



Implementation of ESG Principles in Investment of Bank Syariah Indonesia: An Analysis of Maqashid Shariah

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Abstract

Purpose – This study aims to analyze the application of the principles of Environmental, social, Governance (ESG) in the investment of Indonesian Islamic banks (BSI) in terms of maqashid syariah perspective.

Methodology – The method used in this research is a qualitative method with a descriptive approach. The data sources used come from secondary data in the form of annual reports, industry reports, and online news. In addition, the research data also comes from various articles published in scientific journals.

Findings – The results of this study indicate that there is a strong alignment between the principles of ESG and Maqashid sharia in investment activities carried out by Bank Syariah Indonesia (BSI). The alignment of these two concepts creates an investment model that is not only focused on financial gain but also oriented towards mutual benefit and environmental preservation. This research identifies the ESG principles in the investments made by BSI in line with maqashid sharia for the protection of life (*hifz al-nafs*), reason (*hifz al-aqal*), property (*hifz al-maal*), religion (*hifz al-din*) and offspring (*hifz al-nas*).

Implications – The implication of this research is that the ESG principle in investment activities if done properly does not conflict with the maqashid syariah principle.

Originality – This research provides a new perspective on the alignment between ESG principles and maqashid sharia. The results of this study provide data support that these two concepts complement each other, so that investments do not only consider financial returns.

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1. Introduction

Environmental, Social, Governance (ESG) principles have become one of the considerations of Islamic financial institutions in making investments. One of the Islamic financial institutions that has implemented ESG principles is PT Bank Syariah Indonesia (BSI). Environmental principles at BSI have been applied in the form of sustainable financing with a total value of 12.57 trillion allocated for environmentally sound business activities (KUBL). The social principle at BSI is also applied in the form of sustainable financing with a total value of 46.62 trillion allocated for Socially Sound Business Activities (KUBS) which includes school construction project programs, hospital



project development, community empowerment programs.(Kompas 2024). Meanwhile, on the principle of governance, Bank Syariah Indonesia (BSI) has established several regulations regarding the implementation of Good Corporate Governance (GCG). GCG is a process of managing a company that conceptually includes the principles of transparency, accountability, responsibility, and transparency. (Pudail et al. 2018). In Islamic banks in Indonesia. No 12/1/DpbS 2010 Implementation of OJK Regulation No. 10/POJK.03.2014 for Sharia Commercial Banks and Sharia Entities. BSI conducts periodic self-assessment every year to regulate its governance in accordance with Indonesian Banking Regulation No.1. 33.11.PBI/2009. This confirms that BSI is committed to implementing good governance based on the principles of transparency, accountability and responsibility in carrying out its business activities. The implementation of governance principles at BSI is supervised by the National Sharia Council (DSN) and the Indonesian Ulema Council (Afdiyah et. al, 2022).

The ESG principle in the investment made by BSI basically accommodates the maqashid syariah principle. Maqashid sharia is a basic principle in Islamic law that refers to the main objectives of sharia, namely to protect and maintain the welfare of mankind. In his work “Al-Muwafaqat” Imam Ash-Syatibi was the first scholar to develop this concept systematically, with five main objectives, namely protecting religion (*hifz al-din*), soul (*hifz al-nafsi*), intellect (*hifz al-aql*), offspring (*hifz al-nasl*), and property (*hifz al-mal*) (Sidiq, 2017). Maqashid sharia serves as an ethical guideline that enables individuals and institutions to achieve a balance between financial goals and social ethics, prioritizing the holistic welfare of society.

