Corporate social responsibility disclosure before and during the Covid-19 pandemic

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ARTICLE INFO

Article history:
Received 2021-08-30
Accepted 2022-04-08
Published 2022-06-28

Keywords:
Corporate Social Responsibility disclosure, environmental performance, media exposure, tax aggressiveness

DOI: https://doi.org/10.20885/jaai.vol26.iss1.art2

ABSTRACT

The COVID-19 pandemic has had a significant impact on the condition of the Indonesian economy, including the manufacturing industry. Therefore, it is necessary to test the effect of tax aggressiveness, environmental performance, and media exposure on corporate social responsibility disclosure. Corporate social responsibility disclosure is measured using the criteria set out in the 2017 Financial Services Authority (OJK) regulation. This study used 77 observational data from the 2017–2020 period in which the descriptive statistical analysis showed a decrease in tax aggressiveness, environmental performance, media exposure, and corporate social responsibility disclosure. The results showed significant differences in the manufacturing companies’ corporate social responsibility disclosures before and during the COVID-19 pandemic. The findings revealed that tax aggressiveness and environmental performance positively affected corporate social responsibility disclosure. In contrast, media exposure did not affect corporate social responsibility disclosure. However, media exposure positively affected environmental aspects disclosure. These results indicated that manufacturing companies have social and environmental awareness.

Introduction

As one of the largest countries in the world, Indonesia has various important roles among countries in the Southeast Asia region making it has the most prominent role in the development of the manufacturing industry. Indonesia’s Manufacturing Value Added (MVA) rate reached 19.7% compared to Singapore at 19.5%, Vietnam at 16.5%, Cambodia at 16.3%, Brunei Darussalam at 13.6%, and Laos at 7.5% (Kementrian Perindustrian, 2020). The MVA rate described by the United Nations Industrial Development Organization (UNIDO) reveals that the higher the MVA rate indicates, the higher the level of industrial development (industrialization) and the contribution of the manufacturing industry to the Gross Domestic Product (GDP) in a country. Indonesia’s manufacturing sector was under pressure due to the COVID-19 pandemic, as indicated by the average Purchasing Managers Index (PMI), which declined from 49.7 in 2019 to 44.7 in 2020 (Kementrian Perindustrian, 2021). This declining rate indicated a weakening level of consumer demand. However, with a larger economy of scale of domestic and export markets and more diverse types of industries, Indonesia’s Manufacturing Value Added (MVA) reached $281 billion, hence it was superior compared to other ASEAN countries, such as Thailand ($1.23 billion), Malaysia ($81.19 million), and Vietnam ($41.7 million) (Kementrian Perindustrian, 2021).

The COVID-19 pandemic first appeared in Wuhan, China, on 30 December 2019. This disease has spread quickly throughout the world and ultimately brought terrible risks to the world’s economy and disrupted regular economic activity, including in Indonesia. Since China plays the role of the most extensive export activity in the world, the pandemic has made China’s trade activities went into a negative direction. Therefore, it has impacted the world trade flow and system and eventually affected Indonesia as the significant importer of manufactured goods from China. In addition, China is also one of the largest trading partners of Indonesia (Arianto, 2021).

The manufacturing industry sector had positive GDP growth from 2017 to 2019. In 2017-2018, the GDP growth of the manufacturing industry was more than 4%, while in 2019, the growth was less than 4%. Significantly in 2020, there was a negative GDP growth of the manufacturing industry to -3%, while the National GDP experienced a negative growth rate of -2% (BPS, 2020). A decrease in the manufacturing industry’s GDP and national GDP due to the COVID-19 pandemic has significantly impacted many aspects of the national economy.

The manufacturing industry has a crucial role in the survival of life due to its ability to utilize raw materials that were not previously used to become finished goods. Companies also need local resources to make and process these goods so that manufacturing companies have a responsibility in maintaining the surrounding social environment. The Law Number 47 Article 2 of 2012 stipulates that every company has social and environmental awareness.
responsibilities. Therefore, every company is obliged to perform social responsibility disclosure (Andriani & Subardjo, 2017).

Companies must be ready and alert in responding to unpredictable things. The current corporate social responsibility policy seems to meet new challenges and obstacles because many programs that should have been planned in 2020 were delayed due to the COVID-19 pandemic. The pandemic has indeed brought many negative changes for all sectors, but this has encouraged companies' competition to promote Corporate Social Responsibility (CSR) assistance programs to help the government and society. For example, PT Unilever Indonesia Tbk. (UNVR), a company making products that support people's lives, announced the steps that have been and would support national efforts to cope with the pandemic. These steps are focused on helping the lives and livelihoods of various parties, starting with the consumers, customers, their communities, and all company employees. Since the emergence of the COVID-19 pandemic, UNVR, has contributed IDR 50 billion in products that have been and would distribute to the community through various partnership programs, including health institutions, government, and other organizations (SWA, 2020).

