

The Reviews on Sustainable and Responsible Investment (SRIs) Practices According to *Maqasid Shariah* and *Maslahah* Perspectives

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Abstract

The present study aims to explore SRIs practices based on *Maqasid Shariah* and *Maslahah's* points of view. A qualitative method via content analysis document was advocated to address the link between all concepts. The analysis revealed that SRIs, *Maqasid Shariah* and *Maslahah* share similar aims and goals to promote better environmental, social and governance practices. Thus, the paper concludes that the concept of SRIs does not contradict *Maqasid Shariah* and *Maslahah* in Islamic perspectives. However, a few criteria in the Environmental, Social and Governance (ESG) concept that govern the SRIs practices like promoting human rights, freedom of expression, and censorship need further clarification to align with Shariah principles. The paper can enlighten the reader, especially in terms of the capabilities of SRIs practices (which is from West philosophy) to suit *Maqasid Shariah* and *Maslahah* in Islamic perspectives.

Keywords:

SRIs practices, ESGs concept, *maqasid shariah*

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Introduction

At present, Sustainable and Responsible Investment (SRIs) has been attracting considerable interest and continuously promoted in the last decade around the globe. Generally, it is essential to understand that the SRIs concept promotes any investment activities that integrate Environmental, Social and Governance (ESG) issues into investment portfolios. Specifically, this integration commonly occurs through several approaches such as investment decision-making, transparency, collaboration, active ownership, and the achievement of broader support for these practices from the entire financial services industry (OECD, 2007). Marwan & Rabiah (2015) pointed out that the movement can be observed from the increasing number of investors and assets under this concept.

ESGs concept integrates several factors into the fundamental investment analysis, which act as the indicators in evaluating investment and company performance (Lauren et al., 2013). Moreover, Laura et al. (2015) state that ESGs investing is not only for financial motivation but also to promote corporate responsibilities towards society. Thus, the Responsible Investment Association Australia (RIAA) defines ESGs concept as follows:

“[...] the systematic and explicit inclusion by investment managers of environmental, social, and governance factors into traditional financial analysis and investment decision making based on an acceptance that these factors represent a core driver of both value and risk in companies and assets.” (RIAA, 2013).

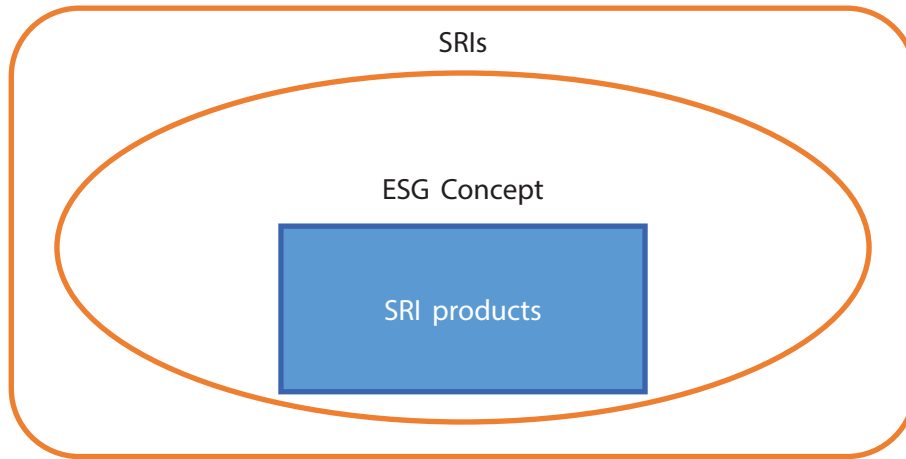
In particular, investors and stakeholders tend to decide their investment portfolios by paying more attention to the ESGs factors. Accordingly, this allows them to know where the money is invested and how the business is conducted. For example, in the environmental scope, investors and stakeholders are more aware of the importance of protecting the natural environment due to climate change and their impact on the environment based on the business operation decisions.

