



# Harmonizing Sustainable Development Goals and Maqasid Shariah: A Strategic Framework for Indonesian Islamic Banks (Case Study on Bank Syariah Indonesia)

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## Abstract

This study explores the integration of Sustainable Development Goals (SDGs) with *Maqasid Shariah* in the management of Islamic banks. Employing qualitative research approach through content analysis, it identifies SDGs principles that align with the components of *Maqasid Shariah*. The research provides stakeholders and Islamic banks with a framework for assessing sustainable strategic management from an Islamic perspective. The study focuses on Bank Syariah Indonesia (BSI), where the majority of shares are state-controlled, and it hold substantial assets in the country. The strategies identified relation to SDGs can serve as valuable insights for managers in other Islamic banks and support *Shariah*-compliant practices.

*Keywords:* Sustainable Development Goals (SDGs), *Maqasid Shariah*, Bank Syariah Indonesia (BSI)

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## 1. Introduction

Islamic banks in Indonesia play a crucial role in expanding the country's banking industry, offering customers access to a diverse range of financial institutions (Asriani & Kurniawan, 2023). The legitimacy of Islamic banks in Indonesia was established by Law No. 7 of 1992, leading to the adoption of a profit-sharing structure (Puteh et al., 2018). The Islamic banking sector globally grows at least 5% annually (Majeed & Zainab, 2021). In Indonesia, Islamic financial institutions include 15 Islamic banks and 20 Islamic window banks (Statistics et al., 2022).

Positioned as an alternative economy promoting Islamic values for the welfare of all people, Islamic banks aim to achieve *maslahah* and minimize *mafsadah* (Laldin & Furqani, 2013). Islamic banks, as instruments of Islamic economics, seek profits while adhering to *Shariah* principles and contributing to community welfare. The objective is to reconcile diverse interests, with *maslahah* achieving shared welfare in line with the *Maqasid Shariah* (Johnston, 2007). Collaborating with the community to achieve Sustainable Development Goals (SDGs) becomes a crucial task for Islamic banks in fulfilling *maslahah* (Fares & Younes, 2021).

Efforts to harmonize the Sustainable Development Goals (SDGs) and *Maqasid Shariah* have been actively pursued. Fitria (2023) asserts that the synergy between *Maqasid Shariah*, which focuses on the protection of religion, intellect, lineage, and wealth, aligns closely with key SDGs such as poverty alleviation, quality education, and decent work. Islamic financial instruments like zakat, waqf, and sukuk-waqf play a significant role in supporting the SDGs by enhancing social and economic welfare.

Other studies also highlight the harmonious relationship between *Maqasid Shariah* and the SDGs, where the protection of the five key elements of *Maqasid* aligns with SDG objectives such as poverty eradication (SDG 1), zero hunger (SDG 2), good health and well-being (SDG 3), quality education (SDG 4), reduced inequalities (SDG 10), and gender equality (SDG 5). These studies further demonstrate that zakat management, guided by *Maqasid Shariah* principles, is well-aligned with SDG targets (Ab Rahman, 2019; Abdurrehman et

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al., 2021; Isman & Amalia, 2023; Md Rejab et al., 2022; Omar & Hajimin, 2023).

In addition to *zakat*, *waqf*, with its sustainable nature, also makes a significant contribution to the SDGs through innovative models such as *sukuk-waqf*. This model supports the financing of economic and social development projects, including education, healthcare, and environmental conservation. *Waqf* also serves as a platform for global partnerships (SDG 17) by fostering cross-border collaboration to achieve shared development goals (Abdullah, 2018; Hai et al., 2021; Rusydiana et al., 2023). Both *zakat* and *waqf* strengthen social inclusion and development grounded in moral values (Dirie et al., 2023; Mohd Zain et al., 2024; Rosman et al., 2022). Moreover, *Maqasid Shariah* and the SDGs can synergize through *takaful* (Mohd Zain et al., 2024), fintech (Jumat et al., 2023), and the circular economy (Campra et al., 2021).

