The current issue and full text archive of this journal is available on AFEBI Management and Business Review at:
https://journal.afebi.org/index.php/ambr/article/view/595

THE ASSOCIATION BETWEEN TAX AGGRESSIVENESS, SUSTAINABILITY DISCLOSURE AND COST OF EQUITY

Novelyn Debora Sinaga

Department of Accounting, Polytechnic of State Finance STAN, Indonesia

Amrie Firmansyah*

Department of Public Sector Accounting, Polytechnic of State Finance STAN, Indonesia

Received
August 21st 2022
Review
September 29th 2022
Publish
December 31st 2022

Abstract

Companies that have a high cost of capital show high risk. Investors expect a higher rate of return to compensate for the investors they will bear. This study examines whether sustainability disclosure and tax aggressiveness affect the equity cost. The research data were obtained from company financial statements, annual reports, and sustainability reports of non-financial sector companies listed in the 50 companies with market capitalization from 2017 to 2020. Data sourced from www.idx.co.id, www.idnfinancial.com and the company's official website. Based on purposive sampling, the total sample used in this study amounted to 108 observations. Hypothesis testing is conducted by using multiple linear regression analysis for panel data. The results suggest that sustainability disclosure is negatively associated with the cost of equity, while tax aggressiveness is positively associated with the cost of equity. This research indicates that the Indonesia Financial Services Authority needs to increase supervision over the implementation of sustainability carried out by listed companies.

Keywords: Tax Aggressiveness, Cost of Equity, Corporate Social Responsibility.

AFEBI Management and Business Review (AMBR)

P-ISSN 2548- 530X
E-ISSN 2548-5318

*Corresponding author. *Email address:* amrie@pknstan.ac.id

INTRODUCTION

The cost of equity is a cost that arises as a result of capital funding in the form of the issuance of company shares (Harsono & Halim, 2020). The company leads to additional costs in return for the available funds provided by investors (Kurnia & Arafat, 2015). Investors expect a high rate of return on the funds that have been given to the company (Febriyanto & Firmansyah, 2018). The rate of return expected by investors will change the company's policy in its funding strategy. The company will set a higher cost of equity by increasing dividends and decreasing stock prices to exceed the expected return rate expected by investors (Febrininta & Siregar, 2014).

A capital market is a place that provides facilities for conducting transactions related to the sale and purchase of securities, both bonds and stocks or other securities (Widyowati, 2020). The stock price in the capital market, which reflects the relevant information, is a characteristic of an efficient market (Kusumaningtyas, 2019). Market efficiency based on information is divided into three forms: weak, semi-strong, and strong (Fama, 1970). The weak form of an efficient market is a market where the price of securities reflects past information (Mar'ati, 2012). The semi-strong form of an efficient market is a market where the price of securities reflects all published information (Ady, 2017). Meanwhile, the strong form of an efficient market is a market where the price of securities reflects relevant past information and published information and is only known by a few parties (Fama, 1970).

The issuance of shares leads to companies bearing costs as a return for the provision of funds provided by investors, which is called the cost of equity capital (Brigham & Houston, 2019). The cost of equity capital is the return expected rate of investors on their company investment (Perwira & Darsono, 2015). For investors, the expected rate of return is relevant to the firm risk. Risk is defined as the possibility of the actual rate of return that is different from the expected rate of return (Mardhiyah, 2017). Also, it reflects the company's capital structure from the cost of capital. Investors and creditors expect higher investment returns to compensate for the risk they should bear.

The level of cost of equity borne by the company shows the level of investor confidence in the company's ability to relate to the return on investment. Thus, the company's high equity cost indicates high risk borne (Apriliani & Harto, 2016). The available information will be a consideration for investors in making investment decisions. One of the investment risks is the uncertainty or inaccuracy of information due to information asymmetry (Bhattacharya et al., 2012). Information asymmetry is part of agency theory, a condition where one party has more information than the other. Generally, company managers have more complete and precise information about the company's condition than investors. Under investment law, high risk-high return and low risk-low return. The rate of return expected by investors is high because investors perceive the company as having a high risk, and the company will bear a high cost of equity. Therefore, tests of the cost of equity need to be investigated further.

Tests on the cost of equity have been carried out in previous studies, including corporate governance (Amelia & Yadnyana, 2016; Nugroho & Meiranto, 2014; Sari & Tjen, 2016; Teti et al., 2016), corporate social responsibility (Ariyani & Nugrahanti, 2013; Hmaittane et al., 2019; Rinobel & Laksito, 2015; Zakia, 2018), information asymmetry (Astutik et al., 2018; Darma & Irwanto, 2017; Ningsih & Ariani, 2016; Nurjanati & Rodoni, 2015; Prabowo, 2017), earnings management (Barvidi, 2015; Entezarian et al., 2014; Febriyanto & Firmansyah, 2018; Houqe et al., 2017; Kurnia & Arafat, 2015), voluntary disclosure (Barvidi, 2015; Darma & Irwanto, 2017; Lahaya, 2017; Lopes & Alencar, 2010), tax aggressiveness (Masri et al., 2017), tax avoidance (Dewiyanti & Burhan, 2020; Febriyanto & Firmansyah, 2018; Ghelichli et al., 2017; Goh et al., 2016; Harsono & Halim, 2020; Yang & Liu, 2019), and firm size (Kurnia & Arafat, 2015; Llukani, 2013).

Stakeholder theory states that a company should meet its interests and benefit stakeholders (Deegan, 2014). Stakeholders expect the company to act ethically and transparently in running the company. Meanwhile, to keep the company's stock price high, companies always achieve high profits, their main goal, but the company intends a low-profit value for tax purposes (Francis et al., 2014). To achieve this goal, companies usually carry out aggressive tax avoidance to keep tax costs to a minimum. This action is unethical and should be avoided by the company to meet stakeholder expectations. Meanwhile, to meet stakeholders' expectations regarding the transparency of company information, disclosure of the company's sustainability report would be the right choice.

Hanlon & Slemrod (2009) examined how investors react to tax protection activities and found that a company's stock price fell when there was information about its involvement in tax protection. Falling stock prices result in the company bearing a higher cost of equity. Tax is an expense that will reduce net income, so companies wish to pay minimum taxes (Kurniasih & Sari, 2013). It causes companies to manage and even practice tax avoidance through tax aggressiveness. Tax aggressiveness is a management effort to reduce taxable income through tax planning, legally, illegally, and in between (a gray area) (Lietz, 2013). The Panama Papers is one of the biggest cases of tax aggressiveness. The leak of more than 11 million financial document files has exposed facts about how the parties involved have avoided their tax obligations (Pohan, 2017). The tax aggressiveness practices include placing assets in tax haven countries, establishing shell companies that are legally established but not used for operations but tac avoidance pratices, and so on (Rante, 2019).

