ABSTRACT

This study examines the relationship between sustainable tax strategies and corporate sustainability performance. The data used in this study consisted of manufacturing, energy, infrastructure, and property companies listed on the Indonesia Stock Exchange (IDX) from 2020-2022. The research sample includes 111 companies determined through the purposive sampling method. Data analysis is generated using multiple linear regression, with sustainable tax strategy as the independent variable measured using the coefficient of variation of the variability of the cash effective tax rate and pre-tax profit over five years. Sustainability performance is measured using ESG Score, and control variables include Return on Assets (ROA), Market-to-Book ratio (MTB), Operating Cash Flow (OCF), Leverage Ratio, and company size to control the scope of the study.

The analysis shows that sustainable tax strategies positively influence corporate sustainability and environmental and social performance. However, there is no significant positive effect on corporate governance performance. This finding indicates that companies that implement sustainable tax strategies can improve sustainability, environmental, and social performance but not corporate governance performance.

***Keywords**: sustainable tax strategies, corporate sustainability performance, environmental, social and governance (ESG)*