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Sustainable Finance: Synthesis from Islamic and Western Theories

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***Abstract*—Due to the negative repercussions of financial development, which have led to climate change and environmental harm, "sustainability" is an essential initiative for survival in all spheres. The sustainable finance initiative ensures environmentally responsible behaviour in the financial industry and thus achieves the Sustainable Development Goals [SDGs]. Several Western theorists have offered theoretical, moral, and ethical foundations for ensuring sustainable activities. These attempts have drawn heavy criticism for issues related to rationale, conceptual clarity, and potential inconsistency, as well as for failing to provide proper ethical directions to companies to select the undergoing sequences and the level of dedication to be exerted. As a start, this article analytically assesses the notion of sustainable finance, which has become widely accepted among academics and business groups from both Western and Islamic views. This goal was attained using an analytical method in the paper's design to collect information from earlier publications about the Western and Islamic ideologies underpinning sustainable finance. Given that the concept of sustainable finance is deeply ingrained in numerous verses of the Holy Quran and is backed by multiple Islamic principles, the finding suggests that Islam does not view it as a foreign concept. Rather, sustainable financial principles are remarkably similar to those advocated in Islam. Due to the fact that sustainable principles already guide Islamic financial actors, it is predicted that they will naturally practice sustainable finance in their operations.**

Keywords*— *Green Finance; Sustainable Finance, SDGs; Maqäsid Shariah; Islamic Finance.

I. Introduction

Due to the growing threat of environmental degradation to current and future generations, ecological preservation and sustainability have received increased attention over the past decade [1–4]. Environmentalism has indeed been identified as the most critical business-related predicament of the 1990s [5]. It has since driven the idea of "Go Green", which has presently gained popularity among academics, financial and banking industries, and the general public due to the alarming levels of climate change and global warming [6–8]. This is evident among banks and financial institutions that have started addressing various environmental issues, including global warming, acid rain, air and water pollution, ozone layer depletion, and climate change, all affecting living beings. They did this through volunteer codes of conduct, with the likes of the United Nations Environment Program-Finance Initiative [UNEP-FI], the Equator Principles for Project Finance, and the UN Principles for Responsible Investment [UNPRI]. Several sizable auditing and consulting firms have sprung up to help businesses implement successful sustainable models and persuade stakeholders to do the same. Financial growth has been connected to environmental deterioration [9–11]. Since then, the concept of "Sustainable Finance" has increasingly become a trend in the financial world. For the United Nations [UN], Sustainable and green financing is crucial towards attaining the Sustainable Development Goals or SDGs [12,13]. Sustainable finance practices often refer to inclusive financial operations that go beyond making a profit, such as enhancing welfare and fostering societal equity while lowering environmental hazards in order to achieve sustainable development [14,15].

A thorough investigation from an Islamic perspective is necessary in light of the current Western trend towards sustainable financing. Sustainability concerns are also pertinent to Islamic corporations, which value morality and social responsibility as eternal principles [8,16–18]. Hence, this paper aims to discuss the idea of sustainable financial practices from an Islamic viewpoint. Towards that end, it examines the theoretical foundations of the sustainable finance concept as debated by Western theorists. The Western phenomenon of sustainability and sustainable finance has been studied in a number of academic works. Unfortunately, limited attempts have been made to look into Islamic perspectives on sustainable finance. Thus, this research aims to address that gap.

II. Research Methodology

This paper employs a descriptive–analytical method to discuss the idea of sustainable financial practices from an Islamic viewpoint and Western theorists. This method is appropriate for examining the complex relationship between Western and Islamic thought. It offers a structured approach to focus on the theme of faith and reason. The study collected data from libraries in the form of relevant books, journals and other publications, as well as from recognised websites that discuss the matters related to the study objectives: Islamic philosophies and Western concepts pertaining to standards and guidelines on finance and the banking industry. In order to accomplish this, the paper resorted to an analytical method to collect information from earlier publications related to the Western and Islamic views supporting sustainable finance.

III. The Concept of Sustainable Finance

Although there are many theories for sustainable finance, they are all essentially the same. The name itself connotes a socially responsible and environmentally sustainable principle in the economy and industry and the importance of environmental preservation [19]. Sustainable finance refers to lending, depository, and other environmentally friendly products and services offered by banks and financial institutions [20]. Sustainable finance has also been defined as promoting environmentally friendly behaviour and minimising carbon footprint due to financial operations [21]. The sustainability report [22] states that sustainable finance refers to financial strategies that support lending practices that are socio-economically and environmentally friendly operations.