Therefore, in driving the ESGs concept, SRIs have to be used as instruments or approaches to fulfill the ESG's objectives. Regarding this matter, SRIs can be defined with several acronyms, including Social Responsible Investment, Sustainable, Responsible, and Impactful Investments; Socially Responsible Investments; and others. Nevertheless, SRIs reflect the same fundamental aims and goals regardless of the various terms used. According to Moghul & Safar-Aly (2014), “SRIs” is a generic terminology that involves any investment process, which occurs through the combination of the concerns toward the issues of ESGs and investors' financial objectives. There are many investment products have been launched to support the SRIs. Figure 1 presents a precise diagram that illustrates the structure of SRIs and ESGs.

Previously, SRIs were known as 'ethical investment.' The West first developed the instrument, and the practices can be traced since the 18th century when the members of “Quakers or Friends of Church” (name of a religious society) decided to select investment activities based on their values and ethics. However, the practices only started to show significant development and growth in the 20th century or during the last two decades. As a result, this has led many Methodism scholars to highlight these issues in

a straightforward way which then turns the philosophy and ideology into a trend that has been widely applied until today (Salina & Adam, 2017).

Figure 1. Relationship between SRIs and ESGs



Source: self-constructed

On another side, Islam is a religion that promotes a comprehensive and balanced development of the economy with a strong emphasis on social welfare (Mohamad et al., 2016). Regarding the Islamic institution's practices, *Maqasid Shariah* and *Maslahah* as the primary objective that needs to be achieved, while the operation and services are described as the manifestation of the objective. More importantly, Islamic products and services will lose their intrinsic values and become unacceptable in the global market due to ignoring *Maqasid Shariah* and *Maslahah*. The application of the SRIs concept has been practiced directly and indirectly by Islamic institutions through several names and products offered since its establishment. As stated in Dangulbi's (2012) study, one of the main objectives of Islamic institutions' services is to provide justice and social welfare to society and human life. In addition, Vejzagic & Smolo (2011) pointed out that profit maximization is not the sole concern of Islamic institutions because responsibility, justice, and fair play must occur together at all levels of human interaction (*Mu'amalah*).

Generally, the philosophies established by West and Islamic might be different in specific aspects, although some share the same aims and goals. Therefore, by considering the SRIs and ESGs concepts are originated from the western philosophical point of view, it is of great significance to investigate both concepts from the Islamic perspectives by adopting *Maqasid Shariah* and *Maslahah* approaches as a core fundamental. In order to develop a comprehensive Islamic institution, they should make a proper decision before deciding whether to be involved actively in these concepts, although global practices highly encourage SRIs instruments in investment portfolios.

Hence, it is crucial for Islamic institutions to consider the most crucial issue: whether the practices of SRIs and ESGs concepts will fulfill the Shariah requirement or otherwise. This concern is in line with the views of Mohamad et al. (2016), Marwan & Rabiah

(2016), and Wahab & Naim (2021), which mentioned that Islamic institutions require careful identification and investigation regarding the desired social outcome. Overall, further work is needed to answer the issues considering that the SRI instrument cannot be adopted because it may raise the Shariah issue that will affect product offerings. Thus, to cater to the Shariah-compliant issue and to protect the image of the Islamic financial industry, a study on SRIs and ESGs that linked to the Islamic perspectives by adopting *Maqasid Shariah* and *Maslahah* approaches is needed. In the context of Malaysia, the study is essential to strengthening Malaysia's position as the world's Islamic banking hub (New Straits Times, 2017). Moreover, this study might be helpful to other countries as a reference to develop their own Islamic SRI framework.

A search of the literature discovered that most past research only focused on the one-to-one dimension of study; for example, SRIs towards investment performance (see Ferrero-Ferrero et al., 2016; Syed, 2017; Buallay, 2019) while other studies (e.g., Hebb et al., 2014; Junkus & Berry, 2015; Hernaus, 2019) focused only on SRIs instrument itself. Other than that, several existing research (e.g., Laldin & Furqani, 2013; Shinkafi & Ali, 2017; Hudaefi & Noordin, 2019) explored *Maqasid Shariah*, followed by published studies by Cebeci (2012) and Ishak (2019) that focused on the concept of *Maslahah* in Islam. Thus, this paper has offered a comprehensive interlinked analysis that combines the concept from West and Islamic philosophies: SRIs, ESGs, *Maqasid Shariah*, and *Maslahah*. Thus, the paper can serve the readers about the capabilities of all concepts to suit each other's although it has come from different philosophies.

