

Integrating Sharia Enterprise Theory in ESG-Based Sustainable Finance: A Case Study from Indonesia's Agro-Industrial Sector

Novi Wulandari Widiyanti¹, Agung Budi Sulistiyo², Bayu Aprillianto³,
Muhammad Miqdad⁴, Imamatin Listya Putri⁵

^{1,2,3,4,5}Accounting Program, Economic and Business Faculty, Jember University, Jember, Indonesia.

Corresponding Author: Agung Budi Sulistiyo

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ABSTRACT

This paper presents a contextual case study on the integration of Environmental, Social, and Governance (ESG) principles through the lens of Sharia Enterprise Theory at PT Mitratani 27, an agro-industrial firm in East Java, Indonesia. Utilizing qualitative methods, the study explores how Islamic ethical values shape sustainability-oriented financial practices in a real-world corporate setting. Primary data was collected via interviews with key company stakeholders and triangulated with observations and documentation. The findings reveal that the firm embeds faith-based accountability across operational, social, and environmental dimensions, including zero-waste practices, employee empowerment, and community engagement. These results demonstrate that Sharia Enterprise Theory can serve as a viable framework for achieving holistic sustainability in emerging markets

Keywords: sustainable finance, sharia enterprise theory, ESG implementation, Islamic corporate governance, agro-industrial sector, faith-based accountability, case study Indonesia

INTRODUCTION

Technological advances and industrialization in Indonesia are increasing rapidly in all economic, social, and cultural fields. However, this positive shadow leads to a consequence, namely biodiversity degradation, environmental problems, and environmental pollution. This condition triggers awareness from academics, practitioners, researchers, and stakeholders to pay attention to and support sustainable financial behavior (Eddy, 2023). Sustainable financial behavior is an approach to managing finances based on environmental, social, and corporate governance (ESG) aspects.

Financial Services Authority Regulation (POJK) No. 51, which emphasizes realizing a financial system that adopts sustainability principles, encourages companies to prioritize the environmental, social and good governance sectors. Sustainable finance is an effort to develop and implement environmentally friendly economic instruments and policies that care about social and environmental aspects in the financial services sector, including banking, capital markets, and the non-bank financial industry. This POJK emerged in response to Law Number 32 of 2009 concerning Environmental Protection and Management. In addition, there are challenges in meeting Indonesia's

commitment to sustainable development goals and increasing environmental and social risks that could affect financial system stability.

Sustainability reporting allows a company to fulfill its social and ethical responsibilities toward the operational and business environment (Syeliya *et al.*, 2018). Management *sustainability* has basic values that refer to the paradigm *pentuple bottom line*. The bottom line includes five aspects, namely economy (profit), social (people), environment (planet), spirituality (prophet), and nanotechnology (nanotechnology), which form the basis of sustainability accounting practices. The addition of these two aspects can encourage organizations to actively improve the achievement of sustainable development with a more substantial commitment (Badria *et al.*, 2021). Sustainability report integration is one way to attract stakeholders' trust, legitimizing a company's existence (Martania, 2023).

Shariah Enterprise Theory places environmental, social, and governance issues as noble values and contains the nature of justice and balance. The company's activities must be directed to a balance between economic rights, social rights, and environmental rights of stakeholders (Feri, 2020). Al-Quran surah Huud: 85 has affirmed the following:

And give the measure and the balance in due measure, and do not despise the people of their goods, and do not roam the earth making mischief .

O my people, fill the measure and the scales fairly. Do not harm people to their rights and do not do evil on earth by being a destroyer!

