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SUSTAINBILITY IN SHARIA INVESMENT

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ABSTRACT

Islamic investments have become the focus of increasing attention in discussions regarding sustainable development as part of efforts to promote more responsible and inclusive economic practices. In this context, this research investigates the link between sustainability and Sharia investment and its implications for sustainable investment practices. Integrating sustainability values into Sharia investment practices has been highlighted as a significant contributor to achieving sustainable development goals. Aligns with the principles of justice, social responsibility, and sustainable environmental management inherent in Sharia. The study also sheds light on various Sharia investment instruments championing sustainable development. With a holistic approach, Sharia investment emerges as a powerful tool for fostering inclusive economic growth, promoting environmental stewardship, and enhancing social welfare.

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INTRODUCTION

Investment, in general, is a term taken from English, namely "investment". The basic word for investment, namely "invest," has the basic meaning of "to invest." Moreover, investing is the act of allocating funds to generate financial returns or gains (Stanford, 1974). According to the Dictionary of Capital Market and Financial Words, investment is the act of allocating money or capital to a firm or project to generate a financial gain. As to the comprehensive definition of economics, investing is exchanging money for other types of assets, such as stocks or real estate, with the expectation of generating income over a specific period (Hosen & Ali, 2008). Sharia investment is a public activity with a particular nominal value to obtain profits per Sharia principles (Ramadhani, 2022).

According to experts, investment can be described as follows: (1) Reilly & Brown, investment is a person's ability to allocate money now to obtain income later; (2) Bodie, Kane & Marcus, investment is someone's desire to give valuable assets for now and not use them in order to receive profits in the future, and (3) Financial services authority, investment is a long-term capital investment activity, to carry out activities to purchase shares or other securities in order to gain a profit.

Based on the explanation of the experts' definitions, it can be concluded that investment is temporarily holding valuable assets to be run into a business to produce more assets in the future. Investments can help individuals and institutions build wealth, protect asset values from inflation, and provide passive income. Investment is an excellent choice to maintain financial security in the future; for a beginner with so many choices, there will be confusion in making the right decision. Investing in the capital market in the form of shares is not burdensome for beginners because it does not require hundreds of millions of money and only requires a tenor of less than seven days. The attraction of investing in the stock market is the stock market's relatively high liquidity (Hartono, 2017).

Investment instruments include savings, deposits, shares, bonds, mutual funds, gold, and property (Kartini, 2019). Apart from the seven types of investment mentioned previously, there are also two other types of investment, namely: first, investment in the form of goods and buildings (expenses for purchasing factories, machines, production equipment, and new buildings (Saputri & Gunawan, 2018), secondly investment in inventory (covers the production of more goods than the sales target (Martono, 2018).

Investment supports economic growth in Indonesia, creating jobs, increasing people's income and purchasing power, making the economy rotate evenly, and increasing gross domestic product (Putri Ramadhani et al., 2022). Therefore, making smart and strategic investment decisions becomes invaluable for managing personal finances and supporting overall economic development.

As defined by national income calculations, investment refers to the expenditure made to acquire capital goods and production equipment. The purpose of this expenditure is to replace existing capital goods and, more importantly, to increase the overall stock of capital goods in the economy. These capital goods are essential for the creation of products and services in the future (Maharani, 2016). Investment is part of muamalah fiqh; therefore, the rule "the original law of all forms of muamalah is permissible unless an argument prohibits it" applies (Djazuli, 2019). Islam teaches us to protect the rights of others and avoid unjust acts towards others, requiring investors to know the limits and rules for investing in Islam in terms of the process and the results obtained. In the Islamic view, investing behavior is favorable because this activity was performed regularly by the Prophet Muhammad from his teens until his apostolic period. Investment activities will achieve the multi-player effect, such as creating jobs and making funds smoother in cash flow (QS Al -hasyr: 7). Further investment activities receive direct legitimacy by the Al-Quran and Sunnah, including al-Baqarah: 261, Annisa: 9, Yusuf: 46-49, Lukman: 34, while the Sunnah relating to investment is a form of He collaborated with Khadijah as a financier, and he managed the capital (Antonio, 2007). Rasullah was also Khadijah's trade manager in the Habshah trading area of Yemen and four times to Jordan's Syrian and Jorash areas (Rahman, 2000). Sharia investments based on Islamic law principles have become increasingly important in global financial conditions. The main principle guiding sharia investing is the prohibition against riba (interest), excessive speculation, and investment in businesses that involve haram activities, such as gambling or alcoholic beverages (An-Nabahan & Faruq, 2000).

