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**FRAMEWORK OF ISLAMIC SUSTAINABLE AND
RESPONSIBLE INVESTMENT BASED ON ENVIRONMENT,
SOCIAL AND GOVERNANCE CONCEPT**



**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
February 2023**

**FRAMEWORK OF ISLAMIC SUSTAINABLE AND RESPONSIBLE
INVESTMENT BASED ON ENVIRONMENT, SOCIAL AND
GOVERNANCE CONCEPT**

By

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UUM
Universiti Utara Malaysia

**Thesis Submitted to
College of Business
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of Doctor of Philosophy**



Pusat Pengajian Perniagaan Islam
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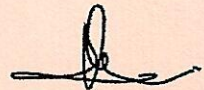
: ***Framework of Islamic Sustainable and Responsible Investment
Based on Environment, Social and Governance Concept***

Program Pengajian
(Programme of Study)

: **Doctor of Philosophy**

Nama Penyelia/Penyelia-Penyelia
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ABSTRACT

Sustainable and responsible investment (SRI) and environment, social, and governance (ESG) are two concepts which, presently are frequently being discussed, especially in the investment sector. The United Nations developed both concepts - Principles for Responsible Investment (UN-PRI) to create better practices in managing investment funds. Thus, this study attempts to explore these two concepts and analyses their criteria from Shariah perspectives. This research aims to answer four main objectives, which are; to examine the concept of SRI and its relationship with ESG and sustainable development goals (SDG), to explore the current scenario and existing practices of SRI issuance, to determine the criteria of Islamic SRI based on the ESG concept and to develop Islamic SRI framework and its components as a regulation or guidance to the industry. This study applied a qualitative method comprising document analysis and expert interviews. The study found that there were significant differences between SDGs, ESGs and SRIs concepts, especially in terms of aims, scopes, year of establishment and their principles. Besides clarifying three ASEAN standards and two local guidelines, the study confirmed the theory of stakeholders as the main theory applied in expanding the ESG and SRI development whereby the governments of ASEAN countries collectively agreed to develop ASEAN standards that govern the current SRI practices. This study also analysed the issuance of four projects under those standards and guidelines, in which two issuances were at the ASEAN level, and the other two were at the local level. This study found that some of the existing criteria of ESG, such as human rights, freedom of censorship, freedom of association and freedom of expression, are not per Islamic teachings and are not suitable to be matched with Islamic ESG criteria. Therefore, this study contributes an Islamic SRI framework as a new regulated framework or as a new guidance to the industry.

Keywords: Sustainable and responsible investment; environment, social and governance concept; Islamic ESG criteria, Islamic SRI framework.

ABSTRAK

Pelaburan mapan dan bertanggungjawab (SRI) dan alam sekitar, sosial dan tadbir urus (ESG) merupakan dua konsep yang kerap kali dibincangkan ketika ini terutamanya dalam sektor pelaburan. Kedua-dua konsep ini telah dibangunkan oleh Pertubuhan Bangsa-Bangsa Bersatu - Prinsip untuk Pelaburan Bertanggungjawab (UN-PRI) bertujuan untuk mewujudkan praktis yang lebih baik dalam pengurusan dana pelaburan. Justeru, kajian ini dijalankan untuk meneroka dua konsep ini dan menganalisis kriterianya berdasarkan perspektif Syariah. Kajian ini bertujuan untuk menjawab empat objektif utama iaitu; untuk mengkaji konsep SRI dan hubungannya dengan ESG dan matlamat pembangunan lestari (SDG), untuk menerokai senario semasa dan praktis sedia ada terbitan SRI, untuk menentukan kriteria SRI Islam berdasarkan kepada konsep ESG dan untuk membangunkan kerangka kerja SRI Islam dan komponennya sebagai satu kerangka kerja terkawal atau sebagai panduan kepada industri. Kajian ini menggunakan kaedah kualitatif yang merangkumi analisis dokumen dan temu bual bersama pakar. Kajian ini mendapati bahawa terdapat perbezaan yang signifikan diantara konsep SDG, ESG dan SRI terutamanya dari segi tujuan, skop, tahun penubuhan dan prinsipnya. Tambahan lagi, selain daripada menjelaskan tiga piawaian ASEAN dan dua garis panduan tempatan, kajian ini mengesahkan teori pihak berkepentingan sebagai teori utama dalam memperluas pengembangan ESG dan SRI, di mana pemerintah negara-negara ASEAN bersepakat untuk mewujudkan piawaian ASEAN yang mengatur amalan SRI masa kini. Kajian ini turut menganalisis penerbitan empat projek di bawah piawaian dan garis panduan tersebut, di mana dua penerbitan di peringkat ASEAN, dan dua penerbitan di peringkat penerbit tempatan. Kajian ini mendapati bahawa beberapa kriteria ESG seperti hak asasi manusia, kebebasan penapisan, kebebasan berpersatuan dan kebebasan bersuara adalah tidak bertepatan dengan ajaran Islam dan tidak sesuai dipadankan dengan kriteria ESG Islam. Justeru, kajian ini menyumbang kerangka kerja SRI Islam sebagai kerangka kerja terkawal baru atau sebagai panduan baru kepada industri.

Kata Kunci: Pelaburan mapan dan bertanggungjawab; konsep alam sekitar, sosial dan tadbir urus; kriteria ESG Islam, kerangka kerja SRI Islam.

DECLARATION

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; and any editorial work, paid or unpaid, carried out by a third party is acknowledged.

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ACKNOWLEDGEMENT



First and foremost, let me express my gratitude to the Almighty Allah SWT, the Most Beneficent and the Most Merciful, for His guidance and blessings, and for granting me the health, knowledge, patience, and perseverance to successfully complete this research.

I take great pride in expressing my sincere appreciation to my supervisor, Prof. Dr. Asmadi Mohamed Naim, for his invaluable guidance, support, encouragement, and help throughout this research. Without his tireless efforts, patience, and guidance, this research would not have been successfully completed. I would also like to thank the internal and external examiners for their suggestions and comments, which assisted me in improving the standard of the thesis.

I am deeply thankful and respectful to my beloved parents, Haji Wahab bin Haji Mansor and Hajjah Azizah bt Haji Ismail, who have been the ultimate source of my motivation to work hard. Therefore, I proudly dedicate this work to both of them, and may Allah SWT bless them. I would also like to express my gratitude to my beloved late father and mother-in-law, Haji Mohd Tajuddin and Hajjah Puziah bt Abdullah, as well as my dear brothers, sisters, sisters-in-law, brothers-in-law, nephews, and nieces, for their endless support and motivation. May Allah SWT grant them love, happiness, blessings, guidance, success, joy, and prosperity in this life and the hereafter.

A very special thanks to my beloved wife, Asma bt. Mohd Tajuddin, and my kids, Harraz Naufal, Hannan Nusaibah, and Hariz Nu'aim, for their love, patience, support,

and constant prayers throughout this important chapter of my life. I could never repay their patience and support, but may Allah SWT reward them.

Next, my gratitude and respect to all of the informants for their valuable knowledge and time during the interviews that greatly enriched the research with insightful information. Lastly, I would like to thank all academic and administrative staff of the Islamic Business School (IBS) at the Universiti Utara Malaysia, relatives, and friends who have been directly or indirectly supporting and motivating me throughout this journey.

To all of you, thank you very much for everything, and I apologize for any shortcomings and mistakes on my part. May Allah SWT reward all of you. THANK YOU.



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LIST OF ABBREVIATION

ACMF	ASEAN Capital Market Forum
ASEAN	Association of Southeast Asian Nations
BNM	Bank Negara Malaysia
BOD	Board of Directors
CEO	Chief Executive Officer
CICERO	Center for International Climate Research
CMSA	Capital Markets and Services Act
CSR	Corporate Social Responsibility
CTP	Commodity Trading Participant
DJSI	DowJones Sustainability Index
ENSO	Expert Network on Second Opinions
ESG	Environment, Social and Governance
EY	Ernst and Young
F4GBM	FTSE4Good Bursa Malaysia
GBP	Green Bond Principles
GBS	Green Bond Standards
GRI	Global Reporting Initiatives
GTFS	Green Technology Financing Scheme
ICM	Islamic Capital Markets
ICMA	International Capital Market Association
IFI	Islamic Financial Institutions
IIUM	International Islamic University Malaysia
INCEIF	International Centre for Education in Islamic Finance
ISO	International Organization for Standardization

JPN	Jabatan Pendidikan Negeri
LSS	Large Scale Solar
MSCI	Morgan Stanley Capital International
MW	Megawatt
NGO	Non-Governmental Organization
NPO	Non-Profit Organisation
OECD	Organisation for Economic Co-operation and Development
OHSAS	Occupational Health and Safety
PBUH	Peace be upon him
PNB	Permodalan Nasional Berhad
PNBMV	Permodalan Nasional Berhad Merdeka Ventures
PPD	Pejabat Pendidikan Daerah
PPP	Public-Private Partnership
PRI	Principles for Responsible Investment
RFP	Requests for Proposals
RM	Ringgit Malaysia
S.W.T.	Subhanahu WaTa'ala
SAC	Shariah Advisory Council
SBP	Social Bond Principles
SBS	Social Bond Standards
SC	Securities Commission
SDG	Sustainable Development Goals
SIB	Social Impact Bonds
SPV	Special Purpose Vehicle
SRI	Sustainable and Responsible Investment

SUS	Sustainability Bond Standards
UiTM	Univesiti Teknologi Mara
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UN-DP	United Nations-Development Programme
UNGCP	United Nations Global Compact Principles
UNISDR	United Nations for International Strategy for Disaster Reduction
UN-PRI	United Nation- Principles for Responsible Investment
USD	United State Dollar
USPSB	UiTM Solar Power Sdn Bhd
YA	Yayasan Amir



CHAPTER 1

INTRODUCTION

1.1 Introduction

Environmental disasters are one of the most important challenges that affects the world population (Global Natural Disaster Assessment Report, 2020). Environmental disasters can be due to various factors and activities, such as technical accidents, human activities, technological or mechanical failure and carelessness. Uncontrolled deforestation, burning of fossil fuels, industrial pollution and oil and chemical spills, are among the examples of unethical human activities that cause environmental disasters (Kim & Sohn, 2018).