Tax aggressiveness, tax avoidance and tax management are activities that have the same meaning (Lanis & Richardson, 2012). Previous research that examined the association between tax aggressiveness and the cost of equity is still very rare. Masri et al. (2017) concluded that tax aggressiveness is negatively associated with the cost of equity. Lietz (2013) stated that tax aggressiveness is part of tax avoidance. Thus, testing the effect of tax aggressiveness on the cost of equity is still relevant compared to testing the effect of tax avoidance on the cost of equity. Dewiyanti & Burhan (2020), Febriyanto & Firmansyah (2018), and Yang & Liu (2019) suggested that tax avoidance is positively associated with the cost of equity. Ghelichli et al. (2017) and Goh et al. (2016) found that tax avoidance is negatively associated with the cost of equity. Harsono & Halim (2020) concluded that tax avoidance is not associated with the cost of equity. Related studies have different test results, so the tax aggressiveness test on the cost of equity needs to be conducted.

The information investors need to make investment decisions relates to financial and non-financial aspects such as social and environmental aspects. To answer the information needs of investors, companies need to make sustainability disclosures that contain information on company performance and risk management (Fernandez-Feijoo et al., 2018). Sustainability disclosure is the publication of company information that reflects the organization's economic, social and environmental performance (Global Reporting Initiative, 2016). Elkington (1997) stated that the sustainability disclosure report contains financial performance and non-financial information on social and environmental activities that enable companies to grow sustainably.

According to Revi (2016), a sustainability disclosure report is a form of reporting on corporate social and environmental responsibility or what is known as corporate social responsibility (CSR). In preparing sustainability reports, companies need to use standards that become benchmarks in making sustainability reports. Just like financial reports that have standards in the form of Financial Accounting Standards, sustainability disclosure reports also have Global Reporting Initiative (GRI) standards. GRI GSSB has made several revisions to the sustainability report guidelines since 2000, starting from GRI G2, GRI G3, GRI G3.1, and GRI G4 to the birth of GRI Standards in 2016 (majalahcsr.id, 2017). Ariyani & Nugrahanti (2013) concluded that sustainability disclosure is not associated with the cost of equity. Adiputra et al. (2017) found that sustainability disclosure is positively associated with the cost of equity. Dhaliwal et al. (2014), Hmaittane et al. (2019), Rinobel & Laksito (2015), and Zakia (2018) proved that the disclosure of sustainability is negatively associated with the cost of equity. It is supported by Firmansyah et al. (2021), who found that sustainability disclosure is negatively associated with the cost of capital. There are inconsistencies in the test results in the related studies, so examining the association between sustainability disclosure and cost of equity must be conducted.

This study aims to analyze the effect of tax aggressiveness and sustainability disclosure on the cost of equity. This research complements the tax aggressiveness test on the cost of equity which was rarely conducted. Previous tests regarding the effect of sustainability disclosure on the cost of equity include CSDI proxy with GRI G3 disclosures (Ariyani & Nugrahanti, 2013; Rinobel & Laksito, 2015). Adiputra et al. (2017) and Zakia (2018) employed an indicator of GRI G4 disclosures. In comparison, this study uses sustainability disclosures by the GRI Standards 2016. The GRI Standards became effective in Indonesia on June 8, 2017. The assessment with the GRI Standards index was chosen because it is an internationally applicable standard and has been applied in Indonesia (Pusaka, 2017). In addition, GRI Standards provide guidelines that are easier to understand than previous versions of GRI and provide indicators that align with current issues (Pusaka, 2017). In addition, GRI Standards 2016 positively impact sustainable development goals, which will facilitate achieving sustainable development goals (Pusaka, 2017).

This study employs control variables, e.g., profitability, firm size and leverage. Profitability is the company's net income in operational activities (Caisari & Herawaty, 2019). The higher the profit earned can trigger an increase in demand for shares by corporate investors (Hardiyanti, 2012). According to the law of economics, high demand will cause prices to increase, and low demand will cause prices to fall. An increase in demand for shares by investors will cause an increase in stock prices. An increase in stock prices will cause a decrease in the cost of equity borne by the company (Febrininta & Siregar, 2014). Meanwhile, the decline in profitability can lead to a decrease in investor confidence in investing (Dalimunthe, 2018). As a result, the stock price will fall, and the cost of equity will be higher (Febrininta & Siregar, 2014).

The firm size is an exhibit of the welfare of stakeholders; the larger the firm size, the more prosperous the owner is (Rinobel & Laksito, 2015). Large companies will be more supervised by external parties so that the level of company disclosure will be wider (Rinobel & Laksito, 2015). The larger the size of the company, the lower the cost of equity that must be borne by the company (Rinobel & Laksito, 2015). Leverage is a tool that can be used to measure the effectiveness of the use of debt in a company (Caisari & Herawaty, 2019). Companies with high levels of leverage tend to experience delays in paying debts, which causes a decrease in investor confidence in the company (Fatmala & Riharjo, 2021). Delay in paying debts results in the risk borne by stakeholders increasing. It causes an increase in the cost of equity that must be borne by the company (Caisari & Herawaty, 2019).

This research contributes to literature, especially in developing capital market-based financial accounting research using company data in Indonesia. This research can also be used by the Financial Services Authority, the institution responsible for overseeing the capital market in Indonesia, to improve policies related to investor protection and supervision of the implementation of sustainability by issuers on the Indonesia stock exchange.

LITERATURE STUDY

Based on the concept of agency theory, it is stated that the principal or shareholders run the company through management (Amaliah, 2013). The principal gives part of the authority to the company related to the company's decision-making (Jensen & Meckling, 1976). Management who directly sees the company's operational activities has more information than the principal, which is the concept of information asymmetry that occurs due to the separation of functions between the principal and management. Management who recognizes more information and company operations often takes action for personal gain (Bendickson et al., 2016).

While shareholders expect relevant information in making investment decisions (Lisa, 2012), information related to the company will be the basis for shareholders to assess the risks that exist in the company. The high or low risk assessed by shareholders will determine the high or low equity cost or the expected return rate by shareholders on their investment. Stakeholder theory explains that companies cannot survive without the support or role of parties called stakeholders. Companies need to meet the interests of stakeholders. Any strategy or decision that has a negative impact on the interests of stakeholders can cause problems for the company (Dmytriyev et al., 2021). As an interested party, the opinion of stakeholders regarding the company's actions will affect the company's reputation. Therefore, the company gets pressure from stakeholders regarding the company's actions. If stakeholders assess the action will have a positive impact on the company's reputation will improve. On the contrary, the company's reputation will decline if stakeholders assess the action's negative impact.