Sharia investment is primarily driven by financial gain, not because of a religious belief that bank interest is prohibited. Sharia investment is not a banking product but a capital market product; banks or securities are limited to distributing products from the capital market to the public. Most people judge Islamic banks based on a profit-sharing system that operates with less attractive results, indirectly showing that there are still minority sectors in the Muslim community who avoid conventional banks because of the Muslim community's belief that bank interest is prohibited or forbidden (Muhammad Syafi'i Antonio, 2001). Sharia investment is becoming a significant part of the global financial market, along with increasing awareness of ethical principles and adherence to the teachings of the Islamic religion. Several factors explain the importance of Islamic investment in the context of modern economics and finance (Inayah, 2020): (1) Growth in assets or increase in income is not commensurate with family development, (2) Asset values can be eroded by inflation, (3) Prepare for retirement, because a person will not always be young and healthy, and (4) Leave financially strong heirs. Islamic finance experts support Sharia investment in a way that is under Islamic ethical and moral principles. They stressed the need to avoid investing in businesses that are considered Haram by Sharia principles, such as those related to usury, gambling, and alcohol.

Islamic finance experts tend to include sustainability in a broader concept, including ethical and moral aspects. They emphasized the importance of maintaining a balance between economic, social, and environmental sustainability in line with Islamic values.

Sharia investment principles must be with consent (without coercion) and fairly, transactions based on production and service activities Islam does not prohibit, including being free from manipulation and speculation. In Islam, all human activities and activities, including investment, must be within the limits set by religious law. All transaction actions are permissible unless there is an explicit or implicit prohibition based on the Qur'an and al-Hadith.

Therefore, an investment must comply with normative ethical foundations from Islamic teachings, namely the Koran and al-Hadith, as well as laws from both (Inggrid Tan, 2009). Banks and financial intermediary institutions must conduct balanced fund collection in compliance with regulations and need transparent operational systems. With the enactment of Banking Law No. 10 of 1992 concerning banking, article 1, paragraph 3 stipulates that any form of banking business can use Sharia principles, which must comply with the provisions set by Bank Indonesia. Law of the Republic of Indonesia Number 21 of 2008 concerning Sharia Banking provides a framework that regulates investment products in the financial sector of Indonesia, which is in the primary and secondary markets. (Republic of Indonesia Law, 2008: No. 21)

Investing contains risks, or there is an element of uncertainty; investors cannot know with certainty the results they will obtain; situations like this can mean that investors experience risk. Investors must also be prepared for high losses if they expect high profits. The convenience of investing in securities is the ease of forming an investment portfolio that can diversify investments on various occasions (Rinwantin & Pujiastuti, 2020). In Sharia investment, risk is not the same as uncertainty; both terms are similar but still different; the similarity between the two lies in the understanding that there will be uncertain events in the future. Uncertainty refers to unexpected and unpredictable events, while risk is circumventable. Furthermore, the difference between the two lies in estimating this uncertainty.

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Unexpected risks in uncertainty have the possibility of appearing more than once. However, the probability of their occurrence cannot be known quantitatively, while the risk level of uncertainty can be measured quantitatively (Malik, 2017). The challenges faced by global sustainability principles. In the previous discussion, in this case, the role of Sharia investment is vital in supporting the global sustainability principles program by considering Sharia principles in investment transactions, such as emphasizing justice, welfare, and managing resources responsibly. Responsibility and distribution of assets and sharia investment can significantly contribute to facing global sustainability challenges.

