DO ESG PRACTICES MEDIATE THE RELATIONSHIP BETWEEN BOARD CHARACTERISTICS AND TAX AVOIDANCE?

Research Proposal by:

MUHAMMAD AGUNG RACHMATULLAH

01031282126071

S1 AKUNTANSI

Submitted as one of the requirements to obtain a bachelor's degree in economics

MINISTRY OF EDUCATION, CULTURE, RESEARCH, AND TECHNOLOGY

UNIVERSITAS SRIWIJAYA

FACULTY OF ECONOMICS

2025

LETTER OF COMPREHENSIVE EXAM APPROVAL
DO ESG PRACTICE MEDIATE THE RELATIONSHIP BETWEEN
BOARD CHARACTERISTIC AND TAX AVOIDANCE?

Submitted by:

Name	: Muhammad Agung Rachmatullah
NIM	: 01031282126071
Faculty	: Economy
Department	: Accounting
Field of Study	: Tax

Approved to be used in Comprehensive Examination.

Approval Date — Supervisor

Date: 8 Mei 2025 — Chairman

Agil Novriansa, S.E., M.Sc., Ak
NIP. 199011292018031001

LETTER OF UNDERGRADUATE THESIS APPROVAL

DO ESG PRACTICE MEDIATE THE RELATIONSHIP BETWEEN BOARD CHARACTERISTIC AND TAX AVOIDANCE?

Disusun oleh:

Nama	: Muhammad Agung Rachmatullah
NIM	: 01031282126071
Fakultas	: Ekonomi
Jurusan	: Akuntansi
Bidang Kajian/Konsentrasi	: Perpajakan

Telah diuji dalam ujian komprehensif pada tanggal 12 juni 2025 dan telah memenuhi syarat untuk diterima

Panitia Ujian Komprehensif

Indralaya, 23 Juni 2025

Pembimbing	Penguji
Agil Novriansa, S.E., M.Sc., Ak	Umi Kalsum S.E., M.Si., Ak
NIP. 199011292019031001	NIP. 198207032014042001

Mengetahui

Ketua Jurusan Akuntansi

Dr. Hasni Yusrianti., SE., M.A.A.C., Ak
NIP. 197212152003122001

ASLI
JURUSAN AKUTANSI 14/25
FAKULTAS EKONOMI UNSRI /07

STATEMENT OF RESEARCH INTEGRITY

The undersigned,

Name	: Muhammad Agung Rachmatullah
NIM	: 01031282126071
Facuulty	: Economy
Department	: Accounting
Field of stuudy	: Tax

Hereby declare that the Undergraduate Thesis entitled:

DO ESG PRACTICE MEDIATE THE RELATIONSHIP BETWEEN BOARD CHARACTERISTIC AND TAX AVOIDANCE?

Supervisor : Agil Novriansa, S.E., M.Sc., Ak
Date of exam : 12 june 2025

Is indeed the result of my own work. There are no citations from the works of others that I have not appropriately referenced in this undergraduate thesis

I make this statement in good faith, and should it be proven false in the future, I am willing to forfeit my graduation status and academic degree.

Indralaya, 20 June 2025
Pernyataan,

METERAI TEMPEL
01AMX376097991

Muhammad Agung Rachmatullah
NIM. 01031282126071

Motto and Dedication

"… it may be that you don't like something, even though it is good for you, and it may be that you like something, even though it is not good for you. Allah knows, while you do not know."

Quran 2:216

PREFACE

Our deepest gratitude to Allah SWT for all His blessings, so that this thesis entitled "Do ESG Practices Mediate the Relationship between Board of Directors Characteristics and Tax Avoidance?" can be completed. This thesis is submitted as one of the prerequisites to obtain a Bachelor of Economics degree from the S-1 study program of the Department of Accounting, Faculty of Economics, Sriwijaya University. The main focus of this thesis is to examined the mediating role of Environmental, Social, and Governance (ESG) practices on the relationship between board of director characteristics and tax avoidance in non-financial companies in Indonesia and Malaysia. The author hopes that this study can contribute substantive thinking in the field of accounting science. However, it should be understood that every study has limitations and shortcomings. The author sincerely apologizes for any limitations that may affect the completeness of this study. Hopefully the results of this study can provide valuable insights and become a foundation for further studies.

Indralaya, 20 June 2025

Agung R

Muhammad Agung Rachmatullah

ACKNOWLEDGEMENT

Praise and gratitude to Allah SWT for the countless blessings and guidance that have enabled the author to complete the undergraduate thesis entitled “Do ESG Practices Mediate the Relationship between Board of Directors Characteristics and Tax Avoidance?”. I would like to extend my sincere appreciation and gratitude to everyone who has contributed in this academic endeavour.

1. **Mr. Prof. Dr. Taufiq Marwa, S.E., M.Si.** as the Rector of Universitas Sriwijaya.
2. **Mr. Prof. Dr. Azwardi, S.E., M.Si**. as the Dean of Faculty of Economics, Universitas Sriwijaya.
3. **Mr. Prof. Isnurhadi, SE., MBA., P.hD**. as the Vice Dean I of Faculty of Economics, Universitas Sriwijaya.
4. **Mr. Dr. Mu'izzuddin, S.E., M.M**. Ak as Vice Dean II of Faculty of Economics, Universitas Sriwijaya.
5. **Mr. Dr. Suhel, S.E., M.Si**. as the Vice Dean III of Faculty of Economics, Universitas Sriwijaya.
6. **Mrs. Dr. Hasni Yusrianti, S.E., M.A.A.C., Ak**. as the Head of Accounting Department, Faculty of Economics, Universitas Sriwijaya.
7. **Mrs. Patmawati, S.E., M.Si., Ak**. as the Secretary of Accounting Department, Faculty of Economics, Universitas Sriwijaya.
8. **Mr. Agil Novriansa, S.E., M.Sc**., Ak. as the Thesis Supervisor who has provided the guidance, insight, and continous encouragement throughout the research process and has provided the author various opportunities and collaborative-projects during the college journey.
9. **Mrs. Umi Kalsum S.E., M.Si., Ak** as the Proposal Seminar and Thesis Defense Examiner who has dedicated the time and expertise in evaluating and providing constructive feedback, which helped the thesis to be improved

10. **Mrs. Fida Muthia, S.E., M.Sc.** who has provided a valuable opportunity and given the author encouragement to develop academically.
11. **All of the Lecturers and Administrative Staffs** at the Faculty of Economics, Sriwijaya University for all the dedication and assistance throughout the academic journey
12. My beloved parents, **Ir. Arfani** and **Mursida S.E.**, for their prayers, love, endless moral and material support, and extraordinary patience during the process of compiling this thesis until its completion.
13. **The entire KEIMI team**, author expresses his sincere appreciation to all colleagues in the KEIMI organization. The togetherness and support over the past three years, both in organizational activities and in completing this thesis, have been very meaningful.
14. **Fellow friends** at Universitas Sriwijaya. Thank you for all of the moments during our studies. All the best for us.