Companies must adhere to Sharia principles in supporting the principles of fair values and balance between business operations and social responsibility (*Sharia Compliance*). Sharia principles are the principles of Islamic law in banking activities based on fatwas issued by institutions that have the authority to determine fatwas in the field of sharia (Law

No. 21 of 2008). The main axiom that will be a pioneer in establishing theories is God the Creator, and He is the sole owner of all the resources that are spread across the world (Feri, 2020)

Previous research that has been conducted, such as environmentally friendly financial management (Zhang *et al.*, 2019., Hafner *et al.*, 2020; Akomea-Frimpong *et al.*, 2021;), which has been developed into the role of *sustainable finance* on the Indonesia MSME industry by Riyan Harbi Valdiansyah *et al.*, 2024). In general, there is still a limited number of studies focusing on sustainable finance built from Shariah Enterprise Theory's perspective.

This research aims to construct *sustainability finance* on the company's value from the perspective of Shariah Enterprise Theory at PT Mitratani 27. PT Mitratani Dua Tujuh is a national agro-industrial company located in Jember Regency. PT Mitratani Dua Tujuh focuses on producing frozen vegetables with superior products like edamame and okra. PT Mitratani Dua Tujuh is located in detail on Jalan Brawijaya 83, Wonosari, Mangli, Kaliwates, Jember Regency, East Java. The company was established in 1994, and its products have penetrated various countries. Business dynamics and industrialization have allowed PT Mitratani Dua Tujuh to produce frozen ingredients such as okra, chickpeas, sweet potatoes, bitter melon, and various other vegetables.

LITERATURE REVIEW

a. Sustainable Finance

Sustainable finance is concerned with incorporating social or environmental issues into traditional financial and investment activities. Other opinions define it as a trend (Capelle-Blancard & Monjon, 2012; Viviers & Eccles, 2012) because it is more aligned with (i) the holistic approach inherent in sustainable development (Talan & Sharma, 2019); (ii) the triple bottom line framework (Sandberg *et al.*, 2009); (iii) the theory of corporate sustainability (Busch *et al.*, 2016); and (iv) recent and significant efforts

towards global sustainable development, namely the 2030 Agenda and its 17 SDGs (Wabnitz & Blasiak, 2019). Sustainable finance can further be defined as a general term that includes all concepts related to implementing financial and investment activities based on sustainability-oriented strategies.

Sustainable finance must integrate social and environmental aspects as core elements in financial and investment decisions (Gao & Bansal, 2013; Richardson, 2009; Urban & Wojcik, 2019). In addition, sustainable finance must be based on a long-term paradigm that addresses global sustainability challenges, which are generally long-term (Bocken, 2015; Busch et al., 2016; Campiglio, 2016; Cox et al., 2004; Widyawati, 2020). This sustainable finance can occur by ensuring that business actors and the general public, such as the community, get balanced benefits between natural potential and the social impact that will occur (Valdiansyah & Widiyati, 2024).

b. Sharia Enterprise Theory

The Islamic view states that humans are not the owners of wealth on this earth because humans are also part of God's creation. Therefore, Islam teaches justice (Hudayati & Tohirin, 2019), including in terms of the distribution of benefits to all stakeholders (Mukhibad & Nurkhin, 2020). However, in reality, social and environmental accountability activities still tend to prioritize corporate profits (Pramiana & Anisah, 2018). This paradigm is contained in *shariah enterprise theory*, which explains that the distribution of wealth or added value does not only apply to stakeholders who are directly related to or who contribute directly to the company's operations, such as shareholders, creditors, employees, and the government but also to other parties who are not directly related to or do not contribute financially or professionally to the company. such as the community and the environment. Therefore, it is not wrong if (Astuti & Faisal, 2021) emphasizes that the basis of Sufism is necessary to apply Islamic law in muamalah.

In principle, the social and environmental accountability reports carried out by companies should be based on a sense of honesty. Enterprise theory recognizes accountability not only to the owner of the company but also to a group of stakeholders. In Shariah Enterprise Theory, Allah is the primary source of trust. Meanwhile, the resources owned by the stakeholders are a mandate from Allah attached to a responsibility whose methods and objectives are set by the Supreme Giver of Mandate (Wahyuni et al., n.d.).

