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THE ROLE OF BUSINESS DEVELOPMENT STRATEGIES AND CAPITAL ACCESS CHALLENGES IN DRIVING GREEN INVESTMENT IN SUPPLY CHAINS AND ISLAMIC FINANCIAL MARKETS

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ABSTRACT

Objective: This study aims to analyze the role of business development strategies and access to capital in driving green investment in Islamic supply chains and financial markets and identify policy challenges to create an ecosystem conducive to economic and environmental sustainability.

Research Design & Methods: This research employed a qualitative approach with thematic analysis of the literature and case studies, to identify patterns of equity in green investment and sustainable finance.

Findings: The research found that green investments support corporate sustainability and performance through innovation strategies such as blockchain technology and green supply chain collaboration, although challenges related to capital access and business awareness remain key barriers.

Implications & Recommendations: Collaboration between governments and the private sector is essential to drive the adoption of green investments, with governments providing supportive policies and companies investing in green technologies, and the potential of technologies such as blockchain to improve transparency across sectors is worth exploring further.

Contribution & Value Added: This research is expected to provide deeper insights into how green investments can serve as a tool to achieve broader sustainability goals without neglecting the needs and rights of local communities.

Keywords: Green Investment, Sustainable Finance, Supply Chain, Equity.

JEL codes: G24, Q56, L26
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INTRODUCTION

Green investment and sustainable finance have emerged as vital solutions in the face of global environmental challenges, including climate change, biodiversity decline, and ecosystem destruction. According to the Global Sustainable Investment Alliance (2020), sustainable investments have reached more than $30 trillion, showing significant growth in recent years. The sustainable finance market, including green bonds and other sustainable investment products, is expected to grow, with a projected global market value of $50 trillion by 2025. This indicates a growing global awareness of the importance of investments that are not only financially beneficial but also environmentally friendly. However, while this trend shows great potential to deliver

environmental benefits, there are deep concerns about the fairness in distributing these investment benefits.

Equity in green investment is not only about environmental impacts but also includes social and economic impacts for stakeholders, including local communities. Business development strategies and access to capital are complementary elements in driving green investment, particularly in the supply chain sector and Islamic financial markets (Lai et al., 2021). In this context, business development strategies enhance companies' ability to integrate sustainability into their operations. Access to capital, on the other hand, is key to financing green investments, which generally require substantial funding and long-term commitment. In green supply chains, access to capital constraints often hinders the implementation of sustainable projects. Small producers face challenges accessing green finance, but solutions such as green credit, blended finance, and financial collaboration are proven to encourage investment in green technologies and sustainability practices (Fang & Xu, 2020). Islamic financial markets also have a strategic role in supporting green investments through ethical value-based financing. Thus, these instruments not only support environmental sustainability but also increase investor confidence in Islamic financial markets (Alam et al., 2023).

However, despite the great potential these strategies offer, there are still challenges in their implementation. One of the main barriers is the lack of in-depth understanding of the benefits of green investments, both in the conventional and Islamic sectors. This hampers investor confidence to actively engage in green financing. In addition, the high initial cost of implementing green technologies is also a major challenge, especially for small and medium-sized enterprises (Wasan et al., 2021). Sustainability-based business development strategies, such as using green technology and collaboration between stakeholders in the supply chain, have been proven to improve operational efficiency and corporate competitiveness. However, this requires adequate regulatory support and incentives from the government to create an ecosystem conducive to green investments (Mafini & Loury-Okoumba, 2018). Islamic finance, with its principles of social responsibility and prohibition of exploitation, creates a unique synergy between Islamic values and sustainability practices to encourage green investments (Ahmed, 2020).