Indralaya, 20 June 2025

Muhammad Agung Rachmatullah

STATEMENT OF ABSTRACT

Saya dosen pembimbing skripsi menyatakan bahwa abstrak skripsi dalam bahasa inggris dari mahasiswa :

Nama	: Muhammad Agung Rachmatullah
NIM	: 01031282126071
Jurusan	: Akuntansi
Mata Kuliah	: Perpajakan
Judul Skripsi	: *Do ESG Practice Mediate the Relationship Between Board Characteristic and Tax Avoidance?*

Telah saya periksa cara penulisan, *grammar*, maupun susunan *tenses*-nya dan kami setujui untuk disampaikan pada lembar abstrak.

Indralaya, 26 June 2025

Dosen Pembimbing,

Agil Novriansa, S.E., M.Sc., Ak

NIP. 199011292018031001

Mengetahui,
Ketua Jurusan Akuntansi

Dr. Hasni Yusrianti., SE., M.A.A.C., Ak

NIP. 197212152003122001

ABSTRACT

DO ESG PRACTICE MEDIATE THE RELATIONSHIP BETWEEN BOARD CHARACTERISTIC AND TAX AVOIDANCE?

By:

Muhammad Agung Rachmatullah

This study aims to examine the mediation of Environmental, Social, and Governance (ESG) practices on the relationship between board characteristics and tax avoidance in non-financial companies. The objects of the study were non-financial companies listed in Indonesia and Malaysia during the period 2017-2023. Secondary data were collected through a purposive sampling method from Refinitiv LSEG Workspace, resulting in 900 observations. Data analysis used panel data regression and Baron & Kenny mediation test with Stata MP 17 software. The results of the study showed that board gender diversity has a positive effect on tax avoidance, while board independence has a negative effect. Board financial expertise has no effect on tax avoidance. Then board gender diversity and board independence have a positive effect on ESG, while board financial expertise has a negative effect on ESG. Furthermore, ESG is proven to partially mediate the relationship between board gender diversity, board independence and tax avoidance, but does not mediate the relationship between board financial expertise.

Keywords: ESG, Board Characteristic, Tax Avoidance

Pembimbing

Agil Novriansa, S.E., M.Sc., Ak

NIP. 199011292018031001

Mengetahui,

Ketua Jurusan Akuntansi

Dr. Hasni Yusrianti., SE., M.A.A.C., Ak

NIP. 197212152003122001

ABSTRAK

DO ESG PRACTICE MEDIATE THE RELATIONSHIP BETWEEN BOARD CHARACTERISTIC AND TAX AVOIDANCE?

Oleh:

Muhammad Agung Rachmatullah

Penelitian ini bertujuan menguji mediasi praktik Environmental, Social, dan Governance (ESG) terhadap hubungan antara karakteristik dewan direksi dan penghindaran pajak pada perusahaan non-keuangan. Objek penelitian adalah perusahaan non-keuangan yang terdaftar di Indonesia dan Malaysia selama periode 2017-2023. Data sekunder dikumpulkan melalui metode purposive sampling dari Refinitiv LSEG Workspace, menghasilkan 900 observasi. Analisis data menggunakan regresi data panel dan uji mediasi Baron & Kenny dengan perangkat lunak Stata MP 17. Hasil studi menunjukkan bahwa keberagaman gender dewan memiliki efek positif terhadap penghindaran pajak, sementara independensi dewan memiliki efek negatif. Keahlian finansial dewan tidak berpegaruh terhadap penghindaran pajak. Lalu keberagaman gender dewan dan indepedensi dewan memiliki efek positif terhadap ESG, sementara keahlian finansial dewan memiliki efek negatif terhadap ESG. Lebih jauh ESG terbukti memediasi secara parsial hubungan antara keberagaman gender dewan, independensi dewan dan penghindaran pajak, namun tidak memediasi hubungan keahlian finansial dewan dan penghindaran pajak.

Kata kunci: ESG, Karakteristik Dewan, Penghindaran Pajak

Pembimbing

Agil Novriansa, S.E., M.Sc., Ak

NIP. 199011292018031001

Mengetahui,

Ketua Jurusan Akuntansi

Dr. Hasni Yusrianti., SE., M.A.A.C., Ak

NIP. 197212152003122001

Curiculum Vitae

Personal Information

Name : Muhammad Agung Rachmatullah

Gender : Male

Place, date of birth : Palembang, 30 Januari 2003

Religion : ISLAM

Address : Jl Taqwa Perumahan Cipta Permai Blok A/5

Email : agungrachmatul@gmail.com

FORMAL EDUCATION

2021-2023	: Bachelor of Economics - Accounting, Universitas Sriwijaya
2017-2020	: SMA Negeri 5 Palembang
2014-2017	: SMP Negeri 1 Palembang
2008-2014	: SD IT Harapan Mulia

ORGANIZATIONAL EXPERIENCE

2023-2024	: Chairman of KEIMI Sriwijaya University
2022-2023	: Manager of the KEIMI Achievement Development Department, Sriwijaya University
2021-2022	: Member of the HRD Department, KEIMI, Sriwijaya University

AWARDS AND RECOGNITION

- 1st winner of Environment Category in Komunita in action by Komunita 2024
- 2nd winner of Kompetisi Debat Mahasiswa Ekonomi (KDMI) 2023
- 1st winner of Economic Debate Competion (EDC) 2022