CSR disclosures have been regulated and have functioned as a medium of communication and accountability to stakeholders. In practice, the implementation of such regulation has not been perfect, and there are several cases of environmental pollution or social conflicts among companies in Indonesia. In 2018, PT Semen Baturaja Tbk. (SMBR) was suspected of causing environmental damage due to the exploitation of Class C mining and air pollution, which negatively impacted health and the environment, especially in the community around the factory (Arfiyanto & Ardiyanto, 2017). Furthermore, in 2019, the residents living near PT Semen Baturaja Tbk. (SMBR) protested the company due to allegations that had not resolved environmental damage in 2018. A new case emerged that the directors of PT Semen Baturaja Tbk. were suspected of committing an act of corruption in post-mining reclamation (Sinerginkri.com, 2022).

The company's corporate social responsibility concept follows the legitimacy theory. The company gains legitimacy from the government by preserving the environment, complying with paying taxes, and achieving social legitimacy from the community by publishing CSR activities in various print and digital media. Several factors are thought to influence companies disclosing CSR activities, namely tax aggressiveness, environmental performance, and media exposure. Hence, this study aims at determining the effect of tax aggressiveness, environmental performance, and media exposure on CSR disclosure. Tax aggressiveness is one of the strategies used by companies to save their tax burden to increase company profits (Arfiyanto & Ardiyanto, 2017). These tax savings actions can reduce reputation so that companies carry out CSR disclosures to improve the company reputation. Therefore, tax aggressiveness positively affects CSR disclosure (Arfiyanto & Ardiyanto, 2017; Wardhani & Muid, 2017). On the other hand, Ramadhan and Amrin (2019) found that tax aggressiveness does not affect CSR disclosure.

Environmental performance is the company's performance to participate in preserving the environment (Haholongan, 2016). Environmental sustainability has become a government policy in every period. Environmental performance assessed through PROPER positively affects CSR disclosure (Ramadhan & Amrin, 2019; Tandirerung et al., 2019). On the other hand, Widiastuti et al. (2018) and Hayati et al. (2019) found that environmental performance does not affect CSR disclosure.

Currently, the media is influential in forming the company's image as perceived by the public because they will easily observe the form of responsibility that the company has carried out (Anggreni & Budiasih, 2016). Companies can disclose social responsibility activities through print and digital media. Therefore, media exposure positively affects CSR disclosure (Pakpahan & Rajagukguk, 2018). Otherwise, Hayati et al. (2021) and Widiastuti et al. (2018) found that media exposure does not affect CSR disclosure.

This study makes several contributions to the CSR literature. First, this study explores the determinants of CSR disclosure. The main findings showed that tax aggressiveness and environmental performance positively affected CSR disclosure, but media exposure did not affect CSR disclosure. The additional results indicated that media exposure affected positively environmental aspects in corporate social responsibility disclosure. Second, this study has modified the previous research by measuring the level of CSR disclosure using the criteria stipulated in the Financial Services Authority (OJK) regulation number 51/POJK.03/2017 on Application of Sustainable Finance. Third, this study explores the determinants of CSR disclosure before and during the COVID-19 pandemic. The additional results in 2017 and 2018 before the pandemic showed that environmental performance had a positive effect on CSR disclosures. In contrast, the results in 2019 and 2020 before and during the COVID-19 pandemic, tax aggressiveness, environmental performance, and media exposure did not affect CSR disclosure. Fourth, this study has investigated the differences in tax aggressiveness, environmental performance, media exposure, and CSR disclosures before and during the COVID-19 pandemic. The results show significant differences in manufacturing companies' CSR disclosures and tax aggressiveness before and during the pandemic. In contrast, the results showed no difference in environmental performance and media exposure of manufacturing companies before and during the pandemic.

This study has several contributions to practice. First, this study suggests that management should evaluate, develop, and improve its performance in the future by always complying with tax regulations and paying taxes in
the right amount and time. Manufacturing companies should increase CSR activities because the government expects the participation of all parties in disaster management, especially during the COVID-19 pandemic. Manufacturing companies are expected to be able to communicate CSR activities through various media, both print media and digital media, as a form of company participation in environmental management, improving community welfare, and supporting sustainable development. They should improve environmental management by taking preventive actions by not only striving to improve the polluted environment, but also participating in maintaining and preserving it.

Second, this study suggests that the investors should invest only in companies with high CSR disclosures because CSR can ensure the company's sustainability. Third, this study suggests that the government or the OJK should evaluate the implementation of POJK 51/POJK.03/2017 by disseminating these regulations to increase company awareness or commitment to environmental and social management.