Overcoming these challenges requires collaboration between the government, financial institutions, and businesses to create policies and incentives that support green investments. Measures such as risk reduction through green credit guarantees, tax incentives, and the provision of specialized financing facilities can attract more investors to the sector. With a combination of business development strategies and better access to capital, it is expected that green investments can flourish in the supply chain and Islamic financial markets, providing significant benefits for economic and environmental sustainability (Al-Roubaie & Sarea, 2019; Taghizadeh-Hesary & Yoshino, 2019). The purpose of this research is to analyze the role of business development strategies and access to capital in driving green investment in Islamic supply chains and financial markets and identify policy challenges to create an ecosystem conducive to economic and environmental sustainability. By understanding and addressing equity issues in green investment, this research is expected to provide deeper insights into how green investment can serve as a tool to achieve broader sustainability goals without neglecting the needs and rights of local communities.

LITERATURE REVIEW

Definition of Green Investment and Sustainable Finance

Green Investment refers to investment activities that focus on projects or companies that have the objective of protecting or improving environmental quality. These investments include projects related to renewable energy, conservation of natural resources, reduction of carbon emissions, and maintenance of biodiversity. According to the definition of the International Finance Corporation (IFC, 2022), green investments include any capital allocation that supports environmentally friendly projects with the aim of achieving long-term sustainability, both environmentally and socially. This category includes a range of financial instruments such as green

bonds, equities focused on clean energy companies, and investment funds focused on green infrastructure. In 2020, the global value of green bonds alone reached more than $1 trillion, demonstrating the huge global interest in this sector (Kidney, 2021).

In addition, the concept of green investing is also often linked to the practice of Sustainable Finance, which encompasses financial activities that integrate environmental, social, and governance (ESG) factors in investment decision-making. This definition evolved from the understanding that sustainability is not just about environmental responsibility but also about creating an inclusive and equitable economic system. According to the European Union, sustainable finance plays an important role in achieving sustainable development goals (SDGs) by facilitating capital flows to sectors that support long-term sustainability (Dombrovskis & Katainen, 2018). Sustainable finance encompasses a range of instruments such as green bonds, social bonds, and equities that take ESG factors into account, as well as project finance that supports global sustainability goals. The success of this sector is demonstrated by the rapid growth of the market, where, according to a report from the Global Sustainable Investment Alliance (GSIA, 2020), ESG-based total investments have grown from $22.89 trillion in 2016 to more than $35 trillion in 2020. This emphasis on sustainable finance also reflects the changing attitudes of investors, who are not only looking for financial returns but are also seeking to ensure that their investments have a positive impact on society and the environment.

Equity in Investment

Equity in investment refers to the fair distribution of economic, social, and environmental benefits resulting from investments, particularly in green investments and sustainable finance. In the context of green investments, the concept of fairness encompasses how the resulting benefits, such as reduced carbon emissions or increased access to clean energy, are distributed equitably among all stakeholders. Not only should investors and companies benefit from green projects, but local communities directly affected by such projects should also benefit equitably. For example, renewable energy projects in developing countries often fail to deliver significant economic impact to local communities despite being directly affected by the development of energy infrastructure.

This aspect of equity becomes even more important in the context of investment in emerging markets, where many green projects are run by international entities. In some cases, the economic and environmental benefits generated are mostly enjoyed by international companies or investors from developed countries. At the same time, negative impacts such as community displacement or damage to the local environment tend to be experienced by local communities who are not fairly compensated. This approach includes community involvement in project planning and direct benefit sharing with affected local communities.

Supply Chain and Islamic Finance Market

The green supply chain is a supply chain management approach that integrates environmental sustainability practices in every stage of its operations. The main focus of green supply chains is to reduce environmental impact through energy efficiency, environmentally friendly materials, and optimal waste management (Jayaram & Avittathur, 2015). The implementation of this concept also helps improve the competitiveness of companies by meeting the demands of consumers who are increasingly concerned about sustainability. However, the implementation of green supply chains is not free from challenges. High start-up costs, lack of technical knowledge, and resistance from some stakeholders are the main barriers to implementation. Studies on the small and medium enterprise (SME) sector show that limited access to capital is also a significant constraint in adopting green supply chain practices (Mafini & Loury-Okoumba, 2018). To overcome these challenges, a number of development strategies have been proposed. Collaboration between supply chain actors, the application of digital technology, and government incentives are important steps in supporting green supply chain sustainability. For example, blockchain technology has been shown to increase transparency and efficiency in green supply chain management (Fang & Xu, 2020).

