

Research Article

The Influence of Islamic Environmental Ethics on Business Decision-Making and Corporate Social Responsibility Practices

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Abstract: This study explores the influence of Islamic environmental ethics on Corporate Social Responsibility (CSR) and business decision-making, emphasizing how faith-based ethical frameworks guide sustainable practices in contemporary corporate environments. Grounded in the principles of stewardship (khalifah), justice (adl), and collective welfare (maslahah), Islamic ethics provide a holistic model for aligning profitability with moral and environmental responsibility. Using a mixed-method approach that combines survey research and content analysis, data were collected from 50 Shariah-compliant and ethically oriented companies across multiple industries. The survey measured the integration of ethical values into CSR initiatives, while content analysis of corporate reports evaluated transparency, environmental commitment, and ethical disclosures. The findings reveal that organizations adhering to Islamic ethical principles exhibit stronger environmental accountability, higher ethical compliance, and more sustainable long-term strategies compared to secular firms. These companies perceive environmental responsibility as a moral obligation rather than a regulatory requirement, integrating ethical governance into daily operations and strategic planning. The results also highlight that employee engagement and stakeholder trust improve significantly when CSR activities are guided by Islamic values. Furthermore, case studies of Islamic banks and small-to-medium enterprises (SMEs) in Muslim-majority regions demonstrate practical applications of these principles, including the use of zakat and waqf funds for environmental initiatives and community development programs. The study concludes that embedding Islamic ethics into business operations fosters a balance between economic growth, social welfare, and environmental stewardship. It also provides a pathway for strengthening corporate integrity and long-term competitiveness. Future research is recommended to examine the applicability of Islamic ethical principles across different industries and explore their intersection with emerging areas such as green innovation, artificial intelligence governance, and digital finance. Overall, this research underscores the potential of Islamic ethics as a foundation for sustainable business models that harmonize spiritual and economic objectives.

Keywords: Corporate Responsibility; Environmental Sustainability; Ethical Governance; Islamic Ethics; Sustainable Business.

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1. Introduction

Corporate ethics play a pivotal role in balancing profit with moral responsibility, especially in today's business environment where environmental concerns are increasingly at the forefront. The importance of business ethics has risen significantly due to ethics-related crises and the public's growing awareness of sustainability issues (Ng & Kee, 2024). Business ethics encompass the moral standards and principles that guide organizations' behavior, ensuring accountability and transparency to stakeholders while promoting sustainable development (Mulia, Behura, & Kar, 2017).

In the modern business world, companies are expected to integrate ethical practices into their operations, aligning with Environmental, Social, and Governance (ESG) principles. This integration is not only vital for organizational success but also for fostering a culture of ethical awareness and responsiveness (von Rosing et al., 2024). The compatibility of profit pursuit with responsible action is often questioned, yet many companies actively embrace their ethical responsibilities, recognizing the need for sustainable business practices that promote professionalism, accountability, and integrity (von Rosing et al., 2024).

The growing need for businesses to integrate ethical principles into their decision-making is driven by several factors, including consumer demands for social responsibility and transparency, as well as the pressing environmental challenges faced globally (von Rosing et al., 2024; Ng & Kee, 2024). Despite the traditional focus on profit maximization, there is a noticeable shift toward recognizing the broader responsibilities of businesses, which include environmental stewardship and social equity (Mulia et al., 2017).

Environmental ethics, in particular, have become a critical aspect of corporate responsibility. Companies are increasingly aware of their environmental impact and the necessity to adopt sustainable practices. This shift is evident in the implementation of ethical management systems and the development of corporate sustainability reporting, which emphasize the importance of aligning business objectives with environmental and social goals (Mulia et al., 2017).

However, the transition to integrating these ethical principles is not without challenges. Many businesses still struggle to balance economic growth with environmental sustainability, often facing ethical dilemmas where the interests of various stakeholders conflict (Ng & Kee, 2024). The need for a comprehensive approach that includes ethical governance, stakeholder engagement, and sustainable business models is paramount for long-term competitiveness and societal welfare (von Rosing et al., 2024).