Some similar research and comparisons with what the author is currently conducting regarding the concept of sustainability and sharia investment are as follows: The first is from Ryantina Julia Viva, Mashudi, Qumaratul Huda, namely "E-commerce and social responsibility: embracing sustainable business in Islamic business ethics (multi-site study at Zaidan Mall and Delfybros Beauty" in this paper examines the use of e-commerce platforms for marketing which products The analysis results that Zaidan Mall has not fully implemented Islamic business ethics and has not implemented a sustainability process, while the Delfybroscantik business has implemented Islamic business ethics and has implemented a sustainability process the concept of sustainability of sharia investment (Viva & Huda, 2023)

Second, the article by Nurbaiti, Reni Ria Armayani Hasibuan, and Syifa Nabila Siregar, titled "The Concept of Sustainable Development Based on Social and Economic Aspects towards the Protection of Natural Resources from a Sharia Maqashid Perspective, this article discusses the Protection of natural resources from a social and economic perspective in sustainable development, The research results show that the principles of sustainable development have to protect the ecosystem. The community also understands the principles of working with maqashid Sharia. The difference between the previous article and what the author did is that it lies in the object of the article, namely that the author focuses on the principles of sustainability in Sharia investment (Nurbaiti et al., 2023).

Furthermore, the article entitled "The Role of Sharia Economics in Realizing Green Economy-based Sustainable Development" by Dwi Vita Lestari Soehardi, this article describes the synergy of the green economy concept with Sharia economics and achieving sustainable development. This research shows that the green economy is in line with the concept of Sharia economics. The difference between this paper and the author's writing lies in the concept, namely that the author emphasizes the object of Sharia investment in synergy with the concept of sustainability (Soehardi, 2022).

Fourth is an article from Sakinah titled "Investment in Islam." this article examines investment from an Islamic perspective, with research results stating that not all investments are permitted because they do not follow Sharia principles. Meanwhile, the difference between the discussion and the author is that there is a study regarding the concept of sustainability in Sharia investment (Sakinah, 2015). Therefore, it is crucial for the global community to jointly commit to sustainability principles to achieve sustainable development goals and create a just, balanced, and sustainable world for future generations.

However, challenges will remain, including inequalities in access to resources and development benefits and resistance to change that may be encountered by those on the receiving end of the economic and social impacts of sustainability measures. In this context, education, advocacy, and community participation are crucial to building understanding and support for sustainability efforts worldwide. Based on the previous explanation and based on previous research, even though it has explained the concept of sustainability and investment in Islam. However, the author here emphasizes a comprehensive understanding of how these two concepts can be interrelated and support each other. Therefore, the author is interested in exploring more deeply how the integration of Sharia investment with sustainability and its implications in sustainable investment practice by raising the title "sustainability in Sharia investment."

LITERATURE REVIEW

Islamic Business Ethics

Islamic business ethics is a set of values about good (Ningrum et al., 2021), bad, right, wrong, halal, and Haram in the business world based on the principles of morality in accordance with Sharia (Aziz, 2013). Ethics is a characteristic embedded in the soul, which can give birth to easy actions without thinking about them (Puspitasari, 2019). The following are the principles of business in Islam (Rahayu et al., 2022): (1) Unity (tawhid), (2) Equilibrium (balance), (3) Free will (free will), (4) Responsibility (responsibility), (5) Benevolence (Ihsan), (6) Keeping promises, and (7) Generous.

Principles of Sustainability

Sustainability is a balance between people-planet-profit, known as the Triple Bottom Line (TBL) concept. Sustainability lies at the meeting between people-social, planet-environment, and profit-economic. The term Triple Bottom Line was coined by John Elkington in 1997. In his book "Cannibals with Forks, the Triple Bottom Line of Twentieth Century Business," Elkington developed the Triple Bottom Line concept regarding economic prosperity, environmental quality, and social justice. Companies that want to be sustainable must pay attention to "3P". Apart from pursuing profits, companies must also pay attention to and be involved in fulfilling the welfare of society (people) and actively contribute to preserving the environment (planet) (Manisa & Defung, 2018).

Sustainability at the global level in the UN Sustainable Development framework includes 17 Sustainable Development Goals (SDGs). These SDGs (sustainability development goals) cover various aspects of human life, including ending poverty and hunger, ensuring quality education, improving health and welfare, and ensuring access to clean water and sanitation. In addition, the SDGs also target environmental Protection, focusing on mitigation and adaptation measures to climate change, biodiversity protection, and sustainable management of natural resources. Cooperation between countries and the involvement of the private sector are crucial to overcoming this sustainability challenge. International organizations, governments, businesses, and civil society are increasingly working to create innovation, share technology, and develop business models supporting environmentally friendly and inclusive growth (Ishatono & Raharjo, 2016).

