Value of Manufacturing Sector
2019	20.79
2020	20.61
2021	20.55
2022	20.47
2023	20.39

Source: Central Statistics Agency of Indonesia

The manufacturing sector is one of the most important contributors to Indonesia's economy, providing a significant share of Gross Domestic Product (GDP) (Athukorala et al., 2023). As shown in Table 1, the proportion of value added from the manufacturing sector gradually declined between 2019 and 2023, indicating that its contribution to GDP has relatively decreased compared to other sectors, although it remains substantial. The COVID-19 pandemic in 2020 severely disrupted manufacturing industries, particularly those requiring direct interaction or relying heavily on global supply chains. Although recovery has taken place since 2021, the sector may not have fully returned to pre-pandemic conditions by 2023. The decline in the proportion of manufacturing's value added does not necessarily reflect an absolute decline in performance, as the sector may still be growing, albeit at a slower pace relative to other industries.

Manufacturing companies play a vital role in economic development; however, their production processes often generate adverse environmental impacts (Zahoor et al., 2022). The manufacturing industry is among the largest global contributors to greenhouse gas (GHG) emissions. Activities such as fossil fuel combustion, metal smelting, and chemical use generate substantial carbon dioxide (CO_2) and other GHG emissions. These emissions drive global warming and climate change, causing polar ice melting, sea level rise, and extreme weather events, with severe consequences for both ecosystems and human populations (Daeli, 2024).

Investor trust represents a fundamental factor that drives capital flows into a company (Phan et al., 2023). Investors with strong trust in a company are more willing to commit their resources. Such trust is built upon both financial and non-financial information. Sustainability reports are increasingly viewed as an important source of non-financial information that enables investors to evaluate corporate responsibility. Investors with a forward-looking and sustainability-oriented perspective often consider ESG factors in their investment decisions (Olteanu & Ionascu, 2023). They believe that companies committed to sustainability offer stronger long-term prospects and lower risks. While sustainability reporting has become more common in the manufacturing industry as firms attempt to demonstrate environmental and social responsibility (Awawdeh et al., 2022), the extent to which these reports influence investor trust remains debated. Previous studies suggest potential benefits such as increased transparency and reduced information asymmetry, yet questions persist regarding the overall relevance of sustainability reporting to resource allocation decisions in capital markets (Jones et al., 2007).

Empirical findings remain inconclusive. Yoestanti (2022) found that economic, social, and environmental performance positively influences investment decisions. In contrast, Aprilia and Sarumpaet (2023) reported that social performance negatively affects stock prices, while economic and environmental performance show positive effects. Rusmiani and Rahayu (2024) further identified that economic performance disclosure negatively impacts stock prices. These differences suggest the presence of moderating factors shaping the relationship between sustainability reporting and investor trust.

Beyond sustainability disclosures, financial performance—particularly profitability—remains a critical determinant of investor confidence. Profitability is commonly measured using Return on Assets (ROA), which reflects a company's ability to generate profit from its total assets. Firms with higher ROA are generally perceived as financially healthier, enhancing investors' positive perceptions of long-term prospects. Conversely, low profitability signals higher risks and may weaken investor trust.

Given this context, this study aims to re-examine the influence of sustainability reporting—which covers economic, environmental, and social performance—along with profitability on investor trust in manufacturing companies listed on the Indonesia Stock Exchange (IDX). The objective is to provide a comprehensive understanding of how

sustainability disclosure and profitability affect investor trust, thereby offering insights for both companies and investors in decision-making processes that integrate sustainability and financial performance.

2. METHOD

This study employs a quantitative approach with a causal or explanatory research design aimed at testing cause-and-effect relationships between independent and dependent variables. The independent variables consist of economic performance, environmental performance, social performance, and profitability, while the dependent variable is investor trust in manufacturing companies listed on the IDX. Measurement of sustainability performance indicators follows the Global Reporting Initiative (GRI) standards for economic, environmental, and social aspects, while profitability is measured using Return on Assets (ROA). Investor trust is proxied by Price to Book Value (PBV) as the primary indicator of firm value (Sugiyono, 2018; Brigham & Houston, 2021).