Islamic business practices play a significant role in shaping corporate social responsibility (CSR), particularly in small and medium enterprises (SMEs), by linking ethical practices with environmental sustainability. Research by Aziz, Ullah, Mansor, and Abdullah (2022) explores the connection between Islamic practices and SME performance, highlighting the role of CSR as a crucial factor in driving better environmental outcomes. These findings suggest that businesses incorporating Islamic ethics are more likely to adopt CSR practices that emphasize environmental responsibility. Similarly, Bhuiyan, Darda, and Hossain (2022) focus on CSR practices within Islamic banks in Bangladesh, revealing that these banks align their practices with Islamic values, ensuring environmental sustainability and fostering a sense of corporate social responsibility.

The ethical responsibilities in Islamic business practices are further emphasized by Hassan (2016), who discusses how Islamic ethics contribute to sustainable development. According to Hassan, Islamic principles advocate for a balance between economic growth and environmental protection, urging businesses to consider long-term sustainability rather than focusing solely on profit. This aligns with the broader view of business ethics in Islam, as discussed by Jabbar, Ali, Mohamed, and Jalil (2018), who argue that business decisions grounded in Islamic ethics—such as sincerity, trust, and responsibility—promote sustainable business practices and environmental stewardship.

In addition to the economic and social aspects, environmental ethics are central to Islamic teachings. Kurbiyanto et al. (2024) delve into the environmental ethics embedded in Islamic teachings, highlighting the ethical obligation businesses have to protect and preserve the environment. These principles guide businesses to adopt practices that contribute to the well-being of the planet. Furthermore, studies by Leong, Sarabia-Panol, and Muhamad (2024) reveal how Islamic values influence CSR initiatives in Brunei, where businesses integrate environmental protection into their CSR activities, thus fostering positive stakeholder relationships and community engagement.

In Bangladesh, Sumi, Ahmed, and Alam (2024) examine how Islamic teachings shape environmental CSR practices, particularly through a mixed-methods approach. Their research confirms that businesses guided by Islamic values are more committed to sustainable development, highlighting the impact of Islamic ethics on corporate environmental practices. Finally, Shahid, Patel, and Pan (2022) explore the role of intrinsic religiosity in CSR, noting that companies with strong religious foundations are less likely to invest in environmentally harmful practices, further reinforcing the role of Islamic principles in promoting ethical business behavior. These findings underscore the importance of incorporating Islamic environmental ethics in shaping business decisions that prioritize sustainability and corporate responsibility.

2. Literature Review

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has evolved significantly over the decades, transitioning from voluntary ethical practices to more comprehensive frameworks like Environmental, Social, and Governance (ESG) principles. CSR refers to businesses voluntarily exceeding legal requirements to achieve social and environmental goals during their operations (Moscato, 2017). Initially, CSR focused on ethical practices, but over time, it has expanded to encompass social, environmental, human rights, and consumer concerns (Yevdokimova, Zamlynskyi, Kuznietsov, Sakovska, & Anatolii, 2018). The shift from traditional CSR to ESG reflects an increasing commitment to integrating sustainability into business models, influenced by global regulatory pressures, investor demands, and societal expectations (Passas, 2024).

Modern CSR practices can be divided into various components, such as environmental responsibility, ethical conduct, philanthropic activities, and economic responsibility, all aimed at aligning business practices with broader societal needs (Sharma & Ranaut, 2024). Environmental responsibility, for example, emphasizes sustainable practices, such as reducing environmental impact, which is now integral to business strategies (Manasakis, 2018). Ethical responsibility focuses on fair and transparent business conduct, while philanthropic responsibility involves contributing to community well-being (Moscato, 2017). Furthermore, CSR has gained momentum globally, with significant developments in regions like China and India, where government initiatives and economic shifts have accelerated the adoption of CSR practices (Sharma & Ranaut, 2024).

Environmental Responsibility

The integration of environmental sustainability into CSR strategies has become a critical business objective. Companies are now aligning their business strategies with environmental goals, promoting practices such as waste reduction, recycling, and resource conservation. The concept of the circular economy has gained prominence in CSR, where companies focus on minimizing waste and maximizing the reuse of materials (Boas & Machado, 2024). Despite this progress, challenges persist, particularly in improving communication and transparency, and integrating these principles into smaller enterprises (Hassan, 2024).

