UNIVERSITAS ANDALAS

FACULTY OF ECONOMICS AND BUSINESS

ACCOUNTING DEPARTMENT

UNDERGRADUATE THESIS

The Effect of Corporate Social Responsibility (CSR) Performance, Environmental Performance, and Political Connections on Tax Aggressiveness: Evidence from Companies Listed on the Indonesia Stock Exchange (2022–2024)

By

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THESIS APPROVAL SHEET

APPROVAL

Title	:	The Effect of Corporate Social Responsibility (CSR) Performance, Environmental Performance, and Political Connections on Tax Aggressiveness: Evidence from Companies Listed on the Indonesia Stock Exchange (2022–2024)
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This thesis was examined and defended before the Thesis Examination Panel of the Department of Accounting, Faculty of Economics and Business, Universitas Andalas, and was declared passed on 10 August 2026.

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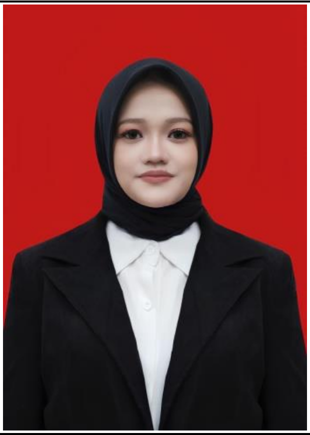

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THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) PERFORMANCE, ENVIRONMENTAL PERFORMANCE, AND POLITICAL CONNECTIONS ON TAX AGGRESSIVENESS: EVIDENCE FROM COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (2022–2024)

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ABSTRACT

This study aims to empirically examine the effect of non financial corporate characteristics, namely Corporate Social Responsibility (CSR) performance, environmental performance, and political connections, on corporate tax aggressiveness. The study is primarily grounded in Legitimacy Theory. The research population consists of companies listed on the Indonesia Stock Exchange (IDX) during 2022–2024. After the outlier trimming procedure, 33 companies were selected, resulting in 99 firm-year observations. Hypothesis testing was conducted using panel data regression, with the Fixed Effect Model (FEM) selected as the appropriate model. Corporate tax aggressiveness is proxied by the Effective Tax Rate (ETR). The results indicate that CSR performance has a significant negative effect on tax aggressiveness, as reflected by its significant positive coefficient on ETR. This finding suggests that stronger CSR performance is associated with higher ETR and, consequently, lower tax aggressiveness. Meanwhile, environmental performance, measured by PROPER ratings, and political connections have no significant effect on corporate tax aggressiveness. These findings indicate that CSR performance plays a more prominent role in influencing corporate tax behavior, while environmental performance and political connections do not significantly affect tax aggressiveness during the observation period. Overall, this study provides empirical support for Legitimacy Theory in explaining the relationship between corporate non-financial characteristics and tax aggressiveness.

Keywords: Corporate Social Responsibility, Environmental Performance, Political Connections, Tax Aggressiveness, Effective Tax Rate

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