

First Movers on Sustainable Banking" Global Basis Sustainable Finance Concept: Sharia Finance Period 2018-2020 Sector Performance Reporting Initiative (GRI)

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Abstract. The idea of sustainable finance is becoming more and more important in today's fast-paced global world, pushing financial institutions to take the effects on the environment, society, and economy into account when conducting business. The primary resource for reporting sustainable performance is the Global Reporting Initiative (GRI). Nevertheless, there are still few comprehensive studies on the application of BRI Syariah and Bank Muamalat's sustainable finance concept in the context of the sharia financial sector, particularly when it comes to evaluating the sector's performance from 2018 to 2020. The research question is: What impact does the sharia financial sector's performance have from the application of the concept of sustainable finance, as defined by "first movers on sustainable banking" and based on the Global Reporting Initiative (GRI)? and what and what is the impact of implementing the sustainable finance concept "first movers on sustainable banking" based on the Global Reporting Initiative (GRI) on the performance of the sharia financial sector? . This kind of research is classified as qualitative, and it is specifically descriptive in nature. A secondary source is the data source that was used. Time triangulation, literature analysis, and documentation are some of the methods used in data collection. After that, the data was examined through data reduction, data visualization, and conclusion-making. Based on GRI guidelines, BRI Syariah has successfully implemented sustainable financial concepts with satisfactory economic performance, including market adaptation and moderate growth. Actions taken in the field of green banking, like funding TJSL, CSR, and sustainable agriculture as well as renewable energy, benefit society. In the areas of the economy, environment, and society, Bank Muamalat Indonesia has also been successful in putting the GRI sustainable finance concept into practice. Liquidity, fund raising, and efficient asset management all demonstrate its financial sustainability.

Keywords: Sustainable Finance Concept, Global Reporting Initiative (GRI), and Sharia Financial Sector Performance.

I. INTRODUCTION

In light of the past 20 years, development that only focuses on economic growth and the detrimental effects of this process have sparked the emergence of sustainable development, which places a higher priority on the coexistence of social, environmental, and economic factors. The pursuit of sustainable development as a novel approach to economic growth has garnered the interest and dedication of numerous organizations and nations. The significance of this matter is such that the United Nations (UN), working with different governments, civil society organizations, and other economic players, has created a framework for sustainable development. This is in light of the fact that social and environmental issues—which have not been taken into account in economic calculations—are crucial components of sustainable development (Hayati & Yulianto, 2020).

Companies run businesses with community assistance in the form of providing resources and labor, are located in the community, and their products and services are aimed at the community. In this way, it can be seen that there is a relationship of mutual influence between the company and society, including the environment. This relationship can be good or bad. The company embodies concern for the surrounding community, especially if the company has a negative impact, one of which is through corporate social responsibility efforts. Companies operating in the financial services sector are centers of sustainable finance, not without reason considering the role of financial service institutions in the financing industry in other sectors, so it is hoped that the application of sustainable finance in financial services can encourage sustainable business practices in other sectors.

Sustainable finance is becoming a main agenda at global and regional levels and course. ASEAN countries, through the Asean Taxonomy Board (ATB), have published the Asian Taxonomy for Sustainable finance (ASEAN Taxonomy). The ASEAN Taxonomy reflects the collective commitment of countries ASEAN members (AMS) are transitioning to a sustainable region. But mutual agreement ASEAN countries will not succeed in carrying out sustainable finance without awareness investors and entrepreneurs. Investor reaction is critical to supporting sustainability success, ie investor decisions related to the information received, increasing investor confidence or On the contrary, there are inhibiting factors in its implementation (Kumajas, Saerang, Joubert Baren Maramis, & Soepeno, 2022).

Increased awareness of its importance responsible growth as well as green investment opportunities internationally, pushing financial execution to take the next step. This case as well as the contribution of the service sector funding to achieve the 17 Sustainable Development Goals (TPB) and Indonesia's commitment to the Paris Agreement. Implementation of sustainable funding big and necessary program Well organized stairs. Failure to grow might cause significant costs, if climate change is not properly mitigated can lead to a decline in GDP 23% by 2100 (Miranti, Widhiyoga, & Haqqi, 2018). Bappenas data shows that Indonesia requires financing/investment in the sector sustainable until 2030 from IDR 67,803 trillion. This is an opportunity for the industry financial services to participate in financing The financial services industry is finally enjoying its changes as well international investment trends. Investors are increasingly demanding invest in green products. Apart from this, it is also witnessing an increase demand for easy-to-use products and services environment. Covid-19 outbreak situation what happened has opened eyes to implementing sustainable finance that supports responsible growth that the plan must accelerate (Chandra, & Sacipto, 2022).

Through sustainable finance initiatives in Indonesia, the Financial Services Authority (OJK), one of the authorities in the unitary state of the Republic of Indonesia, is contributing to the success of this commitment. The financial services sector's all-encompassing support for sustainable growth that arises from the convergence of social, environmental, and economic interests is known as sustainable finance. A sustainable financial road map covering the medium term of 2015-2019 and the long term of 2014-2025 was released by the Financial Services Authority (OJK) on December 5, 2014, with the aim of facilitating the implementation of the Long Term Development Plan (RPJP) and Medium Term Development Plan (RPJM). The work plan for the sustainable finance program, which is overseen by the OJK and applies to the financial services sector, is presented in the road map., namely banking, capital markets and the Non-Bank Financial Industry (IKNB) (Dosinta, 2021).