This paper also aims to strengthen the current literature by providing empirical findings that can further expand existing literature on ESGs and SRIs globally and from Malaysia's perspective. Meanwhile, pertinent findings on the current practices of SRIs linked with Islamic points of view will significantly influence the industry, particularly in the effort to manage the products in a better way. Therefore, the present study will significantly impact the readers, especially the Islamic financial institutions, investors, and academicians. Overall, this study's findings will help them better understand the concepts and applications of ESGs, SRIs, *Maqasid Shariah*, and *Maslahah*.

The rest of the current paper has been structured into four sections, including the introduction in Section 1. Next, Section 2 presents a discussion on methodology, followed by Section 3 that consists of the findings and discussions part of the current research results. Finally, Section 4 concludes the whole research and presents the limitations of the study.

Method

The research methodology is a systematic way to solve a problem. In other words, it is a science of studying how research should be carried out. Essentially, the procedures whereby researchers carry out their work of describing, explaining, and predicting

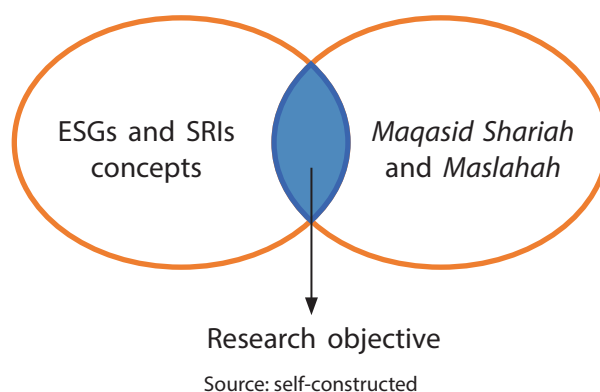
phenomena are called research methods. Apart from that, it is also defined as the study of methods to develop the research work plan.

Subsequently, the qualitative field study was employed in the present study. According to Creswell (2013), qualitative research explains everyday, difficult moments and meaning in individual lives through empirical materials such as case studies, personal experience, interviews, observational, visual text. Meanwhile, it is essential to note that all data sources can be manuscripts, newspapers, diaries, pictures, official and personal letters, and artifacts. Moreover, it can also describe people using the interview method, then analyzed using ethnography (Aspers & Corte, 2019). Therefore, this paper applied the qualitative research method via document content analysis approach to progressively answer the current paper's objectives.

This approach allows the present study to collect data from appropriate books, journals, reports, and other publications. In addition, data were also collected from recognized websites that discuss several issues related to the research objectives: among other things, ESGs, and SRIs concepts which are associated with the Islamic teaching, links between the objectives and principles of ESGs, SRIs, *Maqasid Shariah*, and *Maslahah*; and the opportunities for product innovations in Islamic financial products and services. The researchers were also engaged in seminars, forums, and various industry talks to further understand the present study's subjects.

The current research adopted this methodology to integrate the information obtained from papers, which simultaneously address ESGs, SRIs, *Maqasid Shariah*, and *Maslahah*. Subsequently, the present study managed to identify a limited number of published studies on the relationship between those concepts after analyzing the set of papers and coding relevant information.

Figure 2. The Area in Which The Identified Papers Are Located



Therefore, the objectives of the present study are located at the intersection area between the ESGs, SRIs, *Maqasid Shariah*, and *Maslahah* concepts. Table 1 shows the simplified research methodology that the researcher has used to analyze the data.

Table 1. the simplified research methodology

| Research objective | Method | Analysis |
|--|----------|------------------|
| To reviews on Sustainable and Responsible Investment (SRIs) Practices according to <i>Maqasid Shariah</i> and <i>Maslahah</i> perspectives | Document | Content analysis |

Source: self-constructed

“Besides, this research also applied the “big data” strategy. Nowadays, big data is a popular term commonly used to describe the vast and available data from digital sources inside and outside the organization (Sekaran & Bougie, 2016). It is undeniable that searching for information and knowledge using the Internet has become more accessible and saves time. Thus, the researcher has obtained information regarding all concepts discussed in this paper through related websites. For example, the UN-PRI website is helpful for information on the criteria, resolutions, and data statistics regarding the SRIs and ESGs concepts. Besides, the researcher has also used library research as a medium for data collection. This research method requires gathering information from materials, including previous literature, papers, journals, and books related to the topic. Hence, data from primary and secondary sources are integrated carefully to reach the best conclusion for this research.