One of the company's actions that stakeholders assess will negatively impact is tax aggressiveness. Tax aggressiveness actions taken by companies violate the concept of stakeholder theory. Tax aggressiveness is an action taken by the company to reduce the tax burden borne by the company both legally and illegally (Suyanto & Supramono, 2012). If the tax burden is successfully reduced through tax aggressiveness by management, the company's cash inflows will increase so that this can benefit stakeholders, especially shareholders. However, tax aggressiveness also has risks and costs, so stakeholders consider this action negatively.

Dewiyanti & Burhan (2020), Febriyanto & Firmansyah (2018) and Yang & Liu (2019) concluded that tax avoidance practices positively affect the company's cost of equity. Tax avoidance actions containing risks can reduce the quality of financial statements, so investors perceive uncertainty about future cash flows. Testing of tax aggressiveness on the cost of equity is still rarely conducted in previous studies. Masri et al. (2017) conducted tests and found that tax aggressiveness is negatively associated with the cost of equity. Lietz (2013) stated that tax aggressiveness is a form of tax avoidance. Pamungkas & Firmansyah (2021) concluded that tax aggressiveness could reduce earnings informativeness. Investors perceive tax aggressiveness as an action that does not align with their interests and increases information asymmetry. In addition, tax aggressiveness is an action in a gray area that can increase the company's risk (Lietz, 2013). Thus, investors expect a high rate of return for companies that take tax aggressiveness actions to compensate for the risks they will bear.

H1: Tax aggressiveness is positively associated with the cost of equity

Based on agency theory, in running a business, shareholders delegate duties and authority to company management (Jensen & Meckling, 1976). Management is tasked with running the company's business and ensuring the welfare of stakeholders (Freeman, 1984). As a result of the delegation of tasks, following information asymmetry, management knows more about the company's performance and prospects in the future than other parties (Chod & Lyandres, 2021). Based on the main task of management to prosper shareholders as stakeholders, it is important for management to report relevant matters regarding the company so that stakeholders can make the right decisions for the company.

Stakeholders are now increasingly concerned about environmental and social issues, and the risks faced by the company can significantly drop stock prices drastically. Therefore, management needs to carry out corporate social responsibility or sustainability in addition to activities related to company operations. Companies must disclose sustainability activities through annual or sustainability reports to improve their reputation. A sustainability report that reports on the company's performance and issues related to the company can provide an overview of the company for investors (Ningrum et al., 2021).

Sustainability disclosure is one of the actions that positively impact stakeholders (Braam & Peeters, 2018). Sustainability disclosure conducted by companies is in line with the concept of stakeholder theory. With sustainability disclosures made by the company, stakeholders will be more prosperous because, with information related to stakeholders, they will better recognize the risks that exist in the company, prospects and their impacts, so that investors are interested in placing their funds in the company without worrying about other risks that will arise. Investors will put their capital in, hoping for a lower rate of return or cost of equity.

Dhaliwal et al. (2014), Hmaittane et al. (2019), Rinobel & Laksito (2015) and Zakia (2018) concluded that sustainability disclosure is negatively associated with the cost of equity. Stakeholders, especially investors, need adequate information about the company in making investment decisions. If the information disclosure level provided by management is inadequate or low, investors will judge the company as risky (Barvidi, 2015). Investors will assume that companies that have carried out sustainability activities are transparent in providing information on companies to the public. Sustainability activities are the corporate responsibility of shareholders in providing non-financial information. Companies that disclose social responsibility activities are considered to be able to reduce the company because the company involves various stakeholders in supervising the company's operations.
H_2: Sustainability disclosure is negatively associated with the cost of equity

RESEARCH METHODOLOGY

This study used secondary data from financial statements, annual reports, and sustainability reports from 2017 to 2020. These data are obtained from www.idnfinancial.com, www.idnfinancials.com and the company's official website. In addition, to find the level of stock volatility, this study also uses market monthly return data (IDX composite) and monthly returns of company shares obtained from www.finance.yahoo.com pages. This study employs 50 companies with the largest capitalization as of December 2020. The research sample using purposive sampling is as follows:

Table 1.
The Sample

Criteria	Number
Companies that are listed on the IDX until December 31, 2020	729
Companies that are not included in the list of 50 companies with the largest capitalization according to the IDX as of December 2020	(679)
Financial sector companies	(12)
Companies with incomplete financial statements	(2)
Financial statements are presented in currencies other than the rupiah	(9)
Number of companies that can be used as a sample	27
Number of Observations	4 years
Total observation data	108

Source: Processed

Cost of equity is the dependent variable used in this study, while tax aggressiveness and sustainability disclosure are the independent variables. In addition, this study employs leverage, firm size and profitability as control variables. The measurement of the cost of equity in this study uses the capital assets pricing model (CAPM), which is a model that links the expected return of a risky asset with the risk of the related asset in equilibrium market conditions. The use of the CAPM model in this study follows research conducted by Barvidi (2015) and Nurjanati & Rodoni (2015). The first step is to find the market rate of return (IDX composite) with the following formula:

$$\mathrm{RMit} = \frac{(\mathrm{IHSG(t)} - \mathrm{IHSG(t-1)})}{\mathrm{IHSG(t-1)}}$$

Where:
IHSG(t) : Monthly IDX composite in t period
IHSG(t-1) : Monthly IDX composite in t-1 period

The next step is to find the stock return with the following formula:

$$\mathrm{Rit} = \frac{(\mathrm{P(t)} - \mathrm{P(t-1)})}{\mathrm{P(t-1)}}$$

Where:
P(t) : Monthly share price in t period
P(t-1) : Monthly share price in t-1 period

Next, perform a regression on the market rate of return and the rate of return on the company's shares used in the study to calculate the level of unsystematic risk or the level of volatility for each stock ($R_{it} = \alpha + \beta Rm_{it} + \varepsilon it$). Then the cost of equity is calculated by the CAPM model using the following formula:

$$\mathrm{Ri} = \mathrm{Rf} + \beta 1(\mathrm{RMi} - \mathrm{Rf})$$

Where:

Ri	:	Cost of equity capital
Rf		the risk-free rate of return for period t using the 10-year Indonesian government bond yield (Firmansyah et al., 2021; Purwaka et al., 2022)
B		Unsystematic risk for each company's stock
Rm		The market rate of return

The proxy for tax aggressiveness in this study uses the discretionary permanent differences (DTAX) model referring to Rachmawati & Martani (2017) and Vito et al. (2022) with a formula that has been adapted to accounting standards and tax policies in Indonesia using the following model:

$$PERMDIFF_{it} = \alpha_0 + \alpha_1 INTANG_{it} + \alpha_2 \Delta NOL_{it} + \alpha_3 LAGPERM_{it} + \varepsilon_{it}$$

Where:
$PERMDIFF_{it}$ is calculated by total book-tax differences less temporary book-tax differences for firm i in year t (PTBIit - (CTEit / STRit) - (DTEit / STRit). $PTBI_{it}$ is Pre-tax book income for firm i in year t. CTE_{it} is the current income tax expense of firm i in year t. STR_{it} is income tax rates in year t (25%; 22%). DTE_{it} is deferred tax expense for firm i in year t. $INTANG_{it}$ is Goodwill and other intangible assets for firm i in year t. ΔNOL_{it} is changing in net operating loss carryforwards for firm i in year t. $LAGPERM_{it}$ is One-year lagged PERMDIFF for firm i in year t. ε_{it} is the discretionary permanent difference (DTAXit) for the company i in year t. To control the firm size, all variables above are scaled by the average total assets in year t-1 and year t. Tax aggressiveness is the residual value obtained after regressing the formula obtained annually.