The ESG principle in making investments has been done a lot before such as research conducted by Farhan (2024) for example highlighting about sustainable investment strategies that consider environmental, social, and corporate governance (ESG) factors balancing risk and return. Furthermore, research conducted by Aini (2024) highlights the challenges faced in the implementation of ESG in the context of maqashid sharia, limited investor understanding or regulatory constraints. In addition, research conducted by Miftachurohmah (2023) which states that ESG towards the achievement of Sustainable Development Goals (SDGs) through the maqashid sharia perspective shows the integration of ESG which can make a positive contribution to environmental preservation, supporting economic sustainability goals. In addition, research conducted by Ali (2023) which highlights ESG-based instruments that comply with maqashid sharia in financial literacy, subjective norm, and attitude have a significant effect on ESG-based investment interest. In line with other research such as Mustion (2024) which highlights the role of the Sharia Supervisory Board (DPS) in ensuring the integrity of sharia-compliant ESG investments.

Based on the research that has been done, there are not many researchers who examine the relationship between maqashid sharia and ESG principles. Therefore this research is interesting to do for 3 reasons, first this research has important significance because it can provide valuable insight into how the application of ESG in Indonesian Islamic Banks. Second, this research also provides insight into long-term impact investments based on Environmental, Social, Governance (ESG) and maqashid sharia. The third maqashid sharia also focuses on five main objectives: religion, soul, intellect, offspring, and wealth are the basic principles of sharia investment. In contrast, ESG principles cover three main pillars: Environmental (E), Social (S), and Governance (G). These two concepts complement each other, so that investments do not only consider financial returns.

Based on the description above, this research was conducted with the aim of analyzing the alignment between ESG and Maqashid Syariah. Analysis of ESG principles that focus on environmental preservation, social responsibility, and good governance, in line with the principles of Maqashid Sharia includes several aspects, namely the protection of religion (*hifz al-din*), soul (*hifz al-nafsi*), reason (*hifz al-aql*), property (*hifz al-mal*), and offspring (*hifz al-nasl*).

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of Maqashid Sharia includes several aspects, namely the protection of religion (*hifz al-din*), soul (*hifz al-nafs*), intellect (*hifz al-aqal*), property (*hifz al-mal*), and offspring (*hifz al-nasl*).

2. Literature Review

2.1 Maqashid Syariah

Maqashid sharia is a basic principle in Islamic law that refers to the main objectives of sharia, namely to protect the welfare of mankind. The concept of maqashid sharia is divided into three main categories namely Ad-dharuriyyat, Al-hajiyat, and At-tahsiniyat, Ad-dharuriyyat is further divided into five main categories in the concept of Maqashid Sharia known as Quriyat al-Kamsa. Jasser Auda is a contemporary thinker and scholar who developed the concept of maqashid sharia. In Jasser Auda's view, maqashid sharia consists of five main categories described in classical texts such as in the work of Imam Ash-Syatibi's "Al-Muwafaqat" which explains that maqashid sharia has five main objectives, namely protecting religion (*hifz al-din*), soul (*hifz al-nafs*), intellect (*hifz al-aqal*), offspring (*hifz al-nasl*), and property (*hifz al-mal*). Jasser Auda emphasizes that these five objectives are not only relevant in the classical context but also need to be developed to answer contemporary challenges, so that they can be applied effectively in modern society (Auda, 2013).

The reorientation of classical maqashid sharia towards contemporary maqashid sharia according to Jasser Auda is a change from classical maqashid sharia which is protection and preservation, towards maqashid sharia which is contemporary development, and rights (freedom) (Auda, 2008).

Tabel 1. Substantive Contribution of Jasser Al-Auda's Maqashid Shariah

Classic Meaning	Contemporary Meanings
<i>Hifz al-din</i> (Safeguarding Religion)	Maintain, protect and respect freedom of religion
<i>Hifz al-nafs</i> (Guarding the Soul)	Protecting human dignity, protecting human rights and building a dignified society
<i>Hifz al-aqal</i> (Safeguarding Reason)	Improving the quality of thinking and research and expanding access to education
<i>Hifz al-mal</i> (Guarding Treasures)	Become an economic development and equalization of welfare levels
<i>Hifz al-nasi</i> (Keeping the Offspring)	Family protection and development, special and primary treatment for family institutions