Table of Content

Table of Contents

LETTER OF COMPREHENSIVE EXAM APPROVAL i

LETTER OF UNDERGRADUATE THESIS APPROVAL... ii

STATEMENT OF RESEARCH INTEGRITY iii

Motto and Dedication iv

PREFACE v

ACKNOWLEDGEMENT vi

STATEMENT OF ABSTRACT..viii

ABSTRACT...ix

ABSTRAK... x

Curiculum Vitae xi

Table of Content...xii

List of Table xvi

List of Figure...xvii

Chapter 1 Introduction 1

1.1 Research Background 1

1.2 Problem Formulation 7

1.3 Research Objectives... 8

1.4 Benefits of Research 9

1.4.1 Theoritacally Benefit.. 9

1.4.2 Practically benefit 9

Chapter 2 Literature review 11

2.1. Theoritical Framework... 11

2.1.1 Agency Theory.. 11

2.1.2 Neo-Institutional Theory... 12

2.1.3 Board Characteristic.. 14

2.1.3.1 Board Gender Diversity 16

2.1.3.2 Board Independence.. 17

2.1.3.3 Board Financial Expertise.. 18

2.1.4 Environmental, Social, and Governance.. 19

2.1.5 Tax Avoidance 21
2.2 Previous Research 23
2.3 Theoritycal Framework 26
2.4. Research Hypothesis 27
2.4.1 The Effect of Board Gender Diversity on Tax Avoidance 27
2.4.2 The Effect of Board Independence on Tax Avoidance 28
2.4.3 The Effect of Board Financial Expertise on Tax Avoidance 30
2.4.4 The Effect of Board Gender Diversity on Environmental, Social, and Governance 31
2.4.5 The Effect of Board Independence on Environmental, Social, and Governance 32
2.4.6 Board Financial Expertise and Environmental, Social, and Governance 34
2.4.7 The Effect of Environmental, Social, and Governance on Tax Avoidance 36
2.4.8 The Effect of Board Gender Diversity, Environmental, Social, and Governance, on Tax avoidance 37
2.4.9 The Effect of Board Independence, Environmental, Social, and Governance on Tax Avoidance 38
2.4.10 The Effect of Board Financial Expertise, Environmental, Social, and Governance on Tax Avoidance 39
Chapter III Research Methodology 41
3.1 Scope of Research 41
3.2 Research Design 41
3.3 Type and Source Data 42
3.4 Data Collection Technique 42
3.5 Population and Sample 42
3.6 Data Analysis Technique 44
3.6.1 Descriptive Statistic 45
3.6.2 Corelation Matrix 46
3.6.3 Model Diagnostic 47
3.6.4 Panel Data Regresion Analysis 49
3.6.5 Hypothesis testing 51
3.7 Operational Definition and Variable Measurement 53
3.7.1 Dependent Variable 53
3.7.2 Independent Variable 54

3.7.3 Mediating Variable 57
3.7.4 Control Variable 58
Chapter 4 Research Resulst and Discussion 61
4.1 Research Result 61
4.1.1 Description of Research Object 61
4.1.2 Descriptive Statistic Test Result 62
4.1.3 Correlation Matrix 67
4.1.4 Model Diagnostic Test 69
4.1.4.1Multicolleniarity Test 70
4.1.4.2 Heteroscedasticity Test 71
4.1.4.3 Autocorrelation Test 71
4.1.5 Panel Data Regression Test Result 72
4.2 Discussion of Research Results 78
4.2.1 The Effect of Board Gender Diversity on Tax Avoidance 78
4.2.2 The Effect of Board Independence on Tax Avoidance 79
4.2.3 The Effect of Board Financial Expertise on Tax Avoidance 80
4.2.4 The Effect of Board Gender Diversity on ESG 82
4.2.5 The Effect of Board Independence on ESG 83
4.2.6 The Effect of Board Financial Expertise on ESG 84
4.2.7 The Effect of ESG on Tax Avoidance 86
4.2.8 ESG as a Mediator of the Relationship between Board Gender Diversity and Tax Avoidance 87
4.2.9 ESG as a Mediator of the Relationship between Board independence and Tax Avoidance 88
4.2.10 ESG as a Mediator of the Relationship between Board financial expertise and Tax Avoidance 89
CHAPTER V CONCLUSION & RECOMMENDATION 91
5.1 Conclussion 91
5.2 Limitation 92
5.3 Recommendation 92
5.4 Implication 93
5.4.1 Theoritical Implication 93
5.4.2 Practical implication 95
References 97

Appendix.. 107

List of Table

Table 2. 1 Previous Research 23
Table 3. 1 Sampling Criteria 43
Table 3. 2 Variable Operation and Definition Measurement 59
Table 4. 1 Research Object Based on Sector 61
Table 4. 2 Descriptive Statistic Results 62
Table 4. 3 Correlation Matrix Test Results 67
Table 4. 4 Multicoleniarity Test Results 70
Table 4. 5 Heterocedascity Test Results 71
Table 4. 6 Autocorrelation Test Results 72
Table 4. 7 Regression Test Results 73

List of Figure

Figure 2. 1 Theoritical Framework 26

Chapter 1
Introduction

1.1 Research Background

Corporate tax avoidance is generally interpreted as a legal action because it takes greater advantage of loopholes in the applicable tax regulations (Abdelmoula et al., 2022). Taxes are considered a material expense for the company and minimize the cash flow available to owners (Suranta et al., 2020). Therefore, this provides an incentive for companies to reduce their tax burden through tax avoidance strategies(Dakhli, 2022). Tax avoidance, while often legally permissible, raises ethical concerns and can significantly impact a company's reputation and stakeholder trust(Lokanan, 2023).

Over the past five years, tax avoidance by multinational corporations has become increasingly evident, with many large corporations, including Apple, Amazon, and Google, using complex structures to minimize their tax burden. Despite efforts by governments and international organizations to strengthen tax regulation, there is still a significant gap between existing tax policies and corporate practices. For example, Apple is facing demands to return €13 billion to Ireland for illegal tax benefits, while Amazon must pay around €250 million after it was found to have received illegal tax benefits in Luxembourg(European Commission, 2017). Another example that occurred in Indonesia, PT Adaro Energy Tbk was involved in tax avoidance practices through transfer pricing, shifting large profits to overseas companies to avoid taxes between 2009 and 2017 (Proconsult, 2023). This gap shows that despite regulations designed to prevent tax avoidance, weak enforcement and implementation of the laws mean that companies continue to exploit legal loopholes, ultimately harming state revenues and causing injustice to local companies that do not have similar access to tax avoidance strategies (Ricardo Cardoso & Yizhou Ren, 2017)

The characteristics of the corporate board and tax avoidance have a close relationship, as seen from the many cases and studies that have been conducted. Many studies have shown that the structure and composition of the board, including the presence of members with financial expertise, can influence corporate decisions regarding tax strategy. For example, boards with a higher proportion of independent members are often more likely to closely monitor tax avoidance activities, while boards with members with more financial experience can encourage companies to take a more aggressive approach to tax avoidance. This suggests that board characteristics play a role not only in strategic decision-making but also in determining the extent to which companies engage in tax avoidance practices.

The phenomenon presented in this case demonstrates that the characteristics of a company's board of directors influence the company's decision to pursue tax avoidance plans. Board characteristics, encompassing aspects such as board gender diversity, board independence, and board expertise play a pivotal role in shaping corporate strategies, including tax planning.