Islam has regulated the rights and obligations of individuals and organizations in applying ethics and social responsibility. Social reporting regarding the environment around the organization can be normative, utilitarian, or to gain legitimacy (Lahuri, 2013). Referring to the statement of Mutia (2009), the Sharia Company Theory has various components related to corporate social responsibility reporting, especially in Islamic banking, where social responsibility is a form of accountability to Allah Ta'ala because the purpose is to obtain legitimacy as the primary source. In this case, the Sharia Company Theory explains that Allah SWT is the primary source of the mandate, while stakeholders are the parties who receive the mandate from Allah Almighty, and thus, there are responsibilities that must be fulfilled. This can be achieved if resources are used wisely and benefit all that exists in nature (Triuwono, 2000; Triuwono, 2001).

The concept of *Shariah Enterprise Theory* is based on the belief that all resources in nature are the creation of Allah so in the Sharia Enterprise Theory, Allah is the Main Mandate (Wahyudin et al., 2018; Triuwono, 2000; Hidayatullah, 2020). Islam has established the concept of accountability and social justice, which must be based on ukhuwah or brotherhood. The prohibition of usury and the obligation to pay zakat is a form of social responsibility that underlies the formation of the Sharia Company Theory (Triuwono, 2001).

The principle of *Shariah enterprise theory* emphasizes that the main form of accountability is to Allah Ta'ala as the valid owner. This was later expanded to include responsibility to humans and the surrounding environment. From an Islamic perspective, sustainability is part of the teachings of Islam, which include excellent ethics. In addition, CSR is also an implication of ownership that has been entrusted to us, where Allah is the valid owner, and humans are only temporary owners who act as recipients of the mandate that has been given (Khasanah & Yulianto, 2015).

c. Environmental, Social and Governance

Sustainable finance is implemented based on ESG (Environmental, Social, and Governance) standards. This ESG standardization is useful for implementing sustainable financial processes because ESG standards are several components that pay attention to environmental, social, and operational or corporate governance. The following is an explanation of ESG aspects:

1. Environment

Environmental criteria in ESG discuss investors' considerations and decisions on a company's performance by paying attention to environmental aspects.

2. Social

The social aspect in ESG is a criterion that discusses the relationship between an entity and external parties, such as communities, society, suppliers, buyers, media, and other entities, with a direct or indirect relationship with factors that need to be considered through social criteria in ESG.

3. Corporate Governance

Governance criteria in ESG focus more on how a company has a good and sustainable corporate management process internally.

MATERIALS & METHODS

This study examines the application of the *Shariah enterprise theory* associated with implementing *sustainable finance* at PT

Mitratani 27. The research methodology used is qualitative research with a case study analysis approach. The data collection of this research was carried out by conducting *in-depth interviews*, documentation and observations. The results of in-depth interviews with informants will also be supported by documentation about the company's implementation of sustainable finance. The interview was conducted with the Head of the Human Resources Development Department (Mrs. Reni), Mr. Wahyu as the Head of the Human Resources Division and Mr. Suroso as the Operational Manager of PT Mitratani 27. These three key informants were taken with consideration of their expertise and experience who have worked at Mitratani for more than 3 years. *In-depth interviews* are conducted at different times during 2 face-to-face meetings to ensure that informants consistently provide valid opinions and information submitted. Documentation is carried out by analyzing various information about sustainable finance practices in the context of sharia compliance that the company has displayed on its website. Observation is carried out by observing and observing the sustainability activities that the company has carried out in the form of a sustainability culture that the company has carried out. The validity test of the data was carried out using the credibility testing approach and the transferability test. Test credibility by triangulation of sources and time. The transferability test is carried out by making a detailed report to make it easier for outsiders to learn and understand it. Data analysis is carried out through the process of data collection, data reduction, data display, and conclusion drawing (Miles and Huberman (2014).