Result and Discussion

This section discusses three sub-topics: *Maqasid Shariah* and *Maslahah* in Islam, SRIs practices based on *Maqasid Shariah* and *Maslahah*, and SRIs dimensions based on *Maqasid Shariah* and *Maslahah*.

Maqasid Shariah and *Maslahah* in Islam

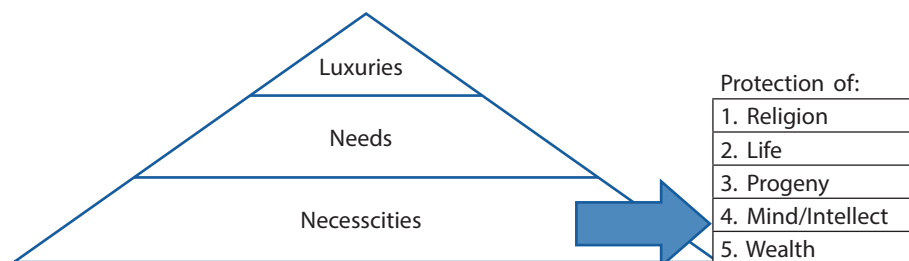
Maqasid (plural) is an Arabic word from the root word “maqad,” which means purpose, objective, principle, intent, goal, and end (Oladapo & Rahman, 2016). Moreover, Laldin & Furqani (2013) listed the features of *Maqasid Shariah* which include justice and balance (*al-'adl*), straightness of a path (*istiqamat al-Tariq*), and a directive destination (*al-i'timad*). In addition, Al-Shatibi, who was among the early scholars who discussed the maqasid concept in his well-known book of *Al-Muwafaqat*, proclaimed that maqasid could be observed in two situations which are the objective of Shariah (the law) and the objective of Mukallaf (the performer) (Rauf, 2015).

On the other hand, Maslahah is defined as public interest. Regarding this matter, Aris et al. (2013) define Maslahah as 'benefit' or 'interest,' 'welfare,' or 'advantage.' Meanwhile, Maslahah can also be considered a juristic approach applied in Islamic legal theory that focuses on welfare, interest, or benefit to the societies and repelling harm (*jalb al-masalih wa dar'u al-mafasid*). Most Islamic scholars (e.g., Abu Hamid al- Ghazali, d.505H; Fakhr al-Din al-Razi, d.606 H; Saif al-Din al-Amidi, d.631 H; Najm al-Din al-Tufi, d.716 H) used the term maqasid and Maslahah interchangeably in their early discussion of these theories. For example, al-Juwaini, one of the earliest contributors to

the maqasid theory, used both terms interchangeably while Al-Qarafi linked both terms as a fundamental rule that needs to be achieved (Afridi, 2016). Moreover, he added that ‘a maqasid is not valid unless it leads to the fulfillment of some good (*Maslahah*) or the avoidance of some mischief (*mafsadah*).’ Therefore, maqasid and Maslahah can be defined as a set of principles or objectives in Islamic law to secure the interest of humanity.

The traditional classifications of maqasid can be divided into three ‘levels of necessity,’ namely necessities (*dhururiyyat*), needs (*hajiyyat*), and luxuries (*tahsiniyyat*). Specifically, necessities can be further classified into five dimensions (*Al-Dharuriyyat al-Khams*) which are protections of religion (*Al-Deen*), life (*Al-Hayah*), progeny (*Al-Nasl*), mind/intellect (*Al-Aql*), and protection of wealth (*Al-Mal*). More importantly, it is crucial to understand that these necessities can be considered essential for human life. Nevertheless, it should be noted that the arrangement of these levels is not to show preference in protecting them but rather to demonstrate that any negligence or inability in acquiring and protecting one of the elements will harm the humanity of humans (Naim, 2011; Isa et al., 2015). Figure 3 shows a clear illustration of the level of necessity in Islamic law.