Board gender diversity refers to the gender diversity of corporate boards, which aims to improve perspectives and decision-making by involving women’s voices. Research shows that gender diversity can not only improve company performance and innovation, but also create a more inclusive environment(Workplaces that work for women, 2020). Eva Budiana & Kusuma, (2022) Testing the relationship between gender diversity and tax avoidance using a sample of five Southeast Asian countries. The results show that Gender diverse boards tend to take a broader perspective and a more ethical approach to decision-making, which reduces the tendency for companies to aggressively avoid tax. The results of this study are consistent with the results of research conducted by (Mardjono, 2024) using a sample of manufacturing companies listed on the IDX for 2019 – 2023.Having a diverse board can increase oversight of a company's tax practices, ensure regulatory compliance and reduce reputational risks associated with tax avoidance. But different withBana. E.L & Ghozali. I (2021) the effect of female directors on tax avoidance appears to be inconsistent. Their presence may serve as a moderating factor between the characteristics of the firm and tax avoidance.

Board independence refers to the extent to which a board of directors is composed of members who do not have any material relationship with the company or its management. Independent directors are expected to make decisions that are free from conflicts of interest and to provide unbiased oversight of the firm's management (Croci et al., 2024). Khlifi et al., (2024). Examining the effect of board independence on tax avoidance using a sample of 522 companies from G20 countries between 2015 and 2021. The research show that a higher proportion of independent directors enhances the board's effectiveness in overseeing and controlling management activities, thereby strengthening the impact of corporate governance on reducing tax avoidance practices. The results of this study are in line with research conducted by(Kovermann & Velte, 2019) through a literature review which shows that independent boards have a better ability to oversee management and reduce potential conflicts of interest, which encourages more prudent decisions regarding tax avoidance. Furthermore the presence of independent board members can increase a company's transparency and accountability, thereby reducing its tendency to engage in aggressive tax avoidance practices (Gunawan et al., 2021)

Financial experts on boards of directors are essential for internal control mechanisms that address agency problems between managers and shareholders. Their financial expertise enhances the quality of accounting information, thereby reducing information asymmetry and signaling to potential investors and creditors that firms can effectively allocate financial resources for productive investments (Ali et al., 2022). The result consist in line with research conducted by (Hsu et al., 2018)Board members with financial expertise can better identify and evaluate complex tax strategies, helping companies avoid tax avoidance practices that can harm their reputation and compliance. The results of this study are consistent with the results of research conducted by (Heru Tjahjono et al., 2024) using a sample of 522 observations of non-financial companies listed on the Indonesia Stock Exchange, which stated that the involvement of board financial expertise was able to reduce the level of tax avoidance practices and

(Vita Elisa Fitriana et al., 2023) using a sample of 11 Islamic banks in Indonesia also stated that board financial expertise decreased tax avoidance practice. Financial expertise on the board enhances the ability to engage in tax avoidance by enabling sophisticated strategies, while also influencing corporate governance and risk management, which can either increase or decrease tax avoidance practices.

Despite significant research on the relationships between board independence, gender diversity, and financial expertise in relation to tax avoidance, substantial gaps remain. While existing literature generally links board independence to reduced tax avoidance through enhanced oversight, there is limited exploration of the varying degrees of independence (Kovermann & Velte, 2019). Additionally, although gender diversity is associated with more ethical decision-making and potentially lower levels of tax avoidance, the mechanisms through which female directors influence tax strategies require further investigation (Jarboui et al., 2020). These gaps highlight the need for more nuanced research that considers contextual factors such as industry, regulatory environments, and the interactions among various board characteristics to better understand their collective impact on tax avoidance.

To answer the existing gap, this study adds Environmental, Social, and Governance which will mediate the relationship between board characteristics and tax avoidance. (Khlifi et al., 2024). Environmental, social, and governance (ESG) refers to strategies through which companies conduct their activities in an ethical manner, respect society, and provide benefits to the community in terms of development. Most researchers who have examined the relationship between corporate governance and ESG have reported that effective corporate governance enhances the quality of disclosed information (both financial and non-financial) while simultaneously reducing the effective tax rate (ETR). ESG practices are essential for stakeholders seeking informational advantages in accounting and financial matters. (Khlifi et al., 2024). ESG practices are posited as a potential mediating factor in the relationship between board characteristics and tax avoidance. Companies that actively engage in ESG initiatives often cultivate a culture of accountability and ethical behavior, which may discourage aggressive tax avoidance strategies (Hashfi, 2024)

The previous research that was conducted tested whether ESG practice mediates the relationship between board characteristics and tax avoidance. Previous research suggests adding other board characteristic variables and conducting research in different scopes. Therefore current research will add board financial expertise to one of the board characteristic components and test it in Indonesia and Malaysia. Indonesia and Malaysia were choosen because regulatory environments are in flux and public awareness of corporate responsibility is increasing, understanding the interplay between board characteristics and tax avoidance is crucial. The potential for tax avoidance practices to harm public trust necessitates a closer examination of the governance structures that enable such behaviors (Hanlon & Heitzman, 2010). This study also uses Firm size and Leverage as control variables to minimize the influence of other factors that may affect the relationship between the independent and dependent variables.

1.2 Problem Formulation

While prior research suggests a relationship between board characteristics and corporate tax avoidance, the role of Environmental, Social, and Governance factors in this relationship remains underexplored. This study investigates how specific board characteristics influence corporate tax avoidance and examines the mediating role of a firm's ESG performance in this relationship

This formulation highlights the research gap you're addressing (the role of ESG) and clearly states the research objectives:

A. What is the relationship between gender diversity in the board of directors and tax avoidance?
B. What is the relationship between between board independence and tax avoidance?
C. What is the relationship between between board financial expertise and tax avoidance?
D. What is the relationship between board gender diversity and ESG?
E. What is the relationship between board independence and ESG?
F. What is the relationship between board financial expertise and ESG?
G. What is the relationship between ESG and tax avoidance?
H. Do ESG practices act as a mediator of the relationship between board gender diversity, board independence, board financial expertise and tax avoidance?

1.3 Research Objectives

This study aims to examine the influence of board characteristics on corporate tax avoidance, specifically focusing on the mediating role of Environmental, Social, and Governance performance. To achieve this, the research will address the following objectives:

A. Identify and analyze the relationship between board gender diversity and tax avoidance.
B. Identify and analyze the relationship between board independence and tax avoidance.
C. Identify and analyze the relationship between board financial expertise and tax avoidance.
D. Identify and analyze the relationship between board gender diversity and ESG.
E. Identify and analyze the relationship between board independence and ESG.
F. Identify and analyze the relationship between board financial expertise and ESG
G. Identify and analyze the relationship between ESG and Tax Avoidance.
H. Investigate the mediating role of ESG performance in the relationship between board gender diversity, board indepence, board financial expertise and corporate tax avoidance.

