

---

## SYNERGIZING ESG AND SHARIAH VALUES FOR SUSTAINABLE ECONOMIC RESILIENCE

<sup>1</sup>Irni Sri Cahyanti, <sup>2</sup>Gita Priyanti

<sup>1,2,3</sup>UIN Sunan Gunung Djati Bandung, Indonesia

Email: [irnisricahyanti@gmail.com](mailto:irnisricahyanti@gmail.com)

### Abstract

This research aims to explore the synergy between Environmental, Social, and Governance (ESG) principles and Sharia values as an integrated approach to strengthening sustainable economic resilience. Using a qualitative descriptive method, data was collected through semi-structured interviews with key informants from Islamic finance practitioners, academics, regulators, and sustainability activists, and supported by literature and documentation studies. The results of the study show that there is a strong common ground between ESG principles and maqasid syariah, especially in the aspects of environmental protection (*hifz al-bi'ah*), social justice (*adl*), and trustworthy governance (*governance*). However, this integration still faces challenges such as the lack of sharia-based ESG indicators and limited literacy among practitioners. This research confirms that integrating ESG and Sharia values can strengthen the ethical framework in the financial system and provide a resilient foundation for inclusive and sustainable economic development.

**Keywords:** ESG, Shariah, Sustainable, Islamic Economic, Economic Resilience, Maqasid syariah

### Abstrak

Penelitian ini bertujuan untuk mengeksplorasi sinergi antara prinsip Lingkungan, Sosial, and Tata kelola Keuangan (ESG) dengan nilai-nilai syariah sebagai pendekatan terpadu dalam memperkuat ketahanan ekonomi berkelanjutan. Menggunakan metode deskriptif kualitatif, data dikumpulkan melalui wawancara semi-terstruktur dengan informan kunci dari kalangan praktisi keuangan syariah, akademisi, regulator, dan aktivis keberlanjutan, serta didukung oleh studi literatur dan dokumentasi. Hasil penelitian menunjukkan bahwa terdapat titik temu yang kuat antara prinsip ESG dan maqasid syariah, khususnya dalam aspek perlindungan lingkungan (*hifz al-bi'ah*), keadilan sosial (*adl*), dan tata kelola yang amanah (*governance*). Kendati demikian, integrasi ini masih menghadapi tantangan seperti kurangnya indikator ESG berbasis syariah dan literasi yang terbatas di kalangan praktisi. Penelitian ini menegaskan bahwa integrasi ESG dan nilai-nilai syariah dapat memperkuat struktur etika dalam sistem keuangan dan memberikan fondasi yang tangguh untuk pembangunan ekonomi yang inklusif dan berkelanjutan.

**Kata Kunci:** ESG, Syariah, Keberlanjutan, Ekonomi Islam, Ketahanan Ekonomi, Maqasid Syariah

## INTRODUCTION

In recent decades, the world has encountered increasingly complex global challenges, including climate change, social inequality, economic instability, and crises related to corporate ethics. These issues have given rise to a new paradigm in corporate governance and economic development that emphasizes sustainability. The concept of Environmental, Social, and Governance (ESG) has emerged as a strategic framework designed to guide business practices toward greater responsibility in environmental protection, social equity, and effective governance.

ESG (Environmental, Social/Social, Governance) is an instrument for assessing the impact

of sustainability and ethics in investment (Cahyanti, 2024). ESG, as a framework that evaluates environmental, social, and corporate governance impacts, has now become a key consideration for investors in decision-making within a company. ESG factors have had a significant appeal for investors to evaluate their investment decisions in achieving higher impact investments (Katterbauer et al., 2022).

To achieve sustainable economic resilience in a complex global context, it is essential to integrate Sharia values with Environmental, Social, and Governance (ESG) principles. Islamic finance and economics already provide a holistic, value-based approach that aligns economic interests with morality, social justice, and sustainability. Core Sharia values such as justice (*adl*), balance (*mizan*), and the common good (*maslahah*) closely align with ESG elements. Thus, these two approaches are not only complementary but also have significant synergistic potential in shaping a resilient, inclusive, and sustainable economic system (Rambe & Armayanti, 2025).

Currently, companies are not solely focused on achieving profit goals; they must also carefully consider how their operational activities are implemented. Social aspects encompass issues such as equality, workplace diversity, human rights, and community contributions. Governance aspects pertain to board independence, ownership structure, minority shareholder rights, equitable treatment of shareholders, and the transparency of corporate information. (Durlista & Wahyudi, 2023).

Companies that focus on and integrate ESG (Environmental, Social, and Governance) scores achieve the best results, making this approach an effective business development strategy that enhances overall performance. Investor preference for companies that implement ESG practices is growing stronger, demonstrating a company's commitment to providing alternatives for Sharia-compliant investments in collaboration with economically responsible actors dedicated to upholding ESG principles (Al Azizah & Haron, 2025; Cahyanti, 2024; Rehan et al., 2025).