From the Table 1, it can be seen that there is a development of classical maqashid carried out by Jasser Auda towards contemporary maqashid sharia. The development of maqashid sharia of Jasser Auda is inseparable from his background which considers that the current humanitarian condition of Muslims is very alarming so that it requires human development as the main goal of maqashid sharia itself. Classical maqashid sharia is more of a preventive effort while Jasser Auda's contemporary maqashid sharia is more of a development and protection of human rights, which is something that is often experienced by Muslims today (Auda, 2014). Jasser Auda applies the concept of *ushuliyah* in fiqh science, this concept has been known by Muslims, namely:

المحافظة على القديم الصالح والأخذ بالجديد الأصح

Meaning : *It is better to take new ideas but keep the good ones.*

Jasser Auda does not reject the existence of classical maqashid sharia, but he criticizes and then develops classical maqashid sharia into contemporary maqashid sharia which is more universal (general), holistic (Comprehensive), humanist and systematic (Organized) whose essence actually contains classical maqashid but emphasizes contemporary aspects that he considers better (Auda, 2014).

Maqashid sharia serves as an ethical guideline that enables individuals and institutions to achieve a balance between financial goals and social ethics, prioritizing the holistic welfare of society (Qardhawi, 2017). In the context of investment, maqashid sharia becomes an important

foundation for decision-making that focuses not only on financial returns but also on social and environmental impacts. Thus, maqashid sharia can serve as an ethical framework that directs investment practices that are not only technically sharia-compliant, but also provide broader benefits to society and the environment, in line with ESG principles.

2.2 Environmental, Social, Governance (ESG) Principles

Environmental, Social, and Governance (ESG) is an investment concept that considers the impact of sustainability on the environment, social, and corporate governance (Yudha & Rahman, 2024). These three aspects of ESG are important indicators for companies that want to contribute to sustainable development and corporate social responsibility (CSR). ESG principles have been globally recognized since the issuance of the Principles for Responsible Investment (PRI) by the United Nations (UN) in 2006, which provides guidance for companies in applying ESG to their business policies as part of an effort to encourage investors to consider ESG factors in making their investment decisions. The PRI issued a set of principles that encourage investors to integrate ESG into investment decisions, and focus on the social and environmental impacts of their investments (UN, 2024).

Specifically, ESG principles cover environmental, social, and governance issues. First, environmental refers to sustainable business practices that minimize negative impacts on the environment, such as reducing carbon emissions, using renewable energy, and managing waste (Mandiri, 2024). Second, social relates to corporate social responsibility, including worker welfare, social justice, human rights, and contributions to the community. Third, governance includes the principles of transparent governance, accountability, and compliance with laws that aim to create an ethical company (Generali 2024).

2.3 Bank Syariah Indonesia (BSI)

Bank Syariah Indonesia (BSI) is a bank that runs its business based on sharia principles, which means that all activities and products offered are not contrary to Islamic law. BSI was established as a result of the merger of three major Islamic banks in Indonesia, namely Bank BRI Syariah, Bank BNI Syariah, and Bank Mandiri Syariah. The main objective of BSI is to provide sharia-compliant banking services, such as financing with murabahah, mudharabah, and musyarakah contracts, as well as other products that do not contain usury (BSI, 2022).

BSI is committed to expanding people's access to financial services in accordance with Islamic values, as well as contributing to sustainable development, so BSI is not only financially focused, but also committed to creating positive social and environmental impacts. In its 2023 sustainability report, BSI aims to be a catalyst for the development of the Islamic economy so as to contribute to the national economy and growth (Sustainable Report, 2023).

3. Research Methods

This research uses a qualitative descriptive approach to explore and understand how ESG principles can be aligned with maqashid sharia in BSI (Creswell, 2016). The qualitative approach was chosen due to its exploratory nature, allowing the researcher to deeply understand how ESG elements and maqasid sharia interact in the investment context. This approach provides room to explore various literatures on ESG principles and maqashid sharia.