1.4 Benefits of Research

1.4.1 Theoritacally Benefit

This study is expected to contribute to the development of literature in the field of corporate governance, especially those focusing on the characteristics of the board of directors, the application of Environmental, Social, and Governance (ESG) principles, and tax avoidance practices. Theoretically, this study will broaden the insight into how agency theory and neo-institutional theory can be used to understand the relationship between the characteristics of the board of directors, ESG implementation, and tax avoidance carried out by companies. In addition, the use of ESG as a mediating variable opens up opportunities to see the role of sustainability practices in reducing the motivation of companies to engage in tax avoidance. Thus, the results of this study can be the basis for further research that wants to investigate the impact of corporate governance mechanisms on corporate tax behavior with a more comprehensive approach.

1.4.2 Practically benefit

In practice, this study is expected to provide guidance to stakeholders, including company management, investors, and regulators, in understanding the importance of the characteristics of an effective board of directors and the application of ESG principles as a strategy to reduce tax avoidance practices. The findings of this study can provide a basis for companies to improve the composition of the board of directors by increasing diversity, independence, and financial expertise, which aims to strengthen the oversight mechanism and increase transparency and accountability. In addition, this study can also help investors in making investment decisions by considering governance factors and the implementation of ESG practices that can affect the potential tax risks of companies. On the other hand, for regulators and policy makers, this study can provide valuable insights in formulating more effective policies to encourage companies to implement sustainability practices, which not only aim to improve environmental and social performance, but also to reduce the possibility of tax avoidance.

References

Abdallah Mohammad Qadorah, A. (2018). The Effect of Board Independence and Board Meeting on Firm Performance: Evidence from Jordan. *Journal of Finance and Accounting*, *6*(5), 105. https://doi.org/10.11648/j.jfa.20180605.11

Abdelkader, M. G., Gao, Y., & Elamer, A. A. (2024). Board Gender Diversity and ESG Performance: The Mediating Role of Temporal Orientation In South Africa Context. *Journal of Cleaner Production*, *440*. https://doi.org/10.1016/j.jclepro.2024.140728

Abdelmoula, L., Chouaibi, S., & Chouaibi, J. (2022). The Effect of Business Ethics and Governance Score on Tax Avoidance: A European Perspective. *International Journal of Ethics and Systems*, *38*(4), 576–597. https://doi.org/10.1108/IJOES-12-2021-0219

Action Plan on Base Erosion and Profit Shifting. (2013). OECD. https://doi.org/10.1787/9789264202719-en

Adams, R. B., & Ferreira, D. (2007). A Theory of Friendly Boards. *Journal of Finance*, *62*(1), 217–250. https://doi.org/10.1111/j.1540-6261.2007.01206.x

Adams, R. B., & Ferreira, D. (2009). Women In the Boardroom and Their Impact on Governance and Performance. *Journal of Financial Economics*, *94*(2), 291–309. https://doi.org/10.1016/j.jfineco.2008.10.007

Adinehzadeh, R., Jaffar, R., Abdul Shukor, Z., & Che Abdul Rahman, M. R. (2018). The Mediating Role of Environmental Performance on The Relationship Between Corporate Governance Mechanisms and Environmental Disclosure. *Asian Academy of Management Journal of Accounting and Finance*, *14*(1), 153–183. https://doi.org/10.21315/aamjaf2018.14.1.7

Agrawal, A., & Chadha, S. (2005). Corporate Governance and Accounting Scandals. *Journal of Law and Economics*, *48*(2), 371–406. https://doi.org/10.1086/430808

Al Kurdi, A., Al Amosh, H., & Khatib, S. F. A. (2023). The Mediating Role of Carbon Emissions In The Relationship Between The Board Attributes and ESG Performance: European Evidence. *EuroMed Journal of Business*. https://doi.org/10.1108/EMJB-08-2022-0144

Alhady, I., Arieftiara, D., & Lastiningsih, N. (2021). Does Board of Commissioners Independence Still Relevant in Tax Avoidance Monitoring? *International Journal of Research in Business and Social Science (2147- 4478)*, *10*(5), 148–156. https://doi.org/10.20525/ijrbs.v10i5.1263

Ali, S., Rehman, R. U., Sarwar, B., Shoukat, A., & Farooq, M. (2022). Board Financial Expertise and Foreign Institutional Investment: The Moderating

Role of Ownership Concentration. *Review of International Business and Strategy*, *32*(3), 325–345. https://doi.org/10.1108/RIBS-02-2021-0032

Alkhawaja, A., Hu, F., Johl, S., & Nadarajah, S. (2023). Board Gender Diversity, Quotas, and ESG Disclosure: Global Evidence. *International Review of Financial Analysis*, *90*, 102823. https://doi.org/10.1016/j.irfa.2023.102823

Alshareef, M. N., & Sulimany, H. G. H. (2024). Board Financial Expertise and Financial Sustainability: Evidence from Saudi-Listed Firms. *Sustainability*, *16*(16), 7100. https://doi.org/10.3390/su16167100

April Klein. (2002). Audit Committee, Board of Director Characteristics, and Earnings Management. *Journal of Accounting and Economics*, *33*.

Arayssi, M., Jizi, M., & Tabaja, H. H. (2020). The Impact of Board Composition on The Level of ESG Disclosures in GCC Countries. *Sustainability Accounting, Management and Policy Journal*, *11*(1), 137–161. https://doi.org/10.1108/SAMPJ-05-2018-0136

Ardiyanto, R. M., & Marfiana, A. (2021). *Pengaruh Keahlian Keuangan, Kompensasi Direksi, Profitabilitas, Pertumbuhan Perusahaan dan Kepemilikan Institusi Pada Penghindaran Pajak Perusahaan*. *Jurnal Manajemen STIE Muhammadiyah Palopo*, *7*(1).

Armstrong, C. S., Blouin, J. L., Jagolinzer, A. D., & Larcker, D. F. (2015). Corporate Governance, Incentives, and Tax Avoidance. *Journal of Accounting and Economics*, *60*(1), 1–17. https://doi.org/10.1016/j.jacceco.2015.02.003

Bambang Setyobudi Irianto, Yudha Aryo Sudibyo, & Abim Wafirli. (2017). The Influence of Profitability, Leverage, Firm Size and Capital Intensity Towards Tax Avoidance. *International Journal of Accounting and Taxation, 5*(2).

Baron, R. M., & Kenny, D. A. (1986). The Moderator–Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182. https://doi.org/10.1037/0022-3514.51.6.1173

Bergman, M. S., Deckelbaum, A. J., Karp, B. S., Paul, & Weiss. (2020, August). *Introduction to ESG*. Harvard Law School Forum on Corporate Governance.