Based on previous works, it is evident that most studies focus on linking *Maqasid Shariah*, SDGs, and Islamic social finance instruments such as *zakat*, *waqf*, *takaful*, and others. However, only a few have explored the connection between *Maqasid Shariah*, SDGs, and Islamic banking. Therefore, this study aims to synergize *Maqasid Shariah* and the Sustainable Development Goals (SDGs) within the framework of Islamic banking.

The paper is structured as follows: Section 2 explores the theoretical foundations of Islamic banking, SDGs, and their current implementation in Indonesia. Section 3 details the theoretical framework, while Section 4 explains the study methodology. Sections 5 and 6 provide the discussion and conclusions, respectively.

## 2. Literature Review

### 2.1 Islamic Bank

Islamic banks are growing in the world, including in minority Muslim countries. Islamic bank functions are standardized on *Shariah* guides, so their business operations contradict conventional banks (Prasojo et al., 2022). The *Shariah* principles that form the foundation of Islamic banks are sourced from the Qur'an, Hadith, Ijma, and other references such as knowledge development and research (Aslam, 2019). Mensi et al. (2019) state that Islamic banks' growth is centralized in the Gulf Cooperation Country (GCC), Iran, and Malaysia, with nearly 80 percent of the global Islamic bank industry. According to Islamic Financial Service Industry 2017 data, the total assets of Islamic banks globally in 2016 achieved USD 1,493.4 billion (Mensi et al., 2019). These assets are distributed across several regions, such as Asia, amounting to USD 218.6 billion. In the GCC, they amount to USD 650.8 billion. In the Middle East and North Africa (MENA), they amounted to USD 540.5 billion, and in Africa, other than North Africa, at USD 26.6 billion and in further countries it amounted to USD 56.9 billion.

Islamic banks have a perspective of values and products that are more varied than conventional banks. Nawaz (2019) expressed that in addition to savings products (savings and investment accounts), Islamic bank products provide equity-based products such as *mudharabah* and *musharakah* or interest-free debt products such as *Murabaha* and *ijarah*. The inherent difference between the Islamic banking scheme and conventional banks lies in principle. Islamic banks must follow *shariah* regulations from the *Qur'an* and *Sunnah*, prohibiting the usage of interest instruments, speculation, and *gharar* (Bhatti & Bhatti, 2009).

### 2.2 SDGs and their Recent Implementation in Indonesia

The United Nations designed the SDGs agenda to reconcile economic and social development by conserving nature (Biermann et al., 2017). The SDGs change global governance with the 5P principles: people, planet, prosperity, peace, and partnership. The SDGs schedule is held in the United Nations towards reaching economic, social, and environmental development by 2030 (Umar et al., 2022).

Governments must facilitate the SDGs at the national, regional, and global levels to successfully fulfill the SDGs. Islamic banks require the help of international institutions to allow them to play a critical part in fulfilling the SDGs (Budiman et al., 2022). Through the partnership, compromises should be designated to provide the poorest people access to adequate medicine, food, and water; and facilitate and help company and philanthropic entities to contribute to the achievement of the SDGs (Caiado et al., 2018).

The Indonesian government issued Presidential Decree (Kepres) No. 59 of 2017 regarding sustainable development to discover the SDGs. This regulation rules the roadmap for executing the SDGs in the nation by solving it into execution plans at both the national and regional levels. The four pillars of Indonesia's development program are integrated with the SDGs: social progress, economic development, environmental progress, and the formation of laws and regulations. According to a current Hudaefi (2020) report, Indonesia is ranked 99th out of 156 countries in the overall SDGs index.