DISCUSSION

PT Mitratani 27, situated in Jember, East Java, exemplifies an agro-industrial enterprise that integrates Islamic principles within its corporate sustainability strategy. The organization, which specializes in the

production and export of frozen vegetables such as edamame and okra, operates with a mission that aligns closely with the ideals of Sharia Enterprise Theory — namely, to generate both economic value and societal benefit. Rather than pursuing profit as the sole objective, the company incorporates ethical and environmental considerations into its core operations. This is evident from its waste minimization strategies, faith-based employee programs, and outreach initiatives that extend benefits to the surrounding communities.

From the company's vision and mission perspective, PT Mitratani 27 applies Sharia values in its operations. This is reflected in

the company's business approach, which is not only profit-oriented but also in the aspect of utility. Based on a follow-up survey, the company is involved in various social activities outside of operations, such as providing compensation to the surrounding community, carrying out istighosah, and praying together. In addition, the vision and mission of PT Mitratani 27 also reflect the implicit meaning of sustainability. The company's operational processes, from production to product packaging, are designed to minimize waste by utilizing production scraps for other production processes.



Figure 1. Sustainability of PT Mitratani 27

The company's activities, in general, are in line with the following hadith:

The best people are the most beneficial to people

"The best of man is the most beneficial to man" (H.R. Ahmad).

As reflected in its vision and mission, the company is committed to ensuring that waste generated from its business operations does not disturb the surrounding environment and can be reused. PT

Mitratani 27 shows the application of Sharia values integrated into various aspects of its operations, including business sustainability, usefulness, and benefits for the surrounding environment. One of the implementations is regulations regarding places of worship. Based on the results of the field survey, information regarding the availability of places of worship for Muslim employees is as follows:

Table 1. Availability of places of worship for Muslim employees at PT Mitratani 27

	Location	Provisions
Main Prayer Room	PT Mitratani 27 Office	Office Employees
Musholla Factory	PT Mitratani Factory 27	Factory Workers
Emergency Prayer Room	Behind the Office of PT Mitratani 27	Common

With a land area of around 4.5 - 5 hectares, PT Mitratani 27 has three prayer rooms spread across various locations according to needs. Informant revealed that the company is highly committed to providing adequate worship facilities and time for employees as a form of gratitude for the mandate and resources given by Allah (Sri Wahyuni, 2021).

However, the company faces challenges in accommodating the number of employees, which reaches around 2,400 people. Mr. Suroso said, "We have a large number of employees, around 2,400 people, so there needs to be a shift system during ishoma time." The details of the number of employees are as follows:

Table 2. Number of Employees of PT Mitratani 27

Office Employees	+1.600
Factory Employees	+8.00

Thus, the researcher recommends that companies increase or enlarge the standard places of worship, needs, and norms that apply in the community (Martania, 2023). As part of these efforts, the company is in the process of licensing to enlarge the mosque and add a mosque. Mr. Suroso also added that construction is expected to start this year. In this context, the sharia value of PT Mitratani 27 is relevant to the following naqli postulates:

Read what was revealed to you from the book and pray, prayer forbids fornication and evil, and the remembrance of God is great, and God knows what you are doing
"Read what has been revealed to you, namely the Book (Quran) and establish prayer. Indeed, prayer prevents evil and unlawful deeds. And indeed, remembering Allah (prayer) is greater (its virtue than other worships). And Allah knows what you are doing" (Q.S. Al-Ankabut: 15).

This reflects PT Mitratani 27's commitment always to remember Allah in every aspect of its business, considering Allah is the highest stakeholder and owner of all natural resources (Sri Wahyuni, 2021; Wahyudin, 2021).

