

THESIS

**THE INFLUENCE OF ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE (ESG) ON THE PROFITABILITY
OF ISLAMIC COMMERCIAL BANKS IN INDONESIA
PERIOD 2017-2023
(STUDY IN BANK MUAMALAT INDONESIA)**



By:

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**UNIDA
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**DEPARTMENT OF ISLAMIC ECONOMICS
FACULTY OF ECONOMICS AND MANAGEMENT
UNIVERSITY OF DARUSSALAM GONTOR
2024/1445**

**THE INFLUENCE OF ENVIRONMENTAL, SOCIAL, AND
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ISLAMIC COMMERCIAL BANKS IN INDONESIA PERIOD**

2017-2023

(STUDY IN BANK MUAMALAT INDONESIA)

UNDERGRADUATE THESIS

Submitted in fulfilment of the requirement for the degree of
Bachelor of Economics (Islamic Economics)

By:

**Zulfa Nur Rahayu
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2024/1445



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DECLARATION

Name : Zulfa Nur Rahayu
Registered No. : 422021413096
Faculty : Economics and Management
Department : Islamic Economics
Title : The Influence of Environmental, Social, And Governance (ESG) on
The Profitability of Islamic Commercial Banks In Indonesia Period
2017-2023 (Study in Bank Muamalat Indonesia)

I hereby declare that this undergraduate thesis is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at University of Darussalam Gontor or other institutions.

Ponorogo, Rabiul Akhir 3rd, 1445 H
October 6th, 2024

Author,



Zulfa Nur Rahayu
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APPROVAL OF SUPERVISOR

To Honorable,
Dean of Faculty of Economics and Management
University of Darussalam Gontor

Bismillahirrahmanirrahim,

Assalamu'alaikum Wr. Wb.

I certify, that I have supervised and read this thesis, written by:

Name : Zulfa Nur Rahayu

Reg. Number : 422021413096

Title : The Influence of Environmental, Social, And Governance (ESG) on
The Profitability of Islamic Commercial Banks In Indonesia Period
2017-2023 (Study in Bank Muamalat Indonesia)

In my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as an undergraduate thesis for the degree of Bachelor of Islamic Economics Department.

Wassalamu'alaikum Wr. Wb.

Ponorogo, Rabiul Akhir 5th, 1445 H
October 8th, 2024

Supervisor,


Miftahul Huda, M.E.
NIDN. 07150229006

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DECISION OF TEAM

PROPOSAL THESIS EXAMINATION

The committee of proposal thesis examination in partial fulfillment of the requirement for thesis writing stage, under Department of Islamic Economics, Faculty of Economics and Management, University of Darussalam Gontor, declared that the proposal thesis written by:

Name : Zulfa Nur Rahayu
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Title : The Influence of Environmental, Social, and Governance (ESG) on The Profitability of Islamic Commercial Banks in Indonesia Period 2017-2023 (Study in Bank Muamalat Indonesia)

It has passed the proposal thesis examination and eligible to conduct research for the thesis writing stage under the guidance of a supervisor.

1st Examiner



Abdul Latif Rizqon, S.E.I., M.E.

2nd Examiner



Galih Aisia, S.E., M.E.

Head Department of Islamic Economics



Dr. Mufti Afif, Lc., M.A.

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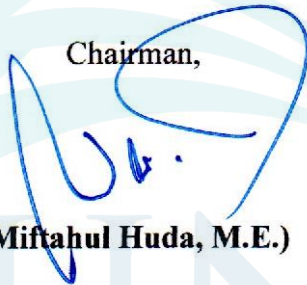
THESIS EXAMINATION COMMITTEE APPROVAL

The examination committee declared that the thesis written by:

Name : Zulfa Nur Rahayu
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Title : The Influence of Environmental, Social, And Governance (ESG) on
The Profitability of Islamic Commercial Banks In Indonesia Period
2017-2023 (Study in Bank Muamalat Indonesia)

It has passed to thesis examination and it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as an undergraduate thesis for the degree of Bachelor in Department of Islamic Economics, Faculty of Economics and Management, University of Darussalam Gontor.

Chairman,



(Miftahul Huda, M.E.)

Secretary,



(Galih Aisia, S.E, M.E.)

The team of thesis Examination:

1st Examiner: Ahmad Suminto, S.H, M.E.



2nd Examiner: Galih Aisia S.E, M.E.



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APPROVAL OF DEAN

The Faculty of Economics and Management University of Darussalam Gontor has received the thesis written by:

Name : Zulfa Nur Rahayu
Registered No. : 422021413096
Title : The Influence of Environmental, Social, And Governance (ESG) on The Profitability of Islamic Commercial Banks In Indonesia Period 2017-2023 (Study in Bank Muamalat Indonesia)

It is accepted as a fulfillment of the requirement for the degree of Bachelor of Economics (Islamic Economics), academic year 1445-1446 H/ 2024-2025 M.

Ponorogo, Rabiul Akhir 5th, 1445 H
October 8th, 2024

Dean, Faculty of Economics
and Management



Dr. Hartomi Maulana, M.Sc.
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MOTTO

﴿وَإِذَا تَوَلَّى سَعَى فِي الْأَرْضِ لِيُفْسِدَ فِيهَا وَيُهْلِكَ الْحَرْثَ وَالنَّسْلَ ۗ وَاللَّهُ لَا يُحِبُّ الْفُسَادَ﴾
(البقرة/٢: ٢٠٥)^١

﴿وَاتِ ذَا الْقُرْبَىٰ حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِ وَلَا تُبَذِّرْ تَبْذِيرًا (٢٦) إِنَّ الْمُبَذِّرِينَ كَانُوا
إِخْوَانَ الشَّيْطَانِ وَكَانَ الشَّيْطَانُ لِرَبِّهِ كَفُورًا (٢٧)﴾ (الاسراء/١٧: ٢٦-٢٧)^٢



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¹ Al-Qur'an, Surat al-Baqarah: 205.

² Al-Qur'an, Surat al-Isra': 26-27.

DEDICATION

I dedicate this thesis to:

My beloved Mother, Sri Nuryani, and My beloved late Father, Teguh Rahayu, whose unwavering love, support, and prayers have been my constant source of strength. I also dedicate this work to my academic advisor, whose invaluable guidance, direction, and knowledge have been instrumental throughout this academic journey. I am deeply grateful for the patience and dedication shown in mentoring me.

I hope this thesis can contribute to the advancement of knowledge, particularly in the field of economics, and benefit society at large.



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Although this research is far from perfect, the researcher expects the pleasure of Allah SWT on how everything has been conducted here. Moreover, the results of these studies contribute to being self-useful and beneficial to others. Within this chance, the researcher would like to acknowledge the profound gratitude to:

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May their dedicated deeds be pious rewards in the sight of Allah SWT. All there are forgiven and all their dedications are lighted up as well. They are bestowed by happiness both in this world and hereafter, *Allahumma Aamiin*.

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Wassalamu'alaikum Warahmatullahi Wabarakatuh.

Ponorogo, October 8, 2024

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