### 2.3 SDGs on Maqasid Shariah Perspective

The United Nations approved the SDGs, also known as the Global Goals, in 2015 as a universal call to action to eradicate poverty, safeguard the planet, and ensure that all people experience peace and prosperity by 2030. The SDGs document has 17 objectives, 169 targets, and at least 230 indicators that must be met by 2030. The 17 specific objectives are as follows: SDG-1, "no poverty", SDG-2 "zero-hunger", and "excellent health and well-being" are the third SDG. Goal 4: "excellent education", Goal 5: "gender equality", SDG-6: "water quality and sanitation", SDG 7 "affordable and sustainable energy", and SDG-8: "decent jobs and economic growth". SDG-9L "Industry, Innovation, and Infrastructure", SDG-10 aimed to "reduce inequality", SDG-11: "sustainable cities and communities", SDG-12: "responsible consumption and production", SDG-13: "climate action", SDG-14: "protecting life below water", SDG 15: "living on the land", SDG-16: "Peace, justice, and strong institutions" and "Partnership for the Goals" is SDG-17 (Asmalia et al., 2018; Hudaefi, 2020; Goyeneche et al., 2022).

The SDGs are a bold commitment to accomplish what we started and abolish all forms and dimensions of poverty by 2030. This involves focusing on the most vulnerable individuals, providing them with additional primary resources and services, and assisting communities impacted by conflict and natural catastrophes. It also aims to abolish all forms of hunger and malnutrition by 2030, ensuring everyone, especially children, has year-round access to sufficient and nutritious food. This includes promoting sustainable agriculture practices, assisting small-scale farmers, and ensuring equal access to land, technology, and markets. Additionally, international cooperation is required to ensure investments in infrastructure and technology to enhance agricultural output. Achieving inclusive and high-quality education reinforces the conviction that education is one of the most potent and tested vehicles for long-term development as by 2030, all girls and boys will have completed free primary and secondary school. It also aspires to equalize cheap vocational training, erase gender and economic gaps, and provide universal access to high-quality higher education. Many other programs are carried out to achieve the desired target (Abdullah, 2018; Adebayo, 2020; Alkhan & Hassan, 2021; Al-Khawaja & Bardai, 2018; Anderson et al., 2017; Fad, 2019; Guo et al., 2022; Hudaefi, 2020; Okitasari & Katramiz, 2022; Qoyum & Prasojo, 2020; Rusantri, 2021; Tasnim et al., 2022).

The modern *Maqasid Shariah* notion has evolved from 'protection' to 'development' and 'human rights'. This transition is due to Ibn 'Asyūr's contribution, which opened the door for modern academics to develop *Maqasid* theory in new directions. The new point of view is not an al-version of Ghazali's protection (*Hifz*) but rather Ibn 'Asyūr's version of 'value' and 'system' (Auda, 2011).

*Maqasid Shariah* is intended to assist both persons in this world and that hereafter. The benefit principle is fulfilled by fulfilling three basic needs: primary, secondary, and tertiary (*dharuriyah*, *hajiyyah*, and *tahsiniyah*). Primary necessities (*dharuriyah*) are met when the permanence of the five major things (*mabadi' al-khams*, *dharuriyat al-khams*) is confirmed: soul, religion, mind, property, and descendants. The second level, *hajiyyat* (secondary), requires an experience of difficulties, if not materialized, not to the detriment of his safety. This challenge is mitigated by Islamic law. The existence of *Rukhshah* law demonstrates Islamic *Shariah's* concern for this issue. The third level, *tahsiniyat*, is the level of wants that, if not met to the extent that it threatens the life of one of the five essential elements listed above, does not also bring the community.

