

INTEGRATION OF ESG PRINCIPLES IN HALAL INDUSTRY

PATHWAYS FOR SUSTAINABLE DEVELOPMENT

Editors

Dzuljastri Abdul Razak || Suhaimi Mhd Sarif



ENVIRONMENTAL



SOCIAL



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ESG



TRUST STABILITY



HALAL
Halal Industry

PATHWAYS



Mkitchen IIUM

**INTEGRATION OF ESG
PRINCIPLES IN HALAL INDUSTRY:
PATHWAYS FOR SUSTAINABLE
DEVELOPMENT**

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First Print 2026

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Perpustakaan Negara Malaysia

Cataloguing-in Publication Data

Dzuljastri Abdul Razak & Suhaimi Mhd Sarif (editors)

Integration of ESG Principles in Halal Industry: Pathways for Sustainable Development

ISBN 978-629-92063-0-9

Published by **MKITCHEN**

Kulliyyah of Information and Communication Technology (KICT),

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

Jalan Gombak, 53100 Kuala Lumpur. Email: iiummkitchen@gmail.com

26 March 2026

Preface

In the name of Allah, the Most Compassionate, the Most Merciful.

The post-pandemic world has compelled nations, industries, and institutions to reassess the foundations of economic growth, ethical governance, and sustainable development. The fragility exposed by COVID-19 revealed not only weaknesses in global supply chains and financial systems but also the urgent need for value-based economic frameworks anchored in responsibility, resilience, and stewardship. In this evolving global landscape, Environmental, Social, and Governance (ESG) frameworks have emerged as a dominant paradigm for responsible business conduct. Yet for Muslim societies and the global Halal industry, sustainability is not a new discourse—it is deeply rooted in the ethical, spiritual, and civilizational principles of Islam.

This edited volume, *Integration of ESG Principles in Halal Industry: Pathways for Sustainable Development*, is a pioneering scholarly effort to bridge contemporary ESG frameworks with the Halal economy through the lens of *Maqasid Shariah*, *Tawhidic epistemology*, and ethical stewardship. It brings together distinguished scholars and practitioners who collectively contribute to the growing Halal–ESG discourse, positioning it within a post-pandemic sustainability agenda that is both globally relevant and spiritually grounded.

We gratefully acknowledge all contributing authors for their rigorous scholarship, intellectual courage, and commitment to advancing this integrated framework. Their chapters reflect a shared conviction that the Halal industry must move beyond compliance-based certification toward conviction-driven ethical governance. Each contribution pioneers new pathways—conceptually, empirically, and strategically—toward harmonizing Halal integrity with ESG accountability.

This volume is guided by three central objectives:

1. To provide a conceptual foundation that integrates Halal principles with ESG frameworks through *Maqasid Shariah* and *Tawhidic epistemology*.
2. To offer policy and industry guidance for governments, regulatory bodies, certification agencies, and corporations seeking alignment between Halal standards and sustainability imperatives.
3. To develop practical pathways and implementation roadmaps that enable scholars, practitioners, and investors to operationalize Halal–ESG integration for long-term competitive advantage and societal well-being.

Chapter 1 and Chapter 2 lay the foundation by articulating the ethical and spiritual underpinnings of the Halal economy and mapping its global economic landscape. These chapters establish that the Halal economy is not merely a sectoral market but a comprehensive moral economy grounded in justice, stewardship, and sustainable value creation.

Chapter 3 and Chapter 4 deepen the discourse by situating Halal principles within the framework of *Maqasid Shariah* and circular economy practices. These chapters demonstrate how sustainability is embedded within Islamic jurisprudence and how Malaysia’s circular economy journey offers instructive lessons for integration.

Chapter 5 extends the discussion to SDGs and ESG, presenting ESG as a moral compass for ethical stewardship, while Chapter 6 critically examines the challenges of integration, including regulatory fragmentation, standardization gaps, and the need for *Shariah*-based ESG screening standards.

Chapter 7 explores the Halal–ESG nexus in building ethical and sustainable value chains, while Chapter 8 highlights strategic opportunities, technological innovations, and competitive advantages emerging from Halal–ESG alignment, including blockchain, AI, IoT, and sustainable tourism frameworks.

Chapter 9 contextualizes ESG standards within Malaysia’s regulatory ecosystem, reflecting national aspirations toward mandatory ESG reporting by 2030. Chapter 10 provides sectoral analyses across food and beverage, pharmaceuticals, tourism, cosmetics, and finance, including green *sukuk* and sustainable investment leadership. Finally, Chapter 11 charts the way forward—from compliance to conviction—advocating *Ihsan*-driven governance and the role of institutions such as IIUM and INHART in nurturing a humane, resilient, and sustainable economy.

In short, these chapters affirm that ESG, when anchored in Halal principles, transcends technical compliance. It becomes an expression of *Amanah* (trust), *Khalifah* (vicegerency), *Mizan* (balance), and the prohibition of *Fasad* (corruption). It aligns corporate strategy with Maqasid Shariah—protecting faith, life, intellect, wealth, and the environment—thereby contributing to holistic well-being.

This book is dedicated to policymakers designing sustainability frameworks, scholars advancing interdisciplinary research, industry leaders seeking ethical transformation, and students aspiring to shape a just and resilient global economy. We hope that this work serves as a reference, a guide, and an inspiration for integrating Halal integrity with ESG accountability—not merely as a market strategy, but as a moral obligation.

May this effort contribute toward a sustainable future where economic prosperity, ethical governance, and spiritual consciousness converge for the benefit of humanity.

Dzuljastri Abdul Razak
Suhaimi Mhd Sarif
Editors

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In an era marked by uncertainty, environmental strain, and ethical questioning, *Integration of ESG Principles in Halal Industry: Pathways for Sustainable Development* offers a timely and compelling vision for a more responsible global economy. This pioneering volume brings together leading scholars and practitioners to explore how Environmental, Social, and Governance (ESG) frameworks can be meaningfully integrated with the Halal industry—an economic system deeply rooted in Islamic ethical and spiritual principles.

Moving beyond conventional compliance, the book presents a powerful narrative that redefines the Halal economy as a holistic moral ecosystem guided by Tawhidic epistemology and Maqasid al-Shariah. Through rich conceptual discussions, policy insights, and practical case studies, it illuminates how values such as amanah (trust), adl (justice), and ihsan (excellence) can drive sustainable innovation, ethical governance, and resilient value chains.

From circular economy practices and green technologies to ESG reporting and halal-certified sectors, this volume charts actionable pathways for aligning faith-based principles with global sustainability agendas. It speaks to policymakers, industry leaders, academics, and students seeking to transform the Halal industry into a force for inclusive growth, environmental stewardship, and societal well-being.