Sustainability disclosure is assessed using the GRI Standards index, which has been effective in Indonesia since 2017. The total index used in this study is 77 items referring to the GRI Standards. The formula used to calculate sustainability reporting is following Prakosa et al. (2022), Purwaka et al. (2022) and Widyansyah et al. (2021) using the GRI 2016 index with the following formula:

$$\mathrm{SRt} = \frac{\text{Number of items disclosed to the company}}{\text{Number of GRI Standards index disclosure items}}$$

The profitability proxy uses a comparison of net income and total assets as Firmansyah & Irawan (2018), Puspitasari et al. (2021) and Yulianty et al. (2021).

$$\mathrm{ROA} = \frac{\text{Net Income}}{\text{Total Asset}}$$

Where:
Net income = The net profit of company i in year t.
Total Aset = Total assets of the company i in year t.

The proxy used to calculate leverage in this study refers to the proxy that has been used by Hatane et al. (2019) and Muslim & Widyastuti (2019)is as follows:

$$\mathrm{LEV} = \frac{\text{Total Debt}}{\text{Total Asset}}$$

Where:
Total Debt = Total debt of company i in year t.
Total Aset = Total assets of the company i in year t.

In this study, the proxy used to assess firm size refers to research conducted by Kurnia & Arafat (2015), Llukani (2013), and Neifar & Utz (2019) as follows:

$$\mathrm{SIZE} = \mathrm{Ln(Total\ Asset)}$$

Hypothesis testing in this study uses linear regression analysis for panel data. The model for the regression equation in this study is as follows:

$$\mathrm{COEit} = \beta 0 + \beta 1\mathrm{DTAXit} - \beta 2\mathrm{SRit} + \beta 3\mathrm{DERit} - \beta 3\mathrm{ROAit} - \beta 4\mathrm{SIZEit} + \varepsilon\mathrm{it}$$

RESULT AND DISCUSSION

The descriptive statistics of this research variable in Table 2 present the average (mean) and median values, which are the embodiment of the size of the data concentration, the maximum and minimum values, which represent the highest and lowest values, as well as the standard deviation which represents the distance of each data with the mean on average.

Table 2. Descriptive Statistics

Var.	Mean	Median	Max.	Min.	Std. Dev.	N
COE	0,0021	(0,0004)	0,0501	(0,0213)	0,0116	108
SR	0,3103	0,2792	0,7142	0,0909	0,1329	108
DTAX	(0.0000)	(0.0045)	0.2854	(0.1508)	0.0465	108
LEV	0,4258	0,3953	0,8755	0,0409	0,2126	108
ROA	0,1030	0,0955	0,4666	(0,1073)	0,0912	108
SIZE	31,112	30,997	33,495	29,119	1,039	108

Source: Processed

Furthermore, the fixed effect method is the fittest model employed in the regression analysis test of this research model. The summary of the test results is as follows:

Table 3. The summary of the Regression Test Results

Var.	Coeff.	t-Stat	Prob.	
C	0.5184	2.8865	0.0025	
DTAX	0.0198	1.5057	0.0681	*
SR	-0.0731	-3.6504	0.0002	***
ROA	-0.0124	-0.5593	0.2888	
LEV	-0.0030	-0.3441	0.3658	
SIZE	-0.0157	-2.6896	0.0044	**
R^2	0.4226			
Adj. R^2	0.1871			
F-stat.	1.7949			
Prob. (F-Stat.)	0.0205			

Information:
***) affects the 1% significance level
**) affects the 5% significance level
*) affects the 10% significance level
Source: Processed

The association between tax aggressiveness and cost of equity

The hypothesis testing result suggests that tax aggressiveness is positively associated with the cost of equity. This study harmonizes the results of tests conducted by Dewiyanti & Burhan (2020), Febriyanto & Firmansyah (2018), and Yang & Liu (2019). In the context of the cost of equity, tax aggressiveness is considered an action similar to tax avoidance. This result is different from Masri et al. (2017). Also, this study does not conform to Ghelichli et al. (2017) and Harsono & Halim (2020). After performing descriptive statistical analysis on the research sample, the mean tax aggressiveness variable (DTAX) is -0.0000. It illustrates that this study's average sample of companies practices low tax aggressiveness. Based on the data that has been collected, the increase or decrease in tax aggressiveness practices carried out by companies varies each year. It illustrates that the level of aggressiveness carried out by the companies that are the sample of this study does not have a fixed target from year to year.

Tax aggressiveness is a tax planning activity to reduce the company's taxable income, illegally, legally or in between (a grey area) (Lietz, 2013; Suyanto & Supramono, 2012). By doing this practice, the company can reduce its expenses on the company and provide a larger cash inflow. Large cash inflows can benefit the company, and the large cash inflows indicate the company's ability to pay dividends in the future. In carrying out tax aggressiveness actions, management has certain personal motives such as bonuses, rent extraction actions and other personal motives that shareholders cannot detect.

Tax aggressiveness actions taken by management are closely related to asymmetric information because it does not necessarily benefit shareholders or investors. In addition, the company will face the risk of future tax audits and disputes. This condition causes the company's risk to increase in the view of shareholders or investors. By carrying out tax aggressiveness, companies are faced with various risks. Investors consider that tax aggressiveness is an act that endangers the company in the future. Investors expect a higher rate of return in companies that carry out tax aggressiveness as compensation for the risk they will bear.

