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Maqashid Shariah-Based Sustainability Reporting Analysis at Bank Syariah Indonesia (BSI)

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Abstract

Sustainability reporting has become a strategic tool for measuring corporate responsibility beyond financial performance, particularly in the banking sector. However, most Islamic banks, including Bank Syariah Indonesia (BSI), still rely heavily on global frameworks such as the Global Reporting Initiative (GRI) and Environmental, Social, and Governance (ESG) without explicitly integrating Islamic values. This study aims to analyze BSI's 2023 sustainability report using the *maqashid shariah* framework, which emphasizes five core objectives: protection of religion (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-aql*), progeny (*hifz al-nasl*), and wealth (*hifz al-mal*). The research employs a qualitative content analysis method by mapping the contents of BSI's report against these five dimensions. The findings indicate that BSI has successfully addressed four of the five *maqashid* principles through programs related to religious activities, social health, financial literacy, and inclusive financing. However, the principle of *hifz al-nasl* remains underrepresented. In conclusion, although BSI demonstrates strong alignment with GRI standards, integrating *maqashid shariah* more explicitly would enhance the Islamic authenticity of its sustainability reporting and provide a more holistic view of its social and moral commitments.

Keywords

Sustainability reporting, *maqashid syariah*, Islamic banking, ESG, BSI.

INTRODUCTION

The concept of sustainability has become a central issue in global business practices, in line with growing awareness of the social and environmental impacts of economic activities. Over the past two decades, there has been increasing demand for companies not only to pursue profitability but also to carry out social responsibility and uphold environmental stewardship as part of sustainable governance. These demands have materialized through various sustainability reporting instruments and standards, such as the Global Reporting Initiative (GRI) and the Environmental, Social, and Governance (ESG) framework, which encourage companies to disclose non-financial aspects in a transparent and structured manner (Novitasari & Prabowo, 2021).

In the financial sector, sustainability reporting is becoming increasingly important because financial institutions have significant influence in directing fund flows, investments, and financing toward sectors that support sustainable development. Both conventional and Islamic banks are now

expected not only to be economically profitable entities but also to contribute to the achievement of the Sustainable Development Goals (SDGs). In this context, Islamic banking has a unique characteristic, as it was originally designed to operate within the framework of Islamic values, which are inherently aligned with sustainability principles—such as justice, balance, the prohibition of exploitation, and the protection of social rights.

The concept of sustainability in Islam can be found within the framework of *maqashid shariah*, which refers to the main objectives of Islamic law that encompass five core aspects: protection of religion (*hifzh al-din*), life (*hifzh al-nafs*), intellect (*hifzh al-'aql*), lineage (*hifzh al-nasl*), and wealth (*hifzh al-mal*) (Nasution & Sari, 2020). In contemporary practice, these *maqashid* values can be operationalized into sustainability indicators such as environmental protection, public education, financial inclusion, social welfare, and equitable wealth distribution. Therefore, sustainability reporting in Islamic banking should not only adopt international standards such as GRI but also reflect Islamic value frameworks through a *maqashid shariah* approach.

As the largest Islamic bank in Indonesia, Bank Syariah Indonesia (BSI) plays a vital role in advancing the national Islamic financial system while also serving as a key representation of Islamic banking practices at the global level. Following the merger in 2021, BSI declared its commitment to applying sustainability principles through the preparation of an annual sustainability report based on GRI standards. The report contains information on ESG strategies, social activities, contributions to communities, and environmental preservation efforts (Bank Syariah Indonesia, 2023). However, deeper academic scrutiny is needed to evaluate whether BSI's sustainability report not only meets international standards but also aligns with the values of *maqashid shariah* as an ethical and philosophical framework unique to the Islamic economic system.