One example is the concept of Islamic Green Finance, where instruments such as green sukuk are used to fund renewable energy projects while meeting Sharia and environmental screening criteria (Aldhaheiri, 2025). A study in Malaysia shows that Sharia-compliant companies with high ESG scores have better Return on Assets (ROA) and Tobin's Q than non-Sharia-compliant companies (Hamit, 2025).

Companies need to incorporate ESG (Environmental, Social, and Governance) principles into their business operations to minimize risks and maximize positive impacts for all stakeholders. However, academic literature that specifically explores the connection between ESG principles and Sharia values is still limited, particularly in the context of long-term economic resilience. The synergy between these two can enhance the ethical and sustainable foundation of economic decision-making and increase the trust of investors and other stakeholders. This integration is also important for developing a new economic model that prioritizes not only short-term profitability but also the long-term impacts on society and the environment.

This study aims to explore the potential synergies between Environmental, Social, and Governance (ESG) values and Sharia principles as an integrated framework to promote sustainable economic resilience. By examining the similarities and differences between these two approaches and their strategic implications in both global and local contexts, this research seeks to contribute theoretically and practically to the development of a more resilient, ethical, and equitable economic model.

## **METHODOLOGY**

This research uses a qualitative descriptive approach with the aim of exploring in depth the linkages, alignment, and potential synergies between ESG (Environmental, Social, Governance) principles and Islamic economic values in supporting sustainable economic resilience. This study adopts a qualitative approach by conducting a literature study and document analysis related to ESG principles, Sharia values, and the concept of sustainable economic resilience. Data was collected from a variety of sources, including academic journals, articles, and reports. The collected data is analyzed descriptively and interpretively to identify common points and synergies between ESG principles and Sharia values in realizing sustainable economic resilience.

## **RESULT AND DISCUSSION**

The integration of ESG principles and Sharia values in realizing sustainable economic resilience has great potential to create positive environmental, social, and economic impacts. Sharia values such as justice, balance, and social responsibility are in line with ESG principles. This can be achieved in a variety of ways, including: Adopting environmentally and socially responsible business practices that are in line with Sharia values. Ensuring transparency and accountability in corporate governance by Sharia principles. Invest funds in sustainable projects and provide social benefits that are in line with Sharia goals such as Islamic social finance in the form of zakat, infaq, alms, and waqf.

These instruments work alongside conventional financial systems, setting the Islamic economic framework apart from its traditional counterpart. Islamic social finance merges both spiritual and social dimensions (Cahyanti et al., 2024). As in the CWLS SWR001 product, Islamic banking can play a role as a nazir partner in the management of money waqf in the CWLS SWR001 product, which is in line with the main principles of waqf and laws and regulations (Muhsin et al., 2023) 8/14/2025 4:28:00 PM.

The integration of ESG principles and Sharia values can be an effective solution to address the various economic and social challenges faced by Muslim societies today. It can also help create a fairer, more inclusive, and more sustainable economic system. Ethical and sustainable investing is becoming increasingly important in the modern financial landscape. Islamic banking faces challenges and growth opportunities in the digital era, so continuous efforts in developing technology and creating innovative solutions are a priority (Hera Susanti, 2024). Sharia economics offers solutions to overcome economic crises, both in the short and long term (Emy Widyastuti & Nena Arinta, 2020).

ESG principles are also aligned with the goals of Maqasid Sharia, which is to protect religion, soul, intellect, descendants, and property. Environmentally and socially responsible business practices can help preserve nature and improve people's well-being, which is part of Maqasid Sharia's goals. The importance of optimizing the role of the Sharia Supervisory Board (Dewan Pengawas Syariah/ DPS) in Islamic banking, including tightening the qualifications of DPS appointments and providing adequate support (Prabowo & Jamal, 2017). Sharia supervisors play an important role in ensuring industry compliance with Sharia principles (Fitriani & Nisa, 2024). The existence of the Sharia Supervisory Board in Sharia Financial Institutions plays a central and urgent role in maintaining the compatibility between the concept of Islamic financial

transactions that have been fatwa by DSN-MUI and its implementation in the field. So that companies or institutions can contribute to the achievement of SDG and ESG goals, as well as create a more just and sustainable world. The implementation of Sharia principles requires a deep understanding of banking operations and economic knowledge (Waqqosh et al., 2021).

Based on the explanation above, it shows that ESG and Sharia values have a strong slice in sustainability principles:

**1. Environmental**

The principle of *hifz al-bi'ah* in Islam is in line with environmental aspects of ESG, such as reducing emissions and protecting ecosystems.

**2. Social**

The values of justice and *maslahah* in sharia are in line with corporate social responsibility, workers' rights, and community empowerment.