**Literature Review**

**Legitimacy Theory**

Legitimacy occurs when a company's value system is in line with the broader value system of a society (Dowling & Pfeffer, 1975). The legitimacy theory explains that a company voluntarily discloses its activities when management considers that such action is following community expectations (Deegan et al., 2002). What happens is that the company's value does not necessarily correspond to societal values, which can lead to a legitimacy gap. The legitimacy gap can further affect the company's ability to continue its business activities (Lesmana & Tarigan, 2014). Lindawati and Puspita (2015) explain three causes of the legitimacy gap. First, there is a change in the company's performance, but people's expectation of the company's performance has not changed. Second, the company's performance has not changed, but people's expectation of the company's performance has changed. Third, the company's performance and people's expectations have changed in different directions or the same direction at different times.

**Corporate Social Responsibility Disclosure**

Corporate social responsibility is a sustainable commitment from the business world to take ethical actions and contribute to the local community's economic development or the wider community (Untung, 2014). The goal of disclosure is to provide important information to achieve financial reporting objectives and serve various parties who have different interests (Sefty & Farihah, 2016).

The current COVID-19 pandemic has forced companies to adapt to uncertain situations because it impacts CSR implementation for several companies. Most companies have to recalculate all CSR program designs because this pandemic has affected the broader target of CSR recipients. Due to the government's strategy of imposing Large-Scale Social Restrictions (PSBB; *Pembatasan Sosial Berskala Besar*), which required people to carry out activities from home, and the emergence of recommendations to stay at home, the impacts of this pandemic have affected the economy in Indonesia (Akbar & Humaedi, 2020). The company's role in completing its social responsibility to the community grows increasingly complicated, necessitating extra efforts to fulfill and carry out the CSR activities.

**Effect of Tax Aggressiveness on Corporate Social Responsibility Disclosure**

Tax aggressiveness is a corporate tax planning activity to reduce the effective tax rate (Lanis & Richardson, 2012). Tax aggressiveness is a more specific activity, including transactions to reduce the company’s tax liability. Sometimes owners and shareholders expect the company to minimize tax payments to maximize the company's value. Tax aggressiveness can damage a company's reputation in the view of stakeholders. The government can impose sanctions in the form of termination of business operations. Tax aggressiveness affects CSR disclosure. The higher the tax aggressiveness, the higher the company's motivation in disclosing CSR. Firms with aggressive tax reporting can act under legitimacy theory by disclosing additional CSR information (Lanis & Richardson, 2012). Therefore, companies carry out CSR disclosures to improve the company reputation. Arfiyanto & Ardiyanto (2017) and Wardhani and Muid (2017) revealed that tax aggressiveness positively affected CSR disclosure. Thus, the following hypothesis is proposed:

H: Tax aggressiveness has a positive effect on CSR disclosure.

**Effect of Environmental Performance on Corporate Social Responsibility Disclosure**

Environmental performance is a kind of company performance in which the activities focus on preserving the environment and reducing adverse environmental impacts arising from company activities (Tahu, 2019). Environmental performance is the company's achievement in managing environmental problems by implementing
the company’s operational activities using environmentally friendly materials to properly create a beautiful environment (Hayati et al., 2021). One of the environmental performance assessment instruments is PROPER. PROPER is a Company Performance Rating Program in Environmental Management used by the Ministry of Environment and Forestry of the Republic of Indonesia to improve the company’s environmental management performance under stipulated regulations. The implementation of PROPER demonstrates the government’s efforts to implement transparency and accountability in environmental management. The use of color ratings in the PROPER assessment is a communicative form of delivering performance to the public, accordingly, starting from the best ones in gold, green, blue, red, and the worst in black. Simply put, the public can determine compliance with environmental management in certain companies by looking at the existing color ratings. Likewise, for parties who require more detailed information about the environmental performance of PROPER participating companies, the Ministry of Environment and Forestry of the Republic of Indonesia can submit it specifically. Companies with good environmental performance have a higher social awareness of the community and the surrounding environment. Ramadhan and Amrin (2019) and Tandirerung et al. (2019) found that environmental performance positively affected CSR disclosure. Thus, the following hypothesis is proposed: 

\[ H_2: \text{Environmental performance has a positive effect on CSR disclosure.} \]

Effect of Media Exposure on Corporate Social Responsibility Disclosure

Media is increasing in the era of globalization. It is a vital means for the public to know a company’s performance. It is a tool used by company management to reveal various company activities (Hotria & Afriyenti, 2018). Companies must have the capacity to meet the desires of stakeholders. They must communicate effectively with stakeholders to gain trust and legitimacy through CSR activities. They can share their CSR activities through print and digital media, such as TV, newspapers, and the internet (YouTube). Many companies use YouTube to disclose their CSR activities since YouTube is very popular and loved by many people. The public will know about the social activities carried out by the company. In addition, CSR communication through various media can improve the company’s reputation. Pakpahan and Rajagukguk (2018) revealed that media exposure positively affected CSR disclosure. Thus, the following hypothesis is proposed: 

\[ H_3: \text{Media exposure has a positive effect on CSR disclosure.} \]