Dewi et al. (2021) highlight that *maqashid -shariah* can serve as a comprehensive evaluation tool for measuring the sustainability performance of Islamic banks, as it encompasses moral, social, and spiritual dimensions not covered by conventional financial ratios. However, Putri and Wicaksono (2022) point out that not all *maqashid* aspects are currently accommodated in Islamic banks' sustainability reports. This indicates the need for methodological improvements to ensure a more accurate representation of *maqashid* indicators in such reporting.

Based on this background, this study aims to analyze the sustainability report of Bank Syariah Indonesia (BSI) from the perspective of *maqashid shariah*. It is hoped that this research will contribute to the development of sustainability reporting that is not only technical and formal in nature but also reflects the spiritual and ethical values inherent in the Islamic economic system.

LITERATURE REVIEW

Sustainability Reporting

Sustainability reporting is the practice of companies disclosing non-financial information that includes environmental, social, and governance (ESG) aspects in a structured and transparent manner. A sustainability report provides an overview of the economic, social, and environmental impacts resulting from business activities and the company's strategies for managing those impacts responsibly (Hermawan et al., 2021). This practice has become increasingly crucial in the modern corporate landscape, where stakeholders including investors, regulators, and the general public demand more accountability and transparency beyond mere financial performance.

One of the most widely used global standards for sustainability reporting is the Global Reporting Initiative (GRI), which provides comprehensive guidelines and reporting indicators for various sectors, including banking. GRI supports companies in preparing reports that are relevant to various stakeholders through principles such as materiality, stakeholder engagement, and information continuity (Global Reporting Initiative, 2021). The adoption of GRI standards enables organizations to communicate their sustainability efforts consistently and comparably across industries and geographies, thereby fostering trust and long-term value creation.

In conventional reporting, the information presented is usually limited to financial aspects such as profit and loss statements, balance sheets, and cash flows. While these indicators remain fundamental, they are increasingly viewed as insufficient to capture the full scope of a company's operations and its externalities. In contrast, sustainability reporting adds dimensions of social and environmental responsibility such as carbon emissions, labor practices, community engagement, and ethical governance that are not captured in traditional financial reports. Therefore, sustainability reports are

considered more comprehensive and relevant in assessing overall company performance, especially in sectors with broad societal and environmental impacts such as banking (Novitasari & Prabowo, 2021).

In the banking sector, sustainability reporting is particularly vital due to the industry's indirect environmental and social footprint through its lending and investment activities. For instance, banks are expected to assess and disclose the ESG risks associated with their credit portfolios, such as financing projects that may contribute to deforestation or social displacement. Furthermore, sustainability reporting allows banks to demonstrate their commitment to sustainable finance, including green bonds, inclusive financial services, and support for renewable energy initiatives. As financial intermediaries, banks play a pivotal role in directing capital flows toward sustainable development goals (SDGs), and sustainability reporting serves as a mechanism to ensure that their contributions are both measurable and accountable.

Maqashid Shariah

Maqashid shariah are fundamental principles in Islam that refer to the primary objectives of the implementation of *sharia*. These objectives serve as the ethical and philosophical foundation that guides Islamic law in promoting human welfare (*maslahah*) and preventing harm (*mafsadah*). Generally, *maqashid* includes five main aspects: *hifz al-din* (protection of religion), *hifz al-nafs* (protection of life), *hifz al-'aql* (protection of intellect), *hifz al-nasl* (protection of lineage), and *hifz al-mal* (protection of wealth). These five elements reflect the holistic nature of Islamic teachings that encompass spiritual, physical, intellectual, social, and economic dimensions of human life. In an institutional context, *maqashid shariah* can serve as an evaluative framework to assess how far an institution contributes to achieving the objectives of *sharia* in socio-economic life (Nasution & Sari, 2020). The application of *maqashid shariah* in modern organizational settings particularly in the Islamic finance industry provides a normative compass to ensure that financial activities align with the broader goals of justice, equity, and social welfare. Rather than focusing solely on profitability or compliance with *fiqh* rules, the *maqashid* framework urges institutions to go beyond legal formality and embrace the ethical spirit of *sharia*. This shift encourages a values-based approach in decision-making, risk management, and performance evaluation.