Essentially, "sustainable finance" refers to all programs and initiatives supporting sustainable growth. The objective of creating and implementing sustainable development is to effectively combine the "economic aspect" of production growth with the "environmental aspect" of resource exploitation and the "social aspect" of living circumstances [27]. Sustainable finance includes the environmental, economic, and social dimensions. Each dimension has a specific function, but they offer significant advantages when taken as a whole. The main benefit is that development is done in a way that meets present requirements without compromising the ability of future generations to fulfil theirs. In conclusion, sustainable finance acknowledges the triple bottom line of profit, people, and the environment while addressing the varied interests of stakeholder groups [28].

IV. The Underpinning Western Theories of Sustainable Finance

A. Classical View Theory

In his book Capitalism and Freedom, Friedman [29] asserted that a corporation's primary responsibility is to boost the wealth of its shareholders. In order to maximise profit for shareholders, this traditional approach eliminates the social responsibility component from the business agenda. Friedman [30] promoted this theory and backed the traditional notion of social responsibility by stating: "*The responsibility of business is to maximise profits, to earn a good return on capital invested and to be good corporate citizenship obeying the law no more and no less. To go further deliberately is to exceed the mandate of business".* Additionally, Friedman [30] stated that the primary goal of a company is to maximise profits through intense competition in whatever way permitted by the law to ensure its sustainability, whereas the government's responsibility is to promote social well-being.

Similar to this, Waddothe and Graves [31] noted that there are not many financial advantages to adopting socially responsible behaviour. Additionally, according to proponents of the traditional view, social performance and financial performance are negatively correlated as companies that practice social responsibility will have to incur extra costs which would otherwise be borne by others like the government [31]. Sustainable banks, for example, need to evaluate their clients as well as limit their market to qualified entities. With a smaller clientele, they could not financially support themselves [30–32]. They would also provide clients with breakdowns in the form of discounted lending rates, which can reduce their profit margins [32–34]. Banks thus oppose the introduction of a sustainable agenda, and this hypothesis provides the best explanation for it.

In a capitalist economy where the goal is to maximise shareholder income within the bounds of the law, the classical approach is an extreme way of thinking. As it solely considers the financial element while leaving out the social and environmental considerations, a significant tension is created between profit intensification and sustainable finance, eventually preventing sustainability.

B. Strategic/Instrumental Theory

The instrumental theory approaches sustainable finance from the perspective of a strategy focusing on the key opportunity to increase institution-wide profits. In order to benefit a variety of stakeholders, this concept emphasises connecting social responsibility practices with materialistic profit. The instrumental theory emphasises how corporate initiatives can help a business strategically [35].

The ultimate and primary goal of both the classical and instrumental/strategic theories is expanding shareholder wealth. The classical theory takes an extreme stance on revenue-related purposes at the expense of fulfilling the community's needs. In contrast, the instrumental theory treats social responsibility as a tool for increasing a firm's reputation and maximising its wealth [36]. Hence, institutions would adopt sustainable finance as a social activity if it offers significant business-related benefits and leads to wealth creation, i.e., by assisting in their operations, enhancing organisational performance, and bolstering their financial statements.

Several empirical studies support the instrumental theory after finding a correlation between financial performance and sustainable practices [37–40]. Hence, the instrumental theory encourages the use of sustainable financial practices since they increase profitability, foster positive brand perception, and enhance corporate reputation. According to Fernando and Fernando [41], banks use sustainable practices to expand the cost-effective rewards they may gain instead of supporting environmental sustainability. Additionally, sustainable financial initiatives help businesses build their brands, gain a competitive edge, strategise in specific markets, and maximise shareholder value [2,7,41–44]. Since every sustainable project aims to improve financial performance, the incentive for practising sustainable finance is strategic or instrumental. For example, community engagement demonstrates the company's moral character and provides a tool for luring and keeping prospective customers.

C. Legitimacy Theory

The legitimacy theory is one of the most contested theories in explaining the occurrence of voluntary social and environmental disclosures in business communication [45,46]. Suchman [47] defined legitimacy as: "*A generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*". Similarly, Palazzo and Scherer [48] defined legitimacy as: "*Legitimacy can be understood as the conformation to social norms, values, and expectations*". According to Schiopoiu and Popa [49], the legitimacy theory framework helps organisms implement and create social and environmental voluntary admissions to realise their social contract, which secures their acceptance and success in a highly competitive milieu.