In 2017 OJK made regulations regarding the implementation of sustainable finance for banking and non-banking as financing institutions and the capital market as recipients of financing. This regulation is contained in the Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, which contains details regarding the regulations for granting credit to business units with sustainable finance provisions accompanied by bank categories. who must carry out this program. One of the categories, namely banks included in Book 3 and Book 4, are required to prepare for this program before 2019. With the existence of regulations regarding sustainable finance or sustainable financing, it is hoped that financial institutions, especially banks, can help protect the environment, although not directly, and the goal of sustainable finance to balance profile, people and planet can be achieved. With this regulation, it is hoped that companies that have more interest will be able to implement it in accordance with the rules and guidelines that have been established so that they can be more detailed and clearer than the road map (Gumantiny, 2022)..

The implementation of the sustainable finance program began in 2014 and was spearheaded by eight banks, namely Bank Mandiri, BRI, BNI, BCA, Bank Artha Graha, Bank BJB, BRI Syariah, and Bank Muamalat. These eight banks represent 46% of banking assets in Indonesia and are First Movers on Sustainable Banking. In 2018, precisely in May, the First Movers group, assisted by the WWF Indonesia Foundation, formed the Indonesian Sustainable Finance Initiative (IKBI). With the IKBI, it is hoped that banks can share their experiences in implementing sustainable finance. In 2019, in November IKBI accepted five banks as members, the five banks are Bank CIMB Niaga, Bank OCBC NISP, Maybank Indonesia, Bank HSBC Indonesia, and Bank Mandiri Syariah. In 2019, the total number of IKBI members grew to 13 banks and represented 60% of national banking assets (Ani, S. M., & Fredy, 2017).

Responsible economic growth and accountability are an inseparable part of sustainable development goals. The transition year towards sustainable development is based on a change of mind on the part of business actors that economic activities will be better and longer lasting while tracking the functionality of social, environmental and governance practices. That is why the OJK has prepared a Sustainable Finance road map Phase I (2015 - 2019) aimed at increasing the understanding and ability of financial services entities to move towards a low-carbon economy. The phase I road map has produced several achievement results such as the introduction of financial principles for sustainable company benchmark rankings, sustainable development, incentives as well as carrying out awareness raising and training activities for the financial sector (Chandra, J. A. C., & Sacipto, 2022).

One example of implementing sustainable finance is carried out by BNI which is committed to providing financing with sustainable finance principles, such as electricity generation, toll roads, transportation, construction and manufacturing. BRI will also implement sustainable finance with green financing programs, such as green bonds and green MTN. If BRI implements green financing, BRI Syariah implements CSR by financing environmentally friendly micro hydro. Bank Muamalat implements this by implementing green finance, this step was taken to minimize the risks that the bank gets from the eight banks that are pioneers in sustainable finance, each bank has procedures for carrying it out, however it still complies with the regulations governing sustainable finance as a whole (Ardana, 2018).

Green banking practices have a positive and significant effect on bank profitability in Indonesia. This indicates that the better banks implement green banking practices, the more profitability they will obtain. Therefore, the application of the green banking concept in banking can be one of the considerations for stakeholders when making financial decisions (Asfahaliza, A. N. P., & Anggraeni, 2022).

If we narrow the scope of discussion, this is divided into several points of view. First, regarding environmental destruction of living creatures in the form of plants and livestock. We can prove that environmental damage is increasingly widespread due to human activity, especially in business and industrial sectors that have a direct impact on nature, such as palm oil plantations, coal

and irresponsible industries. Second, damage to humans, both physical and non-physical. What is mentioned is women and children or the younger generation who are very vulnerable to being influenced by negative things. This context focuses more on human morals or character, which in fact has recently become worse. Third, the damage that occurs from the two previous points of view will also have an impact on the next generation/descendants (hifdz an-nasb). These things are interrelated, including when humans no longer have morals and morals (both towards each other and the surrounding environment) then Allah SWT will bring down punishment for the human's own actions. This will have a huge impact on the lives of the next generation.

In recent years, sustainability issues have become a concern for various countries in the world. In achieving a stable and sustainable economy, the Indonesian government is aware that this must be supported by a good financial system by implementing the concept of sustainable finance. Moreover, Indonesia is one of the countries in the world that has jointly launched sustainable development goals or Sustainable Development Goals (SDGs), so that by implementing the concept of sustainable finance in the activities of banking companies, it is a contribution from banks to the world to achieve the Sustainable Development Goals (SDGs).

II. METHODS

This type of research is a type of qualitative research, the nature of this research is descriptive qualitative research. The data source used is a secondary source. Data collection techniques include documentation, literature study, and time triangulation. Then the data was analyzed by data reduction, data presentation, and drawing conclusions.