In the Islamic finance industry, *maqashid* can be operationalized into tangible indicators such as equitable financing for all social strata, promotion of financial literacy and education, protection of consumers from exploitative practices, economic empowerment of marginalized communities, and preservation of the environment through sustainable investment practices. These indicators are not only consistent with Islamic ethical teachings but also resonate with global standards such as the Sustainable Development Goals (SDGs). Hence, *maqashid* functions not only as a moral principle but also as a strategic foundation for designing and evaluating Islamic business practices in an ethical and just manner (Yusoff & Alhabshi, 2019).

Moreover, the integration of *maqashid shariah* into institutional policies can strengthen stakeholder trust and differentiate Islamic financial institutions from their conventional counterparts. For example, institutions that emphasize *maqashid*-oriented goals may prioritize financing small and medium enterprises (SMEs), invest in halal and environmentally responsible projects, and allocate a portion of their profit for social development programs. By doing so, they do not merely comply with Islamic law but actively contribute to the creation of a just and compassionate economy that upholds human dignity and collective well-being.

Integration of Sustainability Reporting and Maqashid Shariah

Asutay and Harningtyas (2015) discuss the growing academic interest in integrating sustainability reporting with *maqashid al-shariah*, noting that several *maqashid*-based index models have been developed by both classical and contemporary scholars—such as Abu Zahrah, Al-Ghazali, and M. Umer Chapra—as important references for assessing Islamic financial institutions in terms of economic performance as well as moral and social obligations. Their study emphasizes that this integration is driven by a shift toward a holistic, value-based approach that transcends the limitations of conventional financial reporting, which often centers on short-term profitability. Instead, the *maqashid* framework aims to incorporate ethical, social, environmental, and spiritual dimensions aligned with Islamic teachings. These models serve as important references for assessing the performance of Islamic financial institutions not only in economic terms but also in how they fulfill their moral and social obligations.

For instance, Al-Ghazali (1997), in his seminal work *al-Mustashfa*, conceptualizes the *maqashid* framework through the protection of five essentials (*al-daruriyyat*)—religion, life, intellect, lineage, and wealth—which became the foundation for subsequent scholars. Building on this classical

formulation, Abu Zahrah (1997) expands the objectives into three major categories—establishing justice, promoting welfare, and preventing harm—thus providing a broader normative basis for evaluating human and institutional actions. Meanwhile, Chapra (2019) introduces a more contemporary perspective that contextualizes *maqashid al-shariah* within modern socio-economic realities, particularly by aligning Islamic economic goals with human development, justice, and social equity, thereby offering a framework applicable to the performance evaluation of Islamic financial institutions in the contemporary era. Building upon these foundational ideas, various scholars have proposed operational indices such as the *Maqashid Shariah Performance Index (MSPI)* and the *Shariah Objectives-based Performance Measurement*, which attempt to quantify the contribution of Islamic banks to broader societal welfare, beyond mere compliance with *sharia* contracts.

A study by Dewi et al. (2021) demonstrated that applying the *Maqashid Sharia Index (MSI)* can serve as an effective evaluative instrument to assess the balance between the economic and social performance of Islamic banking. The index provides a multidimensional assessment tool, covering aspects such as education promotion, equitable distribution of wealth, and preservation of ethics and environment, thereby enabling a more comprehensive evaluation of institutional impact. Meanwhile, Putri and Wicaksono (2022) analyzed the sustainability reports of several Islamic banks in Indonesia and found that while ESG disclosures are improving, the integration between sustainability reporting and *maqashid shariah* principles has not yet been fully optimized. In particular, aspects such as spiritual accountability, justice for all stakeholders, and transformative social programs remain underrepresented in current reporting practices.

