

ABSTRACT

The negative impacts arising from the operational activities of companies operating in the cement industry have led to increased demands for these companies to fulfill their responsibilities through corporate social responsibility. Among the numerous potential benefits that companies can gain from engaging in corporate social responsibility endeavors, one of them is the prospect of profit gain.

The purpose of this research is to investigate the influence of CSR implementation on ROA and ROE in cement companies listed on the Indonesia Stock Exchange (BEI). CSR in this study will be examined through economic, environmental, and social indicators. These three aspects are significant according to the Global Reporting Initiative (GRI) reporting standards. The population in this study consists of financial report data and annual report data containing Corporate Social Responsibility (CSR) reports from the years 2017 to 2021. The research sample comprises 6 companies, resulting in 30 secondary samples of annual report data and 30 secondary samples of financial report data to be analyzed. The analysis of this research employs structural equation modeling using the alternative partial least squares method and conducts hypothesis testing.

This study has found that there is a positive and significant influence between Corporate Social Responsibility (CSR) and Return on Assets (ROA), as well as Return on Equity (ROE), within the cement sub-sector companies listed on the Indonesia Stock Exchange (IDX). These findings align with the theory positing that CSR disclosure can enhance corporate profitability.

Keywords: *Corporate Social Responsibility, Profitability, ROA, ROE, Cement Industry*