● **Employee Dress Code and Culture**

PT Mitratani 27 provides freedom of dress to its employees, whether they want to cover their aurat or not. However, when carrying out operational duties, employees must wear clothing according to the standards determined for safety, benefit, and compliance with applicable SOPs. This simple interpretation of the policy is in line with the Qur'an's command regarding the obligation to follow the rules of a beneficial leader:

O you who obey God and obey the Messenger and your guardians, if you dispute something, return it to God and the prophet, if you believe in God, and the last day, that is the best and best interpretation
"O you who believe! Obey Allah and obey the Messenger (Muhammad), and Ulil Amri (the holder of power) among you. Then, if you disagree about something, then return it to Allah (the Qur'an) and the Messenger (the Sunnah), if you believe in Allah and the next day" (Q.S. An-Nisa: 59).

The policy reflects the principle of adherence to rules that are useful and relevant to the obligation to follow the rules to achieve benefits and comply with applicable standards.

● **Product Certification**

PT Mitratani 27 maintains product quality by undergoing a certification process to ensure product feasibility and assurance, which includes:

1. BRCGS (British Retail Consortium Global Standards)

This certification includes an assessment of the processing of frozen vegetables packaged in plastic and cardboard

packaging, carried out by Intertek Certification Ltd. The company obtained an A+ grade and was declared feasible based on the BRC Global Standard for Food Safety 8 standard.

2. HACCP (Hazard Analysis and Critical Control Points)

This certification is related to the management system in the processing and preserving of frozen vegetables, which Worldwide Quality Assurance Ltd implements. The company is considered to be compliant and feasible according to HACCP standards.

3. HALAL

PT Mitratani 27 implements a Halal Assurance System with the VERY GOOD category, based on the results of an on-desk appraisal and audit of the implementation of the Halal Assurance System by LPPOM-MUI Indonesia. PT Mitratani 27 has applied ESG principles in the company's business practices as a real commitment to sustainability to balance corporate responsibility in 3 aspects, namely environmental, social, and corporate governance. ESG elements have been applied by PT Mitratani 27 in various business lines of the company, agriculture, plantations, and livestock, over the past few years.

One of PT Mitratani 27's commitments to environmental aspects is to apply 4R-based principles, namely *reduce, reuse, recycle, and replace, which is the activity of treating waste by reducing, reusing, recycling, and replacing*. The company converts edamame dry skin waste produced as a residual product from production activities as animal feed for the company's side business in the form of goat and sheep livestock cultivation through collaboration with the Mitratani Family Multi-Business Cooperative (KSU). This step not only helps reduce the amount of waste that is disposed of directly into the environment but also provides an economical solution to Mitratani 27's livestock business line. The company also supports the zero-waste program in its business practices by planning to process

livestock manure as a raw material in manufacturing organic fertilizer. Not only that, the company will also utilize the organic fertilizer that has been produced as an input in the edamame agricultural process so that a zero-waste cycle is formed in a sustainable manner. By utilizing previously unused waste, the company has shown how innovations in waste management can benefit the environment while creating positive economic value.

PT Mitratani 27 is also active in organizing various social activities for the community around the operational area as a form of support to improve community welfare. One of the programs that has been implemented is the Foster Parents Movement Program by IKBI PT Mitratani 27, which is packaged with the distribution of assistance in the form of compensation to 50 orphans. Not only that, PT Mitratani 27 also organizes a mass circumcision program as a form of realization of social responsibility to the community around the company. These programs have proven the company's concrete actions to contribute and commit to ESG principles.

The company also carries out community empowerment programs through partnership agreements by providing seeds to the community at certain price agreements. The community manages the seeds using private land, which will be sold back to Mitratani 27. The selling price is agreed upon based on quality (*grade*) and quantity. On the other hand, the company also has educational development activities in the form of training on the planting process and monitoring with partners. The company provides standard standards related to security techniques so that each farmer's crop has the best quality. The educational program in the planting process also involves social elements or the surrounding community as a form of the company's benefits to the community around the company's location.

Regarding corporate governance, PT Mitratani 27 understands that human resource development is the key to long-

term success. Therefore, the company regularly trains employees to improve their skills and knowledge. This training program covers a wide range of areas, from technical to managerial, with the goal of ensuring that every employee has the opportunity to develop and make maximum contributions to the company. By providing continuous training, PT Mitratani 27 ensures that its employees are ready to face future challenges and are able to drive the company towards better sustainability.