Data sources were obtained from various relevant literature, including scientific journal articles, industry reports. This data provides a comprehensive theoretical basis as well as empirical examples that support the analysis (Purwanto, 2018). Literature regarding ESG principles, maqashid sharia, and Islamic investment was reviewed to gain a deep understanding of the theoretical basis and context of the study. This literature includes journal articles, annual reports of companies that apply ESG in Islamic investments, as well as official guidelines related to the application of ESG in sukuk.

The data analysis technique in this research uses thematic analysis. Thematic analysis in this research is used to identify the main themes from the data obtained through literature studies. The data were analyzed to find relevant patterns related to the integration of ESG and maqashid sharia, for example, in the aspects of sustainability, ethics, and investment performance. Thematic analysis

allows researchers to find similarities and differences between ESG and maqashid sharia as well as ways in which they can be harmonized (Purwanto, 2024).

The methodology in this study is expected to provide in-depth insights into how ESG and maqashid sharia principles are aligned in Islamic investments so as to create sustainable and ethical investments (Miftachurohmah et al., 2023). The methodology will also identify the challenges faced, as well as provide practical guidance for Islamic investors and regulators in developing an investment framework that meets the goals of sustainability and the benefit of the people.

4. Results and Discussion

4.1 ESG Based Investment in BSI

4.1.1 Environmental Aspects

BSI has been active in sustainable financing. As of March 2024, BSI's sustainable financing portfolio reached Rp59.19 trillion, with Rp12.57 trillion allocated to Environmentally Sound Business Activities (KUBL). BSI also issued Sustainability Sukuk to support the financing of environmentally friendly projects, such as renewable energy and long-term sustainable waste management (Risalah & Puspaningtyas, 2024).

The environmental aspect of BSI emphasizes the importance of protecting the environment as part of human responsibility for the earth. One of BSI's investment programs is green sukuk, which is called BSI's sustainability sukuk or sustainability mudhorobah sukuk which has been designed to finance sustainable projects such as renewable energy and environmentally friendly infrastructure financed from green sukuk issuance, one example of BSI's green sukuk program includes the Piyungan waste treatment project in Yogyakarta, this project aims to improve waste management, reduce pollution, and improve public health in the area. Solar panel project in Selayar Islands, South Sulawesi. Investment in this solar panel project aims to provide environmentally friendly renewable energy, reduce dependence on traditional energy sources and improve access to electricity for local communities. Tarda beach conservation project in Bone Bolango, Gorontalo, This project focuses on preserving the coastal ecosystem and protecting biodiversity, as well as mitigating the risk of natural disasters such as coastal abrasion. Furthermore, the Lighy Rail Transit Project in Palembang, this transportation project is designed to improve community mobility in a more efficient and environmentally friendly way, and reduce congestion and air pollution in the city (Sindo News.Com, 2023). By investing in renewable energy and infrastructure, Islamic companies are not only fulfilling their responsibility under maqasid sharia to protect the environment, but also fulfilling their commitment to global sustainability.

4.1.2 Social Aspects

BSI disbursed Rp46.62 trillion in financing for Socially Responsible Business Activities (KUBS), which includes community empowerment programs and Micro, Small and Medium Enterprises (MSMEs). In addition, BSI has launched the "Beraksi untuk Bumi" program which focuses on reducing pollution and plastic use, as well as financing electric vehicles for employees, to improve social and environmental welfare. PT Bank Syariah Indonesia (BSI) launched a sustainable movement program, one of which placed a Reverse Vending Machine (RVM), a plastic bottle processing machine, in several locations as well as at the BSI Expo 2024 event (Risalah & Puspaningtyas 2024).

The social aspect of BSI emphasizes the importance of realizing funding as part of human responsibility for the earth. One of BSI's investment programs is a green sukuk called BSI sustainability sukuk or sustainability mudhorobah sukuk which has been designed to finance sustainable projects. The implementation of ESG in Islamic investment can be realized through funding in the education and health sectors that provide access to essential services for the underprivileged. For example, investment in school construction projects in remote areas not only provides better access to education, but also supports the improvement of skills and quality of life of local communities. In the healthcare sector, ESG-based Islamic investments can be directed towards the construction of hospital or clinic projects that provide quality

healthcare services at affordable costs that focus on the social sector, maqashid sharia and ESG together promote social welfare and sustainability (Saham, 2024).