**3. Governance**

The principles of trust, *hisab*, and transparency in sharia are very much in line with good corporate governance in ESG.

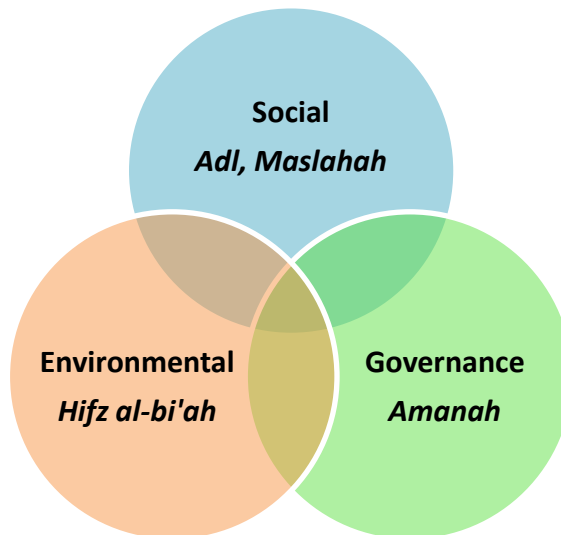


Figure 1. The Synergy Between ESG and Sharia Values in Economic

The synergy between ESG and sharia values in economic activities can be carried out through environmental management, social responsibility, and good governance and transparency so that it has an impact on sustainable economic resilience. As has been done by several Sharia-based companies, one of which is PT Bank Syariah Indonesia Tbk (BSI).

PT Bank Syariah Indonesia Tbk (BSI) continues to show its commitment to implementing environmental, Social, and Governance (ESG) principles. As a manifestation of this commitment, BSI managed to increase Bloomberg's ESG score from 2.24 to 3.86. This increase also pushed BSI's position up from the 'ABOVE MEDIAN' category to 'LEADING' in the global banking sector. For these achievements, BSI is ranked 4th nationally in the commercial bank category, as well as 4th globally among Islamic banks, after MBSB BHD, Abu Dhabi Islamic Bank, and Qatar Islamic Bank (*Rating ESG BSI Masuk Top 4 Global Islamic Bank - Berita | Bank Syariah Indonesia, n.d.*).

Integrative practices that combine ESG (Environmental, Social, and Governance) principles

with Sharia compliance have started to be adopted by various financial institutions in Indonesia and Malaysia. However, challenges still persist, including the absence of Sharia-based ESG indicators and low levels of ESG literacy among practitioners in the Islamic economy. Addressing these issues presents a strategic opportunity to strengthen economic resilience, attract ethical investments, and enhance the global reputation of Islamic financial institutions.

The findings presented here bolster the perspective that Environmental, Social, and Governance (ESG) principles and Sharia values not only coexist harmoniously but also enhance one another. ESG serves as a universal framework dedicated to promoting sustainability across various sectors, while Sharia imparts a robust moral and spiritual foundation that guides ethical decision-making. In today's increasingly interconnected global economy, which yearns for a financial system that is both inclusive and sustainable, the integration of these two paradigms has gained paramount importance.

Sustainable economic resilience extends beyond mere financial metrics; it is intricately shaped by deep-rooted ethical standards and value systems. By embracing ESG principles interwoven with Sharia values, financial institutions can assume a pivotal role in cultivating an economy characterized by fairness, inclusivity, and a heightened capacity to withstand crises. This dual approach not only fosters trust and integrity but also paves the way for a more balanced and enduring economic future.

## CONCLUSION

This study concludes that the integration of ESG (Environmental, Social, and Governance) principles with Sharia values holds substantial promise for bolstering sustainable economic resilience. The common ethical underpinnings shared by both frameworks can provide a robust foundation for crafting effective policies and strategies tailored specifically for financial institutions, especially in regions with a predominantly Muslim population. To fully realize this potential, further efforts are essential to establish a comprehensive Sharia-compliant ESG framework. This framework should encompass the development of pertinent indicators, offer specialized training for industry practitioners, and ensure regulatory alignment between financial authorities and Islamic financial standards. Such initiatives will not only enhance compliance but also promote a more sustainable and ethically-driven economic landscape.

## REFERENCES

1. Al Azizah, U. S., & Haron, R. (2025). The sustainability imperative: Evaluating the effect of ESG on corporate financial performance before and after the pandemic. *Discover Sustainability*, 6(1), 1–17. <https://doi.org/10.1007/s43621-025-01401-8>
2. Aldhaheri, W. (2025). Islamic Green Finance: Shariah-Compliant Pathways towards Sustainable Development Goals (SDGs). *Open Journal of Applied Sciences*, 15(5), Article 5. <https://doi.org/10.4236/ojapps.2025.155090>
3. Cahyanti, I. S. (2024). *Pengaruh suku bunga, inflasi, kurs dan harga emas terhadap Return saham syariah pada perusahaan yang terdaftar di Jakarta Islamic Index* [Doctoral, UIN Sunan Gunung Djati Bandung]. <https://digilib.uinsgd.ac.id/91917/>
4. Cahyanti, I. S., Ulfah, U., & Suhendi, E. (2024). How Islamic Social Finance Boosts Psychological Well-Being? *Share: Jurnal Ekonomi Dan Keuangan Islam*, 13(2), 415–437.