The association between sustainability disclosure on cost of equity

The hypothesis testing result suggests that sustainability disclosure is negatively associated with the cost of equity. The result of this study confirms the findings of Dhaliwal et al. (2014), Hmaittane et al. (2019), Rinobel & Laksito (2015), and Zakia (2018) but differ from the results of research conducted by Adiputra et al. (2017) and Ariyani & Nugrahanti (2013). Based on the concept of asymmetric information, it is stated that managers have wider access to information about the company's internal information compared to stakeholders (Ningsih & Ariani, 2016). On the other hand, based on stakeholder theory, managers are agents assigned to handle the company to fulfill stakeholder benefits, and stakeholders have the same right to obtain information about the company's performance and prospects in the future (Rokhlinasari, 2015). Stakeholders need information because the information is an important element for stakeholders in the decision-making process. The more specific the information stakeholders can access, the higher the quality of decisions and strategies. Meeting the needs of stakeholders for information about the company is important because the existence of the company requires support from stakeholders (Rokhlinasari, 2015). To fulfill this, management needs to disclose information regarding financial and non-financial performance through sustainability reports. Disclosure of sustainability is necessary so that stakeholders, especially investors, know all forms of corporate responsibility towards society and the environment (Sulistyawati & Qadriatin, 2018). With complete information, investors can estimate the risks faced by the company so that the expected rate of return for stakeholders (especially investors) is lower.

The descriptive statistics in this study of the mean sustainability disclosure variable (SR) of 0.3103 or 31.03%. It illustrates that the average sample of companies studied has disclosed information above 30% of the index recommended in the GRI Standards. This number indicates that the disclosure of the sustainability of the companies that are the sample of this study has not been carried out optimally, with the highest disclosure of 0.7142 from a maximum index of 1.0000. These results were obtained based on the GRI Standards index guidelines, and this study scored the index disclosure by giving a value of 1 if it made a disclosure and a value of 0 if it did not disclose. After the test, the greater the sustainability disclosure index presented by the company, the lower the cost of equity borne by the company.

The cost of equity borne by the company is the rate of return that investors expect on the investment they provide to the company (Barvidi, 2015). Shareholders expect different return rates according to the risk level the company faces. The risk in question is that shareholders can read through information about the company through the investment statement, namely low risk-low and high risk-high returns. The higher the risk faced by the company, according to shareholders, the higher the expected rate of return investors on their investment in the company and vice versa (Nurjanati & Rodoni, 2015). Disclosure of sustainability shows the company's transparency to stakeholders (Prastiwi & Walidah, 2020), not only from a financial perspective but also from an economic, environmental and social perspective (Gunawan & Melden, 2021). Transparency of information by the company causes stakeholders (especially investors) to have more confidence in the company, and this trust illustrates the risk borne by the company according to shareholders to be lower. This condition is related to the decrease in the cost of equity if the company implements corporate sustainability well.

CONCLUSIONS

This study concludes that tax aggressiveness increases the cost of equity. It is not in line with the wishes of stakeholders, especially investors, because it can pose a risk to the company. Sustainability disclosure decreases the cost of equity. Sustainability activities carried out by the company can meet stakeholders' expectations to reduce the company's risk. That activities enhance stakeholders' beliefs related to the company’s transparency.

This study has several limitations, the existence of certain criteria reducing the number of research samples. Future research can use a longer period so that the results obtained can provide more comprehensive results and discussions. Future research can use other company sectors or a sample of companies from other countries. This research indicates that the Financial Services Authority needs to increase supervision and improve policies related to the disclosure of corporate sustainability and conduct monitoring for companies that apply the related sustainability concept. Sustainability disclosures indirectly reduce the risks faced by the company so that the new policy can protect investors in the capital market.

References

Adiputra, I. M. P., Siregar, S. V., & Wardhani, R. (2017). Social responsibility disclosure, corporate governance and cost of equity capital. In *Advances in Economics, Business and Management Research*. https://doi.org/10.2991/iac-17.2018.13

Ady, S. U. (2017). Eksplorasi tingkat efisiensi pasar modal indonesia studi kasus di bursa efek Indonesia. *Ekspektra: Jurnal Bisnis Dan Manajemen*, *1*(2), 103–123. https://doi.org/10.25139/ekt.v0i0.184

Amaliah, T. H. (2013). *Suatu tinjauan asimetri informasi dan implikasinya terhadap manajemen laba*. https://repository.ung.ac.id/hasilriset/show/1/107/suatu-tinjauan-asimetri-informasi-dan-implikasinya-terhadap-manajemen-laba.html

Amelia, V., & Yadnyana, I. (2016). Pengaruh good corporate governance, kepemilikan keluarga dan kepemilikan institusional pada biaya ekuitas perusahaan manufaktur. *E-Jurnal Akuntansi*, *16*(2), 1264–1289. https://ojs.unud.ac.id/index.php/Akuntansi/article/view/17779/

Apriliani, F., & Harto, P. (2016). Pengaruh struktur kepemilikan terhadap cost of capital dengan voluntary disclosure sebagai variabel intervening. *Diponegoro Journal of Accounting*, *5*(4), 1–12. https://ejournal3.undip.ac.id/index.php/accounting/article/view/25738

Ariyani, M., & Nugrahanti, Y. W. (2013). Pengaruh pengungkapan corporate social responsibility terhadap cost of equity perusahaan. *Telaah Bisnis*, *14*(1), 1–26. https://doi.org/10.35917/tb.v14i1.12

Astutik, R., Cahyono, D., Kamelia, I., & Afroh, F. (2018). Information asymmetry and profit management on cost of equity capital. *The International Journal of Business Review*, *1*(1), 73–83. https://doi.org/10.17509/tjr.v1i1.13455

Barvidi, D. N. S. (2015). Pengungkapan sukarela dan manajemen laba terhadap biaya modal ekuitas dengan informasi asimetri sebagai variabel intervening. *Jurnal Akuntansi*, *7*(1), 41–59. https://doi.org/10.26740/jaj.v7n1.p41-49

Bendickson, J., Muldoon, J., Liguori, E., & Davis, P. E. (2016). Agency theory: the times, they are a-changin’. *Management Decision*, *54*(1), 174–193. https://doi.org/10.1108/MD-02-2015-0058

Bhattacharya, N., Ecker, F., Olsson, P. M., & Schipper, K. (2012). Direct and mediated associations among earnings quality, information asymmetry and the cost of equity. *The Accounting Review*, *87*(2), 449–482. https://doi.org/10.2308/accr-10200

Braam, G., & Peeters, R. (2018). Corporate sustainability performance and assurance on sustainability reports: diffusion of accounting practices in the realm of sustainable development. *Corporate Social Responsibility and Environmental Management*, *25*(2), 164–181. https://doi.org/10.1002/csr.1447

Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of financial management*. Cengage Learning.

