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Islamic Social Finance: Bridging Maqasid al-Shariah and Sustainability

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Abstract
Purpose: This study investigates the rationale behind the integration of sustainability agendas—namely the Sustainable Development Goals (SDGs), Environmental, Social, and Governance (ESG) criteria, Socially Responsible Investment (SRI), Corporate Social Responsibility (CSR), Value-Based Intermediation (VBI), and maqasid al-Shariah—in facilitating the development of Islamic social finance in Malaysia.
Design/methodology/approach: Using a qualitative approach, the study combines secondary data analysis with semi-structured interviews involving seven respondents comprising the Islamic banking experts and Shariah scholars in Malaysia. Thematic analysis was employed to extract key themes and generate insightful findings.
Findings: Integrating these sustainability agendas with maqasid al-Shariah promotes a broader perspective on how Islamic banks can implement effective social practices under the spectrum of maqasid al-Shariah, aligning social priorities with the evolving strategic direction of Islamic banks, fostering long-term financial sustainability through integrated social responsibility, and developing a standardized, impact-driven framework to enhance transparency and uphold ethical governance.
Research limitations/implications: This study is limited to qualitative insights within the Malaysian context and may not fully reflect variations in regulatory or institutional settings across other jurisdictions. Future research should develop a comprehensive and integrative framework to quantitatively assess the implementation of social practices in Islamic banking.
Practical implications: The study underscores the potential of Islamic social finance as a strategic model for delivering ethical and impactful financial services, contributing to both societal well-being and the broader sustainability agenda. It also contributes valuable insights for policymakers, industry practitioners, and academic researchers, highlighting the critical role of Islamic social banking in fostering inclusive socio-economic development and promoting long-term societal well-being.
Originality/value: By linking national and international sustainability frameworks with Islamic principles, this study provides fresh perspectives and shed light to an integrated route to an Islamic social finance framework that benefits society and conforms to both religious and international norms.

Keywords: Sustainability Agenda, Maqasid al-Shariah, Islamic Social Finance, Islamic Bank

Introduction

Due to financial crisis of 2007–2009, the banking sector has taken a huge responsibility in embracing social sustainability, environmental responsibility, and economic resilience (Geels, 2013; Esteban-Sanchez et al., 2017; Nizam et al., 2019; Bătae et al., 2021). Sustainable financial products and services becoming forte for banks (Hasan et al., 2023; Houston & Shan, 2022; Md. Nur-E-Alam Siddique et al., 2023) and evaluation of the social practices impact among specific target groups are widely discussed (Pérez & del Bosque, 2015; Ammar et al., 2022). Finance performance is no more becoming the sole ultimate aim for banks as they should also put a significance emphasis on integrating sustainability outcomes (Buallay, 2019; Mishra & Sant, 2024), utilizing social and environmental data to evaluate performance (Khan et al., 2018; Sala et al., 2015; Serafeim & Trinh, 2020), and embedding ethical norms within their business operations (Li et al., 2023).

Nowadays, banks have put a great effort into incorporating social objectives to increase mutual trust and participation among the stakeholders. This noble approach offers competitive advantage over rivals and simultaneously promotes sustainability over the long run (Nizam et al., 2019; Azmi et al., 2021; Hassan et al., 2021). Specifically, Islamic social finance emerges as a promising avenue to promote a better circular economy and provide solution for current socio-economic disparities (Rizzello & Kabli, 2020; Abubakar & Aysan, 2021). On top of that, the constant efforts in developing Shariah-based impact-driven tools, pushes Islamic banks to position themselves as role models in implementation of social agendas (El-Gamal, 2006; Mohamad & Saravanamuttu, 2015; Lanzara, 2021). Therefore, social goals must to be integrated into the fundamental framework and processes of Islamic banking rather than being viewed as incidental or transient (Hassan & Cebeci, 2012). Because Islamic social finance offers quantifiable social benefits and removes the prevalent bias between financial and non-financial aims, it consequently has great potential to close the gap between economic success and social sustainability.

In addition, a number of national and international agendas—including the Sustainable Development Goals (SDGs), Environmental, Social, and Governance (ESG) standards, Socially Responsible Investment (SRI), Corporate Social Responsibility (CSR), and Value-Based Intermediation (VBI)—direct banks, businesses, governments, and non-governmental organizations in the adoption of sustainability-focused techniques. These efforts' confluence provides a multifaceted approach to sustainable development and fosters a shared desire for a more inclusive and fair global community. Strategically, financial institutions must now engage in ethical practices that transcend traditional financial instrumentalism, aligning business strategies with broader social and environmental justice imperatives (Néron, 2010; Whelan, 2012). To stay relevant and resilient, operationalizing these social global agendas—through a strong sustainability standards and environmental risk management frameworks—can be considered crucial for banks (Volz, 2018).

Within the context of Islamic banking sector in Malaysia, this study aims to identify the practical rationales behind the integration of maqasid al-Shariah with both national and international sustainability agendas towards developing an integrated Islamic social finance framework.