The research population comprises all manufacturing companies listed on the IDX during 2020–2023, totaling 218 firms. A purposive sampling technique was applied based on criteria including consistent listing throughout the research period, availability of complete financial statements, and publicly accessible sustainability reports. Data were obtained from annual reports and sustainability reports downloaded from the official IDX website, supplemented with relevant literature (Sugiyono, 2017).

Data analysis was conducted in several stages: descriptive statistics, classical assumption testing (normality, multicollinearity, heteroscedasticity, and autocorrelation), and multiple linear regression analysis. Hypothesis testing included the F-test for simultaneous effects, the t-test for partial effects, and the coefficient of determination (R^2) to assess model explanatory power. This approach is expected to provide empirical evidence of how sustainability practices and profitability influence investor trust, while also reinforcing the theoretical foundation of signaling theory within the Indonesian capital market context (Ghozali, 2016; Gujarati & Porter, 2012).

3. RESULTS AND DISCUSSION

Classical Assumption Tests

A regression model can serve as a reliable estimation tool if it meets the BLUE (Best Linear Unbiased Estimator) criteria, meaning it is free from heteroscedasticity, multicollinearity, and autocorrelation. A good regression model should satisfy classical assumption tests. The results of the classical assumption tests in this study are as follows:

Normality Test

A good regression model is characterized by residuals that are normally distributed. To assess normality, the One-Sample Kolmogorov-Smirnov test and visual inspection using the Normal Probability Plot (P-P Plot) were employed. Data are considered normally distributed if the probability value is greater than 0.05. The Kolmogorov-Smirnov test results can be found in the N-Par Test table.

Table 2. Kolmogorov – Smirnov Test Results.

Unstandardized Residual	Value
Number of Observations	211
Test Statistic	0.325
Significance	0.000

Source: Processed secondary data, 2025

Based on Table 2, the results of the Kolmogorov-Smirnov test conducted in this study show a significance value of 0.000. This indicates a probability <0.05, which means that the data is not normally distributed. To overcome this, an outlier test was conducted to eliminate extreme data that could affect the distribution. After this process was carried out, the number of remaining samples was 176 data. Next, the normality of the data was analyzed visually using a Normal P-Plot graph, and the results showed that the residual points spread close to the diagonal line, which indicates that the residual data is visually normally distributed.

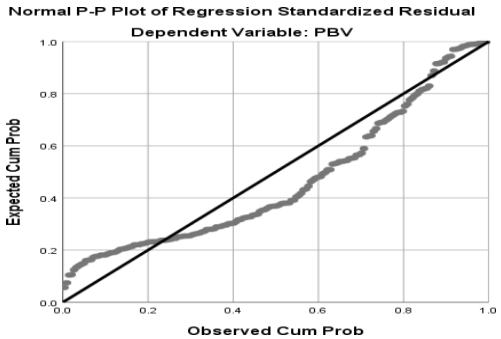

Figure 1. Normal P-Plot Graph

In this regard, this study refers to the Central Limit Theorem (CLT), which states that when the sample size is large enough ($n \geq 30$), the distribution of the sample mean will approach a normal distribution, even though the distribution of the original population is not normal. Therefore, even though the results of the statistical test show abnormality, this is not a significant obstacle, because visually the data shows a distribution that is close to normal and the CLT supports the feasibility of using the data in parametric tests. By considering the results of the PP Plot graph and the principle of the Central Limit Theorem, it can be concluded that the normality assumption is still acceptable, and the data is suitable for use in further linear regression analysis.