Figure 3. Levels of Necessity in Islamic Law



Source: Adopted from Al-Ghazali Framework

As stated by Rane (2012), Ibn Tamiyyah later expanded the *maqasid* theory developed by Al-Ghazali by including other matters such as fulfilling contracts, preserving ties of kinship, fulfilling the right of neighbors, respect the right to love the God, sincerity, trustworthiness, and moral purity as a part of the *Maqasid Shariah*. Apart from that, a study by Mohammad & Shahwan (2013) stated that Abu Zaharah in his book “Usul al-Fiqh” also broadened the scope of *maqasid* with the inclusion of education, justice, and public interest (*Maslahah*) as part of the objectives in Shariah. He further explained that a sound education system is an essential criterion for Muslims in building a great society which includes the advancement of knowledge, introduction to new skills, and promotion of awareness. Additionally, it was argued that the concept of justice in Islam should be seen broadly by incorporating judicial justice, social justice, and economic justice (Amin et al., 2013), which are concerned with fair dealings among individuals and employees community.

On the other hand, “Shariah” can be translated as a set of norms, values, and laws that govern every single aspect of life. In other words, Shariah can be described

as a source of knowledge in Islamic teaching that emphasizes various principles which cover numerous aspects, including belief, social, politics, economics, morality, ethics, and others (Laldin & Furqani, 2013; Syahiza et al., 2015). More importantly, the integrated principle is a complete code of life that each Muslim should obey. According to Ibn Qayyim al-Jawziyyah (d. 1356), Shariah aims to safeguard people's interest in this world and the hereafter.

Meanwhile, Mergaliyev et al. (2021) stated that Ibn Ashur in his book “Treatise on *Maqasid al-Shari'ah*” further explained another main objective of Shariah which is to create a stable and robust society or community. Besides that, Shariah is responsible for promoting an orderly function of its affairs by attaining comprehensive welfare and preventing evil. Therefore, this implies that the objectives of Shariah can be fulfilled by anything that operates towards establishing a better society, creating an environment for social welfare, and removing societal harm.

Therefore, *maqasid* can be defined as purpose or objectives, while Shariah can be understood as a set of ethics and values covering all aspects of life, including personal, social, economic, and others. Overall, *Maqasid Shariah* can be defined as the 'highest objectives of Islamic jurisprudence,' which acts as a guideline to achieve success and happiness in the world and hereafter according to the Quran and Sunnah.

SRI Practices Based on *Maqasid Shariah* and *Maslahah*

Fundamentally, the objectives of Shariah are to encourage people to do every deed and action with high morality and ethics based on various proofs from Al-Quran that mentioned this matter. For example, Allah Subhanahu Wa Taala (SWT) said in Surah al-Nahl, verse 30:

“And it will be said to those who feared Allah, “What did your Lord send down?” They will say, “[That which is] good.” For those who do good in this world is good, and the home of the hereafter is better. And how excellent is the home of the righteous.” (Al-Nahl 16:30)

Apart from that, Allah SWT also mentioned in surah al-Nahl verse 97 and Surah Yunus, verse 26:

“Whoever does righteousness, whether male or female, while he is a believer - We will surely cause him to live a good life, and We will surely give them their reward [in the Hereafter] according to the best of what they used to do.” (Al-Nahl 16:97)

“For them who have done good is the best [reward] and extra. No darkness will cover their faces, nor humiliation. Those are companions of Paradise; they will abide therein eternally.” (Yunus 10:26)

Hence, it can be clearly understood from the above verses that Islam highly encourages its *ummat* to perform good deeds in their everyday life. On the other hand, Islam prohibits people from immoral actions; therefore, those who commit them will be punished accordingly. Islam is a divine revelation that embraces the whole aspect of human life, including economic and financial aspects. As previously discussed, Islam also

encourages its believers to promote comprehensive and balanced economic development by emphasizing social welfare (Mohamad et al., 2016). This concept is in line with *Maqasid Shariah* (objective of Shariah) which is to preserve the public good (*maslahah*) and promote the well-being of all mankind. At the same time, it is equally vital to omit evils or mischief (*mafsadah*) either from an individual or society because the *maqasid* will not be considered valid unless it brings good and eliminates evils.