Literature Review

Overview of Social Banking and Islamic Social Finance

According to Khan et al. (2020) and Ruiz and Garcia (2021), social banking prioritizes social value in its purpose, whereas the majority of traditional banking institutions view social responsibility as an add-on to their CSR programs. It focuses on producing "blended value" between financial success and assessable social effects (Emerson, 2003; Kavouras et al., 2022). The ultimate goal of this concept is to uphold societal values and long-term financial advantages. Social banking also reflects ethical banking, green banking, and sustainable banking (Hamidi & Worthington, 2018; Kumar & Prakash, 2019; Sharma & Choubey, 2022). In a similar vein, Islamic bank plays a crucial role in promoting human welfare within the Shariah principles which highlights sustainability, moral conduct, and social responsibility (Zafar & Sulaiman, 2020). Islamic banks prohibit any harmful and immoral actions, while promoting social and environmental investments. Bank Islam Malaysia Berhad (BIMB) and Maybank Islamic are exemplary Islamic banks which actively engage in social practices in Malaysia. Sadaqa House, green finance, and Shariah-compliant ESG investments are among the social initiatives launched by BIMB (Bank Islam Malaysia Berhad, 2021). Similarly, Maybank Islamic pursues sustainable consumer behavior and offers green bonds and green financings (Maybank, 2021).

Sustainable development is very much reflected through Islamic Social Finance (ISF) which recently gained recognition from many researchers (Dembele et al., 2023; Lanzara, 2021; Azman et al., 2019; Abduh, 2019; Ahmed, 2019). ISF has been recognized as an excellent avenue to reduce poverty, enhance economic justice, promote inclusivity, and nurture prosperity for human being (Azman & Ali, 2019; Lalani, 2019). Based on the concept of charity and mutual assistance, qard al-hasan, zakat, and waqf, are among Shariah-compliant methods in practicing ISF (Widiastuti et al., 2022; Tahiri Jouti, 2019; Biancone & Radwan, 2019; Zain & Ali, 2017).

Despite having different underlying ideologies, social banking and ISF both aim to strike a balance between social duty and financial performance. The fundamental goals of Islamic finance are really in line with the moral and ethical requirements that support social banking. The importance of integrating social impact assessment into Islamic financial institutions' operations, goods, and services has increased due to the rising significance of ISF. This gives these institutions a unique value proposition in contrast to traditional profit-driven approaches. Recognizing the pressing need for more inclusive and equitable financial solutions, several scholars have advocated for the establishment of a dedicated Islamic social banking model or, alternatively, for the deeper integration of social finance principles within existing Islamic banking structures (Sairally, 2007; Asutay, 2008; Aris et al., 2013; Mohd Nor et al., 2016; Abdul-Baki & Uthman, 2017; Hamidi & Worthington, 2018; Hamidi & Worthington, 2023). Such efforts could enrich the existing practice of Islamic banking, which has yet to fully address the imperative of social sustainability, by internalizing social value creation as a core element and leveraging ISF instruments to deliver both financial and societal impact.

Background of Sustainable Development

As previously discussed, both Islamic social banking and broader social banking principles place a strong emphasis on ethical behavior, social responsibility, and community well-being. The renewed attention to Islamic social finance institutions further underscores the growing significance of Islamic social banking in addressing contemporary socio-economic challenges. Within this context, sustainable development emerges as a central and necessary focus.

In the face of rapid and often unsustainable economic growth, sustainable development has become a pressing global responsibility (Redclift, 1989). It calls for a paradigm shift that values human, social, and environmental development alongside—if not above—purely economic indicators (Haq & Wahab, 2019). Pioneering frameworks have laid the foundation for understanding sustainability in this broader sense. Goodland (1995) proposed the "Three-Dimensional Strategy of Sustainable Development," emphasizing the interconnectedness of environmental, economic, and social dimensions. Elkington (1998) later introduced the "Triple Bottom Line" approach—People, Planet, and Profit—as a tool for assessing and guiding sustainable practices in both public and private sectors.

For economic transformation to be truly sustainable, it must be ecologically conscious and aligned with the natural limits of the planet (Mignaqui, 2014). This includes the responsible stewardship of natural resources and the preservation of cultural values and community identities (van Niekerk, 2020). On a moral and structural level, advancing sustainable development also requires significant reform in societal frameworks, public attitudes, and national systems to reduce inequality and poverty.

The phrase "sustainable finance" in the financial industry describes the application of financial tools, including loans and investments, to solve economic, social, and environmental issues and provide favorable, long-term results (Migliorelli, 2021). Environmental, social, and governance (ESG) considerations are combined with portfolio management techniques in sustainable investment, specifically (Global Sustainable Investment Alliance, 2025). This change illustrates how financial institutions and investors may help social banking and finance grow by directing funds toward sustainable projects and businesses that balance financial gains with social and environmental effects. By doing this, they protect current and future generations and actively contribute to a more resilient and inclusive economy.