Human intervention in the environment through the exploitation of natural resources and unsustainable development is the main factor that leads to such disasters (Kelkar & Kumthekar, 2019). It is in line with what has been reminded by Allah Subhanahu Wa Ta'ala (S.W.T) in Surah Ar-Rum, verse 41, which means:

“Corruption has appeared throughout the land and sea by [reason of] what the hands of people have earned so He [i.e., Allah] may let them taste part of [the consequence of] what they have done that perhaps they will return [to righteousness].”

(Ar-Rum 30:41)

(Translation from Sahih International)

Hence, environmental disasters, the activities that cause the disasters, the prevention of disasters and efforts to ensure growth and development by preventing disasters through the protection of the environment, have become significantly relevant topics of contemporary discussion. With regards to investment portfolios, over the last

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APPENDICES



Universiti Utara Malaysia

SUMMARY OF THE APPENDICES

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Appendix 1: Interview Form

**CRITERIA AND FRAMEWORK OF ISLAMIC SUSTAINABLE AND
RESPONSIBLE INVESTMENT (SRI) BASED ON ENVIRONMENT, SOCIAL AND
GOVERNANCE (ESG) CONCEPT**



Candidate's Name:

Muhammad Zarunnaim Haji Wahab

Supervisor:

Prof. Dr. Asmadi Mohamed Naim

Islamic Business School,

Universiti Utara Malaysia

Dear informant,

This interview is conducted to fulfil the methodology process in order to achieve the objectives of the research. The main objective is to determine the criteria of Islamic SRI based on the ESG concept. Besides, this research also aim to develop the SRI framework according to Islamic perspectives.

The findings of this research would provide significant information to the investors, regulators, fund managers, market practitioners and academicians to contribute towards the development of SRI as well as Islamic capital market as a whole. Hence, your participation in answering the questionnaire is very essential to achieve those objectives and to the overall development of SRI market in Malaysia.

Confidentiality.

Information provided will be handled with utmost confidential and solely for academic purpose only. Be assured that your responses are strictly confidential. You are not being mentioned the details in the final report, so all responses are labelled as “Informant A, B, etc.”.

Thank you for spending your time to answer this questionnaire. We need and value your opinions.

PART ONE: General Information

- 1. Organization name :
- 2. Date :
- 3. Time :
- 4. Location :

PART TWO: Background of the Informant

This section covers the background information of the informant. Please answer all the questions by ticking (√) in the appropriate boxes.

- 1. The informant's name : _____
- 2. The informant 's position : _____
- 3. Gender of the informant : () Male () Female
- 4. Highest educational background : () Bachelor's () Masters
() Ph.D () Others: _____
- 5. Professional qualification : _____

Official Stamp and signature:

.....

PART THREE: Questions of Interview

SECTION 1: PHILOSOPHY AND ORIGIN

1. Can you differentiate between ethical investing, Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?
2. What is Islamic views on those concepts?
3. Most of the literatures highlighted that the origin of ethical investing, SRI and ESG are come from the West, do you agree with the statement? Why?
4. Do you think that the prohibited elements, halal and haram in Islamic transaction are related with ethical investing, SRI, ESG's criteria nowadays?
5. Do you agree that the Islamic teaching already concerned about the issues of environment, social and governance since its revelation? Can you give example?

SECTION 2: CURRENT PRACTICES OF ESG

Question six until eight are based on the statement below:

Based on United Nations-Principles for Responsible Investment (UN-PRI), there are six main principles to be achieved toward ESG concept among their signatories, namely:

- i. The signatory should willingness to incorporate ESG issues into investment analysis and decision-making processes.*
- ii. The signatory willingness to be active owners and to incorporate ESG issues into ownership policies and practices.*
- iii. The signatory should willingness to seek appropriate disclosure on ESG issues by the entities in which they invest.*
- iv. The signatory willingness to promote acceptance and implementation of the principles within the investment industry.*

- v. *The signatory should willingness to work together to enhance the effectiveness in implementing the principles.*
- vi. The signatory willingness to report on their activities and progress towards implementing the principles.

- 6. In general, do you agree with these Principles?
- 7. There are any principle/s that you think should be modified in order to Islamise them?
- 8. Do you have any general suggestions, recommendations or comments for this principles?

Question nine until thirteen are based on the statement below:

The literature lists six methods on ESG integrations that can be utilised by the companies/funds managers to consider of ESG factors in their portfolio investment. The six approaches are: 1) exclusionary screening, 2) best-in-class selection, 3) thematic investing, 4) active ownership, 5) impact investing, and 6) ESG integration.

- 9. Do you agree that some of method/s are closely similar to Islamic approach?
- 10. In your opinion, do you think that the origin of some methods were derived from Islamic teaching?
- 11. Is there are any method/s that you think should be modified if those approaches want to be listed as Islamic integrations of ESG?
- 12. Is there are any methods that have significant differences with Islamic views?
- 13. Do you have any general suggestions, recommendations or comments for those methods of integration?

SECTION 3: SUITABLE CRITERIA FOR ISLAMIC SRI BASED ON ESG CONCEPT

14. Do you think the criteria of SRI developed by UN-PRI is in line with Shariah? (**Please refer attachment 1**).
15. Do you think the criteria such as freedom of censorship, freedom of association, freedom of expression, human right are suitable to be list in Islamic SRI criteria?
16. Can you explained further for each of criteria stated in **Question 15** based on Shariah point of views?
17. Based on the **Attachment 1**, there are any **other** criteria should be focus to ensure the Shariah compliant issue are protected?
18. There are any other comment based on the criteria stated?

SECTION 4: DEVELOPING ISLAMIC SRI FRAMEWORK

19. Do you agreed the SRI can be one of the new value propositions and product innovation for IFIs especially in Islamic capital market industry?
20. Should Islamic capital market utilized the concept of SRI?
21. In your opinion, should SRI developed by UN-PRI must have significant different with Islamic SRI?
22. In your opinion, should Islamic finance have their own criteria and framework of Islamic SRI?
23. Based on **Attachment 2** (please refer attachment), do you agree with the Islamic framework of SRI? Any comments, suggestions and recommendations?
24. Do you think this framework are comprehensive and workable to practises?
25. As the conclusion, do you have any suggestions, recommendations or general comments for this issues?

Thank You.

ATTACHMENT 1

Table 1: Criteria of SRI project based on ESG concept

ENVIRONMENT		
1. Energy and Climate Change	2. Impact of Products/Services	3. Land Use and Biodiversity
4. Operational Waste (Non-Hazardous)	5. Supply Chain Management	6. Toxic Spills and Releases
7. Water Management Strategies	8. Carbon Emissions	9. Energy Efficiency
10. Product Carbon Footprint	11. Insuring Climate Change Risk	12. Water Stress
13. Raw Material Sourcing	14. Financing Environmental Impact	15. Packaging Material and Waste
16. Electronic Waste	17. Clean Technology	18. Green Building
19. Renewable Energy	20. Ocean Acidification	21. Changes to the Nitrogen and Phosphorus Cycles
22. Biodiversity Loss	23. Greenhouse Gas Emissions	24. Air, Water or Resource Depletion or Pollution
25. Energy Transition Technology	26. Stratospheric Ozone Depletion	27. Changes in Land Use
28. Electric Vehicles	29. Pollution Control Technology	30. Chemical and Seed Providers
31. Distribution and Access	32. Food Producers	33. Agricultural Companies

SOCIAL		
1. Anti-Competitive Practices	2. Customer Relations	3. Marketing and Advertising
4. Product and Quality Safety	5. Adverse Impact on Local Communities	6. New Forms of Teaching
7. Human Right/ Human Right Abuse	8. Support to Controversial Regimes-Burma and Sudan	9. Support to Controversial Regimes-Other Countries
10. Collective Bargaining and Union	11. Discrimination Avoidance and Workforce Diversity	12. Employee/ Workplace Health and Safety
13. Labour Management Relations	14. Supply Chain-Child Labour Abuse	15. Supply Chain-Other Contraventions
16. Human Capital Development/ Management	17. Supply Chain Labour Standards	18. Controversial Sourcing

19. Chemical Safety	20. Privacy and Data Security	21. Financial Product Safety
22. Insuring Health and Demographic Risk	23. Opportunities in Nutrition and Health	24. Access to Communications
25. Access to Health Care	26. Access to Finance	27. Global Pandemics
28. Innovation for New Disease	29. Labour Standards in the Supply Chain	30. Child, Slave and Bonded Labour
31. Freedom of Censorship	32. Freedom of Association	33. Freedom of Expression
34. Obesity	35. Employee Relations	36. Diversity
37. Relations With Local Communities	38. Activities in Conflict Zones	39. Health and Access to Medicine/ Healthcare
40. HIV/AIDS	41. Consumer Protection	42. Controlling Controversial Weapons
43. Employee Relations and People Management Strategies	44. Supply Chain Oversight	45. Community Opposition
46. Infrastructure Development	47. Pension Reform	48. Infrastructure Needs
49. New Solutions and Marketing Approaches	50. Access to Education	

GOVERNANCE

1. Anti-bribery and Fraud	2. Controlling Controversial Investment	3. Governance Structures
4. Corporate Governance	5. Anti-corruption and Instability	6. Business Ethics and Fraud
7. Anti-Competitive Practices	8. Financial System Instability	9. Tax Transparency
10. Board Structure	11. Size	12. Diversity
13. Skills and Independence	14. Executive Pay	15. Shareholder Rights
16. Stakeholder Interactions	17. Disclosure of Information	18. Tax Management
19. Litigation and Fines Across Sectors	20. Internal Controls and Risk Management	21. Alignment of Incentives
22. Data Protection and Consumer Protection	23. Inspection and Certification Providers	24. Safety Technology and Processes
25. Greater Enforcement of Regulation and Fines	26. Innovative IT Solutions and Information Management	

ATTACHMENT 2

The criteria that should be **further clarification** from the existing criteria, as follows:

Human Right/ Human Right Abuse	Supply Chain-Child Labour Abuse	Child, Slave and Bonded Labour
Freedom of Censorship	Freedom of Association	Freedom of Expression

Thus, the **final criteria** for Islamic SRI Framework as follows:

ENVIRONMENT		
1. Energy and Climate Change	2. Impact of Products/Services	3. Land Use and Biodiversity
4. Operational Waste (Non-Hazardous)	5. Supply Chain Management	6. Toxic Spills and Releases
7. Water Management Strategies	8. Carbon Emissions	9. Energy Efficiency
10. Product Carbon Footprint	11. Insuring Climate Change Risk	12. Water Stress
13. Raw Material Sourcing	14. Financing Environmental Impact	15. Packaging Material and Waste
16. Electronic Waste	17. Clean Technology	18. Green Building
19. Renewable Energy	20. Ocean Acidification	21. Changes to the Nitrogen and Phosphorus Cycles
22. Biodiversity Loss	23. Greenhouse Gas Emissions	24. Air, Water or Resource Depletion or Pollution
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31. Distribution and Access	32. Food Producers	33. Agricultural Companies

SOCIAL		
1. Anti-Competitive Practices	2. Customer Relations	3. Marketing and Advertising
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10. Discrimination Avoidance and Workforce Diversity	11. Employee/ Workplace Health and Safety	12. Labour Management Relations
13. Supply Chain-Other Contraventions	14. Human Capital Development/ Management	15. Supply Chain Labour Standards
16. Controversial Sourcing	17. Chemical Safety	18. Privacy and Data Security
19. Financial Product Safety	20. Insuring Health and Demographic Risk	21. Opportunities in Nutrition and Health
22. Access to Communications	23. Access to Health Care	24. Access to Finance
25. Global Pandemics	26. Innovation for New Disease	27. Labour Standards in the Supply Chain
28. Obesity	29. Employee Relations	30. Diversity
31. Relations With Local Communities	32. Activities in Conflict Zones	33. Health and Access to Medicine/ Healthcare
34. HIV/AIDS	35. Consumer Protection	36. Controlling Controversial Weapons
37. Employee Relations and People Management Strategies	38. Supply Chain Oversight	39. Community Opposition
40. Infrastructure Development	41. Pension Reform	42. Infrastructure Needs
43. New Solutions and Marketing Approaches	44. Access to Education	

GOVERNANCE		
1. Anti-bribery and Fraud	2. Controlling Controversial Investment	3. Governance Structures
4. Corporate Governance	5. Anti-corruption and Instability	6. Business Ethics and Fraud
7. Anti-Competitive Practices	8. Financial System Instability	9. Tax Transparency
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13. Skills and Independence	14. Executive Pay	15. Shareholder Rights
16. Stakeholder Interactions	17. Disclosure of Information	18. Tax Management
19. Litigation and Fines Across Sectors	20. Internal Controls and Risk Management	21. Alignment of Incentives

22. Data Protection and Consumer Protection	23. Inspection and Certification Providers	24. Safety Technology and Processes
25. Greater Enforcement of Regulation and Fines	26. Innovative IT Solutions and Information Management	



Appendix 2: Answered Sheet from Informant A

TRANSCRIPT INFORMANT A

NO.	QUESTION	ANSWER	CODING	CATEGORIES
SECTION 1: PHILOSOPHY, ORIGIN AND CONCEPT				
1	<p>What is your understanding on the concept of Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>Happened in different time, SDG 2015, ESG and SRI before that under UN-PRI. All of them are concerned about the impact on the environment, social and governance. But in context SDG, it is much more broader which includes 17 goals to be archived. Whereas in SRI and ESG, it is more focused on two aspects, which is for financing and investment. For SRI investment, it is clear cut, which talking about investing whereas ESG can be investment also can be financing. There are lots of similarities between all of them. Because SRI talks about the environment, SDG also talks about the environment.</p>	<p>Development of SDG, ESG and SRI</p> <p>Scope of SDG</p> <p>Scopes of SRI and ESG</p>	<p>Origin</p> <p>Philosophy and Concept</p>
2	<p>Can could you differentiate between ethical investing, Sustainable and Responsible</p>	<p>Probe: mean that, all the concepts have interrelated each other?</p>		

	<p>Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>Yes, but you need to trace back how those concepts have been developed. Basically, SRI and ESG developed by UN-PRI, and then after that SDG has been developed. So SDG took the overall concepts but SDG does not talk directly about investment and financing, but SDG discusses overall concepts. It is the main difference between them.</p> <p>Basically, it is difficult to differentiate between all of these concepts except now it is the term called 'impact'. Impact means all of this concept should have their own positive impact. You can talk about ethical investment, but if no impact, it becomes useless. So scholars said, all of these, the ending and the impact are important.</p> <p>Probe: mean that, whatever theme has been used, but the important one is the impact to the world?</p>	<p>Development of SDG, ESG and SRI</p> <p>Differentiate between SDG, ESG and SRI</p>	<p>Philosophy and Concept</p>
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		Yes, it should have a positive impact at the end and we can classified the impact in many categories.		
3	What is Islamic jurisprudence and philosophy on those concepts?	For this question, I want to answer like this. We as a Muslim always reactive. When the West developed something, then we suddenly said it is in the Quran.		
4	Most of the literatures highlighted that the origin of ethical investing, SRI and ESG are coming from West, do you agree with the statement? Why?	If you said something like this, why you not do it first?. We (Muslim) already do this before. If true the Quran already mentioned about it, you should do it first. But you don't promoted that until other persons do that, then you said it is from Islamic teaching. Although in Quran and the hadith	origins on those concepts based on Islamic perspective	Origin on those concepts
5	Do you think that the prohibited elements, halal and haram in Islamic transaction are related to ethical investing, SRI,	already mentioned about it, for example during Hajj, Muslim don't allow to cut the tree, but we does not promote and implement it to the world. Then when others do it, we became angry. They said, in Islam already teach about those concept, then they start to come out with	Evidence from Islamic teaching on those concepts	Philosophy and concepts

	ESG's criteria nowadays?	various of evident from Quran and hadith to prove it.		
6	Do you agree that the Islamic teaching already concerned about the issues of environment, social and governance since its revelation? Can you give example?	<p>Probe: so basically, you does not agree that those concept already exist in Islamic teaching?</p> <p>No, I just said the Muslim not proactive. I believed that all those concept already in Quran and Hadith, but when SDG has been developed, then the Muslim started to talk about that. Mean, we always at behind. So what meaning in Islam if the Muslim not to promote first.</p> <p>In overall, there are the Islamic element here but we should look at, for example not only halal but also toiyibba. Same goes with not only halal and haram but also what the impact from that. Then the impact not the Shariah scholar should be determine, but sociologist, economist and others should determine it. Shariah scholars only look on halal and haram, so you should look at the bigger picture. It</p>	<p>Argument on Muslim reaction.</p> <p>Clarification on the current argument</p>	Philosophy and concepts

		<p>is true the financing is halal, the structure is halal, but what are the impact from it, and from the impact we should develop the framework assessment.</p> <p>I think I already answer question four, five and six.</p>	<p>Suggestions on above issue</p>	
<p align="center">SECTION 2: CURRENT PRACTICES OF ESG</p> <p><i>Question seven until ten are based on the statement below:</i></p> <p><i>Based on United Nations-Principles for Responsible Investment (UN-PRI), there are six main principles to be achieved toward ESG concept among their signatories, namely:</i></p> <ul style="list-style-type: none"> <i>vii. The signatory should be willing to incorporate ESG issues into investment analysis and decision-making processes.</i> <i>viii. The signatory is willing to be an active owner and to incorporate ESG issues into ownership policies and practices.</i> <i>ix. The signatory should be willing to seek appropriate disclosure on ESG issues by the entities in which they invested.</i> <i>x. The signatory is willing to promote acceptance and implementation of the principles within the investment industry.</i> 				

	<p><i>xi. The signatory should be willing to work together to enhance the effectiveness in implementing the principles.</i></p> <p><i>xii. The signatory willing to report on their activities and progress towards implementing the principles.</i></p>			
7	<p>In general, do you agree with these Principles?</p>	<p>I don't have any issues with those principles. Because it is the good principles to show besides the disclosure, what are the impact of certain investment portfolio. The measure on the impact are more important, not only focuses on disclosure itself. But disclosure is a good step, report is a good step, but it is only step, we must have the ultimate aim, which is the impact.</p>	<p>Views on current principles of ESG.</p>	<p>current principles vs. views by expert</p>
8	<p>Is/are there are any principle/s that you think should be modified in order to Islamise them?</p>	<p>For this question, you need to go for very specific, you cannot simply say that it is should be modified. You need to go for every specific items in ESG, but in overall, it seem ok. But in the certain aspect, we maybe can be modified between ESG principles with what we believed in the Islamic perspectives. But in large, there are almost very much</p>	<p>Comment on current principles</p>	<p>Critics on existing principles</p>
9	<p>Do you agree that these Principles are in line with Maqasid Syariah?</p>	<p>aspect, we maybe can be modified between ESG principles with what we believed in the Islamic perspectives. But in large, there are almost very much</p>		

10	Do you have any general suggestions, recommendations or comments for this principles?	<p>matching. For example, in line with maqasid syariah, it is true, but how do you measure the impact to the society. And then, it match with maqasid like protection of religion, family and others. So nowadays, we need to articulate the measurement and see from point A to point B, how we can be achieved. If we talk from the high level, it is not practicable. We should implement, it must be clear and details implementation. If to measure this principles are in line with maqasid, we can identify by itself.</p>	Recommendations on current principles	Suggestion by expert on existing principles
<p>Question eleven until fifteen are based on the statement below:</p> <p><i>The literature lists six methods on ESG integrations that can be utilised by the companies/funds managers to consider of ESG factors in their portfolio investment. The six approaches are: 1) exclusionary screening, 2) best-in-class selection, 3) thematic investing, 4) active ownership, 5) impact investing, and 6) ESG integration.</i></p>				
11	Do you agree that some of method/s are closely similar to Islamic approach/s?	<p>For this question, I ask you back. Whether Islamic approach do it this?. When you talk about best in class or</p>	Views on ESG	