Multicollinearity Test

The multicollinearity test aims to determine whether a regression model detects correlation between independent variables. A good regression model should have no correlation between independent variables. In the regression model, multicollinearity can be determined by looking at the coefficients table by looking at the Tolerance and Variance Inflation Factor (VIF) values. If the Tolerance value is >0.10, multicollinearity is absent. Conversely, if the Tolerance value is <0.10, multicollinearity is present. For VIF, multicollinearity is absent if the VIF value is <10, and conversely, if the VIF value is >10, multicollinearity is present. The following are the results of the multicollinearity test:

Table 3. Multicollinearity Test Results

Model	Collinearity Statistics		Description
	Tolerance	VIF	
EcDI	0.800	1.251	Free from multicollinearity
EnDI	0.634	1.576	Free from multicollinearity
ScDI	0.711	1.407	Free from multicollinearity
ROA	0.977	1.024	Free from multicollinearity

From the results of the multicollinearity test in table 3 above, the tolerance value of all independent variables and dependent variables is greater than 0.10 and the VIF value of all independent variables and dependent variables is less than 10. So there is no multicollinearity in the independent (free) variables in this study.

Heteroscedasticity Test

The heteroscedasticity test is used to determine whether or not there is a deviation from the classical assumption of heteroscedasticity, namely the existence of unequal variances of the residuals for all observations in the regression model. This study observed the symptoms of heteroscedasticity with the Glejser test. This Glejser test is carried out by regressing the absolute value of the unstandardized regression results with the independent variables used in the regression equation. If the significance value of each variable is greater than $\alpha = 0.05$ (sig > 0.05), then it will be free from heteroscedasticity or there are no symptoms of heteroscedasticity. The results of the test are as follows:

Table 4. Results of Heteroscedasticity Test.

Model	Significance.	Information
EcDI	.074	Free of heteroscedasticity
EnDI	.446	Free of heteroscedasticity
ScDI	.928	Free of heteroscedasticity
ROA	.779	Free of heteroscedasticity

Source: Processed secondary data, 2025

The results of the heteroscedasticity test in Table 4 above show that the significance value for the independent variable of economic performance is 0.074. The significance value for the independent variable of environmental performance is 0.446. The significance value for the independent variable of social performance is 0.928 and the significance value for the variable of profitability as measured by ROA is 0.779. Therefore, it can be concluded that the variables in this study do not experience symptoms of heteroscedasticity.

Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation between the nuisance error in period t and the nuisance error in period t-1 (previously) in a linear regression model. If a correlation occurs, it is called an autocorrelation problem. Autocorrelation arises because sequential observations over time are related to each other. One measure for determining the presence or absence of autocorrelation is the Durbin-Watson (DW) test, with the following conditions:

a. positive autocorrelation occurs if the DW value is below -2
b. no autocorrelation occurs if the DW value is between -2 and +2
c. negative autocorrelation occurs if the DW value is above +2

The results of the autocorrelation test are explained in Table 5 as follows:

Table 5. Autocorrelation Test Results

Model	R	R Square	R Square customized	Standard error of estimate	Durbin Watson
1	.287a	.082	.061	1.00575	1,085

Source: Processed secondary data, 2025

The data above shows the results of the autocorrelation test using the Durbin-Watson (DW) test. One measure that fulfills the absence of autocorrelation is if the DW value is between -2 and +2 or -2 < DW and DW <+2 (Santoso, 2012: 216). The Durbin-Watson value of 1.085 is greater than -2 and less than +2. So it can be concluded that the linear regression equation does not experience autocorrelation.