4.1.3 Governance Aspects

One focus of BSI's governance aspect is on the implementation of Good Corporate Governance (GCG) principles with the aim of improving accountability, transparency and fairness in the management of the company. Good governance is essential in ESG-based investments, particularly in the sharia context, where accountability and transparency are key pillars. BSI shows consistency in supporting businesses that comply with ESG standards with a sustainable financing portfolio that reached IDR 59.2 trillion by March 2024 (Iqbal et al. 2023). The Sharia Supervisory Board (DPS) plays an important role in ensuring that companies adhere to sharia principles in their governance practices. The implementation of good corporate governance at BSI is based on Bank Indonesia Circular Letter No. 12/1/DpbS of 2010 and OJK Regulation No.0/POJK.03.2014 on the Implementation of GCG for Sharia Commercial Banks and Sharia Entities. To regulate governance, BSI conducts periodic self-assessment every year (Afdiyah et. al, 2022).

Bank Syariah Indonesia has implemented POJK No. 18/POJK.03/2014 Integrated governance report. BSI adheres well to the five basic principles of GCG abbreviated as TARIF: Transparency, Accountability, Responsibility, Independence, and Impartiality/Equality. Proper implementation of Governance principles can help align good intentions with stakeholder objectives, ultimately creating an operating environment that helps the organization achieve its goals (Risalah & Puspaningtyas 2024). In its operations, BSI applies good governance standards, such as transparency in fund management and accountability in financial reporting.

4.2 Integration of Maqasid Syariah and ESG Principles in Investment at BSI

4.2.1 Environmental Aspects

The results of this study show that BSI has implemented Environmental principles in the form of investments aimed at reducing emissions through programs that support sustainable operations, such as building environmentally friendly buildings and the use of solar panels in the Selayar Islands, South Sulawesi. The investment in the solar panel project aims to provide environmentally friendly renewable energy, reduce dependence on traditional energy sources and improve access to electricity for local communities. BSI also provides electric motors for operations at several points, including mosques (Info, 2023). BSI implements CSR and Green Economy Programs where BSI is actively involved in corporate social responsibility (CSR) programs that support the concept of green economy, this includes programs such as mangrove planting, plastic waste disposal, and the development of supported villages with a focus on agriculture and ecotourism (Detiknews, 2024).

The environmental (environmental) principle carried out by BSI is also in line with maqashid sharia on the aspect of protecting the soul (hifz al-nafs). According to Jasser Auda, the protection of the soul is associated with efforts to build a dignified society, one of which is protecting the environment that can endanger human health (Auda, 2008). BSI supports environmentally friendly practices that can reduce pollution and damage that can endanger human life. For example, BSI has been involved in funding projects that focus on reducing carbon emissions and increasing renewable energy. This can help maintain air quality and reduce negative impacts on human health. Another example is a forest conservation project in Sumatra, which is financed through green sukuk. This project aims to reduce deforestation, which is a major source of carbon emissions. By reducing carbon emissions and increasing renewable energy, the project can help reduce pollution, resulting in a better quality of life for people, which in turn improves their physical and mental well-being (Kurnia & Suwita, 2024).

The environmental (environmental) principle carried out by BSI is also in line with maqashid sharia on the aspect of protecting property (Hifz al-Mal). According to Jasser Auda, the protection of property is associated with efforts to protect the development of equitable levels of welfare which is one of the most important goals (Auda, 2008). BSI funds projects

that focus on reducing carbon emissions, using renewable energy, and environmental sustainability, such as solar panel, wind power, and biomass projects (Merdeka, 2022). This contributes to maintaining environmental sustainability. BSI supports investments in environmentally friendly sectors such as renewable energy that enable sustainable economic growth. In line with Maqashid Shariah of protecting wealth by reducing pollution and carbon emissions, such projects can help protect natural resources and prevent natural damage that can affect wealth, such as losses arising from natural disasters (floods, forest fires, climate change).

