

The Role of Efficiency Investment to Corporate Sustainable Finance

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ABSTRACT

The reason why it is important to test the effect of investment efficiency on Corporate Sustainable Finance is because large investments without clear output measures can disrupt returns, profitability which ultimately impacts Corporate Sustainable Finance. The data for this study comes from financial reports and ESG scores of companies listed on the IDX for the 2021-2023 period with 426 observation data. The data analysis technique was Multiple Linear Regression Analysis. The results of the study show that investment efficiency has a significant positive effect on Corporate Sustainable Finance. This is because investment efficiency is related to cash inflows from investment activities, where this cash inflow is then used to fund ESG activities. The implication of this study is as an additional academic literature on evidence that investment efficiency has a significant positive effect on Corporate Sustainable Finance.

Keywords : efficiency invesment, corporate sustainable finance.