The integration of sustainability reporting and *maqashid shariah* holds significant potential to produce a reporting framework that is not only transparent and accountable but also deeply rooted in Islamic worldview. Such a framework would emphasize the balance between *dunya* (worldly life) and *akhirah* (the hereafter), incorporating vertical responsibility (to Allah) and horizontal responsibility (to fellow human beings and the environment). In practice, this could mean more detailed disclosures on the ethical screening of investments, zakat distribution, employee spiritual development programs, community empowerment, and environmentally sustainable financing.

By embedding *maqashid* into the core of sustainability reporting, Islamic financial institutions can reaffirm their unique identity and role in promoting a just, ethical, and sustainable economic system. It also enhances their credibility in the eyes of stakeholders who value not only transparency and performance but also moral integrity and long-term societal impact. Therefore, future developments in this area should prioritize the standardization of *maqashid*-based reporting indicators, capacity building for report preparation, and regulatory support to encourage broader adoption in the industry.

Profile and Sustainability Strategy of Bank Syariah Indonesia (BSI)

Bank Syariah Indonesia (BSI) is the result of a historic merger involving three state-owned Islamic banks under the Association of State-Owned Banks (*Himpunan Bank Milik Negara* or Himbara) namely BRI Syariah, Bank Syariah Mandiri, and BNI Syariah and officially began operating in February 2021. This merger created the largest Islamic bank in Indonesia, both in terms of assets and network coverage, and positioned BSI as a key player in the global Islamic finance landscape. With the vision of becoming one of the top 10 global Islamic banks, BSI not only aims to achieve financial excellence but also seeks to embody the core values of *sharia* in its business practices. As part of this ambition, BSI has integrated sustainability principles into its corporate strategy, demonstrating a commitment to long-term value creation that aligns with Islamic ethics and global best practices.

In its 2022 and 2023 sustainability reports, BSI presented a structured and transparent application of Environmental, Social, and Governance (ESG) principles throughout its operations. The bank highlights its progress in areas such as the development of green financing instruments, the provision of inclusive and accessible digital banking services, the promotion of Islamic financial literacy, and the implementation of social and humanitarian programs, including zakat and *waqf*-based initiatives. These efforts reflect BSI's responsiveness to both domestic and international expectations regarding ethical banking. Moreover, BSI explicitly refers to the Global Reporting Initiative (GRI) standards as the main reference framework in preparing its sustainability disclosures, signaling its alignment with international benchmarks of accountability and transparency (Bank Syariah Indonesia, 2023).

However, despite these promising developments, there remains a gap in academic literature assessing BSI's sustainability reports through the lens of *maqashid shariah*. Most current evaluations tend to focus on compliance with ESG frameworks or financial performance indicators, while overlooking the extent to which BSI's practices and disclosures embody the holistic objectives of Islamic law such as the protection of faith (*hifz al-din*), life (*hifz al-nafs*), intellect (*hifz al-'aql*), lineage (*hifz al-*

nasl), and wealth (*hifz al-mal*). This analytical gap is significant, given that as an Islamic financial institution, BSI is expected not only to adhere to legal and ethical standards but also to proactively promote justice, social equity, and environmental stewardship as mandated by Islamic teachings.

Therefore, it is crucial to conduct research that critically evaluates the substance and depth of sustainability reporting at BSI from an Islamic perspective. Such research would explore how well BSI integrates *maqashid shariah* into its strategic goals, operational activities, and disclosure practices. It would also identify areas where the alignment between ESG initiatives and Islamic values can be strengthened such as embedding spiritual accountability in corporate culture, enhancing transparency in zakat and social fund distribution, and ensuring that green financing also meets ethical investment criteria under sharia. Ultimately, this approach could contribute to the development of a more authentic and contextually relevant sustainability reporting model for Islamic financial institutions, both in Indonesia and globally.