Things that are proper according to tradition are consistent with morality and ethics on this level. This style places a greater emphasis on ethics and aesthetics. Principles relating to hygiene and humanitarian help, for example, fall within this category (Ar-Risuni, 1995; Auda, 2011). According to past research, the 17 aims are compliant with *Maqashid Shariah*. However, some argue that *maqashid* is broader than the SDGs (Abdullah, 2018; Adebayo, 2020; Asmalia et al., 2018; Qoyum et al., 2022; Qoyum & Prasojo, 2020)

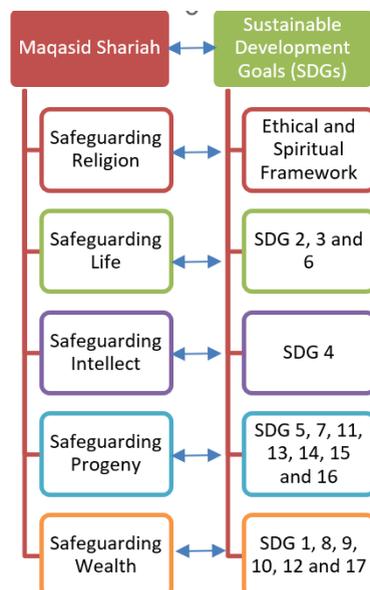
### 3. Theoretical Framework

A theoretical framework is a structured conceptual foundation designed to support and guide research. It serves as a basis for understanding a phenomenon by offering philosophical, epistemological, methodological, and analytical perspectives. This framework outlines the relationships between key variables and concepts, grounded in relevant theoretical foundations (Eisenhardt, 1989; Grant & Osanloo, 2014).

This study integrates the principles of *Maqasid Shariah* and SDGs to assess their synergy within Islamic banking (see Figure 1). Safeguarding Religion (*al-Din*), though not directly linked to specific SDGs, provides a foundational ethical and spiritual framework for development initiatives. Safeguarding Life (*al-Nafs*) aligns

with SDG 2 (eradicating hunger and promoting food security), SDG 3 (ensuring health and well-being), and SDG 6 (managing water and sanitation sustainably). Safeguarding Intellect (*al-Aql*) supports SDG 4 (ensuring quality education and lifelong learning opportunities). Safeguarding Progeny (*al-Nasl*) resonates with SDG 5 (achieving gender equality), SDG 7 (ensuring sustainable energy), SDG 11 (creating inclusive and resilient cities), SDG 13 (taking climate action), SDG 14 (conserving marine resources), SDG 15 (preserving terrestrial ecosystems), and SDG 16 (promoting peaceful and inclusive societies). Finally, Safeguarding Wealth (*al-Mal*) is linked to SDG 1 (eradicating poverty), SDG 8 (promoting sustainable economic growth and decent work), SDG 9 (building resilient infrastructure), SDG 10 (reducing inequalities), SDG 12 (ensuring sustainable consumption and production), and SDG 17 (strengthening global partnerships for sustainable development). This framework demonstrates the potential of Islamic ethical principles to complement global sustainability objectives, fostering holistic and inclusive progress.

Figure 1: Theoretical Framework



Source: Authors' own

#### 4. Research Methodology

This investigation uses a qualitative method by investigating the annual report documents of Islamic banks. This method was selected because it is more effective in terms of time and cost than surveys or focused discussion groups (FGD). This examination adopts the method of prior researchers, [Hudaefi \(2020\)](#), which investigates the connection between SDGs and Islamic fintech. [Umar and Kurawa \(2021\)](#) concerning knowledge of Islamic accounting standards in Nigerian Islamic banks.

The breakdown population consists of Indonesian Islamic banks which publish annual reports for 2023. The sample using the purposive selection technique is based on the research objectives. The sample criteria, first, is that Islamic banks issue annual reports for the 2023 period. Second, Islamic banks disclose satisfactory information concerning the dimensions of *Maqasid Shariah*. Based on Otoritas Jasa Keuangan (OJK) data, the number of banks fulfilling the sample criteria is only Bank Syariah Indonesia (BSI).

Research data analysis was carried out with a thematic analysis that prior researchers have widely used ([Rahman et al., 2020](#); [Richards & Safari, 2021](#); [Thaker, 2018](#); [Umar & Kurawa, 2021](#); [Umar & Musa, 2020](#)). Themes are classified founded on the five elements of *Maqasid Shariah* with a question design to answer the analysis goals, which are demonstrated in Table 1.