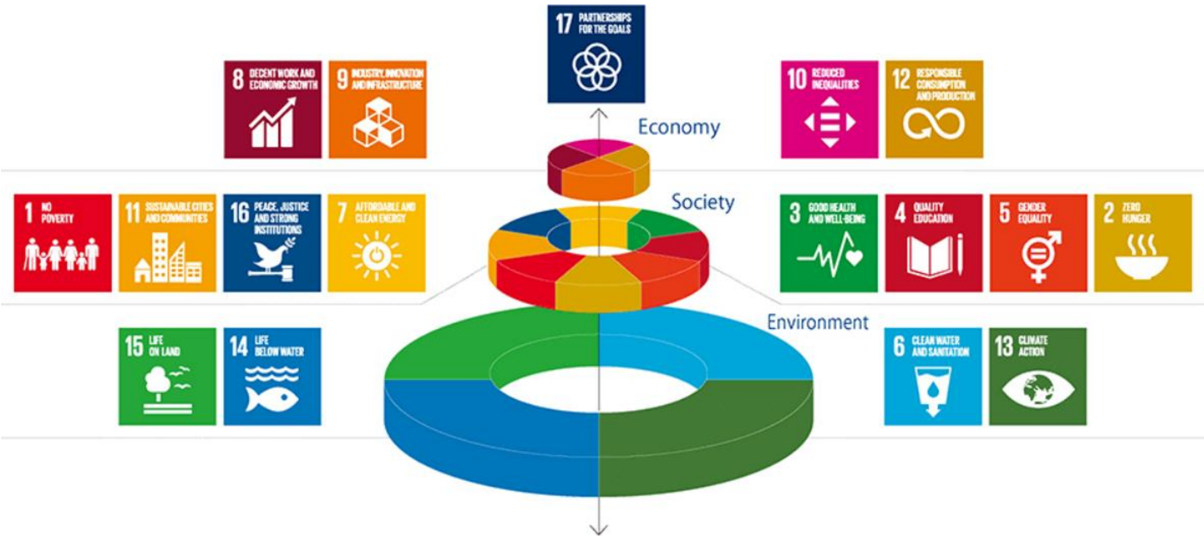
Sustainability Development Agendas

Incorporation of sustainable development goals benefits Islamic banks through having a strategic resource management and environmental sustainability in the long run. With the increased interest in sustainable development, institutions are moving forward to create a focused and strategic social directions towards achieving these sustainability development agendas.

Sustainable Development Goals (SDGs)

Propelled by the worldwide conversation on sustainable development, important international frameworks like the 2015 United Nations 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change have highlighted how urgently nations must choose a development path that benefits the environment, economy, and society all at once. As a worldwide roadmap for attaining a more sustainable and equitable future, the 17 Sustainable Development Goals (SDGs) are at the heart of the United Nations' 2030 Agenda (Flores et al., 2023).

Between 2015 and 2030, the SDGs seek to promote world peace, prosperity, and collaboration while making sure that development stays within the planet's natural bounds (Halisçelik & Soytas, 2019). These goals provide a unified framework for addressing a wide range of challenges—from poverty and inequality to climate action and responsible consumption. As illustrated in Figure 2.1, the SDGs are designed to catalyze progress across multiple dimensions of sustainable development.



Source: Kondo (2022)
Figure 1: The SDGs Goals Within the Economy, Society and Biosphere Scopes

The SDGs give countries, organizations, and individuals a shared platform to work together to advance socioeconomic fairness within environmental bounds in the context of today's interconnected globe. They also offer a chance for the private sector to shift business plans in a more sustainable direction. Businesses are being urged more and more to match their ideas and activities with specific SDG targets in order to support global objectives and improve long-term corporate values (Gomez-Bezares et al., 2017; Sullivan et al., 2018; Adams, 2017; Ike et al., 2019).

In this context, Islamic banks are also encouraged to embrace certain SDG targets as a framework for coordinating their financial operations with environmental and ethical goals. In order to direct innovation, product development, and market outreach, companies, especially financial institutions, are advised by the 2015 SDG Compass to choose specific SDG objectives. This will eventually have a greater influence on society (GRI et al., 2015). Khaled et al. (2021) have pointed out that there is still a lack of actual involvement with the SDGs in the business sector, indicating a disconnect between commitment and implementation that requires more tangible action.

Environmental, Social, and Governance (ESG)
The concept of Environmental, Social, and Governance (ESG) was formally introduced in the 2004 UN Global Compact report titled Who Cares Wins: Connecting Financial Markets to a Changing World (Eccles et al., 2020). The report aimed to establish principles and guidelines for integrating ESG considerations into asset management, securities brokerage, and investment research. A year later, the Freshfields Report by the United Nations Environment Programme Finance Initiative (UNEP-FI, 2005) provided foundational evidence supporting the financial relevance of ESG factors, particularly in relation to fiduciary duties within investment decision-making.

Environmental, social, and governance considerations might be included into financial analysis and decision-making processes through ESG practices and investment strategies, which could enhance portfolio management (Hamidi & Worthington, 2019). Examining non-financial risks and opportunities as well as financial indicators that might affect investment performance in the long term is a critical part of integrating ESG.