Islamic financial markets are financial systems that operate based on Sharia principles, such as the prohibition of riba (interest), gharar (uncertainty), and maysir (speculation). One of the most prominent financial instruments in this market is sukuk (Islamic bonds), which are widely used to finance infrastructure projects, including green projects (Alam et al., 2023). Islamic financial markets have great potential in supporting green investments as their underlying principles align with social responsibility and environmental sustainability. For example, green sukuk has been widely used to fund renewable energy and green infrastructure projects, making a positive impact on global sustainability (Ahmed, 2020). However, the main challenge in developing Islamic financial markets for green investments is the lack of global standards and adequate financial infrastructure. In addition, there is still a gap in investor awareness and understanding of Shariah-based green investment opportunities (Wasan et al., 2021).

METHODS

This study employs qualitative methods with thematic analysis to explore the concept of fairness in green investment and sustainable finance. The qualitative approach is chosen due to its exploratory nature, allowing for an in-depth examination of academic literature, industry reports, and case studies. The study follows a structured literature selection process, starting with an initial search that identified 160 articles related to fairness in green investment through google scholar. These were then refined based on research relevance, resulting in 15 key studies that serve as the primary data sources.

The research utilizes document analysis for data collection, focusing on industry reports, academic publications, and official documents discussing the social, economic, and environmental impacts of green investment. The thematic analysis method is applied to identify emerging patterns and themes related to equity, including the distribution of economic benefits, the involvement of local communities in decision-making, and the long-term environmental implications. The study follows a structured thematic framework, categorizing findings into key dimensions of fairness, which provide a holistic understanding of how sustainable finance practices impact various stakeholders.

RESULT

Fairness in green investments plays a key role in the success of green supply chains and sustainable finance. Fairness preferences of companies, especially among producers and retailers, can influence strategic decisions that have a direct impact on supply chain profitability and efficiency. In the context of green investment, fairness is often associated with the distribution of costs and benefits between different actors, as well as how green incentives are fairly allocated along the supply chain. Studies show that green investments by producers, such as green manufacturing practices, have a greater impact on supply chain profitability than green marketing efforts by retailers. On the other hand, the application of technologies such as blockchain in green supply chains can help increase transparency and trust among actors, but at the same time, it can also reduce the positive impact of fairness on overall supply chain performance. This suggests that equity in green investment is not just about economic returns but also about the balanced distribution of social and environmental benefits. Furthermore, the equity preferences of producers can also encourage the adoption of green technologies as long as the operational costs of these technologies are not too high. Fairness in green investment can accelerate the transition to more sustainable business practices, especially if investors and other stakeholders pay more attention to the social and environmental impacts of their investment decisions. Based on the results of the literature search related to Fairness in Green Investment, there are 160 articles and further narrowed down based on research topics and relevant studies to the following 15 articles.