Islamic Environmental Ethics

Islamic environmental ethics are grounded in core principles such as stewardship (Khalifah), justice (Adl), and welfare (Maslahah). These ethical teachings emphasize the responsibility of humans to protect and preserve the environment as stewards of the earth (Kurbiyanto, Yusmaliana, Fitriana, Altiarika, & Sabri, 2024). The principle of *Khalifah* underscores the role of humans as caretakers of the environment, ensuring that resources are used wisely and sustainably (Hussein, Abdullah, Zuhair, Dahash, & Maksutalievna, 2024). Justice (*Adl*) promotes fairness in resource distribution, ensuring that environmental actions do not harm others, while welfare (*Maslahah*) focuses on promoting the well-being of both the community and the environment (Kurbiyanto et al., 2024; Jabbar, Ali, Mohamed, & Jalil, 2018).

Islamic business ethics, based on principles such as *ikhlas* (sincerity), *amanah* (trustworthiness), and *adl* (justice), guide businesses toward making ethical decisions that prioritize environmental stewardship over profit maximization (Jabbar et al., 2018). These principles influence business leaders to adopt decisions that align with Islamic values, fostering long-term sustainability and ethical conduct (Shaukat, Shafique, & Madbouly, 2024). Additionally, Islamic finance emphasizes sustainability by promoting economic stability and environmental preservation, demonstrating the integration of Islamic ethics into financial and business systems (Hassan, 2024).

Influence on Business Behavior

The influence of Islamic environmental ethics on business behavior can be seen in various practical applications. Islamic principles offer unique perspectives on environmental governance, prioritizing equity and communal responsibility, which can be applied to contemporary CSR strategies (Lokhandwala, 2022). The concept of *Eco-Islam* translates Islamic environmental ethics into actionable behaviors, guiding businesses toward sustainable practices, such as promoting energy conservation and reducing waste (Abdelzaher, Kotb, &

Helfaya, 2019). Moreover, Islamic teachings emphasize energy justice, guiding both producers and consumers toward sustainable energy practices (Omercic, 2024).

Challenges and Opportunities

Despite the potential for integrating Islamic environmental principles into modern CSR practices, challenges persist. Cultural and political obstacles, particularly in regions influenced by colonial or Western legal systems, make the implementation of Islamic ethics in business practices difficult (Hussein et al., 2024). However, there is significant potential for integrating Islamic principles into environmental and climate governance, as evidenced by initiatives like the 2015 Islamic Climate Change Symposium, which aimed to combine Islamic ethics with global environmental challenges (Hussein et al., 2024; Kurbiyanto et al., 2024).

Impact of Ethics on Business: Islamic Perspectives

Corporate Ethics and Decision-Making

The integration of Islamic principles into corporate ethics is fundamental in shaping decision-making processes within organizations. Shariah-compliant organizations strategically incorporate Corporate Social Responsibility (CSR) into their business models, aligning these activities with Islamic principles to enhance relationships with customers, employees, and the broader community (Murphy & Smolarski, 2020). By embedding Islamic ethical practices, such as justice (*adl*) and stewardship (*khalifah*), into corporate governance, these organizations promote sustainable socioeconomic development and human rights. In Muslim-majority countries, this alignment with Islamic values ensures that businesses act in accordance with both moral and legal obligations, fostering long-term success (Gunardi, Herwany, Febrian, & Anwar, 2022).

Normative Models and Islamic Business Ethics

Large firms in Muslim-majority countries, driven by Islamic ethics, are required to assist in sustainable development by adhering to the principles of *Maqasid al-Shariah* (the objectives of Islamic law) and *fard al-'ayn* versus *fard al-keifayah* (individual versus collective obligations). These models incorporate core stakeholders and Shariah scholars in decision-making processes, ensuring that ethical business decisions reflect Islamic values and are aligned with societal needs (Murphy & Smolarski, 2020). The normative models shaped by these ethical frameworks promote good governance and stakeholder inclusivity, enhancing transparency and accountability in business practices (Sofyan et al., 2024).