Bhagat, S., & Bolton, B. (2008). Corporate Governance and Firm Performance. *Journal of Corporate Finance*, *14*(3), 257–273. https://doi.org/10.1016/j.jcorpfin.2008.03.006

Butar-Butar, D. T. M., Yunita, L., & Dewi, S. (2024). The Effect of Independence and Gender of BOD, Managerial and Institutional Ownership, and Ownership Concentration on Tax Aggressiveness. *Journal of Contemporary Accounting*, 1–10. https://doi.org/10.20885/jca.vol6.iss1.art1

Carter, D. A., Simkins, B. J., Simpson, W. G., Borokhovich, K., Crutchley, C., Elson, C., Fry, M., Hersch, P., Li, J., & Longhofer, S. (2003). Corporate Governance, Board Diversity, and Firm Value. In *The Financial Review* (Vol. 38). http://www.iccr.org.

Creswell, J. W., & Creswell, J. D. (2018). Research Design Qualitative, Quantitative, and Mixed Methods Approaches (H. Salmon, C. Neve, M. O'Heffernan, D. C. Felts, & A. Marks, Eds.; 5th ed.). SAGE Publications, Inc.

Croci, E., Hertig, G., Khoja, L., & Lan, L. L. (2024). Board Characteristics and Firm Resilience: Evidence From Disruptive Events. *Corporate Governance: An International Review*, *32*(1), 2–32. https://doi.org/10.1111/corg.12518

Dakhli, A. (2022). Do Women on Corporate Boardrooms Have an Impact on Tax Avoidance? The Mediating Role of Corporate Social Responsibility. *Corporate Governance (Bingley)*, *22*(4), 821–845. https://doi.org/10.1108/CG-07-2021-0265

Dalton, D. R., Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (1998). Meta-Analytic Reviews of Board Composition, Leadership Structure, and Financial Performance. In *Strategic Management Journal* (Vol. 19).

Defond, M. L., Hann, R. N., Xuesong, H. U., & Engel, E. (2005). Does The Market Value Financial Expertise on Audit Committees of Boards of Directors? *Journal of Accounting Research*, *43*(2), 153–193. https://doi.org/10.1111/j.1475-679x.2005.00166.x

Della C. G., Ricci, F., Saggese, S., & Sarto, F. (2024). Does Board Industry Expertise Foster ESG Strategy? The Mediating Role of Environmental Innovation. *Management Decision*. https://doi.org/10.1108/MD-10-2023-2009

Desai, M. A., & Dharmapala, D. (2006). Corporate Tax Avoidance and High-Powered Incentives. *Journal of Financial Economics*, *79*(1), 145–179. https://doi.org/10.1016/j.jfineco.2005.02.002

Dezsö, C. L., & Ross, D. G. (2012). Does Female Representation in Top Management Improve Firm Performance? A Panel Data Investigation. *Strategic Management Journal*, *33*(9), 1072–1089. https://doi.org/10.1002/smj.1955

Dimaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. In *Source: American Sociological Review* (Vol. 48, Issue 2).

Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*, *16*(1), 49–64. https://doi.org/10.1177/031289629101600103

Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2006). Long-Run Corporate Tax Avoidance. In *Brigham Young University Accounting Research Symposium*. http://ssrn.com/abstract=1017610Electroniccopyavailableat:https://ssrn.com/abstract=1017610Electroniccopyavailableat:http://ssrn.com/abstract=1017610Electroniccopyavailableat:https://ssrn.com/abstract=1017610

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The Impact of Corporate Sustainability on Organizational Processes and Performance.

Eisenhardt, K. M. (1989). Agency Theory: An Assessment and Review. In *Source: The Academy of Management Review* (Vol. 14, Issue 1). https://www.jstor.org/stable/258191

Elan Levita Bana, & Imam Ghozali. (2021). *Pengaruh Diversitas Gender Dewan Komisaris Terhadap Penghindaran Pajak dengan Sustainability Performance Sebagai Variabel Mediasi (Studi Empiris Pada Perusahaan Non Keuangan Yang Terdaftar Di Bursa Efek Indonesia Pada Tahun 2017-2019)*. *Diponegoro Journal of Accounting*, *10*(4).

European Commission. (2017). Statement by Commissioner Vestager on illegal tax benefits to Amazon in Luxembourg and referring Ireland to Court for failure to recover illegal tax benefits from Apple.

Eva Budiana, & Kusuma, H. (2022). The Relationship Between Gender Diversity and Tax Avoidance Practices. *International Journal of Research in Business and Social Science (2147- 4478)*, *11*(8), 241–250. https://doi.org/10.20525/ijrbs.v11i8.2176

Fama, E. F., Jensen, M. C., Benne, R., Black, F., Easterbrook, F., Farber, A., Gavett, W., Hirsch, P., Hogarth, R., Holderness, C., Holthausen, R., Horne, C., Jeuck, J., Leftwich, R., McCormick, S., Mayers, D., Pashigian, P., Scholes, M., Smith, C., … Plosser Financial, C. (1983). Foundations of Organizational Strategy. In *Journal of Law and Economics: Vol. XXVI*. Harvard University Press. http://papers.ssrn.com/abstract=94034.

Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG Performance and Firm Value: The Moderating Role Of Disclosure. *Global Finance Journal*, *38*, 45–64. https://doi.org/10.1016/j.gfj.2017.03.001

Fauzi, F., Basyith Dencik, A., & Isnaini, D. (2019). *Metodologi Penelitian untuk Manajemen dan Akuntansi.* Salemba Empat.

Friede, G., Busch, T., & Bassen, A. (2015). ESG and Financial Performance: Aggregated Evidence from More Than 2000 Empirical Studies. *Journal of Sustainable Finance and Investment*, *5*(4), 210–233. https://doi.org/10.1080/20430795.2015.1118917

Fuzi, S. F. S., Halim, S. A. A., & Julizaerma, M. K. (2016). Board Independence and Firm Performance. *Procedia Economics and Finance*, *37*, 460–465. https://doi.org/10.1016/s2212-5671(16)30152-6

Gabriel Zucman. (2014). The Hidden Wealth of Nations: The Scourge of Tax Havens. University of Chicago Press.