Table 1. Summary of Previous Studies on Fairness in Green Investment

No	Paper	Main Findings	Methodology
1.	(Zhong et al., 2022)	Green investments increase supply chain profits; producer equity preferences influence green investment outcomes.	Stackelberg game theory model, numerical simulation.
2.	(Q. Li et al., 2022)	Blockchain can drive "win-win" in the supply chain, but operational costs and green sensitivity affect adoption.	Mathematical modeling and sensitivity analysis.
3.	(Ganda & Ambe, 2015)	Green investments support economic, social, and environmental sustainability.	Literature review.
4.	(Pastor et al., 2019)	Green assets have lower yields but positive social impacts.	General equilibrium model.
5.	(Tran et al., 2020)	Green investment factors include business strategy, energy efficiency, and social responsibility; challenges include access to capital.	Multiple linear regression.
6.	(Larcker & Watts, 2019)	Investors are not willing to accept lower yields for green bonds, or "greeniums" of zero.	Analyze bond price data.
7.	(Martin & Moser, 2014)	Investors react positively to green investment disclosures; social benefits are valued more than financial impacts.	Experimental market design.
8.	(Pham & Huynh, 2020)	Investor attention affects green bond market volatility; the importance of accurate information.	Analyze the relationship of daily data.
9.	(S. Li & Yang, 2023)	Green investors reduce information asymmetry and increase focus on green companies.	Theoretical models and empirical analysis.
10.	(Zakari & Khan, 2021)	Green finance reduces environmental degradation; urbanization increases degradation.	Econometrics (PCSE, FGLS).
11.	(Adhikari & Bisi, 2020)	Collaboration-based contracts support green supply chains in developing countries.	Contract analytical model.
12.	(Foglie & Keshminder, 2022)	The lack of standardization of SRI sukuk hinders growth; Malaysia and Indonesia play a big role.	Bibliometrics and systematic literature review.
13.	(Voicu, 2023)	Optimal planning is necessary for a balance of profitability and sustainability.	Strategic and policy analysis.
14.	(Kuzey et al., 2023)	Over-investment reduces environmental inequality but increases social inequality.	Multiple regression analysis.
15.	(Taswin et al., 2023)	Green investments are positively associated with financial sustainability in West Java.	Cross-sectional quantitative regression analysis.

Research on green investment reveals important findings about its influence on sustainability and firm performance. Several studies use game theory models and mathematical analysis to explore the influence of equity preferences in green investment decisions in supply chains, with blockchain and other technologies playing a role in improving efficiency and transparency. In the corporate context, findings suggest that green investments support economic growth, although challenges such as limited access to capital and inadequate policies often hinder widespread adoption. Other studies show that investor confidence and attention to sustainability influence the market success of green sukuk and green bonds, although these instruments have no price premium. On the other hand, the role of managers in disclosing green investments can increase the positive response from investors, although the impact on future cash flows is limited. Various studies also highlight the importance of combining green investments with business models that can improve social and financial performance and reduce ESG imbalances arising from overinvestment. Overall, green investments offer opportunities for sustainable growth, although they require policy support and a better understanding of the factors that influence them.

There are three (3) main factors that influence sustainable business development (Tran et al., 2020):

1. Development Strategy

A sustainable business development strategy plays an important role in ensuring a company's future viability. Long-term plans that include elements such as product innovation, operational efficiency, and market diversification must be designed with environmental impact in mind. Companies that want to survive in this modern era must incorporate sustainability principles into every aspect of their development strategy. In the context of green investment, this strategy also includes adopting environmentally friendly technologies, such as the use of renewable energy, and developing more environmentally friendly products. These measures not only reduce a company's carbon footprint but also increase its competitiveness in a market that increasingly demands sustainability. Companies that follow market demands and regulations that favor sustainability are likely to benefit in the long run. For example, in the manufacturing sector, many automotive manufacturers have started investing in electric vehicles (EVs) as part of their strategy to become more environmentally friendly and support the sustainability trend. This reflects how sustainable business strategies can meet current market needs and create opportunities for future growth.

2. Difficulty in Accessing Capital

Financial barriers are among the biggest challenges many companies, especially small and medium-sized enterprises (SMEs), face in financing green investment projects. Green projects often require considerable upfront costs, such as the implementation of green technologies or the construction of green infrastructure, which can be prohibitive for companies with limited resources. This difficulty in accessing capital leads many companies to delay or even avoid green investments, even though they recognize the importance of sustainability. Therefore, a necessary solution is to provide easier access to capital, such as through financing from green banks, green bond issuance, or investment support from international financial institutions. These financing schemes can provide a significant boost for companies to start or accelerate their green initiatives. For example, in many developing countries, companies often struggle to secure funding for green projects due to a lack of affordable financing schemes. In this situation, organizations such as the Asian Development Bank (ADB) have offered special financing schemes designed to support companies committed to green business practices, providing opportunities for them to contribute to sustainable development.