III. RESULTS AND DISCUSSION

1. Implementation of the Sustainable Finance Concept "First Movers on Sustainable Banking" Based on the Global Reporting Initiative (GRI) on the Performance of the Sharia Financial Sector

a. BRI Syariah

BRI Syariah recorded satisfactory performance with moderate growth. BRI Syariah succeeded in recording an increase in economic growth, net profit and financing distribution. BRI Syariah also carries out financing expansion and technology development through funds from public offerings. In addition, BRI Syariah makes a positive contribution to the economy and taxes by paying significant taxes and empowering the micro segment. This bank is also focused on developing branchless banking services through the BRISSMART service which is the result of collaboration with Alfamart and improving technology-based services. BRI Syariah pays special attention to employees by providing compensation in accordance with regulations and being involved in the Pension Fund Program. This bank's performance is stable and positive, with a CAR that is far above the minimum limit set by regulations. In 2020, BRI Syariah recorded significant growth in raising third party funds and financing. This bank has also succeeded in increasing economic value and maintaining asset quality by controlling the NPL level. BRI Syariah continues to be committed to providing services and easy access to customers as well as developing products and services according to developments in information technology.

BRI Syariah is committed to preserving the environment through a green banking approach. Since 2017, BRI Syariah has pioneered a financing program based on renewable energy and sustainable agriculture. This bank checks environmental permits and analyzes environmental impacts before providing financing to customers. BRI Syariah also implements green operations in operational activities by using resources efficiently. BRI Syariah has a work unit that is responsible for managing and supervising the implementation of green banking comprehensively. Even though green banking financing is still relatively small, BRI Syariah continues to increase it from year to year and encourages customers to improve sustainability performance. This bank also launched the BRIS Menanam program to green the environment. Even though it has taken positive steps, BRI Syariah needs to continue to expand and improve green banking efforts in the future, as well as pay attention to audits related to the implementation of environmental and social policies for green banking financing customers. With this commitment and effort, BRI Syariah has become the main actor in sustainable banking that supports environmental sustainability.

BRI Syariah has a strong commitment to implementing Social and Environmental Responsibility (TJSL) and Corporate Social Responsibility (CSR) programs. The TJSL program aims to support sustainable economic development by improving the quality of life and the environment. Through CSR, BRI Syariah focuses on five areas of activity: education, health, social, worship and the environment. Funds for CSR programs come from zakat and other benevolent funds. BRI Syariah has also implemented a green banking approach and increased investment in sustainable sectors, such as renewable energy and sustainable agriculture. The CSR program implemented has provided benefits to the community through various activities such as education, health and social assistance for disaster victims. Even though it has shown positive commitment, there are several aspects that still need attention and improvement, such as conducting audits related to environmental and social policies and development of more inclusive and participatory policies regarding environmental and social issues. Overall, BRI Syariah has succeeded in carrying out its social and environmental responsibilities effectively through the BRI Syariah Berfaedah CSR program, which has had a positive impact on community welfare and supports sustainable economic development and Sustainable Development Goals (SDGs).

Based on the explanation above, it can be analyzed that BRI Syariah has demonstrated a strong commitment to implementing sustainable practices in various aspects of its operations and services. One important aspect is compliance with the Global Reporting Initiative (GRI) standards, which establish guidelines for reporting the economic, environmental and social impacts of business activities. In the economic sector, BRI Syariah succeeded in recording moderate growth in economic

performance which reflects appropriate strategies and policies in facing market challenges. This achievement indicates the bank's commitment to achieving sustainable growth and providing benefits to all stakeholders.

The green banking steps implemented by BRI Syariah have had a positive impact in preserving the environment. Financing programs based on renewable energy and sustainable agriculture show the bank's concern in playing an active role in dealing with the issue of climate change and contributing to achieving global sustainability targets. Then on the social side, BRI Syariah has paid great attention to the interests of society by implementing Social and Environmental Responsibility (TJSL) and Corporate Social Responsibility (CSR) programs. These programs underline the bank's commitment to making positive contributions to society through various initiatives in the fields of education, health, social, worship and the environment.

The integration of sustainable development principles in every aspect of BRI Syariah's business and operations shows that this bank is trying to achieve a balance between economic profits, environmental preservation and social welfare. This is in line with BRI Syariah's main role in sustainable banking practices, which means this bank seeks to be an agent of positive change for society and the environment while maintaining sustainable economic growth (Rocha, Searcy, & Karapetrovic, 2007).

The importance of sustainable financial reports that comply with GRI standards reflects the bank's transparency in presenting information regarding its impact on the economy, environment and society. By implementing this sustainable commitment, BRI Syariah is expected to continue to contribute positively to overall sustainable development and become a role model for other financial institutions in adopting socially and environmentally responsible practices (Pizzi, Del Baldo, Caputo, & Venturelli, 2022).

b. Muamalat Bank

Bank Muamalat Indonesia is a sharia financial institution that is strongly committed to economic sustainability. They focus on several key areas, including maintaining asset quality, good liquidity management, increasing fund raising, and controlling costs. In addition, this bank contributes to national development by supporting sectors such as infrastructure and the palm oil industry, as well as providing financing for plasma farmers and improving public services. In its business, Bank Muamalat Indonesia carries out sustainability measures through Bad Bank and Capital, Good Bank, and New Bank. They also focus on growing retail and corporate financing, as well as increasing synergy with Islamic organizations and sharia financial literacy.