		<p>thematic investing, whether Islam do it this?.</p> <p>Interviewer answer: on what I know, not do this.</p> <p>Thus, what are so great that we can said it is similar with the Islamic approach. In fact, we still at behind. For example, active ownership. Active ownership mean you create a fund, you manage the fund, you invest in the company, if the company not practices a good labour practices, then you pressure the company to change into to good labour practices.</p> <p>Or the other example, you invest in Sime Derby, you said to them, Sime derby not allow to cut the tree anymore to develop palm oil, you need to develop on innovative waste, it is the active investing.</p> <p>Probe: mean that, investors provoke the management to implement it.</p>	<p>integration methods</p> <p>Examples and clarifications on active ownerships integration</p>	<p>Argument on ESG integration methods</p>
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		<p>Yes, management should implement it. It is called active ownership. So the question is, whether Islamic funds nowadays practice it? NO, then we cannot aspect we in front of western practices. In fact, west more step ahead then Islamic approach. This is because we cannot implement on what we believe. When other implement, we claim that we much better on that issues.</p>	<p>Examples and clarifications on active ownerships integration</p>	
12	<p>In your opinion, do you think that the origin of some methods were derived from Islamic teaching?</p>	<p>The way you question like we more advanced than them. But actually, they are more advance. We still in knowledge level, but we not implement it. For example, we not formulate on renewable energy, when other do that, we start to reaction on this matter. It is the problems.</p> <p>Of course some of the work that they do not same with us, but in aspect of principles, there are a lot of similarities. For example, good labour practices, they not allow child labours, it is against in Islam? No.</p>	<p>Views on ESG integration methods</p>	<p>Argument on ESG integration methods</p>

13	Is there any method/s that you think should be modified if those approaches are to be listed as Islamic integrations of ESG?	For me, ESG is good when it looks in those three areas. So there are a lot of similarities. But we should going is promoting a good principles.	Views on ESG integration methods	Current ESG integration methods
14	Is there are any method that have significant differences with Islamic views?			
15	Do you have any general suggestions, recommendations or comments for those methods of integration?	For me, we should have more of the Islamic funds that incorporate ESG, SRI or SDG. Mean that, we need have more positive screening in general. So you can say that halal similar with negative screening in some sense and the toiyiba is more on positive screening.	Views on to match between current ESG integration methods and Islamic approaches	General recommendation s for those methods of integration.
SECTION 3: SUITABLE CRITERIA FOR ISLAMIC SRI BASED ON ESG CONCEPT				
16	Do you think the criteria of SRI	Of course when you go for the specific things, for example, for the some		

	<p>developed by UN-PRI is in line with Shariah? (Please refer attachment 1).</p>	<p>scholars, they may have some disagree on workforce diversity because male and female are same equality. From that part, you can comment on it. But we always comment after other person do it this. So when you look in the specifically, it is like all criteria should be ok, but there are some of specific things that some of the shariah scholar will be disagree. But overall, if we disagree with one or two things, don't say all of this are incorrect. Because sometime disagree not only in the religion part, but sometime on culture part. For example, in Pakistan, difficult to women to work, but they still can work at home. So you need to contextualise.</p>	<p>Differences between SRI by UN-PRI and Shariah teaching.</p> <p>Clarifications on differences of views.</p>	<p>Islamic SRI criteria vs. UN-PRI criteria</p>
17	<p>Do you think the criteria such as freedom of censorship, freedom of expression, human right are suitable to be listed</p>	<p>Again, they could be certain modification. But whether human right not applicable in Islam? There some of applicable and some are not. So there specific thing that we should look and we can suit. And the other thing, the way we define also play the important role. Not the definition focus on one side, but the</p>	<p>Comprehensive definition on each controversial criteria</p>	

	<p>in Islamic SRI criteria?</p>	<p>definition should be comprehensive.</p> <p>Because we need to make sure that the Islamic investment funds not only Muslim invest on it but also non-Muslim. So that why we need the comprehensive definition.</p> <p>Probe: so mean that, on those controversial issues, we need get the broader definition?</p> <p>Yes, for those questionable issues, so we need a different point of views. Not take one way definition or certain mazhab only. We must also looks in overall. For example, in Oman, mazhab Ibadi, not sunni or shia, so if useful we should use it. Mean you should look for different perspectives.</p>	<p>Clarificatio n on comprehens ive definition</p>	<p>Controversial criteria of current SRI</p>
18	<p>Does freedom of censorship, freedom of expression, human right be recognised under Shariah?</p>	<p>-not answered-</p>		

19	Can you explained further for each of criteria stated in Question 17 based on Shariah point of views?	-not answered-		
20	Based on the Attachment 1 , is there any other criteria should be focused to ensure the Shariah compliant issues are protected?	<p>When you go for specific thing, you have to look at for example freedom of censorship, we should look who has been censor.</p> <p>Probe: you mean?</p> <p>Mean that, for example, bank use the government power to undeclared about investment in forestation. Then government use the power to sensor it and not reporting it. So it is this issues meaning the sensor? Or another example in develop damn, but all the local people need to be transfer to another place, then the government not report those problems, impact to the poverty, it is also called a sensor. It is there are negative or</p>	<p>Need to relook detail definition on certain criteria</p> <p>Example of specific criteria</p>	<p>Views on controversial SRI criteria</p>

		positive sensor? So that why we not only 'read' in one layer only.		
21	Is there any other comment based on the criteria stated?	<p>If you want to develop a framework for investment or financing, we need to have to go very details, specific definition and measurement. And defined its properly but it is not easy works.</p> <p>Probe: mean that, for each criteria, we should have the detail definition?</p> <p>Yes, we should have details explanation, definition, measurement, then we became more clear.</p>	<p>Need to focus on detail definition for controversia l criteria</p>	<p>To overcame the controversial SRI criteria</p>
SECTION 4: DEVELOPING ISLAMIC SRI FRAMEWORK				
22	Do you agree the SRI can be one of the new value proposition and product innovation for IFIs especially in Islamic capital market industry?	<p>Actually, in the investment side, there are already have value proportion. Some called it responsible finance, some called green finance. It is like a same although some people try to define it differently.</p> <p>In banking sector, we already have, called 'value based intermediaries', but in capital market still don't have.</p>	<p>The existing value proposition</p>	<p>New value proposition</p>

		It is not the new value proposition because it is already happen a few years ago. Maybe in 5 to 6 years ago.		
23	Should Islamic capital market utilize the concept of SRI?	For me, it is same with VBI, Islamic investment also should go into that. For example, they use green finance because they goes in line with the Islamic finance principles.	Views on utilization of SRI	Utilization of SRI
24	In your opinion, should SRI developed by UN-PRI must have significant different with Islamic SRI?	For me, the approach should be same and not have significantly different with others. Our approach should be same with them and maybe we can add few others element. For example, certain thing that that develop by them not have in shariah, so we just add. So others look that Islam is a part of the investment community rather than total separately. Only we add on more criteria to make it shariah compliant. It is the better effort.	Opinions on whether Islamic SRI need have significant differences with current SRI	Developing of Islamic SRI
25	In your opinion, should Islamic finance has their own criteria and framework of Islamic SRI?	Of course we have our own criteria but add the additional criteria. So but we use their criteria and standard subject to certain thing that have issues, rather than develop a new one.	Views on the need to have new criteria and framework	Developing of Islamic SRI criteria

		Of course we can name that new one because it is the branding and marketing, it is the other part.	for Islamic SRI	
26	Based on Attachment 2 (please refer attachment), do you agree with the Islamic framework of SRI? Is there any comment, suggestion and recommendation?	Why we should eliminate the child labour because it is very important? That why we should bring the element of active investment. Approach here are not eliminate like halal and haram, company not follow the criteria, not meet the shariah requirement. Not like that, it is muamalat, what should you doing by using the stages. We may have this but company have their time to fully archive	Clarification on	Developing of
27	Do you think this framework is comprehensive and workable to practises?	the criteria. So you can say you start with the basic first, maybe criteria 1 to 10, then 1 to 20, mean that you build up. So in that way, you are make it the company improving the criteria over the time. So the methodology are important not only the criteria. That why the framework is important, not only criteria. The framework mean you have the progress of phase approach (phase by phase). Bear in mind, it is already halal, but we	controversial criteria to suit with Islamic SRI	Islamic SRI criteria

		need now toiyiba, that why we need comprehensive framework.		
28	Do you think that government should give tax incentives for Islamic financial institutions that adopted and implemented these policies?	It is ok, if we want to use phase approach, we provide some incentive. For example, you want to introduce on climate change, so to reduce financing that give impact to environment (e.g palm oil), so what you can do is that company that change their technology to the renewable energy, that cost can be support by the government via tax deduction.	Tax incentive to Islamic SRI practices	Tax incentive to Islamic SRI practices
29	As a conclusion, do you have any suggestions, recommendations or general comments for this issues?	The point here: <ol style="list-style-type: none"> 1. Remain the current criteria 2. Clarify and make some of modification on certain existing criteria 3. Add the additional criteria (if any) that follow the shariah principle. 4. Develop the framework by phases. 	suggestions, recommendations and comments	Overall suggestions, recommendations and comments

Appendix 3: Answered Sheet from Informant B

TRANSCRIPT INFORMANT B

NO.	QUESTION	ANSWER	CODING	CATEGORIES
SECTION 1: PHILOSOPHY, ORIGIN AND CONCEPT				
1	<p>What is your understanding on the concept of Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>Those three concepts are different. But actually concept 1 and 2 are overlap with 3. Concept of SRI and ESG actually can be combined into the SDG concept within 17 indicators in SDG. Because concept of SRI comprise only 2 (which is sustainable and responsible). What is consider in sustainable only focuses in investment aspect while responsible mean responsible to the investment.</p> <p>Probe: mean that, both (sustainable and responsible) refer to investment side?</p> <p>Yes, so the question is how they measure the others aspect. While talk about ESG, only environment,</p>	<p>Differences between SRI, ESG and SDG</p> <p>Differences between SRI, ESG and SDG</p>	<p>Origin and philosophy</p>

		<p>social and governance aspects has been measured. Actually this concept introduced by different organizations. World Bank also discusses on it, United Nations also discuss on its issues. So both concepts (SRI and ESG) nowadays combined into one concept which is SDG. Because aspects environment, social, governance and SRI are also highlighted in SDG concept.</p>		
2	<p>Can you differentiate between ethical investing, Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>In SDG, we don't look how the investment took place because SDG only focuses on the goals. Whether ethical or not is not the problem in SDG. But other two concepts (SRI and ESG) are different, the process must be ethical.</p> <p>Probe: mean that, for SRI and ESG the process must be ethical and for SDG, the process not necessarily must be ethical?</p>	<p>Differences between SRI, ESG and SDG</p>	<p>Origin and philosophy</p>

