

## **ABSTRACT**

*This study aims to examine the impact of tax aggressiveness on corporate sustainability and the moderating role of political connections in the context of firms listed on the Indonesia Stock Exchange (IDX) during the 2017–2022 period. Using purposive sampling, the research sample was selected based on specific criteria. The findings reveal that tax aggressiveness has a negative effect on corporate sustainability. This result is consistent with stakeholder theory, wherein tax aggressiveness is perceived as neglect of social responsibility that undermines legitimacy, damages reputation, and erodes stakeholder trust. Furthermore, political connections are shown to moderate this relationship by mitigating the negative impact of tax aggressiveness on sustainability. Aligned with Resource Dependence Theory (RDT), political connections provide access to preferential resources, government contracts, and regulatory protection, enabling firms to reduce the adverse consequences of aggressive tax strategies. These findings carry theoretical implications by extending the literature on tax aggressiveness, governance, and sustainability in emerging markets, while also offering practical implications for regulators to strengthen transparency and oversight. The study is limited by its reliance on ESG scores and public data to measure political connections, which may not fully capture the quality of firm–political actor relationships. Future research is encouraged to develop more comprehensive measures of corporate sustainability and political connections, including longitudinal analyses of policy changes and political stability. Overall, this study contributes to the theoretical integration of stakeholder theory and resource dependence theory in understanding corporate sustainability within emerging market contexts.*

*Keywords: corporate sustainability, tax aggressiveness, political connections.*