Research Method

This study determined the samples based on four criteria, consisting of manufacturing companies consistently listed on the Indonesia Stock Exchange for the 2017–2020 period, manufacturing companies published annual reports for the 2017–2020 period, manufacturing companies listed in PROPER for the 2017–2020 period, and manufacturing companies with an ETR value of 0-1. Based on these four criteria, a sample size of 23 companies or 77 observation data was obtained after deducting outlier data (see Appendix 1).

The dependent variable in this study was corporate social responsibility disclosure (CSRD). The 67 criteria set out in the regulation of the financial services authority number 51/POJK.03/2017 measured corporate social responsibility disclosure (Financial Services Authority, 2017). The law regulates 27 criteria for general information and 40 criteria for sustainability performance. The sustainability performance consists of seven criteria for the economic aspect, 15 criteria for the social aspect, and 18 criteria for the environmental aspect.

The independent variables in this study were tax aggressiveness, environmental performance, and media exposure. Tax aggressiveness (TA) was measured using the effective tax rate (ETR) ratio, obtained from the income tax burden divided by earnings before tax (Lanis & Richardson, 2012). The Law No. 36 of 2008 explains that the corporate income tax rate is 25% (Undang-undang, 2008) (Undang-Undang Republik Indonesia, 2008). The ETR value less than 25% (ETR<25%) indicating that the company is suspected of committing tax aggressiveness, and vice versa if ETR≥25% means the company is suspected of not aggressive tax reporting. The ETR value is multiplied by -1 to produce an interpretation of the tax aggressiveness. Environmental performance (EP) was measured using the PROPER rating proposed by the Ministry of Environment (KLH) (Ramadhan & Amrin, 2019; Tahu, 2019). The PROPER rating consists of five colors, namely gold and green (beyond compliance), blue (in compliance), red and black (not in compliance). The five colors are equivalent to 5, 4, 3, 2, and 1 in a row. Media exposure (ME) was measured based on the presence of CSR disclosure using YouTube (Yuniarto et al., 2018). This study measured media exposure by assigning a value of 1 for companies that disclosed CSR on YouTube and 0 for companies that did not disclose CSR on YouTube. The analytical method used here was the panel data regression method expressed by the following equation:

\[
\text{CSRD}_{it} = \alpha + \beta_1 \text{TA}_{it} + \beta_2 \text{EP}_{it} + \beta_3 \text{ME}_{it} + e \]

which \( \text{CSRD}_{it} \) = corporate social responsibility disclosure of company \( i \) in year \( t \); \( \text{TA}_{it} \) = tax aggressiveness of company \( i \) in year \( t \); \( \text{EP}_{it} \) = environmental performance of company \( i \) in year \( t \); and \( \text{ME}_{it} \) = media exposure of company \( i \) in year \( t \).
Results and Discussion

Descriptive Statistics

The results of descriptive statistics for the dependent variable (CSRD) and independent variables (TA, EP, and ME) during the 2017-2020 period are presented in Table 1. This study also conducted paired t-tests to determine whether there were significant differences in CSR, tax aggressiveness, environmental performance, and media exposure before and during the COVID-19 pandemic. The year 2017-2019 is the period before the COVID-19 pandemic, and 2020 is the period during the pandemic. The results of the paired t-tests are shown in Table 2.

### Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th>Main</th>
<th>Additional</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>CSRD</td>
<td>TA (%)</td>
</tr>
<tr>
<td>Mean</td>
<td>77</td>
<td>0.6408</td>
</tr>
<tr>
<td>Maximum</td>
<td>77</td>
<td>0.8510</td>
</tr>
<tr>
<td>Minimum</td>
<td>77</td>
<td>0.4780</td>
</tr>
<tr>
<td>Std. Dev. (2017)</td>
<td>77</td>
<td>0.0796</td>
</tr>
<tr>
<td>Mean (2017)</td>
<td>22</td>
<td>0.6710</td>
</tr>
<tr>
<td>Mean (2018)</td>
<td>20</td>
<td>0.6403</td>
</tr>
<tr>
<td>Mean (2019)</td>
<td>20</td>
<td>0.6590</td>
</tr>
<tr>
<td>Mean (2020)</td>
<td>15</td>
<td>0.5721</td>
</tr>
</tbody>
</table>

Tax Aggressiveness (TA)
- TA < 25%: 45 (58%)
- TA ≥ 25%: 32 (42%)