Table 1: Question Design

No	Categorical themes	Designed questions
1	Safeguarding religion ( <i>al-Din</i> )	Do the goals of SDGs practices of Islamic banks support Safeguarding religion?
2	Safeguarding life ( <i>al-Nafs</i> )	Do the goals of SDGs practices of Islamic banks support Safeguarding Life?
3	Safeguarding intellect ( <i>al-Aql</i> )	Do the goals of SDG practices of Islamic banks support Safeguarding Intellect?
4	Safeguarding progeny ( <i>al-Nasl</i> )	Do the goals of SDGs practices of Islamic banks support Safeguarding Progeny?
5	Safeguarding wealth ( <i>al-Mal</i> )	Do the goals of SDGs practices of Islamic banks support Safeguarding Wealth?

#### 4.1 Islamic Bank Sample Overview

Briefly, the chronology and ownership of BSI are as follows. First, BSI was only established in early 2021 through a merger. A substantial event in 2021, three state-owned Islamic banks consisting of BNI Syariah, BRI Syariah, and Bank Syariah Mandiri merged to become Bank Syariah Indonesia (BSI) on February 1, 2021. The Otoritas Jasa Keuangan (OJK) approved the BSI merger with Number SR-3/PB.1/2021 on January 27, 2021. BSI's share ownership composition consists of Bank Mandiri at 50.83%, Bank Negara Indonesia at 24.85%, Bank Rakyat Indonesia at 17.25%, and the public owns the rest.

Table 2: Descriptive Statistics

Total asset (billion Rupiah)	Number of branches	ROA	Total employee
353.620	1.986	2.35%	24.875

Individual brief Islamic bank data is presented in Table 2. Based on OJK Islamic bank statistics in December 2023, the total assets of non-window banking Islamic banks amounted to IDR 353.620 billion. BSI controlled 39.6% of the total assets of national Islamic banks. The number of branch offices of all Islamic banks is 1.986, so BSI branch offices. The ROA of the Islamic banking industry for the same period was 2.35%. It can be concluded that BSI performed outside the industry standard with an ROA value of 1.79%.

#### 4.2 Connection Islamic bank, Maqashid Shariah, and SGDs

Islamic banks not only focus on business orientation like conventional banks but also encourage the real sector economy and social inclusion to have a solid potential to promote the achievement of the SDGs. Islamic banks are mandated to concede with the Shariah aspect, and the fulfillment of this aspect can be measured by the *Maqasid Shariah* indicator (Tarique et al., 2021). Elements of *Maqasid Shariah* align with the SDGs' dimensions of sustainability, which include economic, social, and environmental sustainability. Islamic banks contribute to achieving SDGs when bank operations follow Islamic *Maqasid* indicators.

The achievement of Islamic bank performance in the vision of *Maqasid Shariah* can be measured based on the ensuing five dimensions: safeguarding religion (*al-din*), safeguarding life (*al-nafs*), safeguarding intellect (*al-aql*), safeguarding progeny (*al-nasl*), and safeguarding wealth (*al-mal*). The analysis results from the three sample banks of this study are presented in the observation.

##### 4.2.1 Bank Syariah Indonesia (BSI)

The analysis was carried out by exploring the five elements of *Maqasid Shariah* in the BSI annual report and then reaching them with the SDGs arrows. The results indicated that BSI had fulfilled all aspects of *Maqasid Shariah*. All aspects of *Maqasid Shariah* are internalized in the bank's operational practices. Actions to fulfill stakeholder interests are classified into internal (employees, directors, and shareholders) and external parties. Fulfilling the interests of internal stakeholders connected to *Maqasid* components is realized through training and competency development. External stakeholders focus on social and environmental-related shiftings, which are realized through corporate social responsibility (CSR) activities. In overview, the details of *Maqasid*

shariah connected to the SDGs in BSI are offered in Table 3.