The legitimacy theory by Lindblom [50] concentrates on how businesses adapt to changing needs and survive. Companies operating in a certain sector are constrained by that sector's fundamental values, beliefs, and standards, some of which are codified in laws. Companies are rationally incentivised to participate in the social practices of their industry and thereby become legal by adhering to the set standards and regulations. Companies also have an instrumental incentive to avoid negative publicity, institutional investor disinvestments, and penalties for breaking the law. In order to maintain their moral authority, avoid unfavourable perceptions, and guarantee long-term sustainability, corporations are inclined to engage in social behaviours. Corporations should embrace sustainable practices and create a department for monitoring their ecological endeavours to safeguard the environment and lessen their ecological imprint. Despite the fact that these actions do not directly benefit shareholders, they will have a positive impact on how the public perceives the company, which will then increase consumer satisfaction and increase sales.

D. Social Contract Theory

The social contract theory's main tenet focuses on how businesses should change to fit society. This theory posits that a company will act ethically because doing so will increase its commercial earnings and is a necessary component of how society expects it to conduct itself [51]. A corporation should adhere to specific social institutions, including family, educational, and religious foundations, to improve life and fulfil its various needs [52]. Sacconi [53] asserted that the social contract theory views the firm as a legally recognised entity. The social contract outlines the organisation's rules and offers a model of ideal cooperation as a starting point for deciding how its economics will be structured. In short, the company's ethical code or "judicial map" clarifies its implicit social contract [54]. According to Dusuki [52], based on the social contract theory, society and business are seen as equal partners with a shared set of rights and responsibilities. Businesses and the social order both have the same direct and indirect needs. Due to commercial interest, policy, and the manner in which society implicitly expects businesses to perform, these obligations are deemed indirect [51].

This point of view contends that the social contract guarantees that businesses will operate honestly and responsibly in addition to complying with the law. As a result, implementing social contracts due to public expectations is seen as adopting social accountability, which may also be among the primary motivations for implementing sustainable financing.

V. The Concept of Sustainable Finance from the Islamic Perspective

Islam offers a complete code of life behaviour, embracing all facets of life as it is drawn from the Al-Quran and As-Sunnah, as opposed to the Western humanistic views. As a result, the idea of sustainable finance is not unique to the Islamic worldview and is one of its central ideas. Several scholars concurred that the concept of sustainable finance is firmly ingrained in the Shari'ah since Islam demands that people secure environmental sustainability for future generations and uphold the socio-economic and environmental balance and continuity [16–18,59–61].

The Islamic perspective on sustainable finance adopts a relatively all-encompassing strategy. It provides a superior alternative philosophical framework for man's connection with nature in accordance with life objectives by presenting a spiritual perspective based on the Quran and the Sunnah [59]. The Quranic verses make numerous references to the idea of sustainability. The Islamic view of sustainable finance specifically addresses spiritual, moral, and material concerns such as that stated in Surah 2 verse 60 and translated by Maudui [62]: *"Eat and drink of what Allah has provided and do not spread disorder on the earth"*. Also, In *Surah* 28, verse 77: *"But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done well to you. And desire not corruption in the land. Indeed, Allah does not like corrupters"*.

The moral and ethical standards that stem from Allah's [Godly] revelations are actually more enduring, unchanging, and unquestionable. According to the evidence, those are the primary sources for Islamic law [63]. Hence, individuals and institutions may benefit from improved guidance when exercising their corporate, social, and environmental obligations together. Hence, businesses that purport to adhere to Shari'ah-based principles, such as Islamic banks, should by default practice sustainable finance because it upholds Islam's genuine spirit [59].

The notion of sustainable finance must be deliberated in conjunction with the idea of *Tawhid* [the unity of Allah], whereby *Allah* is acknowledged as the Creator, Owner, Absolute, and Ultimate, along with the concepts of *Shariah* and *Maqäsid*. These concepts uphold that people must maintain *hablun min Allah* [a good relationship with *Allah*], *hablun min an-nas* [a good relationship with other human beings], as well as a good relationship with the environment to achieve *Maqäsid Shariah* [the objectives of *Shariah*] for *Maslahah amah* [public interest]. Most Islamic teachings align with sustainable finance [16,64]; however, the idea of sustainability from an Islamic standpoint is still vague, the literature is still widely dispersed, and there is no clear structure or set of guidelines.