According to Sarangi (2021), there are large numbers of ESG rating and scoring models have emerged to assess corporate ESG performance and transparency across different countries. These tools have played a vital role in advancing the sustainable finance agenda (Sciarelli et al., 2021), making ESG a responsive and increasingly relevant consideration for both investors and financial institutions (Escrig-Olmedo et al., 2019). As ESG factors are increasingly recognized as financial material, investors have begun to prioritize them when evaluating potential investment opportunities (Amel-Zadeh & Serafeim, 2018).

However, a key consideration remains: the extent to which allocating corporate financial resources toward sustainability goals—within the ESG framework—impacts a firm's overall economic and financial performance. This question continues to drive scholarly and industry interest in refining ESG metrics and understanding their practical implications for sustainable business growth.

Socially Responsible Investment (SRI)
SRI, or socially responsible investment, has garnered attention from all around the world because of its emphasis on sustainability and the general welfare of society. In the 11th century, the idea was first used as Ethical Investment (EI), which was based on religious principles that forbade participation in immoral or exploitative sectors including gambling, alcohol, tobacco, and weapons (Cronin, 2004). The late 1960s social rights movements, such as anti-war and anti-racism campaigns, accelerated the contemporary development of SRI by drawing investors' attention to the social effect of their investments and highlighting their ethical implications (Renneboog et al., 2008).

According to Cumming and Johan (2007), the importance of SRI has grown over time due to increased institutional interest and public understanding of moral and sustainable business ethics. Socially conscious investments may yield competitive financial returns on par with conventional investment techniques, as more and more investors realize (Agyapong & Ewusi, 2017). According to Khemir et al. (2019), the main goal of SRI is to make money while upholding moral principles and advancing social justice.

Investors nowadays are more likely to match their investments to their political, religious, or personal beliefs. This strategy demonstrates a twin goal: maintaining moral responsibility while guaranteeing financial performance. Therefore, SRI acts as a link between purpose and profitability, showing that investing choices may promote both long-term financial stability and moral obligations.

Corporate Social Responsibility (CSR)
According to many, Howard R. Bowen, the modern "father of CSR," initially proposed the idea of corporate social responsibility (CSR) in the 1950s. In The Social obligations of the Businessman (1953), Bowen made the case that corporate decision-making need to take into account wider societal obligations in addition to the exclusive pursuit of profit (Bowen, 1948, 1953; Alamer et al., 2015; Carby-Hall, 2025). A change toward a more comprehensive

perspective on stakeholder involvement and business ethics was signaled by his vision.The idea gained further traction in the 1960s, particularly with the rise of social movements, prompting the transition of CSR from theoretical discourse to practical application (Carroll, 2016).

CSR now highlights the moral duties of companies to make significant contributions to sustainable economic growth. In order to solve environmental, social, and governance issues and improve company performance, this entails actively interacting with a broad variety of stakeholders. Companies can provide mutual benefits for society and business by coordinating company strategy with more general sustainability objectives (Sideri, 2021).

In corporate settings, CSR has also developed into a strategic value-creation instrument. According to Macgregor Pelikánová (2025), incorporating it into business models is now viewed as a crucial aspect of corporate identity and long-term competitiveness rather than as a supplementary activity. CSR has therefore emerged as a key component of the operations of many big businesses, supporting stakeholder trust, brand reputation, and corporate legitimacy.

Value-Based Intermediation (VBI)
More and more, Islamic banking has helped communities get a variety of financial services. Asutay (2008), Mahadi et al. (2019), and Khandakar et al. (2025) have expressed issues over its lack of social justice and restricted inclusion. As a reaction, Bank Negara Malaysia (BNM) launched Value-Based Intermediation (VBI) in 2017 as a strategic project to bring the Islamic financial sector back in line with its core Shariah goals in partnership with industry practitioners.

A paradigm change in the strategy and operational approach of Islamic financial institutions is reflected in the VBI framework. According to Bank Negara Malaysia (2018) and AIBIM (2025), it aims to reinterpret these institutions' functions by incorporating values-based concepts that support inclusive, accountable, and sustainable financial activities. As long as Shariah compliance is maintained and industry resilience is increased, VBI aims to turn Islamic banking into a field that actively advances the welfare of people, the economy, and the environment (Arshad et al., 2018).

Responses from the industry have been largely favorable, especially from Shariah academics and practitioners, who see VBI as having the ability to take Islamic finance to a new level of social impact and transformation (Mahadi et al., 2019). Through its adoption of the triple bottom line—profit, earth, and people—VBI fosters innovation in Islamic financial services and products and supports holistic sustainability.

The first strategic thrust of the VBI initiative focuses on unlocking the full potential of Islamic finance through comprehensive adherence to Shariah principles. This involves ensuring that all aspects of operations—including governance structures, product design, and institutional behavior—are not only compliant but also value-driven (BNM, 2018, pp. 8–10). As such, VBI serves as a catalyst for long-term growth, positioning Islamic finance to meet the evolving demands of modern economies while upholding its ethical mandate.