Sharia investment in Indonesia is guided by several MUI fatwas, as outlined by the Indonesia Stock Exchange (IDX, 2019). These include DSN-MUI Fatwa No. 40/DSN-MUI/X/2003, which provides general guidelines for applying Sharia principles in the capital market; DSN-MUI Fatwa No. 80/DSN-MUI/III/2011, which addresses the implementation of Sharia principles in trading

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equity securities on the stock exchange's regular market; DSN-MUI Fatwa No. 124/DSN-MUI/XI/2018, which covers the use of Sharia principles in depository services, securities transaction settlements, and management of integrated investment infrastructure; DSN-MUI Fatwa No. 138/DSN-MUI/V/2020, which pertains to the implementation of Sharia principles in the clearing process and ensuring the completion of exchange transactions for equity securities; and DSN-MUI Fatwa No. 135/DSN-MUI/V/2020, which is specifically about stocks. The emphasis on the principles of corporate social responsibility and sustainable investment is increasing, creating momentum for positive transformation in global business practices. Sustainability plays a crucial role in the global context as a response to the severe challenges faced by the world today. Rapid economic growth, industrialization, and mass urbanization have put significant pressure on natural resources, causing climate change and increasing the risk of an ecological crisis.

In addition, social inequality, poverty, and injustice have become urgent problems. Sustainability is not only a moral goal but also a practical necessity to balance human needs and the planet's health. In the era of globalization, problems in one region can have a widespread impact, and interconnections between countries increasingly strengthen the urgency of sustainability. Sustainability provides a long-term view of preserving ecosystems, managing resources wisely, and creating an inclusive society.

Therefore, it is essential for the global community to jointly commit to sustainability principles to achieve sustainable development goals and create a just, balanced, and sustainable world for future generations. However, challenges remain, including inequalities in access to resources and development benefits and resistance to change that may be encountered by those on the receiving end of the economic and social impacts of sustainability measures. In this context, education, advocacy, and community participation are crucial to building understanding and support for sustainability efforts worldwide.

Figure 1. The 17 Goals for Sustainable Development
Source: https://sdgs.un.org/goals

Islamic Business Ethics and Sustainability Principles

The previous discussion relates to fostering responsible and sustainable business practices through core Islamic principles. The Principle of Tauhid (Oneness of God) instills in humans the duty to preserve nature and resources entrusted by Allah SWT, aligning with sustainability by balancing economic, social, and environmental aspects (Beekun & Badawi, 2005). The Concept of the Caliph (Leadership) entrusts humans to manage resources wisely and responsibly, emphasizing that businesses should meet current needs without compromising future generations' ability to do the same (Dusuki & Abdullah, 2007). The Principle of Justice and Balance teaches justice and equilibrium in all life aspects, paralleling sustainability's focus on balancing economic growth, environmental Protection, and social welfare (Ullah & Jamali, 2010). Lastly, the Prohibition of Exploitation and Damage in Islam forbids excessive resource extraction and environmental harm, resonating with sustainability's emphasis on prudent resource management and minimizing environmental impacts (Ullah & Jamali, 2010).

Social Responsibility

Islamic business ethics emphasize the importance of social responsibility, such as maintaining good relations with the community, helping those in need, and contributing to community development. The principle of sustainability emphasizes the social aspect of achieving sustainable development (Dusuki & Abdullah, 2007). Businesses that implement Islamic business ethics and sustainability principles can: (1) Increase consumer trust, (2) Improve the Company's image in the eyes of investors and the public, (3) Minimize operational risks, (4) Increase efficiency and profitability, and (5) The public and the environment can feel a positive contribution.

RESEARCH METHODS

Types of Research

This study uses qualitative descriptive research with a literature study, a problem formulation that guides researchers to further explore a problem. In qualitative research, The descriptive analysis method provides a clear, objective, systematic, analytical, and critical description and explanation. According to Sugiyono, there are several characteristics of the qualitative approach as follows Sugyono (2016): (1) Conducted in natural conditions (as opposed to experiments), directly to the data source, and the researcher is the critical instrument; (2) Qualitative research is descriptive. The data collected is in the form of words or images, so it does not emphasize numbers; (3) Qualitative research emphasizes the process rather than the product or outcome; (4) Qualitative research is an inductive data analysis, and (5) Qualitative research emphasizes meaning (observed data). A qualitative approach is a research procedure that produces descriptive data in writing (Moleong, 2018). Qualitative research is library research that uses books and other literature as the main object. In this case, the author uses qualitative research, which is library research, because it makes it easier for researchers to obtain data related to the research.