This bank strives to achieve healthy and sustainable performance by prioritizing liquidity management, asset quality and NPF ratios. They also face challenges with anticipatory efforts in overcoming credit problems and being selective in distributing credit. In its sustainability efforts, Bank Muamalat Indonesia prioritizes three main focuses and continues to develop digital services. Bank Muamalat Indonesia also implements a CSR program that focuses on community and environmental development, as well as prioritizing sustainable procurement policies. All of these steps demonstrate Bank Muamalat Indonesia's strong commitment to achieving sustainable performance, contributing to national economic development, and improving community welfare.

Bank Muamalat Indonesia shows a strong commitment to supporting environmental sustainability and becoming an environmentally friendly bank. They have integrated sustainable development principles into their policies and programs. This bank manages environmental risks with environmental conservation initiatives and green banking principles. Through annual reviews of financing customers, Bank Muamalat ensures that there is no environmental impact from customers' business activities. Bank Muamalat also implements a green building program and strives to be efficient in energy consumption, water, waste management and paper use. Bank Muamalat Indonesia maintains environmental sustainability with various operational initiatives such as using environmentally friendly office buildings and planting CO₂-absorbing vegetation.

Bank Muamalat ensures compliance with environmental laws and regulations and there are no complaints or non-compliance related to the environment. As members of the Sustainable Finance Initiative and in collaboration with WWF-Indonesia, they strive to make improvements in sustainable financing practices. Bank Muamalat also gives priority financing to corporations that have certification or are members of ISPO and RSPO in the palm oil sector which has high environmental risk. By implementing a green office program in all work units, the bank tries to reduce negative impacts on the environment, social and governance. With this commitment, Bank Muamalat Indonesia strives to be the main actor in sustainable and environmentally friendly banking practices, as well as making a positive contribution to society and national development.

Bank Muamalat Indonesia has a strong commitment to corporate social responsibility (CSR) with a focus on society and the environment. They implement CSR programs that cover products and customers, employment practices, occupational health and safety, relations with the community, and the environment. In managing Human Resources (HR), Bank Muamalat Indonesia recruits employees fairly and non-discriminatorily, provides equal opportunities for women in the organizational structure, and establishes industrial relations through the concept of strategic partners. Fair compensation is provided based on role, responsibility, length of service, and performance assessment. Employees are given the opportunity to develop their careers through Talent Management programs and internal and external training. The Bank also pays attention to Occupational Health and Safety (K3) by complying with applicable regulations and has an Occupational Health and Safety Advisory Committee (P2K3).

Bank Muamalat Indonesia strives to improve the welfare of the surrounding community through various assistance programs and social responsibility activities. They involve third party institutions in distributing CSR and focus on financial literacy as well as empowering the community with scholarship programs and improving social facilities and infrastructure. The

Bank also provides direct social assistance to communities affected by COVID-19 and involves community participation through banking programs. They also prioritize the use of local workers, implement anti-corruption policies and training, and report on social investments that have been realized. Bank Muamalat Indonesia's commitment and actions show their active role in improving the welfare of the surrounding community and providing a positive impact on social and community development. By involving various CSR and social responsibility programs, this bank strives to provide balanced benefits for society and the environment, reflecting their commitment to sustainability and community welfare.

Based on the results of the presentation above, Bank Muamalat Indonesia has succeeded in complying with Global Reporting Initiative (GRI) standards in the economic, environmental and social sectors. In the economic sector, Bank Muamalat Indonesia shows a strong commitment by focusing on maintaining asset quality, managing liquidity and increasing fund collection. This bank also plays an active role in supporting national development through support for the infrastructure sector and palm oil industry as well as providing financing for plasma farmers and public services. The bank's efforts to achieve sustainable performance are reflected in priorities for managing liquidity, asset quality and NPF ratios, as well as an anticipatory approach in overcoming credit problems and being selective in channeling credit.

Then in the environmental sector, Bank Muamalat Indonesia has committed to becoming an environmentally friendly bank by integrating sustainable development principles into its policies and programs. This bank also manages environmental risks through various environmental conservation initiatives and the application of green banking principles. Through operational programs and initiatives, such as using environmentally friendly office buildings and efforts to reduce negative impacts on the environment, this bank strives to preserve the environment as part of its responsibility to the environment.

Furthermore, in the social sector, Bank Muamalat Indonesia shows a strong commitment to corporate social responsibility (CSR) with a focus on society and the environment. Bank Muamalat Indonesia implements a CSR program covering products and customers, employment practices, occupational health and safety, relations with the community, and the environment. The Bank is also active in improving the welfare of the surrounding community through various assistance programs and social responsibility activities. Involving third party institutions in CSR distribution and focusing on financial literacy as well as empowering the community with scholarship programs and improving social facilities and infrastructure.

Overall, Bank Muamalat Indonesia has demonstrated a strong commitment to the economic, environmental and social sectors through various initiatives and programs implemented. By focusing on sustainability and community welfare, this bank seeks to have a positive impact on society and the environment and contribute to sustainable national development. Through sustainable practices and commitment to corporate social responsibility, Bank Muamalat Indonesia is an example of a major actor in sustainable banking practices that are oriented towards economic, environmental and social sustainability.