Multiple Linear Regression Analysis

Testing the influence of variables, namely economic performance (X1), environmental performance (X2), social performance (X3) and profitability (X4) on investor confidence (Y) using multiple linear regression analysis. Multiple linear regression analysis will be used if the number of independent variables is at least two (Sugiyono, 2017:275). By using multiple linear regression, researchers can identify whether there is a significant relationship between the disclosure of sustainability reporting aspects based on GRI guidelines and profitability with investor confidence proxied by the Price to Book Value (PBV) ratio. The equation model is as follows:

$$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \beta4X4 + e \quad (7)$$

Table 6. Results of Multiple Linear Regression Analysis Test

Model	Unstandardized Coefficients	Standard Error	Standardized Coefficients (Beta)	t	Significance
(Constant)	0.944	0.205	–	4.609	0.000
EcDI	0.310	0.457	0.056	0.678	0.498
EnDI	1.080	0.694	0.143	1.556	0.122
ScDI	-0.861	0.787	-0.095	-1.094	0.275
ROA	0.039	0.012	0.244	3.298	0.001

Source: Processed secondary data, 2025

Based on the table above, the following regression equation can be obtained:

$$Y = 0.944 + 0.310 + 1.080 – 0.861 + 0.039$$

The results of the regression equation above mean that:

a. The constant of 0.944 indicates that if all economic, environmental, social and profitability performance variables are zero, then the value of the investor confidence variable is estimated to be 0.944 units.
b. The economic performance regression coefficient of 0.310 indicates that every 1-unit increase in economic performance will increase investor confidence by 0.310 units, assuming other variables remain constant. This indicates a positive effect of economic performance on investor confidence.
c. The environmental performance regression coefficient of 1.080 indicates that every 1-unit increase in environmental performance will increase investor confidence by 1,080 units, assuming other variables remain constant. This means that environmental performance also has a positive effect on investor confidence.
d. The social performance regression coefficient of -0.861 indicates that every 1-unit increase in social performance actually decreases investor confidence by 0.861 units, assuming all other variables remain constant. This means that social performance has a negative effect on investor confidence in this model..
e. The profitability regression coefficient, proxied by ROA, of 0.039 indicates that every 1-unit increase in social performance will increase investor confidence by 0.039 units, assuming other variables remain constant. This means that profitability also has a positive effect on investor confidence.

Thus, investors in manufacturing companies listed on the IDX tend to pay more attention to environmental performance and profitability disclosures as positive signals for determining investment decisions, while social performance disclosures are not yet considered a crucial factor.

Model Feasibility Test (F Test)

The F test is used to determine whether the variables of economic performance (X1), environmental performance (X2), social performance (X3), and profitability (X4) simultaneously influence investor confidence (Y). According to Ghozali (2018:98), the testing criteria are carried out by looking at the significance value. If the significance value is <0.05, then H_0 is rejected and H_a is accepted, which means the regression model is simultaneously significant. Conversely, if the significance value is >0.05, then H_0 is accepted and there is no simultaneous influence between the variables. The test is carried out at a significance level of 5% (α 0.05). The results of the F test can be seen in the following table.

Table 7. Results of Model Feasibility Test (F Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.540	4	3.885	3.841	0.005[b]
Residual	172.973	171	1.012	–	–
Total	188.513	175	–	–	–

Source: Processed secondary data, 2025

Based on table 7 above, the calculated F value is 3.841 with a significance value of 0.005, which is smaller than the significance level used, which is 0.05. Thus, it can be concluded that simultaneously the variables of economic performance (X1), environmental performance (X2), social performance (X3), and profitability (ROA) (X4) together have a significant effect on investor confidence (Y) in manufacturing companies listed on the Indonesia Stock Exchange.

Hypothesis Testing (t-Test)

The t-statistic test essentially shows how much influence one explanatory/independent variable individually has in explaining the dependent variable (Ghozali, 2018:98). The results of the partial test can be seen in the table below.:

Table 8. Hypothe.