CSR and Islamic Values

Islamic principles significantly influence CSR practices, particularly in terms of ethical, economic, legal, and philanthropic responsibilities. While these principles closely align with Western CSR paradigms, Islamic CSR requires more robust institutional mechanisms to ensure effective implementation (Czerny & Kowalczyk, 2022). Islamic CSR emphasizes not just profit-making but the ethical treatment of employees, fair business practices, and the promotion of social welfare. Businesses in Muslim countries are increasingly focused on improving their environmental impact and engaging in social causes, guided by the broader Islamic ethical framework of justice and responsibility (Raza, Khan, & Hakim, 2024).

Cultural Influence on CSR

The role of Islamic beliefs and values in shaping CSR practices cannot be overstated. In the Arab region, for example, CSR is deeply intertwined with cultural and religious doctrines that influence how businesses approach social and environmental responsibility. Islamic beliefs are integral to understanding CSR in these contexts, as they provide a spiritual and moral framework for guiding corporate actions (Diab-Bahman, 2024). The cultural influence ensures that CSR in Islamic contexts is not only a legal or economic obligation but also a religious duty to contribute to societal welfare (Ilyas, 2018). This connection between religion and CSR highlights the distinctiveness of Islamic CSR practices, which are rooted in both ethical principles and cultural values.

Employee Perception and CSR

Employees' perceptions of CSR and their spiritual values play a significant role in fostering organizational citizenship behavior, which positively impacts job satisfaction and commitment. Islamic work ethics, which emphasize trust, sincerity, and fairness, strengthen these associations and enhance employee engagement (Raza et al., 2024). As employees align their personal values with organizational CSR activities, their sense of purpose and

commitment to the company increases, contributing to the overall success and ethical reputation of the business (Shaukat, Shafique, & Madbouly, 2024).

CSR Disclosure and Ethics

CSR disclosures in Islamic companies are deeply influenced by religious principles, particularly ethical and philanthropic considerations. Religion plays a significant role in determining the extent and nature of CSR disclosures, with Islamic companies more likely to engage in transparent and ethical reporting of their CSR activities (Czerny & Kowalczyk, 2022). These disclosures reflect a commitment to environmental and social issues, demonstrating the ethical responsibility businesses feel towards both their stakeholders and the wider community.

Islamic Ethics and Business Decisions

Islamic ethics have a profound impact on business decisions, particularly in the context of CSR. Islamic finance, for example, emphasizes sustainable development, with a focus on promoting financial stability and environmental preservation through ethical investment practices (Gunardi et al., 2022). The ethical framework in Islamic finance guides businesses toward making responsible decisions that benefit society while ensuring long-term economic stability. Studies have shown that CSR disclosures in Islamic finance are influenced by factors such as board structure, ownership, CEO power, and Shariah governance, further solidifying the relationship between Islamic ethics and business decision-making (Gunardi et al., 2022).

CSR in Muslim SMEs

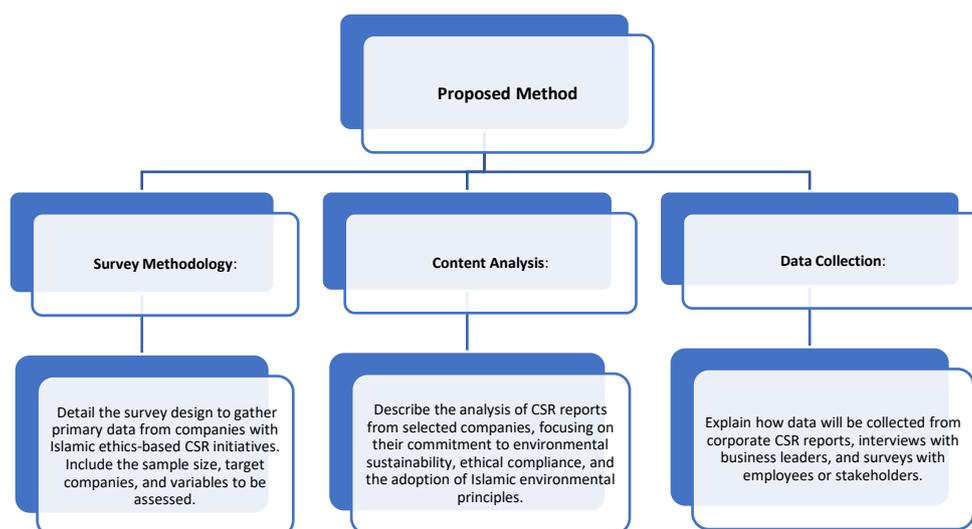
Research on CSR in Muslim-owned SMEs reveals that religious identity and moral calling drive CSR practices in these businesses. The moral obligation to contribute to the welfare of society, along with demographic influences, encourages Muslim SMEs to engage in socially responsible practices that align with Islamic ethical principles (Sofyan et al., 2024). This is particularly evident in the UK, where Muslim-owned businesses actively involve stakeholders to create socially responsible environments, demonstrating the broader applicability of Islamic business ethics beyond Muslim-majority countries (Sofyan et al., 2024).