		Yes, SDG only focus on the goals whereas SRI and ESG focuses on the process and the goals.		
3	What is Islamic jurisprudence and philosophy on those concepts?	<p>I can't see Islamic jurisprudence see those concepts. For example, Islamic banking act, maybe some of that, yes..like equality, justice, fair. But environment, no.. social might be have, governance, no..mean that, not all aspect have been discuss. So what the Islamic jurisprudence (IJ) that you want to refer? Whether IJ in zakat, banking or IJ in the country.</p> <p>I think this question need to more specific. Whether Islamic philosophy or Islamic economic philosophy. Because if you focus on Islamic philosophy, it more general than Islamic economic philosophy.</p>		

		<p>Concept in Islamic banking didn't mentioned about ethical investment. But IB only mentioned in indirect. If you talk about Islamic economic philosophy, the philosophy are based on tauhid epistemology or based on ethical, akhlak and shariah.</p> <p>So don't think those concept (SRI, ESG and SDG) have the Islamic philosophy because it is develop by United Nations. Maybe if we want to further investigate, we will found it but in general, no. Definitely no.</p>	Philosophy and concept of those concepts	Islamic jurisprudence in SRI, ESG and SDG concepts
4	<p>Most of the literatures highlighted that the origin of ethical investing, SRI and ESG are coming from West, do you</p>	<p>Yes, no discussion on tauhid epistemology</p>	<p>Views on current SRI and ESG practises</p>	<p>Suggestion to current practice</p>

	agree with the statement? Why?			
5	Do you think that the prohibited elements, halal and haram in Islamic transaction are related to ethical investing, SRI, ESG's criteria nowadays?	No. not related. I don't see this parameter exist.	To link elements in Islamic teaching vs SRI and ESG	To link elements in Islamic teaching vs SRI and ESG
6	Do you agree that the Islamic teaching already concerned about the issues of environment, social and governance since its revelation? Can you give example?	Of course, in Islamic teaching we can see in issue of environment. For example, about thoharah, wudhuk. So yes, I agreed. In social, we can see in education aspect, encourage people to gain the knowledge. In social included ukkhuwah. In governance, Islam teach us to perform the solat, fast, hajj and zakat with the own guidelines, principles and also we have the authorities bodies. For example in solat, we accountable to Allah. So governance already	To link elements in Islamic teaching vs SRI and ESG	To link elements in Islamic teaching vs SRI and ESG

		<p>here. So governance mean you follow the rules.</p>		
<p style="text-align: center;">SECTION 2: CURRENT PRACTICES OF ESG</p> <p><i>Question seven until ten are based on the statement below:</i></p> <p><i>Based on United Nations-Principles for Responsible Investment (UN-PRI), there are six main principles to be achieved toward ESG concept among their signatories, namely:</i></p> <ul style="list-style-type: none"> <i>i. The signatory should be willing to incorporate ESG issues into investment analysis and decision-making processes.</i> <i>ii. The signatory is willing to be an active owner and to incorporate ESG issues into ownership policies and practices.</i> <i>iii. The signatory should be willing to seek appropriate disclosure on ESG issues by the entities in which they invested.</i> <i>iv. The signatory is willing to promote acceptance and implementation of the principles within the investment industry.</i> <i>v. The signatory should be willing to work together to enhance the effectiveness in implementing the principles.</i> <i>vi. The signatory willing to report on their activities and progress towards implementing the principles.</i> 				

7	<p>In general, do you agree with these Principles?</p>	<p>For me, the issue is, if you want to apply this, it is sufficient?.</p> <p>Basically, I agreed with this principles but not enough.</p> <p>Probe: any addiction that you want to highlighted?</p> <p>My addiction, we need to go back to the tauheed epistemology. This principles only considered element of ethic. You just need to be ethic with animals, ethic with environment, ethic with other peoples. This principles don't put any element related to the Creator.</p> <p>So mean that, for me, it is not enough.</p>	<p>General views relate to current ESG principles</p> <p>Suggestion to improve the current principles</p>	<p>Critics on current principles of ESG</p>
8	<p>Is/are there are any principle/s that you think should be modified in order to Islamise them?</p>	<p>Need to add tauheed epistemology in this principles.</p>	<p>Suggestion to improve the current principles</p>	<p>Critics on current principles of ESG</p>

9	Do you agree that these Principles are in line with Maqasid Syariah?	No.	Views relate to current ESG principles	Critics on current principles of ESG
10	Do you have any general suggestions, recommendations or comments for this principles?	<p>My suggestion, you need to add the tauheed epistemology in this principles.</p> <p>Probe: mean that, relationship with the Creator?</p> <p>Yes, if you does not mention directly about word ‘tauheed’ is ok, but you need to link with the Creator.</p>	Suggestion to improve the current principles	Recommendations on current principles of ESG
<p><i>Question eleven until fifteen are based on the statement below:</i></p> <p><i>The literature lists six methods on ESG integrations that can be utilised by the companies/funds managers to consider of ESG factors in their portfolio investment. The six approaches are: 1) exclusionary screening, 2) best-in-class selection, 3) thematic investing, 4) active ownership, 5) impact investing, and 6) ESG integration.</i></p>				

11	Do you agree that some of method/s are closely similar to Islamic approach/s?	The early three approaches are ok but for active ownership, what do you mean? you need to follow the underlying contract. Not all contract that you can be active as an owner. For approaches 5 and 6 are ok, agreed.	General views on existing ESG integrations	Critics on current ESG integrations
12	In your opinion, do you think that the origin of some methods were derived from Islamic teaching?	We can say that Islamic teaching is related to those methods, but the question is, how this method has been derived from Islamic teaching? For example, ESG integration in governance aspect, once again, this method link with the Creator element? Mean that, you need to re-look those methods whether it is really take from Islamic teaching.	Views on existing ESG integrations vs Islamic teaching	Recommendations to improve current ESG integrations
13	Is there any method/s that you think should be modified if those approaches are to be listed as Islamic	For me, you need integrate this methods with maqasid shariah. You need add maqasid as one of the method to be integrate in this approaches.	Suggestion to improve current ESG integrations	Recommendations to improve current ESG integrations

	integrations of ESG?	Probe: mean that, add another one which is maqasid shariah, then it become seven? Yes, maybe seven or more.		
14	Is there are any method that have significant differences with Islamic views?	-		
15	Do you have any general suggestions, recommendations or comments for those methods of integration?	Like I mention just now, add maqasid shariah in those approaches.	Suggestion to improve current ESG integrations	Recommendations to improve current ESG integrations
SECTION 3: SUITABLE CRITERIA FOR ISLAMIC SRI BASED ON ESG CONCEPT				
16	Do you think the criteria of SRI developed by UN-PRI is in line with Shariah? (Please	Partially.	Views on existing criteria of ESG vs Islamic teaching	Developing of Islamic ESG criteria

	refer attachment 1).			
17	Do you think the criteria such as freedom of censorship, freedom of expression, human right are suitable to be listed in Islamic SRI criteria?	Agreed but once again, how you defined those criteria.	Views on existing criteria of ESG vs Islamic teaching	Argument on existing criteria of ESG vs Islamic teaching
18	Does freedom of censorship, freedom of expression, human right be recognised under Shariah?	Recognise.	Views on existing criteria of ESG vs Islamic teaching	Developing of Islamic ESG criteria
19	Can you explained further for each of criteria stated in Question 17 based on Shariah point of views?	Freedom of expression, you can expose but Prophet teach us that our words not hurt other peoples. Human right. What your right? Actually we have many of right.	Views on existing criteria of ESG vs Islamic teaching	Developing of Islamic ESG criteria
20	Based on the Attachment 1 , is	No.		

	there any other criteria should be focused to ensure the Shariah compliant issues are protected?			
21	Is there any other comment based on the criteria stated?	No comment.		Developing of Islamic ESG criteria
SECTION 4: DEVELOPING ISLAMIC SRI FRAMEWORK				
22	Do you agree the SRI can be one of the new value proposition and product innovation for IFIs especially in Islamic capital market industry?	Not really, not agreed.	SRI as new value proposition and product innovation for IFIs	new value proposition and product innovation for IFIs
23	Should Islamic capital market utilize the concept of SRI?	Yes but through Islamic SRI.	Utilizations of SRI	Utilizations of SRI
24	In your opinion, should SRI	Need to revisit because we agreed just now that the current SRI is		

	developed by UN-PRI must have significant different with Islamic SRI?	developed by West's view. Of course, there are significant differences between them.	SRI vs Islamic SRI	Developing of Islamic SRI
25	In your opinion, should Islamic finance has their own criteria and framework of Islamic SRI?	Sure, yes.	SRI vs Islamic SRI	Developing of Islamic SRI
26	Based on Attachment 2 (please refer attachment), do you agree with the Islamic framework of SRI? Is there any comment, suggestion and recommendation?	<p>What do you mean by framework? Framework for ESG actually you need to look at, who actually the players and stakeholders for SRI.</p> <p>To whom you want to impose this framework. Or you can say it is the variables related to the environment in Islamic SRI that you want to develop. In Islamic SRI framework, let say to talk about environment, thus it is the variables for environment. Mean that, variables in your framework.</p> <p>But if you talk about framework, you need comprehensively</p>	<p>Suggestion on developing of Islamic SRI criteria</p>	Developing of Islamic SRI criteria

		describe. What I see, you only see the variables that represent the framework, not the totally framework.		
27	Do you think this framework is comprehensive and workable to practises?	First, you need to identify what actually the framework that you want to show. What is the criteria in your framework? My suggestion, what are components that should consist in the framework. But what I can see, it is only variables, not a framework for a whole ESG. So, because I not really agreed for this framework, so it is not comprehensive yet.	Suggestion on developing of Islamic SRI criteria	Developing of Islamic SRI criteria
28	Do you think that government should give tax incentives for Islamic financial institutions that adopted and implemented these policies?	This is in CSR, they need to realize that the fund that they used to invest, not their own funds. Because they is not the absolute owners. The absolute owner only the Creator. If you want to give tax deduction, of course you can give but you also need other element/incentives. For example,	Tax incentives to Islamic SRI practices	Tax incentives to Islamic SRI practices