Environmental Performance (EP)
- Gold: 0
- Green: 12 (16%)
- Blue: 61 (79%)
- Red: 4 (5%)
- Black: 0

Media Exposure (ME)
- Yes: 25 (33%)
- No: 52 (67%)

Source: data processing results (2021)
Note: see Appendix 1

### Table 2. Difference Test

<table>
<thead>
<tr>
<th>Pair</th>
<th>Sig.</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSRD before COVID-19 – CSRD during the COVID-19 pandemic</td>
<td>0.010</td>
<td>Difference</td>
</tr>
<tr>
<td>TA before COVID-19 – TA during the COVID-19 pandemic</td>
<td>0.002</td>
<td>Difference</td>
</tr>
<tr>
<td>EP before COVID-19 – EP during the COVID-19 pandemic</td>
<td>0.207</td>
<td>No Difference</td>
</tr>
<tr>
<td>ME before COVID-19 – ME during the COVID-19 pandemic</td>
<td>0.334</td>
<td>No Difference</td>
</tr>
</tbody>
</table>

Source: data processing results (2022)
Note: see Appendix 1

The mean of CSRD was 0.6408. The maximum value of CSRD was for PT Trisula Textile Industries Tbk. (BELL) in 2017 by 0.8510, meaning that of the 67 CSR disclosure criteria set by the OJK, so BELL disclosed 57 criteria. High CSR disclosure indicated that the company had an increased awareness or commitment to Sustainable Finance and Product Development principles that consider economic, social, and environmental aspects. In the first year of the enactment of POJK No. 51, BELL disclosed all the criteria for economic aspects, but general information, environmental aspects, and social aspects have not been fully disclosed. The minimum value of CSRD was for PT Delta Djakarta Tbk. (DLTA) in 2020 by 0.4780, meaning that of the 67 CSR disclosure criteria set by the OJK, so DLTA only disclosed 32 criteria. Low CSR disclosure indicated that the company was lack of awareness or commitment to the principles of Sustainable Finance and Sustainability Performance, primarily environmental and social performance aspects. During the COVID-19 pandemic, DLTA focused on disclosing economic aspects, while social aspects were the lowest. The mean of CSR disclosure of manufacturing companies tended to decrease, and the lowest mean occurred in 2020, during the COVID-19 pandemic. The decrease in the mean CSR disclosure indicated a reduction in economic sustainability, awareness of environmental conservation, employee welfare, and...
social care. Table 2 shows significant differences in the CSR disclosures of manufacturing companies in the period before and during the COVID-19 pandemic.

Tax aggressiveness (TA), as measured by the effective tax rate (ETR) ratio, resulted in a mean value of 24.04%. The maximum TA value of 29.60% was for PT Budi Starch & Sweetener Tbk. (BUDI) in 2018. In 2018, BUDI experienced a more significant increase in income tax expense of 39%, while the increase in income before tax was only 18%. The minimum value of 15.90% was for PT Kino Indonesia Tbk. (KINO) in 2020. During the COVID-19 pandemic, KINO experienced the highest decrease in income tax expense of 82%, while the decline in income before tax reached 78%. In 2017-2020, many manufacturing companies were suspected of committing tax aggressiveness because 45 observations (58.4%) obtained ETR values below 25%. Another indication showed that the remaining 32 observations (41.6%) got an ETR value of above 25%, meaning that the company was suspected of not committing tax aggressiveness. The mean tax aggressiveness of manufacturing companies tended to increase, and the highest mean occurred in 2020, during the COVID-19 pandemic. The increase in the mean tax aggressiveness indicated that manufacturing companies were suspected of carrying out tax planning to reduce their tax obligations. Table 2 shows significant differences in the tax aggressiveness of manufacturing companies in the period before and during the COVID-19 pandemic.

Environmental performance (EP) data showed that most manufacturing companies obtained a blue rating by 61 observations (79.2%). The maximum value in this study was 4.0000, which indicated a green rating, while the minimum value was 2.0000, which revealed a red rating. The green rating was given to the company that went above and beyond the regulations in terms of environmental management (beyond compliance) by implementing an environmental management system, effective and efficient use of resources through the four R’s (Reduce, Reuse, Recycle, and Recovery), as well as good social responsibility (CSR) efforts. Companies that obtained a green rating for three years in the 2017–2020 period were PT Sido Muncul Herbal and Pharmaceutical Industry Tbk. (SIDO) and PT Phapros Tbk. (PEHA). During the pandemic, SIDO and PEHA maintained their environmental performance by maintaining a green rating. The red rating was given to the person in charge of the business and/or activities in which environmental management efforts were not in compliance with the requirements as regulated in the laws and regulations. Companies that obtained a red rating were PT Sumi Indo Kabel Tbk. (IKBI) in 2017, PT Martina Berto Tbk. (MBTO) in 2017 and 2018, and PT HM Sampoerna Tbk. (HMSP) in 2018. The mean environmental performance of manufacturing companies tended to decrease, and the lowest mean occurred in 2018, before the COVID-19 pandemic. The decrease in the mean environmental performance indicated a decrease in environmental conservation activities and an increase in environmental impacts arising from the company’s operational activities. Table 2 presents that there was no significant difference in the environmental performance of manufacturing companies in the period before and during the COVID-19 pandemic.