Maqasid al-Shariah
Maqasid al-Shariah serves as the foundational framework of Islamic law, offering purpose, guidance, and direction to human life (Mohammad & Shahwan, 2013). The term combines two

Arabic words: *maqasid* (objectives or purposes), derived from the root verb *qaṣada* (to intend or aim), and Shariah, which literally means "the path to water" and refers to the divine laws revealed by Allah s.w.t. for the benefit of humankind (Hashi, 2019). Classical Islamic scholars such as Imam al-Shatibi defined Maqasid al-Shariah as the pursuit of benefit (maslahah) and the prevention of harm, with the ultimate goal of ensuring human welfare in all dimensions of life (Abu Seman & Dzolkarnaini, 2019; Maidawa et al., 2024).

At its core, maqasid al-Shariah permits actions that lead to positive outcomes and prohibits those that result in harm, thereby safeguarding the holistic well-being of individuals and society. Preserving religion, life, intelligence, offspring, and wealth—principles that together advance societal peace, fairness, and moral behavior—are among its main goals.

Across several academic disciplines, maqasid al-Shariah has become more well-known in recent decades, especially in the areas of public policy, finance, and economics. According to prominent Islamic economists like Siddiqi et al. (2019), Chapra (1985, 2000), and others, it is important for directing socioeconomic growth. In order to further support its usefulness as a universal ethical framework, scholars have also investigated its application in capital markets (Dusuki, 2009, 2010), Islamic finance (al-Mubarak & Osmani, 2010; Mohammad & Shahwan, 2013), and social policy (Asutay & Harningtyas, 2015). Maqasid al-Shariah offers a more comprehensive philosophical and strategic framework with which policies and practices can be formed, in contrast to particular legal judgments (fiqh). Modern global values including justice, sustainability, environmental stewardship, social fairness, and talent development are intrinsically compatible with its tenets (Bakar, 2021). Thus, maqasid al-Shariah has enormous potential to influence and mold sustainable, ethically sound, and inclusive financial and economic systems.

Maqasid al-Shariah must be understood and used in the context of Islamic finance in order to navigate the intricacies of contemporary ethical finance. In addition to acting as a moral compass, it provides a framework for combining Islamic values with international sustainability objectives, making it an essential point of reference for creating ethical and significant financial practices.

Methodology

There were two separate phases to the qualitative research strategy used in this study. A content analysis was conducted in the first phase with the goal of methodically identifying and classifying pertinent social elements embedded within global sustainability frameworks, such as the Sustainable Development Goals (SDGs), Environmental, Social, and Governance (ESG) criteria, Socially Responsible Investment (SRI), Corporate Social Responsibility (CSR), and Value-Based Intermediation (VBI), in relation to the principles of maqasid al-Shariah. Through axial coding, a technique for establishing connections between concepts and categories obtained from the structured interview questions, these aspects were gradually found. Four essential elements underpinned the axial coding process: (i) the event (including its background and intervening circumstances), (ii) causal conditions, (iii) tactics, and (iv) outcomes. During this phase, present Islamic banking practices pertaining to social and sustainability duties were also reviewed, including institutional rules, processes, and operational strategies, in order to pinpoint areas that were performing significantly.

In the second phase, a purposive sample of three Shariah experts and four Islamic banking professionals participated in semi-structured interviews. Dixon-Woods et al. (2006) advised

utilizing the saturation principle to establish the sample size, and participants were chosen based on conceptual relevance. Using a structured set of questions with specific themes, participants could contribute freely in giving opinions, input and ideas during the interviews.
The primary objective of this phase was to develop and refine a practical reason on why the integration of all the social agendas with maqasid al-Shariah could facilitate the development of integrated ISF framework based on expert perspectives. Data from the interviews were analyzed using thematic analysis, supported by the qualitative data analysis software ATLAS.ti, to identify recurring patterns and themes that could inform the study's conceptual development.

Findings and Discussion
This section presents the findings on the underlying reasons why the principles of the SDGs, ESG, SRI, CSR, VBI, and Maqasid al-Shariah should be integrated towards having impactful implementation of Islamic social finance in Malaysia. Through thematic analysis, four key rationales were identified and discussed as follows:

Rationale 1: Broadening Perspectives
Integrating sustainability agendas with the principles of maqasid al-Shariah offers a broader perspective on how Islamic banks can implement effective social practices. This explains under Theme 1 is 'Broadening Perspectives' which explores how blending the SDGs, ESG, SRI, CSR, and VBI with the principles of maqasid al-Shariah offers an inclusive outlook-driven approach to social and financial accountability practices, particularly in Islamic banking and finance. This can be explained through five main justifications based on the theme's network presented in Figure 2 below.