		CSR, compulsory payment or pay zakat.		
29	As a conclusion, do you have any suggestions, recommendations or general comments for this issues?	<p>You come out with one framework that can be consider with Islamic views. Then later, who want to invest, you can follow this framework.</p> <p>But my concern about the ESG screening, although the Islamic ESG framework is able to be developed, it must be acknowledged that the criteria in Islamic ESG screening are not fix all the time and it will keep changing based the current issues.</p> <p>So, we must careful in developing the Islamic ESG framework.</p>	General suggestions, recommendations or comments	General recommendation for this study

Appendix 4: Answered Sheet from Informant C

TRANSCRIPT INFORMANT C

NO.	QUESTION	ANSWER	CODING	CATEGORIES
SECTION 1: PHILOSOPHY, ORIGIN AND CONCEPT				
1	What is your understanding on the concept of Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?	SRI is the mother definition. SRI like an umbrella to those concept. Then ESG is the subset because SRI actually many aspect you can focuses. For example, negative screening in shariah, it is still in/under the SRI concept. Or ethical screening, still under SRI's umbrella. Or impact investing, all this still under SRI concept. For example, person who want to focus on environment, still under	Definitions of SRI, ESG and SDG	Philosophy and concept of SRI, ESG and SDG
2	Can could you differentiate between ethical investing, Sustainable and Responsible Investment (SRI), Environment, Social and	SRI. So SRI is very broad. SRI actually an investment. So under this, there are six to seven approaches to be archived SRI's goals. SRI is the objectives, maybe can use ESG, maybe use negative screening, positive screening and others. It just the way to achieve the SRI goals.	Differences between SRI, ESG and SDG concepts	Philosophy and concept of SRI, ESG and SDG

	<p>Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>So SDG is different, because the developed with different objectives and measureable. For example, clean water, it is not only clean water, but actually what you want to do to achieve the clean water. What is the steps? So it very subjective, you need to that and this. So SDG is the United Nation's objectives. But for SRI is more on investment based. So if you do the investment based, you can refer to various of standards like UN Global Compact, SDG. Then you can choose what criteria that suitable in SDG, you can choose, not all relevant to your investment.</p> <p>For ethical investing, each investor have their own objectives. So in shariah screening is the one way of the ethical investing. But not mean that shariah screening</p>	<p>Differences between SRI, ESG and SDG concepts</p> <p>Differences between SRI, ESG and SDG concepts</p>	<p>Philosophy and concept of SRI, ESG and SDG</p> <p>Philosophy and concept of SRI, ESG and SDG</p>
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		<p>are fulfil the objectives of ESG.</p> <p>Maybe the company shariah complaint, but they burn the forest, so it is the different things.</p> <p>SRI also not necessarily shariah complaint. For example, alcohol company, the company comply with ESG but not shariah compliant.</p>		
3	<p>What is Islamic jurisprudence and philosophy on those concepts?</p>	<p>We actually not from shariah background.</p>	-	-
4	<p>Most of the literatures highlighted that the origin of ethical investing, SRI and ESG are coming from West, do you agree with the statement? Why?</p>	<p>Yes.</p>	<p>Views on origin of SRI and ESG.</p>	<p>Origin of SRI and ESG.</p>
5	<p>Do you think that the prohibited elements, halal and</p>	<p>No but actually ethical investing is the proxy that most similar with Islam. For example, our shariah</p>	<p>Prohibited elements in Islamic teaching</p>	<p>To link between elements in Islamic teaching</p>

	<p>haram in Islamic transaction are related to ethical investing, SRI, ESG's criteria nowadays?</p>	<p>screening, all religious are used the screening because they don't have Cristian screening, Buddhist screening and others. But it doesn't mean our screening same with ethical investing.</p>	<p>vs current criteria of ESG</p>	<p>vs current practices of ESG</p>
6	<p>Do you agree that the Islamic teaching already concerned about the issues of environment, social and governance since its revelation? Can you give example?</p>	<p>Yes Islamic teaching very concern on that issues but not specific. In Quran for example, just mention in general terms. Because it is based on current time, maybe for nuclear not exist in Prophet era.</p> <p>Probe: mean that, the current criteria nowadays might be will be change in the future?</p> <p>Yes, it is sure. Because if you see, they start with CSR, socially responsible, then became sustainable.</p> <p>Yes since revelation because we as a vice grant, we need to take care</p>	<p>Islamic teaching vs current practices of ESG</p>	<p>To link between elements in Islamic teaching vs current practices of ESG</p>

		<p>on what the Creator give to us including environment and others.</p>		
<p style="text-align: center;">SECTION 2: CURRENT PRACTICES OF ESG</p> <p><i>Question seven until ten are based on the statement below:</i></p> <p><i>Based on United Nations-Principles for Responsible Investment (UN-PRI), there are six main principles to be achieved toward ESG concept among their signatories, namely:</i></p> <ul style="list-style-type: none"> <i>i. The signatory should be willing to incorporate ESG issues into investment analysis and decision-making processes.</i> <i>ii. The signatory is willing to be an active owner and to incorporate ESG issues into ownership policies and practices.</i> <i>iii. The signatory should be willing to seek appropriate disclosure on ESG issues by the entities in which they invested.</i> <i>iv. The signatory is willing to promote acceptance and implementation of the principles within the investment industry.</i> <i>v. The signatory should be willing to work together to enhance the effectiveness in implementing the principles.</i> <i>vi. The signatory willing to report on their activities and progress towards implementing the principles.</i> 				

7	In general, do you agree with these Principles?	Of course I agreed, because for me it is good principles.	Views on current principles of ESG	General comment on current principles of ESG
8	Is/are there are any principle/s that you think should be modified in order to Islamise them?	I think it is no issues need to be highlight because it is applicable to everyone. It just the general principles that can be use for all.	Views on current principles of ESG	Critic on current principles of ESG
9	Do you agree that these Principles are in line with Maqasid Syariah?	It is consistent with maqasid shariah. It does not goes against the maqasid.	Views current principles of ESG vs Islamic teaching	Comment on current principles of ESG
10	Do you have any general suggestions, recommendations or comments for this principles?	No comment.	Views on current principles of ESG	Comment on current principles of ESG
<p><i>Question eleven until fifteen are based on the statement below:</i></p> <p><i>The literature lists six methods on ESG integrations that can be utilised by the companies/funds managers to consider of ESG factors in their portfolio investment. The six approaches are: 1) exclusionary screening, 2) best-in-class selection, 3) thematic</i></p>				

	<i>investing, 4) active ownership, 5) impact investing, and 6) ESG integration.</i>			
11	Do you agree that some of method/s are closely similar to Islamic approach/s?	I don't see any religious issue here.	General comment on existing ESG integrations vs Islamic approaches	Developing Islamic ESG integrations
12	In your opinion, do you think that the origin of some methods were derived from Islamic teaching?	I want to answer like this, they that develop this methods to create better performance of ESG without thinking about any religions teaching including Islam. So difficult to link because when they develop this, they don't think about religions, maybe it is by chance, yes. This methods are good, so might be consistent with Islam. For example on carbon emission, in Quran did not mention about it, so difficult to link with Islamic teaching. It is the circular, common sense and general acceptable. So when West	Views on existing ESG integrations vs Islamic approaches	Developing Islamic ESG integrations

		do a good thing, we just follow and take it.		
13	Is there any method/s that you think should be modified if those approaches are to be listed as Islamic integrations of ESG?	So for that question, I think is not. Because I don't think we need to create Islamic integrations of ESG. Second thing is, it is about ESG, not the shariah aspect. While the ESG expert also did not know everything about ESG, how shariah scholars can tackle this. So how you can add something new if you itself not know about those criteria. For example like an engineer that create something new, it is they need shariah scholars to clarify it?	Views on to Islamise the existing ESG integrations	Developing Islamic ESG integrations
14	Is there are any method that have significant differences with Islamic views?	No comment.	-	-
15	Do you have any general suggestions, recommendations	For me, I don't think we need Islamic ESG integration. We only need do second layer or double layer screening. First, shariah	Recommendations to improve the existing ESG integrations	

	or comments for those methods of integration?	screening and second, ESG screening. So who company can fulfil both layer, it mean the company is shariah complaint plus ESG screening.		Developing Islamic ESG integrations
SECTION 3: SUITABLE CRITERIA FOR ISLAMIC SRI BASED ON ESG CONCEPT				
16	Do you think the criteria of SRI developed by UN-PRI is in line with Shariah? (Please refer attachment 1).	Again, I don't think we need to argued what has been develop. Once it is a good and general acceptable, so I will accept it.	General views on the current SRI criteria	Developing the Islamic SRI criteria
17	Do you think the criteria such as freedom of censorship, freedom of expression, human right are suitable to be listed in Islamic SRI criteria?	For me, it is the sensitive question. Yes, for me all this criteria are not same between West and the Islamic. In censorship, it is depend on national issue. For example, in Arab, you cannot express or complaint with King, you will be kill. It is more geographic issue. So when Arab country do like this, it is not because they are Islam, it is because the culture.	Views on the controversial criteria	Developing the Islamic SRI criteria