Safeguarding religion (SR) as the first indicator of *Maqasid Shariah* cannot be connected to the SDGs indicator because it has no bearing. BSI has fulfilled the benchmarks for this element by conducting training and competency development. The collected expenses for training and competency development in 2023 are IDR 90.600.000.000. This program is delivered to all employees, from senior managers to managers, officers, and staff. The number of training agendas is 1.118 items, with a total of 521.036 participants. Each employee participates in several training programs throughout the year. In 2023, employees received an average of 78 hours of training each.

CSR funds disbursed in 2023 amounted to IDR 255.000.000.000. The bank's social CSR funding sources come from zakat funds (company zakat, employee zakat, customer zakat, and general zakat) and benevolence funds (*infaq/sadaqah*, fines, non-halal income, donations/grants). CSR activities are relevant to social, namely BSI Village, BSI Maslahat, BSI powered Islamic boarding school and BSI Scholarship.

Safeguarding life can be linked to SDG2, SDG3, and SDG6. The BSI Village Program, an initiative by BSI, empowers 4,095 beneficiaries across 10 provinces by optimizing local resources such as agriculture and livestock, strengthening institutions, applying appropriate technology, and utilizing ZISWAF funds. With an end-to-end strategy, this program aims to improve the economic, social, and spiritual welfare of communities.

Related to SDG3 indicators, The BSI Maslahat supported 693 families in 2023 through intensive coaching and assistance to enhance knowledge, management skills, and business quality. Covering 19 business clusters across 11 provinces, the program also provided halal certification education through webinars, focusing on benefits, procedures, and marketing strategies, to help MSMEs grow and compete in the market. BSI powered Islamic boarding school aims to enhance the self-reliance of *pesantren* through economic and entrepreneurial development. By the end of 2023, it supported 624 students across 12 *pesantren* in 6 provinces.

Indicator SDG6, BSI encourages clean water savings. Efficiency is carried out through water treatment and recycling used water for toilet flush water. BSI saves water for ablution and utilizes used water for ablution for watering plants. Appeal to reduce drinking water consumption in bottles/glasses for internal events. BSI recycles used water for toilet flushing and ablution and repurposes it for watering plants. The company encourages reducing bottled or glass drinking water at internal events.

Indicator SDG4, BSI provides health insurance to all employees and their families with a maximum of two children. This program is implemented through the Social Security Administering Body. BSI has registered all employees for health insurance and employment insurance in accordance with Indonesian government regulations.

Elements of *Maqasid Shariah* safeguarding progeny are linked to SDG5, SDG7, SDG11, SDG13, SDG14, SDG15, and SDG16. The SDG5 indicator in the analysis of the BSI annual report is the issue of gender equality. Gender equality in employment opportunities. Bank guidelines that support fair treatment and gender equality for employees include:

- i. Implementation of Human Capital Strategy.
- ii. BSI provides employee rewards such as incentives and bonuses.
- iii. BSI issued sanctions for employees who violate discipline in guidance, warning letters (SP1, SP2, SP3), and layoffs for problematic employees (fraud).
- iv. Transfer, promotion/rotation/demotion of employees and work unit officials.
- v. BSI Giving appreciation in the form of prizes/for employees/branch achievements.
- vi. Bank implementation of the new employee screening program, primarily related to family relationships.
- vii. Employee Assessment Center Program.

SDG7 is related to indicators of saving electricity use. The total electricity consumption in 2023, electricity usage totaled 2.117.285 kwh, and fuel consumption reached 281.983 liters. BSI has switched to 100% energy-efficient LED lighting, reducing waste, and collected 22.9 tons of plastic bottles for recycling, cutting 84.4 tons of CO2 emissions. Additionally, 39.329 trees were planted to support reforestation. BSI has carried out energy efficiency during 2023 in various ways:

- i. Bank applicable solar panels and water treatment at the office.
- ii. BSI uses environmentally friendly materials in the form of LED lights.
- iii. Office using inverter technology and refrigerant volume in air conditioners.

iv. Set the air conditioner as needed.