Media exposure (ME) of manufacturing companies for the 2017–2020 period, most of which were 52 observations (67%), did not use YouTube to publish their CSR activities. The maximum value in this study was 1.0000, meaning that the company used YouTube media to publish its CSR activities. Meanwhile, the minimum value was 0.0000, meaning that the company did not use YouTube media to publish its CSR activities. Manufacturing companies that published their CSR activities using YouTube included PT Charoen Pokphand Indonesia Tbk. (CPIN), PT HM Sampoerna Tbk. (HMSP), PT Sido Muncul Herbal and Pharmaceutical Industry Tbk. (SIDO), PT Martina Berto Tbk. (MBTO), PT Multi Bintang Indonesia Tbk. (MLBI), PT Phapros Tbk. (PEHA), PT Semen Indonesia Tbk. (SMGR), and PT Unilever Indonesia Tbk. (UNVR). The mean media exposure of manufacturing companies tends to increase. The increase in the mean media exposure indicates that more companies are publishing their CSR activities using YouTube. Table 2 shows that there is no real difference in the media exposure of manufacturing companies in the period before and during the COVID-19 pandemic.

The results of additional descriptive statistical analysis are also presented in Table 1. Additional descriptive statistical analysis was only performed on the CSR disclosure variable. The aim is to show the level of CSR disclosure of manufacturing companies for the period 2017-2020 on general information disclosure (GID), economic aspects disclosure (CAD), environmental aspects disclosure (EAD), and social aspects disclosure (SAD). Manufacturing companies that perform the highest CSR disclosures were from economic aspects disclosure indicated by a mean value of 0.8609. The lowest CSR disclosure was from environmental aspects disclosure, indicated by a mean value of 0.3903. Based on this analysis, the CSR disclosure of manufacturing companies focused more on the economic aspect but paid less attention to product development and company operations that are environmentally friendly.

In 2017, the first year of the enactment of POJK No. 51, PT Tunas Baru Lampung Tbk. (TBLA) made the highest disclosure on general information, namely 0.9630, containing company profile information and sustainable finance principles. TBLA disclosed 26 of the 27 criteria for general information. TBLA did not disclose general information about the closing or opening of branches and significant changes to the ownership structure because these conditions may not occur. In 2020 during the COVID-19 pandemic, PT Semen Indonesia Tbk. (SMGR) made the lowest disclosure on general information, namely 0.1852, which contained three criteria for company profile information and two criteria for sustainable finance principles. The mean disclosure of general information of
manufacturing companies tended to decrease, and the lowest mean occurred in 2020, during the COVID-19 pandemic.

During the period 2017–2020 PT Unilever Indonesia Tbk. (UNVR), PT HM Sampoerna Tbk. (HMSP), PT Charoen Pokphand Indonesia Tbk. (CPIN), and PT Mayora Indah Tbk. (MYOR) made the highest CSR disclosure on the economic aspect, which was 1.0000. The four companies disclosed all the criteria for the economic aspect, namely seven criteria. During the period 2017–2019 PT Phapros Tbk. (PEHA), PT Tunas Baru Lampung Tbk. (TBLA), and PT Gudang Garam Tbk. (GGRM) did the lowest CSR disclosure on the economic aspect, which was 0.5714. The three companies disclosed four of the seven criteria of economic aspects. The mean disclosure of economic aspects of manufacturing companies tended to increase, and the highest mean occurred in 2020, during the COVID-19 pandemic.

In 2017, the first year of the enactment of POJK No. 51, PT Multi Bintang Indonesia Tbk. (MLBI) made the highest disclosure on environmental aspects, which was 0.8333. MLBI disclosed 15 of the 18 criteria for environmental aspects. MLBI did not disclose environmental aspects related to the criteria for biodiversity and spills of waste or effluents. During the period 2017–2019 PT Prasidha Aneka Niaga Tbk. (PSDN) made the lowest CSR disclosure on environmental aspects, which was 0.0556. PSDN only disclosed one criterion out of 18 criteria for environmental aspects. The criteria revealed by PSDN were information on activities or operational areas that positively and negatively impacted the surrounding environment, especially efforts to increase the ecosystem’s carrying capacity. The mean of environmental aspects disclosure of manufacturing companies tended to increase, and the highest mean occurred in 2020, during the COVID-19 pandemic.