Therefore, in its delivery, the researcher will present the findings from books and scientific journals that describe "sustainability in sharia investment." According to Bogdan, data analysis is a process of systematically searching for and compiling data obtained from observation and documentation so that it can be easily understood. Data analysis is

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connecting from the initial research process to understand the data collected. The analysis process used in this study is to use a comparative study. Comparative research compares the similarities and differences of two or more facts and the nature of the objects studied based on a framework of thought.

Data Analysis

Data analysis is an activity that organizes or sequences data and systematizes it into a pattern, category, and basic description (Mustori, 2012). Data analysis is done by connecting everything obtained from the research. At the beginning of the process, the goal is to understand the data collected. In this study, the author will use qualitative analysis or explanation, using references or available data, from specific to general, namely with ideal things that come from references/legal materials used to study general problems in the field. Based on this analysis, explaining the concept of sustainability in Sharia investment will be easier.

Scientific Contribution

This research aims to provide scientific contributions, such as (1) Making academics and researchers understand the importance of analyzing and finding solutions to challenges in sustainability principles, (2) Becoming sources of information for policymakers and business practitioners, (3) Increasing public awareness and provide education regarding the importance of sustainability principles, (4) It is hoped that this article will facilitate collaboration between researchers, policymakers, academics and practitioners, and (5) Provide a platform to reveal the latest research and innovative solutions to issues of sustainability and sharia investment.

RESULT AND DISCUSSION

Sustainability business

Business sustainability is social responsibility or action taken by the Company as an effort so that the Company continues in the long term and can add value to an economic, social, or environmental aspect. Several experts explain business sustainability. John Elkington developed the triple bottom lines theory, which includes profit, people, and the planet. This theory is also often used as a form of social responsibility to the community around the place of business.

Business sustainability has several advantages: increased profits, quality human resources, more productivity, and energy efficiency (Elkington, 2018). The principle of sustainability aims to ensure that current human activities do not harm the ability of future generations to meet their own needs. In general, the goals of sustainable principles include understanding and integrating economic, social, and environmental aspects in decision-making to achieve sustainable and balanced development.

The 17 Sustainable Development Goals (SDGs) set by the United Nations (2020) outline an ambitious vision for a better world, yet their realization faces significant challenges. These goals range from eradicating poverty and hunger and promoting health and quality education to ensuring gender equality and access to clean water and energy. They advocate for economic growth, innovation, sustainable cities, and responsible consumption while addressing climate change and ecosystem preservation on land and at sea. Furthermore, they emphasize the need for peace, justice, strong institutions, and global partnerships to achieve these objectives.

However, the complexity and interdependence of these goals highlight the difficulties in implementation, particularly in aligning diverse national interests and securing the necessary funding and political will. While the SDGs present a comprehensive roadmap, their success hinges on overcoming these significant obstacles and fostering genuine international collaboration.

Investment from an Islamic economic perspective is not only aimed at seeking profit. Developing money to gain profits is the primary motivation for investors. This spirit is evident in business activities with investments that adhere to Sharia principles. Investment is an active form of Sharia economics because every asset has the right to be issued Zakat. If a treasure is left untouched in Islam, it will gradually consumed by the Zakat. Zakat will not consume invested assets except for the profits subject to Zakat (Aziz, 2010).

Islamic Business Ethics

The word ethics comes from Greek, namely "ethos," which is a procedure regarding values that originate from an individual or a group that has a goal so that it can make decisions in responding to change. Ethics also refers to bad or good behavior (Sinuor, 2010), whereas business is an activity to obtain products or services to fulfill needs. Business ethics are principles in business activities based on norms (Sigit, 2012).

Islamic business ethics is a set of values about good (Ningrum et al., 2021), bad, right, wrong, and halal; Haram in the business world is based on the principles of morality in accordance with Sharia (Aziz, 2013). Ethics is a characteristic embedded in the soul, which can give birth to easy actions without thinking about them (Puspitasari, 2019). Islamic business ethics have also become a reference for business entrepreneurs; the Quran and Hadith are guidelines for business ethics (Djakfar, 2012).

Investment has two types: direct investment, which involves managing one's own business in the real sector, and indirect investment, which includes investing in the non-real sector, such as Sharia banking deposits and capital markets through the Sharia stock exchange, Sharia mutual funds, sukuk, SBSN, and other similar avenues.