VI. The Underpinning Islamic Theories of Sustainable Finance

A. The Theory of Unity [Tawhid] and the Principle of Vicegerency [Khalifah]

The *Aqidah*, or *Tawhid*, is a cornerstone of the Islamic faith that presupposes the dedication to Allah for all people's adoration and thankfulness [65]. It is necessary to convert this into activities on both the material and spiritual planes [65]. The guiding principle calls for complete obedience to Allah's will and adherence to religious obligations in all spheres of life [66]. According to Islamic philosophy, everyone, including businesses, will have to answer to Allah for what they did during this life on the Day of Judgment [Quran 4:86]. In addition to running businesses in line with Allah's commands as stipulated by the Shariah principles, a Muslim commercial enterprise managed by a team of people should also consider social obligations.

Vicegerency and the Islamic concepts of Tawhid and trusteeship are associated with Islam. According to the Tawhid principle, Allah owns all goods, wealth, knowledge, skills, positions, and power. But man is the Ruler of this world, and Allah is the definite owner of everything [67]. Humankind commits to utilising and managing the cosmos according to religious standards in exchange for the right to use the physical universe [68]. Consequently, a man's life should be surrendered and submitted to Allah [69]. This idea differs from the common belief that having possession gives one the freedom to do whatever comes with it. According to the notion of vicegerency, humans are God's earthly representation [Khalifah], and as such, Allah has given them responsibility for managing His resources morally and reasonably [70]. Several verses in the Quran make reference to vicegerency, such as in [10: 14]: *"Now We have appointed you in their place on the earth so that We may test how you conduct yourselves"*, and *Al Quran* [2:30]: *"Just recall the time when your Lord said to the angels, "I am going to appoint a vicegerent on the Earth…"*, as well as *Al-Quran* [35:39]*: "He is Who has made you vicegerents on the earth, now whoever disbelieves shall himself bear the burden of his disbelief".*

Islam's notion of vicegerency calls for humankind to protect God's creation [68]. On the Day of Judgment, God will examine every single act committed in this life [71]. Hence, all decisions must be founded upon God's laws and regulations. According to Williams and Zinkin [72], there is no distinction between a person's public and private lives in Islam. As a result, all actions and decisions in both life and business must be guided by Islamic teachings. This rule applies to Muslims as well as to how they interact with non-Muslims, the general society, and the environment.

Sustaining the unity of Allah's worship through Tawhid al-'Ebaadah is the most crucial part of Tawhid [73]. Hence, the worship of Allah is not limited to the five Islamic pillars; if it is done sincerely and according to Islamic teachings, any act or deed is seen as an act of worship. All of life's activities and everyday routines are covered by Tawhid al-'Ebaadah. Every activity yields rewards in both this life and the beyond. For example, a company's goal is to improve human welfare and lead a decent overall life rather than merely pursuing profit [72]. Profit is therefore not the primary motivator of the company. In accordance, both for individuals and corporations, the idea of adopting sustainable finance is regarded as a sacred activity.

B. The Theory of Shari'ah and Maqäsid Shari'ah

The Shari'ah, often known as "Islamic Law," serves as the cornerstone for comprehending sustainable finance in Islam. Islam's notion of the Shari'ah entails moral principles that apply to all facets of life, including the personal, social, political, economic, and intellectual [71,74]. According to Dusuki and Abdullah [74], the Shari'ah notion reflects the holistic vision of Islam, which is a comprehensive code of life that incorporates all facets of existence, be it individual or social, here and the Hereafter. For example, moral and spiritual aspects cannot be separated from economic or political aspects, and vice versa. In contrast to most Western legal systems, the Shari'ah is a canon of law whose goal is moral and legal [75,76]. The highest goals of the Shari'ah are rooted in the concepts of compassion and guidance, working towards promoting justice ['Adl], eradicating prejudice, and lessening suffering by encouraging collaboration and mutual assistance at the familial and societal levels [74]. Hence, moral and ethical goals are the ultimate objectives.