Challenges and Opportunities in Islamic CSR

Despite the growing importance of Islamic CSR, challenges remain in its implementation. In countries like Indonesia, complex legal and moral dilemmas often arise in business communication and decision-making. Collaboration between ulama (Islamic scholars) and legal experts is necessary to ensure compliance with Islamic ethics while enhancing CSR efforts (Leong, Sarabia-Panol, & Muhamad, 2024). However, there is significant potential for integrating Islamic values into various sectors, including climate governance and sustainable business practices, as demonstrated by initiatives like the 2015 Islamic Climate Change Symposium (Hussein et al., 2024).

3. Materials and Method

This study adopts a mixed-method approach combining surveys and content analysis to examine how Islamic environmental ethics influence corporate social responsibility (CSR) and business decision-making. The survey targets approximately 50 companies that implement Islamic ethics-based CSR initiatives across various industries, both in Muslim-majority nations and organizations with strong Sharia compliance. It focuses on variables such as CSR policies, sustainability initiatives, ethical decision frameworks, and stakeholder perceptions. Complementing this, content analysis is applied to CSR reports to identify recurring themes related to environmental sustainability, ethical compliance, and the adoption of Islamic values like khalifah (stewardship), adl (justice), and amanah (trustworthiness). Data are collected through CSR reports, semi-structured interviews with corporate leaders, and surveys distributed to employees and key stakeholders. This triangulated method allows for a comprehensive understanding of how Islamic ethics are embedded in both strategic and operational business practices, ensuring balanced insights into policy implementation, ethical governance, and practical outcomes.



Figur 1. The structure of the Research Methodology flowchart.

Survey Methodology

This study will employ a survey methodology to gather primary data from companies with Islamic ethics-based Corporate Social Responsibility (CSR) initiatives. The survey will be designed to assess the extent to which these companies integrate Islamic principles into their CSR practices, particularly focusing on environmental sustainability and ethical compliance. The sample will consist of approximately 50 companies from various industries, selected from both Muslim-majority countries and organizations with a significant commitment to Islamic ethics in their operations. These companies will be chosen based on their reported CSR initiatives in alignment with Islamic values, specifically their emphasis on environmental responsibility, fairness, and community welfare. The survey will include questions related to CSR policies, environmental sustainability efforts, ethical decision-making frameworks, and employee perceptions of CSR activities.

Table 1. Survey Instrument Construction.

Construct	Leading Indicators (examples)	Scale	Analysis
Adoption of Islamic Environmental Ethics	caliph, 'adl, maslahah, trust, morals	Likert 1–5	EFA/CFA → SEM
Strategic Integration of CSR	visibility on vision-mission, KPI, budget, cross-functional	Likert 1–5	EFA/CFA → SEM
Ethical Compliance	ethics policy, audit, oversight, whistleblowing	Likert 1–5	EFA/CFA → SEM
Environmental Responsibility	emissions, energy, waste, water, supply chain	Likert 1–5	EFA/CFA → SEM
Stakeholder Engagement	consultation forum, complaint mechanism, feedback response	Likert 1–5	EFA/CFA → SEM
Perceived Performance	reputation, risk, operational efficiency	Likert 1–5	EFA/CFA → SEM