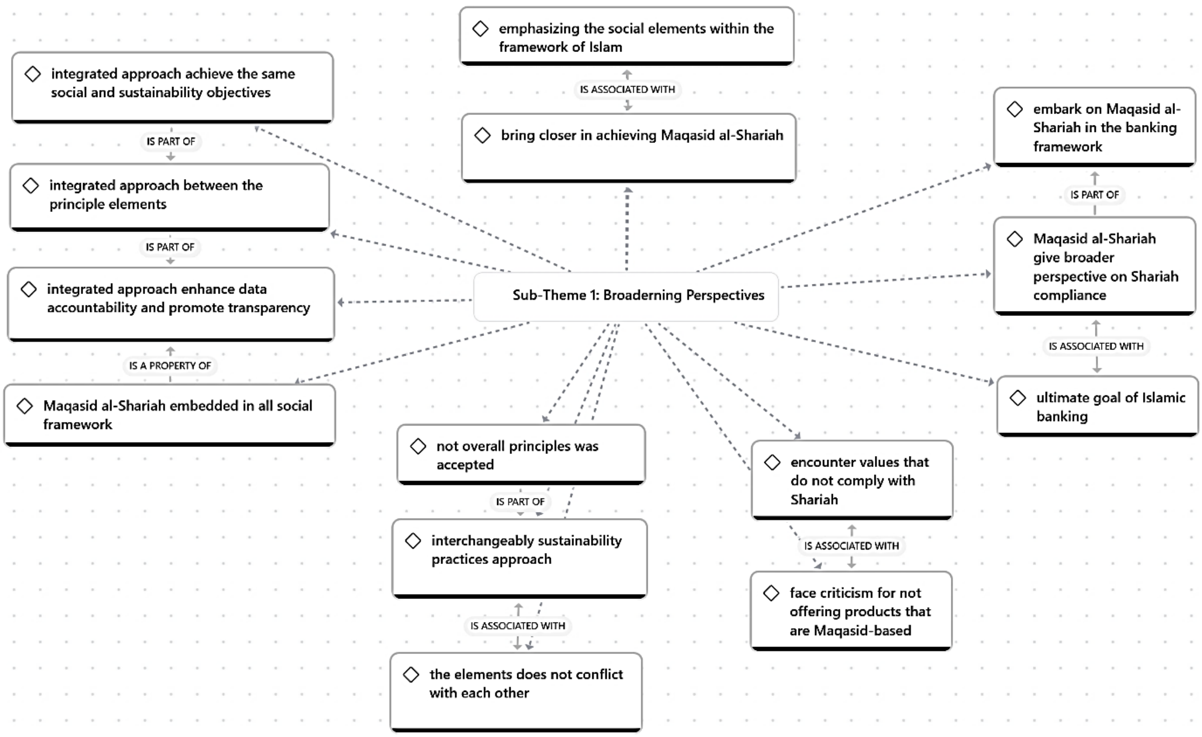


Figure 2: Thematic Network for the 'Broadening Perspectives' Theme

Based on participants' responses depicted in Figure 2, integration of those social agendas with maqasid al-Shariah could promote broader perspective in understanding the Islamic social banking and finance based on the following aspects:

i. Brings Islamic banking closer to realizing maqasid al-Shariah by shaping impactful and socially responsible financial practices.
ii. The incorporation of maqasid al-Shariah into the banking framework enhances the breadth of perspective on social practices under sustainability agendas and enriches the development of Shariah-compliant product offerings.
iii. While the integration of these social elements and maqasid al-Shariah broadens the perspective on social and financial practices, Islamic banks must remain vigilant in addressing values that are inconsistent with Shariah principles for example issue of gender equality (i.e, not promoting and supporting LGBT, etc)
iv. The prevailing social frameworks are not universally aligned and may, at times, conflict with one another. Thus, integration with maqasid al-Shariah serves as a guiding compass for all Islamic banking operations
v. It supports the attainment of shared social and sustainability objectives, enhances data accountability, and promotes transparency—anchored in maqasid al-Shariah values that are inherently embedded within these social frameworks.

The participants' responses revealed that the interactions between social elements (SDGs, ESG, SRI, CSR, VBI) with principles of maqasid al-Shariah play a pivotal part in offering a broaden-driven perspective on triple bottom line responsibility, specifically in Islamic banking and finance.

By synthesizing insights from these experts, the study emphasizes the importance of Malaysian Islamic banks practicing social elements in the Islamic framework with broader social and ethical goals. This is essential to align more closely with the intention of maqasid al-Shariah which genuinely contributes to individual and societal well-being and balances economic and moral compasses.

Rationale 2: Harmonizing with Islamic Banking's Evolution

Theme 2, titled 'Harmonizing with Islamic Banking's Evolution', illustrates how the integration of SDGs, ESG, SRI, CSR, and VBI with the principles of maqasid al-Shariah aligns with the evolving strategic direction of Islamic banking as a financial intermediary. The thematic framework for Sub-theme 2 is presented below.