2. Impact of Implementing the Sustainable Finance Concept "First Movers On Sustainable Banking" Based on the Global Reporting Initiative (GRI) on the Performance of the Sharia Financial Sector

a. BRI Syariah

In the context of the Islamic financial sector, the Capital Adequacy Ratio (CAR) is one of the key indicators used to measure the level of capital adequacy of Islamic banks in facing possible risks. CAR describes the ratio between core capital and certain risks held by a bank. In the context of BRI Syariah, it is stated that this bank's performance is stable and positive, with a CAR that is far above the minimum limit set by regulations. This means that BRI Syariah has a level of capital that is more than sufficient to cover the risks in its operations, including risks related to financing based on renewable energy and sustainable agriculture which are part of its green banking approach.

As a sharia bank that is committed to sustainable growth and pays attention to environmental aspects, a high CAR shows that BRI Syariah has the ability to finance sustainable projects and contribute to sustainable economic development. With sufficient capital, banks can channel financing safely and help encourage the development of sustainable sectors, such as renewable energy and sustainable agriculture, which will have a positive impact on the environment and society. Apart from that, a high CAR also shows the level of trust of regulators and shareholders in BRI Syariah's performance and risk management. This is important in creating stability in the Islamic financial system as a whole.

Furthermore, in the sharia financial sector, bank performance is often measured through Non-Performing Financing (NPF) indicators. NPF describes the part of bank financing that cannot be repaid by customers or debtors on time, usually due to late payments or inability to pay off debts. This NPF indicator provides an overview of the quality of bank assets and how well the bank manages credit risk. BRI Syariah has succeeded in maintaining asset quality by controlling the level of NPL (Non Performing Loan) or NPF in the sharia financial sector. In this context, the lower the NPF level, the better the bank's performance in managing credit risk and the less likely the possibility of bad credit.

If BRI Syariah records satisfactory economic growth and succeeds in increasing net profit and distribution of financing, and is able to carry out financing expansion and technology development through funds from public offerings, then on the other hand, if BRI Syariah also succeeds in keeping the NPF level low, this shows that this bank is able to run its business in a healthy and sustainable manner.

A low NPF level indicates that BRI Syariah has succeeded in selecting good customers and has a careful financing process, so that the risk of default and credit problems can be reduced. Success in managing NPF will have a positive impact on the trust

of customers, investors and other interested parties in bank performance. This also reflects the bank's commitment to maintaining financial health and contributing positively to the development of the sharia financial sector as a whole.

BOPO is a ratio used to measure the operational efficiency of banks or financial institutions. This ratio describes how much operational costs the bank must incur to generate operational income. Basically, the lower a bank's BOPO ratio, the more efficient its operations. Conversely, the higher the BOPO ratio, the greater the costs the bank must incur to generate income. The BOPO ratio is important because it can reflect efficiency in resource management, including managing operational costs.

The impact of going public and various initiatives undertaken by BRI Syariah, such as financing expansion, development of information technology systems, development of office networks, and focus on micro financing, have influenced the performance of the sharia financial sector as measured through Operating Costs and Operating Income (BOPO). By going public, BRI Syariah succeeded in obtaining significant fresh funds from the results of its share offering on the Indonesian capital market. These funds allow the company to develop its business and provide wider sharia financial services to the community. Apart from that, BRI Syariah also publishes officeless financial service products (BRISmart), which can increase accessibility and attractiveness for people who have not known or used sharia banking services before.

Furthermore, with positive economic growth and income, BRI Syariah's financial performance also makes a positive contribution to the sharia financial sector as a whole. Economic growth and increased distribution of economic value reflect increased business and financial activity in the sharia banking sector.

BOPO is an important indicator in measuring bank operational efficiency. By developing information technology systems and electronic banking services, BRI Syariah can increase its operational efficiency, reduce operational costs and improve services to customers. This can be reflected in the BOPO comparison which is getting better, indicating more efficient cost management. In the context of financial and non-financial contributions to the state and society, BRI Syariah can also strengthen the positive image of the sharia financial sector as a whole, showing the company's awareness of its social and environmental responsibilities.

Apart from that, focusing on micro financing is also a good strategy to support the BRI Syariah business growth pillar and can broadly help the micro economy in Indonesia. By providing support to basic food traders and clothing traders in traditional markets, BRI Syariah plays a role in driving the micro economy and increasing financial inclusion in the micro sector.

Thus, the various positive steps and performance of BRI Syariah described above can contribute to improving the performance of the sharia financial sector as a whole. Service development, operational efficiency and corporate social responsibility are important elements that can bring benefits to companies and the Islamic financial sector in Indonesia.

The impact of sustainability practices carried out by BRI Syariah, including the implementation of green banking and Social and Environmental Responsibility (TJSL) and Corporate Social Responsibility (CSR) programs, can influence the performance of the sharia financial sector as measured through the Financing To Deposit Ratio (FDR).

Financing To Deposit Ratio (FDR) is a ratio that measures how much financing is provided by the bank compared to the amount of savings (deposits) collected. This ratio reflects the level of use of funds received from customers to provide financing. The higher the FDR, the greater the proportion of funds used for financing. With BRI Syariah's commitment to increasing financing based on renewable energy and sustainable agriculture, as well as a CSR program that focuses on five areas of activity, including financing for sustainable sectors, BRI Syariah is likely to be able to increase the portion of financing that has a positive social and environmental impact in its financing portfolio. so it can affect the bank's FDR.