The first type of investment requires careful, calculated steps, courage to take risks, caution, and professionalism in managing a business activity. Meanwhile, the second type of investment (non-real sector) is less risky than the real sector. However, careful calculations and strategies are still required to avoid significant losses. The following is an overview of the advantages and possible losses of investing in the natural and non-real sectors (Pardiansyah, 2017). Principles of business ethics since the time of the Prophet, namely as follows (Wahyuningsih et al., 2020): (1) Sidiq (honesty), (2) Amanah (trusted), (3) Tabligh (communicative), and (4) Fatanah (intelligent/wise).

Investment selection methods

Investing in the Islamic view is an integral part of business activities; business activities are another form of seeking sustenance in the Maqashid of Sharia. Therefore, providing the need for wealth from a tangible aspect becomes mandatory because, without work, it is almost impossible to exist. Property and money (Syahroni & Karim, 2016). From an economic perspective, assets that are not invested will become assets that are useless and have no further benefits. Islam does not like this because assets accumulate. Islam also prohibits its followers from investing carelessly; things such as companies, transactions, and objects must be of primary concern, and all of these things must follow

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Islamic principles in their muamalah (Sakinah, 2015).

Sharia investing in Indonesia is overseen by a multitude of MUI fatwas and government laws (IDX, 2019), which establish a highly organized framework to ensure adherence to Islamic norms. Nevertheless, the large quantity of these rules and their intricate nature may pose practical difficulties. For example, the different DSN-MUI fatwas that address various areas of the capital market, such as general norms, trading mechanisms, depository services, and clearing processes, demonstrate a comprehensive yet potentially overwhelming system. Investors and financial organizations may find navigating among these multiple fatwas difficult, which could result in inconsistent application or understanding of the regulations. Furthermore, the overlapping nature of fatwas and government laws, which seek to guarantee comprehensive adherence, may result in duplication and perplexity. The intricate nature of this situation requires a significant level of proficiency and continuous attentiveness to guarantee that all actions adhere to Sharia principles, which could be a challenge for smaller investors or companies without specialist competence.

Moreover, the government rules produced by OJK not only complement the MUI fatwas by incorporating Sharia concepts into the legal framework but also significantly impact market dynamics that require careful analysis. The regulations PJOK No. 15/2015 and PJOK No. 17/2015 seek to establish Sharia principles in the capital market. However, their ability to create an ethical investment environment is still controversial. For instance, although the goal is to establish a strong, morally upright, and enduring investment environment, there may be unforeseen repercussions, such as decreased market fluidity or restricted investment options as a result of the strict adherence to compliance regulations. Furthermore, the dynamic nature of these regulations, as demonstrated by revisions like PJOK No. 3/2018 and new directives such as SEOJK No. 3/2022, indicates the necessity for ongoing adjustment and evaluation, which may provide operational difficulties.

Hence, although the legal framework is extensive, continuous monitoring and evaluation are necessary to assess its effectiveness and influence in promoting an ethical and inclusive investment environment that adheres to Sharia principles in Indonesia.

As explained above, investment activities have broad benefits and impacts on a country's economy. However, in principle, Islam provides clear guidelines and boundaries regarding which sectors investment can and cannot enter. Not all investments recognized by positive law are also recognized by Islamic law. Therefore, so that the investment does not conflict, it must pay attention to and consider various aspects so that the results are under Sharia principles.

The following are several aspects that must be had in investing according to an Islamic perspective (Chair, 2015):

1. Material or financial aspects. This means that a form of investment should produce competitive financial benefits compared to other forms.
2. Halal aspect. It means that a form of investment must avoid areas or procedures that are unlawful or Haram. A form of investment that is not halal will only lead the perpetrator to error and destructive attitudes and behavior (ḍarūrah) individually and socially.
3. Social and environmental aspects. It means that a form of investment should positively contribute to society and the surrounding

environment for current and future generations.
4. The aspect of hope for Allah's pleasure. It means that a particular form of investment in order to achieve Allah's SWT approval

Apart from that, there are several specific Sharia principles related to investment that investors must guide when investing, namely (Aziz, 2010):

1. Not seeking sustenance in the haram business sector, both in terms of the substance (object) and the process (obtaining, processing, and distributing) and not using it for haram things;
2. Neither wrongdoing nor being wronged (la taẓlimūn wa lā tuẓlamūn);
3. Fairness of income distribution
4. Transactions are carried out based on mutual consent ('an-tarāḍin) without coercion.
5. There are no elements of usury, Maysīr (gambling), Gharar (uncertainty), Tadlīs (fraud), ḍarar (damage/loss) and does not contain immorality.
6. Sustainability and Environmental Conservation: Sharia investments must consider environmental sustainability and conservation. Sustainable environmental principles are taken into consideration when making investment decisions.