RESEARCH METHOD

This study employs a descriptive qualitative approach using content analysis to examine the 2023 Sustainability Report of Bank Syariah Indonesia (BSI). This approach is chosen because it enables an in-depth understanding of the substance of sustainability values disclosed in the report, particularly in relation to the principles of *maqashid shariah*. Content analysis allows the researcher to identify key themes emerging from the text, as well as categorize and interpret the data based on a specific value framework.

The object of this research is BSI's 2023 Sustainability Report, which was accessed through the official company website (www.bankbsi.co.id). This report was selected as it is an official document that reflects the bank's commitment to implementing ESG principles and GRI Standards. The data used in this research is secondary and was obtained through documentation techniques namely, collecting information from publicly available documents. In addition to the sustainability report, the study also refers to other strategic documents such as the company's vision and mission, as well as supporting literature related to sustainability and *maqashid shariah*.

The analysis employs an evaluative framework grounded in the *maqashid shariah* principles, originally conceptualized by Al-Ghazali (1997) through the preservation of the five essentials—religion, life, intellect, lineage, and wealth—in his classical legal theory. This foundation was further developed by Abu Zahrah (1997), who categorized the objectives of shariah into three overarching aims: the establishment of justice, the promotion of welfare, and the prevention of harm, thereby expanding the normative dimension of *maqashid* beyond individual protection. Subsequently, Chapra (2019) re-interpreted *maqashid* within the modern socio-economic context, emphasizing human development, justice, and social equity as integral objectives of the Islamic economic system. Together, these classical and contemporary perspectives provide a comprehensive framework for assessing the broader impact of Islamic financial institutions beyond conventional financial measures. Five core *maqashid shariah* principles are applied in this study: *Hifz al-Din* (protection of religion), *Hifz al-Nafs* (protection of life), *Hifz al-'Aql* (protection of intellect), *Hifz al-Nasl* (protection of lineage), and *Hifz al-Mal* (protection of wealth). Each principle is translated into a set of indicators relevant to the context of Islamic financial institutions, particularly in the practice of sustainability reporting.

Table 1. Maqashid Shariah Indicators in Sustainability Reporting Analysis

Maqashid Shariah Principle	Indicators in Islamic Finance Context
<i>Hifz al-Din</i>	Support for religious activities, mosque-based philanthropy, da'wah training
<i>Hifz al-Nafs</i>	Consumer protection, occupational health and safety, social programs and zakat
<i>Hifz al-'Aql</i>	Islamic financial literacy programs, customer and public education
<i>Hifz al-Nasl</i>	Family welfare programs, women and child empowerment, generational preservation
<i>Hifz al-Mal</i>	Financial inclusion, zakat and waqf management, productive MSME financing

The data analysis was conducted in several stages. First, data reduction was performed by selecting parts of the sustainability report relevant to the *maqashid shariah* indicators. Second, the researcher coded the text using the established *maqashid* indicator guidelines. Third, the coded data was classified based on each *maqashid* principle and tabulated to observe dominant and missing

indicators. Fourth, the classification results were interpreted to assess the extent to which BSI's sustainability report aligns with *maqashid shariah* values.

To ensure the validity of the findings, source triangulation was conducted, by comparing the document analysis results with relevant literature reviews such as academic reports, scholarly journals, and *maqashid shariah* theories developed by experts. Through this approach, the study aims to provide a comprehensive and meaningful portrayal of Bank Syariah Indonesia's sustainability efforts from the perspective of Islamic values.

RESULTS AND DISCUSSION

Overview of BSI's Sustainability Report

The 2023 Sustainability Report of Bank Syariah Indonesia (BSI) represents a significant commitment to transparency and accountability by one of Indonesia's largest Islamic financial institutions. As part of its effort to communicate its sustainability performance comprehensively, the report is designed in accordance with the Global Reporting Initiative (GRI) Standards, which are widely recognized as a global benchmark for sustainability reporting. These standards provide a structured framework for organizations to disclose non-financial performance through the lens of the three fundamental pillars of sustainability: Environmental, Social, and Governance (ESG).