Green banking practices, which involve financing projects based on renewable energy and sustainable agriculture, can influence the composition of bank financing. If BRI Syariah allocates more funds to finance sustainable projects, the proportion of financing with positive social and environmental impacts in its financing portfolio will increase, which in turn can affect FDR (Khan, Hameed, Khan, & Khan, 2023).

In addition, the bank's commitment to CSR programs that involve financing for social activities can also influence FDR. If funds received from customers are used to finance social activities that are not directly related to business growth or return of profits, then this can affect the proportion of financing in the bank's portfolio and ultimately affect FDR. However, it is important to note that the impact on FDR does not only depend on sustainability practices, but is also influenced by business dynamics and customer demand. The role of banks in providing financing based on renewable energy and sustainable agriculture can make a positive contribution to sustainable development, but also needs to be managed well to remain in line with the bank's risk profile and market needs.

Overall, BRI Syariah's commitment to sustainable practices, including green banking and CSR programs, can have a positive impact on the performance of the sharia financial sector, including being measured through the Financing To Deposit Ratio (FDR). By increasing financing based on renewable energy and sustainable agriculture, as well as social activities that have a positive impact, this bank can reflect its social and environmental responsibility, while maintaining financial stability and sustainable business growth.

The impact of the going-public process and various activities carried out by BRI Syariah can be measured through financial performance indicators such as Return on Assets (ROA). ROA is an important metric for evaluating the efficiency and profitability of a financial institution, including in the Islamic financial sector.

Successful go-public process can have a positive impact on BRI Syariah's ROA. By listing shares on the Indonesian capital market, BRI Syariah managed to obtain significant additional funds amounting to IDR 1,312.19 billion after deducting the costs

of going public. With these additional funds, BRI Syariah can expand financing, develop information technology systems and develop office networks. This can increase the company's revenue potential and operational efficiency, which in turn contributes to increasing ROA.

The growth in economic gain or total BRI Syariah revenue, which reached 10.6% to IDR 3.29 trillion, also had a positive impact on ROA. This revenue growth shows business expansion and increased business activity, which can increase the potential profits generated by this sharia bank.

BRI Syariah's financial contribution to the country through payment of income taxes and levies also has a positive effect on ROA. By paying higher taxes and levies, BRI Syariah can demonstrate its commitment and contribution as a financially responsible corporate citizen, while strengthening the image and trust of various parties. In addition, BRI Syariah's focus on micro financing, which contributes 13.8% of total financing, can have a positive impact on ROA. This micro financing business has good growth potential, and with the right strategy, BRI Syariah can increase its financing portfolio and optimize returns from this segment.

BRI Syariah's efforts to improve information technology-based services and launch officeless financial service products (BRISmart) can increase operational efficiency and bank competitiveness. With better electronic banking services, BRI Syariah can provide convenience and speed in transactions to customers, which in turn can increase the number of customers and transaction volume, having a positive impact on ROA.

Overall, the various steps and activities carried out by BRI Syariah have had a positive impact on the performance of the sharia financial sector, which can be reflected in an increase in Return on Assets (ROA). Apart from that, these steps also reflect BRI Syariah's commitment to contributing to society and the economy as a whole through a sharia approach that has principles of justice and sustainability (Amrulloh, 2023).

b. Muamalat Bank

The impact of Bank Muamalat Indonesia's commitment and actions on economic, environmental and social sustainability can be measured through financial indicators such as the Capital Adequacy Ratio (CAR). CAR is a ratio that measures a bank's level of capital adequacy to protect itself from the risks it may face, such as credit risk, market risk and operational risk. The higher a bank's CAR, the greater its ability to bear financial risks and crises. In the context of Bank Muamalat Indonesia, its strong commitment to economic, environmental and social sustainability can influence the bank's performance, including CAR.

Bank Muamalat Indonesia's focus on the growth of retail and corporate financing can influence the bank's asset portfolio. In this case, banks need to ensure that the financing portfolio disbursed has a measurable level of risk and can be paid well by its customers. By managing asset quality well, banks can maintain CAR at a healthy level.

Bank Muamalat Indonesia's efforts to control costs can also affect CAR. By reducing operational costs, banks can increase their profitability and in turn increase capital adequacy which will be reflected in better CAR levels. Bank Muamalat Indonesia's participation in supporting certain sectors such as infrastructure and the palm oil industry, which may have different risk profiles, can also have an impact on asset quality and consequently CAR.

Bank Muamalat Indonesia's efforts to become an environmentally friendly bank and integrate sustainable development principles can help manage environmental risks. By avoiding financing businesses that have negative environmental impacts, banks can reduce potential risks and improve asset quality, which can contribute to higher CAR levels.

Through CSR programs that focus on society and the environment, Bank Muamalat Indonesia can play an important role in social and community development. If this CSR program has a positive impact on society and contributes to sustainable development, this can also reflect positively on the bank's image, which in turn can influence the trust of investors and depositors, and has the potential to impact business growth and CAR.

Overall, Bank Muamalat Indonesia's various steps and activities in implementing sustainability and social responsibility measures can have an impact on the performance of the sharia financial sector, including in terms of the Capital Adequacy Ratio (CAR). A healthy CAR will reflect the bank's financial stability and the bank's ability to face risks that may arise, thereby reflecting Bank Muamalat Indonesia's strong commitment to achieving sustainable performance and making positive contributions to society and national development.