As illustrated in Figure 3, the findings are explained in the following aspects, proceeding in a clockwise sequence:

i. Explicitly integrate and align social elements with the principles of maqasid al-Shariah to guide the Islamic banks' ongoing strategic initiatives, both in their vision and mission, and products offerings in implementing social finance.
ii. Strong capital and financial stability form the foundation for Islamic banks to implement and sustain the strategic initiatives for Islamic social finance.
iii. Collaboration with the right partners is essential for the banking industry to enhance the impact, credibility, and sustainability of Islamic social finance programs.
iv. Remain committed to social responsibility in alignment with maqasid al-Shariah, without compromising their role as financial intermediaries.
v. Establish an integrated platform that promotes impactful practices aligned with Islamic ethical values, particularly through digital channels.

The findings demonstrate how the integration of SDGs, ESG, SRI, CSR, and VBI with the principles of maqasid al-Shariah aligns with the evolving strategic direction of Islamic bank as a socially responsible financial intermediary.

Figure 3: Thematic Network for the 'Harmonizing with Islamic Banking's Evolution' Theme

Rationale 3: Promoting Sustainable Financial Growth

Theme 3 on 'Promoting Sustainable Financial Growth,' explores how the integration of SDGs, ESG, SRI, CSR, and VBI with the principles of maqasid al-Shariah supports sustainable financial growth. The integration of social finance responsibility into the financial ecosystem enhances its long-term effect and durability. The figure below, Figure 4, shows the topic 3 thematic network.

Following that, the results highlight the significance of:

i. Through the implementation of a well-rounded strategy that balances social financing mechanisms with efficient risk management, Islamic banks have a great deal of potential to support sustainable financial growth. This strategy uses its innate social ideals as motivation, matching up with modern social components like SDGs, ESG, SRI, CSR, and VBI.
ii. Important rules and guidelines controlling social behavior in banking organizations are being looked at closely, especially when it comes to striking a balance between social influence and financial soundness.

iii. The incorporation of social and economic considerations into banking strategy demonstrates a dynamic concept of financial responsibility that goes beyond generating profits or dismissing social and economic issues as unimportant.
iv. To maximize the social impact initiatives, develop public participation and learn from real-world case studies.

By integrating social finance responsibility into the financial ecosystem, the findings suggest that combining the concepts of maqasid al-Shariah with SDGs, ESG, SRI, CSR, and VBI might enhance long-term sustainability and positively contribute to sustainable financial growth.

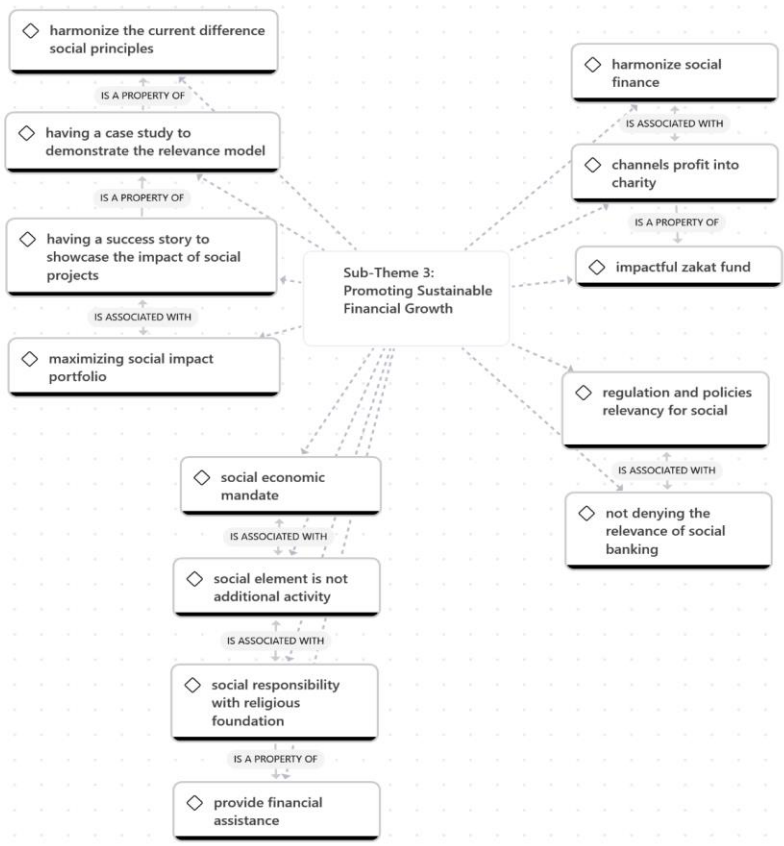


Figure 4: Thematic Network for the 'Promoting Sustainable Financial Growth' Theme

Rationale 4: Establishing a Potential Standardized and Impact-Based Framework
'Establishing a Potential Standardized and Impact-Based Framework' is the fourth theme which examines how the integration of SDGs, ESG, SRI, CSR, and VBI with the principles of maqasid al-Shariah can support the development of a standardized and impact-oriented framework. Such a framework promotes transparent social reporting and disclosure, which is essential for upholding the ethical and accountable operations of Islamic banks. Figure 5 portrays the network for this fourth Theme.