García-Meca, E., Ramón-Llorens, M. C., & Martínez-Ferrero, J. (2024). Feminine Expertise on Board and Environmental Innovation: The Role Of Critical Mass. *Review of Managerial Science*, *18*(8), 2255–2286. https://doi.org/10.1007/s11846-023-00685-2

Gunawan, Y.-, Christy, Y.-, Se Tin, S. T.-, & Jonathan, L.-. (2021). The Influence of Independent Board of Commissioners, Audit Committee, and Audit Quality on Tax Avoidance. *BALANCE: Economic, Business, Management and Accounting Journal*, *18*(1), 42. https://doi.org/10.30651/blc.v18i1.6495

Hanlon, M., & Heitzman, S. (2010). A Review of Tax Research. In *Journal of Accounting and Economics* (Vol. 50, Issues 2–3, pp. 127–178). https://doi.org/10.1016/j.jacceco.2010.09.002

Hardani, Auliya, N. H., Andriani, H., Fardan, R. A., Ustiawaty, J., Utami, E. F., Sukmana, D. J., & Istiqomah, R. R. (2020). *Metode Penelitian Kualitatif & Kuantitatif* (H. Abadi, Ed.). CV. Pustaka Ilmu.

Hashfi, M. H. Al. (2024). Beyond Sustainability: The ESG Performance Relationship on Earnings Management and Tax Avoidance. *Scientax*, *5*(2), 131–147. https://doi.org/10.52869/st.v5i2.771

Hendayana, Y., Arief Ramdhany, M., Pranowo, A. S., Abdul Halim Rachmat, R., & Herdiana, E. (2024). Exploring Impact of Profitability, Leverage and Capital Intensity on Avoidance of Tax, Moderated by Size of Firm in LQ45 Companies. *Cogent Business & Management*, *11*(1). https://doi.org/10.1080/23311975.2024.2371062

Heru Tjahjono, Rodhiyah, & Aminatuzzuhro. (2024). How Does Financial Expertise Moderate the Influence of Local CEOs on Tax Avoidance? In *Journal of Applied Accounting and Taxation Article History* (Vol. 9, Issue 1).

Hsu, P., Moore, J. A., & Neubaum, D. O. (2018). Tax Avoidance, Financial Experts on The Audit Committee, and Business Strategy. *Journal of Business Finance & Accounting*, *45*(9–10), 1293–1321. https://doi.org/10.1111/jbfa.12352

Huang, H., & Zhang, W. (2020). Financial Expertise and Corporate Tax Avoidance. *Asia-Pacific Journal of Accounting and Economics*, *27*(3), 312–326. https://doi.org/10.1080/16081625.2019.1566008

Huang, J., & Kisgen, D. J. (2013). Gender and Corporate Finance: Are Male Executives Overconfident Relative to Female Executives? *Journal of Financial Economics*, *108*(3), 822–839. https://doi.org/10.1016/j.jfineco.2012.12.005

Huseynov, F., & Klamm, B. K. (2012). Tax Avoidance, Tax Management and Corporate Social Responsibility. *Journal of Corporate Finance*, *18*(4), 804–827. https://doi.org/10.1016/j.jcorpfin.2012.06.005

Itan, I., Laudeciska, L., Karjantoro, H., & Chen, R. (2023). Corporate Governance and Environmental Disclosure: Assessing the Role of Environmental Performance. http://journals.ums.ac.id/index.php/reaksi/index

Iversen, P. W., Eastwood, B. J., Sittampalam, G. S., & Cox, K. L. (2004). A Guide to Statistical Parameters for Bioassay Validation. In *Assay Guidance Manual*. Eli Lilly & Company and the National Center for Advancing Translational Sciences.

Jarboui, A., Kachouri Ben Saad, M., & Riguen, R. (2020). Tax Avoidance: Do Board Gender Diversity and Sustainability Performance Make A Difference? *Journal of Financial Crime*, *27*(4), 1389–1408. https://doi.org/10.1108/JFC-09-2019-0122

Jeffrey Pfeffer, & Gerald Salancik. (1978). The External Control of Organizations: A Resource Dependence Perspective. Stanford University Press.

Jensen, M. C., & Meckling, W. H. (1976). Theory of The Firm: Managerial Behavior, Agency Costs and Ownership Structure. In *Journal of Financial Economics* (Vol. 3). Q North-Holland Publishing Company.

Jiang, H., Hu, W., & Jiang, P. (2024). Does ESG Performance Affect Corporate Tax Avoidance? Evidence from China. *Finance Research Letters*, *61*. https://doi.org/10.1016/j.frl.2024.105056

Khan, M., Serafeim, G., & Yoon, A. (2016). Corporate Sustainability: First Evidence on Materiality. In *Accounting Review* (Vol. 91, Issue 6, pp. 1697–1724). American Accounting Association. https://doi.org/10.2308/accr-51383

Khlifi, S., Chouaibi, Y., & Chouaibi, S. (2024). Do ESG Practices Mediate The Relationship Between Board Characteristics and Tax Avoidance in G20 Countries? *Corporate Governance (Bingley)*. https://doi.org/10.1108/CG-11-2023-0498

Kolawole Ebire, Anthony Ahmed Musa, & Lucky Onmonya. (2024). Moderating Effect of Board Independence on The Relationship Between Firm Attributes and Tax Aggressiveness: Empirical Evidence from The Nigerian Banks. *International Journal of Accounting & Finance Review*, *15*(1), 1–9. https://doi.org/10.46281/ijafr.v15i1.2184

Kovermann, J., & Velte, P. (2019). The Impact of Corporate Governance on Corporate Tax Avoidance A Literature Review. *Journal of International Accounting, Auditing and Taxation*, *36*, 100270. https://doi.org/10.1016/j.intaccaudtax.2019.100270

Lanis, R., & Richardson, G. (2013). Corporate Social Responsibility and Tax Aggressiveness: A Test of Legitimacy Theory. *Accounting, Auditing and Accountability Journal*, *26*(1), 75–100. https://doi.org/10.1108/09513571311285621

Liao, L., Lin, T. P., & Zhang, Y. (2018). Corporate Board and Corporate Social Responsibility Assurance: Evidence from China. *Journal of Business Ethics*, *150*(1), 211–225. https://doi.org/10.1007/s10551-016-3176-9

Lokanan, M. (2023). The Morality and Tax Avoidance: A Sentiment and Position Taking Analysis. *PLoS ONE*, *18*(7 July). https://doi.org/10.1371/journal.pone.0287327

Mahfud Sholihin, & Puspita Ghaniy Anggraini. (2020). *Analisis Data Penelitian Menggunakan Software STATA* (Prabawati Arie, Ed.; 1st ed.). ANDI.

Mallidis, I., Giannarakis, G., & Sariannidis, N. (2024). Impact of Board Gender Diversity on Environmental, Social, and ESG Controversies Performance: The Moderating Role of United Nations Global Compact and ISO. *Journal of Cleaner Production*, *444*. https://doi.org/10.1016/j.jclepro.2024.141047

Mardjono, E. S. (2024). Gender Diversity of Executive, Internal Control, Institutional Ownership, Firm Size and Tax Avoidance: An Interactive Effects Business Strategy. In *Jurnal Akuntansi Universitas Jember* (Vol. 22, Issue 1).