	Model	t	Sig.
1	(Constant)	4.609	.000
	EcDI	.678	.498
	EnDI	1.556 .	122
	ScDI	-1.094	.275
	ROA	3.298	.001

Source: Processed secondary data, 2025

From the results of the t-test above, it can be concluded that:

a. The economic performance variable has a significance value of 0.498, greater than 0.05. This indicates that, partially, economic performance does not significantly influence investor confidence.
b. The environmental performance variable showed a significance value of 0.122, which is also greater than 0.05. This means that environmental performance has no partial significant effect on investor confidence.
c. The social performance variable has a significance value of 0.275, which is also significantly greater than 0.05. Thus, social performance has no partial significant effect on investor confidence.

d. The profitability variable has a significance value of 0.001, which is less than 0.05. This indicates that profitability significantly influences investor confidence in manufacturing companies listed on the Indonesia Stock Exchange.

Coefficient of Determination (R2)

The coefficient of determination (R^2) is used to determine how much an independent variable can explain the variation in a dependent variable. R^2 values range from 0 to 1. A low R^2 value indicates that the model's ability to explain the dependent variable is limited, while a value close to 1 indicates that the model has strong predictive ability (Ghozali, 2018:97).

Table 9. Test of the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.287[a]	0.082	0.061	1.00575

Source: Processed secondary data, 2025

Based on the table above, the Adjusted R Square value is 0.061, indicating that after considering the number of independent variables and the sample size, the model's ability to explain variations in investor confidence is only 6.1%. This indicates that, despite its influence, the model's ability to explain the phenomenon of investor confidence is still limited.

Discussion of Research Results

Disclosure of Economic Performance on Investor Confidence

Based on the analysis of the relationship between economic performance and investor confidence in Table 8, the economic performance variable has a significance value of 0.498, which is greater than the significance level ($\alpha = 0.05$). This result indicates that disclosure of economic performance in sustainability reports does not significantly influence investor confidence in manufacturing companies listed on the Indonesia Stock Exchange (IDX). Therefore, H1 is rejected, meaning that the positive effect of economic performance disclosure on investor confidence cannot be accepted.

The results of this study indicate that investors tend not to use economic performance disclosures in sustainability reports as the primary basis for assessing a company. Investors are more focused on key, direct financial information, such as net income, cash flow, and profitability, rather than non-financial disclosures related to economic performance achievements reported in sustainability reports.

This research aligns with the findings of Rusmiani and Rahayu (2024), who showed that disclosure of economic performance in sustainability reports actually has a significant negative impact on a company's stock price, indicating that investors may perceive this information as a signal of potential risk or a high burden of economic responsibility for the company. However, this research finding disagrees with the opinion of Aprilia and Sarumpaet (2023), who found that economic performance from sustainability reporting significantly influences the stock price of manufacturing companies. Disclosure of economic performance in a company's sustainability report can attract investors' attention in their decision-making process. From a Signaling Theory perspective, disclosure of economic performance should be a positive signal to investors that a company is capable of creating long-term value. However, because the quality of economic performance disclosure varies across companies and is not yet standardized, investors tend not to consider it a key factor in building trust.

Environmental Performance Disclosure on Investor Confidence

Based on the analysis of the relationship between environmental performance variables and investor confidence in Table 8, the environmental performance variable has a significance value of 0.122, greater than the significance level (α = 0.05). This indicates that environmental performance disclosure in sustainability reports does not significantly influence investor confidence in manufacturing companies listed on the Indonesia Stock Exchange (IDX), thus H2 is also rejected. This finding indicates that investors have not fully considered environmental performance disclosure information in assessing companies. Although environmental issues, such as carbon emission management, waste, and renewable energy use, are receiving increasing global attention, most investors in Indonesia are still oriented towards short-term financial performance.

The results of this study align with the findings of Aprilia and Sarumpaet (2023), who found that environmental performance does not significantly impact the stock prices of manufacturing companies. One reason is that the quality of sustainability reports related to environmental aspects varies between companies and is often merely a formality to meet regulatory obligations. However, this finding differs from the research of Yoestanti (2022), which found that environmental performance disclosure has a significant positive effect on investment decisions. This difference may be due to the level of investor awareness, different industrial sectors, and the quality of sustainability reports. From a Legitimacy Theory perspective, companies that disclose environmental performance well should gain social legitimacy and increase public trust. However, the results of this study indicate that investor awareness of environmental issues in Indonesia is still relatively low, so the impact on investor confidence is not yet significant.