In terms of substance, the report details a range of strategic initiatives that illustrate BSI's alignment with sustainability values. These include green financing programs that support environmentally friendly projects, community engagement through Sharia-compliant social initiatives, Islamic financial literacy and education programs, and BSI's contributions to achieving the United Nations Sustainable Development Goals (SDGs). Among the SDGs that receive particular attention in the report are: SDG 1 (No Poverty) through microfinancing and inclusive economic empowerment, SDG 4 (Quality Education) via financial literacy and public education outreach, SDG 5 (Gender Equality) through the promotion of women's empowerment and workplace inclusivity, and SDG 8 (Decent Work and Economic Growth) through the development of Sharia-based MSMEs and employment generation.

Moreover, BSI's sustainability strategy also emphasizes the digital transformation of financial services, the expansion of Islamic financial inclusion, and the capacity building of micro, small, and medium-sized enterprises (MSMEs), all within the framework of Sharia principles. These initiatives not only reflect BSI's compliance with global expectations for responsible corporate behavior but also indicate its role in advancing sustainable Islamic finance in Indonesia. (Bank Syariah Indonesia, 2023).

Structurally, the report is comprehensive, containing key elements as required by the GRI, including materiality assessments, stakeholder engagement processes, and performance evaluations using ESG-based indicators. These components demonstrate BSI's commitment to transparency and its responsiveness to the expectations of a diverse range of stakeholders, including regulators, customers, investors, and the wider community.

However, while the GRI framework ensures international comparability and consistency, it does not inherently reflect the spiritual and ethical dimensions of Islamic finance. Therefore, to assess whether the sustainability efforts of BSI align with its identity as a Sharia-compliant institution, an evaluative approach rooted in *maqashid shariah* is necessary. This framework, derived from Islamic legal theory, emphasizes five core objectives: *hifz al-din* (protection of religion), *hifz al-nafs* (protection of life), *hifz al-aql* (protection of intellect), *hifz al-nasl* (protection of lineage), and *hifz al-mal* (protection of wealth).

These principles serve not only as ethical guidelines but also as a holistic evaluative lens through which the spiritual, social, and economic responsibilities of Islamic financial institutions can be analyzed. Applying the *maqashid shariah* framework to BSI's sustainability report enables a more comprehensive understanding of whether the bank's practices are not only technically sustainable but also religiously and ethically congruent with Islamic values.

Hence, while the BSI report effectively captures the procedural aspects of sustainability in line with global standards, it opens an important academic and practical discourse: how can Islamic financial institutions integrate faith-based objectives into modern sustainability reporting frameworks to reflect both compliance and conviction? This question lies at the heart of current efforts to develop a distinctive Islamic model of sustainability reporting that goes beyond formal indicators and embraces the values embedded within the Sharia.

Analysis of BSI's Sustainability Reporting Based on Maqashid Shariah

Hifz al-Din (Protection of Religion)

Bank Syariah Indonesia (BSI) explicitly expresses its commitment to the preservation and promotion of Islamic values through a range of initiatives that embed spirituality into its corporate ethos. These include the construction and maintenance of worship facilities, the provision of spiritual training programs for employees to reinforce religious understanding in the workplace, and partnerships with Islamic educational and dakwah institutions such as *pesantren*. Furthermore, BSI's role in developing the digital ZISWAF ecosystem (*zakat, infaq, sadaqah and waqf*) reflects not just operational innovation, but also the spiritual internalization of Islamic economic principles. This aligns closely with the objective of *hifz al-din*, which calls for the safeguarding and propagation of religion as an integral part of both personal and institutional life. These efforts contribute to reinforcing the spiritual dimension within economic transactions, thus promoting a faith-based economic framework (Yusoff & Alhabshi, 2020).