Indicator SGD11, BSI made various efforts to reduce emissions through more efficient workspace layouts, work from home, and online meetings to reduce the use of operating vehicles. BSI performs routine vehicle servicing and uses high-quality fuel to reduce air pollution. The bank uses shuttle vehicles for employees to reduce the use of private vehicles. The bank calculates the number of hours of use of operational vehicles to estimate the number of carbon emissions. In 2023 the total emissions from operational vehicles amounted to 1.800.442 tons of CO<sub>2</sub> emissions.

SDG13 indicator, BSI has a disaster emergency and recovery center program. The program strengthens the function of disaster response management and recovery for affected communities. This activity aims to reduce the risk of casualties and help alleviate the community's needs. Throughout 2021, BSI has helped at least nine disaster locations throughout Indonesia. The disaster emergency and recovery center have three activities focusing on reducing disaster risk, disaster response, and post-disaster recovery. SDG14 indicator, BSI seeks to improve water use efficiency through various means:

- i. The use of water treatment in the BSI office building.
- ii. Recycle the water used by the building to flush toilet water in the new building.
- iii. Set up so that the ablution water at the BSI Mosque is more efficient.
- iv. Use water used for ablution to water plants.

SDG15 indicator, Banks demonstrates its commitment to sustainable finance through the launch of the Gerakan Berkelanjutan BSI. This program encourages Indonesians to contribute to environmental preservation and sustainability. Key activities include collecting plastic waste via Reverse Vending Machines (RVMs) in Bali and Jabodetabek, which are recycled into products by local SMEs, and planting trees and caring for turtle hatchlings. Collaborating with Plasticpay, this initiative allows the public to exchange plastic bottles for money, promoting the 3P principles (People, Planet, Profit) in sustainable finance while raising environmental awareness.

SDG16 indicator, BSI's business activities are not directly related to nature. BSI environmental sustainability through financing activities. BSI has evaluated the environmental impact on all of its debtors. Throughout 2023, BSI did not receive information on environmental complaints from bank debtors.

The fifth element of *Maqasid Shariah*, safeguarding wealth, can be linked to indicators of SDG1, SDG8, SDG9, SDG10, SDG12, and SDG17. BSI reports the distribution of sustainable financing and humanitarian assistance programs as an effort to alleviate poverty, and these activities are relevant to the SDG1 criteria. Assistance program for various asnaf: poor, *fii sabilillaah*, and *gharimin*. The provision of this assistance focuses on the fields of education, health, economy, and da'wah. Throughout 2023, assistance has been distributed to 333.000 beneficiaries worth Rp 255.100 billion. The bank recorded assets of Rp 353.620 billion, financing of Rp 240.300 billion, third-party funds of Rp293.800 billion, and a net profit of Rp 5.7 trillion in 2023. BSI disbursed sustainable financing of Rp 46,158 billion, consisting of the MSME portfolio amounted to Rp 45.500 billion, and the green financing (Non-MSME) Portfolio amounted to Rp 57.7 trillion in the same year. The ratio of sustainable financing to total financing reached 24%.

SDG8 indicator, BSI has made various efforts to improve employee welfare. Throughout 2021 BSI reported four efforts to achieve these goals:

- i. The bank guarantees the welfare of employees by following labor laws and company regulations.
- ii. Ensuring gender equality in employment opportunities and employee training.
- iii. Providing health facilities and a proper and safe workplace for all employees.
- iv. Ensure that the bank's operational activities run under work safety procedures and standards.