From the description above, Islam strongly recommends investment, but not all business fields are permitted to invest. The rules above determine the boundaries of what is halal or permissible to do and whether Haram is not permissible. The goal is to control humans from activities that endanger society. Sharia investments have several characteristics that can support sustainability goals, which align with the Islamic ethical principles that underlie these investments. The following are several characteristics of sharia investment that can contribute to sustainability goals:

Environmental, Social, and Governance (ESG) Considerations

When making investment decisions, Sharia investments tend to consider environmental, social, and corporate governance (ESG) factors. Sharia principles encourage investment in sectors that do not harm the environment, involve fair business practices, and have good governance.

Prohibition of Investment in Certain Sectors

Sharia investment involves a ban on sectors deemed incompatible with Islamic principles, such as the liquor industry, gambling, and conventional banking, which applies interest or usury. Thus, Sharia investors avoid sectors that can harm society or the environment.

Economic Inclusivity and Empowerment

Sharia investments can support economic inclusivity by promoting a fairer distribution of wealth and empowering underrepresented economic groups. Sharia financing schemes can also provide financial access to previously unreachable communities, supporting sustainable economic growth.

Transparency and Disclosure

Sharia principles encourage transparency and disclosure in business practices. Companies that comply with Sharia principles tend to provide more open information regarding their operations. Thus, Islamic investors can make more informed investment decisions and support ethical business practices.

Compliance with Laws and Ethics

Sharia investments have an ethical basis and compliance with Islamic law. It includes prohibitions against usury, excessive speculation, and business practices that violate

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ethical norms. These compliance principles help direct investment into legally and ethically compliant sectors, supporting long-term sustainability.

Risk Management

Sharia investments tend to avoid high or speculative risks that can result in significant losses. Sharia principles also encourage caution and portfolio diversification to manage risk effectively. The link between Sharia investment and sustainability principles creates space for investors to integrate ethical and sustainability values into their portfolios. Both aim to create a positive impact on society, the environment, and the economy as a whole. It also reflects a global trend where investors increasingly consider ethical and sustainability aspects in their investment decision-making.

By integrating Sharia principles and ESG considerations, Sharia investments can positively contribute to sustainability goals, promoting social, environmental, and economic responsibility within the scope of financial investments. In general, stock market movements in Indonesia are stable; funds collected from the capital market experience growth from year to year. In June 2022, IHSG was at 6,911.58, which means an increase of 5.02%. The Sharia stock index experienced positive growth compared to the end of 2021, and the ISSI index experienced growth of 6.02%, touching the level of 200.39. ISSI's market capitalization also increased by 6.92% to IDR 4,259.24 trillion. The increase in sharia shares is one factor that increases the index and capitalization value.

Furthermore, growth in Sukuk products (corporate, state) experienced an increase of 8.71% in outstanding value and an increase of 5.82% in the number of outstanding series compared to 2021. Investment in Sharia online trading systems in June 2022 reached 111,500 investors, which means an increase of 4.94% compared to 2021 (Sopacua, Barbara N, 2021). Based on the data presented previously, investment in Indonesia experiences growth every year. Sharia investments support sustainability principles through an ethics-based approach and compliance with Islamic sharia principles.

The relationship between Sharia investment and the concept of sustainability:

Ethics and Morals

Sharia and sustainable investment emphasize ethical and moral principles when making investment decisions. Sharia investing focuses on compliance with Islamic law, while sustainability involves ethical considerations and social responsibility.

Prohibition on Certain Businesses

Sharia and sustainability investing can involve bans on specific business sectors deemed unethical or detrimental to society and the environment. Examples include prohibitions on the liquor industry, gambling, and businesses that damage the environment.