3. Change in Mindset and Perception of Business Leaders

A sustainability mindset is key to driving green investment in the business world. Many corporate leaders are still focused on short-term profits and are less aware of the long-term impact of their business operations on the environment. This leads to green investments often being overlooked or prioritized lower than immediate profits. Therefore, efforts are needed to increase business leaders' awareness and understanding of the importance of sustainability. Awareness campaigns, training, and incentivization can be effective measures to encourage these leaders to consider green investments as part of their company's long-term strategy. For example, multinational companies such as Unilever have successfully transformed their business approach to include green practices and sustainability at the core of their business strategy. Unilever is now recognized as one of the global leaders in environmental and social sustainability, proving that with the right mindset, companies can contribute significantly to sustainability while maintaining profitability.

The main challenges to green investment are the lack of adequate government policies and regulations and difficulties for businesses in accessing capital for green investment projects (Tran et al., 2020).

Table 2. The main challenges to green investment

No	Main Challenges	Explanation
1.	Lack of Policies and Regulations	Many countries and business sectors still lack clear and adequate regulatory frameworks to encourage green investment. Loose or inconsistent regulations cause uncertainty for investors and companies, hindering the widespread adoption of sustainable investment.
2.	Limited Access to Capital	Green projects often require large initial investments, such as for the implementation of green technologies or renewable energy. However, many companies, especially Small and Medium Enterprises (SMEs), struggle to access the required financing due to the lack of affordable funding schemes and financial support from financial institutions.
3.	Short-term Business Mindset	Many business leaders are still focused on short-term profits, ignoring the long-term impact on the environment. This mindset inhibits commitment to investing in green practices that take longer to deliver tangible results in the form of profitability or reduced environmental impact.
4.	Lack of Awareness and Understanding	Business leaders and investors are often not fully aware of the importance of sustainability and green investing. Without a deep understanding of the long-term benefits, green investments are not considered a top priority. Broader education and awareness campaigns are needed to promote the importance of these investments.
5.	Lack of Green Technology Support	The adoption of green technologies, such as renewable energy and energy-saving technologies, has been uneven due to high implementation costs and limited access to innovation. The lack of infrastructure and skills to implement green technologies is also a barrier for many companies undertaking green projects.
6.	Green Market Volatility	The market for green investments, such as green bonds and sustainability-focused company stocks, can be highly volatile. This may discourage investors from shifting their assets to green instruments due to the uncertainty of returns and market fluctuations which could reduce appetite for long-term investments.
7.	Lack of Government Incentives	Governments in many countries have not provided strong enough fiscal incentives, such as subsidies or tax reductions, to encourage businesses to switch to green practices. Without direct support from public policy, companies may be hesitant to invest heavily in green projects that require significant upfront capital and results that may only be seen in the long term.

DISCUSSION

Equity and Collaboration Factors in Green Supply Chains

In green supply chains, equity and collaboration play an important role in ensuring sustainability and operational efficiency. Collaboration between suppliers, customers, and other stakeholders aims to achieve better environmental goals. Research shows that effective collaboration not only improves manufacturing performance but also supports sustainability by reducing pollution and improving energy efficiency (Vachon & Klassen, 2008). In this sense, equity in green supply chains relates to the fair distribution of benefits, costs, and risks that arise from collaboration between partners. This aspect is crucial for both large and small companies to participate equally in sustainability efforts. For example, companies that engage in active collaboration with suppliers and customers tend to show better environmental performance and have higher competitiveness in the global market (Chin et al., 2015). Green investments by manufacturers and retailers also play a role in increasing demand in the wholesale and retail market and profits in the supply chain, with green manufacturing practices by manufacturers having a

greater impact on profitability than green marketing practices by retailers. Manufacturers' equity preferences also influence supply chain outcomes when both parties invest in green initiatives.