On another note, SRIs is a moral investment initiative based on a belief system that states that an institution must observe the ESGs issues despite the financial consequences. In this case, certain funds will be used to solve the societal problem, which is hoped to positively impact the environment in particular and society at large, such as pollution control, alleviation of poverty, and better infrastructures prevention of corruption.

In general, the objectives of ESGs and SRIs have been clearly illustrated as a socially responsible financial tool that is in line with the Islamic concepts of *Maqasid Shariah* and *Maslahah* (Laldin & Furqani, 2013). Regarding this matter, issues such as the preservation of life, improvement of life quality, and preservation and promotion of mind/intellect of youth are directly related to the *Dharruriyat* (necessities) of *Maqasid Shariah*. Apart from that, the SRIs concept also denotes the principles that promote socio-economic justice, repulsion of harm, and encouragement of ethics and morality in financial practice, which aligns with Islamic principles (Wahab & Naim, 2020).

SRIs Dimensions based on *Maqasid Shariah* and *Maslahah*

As discussed earlier, the main aim of the SRIs instrument is to overcome the issues related to the environment, society, and governance. Therefore, the current research has conducted an analysis based on the mentioned dimensions.

Environment

The first initiative of the SRIs instrument, which is to protect the environment, is undeniably in line with the objectives of Shariah. In *maqasid al-Shariah*, the protection of the environment falls under the protection of human life and progeny. In other words, people are encouraged to protect the environment from any destruction to ensure that humans can live healthy and safe life. On the other hand, Islam also forbids wilful destruction to all creations of God including animals, trees, and others because humans should act as a trustee on this earth (Salina & Adam, 2017). Allah SWT mentioned this matter in surah al-Baqarah, verse 205:

“And when he goes away, he strives throughout the land to cause corruption therein and destroy crops and animals. And Allah does not like corruption” (al-Baqarah: 205)

According to legal maxims (*qawa'id al-fiqhiyyah*) from the *maqasid* perspective, one general maxim mentions *La Darara wa la Dirar*, which means “Harm shall not be inflicted nor reciprocated.” Specifically, this maxim indicates the importance of removing all kinds of harm inflicted on the environment, such as pollution, open burning, and

unrestricted forest destruction. Accordingly, several initiatives can help protect the environment, including pollution control, recycling, and stricter policy.

Furthermore, it should be understood that protecting the environment also helps secure the future progeny life most healthily. In Islamic teaching, man is only considered the vicegerent entrusted to manage the environment in the best possible way. Hence, any destruction and defect on the earth will damage the stability and well-being of future generations. Therefore, every human being needs to be highly aware of this matter by transforming them into actions to ensure that the environment is inherited in good condition to the next generation.

Social

In terms of social protection, Islam indicates that personnel's life needs to be protected first, and only then can a good society be developed. Social protection is described as ensuring necessities for humans to live, such as food, clothes, and residence, are sufficient for everyone. More importantly, these necessities are in line with one of the *Maqasid Shariah*, which protects life. Simultaneously, reducing the unemployment rate among the public to ensure their survival is also part of the protection.

Furthermore, the protection of society also falls under the protection of mind/intellect. Allah SWT has appointed mankind as his vicegerent (*Khalifah*) in this world to manage the resources on this earth. Hence, an excellent intellectual mind allows a human to make a good decisions. The accuracy of decision-making is crucial to humans because it can influence their daily activities and directly affect the harmony of social life. For example, Allah SWT affirms that humans are prohibited from being involved in useless things because it will destroy the human's mind, as stated in Surah al-Maidah, verse 90.

“O you who have believed, indeed, intoxicants, gambling, [sacrificing on] stone alters [to other than Allah], and divining arrows are but defilement from the work of Satan, so avoid it that you may be successful.” (al-Maidah: 90)

In another aspect of social protection, Islam also bans adultery among believers. The affirmation on protecting the lineage is stated in the Quran as found in Surah Al-Isra' verse 32:

“And do not approach unlawful sexual intercourse. Indeed, it is ever an immorality and is evil as a way.” (al-Isra: 32)

Islam strongly emphasizes on its adherents to care for the offspring from any elements that are damaging. A possible explanation for this matter may be that the development of better societies in this world can be established from the descendant. Regarding another aspect of social protection, the preservation and protection of *al-aql* (intellect) and *al-nasl* (progeny) can be achieved by developing good educational infrastructures such as schools and universities. These infrastructures can be developed in Islamic practices by utilizing Islamic financial instruments such as the *zakat*, *sadaqat*, *waqf*, and *Sukuk* model. More importantly, these approaches can open the golden gate for society, enabling them to seek knowledge, eventually eliminating social issues. Apart

from that, other social issues such as eliminating abuse towards women and children and prostitution can also be tackled through an excellent educational and employment system. Therefore, the *Maqasid Shariah*, which refers to protecting life, progeny, and intellect, can fall under social protection in the ESG dimensions.