During the period 2017–2020 PT Kalbe Farma Tbk. (KLBF) and PT Trisula Textile Industries Tbk. (BELL) made the highest CSR disclosure on the social aspect, which was 0.8000. KLBF and BELL disclosed 12 of the 15 criteria that should had been disclosed. During the pandemic in 2020, four companies disclosed the lowest social aspects, namely PT Unilever Indonesia Tbk. (UNVR), PT Multi Bintang Indonesia Tbk. (MLBI), PT Charoen Pokphand Indonesia Tbk. (CPIN), and PT Delta Djakarta Tbk. (DLTA). The mean disclosure of social aspects of manufacturing companies tended to decrease, and the lowest mean occurred in 2020, during the COVID-19 pandemic.

Regression Results

This study performs panel data regression for the main and additional analysis. The regression results are presented in Table 3, and yearly regression results are shown in Table 4. The main analysis was conducted to test the hypothesis, with the dependent variable used being CSR. Additional analysis was conducted to examine the effect of tax aggressiveness, environmental performance, and media exposure on general information, economic aspects, environmental aspects, and social aspects disclosure.

Table 3. Main and Additional Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>CSRD</th>
<th>EAD</th>
<th>SAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.3131</td>
<td>0.0976</td>
<td>3.2071</td>
</tr>
<tr>
<td>TA</td>
<td>0.7317</td>
<td>0.3209</td>
<td>2.2801</td>
</tr>
<tr>
<td>EP</td>
<td>0.0502</td>
<td>0.0196</td>
<td>2.5644</td>
</tr>
<tr>
<td>ME</td>
<td>−0.0125</td>
<td>0.0214</td>
<td>−0.5850</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.1048</td>
<td>0.0112</td>
<td>0.0039</td>
</tr>
</tbody>
</table>

Source: data processing results (2021)

Main Analysis

This study performed the normality test of the data and the classical assumption test. The results showed that the data were normally distributed, free of autocorrelation, heteroscedasticity, and multicollinearity. This study also tested the panel data regression model through the Chow, Hausman, and Lagrange Multiplier tests. The three tests found that the appropriate model for this study was the random effect. Table 3 shows the adjusted R-squared value of 0.1048 or 10.48%. This value suggested that tax aggressiveness, environmental performance, and media exposure could explain 10.48% of the variance in corporate social responsibility disclosure, but other variables outside of this study explained 89.52%. The result of the F test showed the probability value (F-statistic) of 0.0112<0.05. This finding indicated that tax aggressiveness, environmental performance, and media exposure simultaneously affected CSR disclosure.

The effect of tax aggressiveness (TA) on CSR disclosure had a probability value of 0.0255<0.05. The coefficient was positive at 0.7317. The finding indicated that tax aggressiveness positively affected corporate social
This study conducted additional analysis to examine the effect of tax aggressiveness, environmental performance, and media exposure on general information, economic aspects, environmental aspects, and social aspects. The main purpose of conducting additional analysis is to examine the effect of media exposure on general information, economic aspects, environmental aspects, and social aspects. Table 3 also presents additional analysis results. The discussion of the results only focuses on environmental and social aspects because they meet the eligibility criteria of the regression model.

First, this analysis was carried out by replacing the dependent variable of CSR disclosure with environmental aspects disclosure (EAD). The second-panel data regression model used a random effect model. The result of the F test showed the probability value (F-statistic) < 0.05, which is 0.0039. These results indicated that tax aggressiveness, environmental performance, and media exposure simultaneously affected environmental aspects disclosure. The partial test results showed that environmental performance had a positive impact on environmental disclosure. These results supported the results of the H2 test. This finding indicated that companies with good environmental performance had a higher environmental concern for the community and the surrounding environment. The partial test results also showed that media exposure positively affected environmental aspects disclosure. These results supported the results of the H3 test. This finding indicated that companies that used YouTube as a publication for CSR activities disclose more environmental aspects than companies that did not use YouTube media.

Second, this analysis was carried out by replacing the dependent variable of CSR disclosure with social aspects disclosure (SAD). The third-panel data regression model used a random effect model. The results of the F test showed the probability value (F-statistic) < 0.05, which is 0.0025. These results indicated that tax aggressiveness, environmental performance, and media exposure simultaneously affected social aspects disclosure. The partial test results showed that tax aggressiveness positively affected social aspects disclosure. These results supported the results of the H1 test. This finding indicated that the higher the level of tax aggressiveness, the higher the company's disclosure of the social aspects.