Building on this, Theme 4 underlines the critical need to recognize two key aspects:
i. The foundational operations of the ISF framework must be grounded in ethics, accountability, and sustainability—particularly in areas such as financial decision-making and the implementation of impactful practices, as advocated by Shariah principles.

ii. While numerous social elements have evolved and gained acceptance, their adoption within banking institutions remains limited. This gap highlights the urgent need for robust impact measurement indicators and a structured, collaborative approach involving multiple stakeholders.

In this regard, the development of a standardized and impact-driven framework could serve as a strategic tool for Islamic banks to demonstrate their commitment to ethical conduct, enhance the effectiveness of social impact practices and reporting, and build greater trust among customers and stakeholders. Such a framework would also empower Islamic banks to take on a more prominent role in addressing global challenges, advancing social justice, and supporting sustainable development. Ultimately, it would help mitigate reputational risks and position Islamic financial institutions to attract socially conscious investors and clients, reinforcing their role as responsible and values-driven intermediaries.

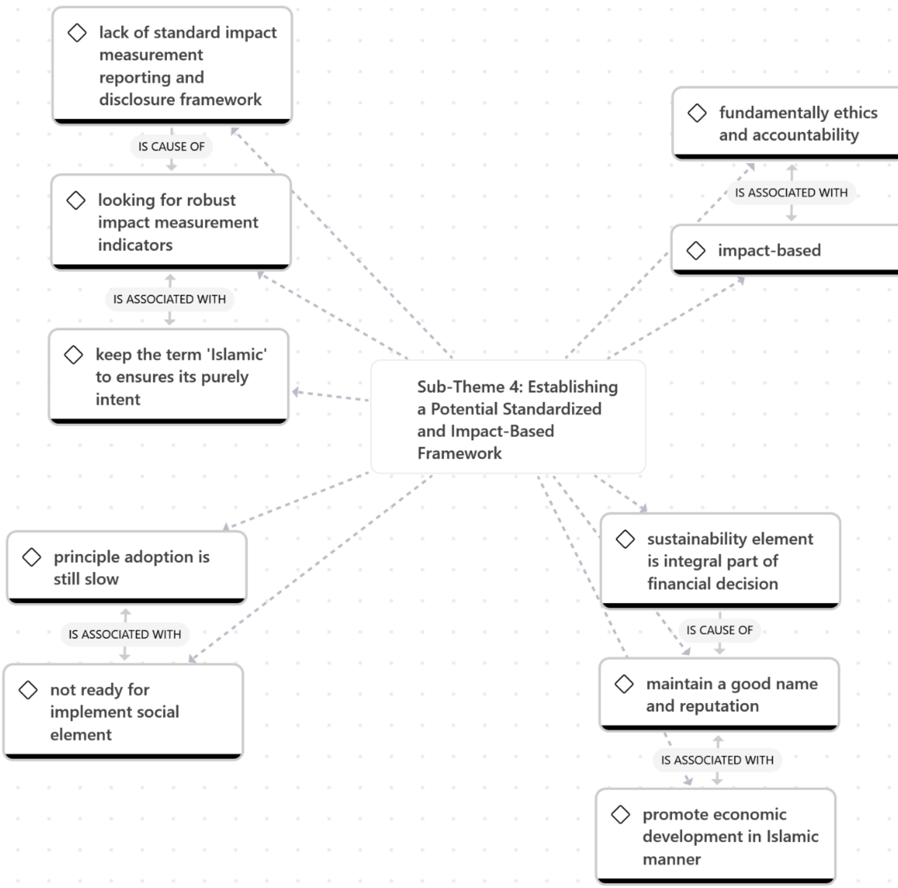


Figure 5: Thematic Network for the 'Establishing a Potential Standardized and Impact-Based Framework' Theme

Conclusion

This study highlights the critical role of integrating global sustainability frameworks—namely the SDGs, ESG, SRI, CSR, and VBI—with the principles of maqasid al-Shariah in shaping a comprehensive Islamic social finance framework. The findings highlight four key rationales underscoring the importance of this integration: broadening perspectives by merging global and Islamic values, aligning social imperatives with the evolving strategic role of Islamic banks, promoting long-term financial sustainability through embedded social responsibility, and establishing a standardized, impact-based framework to ensure transparency and ethical governance.

These findings strengthen the social spirit embraced by Islamic banks to continuously progressing in implementing social agendas on top of their role as financial intermediaries. These integrative social practices drive Islamic bank to continuously becomes the role model in advancing ethical finance, promoting environmental responsibility and resolving economic injustice.

In the Malaysian context, this kind of communication boosts the credibility and impact of Islamic social financing while ensuring that Islamic banks remain up to date and responsive to global sustainability concerns. Establishing maqasid al-Shariah as the foundation of banking operations eventually enables the sector to deliver both financial and social value, strengthening its standing as an accountable and revolutionary "middleman" in the financial ecosystem.

Future research should focus primarily on developing an integrated social finance framework to measure and assess Islamic banks' implementation of social initiatives. This would provide a systematic way to monitor the impact, ensure responsibility, and guide the development of policy.

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