Governance

Regarding the governance issues, Islam emphasizes the concept that human as a vicegerent that has been sent to the mankind to this earth to govern in a way that complies with the commandment of Allah Almighty as mentioned in surah Az-Zariyat, verse 56:

“And I did not create the jinn and mankind except to worship Me.” (Az-Zariyat: 56)

The preservation of religion is a method that can serve good governance as accountability which is closely related to the belief system or, in other words, religion. Hence, Islam promotes good governance practices in every action that believers should observe. In Islamic teaching, humans are responsible for themselves and the *ummah* as a whole. As a *Khalifah*, a human is responsible for upholding good governance in conducting relationships between man and the creator, man and fellow man, man and other elements of creatures of the universe. In other words, Muslims are responsible for whatever deeds they perform regarding the resources provided by Allah.

One concept in Islam that Muslims must always obey in ensuring good governance practices is trustworthiness (*Amanah*). The concept of trustworthiness in Islam can be divided into the trustee of Allah's resources and trustee between people (e.g., an owner and a manager). Allah SWT mentions this matter in Surah An-Nisa' verse 58:

“Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and Seeing.” (an-Nisa: 58)

Incorporate governance, man is the central element that effectively enables a system to progress on the right track. In this case, it can be manifested that man plays a paramount role in managing because it can lead to achieving its vision and mission. Specifically, a man will act as a shareholder, creditor, auditor, regulator, manager, and director. Hence, each party in the organization should perform their professional duties to fulfill Allah's wills and satisfy the needs of the shareholders.

The misleading understanding and implementation of good governance practices will lead to a big problem for the organizations. In other words, the responsibility to perform good governance practices does not fall under one party or one individual, but it is considered the responsibility of all parties involved. Therefore, a poor governance system may lead to corporate failure, which will affect the wealth of the shareholders and the welfare of other stakeholders.

Overall, the basic fundamental of governance is to ensure the success of businesses and organizations. Therefore, the aim of ESGs and SRIs concept, which is to overcome

governance issues, including immorality practice, corruption, board accountability, and transparency, are closely related to the *Maqasid Shariah*, especially in protecting life and wealth. Furthermore, it is crucial to understand that Islam promotes accountability, transparency, and trustworthiness in practicing good governance. Table 2 shows the link between SRI objectives based on the ESGs concept, the objective of Shariah, and the sources, which are al-Quran and Sunnah.

Generally, the aims and fundamentals of ESGs and SRI concepts do not contradict the Shariah principles. Moreover, the concepts tend to encourage people to do good actions that can provide several benefits and improvements to the daily life of humans. Apart from that, in Islam, people who perform good actions or encourage others to do good deeds will be rewarded by Allah SWT as mentioned in Surah az-Zalzalah verses 7-8 and Surah al-Baqarah, verse 286. Besides, SRI investing also aims to improve investment performance, outcomes, and the benefits to the environment, society as well as governance via varieties of programmed such as to overcome the issue of poverty, unemployment, homeless, healthcare, criminal offending, pollution control, providing necessary infrastructures, among others school and hospital, avoiding corruption and so on and so forth. In terms of scope, SRI also avoid the investment that gives terrible effects to society, such as being involved in drugs, alcohol, and gambling investments, all of which result in addiction and negatively affect society's health. At that point, the practices have most similar with investment guidelines in Islam teaching that prohibited that kinds of investment to be practices.