Furthermore, collaboration involving different levels of the supply chain, both upstream and downstream, has been shown to have a more significant impact on green innovation than collaboration involving only one group of partners. Research in the high-tech sector reveals that companies that work simultaneously with suppliers and customers are more successful in implementing green innovations (Ocicka et al., 2022). Collaborative mechanisms in supply chains, such as greening cost-sharing and profit-sharing contracts for green clothing supply chains in developing countries, allow members to bargain under two types of contracts to ensure equitable distribution of the costs and benefits of green initiatives. However, challenges related to fairness in the distribution of benefits and burdens remain an important issue. When one party gains more benefits while the other bears a greater burden, this can create inequities that have the potential to undermine the collaborative relationship. Therefore, good governance is essential to ensure that all parties benefit equitably from these collaborations (Yang & Lien, 2018).

Collaboration based on the principle of equity also promotes transparency in decision-making and risk-sharing, particularly relevant in complex supply chains such as those in the electronics and automotive sectors. In these sectors, a key challenge is how to share information and risks fairly to achieve success in implementing green supply chain strategies (Yan et al., 2016). Fair contractual arrangements are also an important component in the implementation of green supply chain strategies. Several studies have shown that mechanisms such as profit-sharing contracts or collaborative problem-solving can improve the performance of green supply chains, especially in addressing opportunism and adapting to dynamic environmental conditions (Swami & Shah, 2013). The establishment of good governance structures and transparency in collaboration is essential to ensure that justice is achieved for all parties involved in the green supply chain (Chen et al., 2017). Overall, equity and effective collaboration in green supply chains not only support the achievement of environmental goals but also contribute to improved financial performance and long-term sustainability of companies.

Impact of Profitability on Green Investment

Furthermore, profitability is shown to play an important role in green investment practices, especially in companies listed on the Jakarta Stock Exchange. There is a positive correlation between profitability and green investment practices, where companies that integrate green activities into their operations tend to experience increased profitability. An optimal planning approach is needed to balance profitability and environmental responsibility while ensuring the company's sustainability. In this context, an in-depth study has been conducted to analyze the impact of greener investments on profitability. The results show that investments focused on environmental sustainability, if well planned and implemented, can not only enhance a company's reputation but also provide financial benefits in the long run. The study also examines various investment strategies and policies taken by companies, particularly with regard to the disclosure of information to stakeholders. These disclosures are important to provide transparency regarding a company's green initiatives, which can influence investor and customer perceptions. Companies that are successful in communicating the value of their green investments through accurate and detailed reporting have the potential to increase their attractiveness to investors while maintaining a balance between environmental responsibility and profitability. The combination of these strategic approaches helps ensure that companies can continue to operate steadily while still contributing to environmental protection efforts.

Utilization of Blockchain Technology in Green Investments

The utilization of blockchain technology in green investments has provided significant potential in accelerating and securing the financing of green projects. The technology helps overcome key barriers such as greater transparency, auditability, and tracking of the use of funds. One of the key benefits of blockchain is its ability to provide smart contracts that enable the automated execution of obligations, reduce transaction costs, and increase the security of green investments (Markey-Towler, 2018). In addition, blockchain can address challenges in green supply chains, for example,

by improving the accuracy of reporting on the greenness of products. This supports better information management, lowers the cost of green credit, and increases consumer sensitivity to green products (Dou et al., 2019).

Manufacturers' adoption of blockchain technology is highly dependent on modest operational costs. Increased consumer sensitivity to nominally green products may encourage blockchain implementation by taking into account the fairness factor in the supply chain. While blockchain adoption could potentially weaken the positive impact of fairness on supply chain performance, the resulting transparency and efficiency could create an "all-win" situation for all parties involved (Tavares et al., 2020). Blockchain has also been applied in a carbon credit and forest management project in the Amazon, Brazil, to facilitate the negotiation of environmental credits between the public and private sectors, creating sustainable public value (Tavares et al., 2020). It can also close the green financing gap by providing a secure and transparent solution through the tokenization of green assets, enabling wider access for private investors, and accelerating clean energy projects (Naderi & Tian, 2022). However, despite offering many benefits, these technologies face challenges such as non-uniform regulations and high costs. To maximize its potential, a supportive legal and regulatory framework and the development of more energy-efficient technologies are needed (Dorfleitner & Braun, 2019).