Environmental, Social, and Governance (ESG) Considerations

When making investment decisions, Sharia investment and sustainability approaches consider environmental, social, and corporate governance (ESG) factors. Both seek to identify and avoid risks that could harm society or the environment.

Economic Inclusivity and Empowerment

Both sharia and sustainability investments tend to support economic inclusivity and the empowerment of underrepresented groups. Sharia financing schemes and sustainable projects can provide more equitable economic benefits.

Transparency and Disclosure

Both approaches encourage transparency and disclosure of information regarding business practices and investment impacts. Investors in both fields seek more open, transparent information to make sustainable decisions.

Risk Management

Islamic and sustainable investing both value effective risk management. Sharia principles encourage careful risk management, while sustainability emphasizes identifying and mitigating social and environmental risks.

Implications Of Sustainability Principles In Sharia Investment Practices

In an era that is increasingly aware of social and environmental responsibility, investment practices have become the main focus for those who prioritize sustainability principles. However, investments that comply with Sharia principles determine the additional dimension of Islamic ethical and moral values. The implication of sustainability principles in Sharia investment practices creates a solid foundation for building investment portfolios that generate financial profits and positively impact society and the environment. In this context, the integration of sustainability and Sharia principles offers a holistic and comprehensive view of how investment can be a tool to achieve greater goals in line with religious teachings and the needs of the times. In this material, we will explore the implications of incorporating sustainability principles into Islamic investment practices and how this approach can create unique opportunities and challenges for investors committed to Islamic values and sustainability.

The implications of sustainability principles in Sharia investments create a framework that considers investments' long-term social, environmental, and economic impacts in line with Islamic principles. The following are the main implications of the principle of sustainability in Sharia investment:

Emphasize the importance of Social and Environmental Responsibility

The principle of sustainability emphasizes the importance of social and environmental responsibility (CSR) in business practices, ensuring that companies invested must comply with Islamic ethical principles and be committed to sustainable business practices, such as environmental protection and community development.

Ensure that business selection is sustainable and under Sharia values.

Sharia investors tend to avoid businesses involved in practices considered unethical or detrimental, such as Usury, Maysir, Gharar, or falsehood, including those detrimental to the environment. It directly impacts selecting businesses committed to sustainability and complying with Sharia principles.

Always apply Environmental, Social, and Governance (ESG) Principles

Environmental, social, and governance concepts are increasingly becoming a focus of sharia investment. Evaluating companies based on environmental, social, and corporate governance factors is essential for investors in determining investment activities under Sharia principles and sustainability.

Open opportunities for partnerships with sustainable projects

Sharia investments can create partnerships with projects or companies focusing on sustainability, such as renewable energy, green infrastructure, or local community development. It allows investors to

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support sustainable initiatives that align with Sharia principles.

Transparency and Accountability

Sustainable Sharia investment emphasizes the importance of transparency and accountability in business practices. It ensures that invested companies provide clear reports on environmental, social, and corporate governance performance and comply with Sharia principles.

CONCLUSION

Islam prohibits leaving assets idle and encourages any wealth owned to be allocated in part for investment or investing money or capital in a company or project to make a profit. Investment is the exchange of money for other forms of wealth, such as shares or immovable property, expected to be held over a certain period to generate income.

Integration of ESG concepts with Sharia principles, both Sharia investment and sustainability principles, emphasize investors to comply with ethical and moral principles in making investment decisions, prohibition of specific business sectors that are considered unethical or detrimental to society and the environment, Sharia investment and sustainability can involve banning specific business sectors that are deemed unethical or detrimental to society and the environment, equally valuing effective risk management. Prudence in risk management is the principle of avoiding Gharar when making investments and the principle of devotion to Allah SWT. At the same time, sustainability emphasizes identifying and mitigating social and environmental risks.

The implications of sustainability principles in Sharia investment emphasize the importance of environmental and social management; in choosing a business, it must be under Sharia principles and prioritize ethics; investors can have sustainable initiatives that are in line with Sharia principles, ensuring that the companies they invest in provide clear reports on environmental, social and corporate governance performance, as well as complying with sharia principles.

While conducting this research, some limitations may affect the results, namely the limitations of research time, energy, and researcher capabilities. This research only conducts a literature review, so each has shortcomings. It is hoped that there will be further research on sustainability in sharia investment focusing more on Islamic business ethics with different research methods and using different and more complete research instruments.

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