Table 2. The link between SRI objectives based on ESGs concept, the objective of Shariah, and the source from al-Quran and Sunnah.

| Objective of SRI | Objective of Shariah | Examples sources of Evidence |
|---|---|--|
| Environment: To concern about the issues related to climate change, natural resources, pollution, energy efficiency, toxic and waste treatment, and environmental opportunities. | Protection of: 1. Life, 2. progeny | <i>"And when he goes away, he strives throughout the land to cause corruption therein and destroy crops and animals. And Allah does not like corruption"</i> (al-Baqarah: 205). <i>"And do not mischief on the earth, after it has been set in order, but call on Him with fear and aspiration. Indeed the mercy of Allah (SWT) is near to the doers of good. (Qur'an 7:56)</i> |
| Social: To overcome the issues related to high poverty rates, child labor issues, discrimination, and; health and safety. | Protection of: 1. Life, 2. Progeny, 3. mind/intellect | <i>"Indeed, we offered the Trust to the heavens and the earth and the mountains, and they declined to bear it and feared it; but man [undertook to] bear it. Indeed, he was unjust and ignorant."</i> (Quran 33: 72) |
| Governance: To focus on the issues related to corporate governance and behavior, immoral practices, corruption, and transparency issue. | Protection of: 1. Religion, 2. Life, 3. Wealth | The Prophet said in a Hadith Qudsi, "Allah said, "I will oppose three types of people on the Day of Resurrection and among these, He mentioned 'one who employs a laborer, has the whole job completed by him, but does not pay him for his labor" "I have made oppression unlawful for Me and you, so do not commit oppression against one another" (Sahih Muslim, Vol. 3 Hadith No.6254) |

Source: Self-constructed

Thus, the objectives of SRIs can be concluded in line with Maqasid Shariah and Maslahah in Islamic principles. Issues such as the preservation of life, improvement of life quality, and preservation and promotion of the mind/intellect of youth are directly related to the Dharruriyat (necessities) of Maqasid Shariah. Besides, the SRIs concept also denotes the principles that promote socio-economic justice, repulsion of harm and encourage the practice of ethics and morality in financial practice that is in line with Islamic principles. As a whole, the current research paper only touched on Maqasid Shariah that is directly related to the protection of ESG issues, but at the same time did not deny other essential matters in Maqasid Shariah that may be indirectly related to those issues.

Conclusions

The present study has investigated the SRIs and ESGs practices according to Maqasid Shariah and Maslahah. The current research results revealed similarities between the Maqasid Shariah, Maslahah, ESGs concept, and SRIs instrument in the enhancement of wellness, welfare, and well-being of social life. In other words, those concepts are inclined towards preserving nature, people, and wealth. The preservation and protection of Maqasid Shariah majorly emphasize five essential matters (religion, life, progeny, intellect, and wealth) that are important for the alleviation of mischief or evil (mafsadah) in the society as well as preserving the interests or good (maslahah) among the public. Therefore, it is essential to apply any social responsibility-based activities such as the ESGs concept and its instruments because it will positively influence the protection of Maqasid Shariah and Maslahah.

However, this paper also does not deny that a few criteria of ESGs need to be further clarified with Shariah principles. The criteria such as promoting freedom of human rights, freedom of expression, freedom of censorship, and freedom of association need to be carefully explained. In this context, more comprehensive studies should be conducted before the Islamic financial institutions actively decide to involve those criteria. It is to ensure that the Shariah principle becomes the priority in the decision-making process of Islamic institutions. Besides, this paper also proves that although particular concepts originated from the West philosophy like SRIs and ESGs, it does not mean that Islam does not emphasize or even reject those issues in total. Islam seems comprehensive and consistent to handle the ESG issues since the revelation of this religion, as Allah SWT mentions in surah al-Baqarah verse 205 that Islam forbids its believers from making any wilful destruction to all creations, including animals, trees, and others.

About the whole research, some limitations of the present study need to be acknowledged. First, this paper is conceptual; hence, the analysis was purely obtained from secondary data sources. Hence, it cannot be denied that the filters used to identify the critical papers may have led to the exclusion of others who might also be essential papers. Second, the systematic literature review adopted in the current research was utterly dependent on available and accessible research studies and the criteria set by the

researchers. Therefore, selecting specific criteria for inclusion and exclusion of the papers may have been exposed to publication bias, which should be considered an intrinsic limitation to the systematic literature reviews.

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