18	Does freedom of censorship, freedom of expression, human right be recognised under Shariah?	Yes it is recognise but to what extent. Basically, our definition are different with the West.	Views on the controversial criteria	Developing the Islamic SRI criteria
19	Can you explained further for each of criteria stated in Question 17 based on Shariah point of views?	No comment.		
20	Based on the Attachment 1 , is there any other criteria should be focused to ensure the Shariah compliant issues are protected?	For me, it is separate. Shariah complaint is shariah complaint. ESG is ESG. ESG not measure the issues in shariah complaint. If you want, you to another level of screening.	Views on the controversial criteria	Developing the Islamic SRI criteria
21	Is there any other comment based on the criteria stated?	I just want to explain. All those criteria develop for the investment purpose. So depend on that investors, if they don't want to invest in shariah complaint, they	General views on the existing criteria	Developing the Islamic SRI criteria

		can fulfil the criteria in ESG or otherwise.		
SECTION 4: DEVELOPING ISLAMIC SRI FRAMEWORK				
22	Do you agree the SRI can be one of the new value proposition and product innovation for IFIs especially in Islamic capital market industry?	Yes.	Views on SRI as new value proposition	SRI as new value proposition and product innovation for IFIs
23	Should Islamic capital market utilize the concept of SRI?	Not utilize, introduce is more suitable for me. In market, we need to offer a lot of things, so you reason why you offer because demand. The Islamic capital actually react to the development globally. When globally do this, so we will follow the trend.	Views on utilizations of SRI concept	Utilizations of SRI concept
24	In your opinion, should SRI developed by UN-PRI must have	Funds in Malaysia for example, if fund manager sell the Islamic fund in France, they don't sell as Islamic, they will sell as a sustainability. So that why now we		

	significant different with Islamic SRI?	<p>need to bring Islamic together with SRI, then you can go outside to sell the funds. So you can sell Islamic fund as well as sustainable.</p> <p>If you want to develop the Islamic SRI, I don't think there are many different.</p>	Existing SRI vs. Islamic SRI	Developing Islamic SRI framework
25	In your opinion, can Islamic finance has their own criteria and framework of Islamic SRI?	Yes, Islamic finance can develop their own criteria and framework of Islamic SRI but who want to develop.	Existing SRI vs. Islamic SRI	Developing Islamic SRI framework
26	Based on Attachment 2 (please refer attachment), do you agree with the Islamic framework of SRI? Is there any comment, suggestion and recommendation?	Yes we agreed with it.	Comment on Islamic SRI framework	Developing Islamic SRI framework

27	Do you think this framework is comprehensive and workable to practises?	For me, it is comprehensive because our point here, when this criteria is general and good, we will accept it. And don't eliminate all those six criteria in attachment 2. Just broad the definition for each criteria.	Comment on Islamic SRI framework	Developing Islamic SRI framework
28	Do you think that government should give tax incentives for Islamic financial institutions that adopted and implemented these policies?	Yes, government already serve it in the current budget. Grant for green but not the tax incentives. Tax incentive in the SRI sukuk. Actually only Malaysia serve the tax incentive to those company, because their aims is to promote. But for me, tax incentives is like a crush (like tongkat), so until when? Because if you want the Islamic finance is the same level with conventional, it is should be not. Because the moment that you not provide the scheme, then maybe it will be became terrible to IF.	Tax incentives	tax incentives for Islamic SRI practices.
29	As a conclusion, do you have any	If you want to develop framework, it is ok but you need combine		

	<p>suggestions, recommendations or general comments for this issues?</p>	<p>between shariah scholars and ESG expert. The problem what I can see if the Islamic framework is develop, it will be difficult in the future because unlike to Shariah screening that offers fix framework, Islamic ESG criteria will continuously changing and need to be updated over the time. So my suggestion is, we can make the screening in 2 layers (shariah + ESG screening). We can call 'shariah complaint + ESG'.</p> <p>The formula:</p> <p>Shariah screening = 1st layer</p> <p>ESG screening = 2nd layer</p> <p>Then you can said this company fulfil the maqasid shariah.</p> <p>Another thing is, if the alcohol company applied for the Islamic ESG criteria and able to follow all the requirement needed, the</p>	<p>Suggestions, recommendations and comments for the topic</p>	<p>General suggestions, recommendations and comments for the study</p>
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		company will be passed the screening because the measurement only focused on ESG criteria not to Shariah criteria, so that why I said you need the first layer screening which is shariah screening.		
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Appendix 5: Answered Sheet from Informant D

TRANSCRIPT INFORMANT D

NO.	QUESTION	ANSWER	CODING	CATEGORIES
SECTION 1: PHILOSOPHY, ORIGIN AND CONCEPT				
1	<p>What is your understanding on the concept of Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?</p>	<p>So my understanding on those concepts, there are more on the value that the parties want to achieve in the business, corporations or activities that there doing. In term of the underlying reasons/ideas the development of those concept is there are some kind of dissatisfaction. There are some perception that it is our effort to develop universe. And in we are enthusiastic in development, sometime we forget about the others component in the ecosystem. So before this, they always looking at on GDP or kind of profit measurement is the goals, this is not a comprehensive measurement. Because they are the others thing in the ecosystem that need to be taking care too. So if we don't take care the</p>	<p>Definition of SRI, ESG and SDG</p>	<p>Philosophy and concept of SRI, ESG and SDG</p>

		rest of the ecosystem, the development will not be balance, then will create the others problem later.		
2	Can could you differentiate between ethical investing, Sustainable and Responsible Investment (SRI), Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG)?	Of course each of this concepts have their own history. I think the concerns may be are same but the way the articulate, the way the present it might be have some differences. The differences in terms of definitions, for example in ethical investing, there can be something about the value loaded term. It define by value based, so certain value may consider as an ethical and some others value maybe not consider as the ethical. Also same like responsible, so what is responsible and what is not responsible may have some of different connotation based on the value create by the society. So it is can be some of the differences but the bottom line is quiet similar. They try to look at the peoples, the	Differences between ethical investing, SRI, ESG and SDG.	Philosophy and concept of SRI, ESG and SDG

		<p>society as well as the environment and planet.</p> <p>Probe: mean that, the goals most likely the same?</p> <p>The core concern are same but the specific things are differences like the definitions, even when you talking about the green, how you define the green also already have different views.</p>		
3	<p>What is Islamic jurisprudence and philosophy on those concepts?</p>	<p>We have the concepts most similar like this. But to said it is exactly the same maybe not because the sources of authorities are different. In Islam, the source of authorities is Quran and sunnah, so it is the sources of references. But for others, maybe the sources of references like human experience or only from human thinking. So maybe in the certain things, it slightly difference. There are certain thing is unclear to follow our thinking, sometime we fill</p>	<p>Islamic philosophy on those concepts</p>	<p>Origin of SRI, ESG and SDG</p>

		<p>confused whether it is good or not.</p> <p>So here we need more details guidance. For example in Islam, we need refer to others sources when something unclear. But for the basic things like protection of life, water, air, this thing no need to find the others resources because peoples already know and clear, what is good and what is bad.</p>		
4	<p>Most of the literatures highlighted that the origin of ethical investing, SRI and ESG are coming from West, do you agree with the statement? Why?</p>	<p>In the modern form, yes but in term of values, it is already exist long term ago. For example, in the certain culture, they need to become harmonise with the environment but maybe it is not to be name like ESG like today. Also in Islam, we already have the concept like prohibited to waste, use when necessary, prohibit to cut the tree during war. So to said it is originality from the west, it is not correct. In current practice maybe yes but in term of originality, it is not because there already exist</p>	<p>Views on the Origin of SRI, ESG and SDG</p>	<p>Origin of SRI, ESG and SDG</p>

		in many religions and cultures in the world.		
5	Do you think that the prohibited elements, halal and haram in Islamic transaction are related to ethical investing, SRI, ESG's criteria nowadays?	Of course it is there are relationship. But in Islam, it is not only in haram and halal, it is also about ethics. It very important aspects in Islam but weather Muslim are really practicing it now is the another issue. But it is clear in Islam.	Elements in Islamic vs. SRI and ESG criteria.	Origin of SRI, ESG and SDG
6	Do you agree that the Islamic teaching already concerned about the issues of environment, social and governance since its revelation? Can you give example?	Yes agreed. That why Allah and Prophet mentions many time for example in term of public good that we prohibit to destroy.	Elements in Islamic vs. SRI and ESG criteria.	Origin of SRI, ESG and SDG
<p align="center">SECTION 2: CURRENT PRACTICES OF ESG</p> <p><i>Question seven until ten are based on the statement below:</i></p> <p><i>Based on United Nations-Principles for Responsible Investment (UN-PRI), there are six main principles to be achieved toward ESG concept among their signatories, namely:</i></p>				

	<p>i. <i>The signatory should be willing to incorporate ESG issues into investment analysis and decision-making processes.</i></p> <p>ii. <i>The signatory is willing to be an active owner and to incorporate ESG issues into ownership policies and practices.</i></p> <p>iii. <i>The signatory should be willing to seek appropriate disclosure on ESG issues by the entities in which they invested.</i></p> <p>iv. <i>The signatory is willing to promote acceptance and implementation of the principles within the investment industry.</i></p> <p>v. <i>The signatory should be willing to work together to enhance the effectiveness in implementing the principles.</i></p> <p>vi. <i>The signatory willing to report on their activities and progress towards implementing the principles.</i></p>			
7	<p>In general, do you agree with these Principles?</p>	<p>On this ESG, I think it is about the effort by the entity or institutions to incorporate those ESG issues. Before that, we called it CSR, but CSR more on post-action which is after the company gained the profit,</p>		

		<p>then they will contribute to the charity purposes. But for ESG, the company are actively from the beginning and make the planning. So I think the approaches are good because it will prevent the harm from the beginning. It is about the company planning to ensure that at the end, they able to prevent the ESG issues based on the ESG adoption. Basically, I think this approaches not have any problem.</p>	General views on existing ESG principles	Views on existing ESG principles.
8	Is/are there are any principle/s that you think should be modified in order to Islamise them?	I think it is the good approaches to ensure the implementation is doing well. For shariah point of views, it is neutral, so we will accept it.	Comment to develop Islamic ESG principles	Developing Islamic ESG principles
9	Do you agree that these Principles are in line with Maqasid Syariah?	Yes.	Comment to develop Islamic ESG principles	Developing Islamic ESG principles
10	Do you have any general suggestions, recommendations	No.	Comment to develop Islamic ESG principles	Developing Islamic ESG principles

	or comments for this principles?			
<p>Question eleven until fifteen are based on the statement below:</p> <p><i>The literature lists six methods on ESG integrations that can be utilised by the companies/funds managers to consider of ESG factors in their portfolio investment. The six approaches are: 1) exclusionary screening, 2) best-in-class selection, 3) thematic investing, 4) active ownership, 5) impact investing, and 6) ESG integration.</i></p>				
11	Do you agree that some of method/s are closely similar to Islamic approach/s?	<p>For the negative screening it is usually used in Islamic approach.</p> <p>For best in class also exist in the Islamic approach, for example in chosen the women to married, so we need to choose the best one. So the guidance for the best practise in Islam already exist. So in overall, I think those methods are good.</p>	Views on to match between Islamic and current approaches	To link between Islamic and existing ESG integrations
12	In your opinion, do you think that the origin of some methods were derived from Islamic teaching?	For this, I think the importance one is about the definition. Definition must be follow as determine by the shariah. For example, exclusionary screening, maybe the definition from west and Islamic is different.		To link between Islamic and