Meyer, J. W., Rowan, B., Acland, H., Bergesen, A., Boli-Bennett, J., Deal, T., Freeman, J., Hirsch, P., March, J. G., Scott, W. R., & Starbuck, W. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. In *AJS* (Vol. 340). http://www.journals.uchicago.edu/t-and-c

Miller, T., Del, M., & Triana, C. (2009). Demographic Diversity in the Boardroom: Mediators of the Board Diversity-Firm Performance Relationship.

Mohamad Ariff, A., Kamarudin, K. A., Musa, A. Z., & Mohamad, N. A. (2024). Financial Constraints, Corporate Tax Avoidance and Environmental, Social and Governance Performance. *Corporate Governance (Bingley)*. https://doi.org/10.1108/CG-08-2023-0343

MYRON S. SCHOLES, & MARK A. WOLFSON. (1992). Taxes and Business Strategy: A Planning Approach. Prentice Hall.

Naheed, R., Rizwan, S., Jawad, M., & Naz, M. (2022). The Role of The Boards' Financial Expertise in The Investment Dynamics of Businesses in Emerging Markets. *Cogent Business & Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2096804

Nebie, M., & Cheng, M. C. (2023). Corporate Tax Avoidance and Firm Value: Evidence from Taiwan. *Cogent Business and Management*, *10*(3). https://doi.org/10.1080/23311975.2023.2282218

Niclas L. Erhardt, James D. Werbel, & Charles B. Shrader. (2003). Board of Director Diversity and Firm Financial Performance. *Corporate Governance*, *11*.

Paramita, A. S., Ardiansah, M. N., Delyuzar, R. A., & Dzulfikar, A. (2023). The Analysis of Leverage, Return on Assets, and Firm Size on Tax Avoidance. *Accounting Analysis Journal*, *11*(3), 186–195. https://doi.org/10.15294/aaj.v11i3.61617

Pasamar, S., Bornay-Barrachina, M., & Morales-Sánchez, R. (2023). Institutional Pressures for Sustainability: A Triple Bottom Line Approach. *European Journal of Management and Business Economics*. https://doi.org/10.1108/EJMBE-07-2022-0241

Pham, V. Le, & Ho, Y.-H. (2024). Independent Board Members and Financial Performance: ESG Mediation in Taiwan. *Sustainability*, *16*(16), 6836. https://doi.org/10.3390/su16166836

Philipp Röttger, Kolja Spee, & Janice Wobst. (2019). The Effect of Chief Financial Officers' Expert Power on Tax Avoidance Empirical Evidence from Germany. *Management Studies*, *9*(1).

Popov, K., & Makeeva, E. (2022). Relationship Between Board Characteristic, ESG, and Corporate Governance: A Systematic Review. *Journal of Corporate Finance Research / Reviews*, *16*(4). https://doi.org/10.17323/j.jcfr.2073-0438.16.4.2022.119

Post, C., Rahman, N., & Rubow, E. (2011). Green Governance: Boards of Directors' Composition and Environmental Corporate Social Responsibility. *Business and Society*, *50*(1), 189–223. https://doi.org/10.1177/0007650310394642

Proconsult. (2023, December 22). *Kasus Penghindaran Pajak Perusahaan di Indonesia*. Proconsult.

Reza Mubarak. (2021). *Pengantar Ekonometrika* (1st ed.). Duta Media Publishing.

Ricardo Cardoso, & Yizhou Ren. (2017). State aid: Commission finds Luxembourg gave illegal tax benefits to Amazon worth around €250 million.

Sari Mustika Widyastuti, Inten Meutia, & Aloysius Bagas Candrakanta. (2022). The Impact of Leverage, Profitability, Capital Intensity and Corporate Governance on Tax Avoidance . *Integrated Journal of Business and Economics*.

Sepulveda-Nuñez, M. D. D. C., Fong Reynoso, C., & Llamosas-Rosas, I. (2024). Board of Directors Effect on Environmental, Social and Governance Performance in Publicly Traded Non-Financial Firms. *Corporate Governance (Bingley)*. https://doi.org/10.1108/CG-09-2023-0409

Souguir, Z., Lassoued, N., Khanchel, I., & Bouzgarrou, H. (2024). Environmental Performance and Corporate Tax Avoidance: Greenwashing Policy or Eco-Responsibility? The Moderating Role of Ownership Structure. *Journal of Cleaner Production*, *434*. https://doi.org/10.1016/j.jclepro.2023.140152

Suranta, E., Midiastuty, P., & Hasibuan, H. R. (2020). The Effect of Foreign Ownership and Foreign Board Commissioners on Tax Avoidance. *Journal of Economics, Business, & Accountancy Ventura*, *22*(3), 309–318. https://doi.org/10.14414/jebav.v22i3.2143

Vafeas, N., & Theodorou, E. (1998). The Relationship Between Board Structure and Firm Performance in The Uk. In *British Accounting Review* (Vol. 30).

Vita Elisa Fitriana, Salwa Sabila Soleha, & Supeni Anggraeni Mapuasari. (2023). Tax Avoidance in Islamic Banking: The Prominent Role of Board Director Expertise. *SAR (Soedirman Accounting Review): Journal of Accounting and Business*, 220–233. https://doi.org/10.32424/1.sar.2023.8.2.10051

W. Richard Scott. (2008). Institutions and organizations: ideas and interests (3rd ed.). Sage Publications.

Workplaces that work for women. (2020, June 20). Why is DEI Important in the Workplace? (Quick Take). Catalyst.

Yermack, D. (1996). Higher Market Valuation of Companies with A Small Board of Directors. In *EISEVIER Journal of Financial Economics* (Vol. 40).

Yoon, B. H., Lee, J. H., & Cho, J. H. (2021). The Effect of ESG Performance on Tax Avoidance—Evidence From Korea. *Sustainability (Switzerland)*, *13*(12). https://doi.org/10.3390/su13126729

Zeng, T. (2019). Relationship Between Corporate Social Responsibility and Tax Avoidance: International Evidence. *Social Responsibility Journal*, *15*(2), 244–257. https://doi.org/10.1108/SRJ-03-2018-0056

Zhang, X., Husnain, M., Yang, H., Ullah, S., Abbas, J., & Zhang, R. (2022). Corporate Business Strategy and Tax Avoidance Culture: Moderating Role of Gender Diversity in an Emerging Economy. *Frontiers in Psychology*, *13*. https://doi.org/10.3389/fpsyg.2022.827553