Caisari, K. N., & Herawaty, V. (2019). Pengaruh asimetri informasi, kualitas audit, leverage, likuiditas, dan profitabilitas terhadap biaya modal perusahaan dengan komite audit sebagai variabel moderasi. *Prosiding Seminar Nasional Cendekiawan*, 2. https://doi.org/10.25105/semnas.v0i0.5830

Chod, J., & Lyandres, E. (2021). A theory of ICOs: Diversification, agency, and information asymmetry. *Management Science*, *67*(10), 5969–5989. https://doi.org/10.1287/mnsc.2020.3754

Dalimunthe, H. (2018). Pengaruh marjin laba bersih, pengembalian atas ekuitas, dan inflasi terhadap harga saham. *Jurnal Akuntansi Dan Bisnis*, *4*(2), 62–70. https://doi.org/10.31289/jab.v4i2.1780

Darma, N. A., & Irwanto, A. (2017). Luas pengungkapan sukarela, asimetri informasi, dan biaya modal ekuitas. *Jurnal Ekonomi Dan Bisnis Airlangga*, *17*(1), 1–14. https://doi.org/10.20473/jeba.V27I12017.59-72

Deegan, C. (2014). *Financial accounting theory*. McGraw-Hill Education (Australia) Pty Ltd.

Dewiyanti, S., & Burhan, A. U. A. (2020). The effect of tax avoidance, real and accrual earnings management on cost of equity. In *SCITEPRESS – Science and Technology Publications, Lda*. Scitepress. https://www.scitepress.org/Papers/2018/95061/95061.pdf

Dhaliwal, D., Li, O. Z., Tsang, A., & Yang, Y. G. (2014). Corporate social responsibility disclosure and the cost of equity capital: The roles of stakeholder orientation and financial transparency. *Journal of Accounting and Public Policy*, *33*(4), 328–355. https://doi.org/10.1016/j.jaccpubpol.2014.04.006

Dmytriyev, S. D., Freeman, R. E., & Hörisch, J. (2021). The relationship between stakeholder theory and corporate social responsibility: Differences, similarities, and implications for social issues in management. *Journal of Management Studies*, *58*(6), 1441–1470. https://doi.org/10.1111/joms.12684

Elkington, J. (1997). *Canibal with work: The triple bottom line in 21 st century business*. BS: New Society Publisher.

Entezarian, R., Zabihi, A., & Makrani, K. F. (2014). The effect of management earning forecast‘s error on cost of equity capital of companies listed in Tehran stock exchange. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *4*(2), 366–372. https://doi.org/10.6007/IJARAFMS/v4-i2/899

Fama, E. F. (1970). Efficient capital markets: a review of theory and empirical work. *The Journal of Finance*, *25*(2), 383. https://doi.org/10.2307/2325486

Fatmala, K. D., & Riharjo, I. B. (2021). Pengaruh free cash flow, profitabilitas dan leverage terhadap manajemen laba. *Jurnal Ilmu Dan Riset Akuntansi*, *10*(2), 1–23. http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/3806

Febrininta, C. N., & Siregar, S. V. (2014). Manajemen laba akrual, manajemen laba riil, dan biaya modal. *Jurnal Akuntansi Multiparadigma*, *5*(3), 365–379. https://doi.org/10.18202/jamal.2014.12.5027

Febriyanto, A. S., & Firmansyah, A. (2018). The effects of tax avoidance, accrual earnings management, real earnings management, and capital intensity on the cost of equity. *Jurnal Dinamika Akuntansi*, *10*(1), 40–50. https://doi.org/10.15294/jda.v10i1.12976

Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2018). Financial auditor and sustainability reporting: Does it matter? *Corporate Social Responsibility and Environmental Management*, *25*(3), 209–224. https://doi.org/10.1002/csr.1449

Firmansyah, A., Andriani, A. F., Mahrus, M. L., Febrian, W., & Jadi, P. H. (2021). Biaya modal perusahaan di Indonesia: tanggung jawab sosial dan tata kelola perusahaan. *Jurnal Ekonomi*, *26*(3), 361–378. https://doi.org/10.24912/je.v26i3.796

Firmansyah, A., & Irawan, F. (2018). Adopsi IFRS, manajemen laba akrual dan manajemen laba riil. *Assets: Jurnal Akuntansi Dan Pendidikan*, *7*(2), 81. https://doi.org/10.25273/jap.v7i2.3310

Francis, B. B., Hasan, I., Wu, Q., & Yan, M. (2014). Are female CFOS less tax aggressive? Evidence from tax aggressiveness. *Journal of the American Taxation Association*, *36*(2), 171–202. https://doi.org/10.2308/atax-50819

Freeman, R. E. (1984). *Strategic management: a stakeholder approach*. Boston : Pitman.

Ghelichli, R., Safari Gerayli, M., & Garkaz, M. (2017). Tax avoidance and firms cost of equity: The moderating role of outside monitoring. *International Journal of Finance and Managerial Accounting*, *2*(5), 35–42. https://ijfma.srbiau.ac.ir/article_11030_e689fdb2c8c461ddedf9c50598a7afa3.pdf

Global Reporting Initiative. (2016). *Terjemahan Standar GRI*. https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-bahasa-indonesia-translations/

Goh, B. W., Lee, J., Lim, C. Y., & Shevlin, T. (2016). The effect of corporate tax avoidance on the cost of equity. *The Accounting Review*, *91*(6), 1647–1670. https://doi.org/10.2308/accr-51432

Gunawan, P., & Melden, C. (2021). Analisis kepatuhan sustainbility reportiang PT. Aneka Tambang, Tbk. berdasarkan GRI standards, AA1000AP dan AA1000AS. *Jurnal Ilmu Komputer Dan Bisnis*, *12*(1), 187–195. https://doi.org/10.47927/jikb.v12i1.104

Hanlon, M., & Slemrod, J. (2009). What does tax aggressiveness signal? Evidence from stock price reactions to news about tax shelter involvement. *Journal of Public Economics*, *93*(1–2), 126–141. https://doi.org/10.1016/j.jpubeco.2008.09.004

Hardiyanti, N. (2012). Analisis pengaruh insider ownership, leverage, profitabilitas, firm size dan dividen ratio terhadap nilai perusahaan. In *Universitas Negeri Semarang*. http://eprints.undip.ac.id/35575/

Harsono, B., & Halim, B. R. (2020). Analisis pengaruh upaya penghindaran pajak terhadap biaya ekuitas pada perusahaan yang terdaftar di bursa efek indonesia. *EJournal Admisnistrasi Bisnis*, *4*(2), 56–74. https://doi.org/10.37253/gfa.v4i2.1236

Hatane, S. E., Supangat, S., Tarigan, J., & Jie, F. (2019). Does internal corporate governance mechanism control firm risk? Evidence from Indonesia's three high-risk sectors. *Corporate Governance*, *19*(6), 1362–1376. https://doi.org/10.1108/CG-02-2019-0071

Hmaittane, A., Bouslah, K., & M'Zali, B. (2019). Does corporate social responsibility affect the cost of equity in controversial industry sectors? *Review of Accounting and Finance*, *18*(4), 635–662. https://doi.org/10.1108/RAF-09-2018-0184