The *Maqasid-Al-Shari'ah* is the best way to comprehend the Shari'ah. Imam Al-Ghazali had elucidated this, as re-clarified by Dusuki and Abdullah [74]: *"The objective of the Shari'ah is to promote the well-being of all mankind, which lies in safeguarding their faith [din], their human self [nafs], their intellect [`aql], their posterity [nasl] and their wealth [mal]. Whatever ensures the safeguard of these five serves the public interest and is desirable".*

The Shari'ah has developed in accordance with the principles established by its goal [Maqas-id-Al-Shari'ah], which is to advance the welfare of all people. Firstly, the community's interest supersedes the individual's interest. Secondly, easing hardships is prioritised over gaining benefits. Thirdly, a more significant loss must not be recommended to mitigate a minor loss; a substantial gain is favoured over a smaller one. Similarly, a lesser advantage can be forgone in favour of a larger one, and minor harm is allowable to prevent a bigger one [77].

Three implications of the Shari'ah idea for sustainable finance can be drawn from its relationship to sustainable activities. First of all, Islamic sustainable finance initiatives are moral and religious initiatives grounded upon the idea that people and institutions should uphold morality regardless of the costs. According to this concept, they are motivated by the quest for absolute bliss both now and in the Hereafter rather than merely for maximising profits [*Falah*]. Secondly, the justice-based direction of Islam strikes a balance between social rights, environmental protection, and financial gain. Finally, by including rewards in both here and the Hereafter, the concept of reward is expanded. This gives one a compelling reason to act morally while giving in to their natural inclination towards self-interest.

These principles and standards mandate that Muslim consumers and Islamic banks operate differently than conventional means. Along with national law, the Shari'ah serves as an internal check on Islamic organisations. Due to internal controls, Islamic financial institutions and consumers should be more environmentally conscious than the traditional sectors.

C. The Theory of Consideration of Public Interest [Maslahah]

Maslahah, according to Sulistiyono [78], is the most crucial idea in Islamic law as it serves as the law's central purpose and ultimate objective. *Maslahah* is a legal theory tool employed in Islamic law that emphasises welfare, public good, and harm aversion *[jalb al-masalih wa dar'u al-mafasid]* [74,79]. *Maslahah*'s basic tenets are to introduce public interest, advance public welfare, and combat evil and other improper behaviour [80]. The *Maslahah* is taken into account by the Shari'ah as a secondary source of law to consider natural development and societal demands [81]. It serves as one of the most important resources for addressing problems and concerns for which the Quran or the Sunnah do not provide explicit guidance.

Ijtihad based on the *Maslahah* is crucial in a business setting, particularly for regulators and business leaders who must set norms, guidelines, rules, and policies for the good of society [82]. Cebeci [83] defined *Maslahah* as: "*Providing permanent values and enduring benefits for the general public via a set of sustainable and measurable activities/projects focusing at an individual or institutional level on the development of society, including a controllable, manageable and clearly determined process*".

In Islam, *Maslahah* is divided into two, according to Laldin [82]. The first is public *Maslahah*, which is everything that benefits the majority of society or as a whole, such as protecting their property, including the environment, from harm or violation. The second form is private *Maslahah*, which relates to everything that helps people and their society. In addition to being public and private, the *Maslahah* can be distinguished according to weight. Al-Ghazali divides *Maslahah* into three primary groups: *Daruriyat* [the essentials], *Hajiyat* [the complementary], and *Tahsiniyat* [the accompaniments].

In order to ensure that society's interests are protected in the greatest possible way both here and Hereafter, many scholars claimed that the aforementioned classifications are connected to and firmly ingrained in the *Maqasid Shari'ah*. In their opinion, such classifications suggest how a *Maslahah*-based methodology may be applied to produce new *Shari'ah* rulings, satisfy evolving social demands, and resolve present-day socio-economic activity-related problems. Hence, by balancing an individual's self-interests with society's, these concepts can offer standards for fair judgements [74].

The notions of *Maqäsid Shari'ah* and *Maslahah* seemingly appear to be the same. Yet, a closer examination reveals that the two ideas work in concert and depend on one another. The *Shari'ah* aims to defend fundamental human rights, whereas the *Maslahah* refers to the degree of that protection.

D. The Application of Weight of Maslahah to Sustainable Finance Practices

Dusuki and Abdullah [74] and Dusuki [84] suggested that the weights of *Maslahah* serve as a guideline for the moral judgement of managers and stakeholders, especially for resolving conflicts that emerge from pursuing social duties. The *Maslahah* weights serve as a framework for managers entailing three degrees of discretion to address ethical disputes when implementing social responsibility initiatives and programmes, such as sustainable finance practices. Each level denotes a specific level of significance. At the very bottom [*Dharuriyat*] are the most fundamental obligations, followed by the second tier [*Hajiyat*], and finally, the top tier [*Tahsiniyat*]. This pyramid goes upwards, whereby the decision-making level becomes less important the higher it goes.