This study also conducted additional analysis to examine yearly the effect of tax aggressiveness, environmental performance, and media exposure on corporate social responsibility disclosure. Table 4 presents yearly regression results. Based on the four-years analysis, the results only focused on 2017 and 2018 (before the COVID-19 pandemic) because they meet the eligibility criteria of the regression model.
In 2017 and 2018, the effect of environmental performance (EP) on corporate social responsibility disclosure was at a probability value of 0.0087<0.05. The coefficient was positive at 0.0652 and 0.0653. The findings indicated that environmental performance had a positive effect on corporate social responsibility disclosure so that it supported H2. This finding indicated that in 2017 and 2018, before the COVID-19 pandemic, the higher the environmental performance, the higher the corporate social responsibility disclosure performed by the company. The adjusted R-squared value showed 0.1790 and 0.1791 or 17.90% and 17.91%. This value indicated that tax aggressiveness, environmental performance, and media exposure could explain the variable of corporate social responsibility disclosure by 17.90% and 17.91%, while the remaining 82.10% and 82.09% were explained outside of this study. The result of the F test showed the probability value (F-statistic) of 0.0121<0.05 and 0.0122<0.05. This finding indicated that tax aggressiveness, environmental performance, and media exposure simultaneously affected CSR disclosure. Table 4 also shows that in 2019 and 2020, before and during the COVID-19 pandemic, this study found that tax aggressiveness, environmental performance, and media exposure had no simultaneous effect on CSR disclosure.

Conclusions

This study aims at determining the effect of tax aggressiveness, environmental performance, and media exposure on corporate social responsibility disclosure in manufacturing companies listed on the Indonesia Stock Exchange for the 2017–2020 period. The analysis results showed that the higher the tax aggressiveness and environmental performance level, the more the CSR disclosure. Meanwhile, the results revealed that media exposure did not affect CSR disclosure. However, additional test results showed that the high media exposure, the higher the company’s disclosure of the environmental aspects. Additional test results in 2017 and 2018 before the COVID-19 pandemic also showed that the higher the environmental performance, the higher the corporate social responsibility disclosure. In contrast, the results in 2019 and 2020 before and during the COVID-19 pandemic, tax aggressiveness, environmental performance, and media exposure did not affect CSR disclosure.

This study has theoretical and practical implications. This study applied the criteria stipulated in the OJK regulation number 51/POJK.03/2017 to measure the quality of CSR disclosure in manufacturing companies. These criteria distinguish this study from other studies that usually apply the Global Reporting Initiative (GRI) criteria. Thus, this study is expected to provide evidence of the awareness or commitment of manufacturing companies to implement the principles of Sustainable Finance and Product Development that considers economic, social, and environmental aspects. The results indicated that manufacturing companies’ awareness of CSR disclosure fluctuated from 2017 to 2020 and the lowest awareness of CSR disclosure occurred in 2020 due to the COVID-19 pandemic. Manufacturing companies are expected to increase social and environmental awareness and concerns, especially during the COVID-19 pandemic. The government and the OJK are expected to provide supervision over the implementation of such regulations to achieve the implementation objectives.

This study has a limitation that it does not include effect of media exposure on CSR disclosure in the main test. Further researchers are expected to investigate other indicators of media exposure, namely CSR disclosure in TV media, newspapers, company websites, or company social media like Instagram, Facebook, or Twitter.

References


Studi Ekonomi, 2(1), 60–70.


### Appendix 1. Sample Companies

<table>
<thead>
<tr>
<th>No</th>
<th>Companies Name</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Basic Industry &amp; Chemicals Sector</strong></td>
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<tr>
<td></td>
<td>a. PT Charoen Pokphand Indonesia Tbk.</td>
<td>CPIN</td>
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<td>b. PT Semen Indonesia Tbk.</td>
<td>SMGR</td>
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<td></td>
<td>c. PT Budi Starch &amp; Sweetener Tbk.</td>
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<td>2</td>
<td><strong>Miscellaneous Industry Sector</strong></td>
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<tr>
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<td>a. PT Garuda Metalindo Tbk.</td>
<td>BOLT</td>
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<td>b. PT Sumi Indo Kabel Tbk.</td>
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<td>c. PT Voksel Electric Tbk.</td>
<td>VOKS</td>
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<td></td>
<td>d. PT Trisula Textile Industries Tbk.</td>
<td>BELL</td>
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<td>3</td>
<td><strong>Consumer Goods Industry Sector</strong></td>
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<td>d. PT Mayora Indah Tbk.</td>
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<td>e. PT Prasidha Aneka Niaga Tbk.</td>
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<td>g. PT Tunas Baru Lampung Tbk.</td>
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<td>l. PT Industri Jamu &amp; Farmasi Sido Muncul Tbk.</td>
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<td>m. PT Akasha Wira International Tbk.</td>
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