The Environmental principle carried out by BSI is also in line with maqashid sharia on the aspect of protecting offspring (Hifz al-nas). According to Jasser Auda, the protection of offspring is associated with efforts to protect and develop the family, special and main treatment for family institutions (Auda, 2008). BSI invested in the Clean Water Supply and Sanitation Project. Environmental projects that support the provision of clean water and proper sanitation are important steps in maintaining the health of families, especially children. Clean water and adequate sanitation are important foundations for preventing diseases that can harm offspring. Project Example: provision of clean water and sanitation facilities in areas that lack access, such as in rural or densely populated areas. By improving the quality of life through access to clean water and sanitation, the health of children and future generations can be protected from diseases that can endanger their lives.

4.2.2 Social Aspects

The results of this study show. BSI has implemented Social principles in the form of a tree planting movement with a total of 20,000 seedlings planted in flood-prone areas that show commitment to the environment while providing social benefits (BSI, 2023). BSI also distributes social and humanitarian activities by distributing humanitarian assistance to various areas in need, as well as supporting public health programs and the education sector (Minutes, 2024).

The social principles carried out by BSI are in line with maqashid sharia in the aspect of protecting the soul (hifz al-nafs). According to Jasser Auda, the protection of the soul is associated with efforts to protect human rights (HAM) (Auda, 2008). Human rights protection covers various aspects of life, including the right to a healthy life, the right to adequate health services, and the right to access basic needs. The efforts made by BSI in relation to the protection of human rights are that BSI provides access to finance that can improve the quality of life of the community, especially in the health sector which is directly related to saving lives. A concrete example of a health service loan program, BSI also provides financing products for the treatment of health facilities that allow low-income people to access good health services. BSI also conducts Corporate Social Responsibility (CSR) programs, BSI organizes activities that help improve health for the community (Liputan 6, 2023).

The social principles carried out by BSI are in line with maqashid sharia in the aspect of protecting the mind (Hifz al-aqal). According to Jasser Auda, the protection of the mind is associated with efforts to overcome factors that can damage the mind (Auda, 2008). The efforts made by BSI are the construction of school projects in remote areas. For example, BSI conducts funding to build schools in areas that have not been reached by adequate education, with complete facilities and can access distance learning technology. This could include building schools with internet access to provide digital learning materials or establishing community education centers that can provide skills training to children and adults (Nuansametro, 2024). Relevance to the protection of the aqal (hifz al-Aql) Education is one of the most effective ways to develop the mind and provide opportunities for individuals to think, learn and develop. By providing education in remote areas, BSI helps these communities access knowledge that was previously inaccessible, following the principle of hifz al-aql (Umami et al., 2024).

4.2.3 Governance Aspects

The results of this study show that BSI has implemented governance principles in the form of transparency in fund management and accountability in financial reporting (Portonews 2021). For example, in BSI, the DPS acts as a supervisory body that ensures that every investment activity complies with maqashid sharia principles and ESG governance standards. The presence of DPS in the Islamic banking system serves to ensure compliance with sharia and directly contributes to achieving mutual benefit (Bank Mega, 2024).

The principle of governance carried out by BSI is in line with maqashid sharia on the aspect of protecting assets (Hifz al-maal). According to Jasser Auda, the protection of wealth is associated with efforts to protect customer wealth (Auda, 2008). BSI implements the compliance management system BSI has obtained ISO 37301 certification: 2021 for Compliance Management System and ISO 37001 certification: 2016 for Anti-Corruption Management System (BSI, 2022). BSI shows that the governance aspect of BSI has a strong mechanism to prevent misuse and safeguard customer funds.