The impact of Bank Muamalat Indonesia's commitment and actions towards economic sustainability and social responsibility can have positive implications for the performance of the sharia financial sector, especially regarding Non-Performing Financing (NPF) indicators. Bank Muamalat Indonesia shows commitment to risk management by monitoring asset quality and ensuring capital strength. By focusing on asset quality and good risk management, the possibility of NPF occurrence can be reduced.

Bank Muamalat Indonesia supports sustainable national development sectors, such as infrastructure projects and the palm oil industry. Support for these sectors can help create stable and sustainable economic growth, which in turn can reduce NPF risk. Bank Muamalat Indonesia is making efforts to increase sharia financial literacy in Islamic communities. With increasing public understanding of sharia financial products and services, the opportunity for NPFs to occur due to errors or misunderstanding in product use can be reduced.

Bank Muamalat Indonesia is involved in various social and community responsibility programs, including assistance to micro-entrepreneurs and financial literacy programs. By helping to improve the welfare of local communities, the level of NPF

risk caused by community economic difficulties can be reduced. Bank Muamalat Indonesia also focuses on developing digital services and operational efficiency, as well as implementing sustainable goods procurement policies. In the long term, this can help reduce operational costs and increase efficiency, which has a positive impact on the bank's financial performance and reduces NPF risk.

The impact of Bank Muamalat Indonesia's commitment to economic sustainability and social responsibility on the performance of the sharia financial sector can be measured through Non-Performing Financing (NPF), which is a critical indicator for assessing the quality of sharia bank assets. NPF measures the percentage of financing that is past due or in default and has not been paid by customers. With the sustainability strategies and steps taken by Bank Muamalat Indonesia, such as maintaining asset quality, managing environmental and social risks, and providing financing to sustainable sectors, it can have a positive impact on the performance of the sharia financial sector.

Bank Muamalat Indonesia has taken anticipatory steps to maintain NPF, such as proactively handling debtors in the watchlist category and credit restructuring for debtors experiencing difficulties. In this way, the potential for NPF occurrence can be reduced, so that the NPF level in the sharia financial sector as a whole can decrease. By focusing on the growth of retail and corporate financing, as well as selectivity in lending, Bank Muamalat Indonesia has the potential to have a higher quality financing portfolio. This can have a positive impact on the asset quality of the Islamic financial sector as a whole.

Bank Muamalat Indonesia's commitment to economic sustainability and social responsibility can increase customer and investor confidence in the sharia financial sector as a whole. This trust is important to maintain and increase third party funds (DPK) which are the main source of funding for Islamic banks. Through financing support for sustainable sectors, such as infrastructure projects and the palm oil industry, Bank Muamalat Indonesia can make a positive contribution to national economic growth and the sharia financial sector, because it has the potential for more stable growth.

The impact of Bank Muamalat Indonesia's commitment and actions on economic, environmental and social sustainability can be measured through the Operating Costs to Operating Income Ratio (BOPO). The BOPO ratio is one of the financial performance indicators used to assess bank operational efficiency. The lower the BOPO ratio, the more efficient the bank is in managing its operational costs compared to the income generated.

Bank Muamalat Indonesia has succeeded in implementing strategic steps that focus on good liquidity management, cost control and performance efficiency, so this has had a positive impact on Bank Muamalat Indonesia's BOPO ratio. By reducing operational costs and increasing operational income, the BOPO ratio can decrease. By maintaining asset quality and managing liquidity well, Bank Muamalat Indonesia has reduced credit risk and bad debt costs. This can contribute to reducing operational costs associated with handling non-performing loans.

Bank Muamalat Indonesia has increased operational efficiency through the use of digital technology and e-channels to simplify customer transactions. Efficient digital banking services can reduce operational costs in the long term. By focusing on growing retail and corporate financing and increasing fund collection, Bank Muamalat Indonesia can increase operational income and reduce dependence on expensive sources of funds.

Furthermore, by establishing partnerships with Islamic organizations and increasing sharia financial literacy, Bank Muamalat Indonesia can attract more sharia customers who have the potential to become a loyal customer base. Support for the MSME sector and community economic development can also increase productive financing participation for this sector, which has a positive impact on operational income growth.

The impact of Bank Muamalat Indonesia's commitment and actions on economic, environmental and social sustainability can be reflected in financial indicators such as the Financing to Deposit Ratio (FDR). Financing to Deposit Ratio (FDR) is a ratio that measures the extent to which a bank uses deposits or funds from customers to carry out financing or provide credit. FDR is an important indicator in assessing the financial performance of a bank, including sharia banks such as Bank Muamalat Indonesia.

Furthermore, with Bank Muamalat Indonesia's focus on the growth of retail and corporate financing, as well as Bank Muamalat Indonesia's commitment to providing financing to sectors that support national development such as the palm oil industry and infrastructure, Bank Muamalat Indonesia's FDR is likely to reflect an increase. The bank will use funds from its customers (deposits) to provide financing in accordance with Bank Muamalat Indonesia's commitment and business strategy.