- <https://doi.org/10.22373/share.v13i2.19998>
5. Durlista, M. A., & Wahyudi, I. (2023). Pengaruh Pengungkapan Environmental, Social Dan Governance (esg) Terhadap Kinerja Perusahaan Pada Perusahaan Sub Sektor Pertambangan Batu Bara Periode 2017-2022. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 7(3), 210–232. <https://doi.org/10.31955/mea.v7i3.3327>
  6. Emy Widyastuti, & Nena Arinta, Y. (2020). Perbankan Syariah dan Pertumbuhan Ekonomi Indonesia: Bagaimana Kontribusinya? *AL-MUZARA'AH*, 8(2), 129–140. <https://doi.org/10.29244/jam.8.2.129-140>
  7. Fitriani, D., & Nisa, F. L. (2024). Analisis Praktek Larangan Maysir, Gharar, Dan Riba Dalam Asuransi Syariah Di Indonesia. *JURNAL MULTIDISIPLIN ILMU AKADEMIK*, 1(3), Article 3. <https://doi.org/10.61722/jmia.v1i3.1391>
  8. Hamit, A. F. A. (2025). Dynamic Triangulation between Shariah Compliance, ESG Transparency, and Firm Profitability. *International Journal of Research and Innovation in Social Science*, VIII(XII), 1169–1180. <https://doi.org/10.47772/IJRISS.2024.8120097>
  9. Hera Susanti, K. (2024). Tantangan dan Peluang Perbankan Syariah di Era Digital dalam Pertumbuhan Berkelanjutan. *Persya: Jurnal Perbankan Syariah*, 2(1), 13–19. <https://doi.org/10.62070/persya.v2i1.53>
  10. Katterbauer, K., Syed, H., Genç, S. Y., & Cleenewerck, L. (2022). Environmental Compliance and Financial Performance of Shariah-Compliant Enterprises – a Data-Driven Analysis. *Revista de Gestão Social e Ambiental*, 16(2), e03043. <https://doi.org/10.24857/rgsa.v16n2-025>
  11. Muhsin, Cahyanti, I. S., & Wafa, F. D. (2023). Cash Waqf Linked Sukuk: Potential Mapping of Cash Waqf in Micro, Small and Medium Enterprises (MSMEs). *LAA MAISYIR : Jurnal Ekonomi Islam*, 25–43. <https://doi.org/10.24252/lamaisyir.v10i1.37483>
  12. Prabowo, B. A., & Jamal, J. B. (2017). Peranan Dewan Pengawas Syariah terhadap Praktik Kepatuhan Syariah dalam Perbankan Syariah di Indonesia. *Jurnal Hukum IUS QUIA IUSTUM*, 24(1), 113–129. <https://doi.org/10.20885/iustum.vol24.iss1.art6>
  13. Rambe, L. A., & Armayanti, Y. (2025). Aspek Hukum Ekonomi Syariah dalam Environmental, Social and Govenance (ESG): Upaya Peningkatan Ekonomi Masyarakat yang Berkelanjutan. *Journal of Islamic Law El Madani*, 4(1), 1–13. <https://doi.org/10.55438/jile.v4i1.128>
  14. *Rating ESG BSI Masuk Top 4 Global Islamic Bank—Berita | Bank Syariah Indonesia*. (n.d.). Retrieved June 15, 2025, from <https://www.bankbsi.co.id/news-update/berita/rating-esg-bsi-masuk-top-4-global-islamic-bank>
  15. Rehan, R., Hadi, A. R. A., & Sa'ad, A. A. (2025). Islamic Corporate Governance and Sustainable Financial Growth. In *Islamic Finance and Corporate Governance: Synergies for Sustainable Growth* (world; pp. 1–22). Emerald Publishing Limited. <https://doi.org/10.1108/978-1-83662-346-520251003>
  16. Waqqosh, A., Yusfa, F. H., Sudiarti, S., Fadillah, T. D., & Al Amin, H. (2021). The Role Of The Sharia Supervisory Board (DPS) In Supervision Of Contract Implementation At The Binjai Branch Bri Sharia. *E-Mabis: Jurnal Ekonomi Manajemen Dan Bisnis*, 22(1), 71–78. <https://doi.org/10.29103/e-mabis.v22i1.657>