The three levels of the pyramid are interconnected and rely on one another rather than being mutually exclusive. In as much as any component of a level of *Maslahah* elevates upwards or goes downwards based on the many situations pertaining to the general public, the arrows going upwards and downwards disclose the flexibility and method of change in the decision-making procedure. Nonetheless, it must be noted that this freedom is limited by the *Shari'ah* framework and not the other way around [74]. This illustrates how the pyramid's flexibility can be used to support decision-making in a variety of contexts across time and geography.

The *Maslahah* pyramid may guide decision-making for socially responsible and environmentally friendly financial operations. At the first tier, financial institutions are supposed to uphold and safeguard the interests of their stakeholders and the general public in terms of necessities [*Daruriyat*]. For instance, they must ensure that all actions are *Shariah*-compliant in order to make a big profit [protect religion]. They should avoid engaging in any activities that put people's lives in danger or harm the environment [protect life]. In addition, they need to ensure that customers benefit from their investments by paying salaries in a timely manner and ensuring a safe working environment [protecting wealth].

Once the essentials have been satisfied, the second level of complementary [*häjiyyat*] may be pursued. This level is thought to help address difficulties, including non-threatening ones. For instance, managers who have satisfied their elementary level could increase their commitment towards sustainable development. In this situation, the basic requirements of the workforce might be further expanded to encompass ongoing training and programs that improve human quality, sole approval of environmentally friendly loans, and conversion of sustainable structures. The latter is unnecessary because no harm would occur if CEOs ignore this commitment; nevertheless, if they take on this obligation, it will improve the welfare of the people.

In order to achieve the maximum level of embellishment [*Tahsiniyat*], one must engage in eco-friendly pursuits that enhance the environment and public life. Examples include funding activities advocated by Islam, such as providing aid to sustainable and environmental projects, performing charitable acts such as environmental cleanup, tree planting, and programs for increasing environmental awareness, and creating sustainable spaces at the workplace. These are just a few examples of how sustainable finance can improve society.

The *Maslahah* pyramid suggests how environmentally friendly procedures should be managed according to priority. These priorities resulted from a thorough understanding of the goals of *Shariah* so that interest preservation [*Maslahah*] is handled in accordance with the various degrees of importance and seriousness of consequences. Institutions should not prioritise obtaining embellishments while putting the fundamentals at risk. Also, they must avoid becoming so preoccupied with achieving benefits that they end up endangering others or the environment.

VII. Implication and Conclusion

The concept of sustainable finance is evaluated critically in this paper, and sustainable practices according to the main Western and Islamic doctrines are compared. According to the investigation, sustainable finance promotes actions to stop environmental damage through financial decisions. The idea of sustainable finance varies from Western to Islamic perspectives once again. In general, sustainability refers to economic, social, and environmental growth whereby the current generation's needs are met while also fulfilling the needs of future generations. From an Islamic perspective, sustainable development is a balanced, long-term increase in human welfare that upholds high Islamic principles. This definition also emphasises sustainable development's economic, social, and environmental aspects.

This paper also offers an Islamic perspective on sustainable finance methods as an alternative to Western ones. Islam is not unfamiliar with the idea of sustainable money as it is ingrained in *Shariah* and the majority of Islamic teachings. The understanding of Islam's viewpoint on sustainable finance is based on the Islamic worldview, as discussed under the *Taqwa* paradigm. Additionally, the fundamental elements of sustainable finance are envisioned through the concepts of *Tawhid* and *Khalifah*, which see financial institutions and consumers as stewards of not just shareholders' financial resources but also of society's economic resources, whereby their properties are held in the trust to benefit the society [*Maslahah*] as a whole and ultimately obtaining God's blessing [*Falah*].

The performance and adoption of sustainable finance are expected to be greater among Islamic financial players than their conventional rivals, as it is enshrined as the genuine spirit of Islam. To sum up, Islamic stakeholders that claim to operate based on *Shari'ah* principles should logically practice this. Research on the Islamic perspectives of sustainable financial practices is still in its infancy and is severely lacking. To further validate the findings, additional investigation using empirical research is required. With the newly integrated sustainable Islamic finance, which will serve to realise the lofty goals of equity and justice via sustainability as envisioned by Islam, this study can contribute to the sustainability literature field.

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