Apart from that, Bank Muamalat Indonesia's efforts to increase sharia financial literacy in the Islamic community and develop digital services and e-channels can also help increase customer accessibility and comfort in making transactions and using sharia financial products. This can encourage the growth of third party funds entering the bank (deposits), which in the end can have a positive impact on FDR.

Overall, Bank Muamalat Indonesia's commitment to economic, environmental and social sustainability, as well as the strategies implemented in Bank Muamalat Indonesia's business, have had a positive impact on the performance of the sharia financial sector, including in calculating the Financing to Deposit Ratio (FDR).

Furthermore, in the context of the performance of the sharia financial sector, the impact of Bank Muamalat Indonesia's commitment and actions on economic, environmental and social sustainability can be measured through Return on Assets (ROA). ROA is one of the indicators used to evaluate the efficiency and profitability of assets managed by a bank. With a strategy that focuses on raising funds, controlling costs, and increasing retail and corporate financing, banks can experience better asset growth. Positive asset growth can increase ROA because it indicates that the bank can use its assets efficiently to generate income.

By maintaining a focus on asset quality, such as maintaining NPF (Non-Performing Financing) and handling debtors in the watchlist category, banks can reduce credit risks that can affect financial performance. Good management of asset quality can increase ROA because it reduces losses due to non-performing loans. Focusing on financing sectors that support national development, such as infrastructure projects and the palm oil industry, can help banks diversify sources of income. This diversification can increase ROA because the bank is not too dependent on just one sector (Muhammad, Suluki, & Nugraheni, 2020; Widarjono, A., & Rudatin, 2021).

By managing liquidity well, controlling operational costs, and increasing overall operational efficiency, banks can increase ROA by maximizing the use of their assets and capital. Through a commitment to corporate social responsibility programs and environmentally friendly operational practices, banks can create a positive image in the eyes of the public and potential customers. This positive image can influence public perception and trust in the bank, which in turn can increase ROA by increasing demand for banking services (Doan, Hoang, & Pham, 2020; Bătae, O. M., Dragomir, V. D., & Feleagă, 2021).

IV. CONCLUSIONS

Based on the results of the research and discussion in the previous chapter, the author can draw the following conclusions:

1. Implementation of the sustainable finance concept "first movers on sustainable banking" based on the Global Reporting Initiative (GRI) on the performance of the sharia financial sector.
 - a. BRI Syariah has succeeded in implementing the concept of sustainable finance based on the Global Reporting Initiative (GRI) guidelines. Its satisfactory economic performance is reflected in the growth of economic value in 2018 of 10.6%, in 2019 of 10.2%, and in 2020 of 27.16%, this is in line with the adaptive strategy to market changes. Green banking measures, such as financing renewable energy and sustainable agriculture, underscore its commitment to the environment. The Corporate Social Responsibility (CSR) and Social and Environmental Responsibility (TJSL) programs also provide a positive impact on society, while the integration of sustainable principles in all aspects of business illustrates BRI Syariah's commitment to achieving a balance between economic growth, environmental preservation and social welfare.
 - b. Bank Muamalat Indonesia has succeeded in implementing the concept of sustainable finance based on the Global Reporting Initiative (GRI) guidelines. Its satisfactory economic performance is reflected in the growth of economic value in 2018 of 9.28%, in 2019 it decreased by 3.95%, and in 2020 it increased by 1.4%. The principles of sustainable development are integrated in its policies and programs in the environmental sector, including environmental conservation efforts and green banking principles. Through Corporate Social Responsibility (CSR) and Social and Environmental Responsibility (TJSL), Bank Muamalat Indonesia also contributes to financial literacy, education and community welfare in the social sector.
2. The impact of implementing the sustainable finance concept "first movers on sustainable banking" based on the Global Reporting Initiative (GRI) on the performance of the sharia financial sector.
 - a. BRI Syariah has had a significant positive impact on the sharia financial sector. With a high Capital Adequacy Ratio (CAR), this bank shows capital adequacy to bear risks and support sustainable economic growth. Good control of Non-Performing Financing (NPF) reflects effective risk management and a commitment to prudent financing. Operational efficiency in reducing Operating Costs and Operating Income (BOPO) indicates strong support for the growth of electronic banking businesses and services. Green banking strategies and CSR programs have a positive impact through sustainable financing and social activities, influencing the Financing To Deposit Ratio (FDR) and social responsibility. BRI Syariah's success in the process of going public and expanding technology services also contributed to a good level of Return on Assets (ROA), showing efficiency, profitability and support for sustainable economic growth.
 - b. Bank Muamalat Indonesia has had a significant positive impact in the sharia financial sector. This bank has succeeded in influencing indicators such as the Capital Adequacy Ratio (CAR) through strong asset management and efficient operational cost control. Support for sustainable sectors, diversification of income sources, and risk management help reduce the risk of Non-Performing Financing (NPF). In addition, the company's social responsibility approach and environmentally friendly operational practices increase Return on Assets (ROA) and build public and customer trust. On the other hand, in terms of Financing to Deposit Ratio (FDR), the bank's commitment to financing growth and controlling operational costs plays an important role. By reducing operational costs, increasing operational income, and maintaining asset quality and liquidity, the bank succeeded in reducing credit risk and bad debt costs, contributing to reducing operational costs related to handling non-performing loans which had a positive impact on the BOPO ratio.

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