The Role of Green Investors in Enhancing Trust and Market Efficiency

Investors are often reluctant to risk losing wealth to invest in green projects, especially when green and non-green bonds issued by the same issuer have equivalent economic prices. This finding contradicts previous theoretical and experimental research, which suggests that investors are willing to accept lower returns for green investments as they appreciate the social and environmental value they offer. However, in practice, when risk and return are held constant, government investors view green and non-green bonds from the same issuer as almost identical assets (Larcker & Watts, 2019). As a result, the "greenium" premium or additional price for green bonds is very small or even zero (MacAskill et al., 2021). In addition, investor attention to green bonds can affect market returns and volatility, but this relationship tends to be unstable. Therefore, it is important for companies and related parties to provide clear and precise information so that investors' attention can be properly directed towards sustainable investments such as green bonds (Pietsch & Salakhova, 2022). An increase in the number of investors who care about environmental issues, known as green investors, can help reduce information asymmetry in green companies. This increases efficiency and provides better market leverage for green companies. However, information asymmetries and market inefficiencies increase for companies that do not focus on sustainability, often called "brown companies," as more attention is directed towards green companies. The sense of control that investors have over green companies is an important factor in building their trust. This trust is very influential in determining investors' intention to invest in companies that have green initiatives.

Therefore, companies that effectively promote green initiatives can increase investor awareness and confidence, which in turn can encourage more green investments. Overall, green finance has been shown to contribute to reducing environmental degradation. However, there is a complex relationship between energy consumption, urbanization, and environmental degradation, where increased energy consumption and urbanization often worsen environmental conditions. Therefore, the researchers recommend strengthening the promotion of green finance, standardizing green finance practices, and supporting the development of a more mature green investment market. By uncovering investors' preferences for sustainability, it is hoped that companies can prioritize sustainability in their decision-making, driving greater positive change. However, challenges remain in Sharia-based green investments, such as SRI (Sustainable and Responsible Investment) Sukuk. These sukuk face obstacles in standardization due to different interpretations of sharia and environmentally friendly principles. The lack of retail investors in the SRI sukuk market also limits liquidity in the secondary market, which hinders the growth of this instrument (Foglie & Keshminder, 2022). Nonetheless, Malaysia and Indonesia have played an important role in

developing Shariah-compliant sustainable investment instruments and continue contributing to the global discussion on Shariah-based green investment standards.

CONCLUSION

Green investments show great potential in supporting corporate sustainability and performance despite significant challenges hindering their adoption. Various studies show that sustainable business development strategies, such as using environmentally friendly technologies and greener products, can improve a company's competitiveness in the market. However, many companies, especially SMEs, face difficulty accessing the capital required to finance green projects. This is due to high start-up costs and limited financing schemes that support green investments. In addition, a short-term mindset among business leaders and a lack of understanding of the importance of sustainability are also major obstacles. Solutions to these challenges include providing better access to green financing and a broader awareness campaign among business leaders and investors on the long-term benefits of green investments.

Despite barriers related to policy, capital, and business perceptions, technologies such as blockchain can play an important role in accelerating and securing green project financing. Blockchain provides transparency and efficiency, increases investor confidence, and enables the execution of smart contracts that reduce transaction costs. Effective and equity-based collaboration in the green supply chain sector can improve operational and environmental performance, creating a fair return for all parties involved. These collaborations are proven to be more effective in driving green innovation compared to collaborations that are limited to one party. To increase wider adoption of green investments, stronger government policy support is needed, including fiscal incentives and supportive regulations, as well as adopting more efficient and affordable green technologies. The implications of this study point to the importance of collaboration between the government and the private sector to encourage the adoption of green investments. The government must provide supportive policies, while firms should invest more in green technologies. A suggestion for future research is to explore the role of technologies such as blockchain in supporting transparency and the adoption of green investments across sectors.

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