The company also strives to maintain loyalty to its customers. The products produced by the company are confirmed to have passed the test for cleanliness, safety, and halal because they have been certified by HAZAP, BRC, and halal food safety in accordance with applicable regulations. The company also handles any complaints over the products traded. The most common product complaints by far are related to physical contamination caused by problems in the product distribution process, such as product defects and damages. The response to complaints is fairly fast through the marketing team as the complaint center and handler. *Call centers* are also available in each region to handle complaints from each distributor.

PT Mitratani 27 has shown a solid commitment to implementing ESG principles through the above commitment. By integrating environmental, social, and good governance aspects in its operations, the company contributes to the sustainability of its own business and the well-being of society and environmental sustainability. PT Mitratani 27 is a clear example of how the company can play an active role in creating a wider positive impact, both for the environment and the surrounding community.

The implementation of sustainable finance that the company has carried out from the perspective of sharia enterprise theory at PT Mitratani 27 has also implemented the principle of the benefit of the people. The company allocates funds for sustainability programs such as the use of environmentally

friendly fuels, the provision of compensation assistance to orphans, and the implementation of *istigotsah* on a regular basis every month. This activity is a form of implementation of *hablum minallah* and *hablum minannas*, where the company strives to establish closeness with the residents around the factory location but still has the value of worship and a form of human surrender to Allah SWT. As leaders of the people in this world, humans must not act arbitrarily and waste the natural resources that Allah has entrusted. This is reflected in the use of used oil for fuel and various efforts to use renewable alternative energy, such as bioethanol, as raw materials. The company's source of funding is prioritized from its own capital. The company's capital is used to carry out the company's operational activities. The company's capital is obtained from share ownership from the owner, plus the company's profit and loans/loans from banks. The credit the company receives is used for investments, such as the purchase of land and machinery for production development. The company's funding is taken from loans from conventional banks. Conventional banks are chosen because of the ease of conducting transactions with customers and suppliers.

The company remains beneficial to stakeholders by establishing profit-sharing cooperation with the Farmer Partner Family cooperative. The cooperation program carried out by the company with the cooperative has benefits for employees. This cooperative facilitates the needs of employees by providing savings and loan facilities. Savings and loans carried out include businesses developed with companies in the form of profit sharing for sheep fattening. This company is in accordance with Shariah rules related to the prohibition of usury, as stipulated in QS Ali Imron verse 130

O you who believe, do not eat usury exponentially, and fear God, that you may succeed

Meaning: O you who believe, do not eat riba by multiplying and fear Allah so that you may have good luck.

The company carries out financial accountability to stakeholders by preparing financial statements. The financial statements made by this company are also an implementation of the company's responsibility for using various resources entrusted to the company. The company does not create its own sustainability report, as all disclosure items in ESG activities have been presented in its annual report.

The daily quantity of factory waste produced by PT Mitratani 27 ranges from 10-15 tons/day, while the daily waste of land can reach 50-60 tons/day. This step not only helps reduce the amount of waste that is disposed of directly into the environment but also provides an economical solution to Mitratani 27's livestock business line. However, so far, the ability to process residual products is only limited to wet waste generated from the daily process of the factory, so the land waste is only sold to partners for further processing. The company also supports *the zero-waste program* in its business practices by simply processing livestock manure as raw materials to manufacture organic fertilizers. PT Mitratani 27 also continues to strengthen its commitment and contribution to the circular economy model through sustainable efforts to use organic fertilizers as an *input* in the company's agricultural and plantation business lines.