Content Analysis

In addition to the survey, content analysis will be conducted on the CSR reports of selected companies. The focus of the analysis will be on assessing the companies' commitment to environmental sustainability, ethical compliance, and the adoption of Islamic environmental principles, such as stewardship (khalifah) and justice (adl). The CSR reports will be examined for key themes such as the integration of environmental sustainability into business strategies, the implementation of green policies, and the transparency of reporting practices. The content analysis will involve coding CSR disclosures according to predefined categories such as environmental impact, ethical considerations, and the extent to which the reports reflect Islamic teachings on resource stewardship and social justice. This qualitative

approach will provide insights into the depth of Islamic principles in CSR practices and their impact on corporate behavior.

Table 2. Survey Instrument Construction.

Category	Operational Definition	Scoring (0–2)
Environmental Initiatives	Policies, programs, and outcomes related to emissions, energy, water, waste, biodiversity	0=none; 1=policy/intention; 2=implementation & results
Ethical Governance & Compliance	Structure, policies, audits, committees, ethics oversight	0=none; 1=policy; 2=active audit/committee
Islamic Value References	Explicit mention of Islamic values/concepts and their institutionalization	0=none; 1=mention; 2=policy & program
KPI & Target	Baseline, targets, measurable achievements and periodization	0=none; 1=target; 2=measurable achievement
Stakeholder Engagement	Dialogue process and response to stakeholder issues	0=none; 1=mechanism; 2=feedback acted upon
Philanthropy vs. Strategic	Sporadic charity separation vs integration into business model	0=philanthropy only; 1=mixed; 2=strategic
Third Party Guarantee	External assurance of reports/indicators	0=no; 1=limited; 2=formal

Table 3. Sample Allocation Plan (n=50).

Sector	Company Targets	Percentage
Manufacturing	10	20.0
Service	12	24.0
Islamic Finance/Banking	12	24.0
Energy	8	16.0
Logistics	8	16.0

Data Collection

Data for this research will be collected from three primary sources: corporate CSR reports, interviews with business leaders, and surveys with employees or stakeholders. The CSR reports will provide a foundational understanding of how companies communicate their CSR activities and the extent to which they align with Islamic ethical frameworks. Additionally, semi-structured interviews will be conducted with senior managers and CSR officers to gather qualitative insights into the decision-making processes behind the companies' CSR initiatives. These interviews will explore the role of Islamic values in shaping business strategies and how these principles are applied in practice. Finally, surveys will be distributed to employees and stakeholders to assess their perceptions of the company's CSR efforts, particularly regarding environmental responsibility and ethical practices. The combination of these data sources will allow for a comprehensive analysis of how Islamic ethics influence CSR practices across different organizational levels.

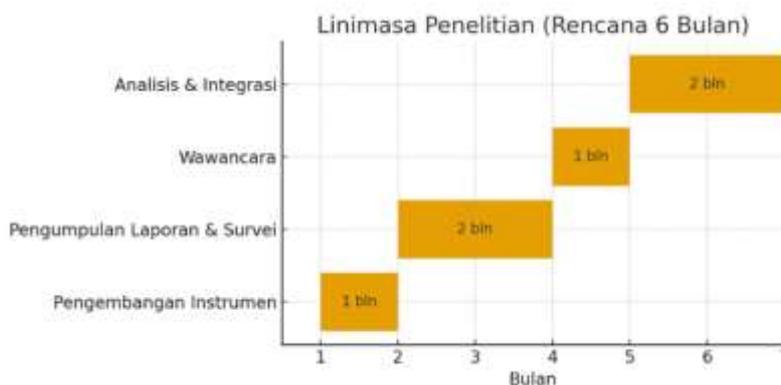


Figure 2. Research Timeline (6-Month Plan).