SDG9 indicator, BSI conducts the construction of places of worship, public facilities that have a social impact, and office buildings with the concept of green buildings. SDG10 indicator, Cooperation with Dubai to open a representative office. BSI opened a branch in Dubai after receiving a Letter of Incorporation from the Dubai International Financial Center (DIFC) on November 4, 2021. BSI is preparing to strengthen Indonesia's position on the Global scene to become the first Bank from Indonesia to have a representative office in the Middle East Region with the operation of BSI on January 28, 2022. SDG12 indicator, BSI recycles waste to reduce earth pollution. BSI utilizes wastepaper to print internal documents. BSI provides vending machines for

recycling plastic waste/beverage bottles. BSI is trying to reduce the use of documents through digitizing transactions, such as online account opening.

Table 3: Linking Maqasid Shariah, SDGs, and BSI

No	Maqasid Shariah	SDGs	BSI
1	Safeguarding religion	No SDGs related to this part	Internal (training and competency development) and external (CSR)
2	Safeguarding life	1.SDG2: BSI village programs 2.SDG3: ensure healthy lives and promote well-being for all 3.SDG6: ensure availability and sustainable management of water and sanitation for all.	External (developing farmers to enhance food security) External (Enroll in the health and pension insurance programs provided by the govern) Internal (Water Use Efficiency)
3	Safeguarding Intellect	SDG4: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Internal (health insurance for employees)
4	Safeguarding Progeny	1.SDG5: achieve gender equality and empower all women and girls 2.SDG7: ensure access to affordable, reliable sustainable, and modern energy for all 3.SDG11: make cities and human settlements inclusive, safe, resilient, and sustainable 4.SDG13: take urgent action to combat climate change and its impacts 5.SDG14: conserve and sustainably use the oceans, seas, and marine resources for sustainable development 6.SDG15: protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss 7.SDG16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions	Internal (gender equality in employment opportunities) Internal (energy efficiency)  Internal (emissions reduction)  External (disaster emergency and recovery center program)  Internal (water use efficiency)  External (play an active role in maintaining biodiversity)  BSI did not receive complaints related to environmental issues during 2023.
5	Safeguarding Wealth	1.SDG1: eradicate poverty in all its forms everywhere 2.SDG8: promote sustained, inclusive, and sustainable economic growth, full and	Internal (sustainable financing) and external (humanitarian assistance) Internal (employee welfare)

productive employment, and decent work for all	
3. SDG9: build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	Internal (development with green building concept)
4. SDG10: reduce inequalities within and among countries	Internal (cooperation with Dubai to open a representative office)
5. SDG12: ensure sustainable consumption and production patterns.	Recycle waste and reduce printed documents.
6. SDG17: strengthen the means of implementation and revitalize the global partnership for sustainable development	There are no activity or program reports relevant to this indicator.

## 5. Conclusion and Recommendation

This study uses documentary research methods to analyze the relationship between Islamic *Maqasid* elements in Indonesian Islamic Banks (BSI) and the SDGs initiated by the United Nations. BSI during 2023 is known to have realized expenditures related to fulfilling employee welfare such as training and developing employee skills, covering health insurance, providing pension insurance, and upholding gender equality. In addition to environmental issues, BSI has made efforts to save water, electricity, and fuel, apply the concept of green building, and recycle used goods. BSI has managed to fulfill SDG indicators related to social and environmental issues through CSR activities.

These findings indicate that BSI has the potential to contribute significantly to the achievement of various SDG indicators. These findings have implications for Islamic banks to improve their company's internal and external initiatives and programs following Islamic *Maqasid*, which can significantly contribute to achieving SDGs for socio-economic development. Compliance with the *Maqasid Shariah* component helps BSI to increase the disclosure of employee welfare programs and economic, social, and environmental issues in the annual report to provide comprehensive financial and non-financial information about the bank's initiatives and activities related to the program. BSI's active participation in employee welfare program initiatives and economic, social, and environmental issues will significantly help legitimize their activities and enable them to gain stakeholder approval.

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