Houqe, M. N., Ahmed, K., & Zijl, T. (2017). Audit Quality, Earnings Management, and Cost of Equity Capital: Evidence from India. *Audit Quality*, 13.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kurnia, L., & Arafat, M. Y. (2015). Pengaruh manajemen laba dan ukuran perusahaan terhadap biaya modal ekuitas pada perusahaan manufaktur yang terdaftar di bursa efek indonesia. *Jurnal Ilmiah Wahana Akuntansi*, *10*(1), 45–70. http://journal.unj.ac.id/unj/index.php/wahana-akuntansi/article/view/874

Kurniasih, T., & Sari, M. R. (2013). Pengaruh return on assets, leverage, corporate governance, ukuran perusahaan dan kompensasi rugi fiskal pada tax avoidance. *Buletin Studi Ekonomi*, *18*(1), 58–66. https://ojs.unud.ac.id/index.php/bse/article/view/6160

Kusumaningtyas, S. A. (2019). Pengujian efisiensi pasar modal Indonesia periode 2015-2018. *Jurnal Ilmiah Mahasiswa FEB*, *7*(2), 1–13. https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/6050

Lahaya, I. A. (2017). Kualitas laba dan pengungkapan sukarela dampaknya terhadap biaya modal ekuitas melalui asimetri informasi. *Jurnal Keuangan dan Perbankan*, *21*(2), 188–199. https://doi.org/10.26905/jkdp.v21i2.705

Lanis, R., & Richardson, G. (2012). Public policy corporate social responsibility and tax aggressiveness : An empirical analysis. *Journal of Accounting and Public Policy*, *31*(1), 86–108. https://doi.org/https://doi.org/10.1108/sd.2012.05628eaa.009

Lietz, G. (2013). Tax avoidance vs tax aggressiveness: A unifying conceptual framework. In *Working Paper*. https://doi.org/10.2139/ssrn.2363828

Lisa, O. (2012). Asimetri informasi dan manajemen laba. *Jurnal WIGA*, *2*(1), 42–49. https://media.neliti.com/media/publications/36615-ID-asimetri-informasi-dan-manajemen-laba-suatu-tinjauan-dalam-hubungan-keagenan.pdf

Llukani, M. T. (2013). Earnings management and firm size: an empirical analyze in Albanian market. *European Scientific Journal June 2013 Edition*, *9*(16), 135–143.

Lopes, A. B., & Alencar, R. C. De. (2010). Disclosure and cost of equity capital in emerging markets: the bazillian case. *The International Journal of Accounting*, *45*(4), 70–92. https://doi.org/10.1016/j.intacc.2010.09.003

majalahcsr.id. (2017). *Peluncuran GRI standards 2018: Membaca arah akuntabilitas masa depan*. https://majalahcsr.id/peluncuran-gri-standards-2018-membaca-arah-akuntabilitas-masa-depan/

Mar'ati, F. S. (2012). Analisis efisiensi pasar modal Indonesia. *RisetJ Urnal Ilmu Manajemen Dan Akuntansi Terapan*, *3*(2), 65–70. http://jurnal.stietotalwin.ac.id/index.php/jimat/article/view/41

Mardhiyah, A. (2017). Peranan analisis return dan risiko dalam investasi. *Jurnal Ekonomi Dan Bisnis Islam*, *2*(1), 1–17. https://doi.org/10.32505/jebis.v2i1.120

Masri, I., Salis, M. A., & Hotman, F. (2017). Analysis of the influence of aggressive tax behavior to the cost of equity in the family company. *International Journal of Business, Economics and Law*, *12*(1), 24–33. http://ijbel.com/wp-content/uploads/2017/05/ACC-325.pdf

Mulyati, S. (2018). Pengaruh nilai pasar ekuitas, leverage dan voluntary disclosure terhadap cost of equity capital pada perusahaan yang tergabung dalam LQ45 di BEI. *Jurnal Visioner & Strategis*, *7*(1), 51–60. https://jurnal.unimal.ac.id/visi/article/view/316

Muslim, A. I., & Widyastuti, T. (2019). Asimetri informasi pada emiten syariah dan dampaknya terhadap manajemen laba. *Jurnal ASET (Akuntansi Riset)*, *11*(2), 279–287. https://doi.org/10.17509/jaset.v11i2.19526

Neifar, S., & Utz, S. (2019). The effect of earnings management and tax aggressiveness on shareholder wealth and stock price crash risk of German companies. *Journal of Applied Accounting Research*, *20*(1), 94–119. https://doi.org/10.1108/JAAR-11-2016-0106

Ningrum, N. R. W., Kirana, D. J., & Miftah, M. (2021). Pengaruh pengungkapan sustainability report , asimetri informasi, dan kinerja keuangan terhadap nilai perusahaan. *Jurnal Penelitian Akuntansi*, *2*(1), 42–57. https://123dok.com/document/qm51n67z-pengaruh-pengungkapan-sustainability-asimetri-informasi-kinerja-keuangan-perusahaan.html

Ningsih, R. D., & Ariani, N. E. (2016). Pengaruh asimetri informasi, pengungkapan modal intelektual, dan kualitas audit terhadap biaya modal ekuitas (Studi pada Perusahaan LQ 45 yang Terdaftar di Bursa Efek Indonesia Tahun 2012-2014). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)*, *1*(1), 149–157. http://www.jim.unsyiah.ac.id/EKA/article/view/762

Nugroho, D. R., & Meiranto, W. (2014). Pengaruh good governance terhadap biaya ekuitas dan biaya utang. *Diponegoro Journal of Accounting*, *3*(3), 1–12. https://ejournal3.undip.ac.id/index.php/accounting/article/view/6070

Nurjanati, R., & Rodoni, A. (2015). Pengaruh asimetri informasi dan tingkat disclodure terhadap biaya ekkuitas dengan kepemilikan manajerial sebagai variabel moderating. *Esensi: Jurnal Bisnis Dan ManajemenJurnal Bisnis Dan Manajemen*, *5*(2), 173–190. https://repository.uinjkt.ac.id/dspace/handle/123456789/31248

Pamungkas, P. A., & Firmansyah, A. (2021). Apakah agresivitas pajak menurunkan tingkat keinformatifan laba perusahaan? *Ultimaccounting : Jurnal Ilmu Akuntansi*, *13*(1), 75–91. https://doi.org/10.31937/akuntansi.v13i1.2029

Perwira, A. B., & Darsono, D. (2015). Analisa pengaruh manajemen laba dan asimetri informasi terhadap cost of equity capital (studi pada perusahaan manufaktur yang terdaftar di BEI tahun 2010-2013). *Diponegoro Journal of Accounting*, *4*(4), 31–41. https://ejournal3.undip.ac.id/index.php/accounting/article/view/9554