The principle of governance carried out by BSI is also in line with maqashid sharia in the aspect of protecting religion (Hifz al-din). According to Jasser Auda, the protection of religion is associated with efforts to protect customer assets in their management in accordance with Islamic law (Auda, 2008). BSI has conducted regular verification and monitoring to ensure that the funds collected are actually allocated to sustainable projects that are in accordance with Islamic law. A clear example of BSI demonstrating its commitment to Environmental, Social, Governance (ESG) principles is the establishment of a dedicated ESG Group department that is responsible for ensuring that the funds collected are actually allocated to projects that comply with Islamic law. In addition, BSI has collected zakat, infaq, sadaqah, and waqf funds amounting to IDR 545 billion by June 2024 and is channeled to the economic, education, humanitarian, health, and advocacy sectors (BSI, 2024).

This governance provides assurance to investors that their funds are being used for purposes that are in line with the principles of sharia ethics and sustainability. In other words, the DPS strengthens the integrity of ESG-based Islamic investments and increases investor confidence in instruments such as green sukuk. The implementation of compliance and audit functions, both internal and external to the Islamic bank carries out its functions and operations properly and effectively in accordance with the objectives that have been set. In its operations, BSI applies good governance standards, such as transparency in fund management and accountability in financial reporting (Lina et al., 2024).

5. Conclusion

The findings of this study show that the ESG principles applied by Bank Syariah Indonesia are in line with the maqashid syariah principles. Based on the results of the analysis, BSI successfully applies ESG principles with the objectives of maqashid sharia, which emphasizes the protection of life (hifz al-nafs), property (hifz al-mal), reason (hifz al-aql), religion (hifz al-din) and offspring (Hifz al-nas). The environmental aspect of BSI shows a strong commitment to environmental sustainability by investing in projects that focus on reducing carbon emissions, renewable energy and sustainability of nature. For example, the Tarda coastal conservation project in Bone Bolango, Gorontalo, focuses on preserving coastal ecosystems and protecting biodiversity, as well as mitigating the risk of natural disasters such as coastal abrasion. Furthermore, the Lighy Rail Transit Project in Palembang, this transportation project is designed to improve community mobility in a more efficient and environmentally friendly way, as well as reducing congestion and air pollution in the city and forest conservation through green sukuk. These measures not only support environmental protection, but are also in line with the syariah maqashid of protecting the soul (hifz al-nafs), as it reduces pollution that endangers human health, as well as protecting wealth (hifz al-mal) by preventing damage to nature that could harm society and the economy. BSI also invests in projects that provide clean water and sanitation facilities in areas that lack access, such as in rural or densely populated areas. By improving the quality of life through access to clean water and sanitation, the health of children and future generations can be protected from diseases that can

endanger their lives, which is in line with maqashid sharia on the aspect of protecting offspring (hifz al-nas).

On the social aspect, BSI actively runs CSR programs that support community welfare, such as tree planting, humanitarian assistance, and funding for the health and education sectors. Loan programs for healthcare and school construction in remote areas demonstrate BSI's attention to the protection of the soul (hifz al-nafs) and mind (hifz al-aql), by improving community access to quality healthcare and education. This also plays a role in equalizing welfare, which is in line with the maqashid syariah principle. The social principles carried out by BSI are also in line with maqashid sharia on the aspect of protecting offspring (Hifz al-nas). According to Jasser Auda, the protection of offspring is associated with efforts to protect and develop the family, special and main treatment for family institutions (Auda, 2008). BSI invests in sharia education where BSI helps parents prepare halal and quality education funds for their children. This supports the maqashid Shariah objective of ensuring offspring have access to good education, which is essential for their future, as well as protecting and building the family in a sustainable manner.

In the governance aspect, BSI implements good governance by maintaining transparency, accountability, and compliance with sharia principles. The presence of the Sharia Supervisory Board (DPS) ensures that all investments and operations of the bank are in accordance with sharia principles and ESG standards. In addition, BSI is also committed to maintaining integrity through ISO certification in compliance and anti-corruption management systems. This supports the protection of wealth (hifz al-mal) and religion (hifz al-din), as it ensures that customer funds are used legitimately and in accordance with sharia ethical principles.

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