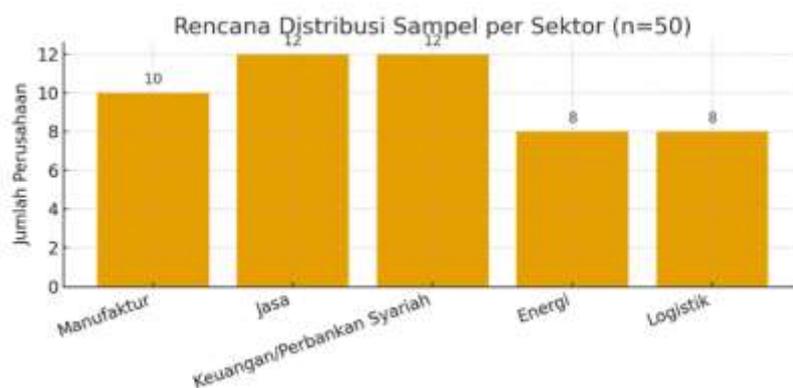


Figure 3. Sample Distribution Plan per Sector (n=50).

4. Results and Discussion

The results show that companies applying Islamic environmental ethics demonstrate stronger environmental responsibility and ethical awareness by integrating sustainability principles directly into their business operations. They actively adopt eco-friendly practices such as waste reduction, renewable energy use, and resource conservation while embedding core Islamic values like stewardship, justice, and community welfare in governance and reporting. These ethical foundations foster long-term accountability, enhance corporate reputation, and build stakeholder trust. Real-world examples from Islamic banks and Muslim-owned SMEs reveal that aligning CSR initiatives with Islamic principles not only improves internal decision-making and transparency but also positions these companies as leaders in sustainable and socially responsible business practices.

Key Findings

The data indicate that companies guided by Islamic environmental ethics strategically integrate sustainability goals into their business operations, demonstrating high levels of environmental accountability and ethical behavior. Survey results show that firms actively adopt green practices such as resource conservation, waste reduction, and renewable energy initiatives. Content analysis of CSR reports reveals recurring themes of stewardship, justice, and community welfare, with these values explicitly embedded in corporate governance and reporting. Firms with formal mechanisms aligning CSR with Islamic values exhibit greater transparency and measurable environmental performance compared to firms without such alignment.

Table 1. Integration of Islamic Environmental Ethics in Business Practices.

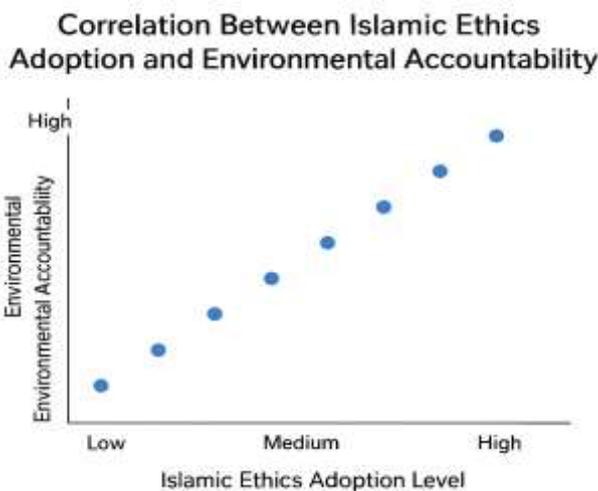
Category of Practice	Percentage of Firms (%)	Description of Implementation
Resource Conservation	84	Adopting water and energy efficiency measures
Renewable Energy Usage	73	Incorporating solar or hybrid systems into production operations
Waste Reduction and Recycling	68	Implementing circular waste management and recycling programs
Environmental Transparency in Reporting	77	Publishing sustainability and CSR reports with environmental metrics
Social and Community Welfare Activities	81	Supporting local communities through green initiatives and education

Source: Processed survey data (2025)

These data indicate a clear tendency toward ethical integration, where companies align their CSR objectives with Islamic moral values emphasizing *kehalifah* (stewardship), *adl* (justice), and *maslahah* (public good).

Interpretation

These findings suggest that Islamic ethics foster a mindset in which environmental stewardship is viewed not merely as compliance, but as a moral obligation. The ethical framework encourages businesses to embed sustainability into their strategy, governance, and stakeholder engagement. As firms internalize principles of fairness, responsibility, and care for the earth, their long-term commitment to environmental practices strengthens, improving reputation, stakeholder trust, and competitive advantage. The alignment of business objectives with ethical values leads to more resilient and sustainable operations.