Social Performance Disclosure on Investor Trust

The results of the analysis of the relationship between social performance variables and investor confidence in Table 8 show that the social performance variable has a significance value of 0.275, greater than the significance level (α = 0.05). This means that social performance disclosure does not have a significant effect on investor confidence, so H3 is also rejected. This finding indicates that investors do not consider corporate social activities as a primary factor in making investment decisions. Disclosures regarding social activities, such as community empowerment, CSR assistance, or improving employee welfare, are not strong enough to provide a positive signal to investors.

This research is consistent with the findings of Aprilia and Sarumpaet (2023), who stated that social performance does not significantly impact a company's stock price. In some cases, social performance disclosure is even perceived as an additional cost that can reduce company efficiency and potential profits. However, this finding is inconsistent with research by Yoestanti (2022), who found that social performance positively impacts investment decisions. This difference in results may be due to differing investor focus. Long-term investors may be more concerned with social aspects, while short-term investors tend to focus more on profit and profitability. In the context of Signaling Theory, social performance disclosure should signal a company's positive reputation. However, if the information is deemed less relevant or has no direct impact on financial performance, investors tend to ignore it.

The Influence of Profitability on Investor Confidence

Based on the analysis results regarding the profitability variable on investor confidence in Table 8, the profitability variable (ROA) has a significance value of 0.001, smaller than the significance level (α = 0.05). This indicates that profitability has a significant effect on investor confidence in manufacturing companies listed on the IDX, so H4 is accepted. A positive regression coefficient of 0.039 indicates that the higher the company's profitability, the greater the investor confidence. This is in accordance with

Signaling Theory, where the level of profitability is the main indicator of a company's financial performance. High profitability signals that the company is able to manage assets efficiently, generate profits, and has good growth prospects.

This finding aligns with research by Sari and Puspitasari (2021), which found that profitability has a significant positive effect on investor confidence and investment decisions. This finding is further supported by Putra and Utami (2022), who stated that profitability is one of the key financial indicators most considered by investors. From an investor perspective, profitability is the most concrete and measurable indicator of financial performance, so it is natural that this variable significantly influences their confidence. Companies with a high ROA are perceived as having financial stability and more promising prospects, thus increasing investor interest in investing.

4. CONCLUSION

This study aims to examine the influence of economic performance, environmental performance, and social performance disclosed in sustainability reports as well as profitability on investor confidence in manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2020 to 2023. The analysis was conducted using multiple linear regression with a quantitative approach.

Based on the results of the analysis and discussion, the following conclusions were obtained:

a. Disclosure of economic performance has no impact on investor confidence. This indicates that information on economic performance disclosed in sustainability reports is not yet a primary consideration for investors in making investment decisions. Investors tend to prioritize financial information directly visible in income statements and profitability ratios over detailed disclosures of economic performance in sustainability reports.
b. Environmental performance disclosure has no impact on investor confidence. These results indicate that most investors in Indonesia have not yet considered environmental sustainability practices a primary factor in their investment decisions. Although companies report environmentally friendly initiatives, such as emissions management, energy efficiency, and waste management, this information has not significantly influenced investor perceptions.
c. Disclosure of social performance has no effect on investor confidence.
   This fact suggests that disclosure of corporate social responsibility, such as employee welfare, CSR programs, and community relations, is not yet considered a significant indicator by investors in determining trust and investment decisions. This may be because investors focus more on profitability and potential returns than on a company's social activities.
d. Profitability positively impacts investor confidence. This finding supports Signaling Theory, which states that high profitability provides a positive signal to investors regarding a company's profit-generating ability and operational sustainability. Thus, investors have greater confidence and are encouraged to invest in companies with strong profitability.

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