Looking deeper through the perspective of the long-term plan, PT Mitratani 27 has also designed changes in the use of alternative fuels in the form of palm oil shells and *bioethanol* in the future, but of course, these changes require a long journey both in terms of cost and human resources. So, currently, the processing machine's fuel still uses R38 oil obtained from West Nusa Tenggara to reduce waste and efficiency of production costs because the price is lower. On the other hand, the company has also made efforts to minimize (*reduce*) in the context of water use for land irrigation activities,

namely by flowing edamame soybean boiled water to agricultural and plantation areas. Irrigation of plants is carried out every 7-10 days until entering the harvest period (70 days) with a reasonable quantity of water use and not excessive in accordance with sharia principles as stated in the Qur'an, Al Quran surah Al-An'am: 141 as follows.

And he is the one who created a reap and a sheep and a non-throne and the palm trees and the planting is different eat it, and the olives and pomegranates are the same and not the same eat of its fruit if it bears fruit and comes to its right on the day of its harvest and do not waste it He does not like wasteful people. It means: "He is the one who grows vines and vines, date palms, plants of various tastes, as well as olives and pomegranates that are similar (in shape and color) and not similar (in taste). Eat the fruit when it bears fruit and give it its right (zakat) when harvested. However, do not overdo it. Indeed, Allah does not like those who are excessive."

The company's contribution of emissions to the environment and the annual emission value of production activities are still at a reasonable level based on the emission tests that have been carried out. Until now, complaints from the surrounding community have also only been related to the smell of fuel due to the potential wind direction and factory smoke due to excessive combustion. However, there have been no complaints from the public related to health problems caused by production activities in the factory. Although PT Mitratani 27 does not yet have environmental certification, the company continues to strive for a revolution for the better by continuing to process to achieve the essence of complete sustainability. Through efforts to transform and reduce previously unused waste, PT Mitratani 27 has shown how waste management innovations can benefit the environment while creating positive economic value in the ESG chain.

The social aspect is interpreted as a positive relationship between a company and stakeholders which is reflected in the company's concern for social issues that occur. The company's concern for social issues that occur can improve the company's image which is later expected to have a positive impact on the company itself. This social aspect must be able to be applied by every company in order to create healthy business sustainability.

PT Mitratani 27 is one of the companies in *agriculture* whose location is very close to the hustle and bustle of the community, so according to the results of interviews with informants. PT Mitratani 27 is very concerned about the operational impact caused and has a direct impact on the community. PT Mitratani 27 has carried out several measurements and estimates related to environmental tests, so this company is confident that there will be no cases such as complaints from the surrounding community.

This social aspect is also related to corporate social responsibility activities or what is referred to as *Corporate Social Responsibility*. It has the same goals and directions, namely in the form of the company's commitment to contribute positively to society and the environment. PT Mitratani 27 certainly pays great attention to the CSR aspect because in addition to being an effort to improve the company's image, it is also an effort to strengthen the company's relationship with stakeholders, especially the community, as for the activities that have been carried out on the social aspect of PT Mitratani 27, including distributing social assistance to the surrounding community, providing compensation to orphans, praying with employees and the community every Friday and several other positive activities which is the agenda and policy of PT Mitratani 27 in order to support environmental social responsibility efforts that every company must implement.

In terms of payroll, PT Mitratani 27 does not have a special method regarding its

distribution. According to the informant PT Mitratani 27, this company sets the salaries of its employees in accordance with the average level of the regional minimum wage in Jember Regency. The use of UMR as a benchmark for providing salaries is carried out as a step of the company's concern for its employees because the wage level is, of course, based on consideration of living needs and the consumer price index and is considered sufficient for the needs of each employee. The wage level that has met the criteria for effective social aspects and supports positive relationships with the surrounding community, PT Mitratani 27, also provides the greatest opportunities and opportunities for the community to be part of this company, namely as company employees. PT Mitratani is one of the companies *in agriculture, which, of course, has many activities on agricultural land; the community uses this* to become employees because it does not require special requirements or specifications in this job recruitment. So, according to some of the statements and policies owned by PT Mitratani 27, it can be said that the company has implemented ESG aspects or Environmental, Social, and Governance Aspects very effectively.

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