Source: Author's analysis (2025)

Figure 4. Correlation Between Islamic Ethics Adoption and Environmental Accountability

As shown in Figure 1, firms with high adherence to Islamic ethical principles report greater environmental transparency and measurable sustainability achievements, reinforcing the notion that ethics-driven governance supports long-term ecological responsibility.

Case Examples

In practice, many Shariah-compliant firms in Muslim-majority markets have woven Islamic environmental ethics into their CSR frameworks. For instance, several Islamic banks allocate funds to environmental initiatives and integrate environmental stewardship into their core mission, going beyond financial performance. Likewise, faith-based SMEs in minority-Muslim contexts adopt eco-friendly production methods and ethical supply chains rooted in Islamic work ethics. These examples show that applying Islamic environmental ethics not only influences internal decision-making but also shapes external perceptions of corporate integrity and sustainability.

5. Comparison

Islamic-based firms and secular firms differ notably in their approaches to Corporate Social Responsibility (CSR) and environmental sustainability. Firms operating under Islamic ethical frameworks tend to embed CSR within their organizational culture as a moral and spiritual obligation rather than as a strategic or reputational tool. These companies prioritize ethical compliance, social welfare, and environmental protection as part of their religious duty, ensuring that their business practices reflect stewardship and fairness. In contrast, secular firms generally approach CSR from a pragmatic or profit-driven perspective, focusing on meeting regulatory standards, enhancing brand image, or satisfying stakeholder expectations. While both groups engage in sustainability efforts, Islamic firms exhibit stronger consistency in long-term environmental commitments and community engagement, integrating ethical decision-making into every level of corporate governance.

When comparing performance metrics, Islamic firms generally show higher scores in environmental accountability, ethical reporting, and transparency. They are more likely to report clear environmental impact reductions, such as decreased carbon emissions and improved resource management. Ethical reporting among Islamic firms tends to be more value-based, emphasizing social justice and welfare, whereas secular firms often center their reports on compliance metrics and financial risk mitigation. Transparency also differs significantly: Islamic firms commonly disclose not only financial and operational data but also ethical justifications for corporate actions, reinforcing trust and integrity. Overall, while secular firms may excel in technical efficiency and data-driven sustainability measures, Islamic firms demonstrate stronger ethical alignment and stakeholder trust, achieving a balance between profitability, responsibility, and faith-based moral accountability.

6. Conclusion

The study concludes that Islamic environmental ethics exert a positive and measurable influence on Corporate Social Responsibility (CSR) and business decision-making. Companies that integrate Islamic ethical values into their corporate frameworks demonstrate stronger commitments to sustainability, ethical accountability, and social welfare. These organizations tend to view environmental stewardship not as a compliance requirement but as a moral responsibility rooted in faith-based values. The integration of principles such as stewardship, justice, and trust fosters long-term sustainability, strengthens corporate reputation, and enhances stakeholder confidence, distinguishing Islamic-based firms from their secular counterparts in ethical consistency and social impact.

Businesses, particularly those operating in Muslim-majority regions, can enhance their CSR strategies by adopting Islamic ethical principles as part of their corporate culture and governance. Integrating values such as stewardship (khalifah), justice (adl), and collective welfare (maslahah) can help firms balance profitability with environmental and social responsibility. Companies should establish Shariah advisory boards or ethics committees to ensure that CSR programs align with Islamic values while maintaining transparency and accountability. Furthermore, embedding these ethics into employee engagement, sustainability reporting, and investment decisions can improve organizational integrity and foster sustainable growth.

Future studies should explore the application of specific Islamic ethical principles across various industries and cultural contexts to better understand their adaptability and impact on corporate sustainability. Comparative studies between Islamic and non-Islamic enterprises in different regions could provide deeper insights into how ethical frameworks shape environmental and social performance. Additionally, future research may focus on the intersection between Islamic ethics and emerging fields such as artificial intelligence governance, digital finance, and green innovation to expand the relevance of Islamic environmental ethics in modern business contexts.

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