Hifz al-Nafs (Protection of Life)

The value of life and human dignity is highly prioritized in Islamic ethics, and BSI echoes this through its robust social responsibility agenda. Key programs include medical assistance to underprivileged communities, emergency response and disaster relief notably during natural disasters such as the earthquakes in Cianjur and Lombok and the implementation of occupational health and safety standards to ensure a safe work environment for its employees. These actions resonate with the *maqashid* principle of *hifz al-nafs*, which mandates the protection and preservation of human life as a foundational purpose of the Shariah. By actively responding to social vulnerabilities and physical well-being, BSI extends its corporate responsibility beyond profit motives and into the realm of humanitarian stewardship (Harahap & Laila, 2021).

Hifz al-'Aql (Protection of Intellect)

BSI's commitment to intellectual development is manifested through various education-oriented programs such as "BSI Edufest," MSME capacity-building workshops, and public education on halal products and Islamic financial contracts (*akad-akad syariah*). In addition to customer-focused literacy efforts, BSI also invests in human resource development and digital competence training, positioning knowledge as a central pillar of its growth strategy. These initiatives are deeply aligned with the principle of *hifz al-'aql*, which emphasizes the protection and nurturing of intellect to combat ignorance, foster informed decision-making, and promote critical thinking in economic affairs. In the Islamic tradition, intellectual preservation is not merely academic but essential to the ethical functioning of society and the achievement of collective well-being (Dewi & Susilowati, 2022).

Hifz al-Nasl (Protection of Lineage)

While BSI's report includes notable efforts in promoting gender equality, women's empowerment, and family friendly policies such as maternity leave and work-life balance initiatives these are not explicitly framed within the theological construct of *hifz al-nasl*. The *maqashid* principle of lineage protection extends beyond demographic sustainability and includes the preservation of moral and ethical values across generations, support for strong family units, and the protection of children's rights and development in line with Islamic teachings. The current representation in the report tends to position these programs under broad categories such as CSR for families or child education support, which, while valuable, lack the explicit integration of *maqashid* narratives that emphasize moral inheritance and spiritual continuity (Alifah & Wahyuni, 2021). This represents an opportunity for improvement in future reports through more direct articulation of how such initiatives align with Islamic conceptions of familial well-being.

Hifz al-Mal (Protection of Wealth)

BSI's initiatives in financial inclusion and economic empowerment strongly align with the principle of *hifz al-mal*, which advocates the preservation and equitable distribution of wealth, the protection of property, and the prevention of economic injustice. Through the provision of micro financing products tailored to MSMEs, expansion of banking services in 3T (*terdepan, terencil, tertinggal*) areas, and the development of digital ZISWAF platforms, BSI actively enables low-income and underserved communities to participate in the formal financial system. These measures help mitigate economic disparities, promote productive use of wealth, and support communal prosperity—all of which are central to Islamic economic justice. Moreover, by facilitating instruments such as *waqf* and *zakat* in a transparent and tech-enabled manner, BSI contributes to the redistributive function of Islamic finance (BSI, 2023).

Discussion

The results of the analysis indicate that Bank Syariah Indonesia (BSI) has successfully incorporated four out of the five core principles of *maqashid shariah* into its 2023 sustainability report. These include: *hifz al-din* (protection of religion), reflected through support for religious activities, spiritual development programs, and engagement in digital ZISWAF initiatives; *hifz al-nafs* (protection of life), visible in the bank's social responsibility efforts, including disaster relief and workplace safety programs; *hifz al-'aql* (protection of intellect), demonstrated through financial literacy campaigns, educational initiatives, and digital training; and *hifz al-mal* (protection of wealth), operationalized via inclusive financial products, microfinancing for MSMEs, and accessible services in underdeveloped regions.

However, the principle of *hifz al-nasl* (protection of lineage) appears underrepresented. While some initiatives—such as gender equality programs, work-life balance policies, and maternal leave—touch on related themes, they are not explicitly framed within the context of preserving family integrity, supporting moral education, or ensuring the well-being of future generations as guided by Islamic ethical thought. This partial omission indicates a conceptual gap between formal sustainability frameworks and Islamic value systems that prioritize holistic family and generational welfare.