Pohan, C. A. (2017). Panama papers dan fenomena penyelundupan pajak serta implikasinya terhadap penerimaan pajak Indonesia. *Reformasi Administrasi*, *4*(2), 43. https://doi.org/10.1017/CBO9781107415324.004

Prabowo, B. H. (2017). The impact of intellectual capital disclosure and information asymmetry on the cost of equity capital. *International Journal of Research in Business and Social Science (2147- 4478)*, *6*(5), 1–12. https://doi.org/10.20525/ijrbs.v6i5.763

Prakosa, D. K., Firmansyah, A., Qadri, R. A., Wibowo, P., Irawan, F., Kustiani, N. A., Wijaya, S., Andriani, A. F., Arfiansyah, Z., Kurniawati, L., Mabrur, A., Dinarjito, A., Kusumawati, R., & Mahrus, M. L. (2022). Earnings management motives, idiosyncratic risk and corporate social responsibility in an emerging market. *Journal of Governance and Regulation*, *11*(3), 121–147. https://doi.org/10.22495/jgrv11i3art11

Prastiwi, D., & Walidah, A. N. (2020). Pengaruh agresivitas pajak terhadap nilai perusahaan : Efek moderasi transparansi dan kepemilikan institusional manajemen perusahaan. *Jurnal Ekonomi Dan Bisnis*, *23*(2), 203–224. https://doi.org/10.24914/jeb.v23i2.2997

Purwaka, A. J., Firmansyah, A., Qadri, R. A., & Dinarjito, A. (2022). Cost of capital, corporate tax plannings, and corporate social responsibility disclosure. *Jurnal Akuntansi*, *26*(1), 1–22. https://doi.org/10.24912/ja.v26i1.814

Pusaka, S. (2017). *Peluncuran GRI Standards 2018: membaca arah akuntabilitas masa depan*. https://majalahcsr.id/peluncuran-gri-standards-2018-membaca-arah-akuntabilitas-masa-depan/

Puspitasari, D., Radita, F., & Firmansyah, A. (2021). Penghindaran pajak di Indonesia: profitabilitas, leverage, capital intensity. *Jurnal Riset Akuntansi Tirtayasa*, *6*(2), 138–152. https://doi.org/10.48181/jratirtayasa.v6i2.10429

Rachmawati, N. A., & Martani, D. (2017). Book-tax conformity level on the relationship between tax reporting aggressiveness and financial reporting aggressiveness. *Australasian Accounting, Business and Finance Journal*, *11*(4), 86–101. https://doi.org/10.14453/aabfj.v11i4.7

Rante, K. R. (2019). Reaksi pemerintah Indonesia pasca munculnya panama papers tahun 2016. *EJournal Hubungan Internasional*, *7*(3), 1361–1378. https://ejournal.hi.fisip-unmul.ac.id/site/wp-content/uploads/2020/01/JURNAL KURNIANTO ROMBE RANTE (01-10-20-05-13-30).pdf

Revi, A. (2016). Afterwards: Habitat III and the sustainable development goals. *Urbanisation*, *1*(2), x–xiv. https://doi.org/10.1177/2455747116682899

Rinobel, B., & Laksito, H. (2015). Pengaruh pengungkapan corporate social responsibility (CSR), ukuran perusahaan, financial leverage dan manajemen laba terhadap cost of equity perusahaan. *Diponegoro Journal of Accounting*, *4*(2), 1–9. https://ejournal3.undip.ac.id/index.php/accounting/article/view/15155

Rokhlinasari, S. (2015). Teori-teori dalam pengungkapan informasi corporate social responsibility perbankan. *Jurnal Kajian Ekonomi Dan Perbankan Syariah*, *7*(1), 37–72. https://doi.org/10.24235/amwal.v7i1.217

Sari, D., & Tjen, C. (2016). Corporate Social Responsibility Disclosure, Environmental Performance, and Tax Aggressiveness. *International Research Journal of Business Studies*, *9*(2), 93–104. https://doi.org/10.21632/irjbs.9.2.93-104

Sulistyawati, A. I., & Qadriatin, A. (2018). Pengungkapan sustainability report dan faktor-faktor yang mempengaruhinya. *Majalah Ilmiah Solusi*, *16*(4), 1–22. https://doi.org/10.26623/slsi.v16i4.1665

Suyanto, K. D., & Supramono, S. (2012). Likuiditas, leverage, komisaris independen, dan manajemen laba terhadap agresivitas pajak perusahaan. *Jurnal Keuangan Dan Perbankan*, *16*(2), 167–177. https://jurnal.unmer.ac.id/index.php/jkdp/article/view/1057

Teti, E., Dell'Acqua, A., Etro, L., & Resmini, F. (2016). Corporate governance and cost of equity: empirical evidence from Latin American companies. *Corporate Governance (Bingley)*, *16*(5), 831–848. https://doi.org/10.1108/CG-02-2016-0028

Vito, B., Firmansyah, A., Qadri, R. A., Dinarjito, A., Arfiansyah, Z., Irawan, F., & Wijaya, S. (2022). Managerial abilities, financial reporting quality, tax aggressiveness: does corporate social responsibility disclosure matter in an emerging market? *Corporate Governance and Organizational Behavior Review*, *6*(1), 19–41. https://doi.org/10.22495/cgobrv6i1p2

Widyansyah, A. S., Firmansyah, A., Prakosa, D. K., & Geno, M. R. P. (2021). Risk relevance of comprehensive income in Indonesia: the role of corporate social responsibility, good corporate governance, tax avoidance. *International Business and Accounting Research Journal*, *5*(2), 118–133. https://doi.org/10.35474/ibarj.v5i2.185

Widyowati, D. D. (2020). Pengaruh manajemen laba, asimetri informasi, dan pengungkapan sukarela terhadap biaya modal ekuitas. *Paradigma*, *17*(2), 69–88. https://doi.org/10.33558/paradigma.v17i2.2316

Yang, L., & Liu, Y. (2019). Analysis on the impact of tax avoidance behavior of real estate enterprises on the cost of equity capital. *International Journal of Social Science and Education Research*, *2*(12), 88–98. https://doi.org/10.6918%2fIJOSSER.202001_2(12).0013

Yulianty, A., Khrisnatika, M. E., & Firmansyah, A. (2021). Penghindaran pajak pada perusahaan pertambangan di indonesia: profitabilitas, tata kelola perusahaan, intensitas persediaan, leverage. *Jurnal Pajak Indonesia*, *5*(1), 20–31. https://doi.org/10.31092/jpi.v5i1.1201

Zakia, S. (2018). *Pengaruh pengungkapan corporate social responsibility terhadap biaya ekuitas modal (Studi pada perusahaan yang menerbitkan sustainabiliy report yang listing di BEI tahun 2014-2016)*. Universitas Sebelas Maret.