These findings resonate with those of Putri and Wicaksono (2022), who found that sustainability disclosures among Islamic banks in Indonesia often fall short in addressing family-oriented or generational aspects from an Islamic worldview. Moreover, Dewi et al. (2021) also pointed out that while institutions are increasingly adopting global standards such as the GRI and aligning with the SDGs, these frameworks tend to emphasize measurable economic and environmental outcomes over intangible spiritual or moral values. As a result, Islamic ethical dimensions such as justice, compassion, and societal harmony are often excluded or superficially integrated into formal reporting structures.

This condition underscores a critical opportunity: the development of a more comprehensive Islamic sustainability reporting model that goes beyond compliance with international norms. Embedding *maqashid shariah* as an evaluative and structural foundation in reporting practices would not only align with the unique identity of Islamic banking but also provide a competitive advantage through value-based differentiation. Such a model could help Islamic banks assert their philosophical and operational distinctiveness in the global financial landscape.

In practical terms, integrating *maqashid shariah* into sustainability reporting serves multiple strategic functions. First, it positions Islamic banks as institutions that are not only profit-oriented but also ethically grounded and socially responsive. Second, it offers a powerful platform for Islamic economic *dakwah*, translating religious values into measurable corporate actions. Third, it provides regulators and stakeholders with a contextualized tool for evaluating Islamic financial institutions more holistically—accounting for not only financial performance but also spiritual, moral, and social dimensions.

From an academic perspective, this research highlights the need to further explore and refine *maqashid*-based sustainability metrics that can operate alongside or even enhance existing global standards. Future studies could focus on developing indicators for underrepresented principles such as *hifz al-nasl*, creating sector-specific benchmarks, and proposing policy recommendations to guide the formal integration of Islamic ethical values into sustainability reporting practices. Ultimately, the findings contribute to the broader discourse on the indigenization of global sustainability practices within the Islamic finance ecosystem, calling for a more nuanced, value-driven, and spiritually informed approach to measuring impact and accountability in Islamic banking.

CONCLUSION

The findings of this study conclude that Bank Syariah Indonesia (BSI) has demonstrated a substantial commitment to sustainability through its 2023 Sustainability Report, which is structured according to Global Reporting Initiative (GRI) Standards and covers Environmental, Social, and Governance (ESG) dimensions. The report highlights BSI's efforts in promoting green financing, financial inclusion, Islamic social finance, and support for the Sustainable Development Goals (SDGs). Furthermore, when analyzed through the lens of *maqashid syariah*, four out of five core objectives—namely *hifz al-din* (protection of religion), *hifz al-nafs* (protection of life), *hifz al-'aql* (protection of intellect), and *hifz al-mal* (protection of wealth)—are well represented in BSI's sustainability initiatives. However, the principle of *hifz al-nasl* (protection of progeny) remains underrepresented, as aspects related

to family integrity, generational sustainability, and ethical education are not explicitly addressed in the report.

This study acknowledges several limitations. First, the analysis is based solely on one year of BSI's sustainability reporting, which may not fully reflect long-term patterns or strategic continuity. Second, the interpretation of *maqashid syariah* indicators relies on qualitative content analysis, which may be subject to researcher bias in mapping values to report content. Third, the study focuses only on one bank and does not provide comparative insights with other Islamic financial institutions, either domestically or globally.

For future research, it is recommended to develop a standardized *maqashid syariah* based sustainability index that can be used to evaluate Islamic banking performance more objectively and comparatively. Future studies may also adopt a longitudinal approach by analyzing reports across multiple years to capture trends in sustainability and *maqashid* implementation. Additionally, expanding the research scope to include other Islamic banks and stakeholder perspectives—such as customers, employees, and regulators—would offer a more comprehensive understanding of how sustainability and Islamic values are integrated and perceived in the Islamic banking sector.

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