13	Is there any method/s that you think should be modified if those approaches are to be listed as Islamic integrations of ESG?	<p>So the point here, the criteria and definition must be follow the syariah point of views, if it is same, maybe it is come from the Islamic teaching.</p> <p>Probe: so maybe the significant different here is more on the definition for each methods?</p> <p>Yes, the definition and the value for each methods.</p>	Comment to develop Islamic ESG integrations	existing ESG integrations
14	Is there are any method that have significant differences with Islamic views?	No comment.	Critic on current ESG integrations	Developing Islamic ESG integrations
15	Do you have any general suggestions, recommendations or comments for those methods of integration?	No.	Suggestions on the improvement of existing integrations	Developing Islamic ESG integrations

SECTION 3: SUITABLE CRITERIA FOR ISLAMIC SRI BASED ON ESG CONCEPT				
16	Do you think the criteria of SRI developed by UN-PRI is in line with Shariah? (Please refer attachment 1).	Actually in Islam we have this kind of freedoms but there are some of limitations. We not allowed to be hurting other peoples, take other's right. In freedom of censorship, if someone use the freedom until create harm to other, we need to control it. For example, film have violence content, so it will create harmful effect to the young children, so we should put certain age not suitable to watch, so total freedom of censorship is maybe not exist. So once again, we should look their definition first to ensure how they define the freedom of censorship.	Views on current SRI criteria	Developing of Islamic SRI criteria
17	Do you think the criteria such as freedom of censorship, freedom of expression, human	Expression can be various, verbally or actions. So like people said, is the freedom of justify? For example, in case of Prophet caricature, mean that they insulting and bullying other religion on the basis of	Views on the controversial criteria	

	right are suitable to be listed in Islamic SRI criteria?	freedom of expression, so it is right?. Mean that, it is recognize in Islam but with certain limitation on it. Same condition with human right. For example Prophet said, your own self have the right, but it is cannot be archived until insulting others.		
18	Does freedom of censorship, freedom of expression, human right be recognised under Shariah?	others. I think in conventional also have some limitation. I don't think they can allow totally freedom. So we need the details definitions. So we can adopt but with some reservation on the certain issues.	Views on the controversial criteria	Developing of Islamic SRI criteria
19	Can you explained further for each of criteria stated in Question 17 based on Shariah point of views?	I think I already discuss in above question.	-	-
20	Based on the Attachment 1 , is there any other criteria should be	I think environment doesn't have any issue. In social, the marketing and advertising that involved pornography for example also not		

	focused to ensure the Shariah compliant issues are protected?	allow in Islam. So need to refer back the definition on it. In controversial regime, sometime we also need to listen the other side of the story. For example, their native voice. So to the some extend, it involved political connotations. How you defined the controversial regime? If it is clear cut, like Apartied, it is ok.	Critics on the exiting SRI criteria	Developing of Islamic SRI criteria
21	Is there any other comment based on the criteria stated?	I think we need some of definition first on each criteria before we can do in depth with Islamic perspectives. But in overall, it is ok.	Comment on the exiting SRI criteria	Developing of Islamic SRI criteria
SECTION 4: DEVELOPING ISLAMIC SRI FRAMEWORK				
22	Do you agree the SRI can be one of the new value proposition and product innovation for IFIs especially in Islamic capital market industry?	Actually it is already exist. SC has launched in 2019 the latest framework that adapt with SDG. In banking, we already have VBI.	Views on SRI as a new value proposition for IFIs	SRI as a new value proposition for IFIs
23	Should Islamic capital market	Yes, should be. Because it will give the impact on the way we do the	Utilizations of SRI	Utilizations of SRI

	utilize the concept of SRI?	business. The company will be more responsible if they use the SRI concept.		
24	In your opinion, should SRI developed by UN-PRI must have significant different with Islamic SRI?	Most of it like not have significant issues but in the certain aspects, we need the underlying value that defined the criteria or approach. For example, definition on gender, definition of freedom of expressions, gender equality,	Existing SRI vs. Islamic SRI framework	Developing of Islamic SRI framework
25	In your opinion, should Islamic finance has their own criteria and framework of Islamic SRI?	For me, the criteria that in line with shariah, we can adopt. Which one we think need to more details parameter and definitions, just need some of clarification on that issues. That mean, we don't reject all, but not accept all. Because some of the issues we accept on the principle but not in detail explanation. For example, gender equality, we accept in Islam but how they define it, it is same?. So definition are need for some of issues but not all. Most of that just neutral, no issues. So environment and governance for	Existing SRI vs. Islamic SRI framework	Developing of Islamic SRI framework

		me, we accept because in line with Islamic teaching like corruption, Islam totally prohibit it. But in social aspect, there some value that underpin the some of the theme.		
26	Based on Attachment 2 (please refer attachment), do you agree with the Islamic framework of SRI? Is there any comment, suggestion and recommendation?	For me, supply chain-child labour abuse and child, slave and bonded labour is clear, no need to find the definition. For me, if it is in line with shariah law, so we accept it and otherwise.	Comment on Islamic SRI framework	Developing of Islamic SRI framework
27	Do you think this framework is comprehensive and workable to practises?	Yes.	Comment on Islamic SRI framework	Developing of Islamic SRI framework
28	Do you think that government should give tax incentives for Islamic financial institutions that	For me, the SRI concept should be implement to all individual and organizations, is not an option. Mean that, we should be responsible to ESG issues. Fair, justice, prohibit	Tax incentives	Tax incentives for Islamic SRI practices.

	<p>adopted and implemented these policies?</p>	<p>corruption, that all the basic element that should impose to all. So for early stage, who implement it to encourage them, we can give some reward. For me, it is mandatory to all to practice.</p>		
29	<p>As a conclusion, do you have any suggestions, recommendations or general comments for this issues?</p>	<p>In general, this initiative is good because by human experiment also give the good impact to sustain and human life. But like I mention before, the value and criteria of some aspects need to more clarification. Because maybe there some of differences on value between the Islamic values and contemporary values.</p>	<p>suggestions, recommendations and comments for this topic</p>	<p>Overall suggestion related to the study</p>

Appendix 6: Letter of Data Collection



OTHMAN YEOP ABDULLAH GRADUATE SCHOOL OF BUSINESS
Universiti Utara Malaysia
06010 UUM SINTOK
KEDAH DARUL AMAN
MALAYSIA



Tel: 604-928 7101/7113/7130
Faks (Fax): 604 928 7160
Laman Web (Web): www.oyagsb.uum.edu.my

UUM/OYAGSB/R-4/4/1
10 March 2019

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

LETTER OF RECOMMENDATION FOR DATA COLLECTION AND RESEARCH WORK

This is to certify that **Muhammad Zarunnaim Bin Hj. Wahab (Matric No: 901864)** is a student of Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia pursuing his Doctor of Philosophy (PhD). He is conducting a research entitled **"Characteristics and framework of Islamic sustainable and responsible investment (SRI) and the current practises of existing issuance."** under the supervision of Prof. Dr. Asmadi Mohamed Naim.

In this regard, we hope that you could kindly provide assistance and cooperation for him to successfully complete the research. All the information gathered will be strictly used for academic purposes only.

Your cooperation and assistance is very much appreciated.

Thank you.

"BERKHIDMAT UNTUK NEGARA"
"KEDAH AMAN MAKMUR – HARAPAN BERSAMA MAKMURKAN KEDAH"
"ILMU, BUDI, BAKTI"

Yours faithfully


ROZITA BINTI RAMLI
Assistant Registrar
for Dean
Othman Yeop Abdullah Graduate School of Business

c.c - Supervisor
- Student's File (901864)

Universiti Pengurusan Terkemuka
The Eminent Management University



Appendix 7: Example Letter of Consent



ISLAMIC BUSINESS SCHOOL
UUM COLLEGE OF BUSINESS
UNIVERSITI UTARA MALAYSIA
06010 UUM SINTOK
KEDAH DARUL AMAN
MALAYSIA



Tel: 604-928 6651 / 6662 / 6658
Faks (Fax): 604-928 6653
Laman Web (Web): www.ibs.edu.my

Rujukan : 901864 (5)
Tarikh: 24 Februari 2020

Prof. Dr. Engku Rabiah Adawiah Bt Engku Ali
Institute of Islamic Banking and Finance,
International Islamic University Malaysia (IIUM) Gombak Campus,
P.O. Box 10, 50728 Kuala Lumpur.

Y.Brs. Prof. Dr,

PERMOHONAN UNTUK MENJALANKAN TEMUBUAL PENYELIDIKAN

Saya dengan segala hormatnya merujuk perkara di atas.

2. Untuk makluman Y.Brs. Prof. Dr., pelajar seliaan saya, Muhammad Zarunnaim b. Haji Wahab (901864) merupakan calon PhD Kewangan dan Perbankan Islam di Universiti Utara Malaysia. Beliau kini dalam proses untuk menyiapkan kajian bertajuk '*Criteria and Framework of Islamic Sustainable and Responsible Investment (SRI) Based on Environment, Social and Governance (ESG) Concept*'. Justeru, Y.Brs. Prof. Dr. telah dipilih menjadi salah seorang *informant* untuk ditemubual bagi menyiapkan kajian beliau.

3. Sehubungan itu, bersama-sama surat ini turut disertakan soalan temubual seperti di **Lampiran 1**.

Sebarang maklumat lanjut bolehlah menghubungi saya di talian dan emel (019-558 6063/asmadi@uum.edu.my) atau En Muhammad Zarunnaim, di talian dan emel (013-483 3037/zarunnaim@yahoo.com). Kerjasama dan perhatian daripada pihak Y.Brs. Prof. Dr. amatlah dihargai dan didahului dengan ucapan terima kasih.

Sekian, terima kasih.

**"KEDAH AMAN MAKMUR-HARAPAN BERSAMA MAKMURKAN KEDAH"
"BERKHIDMAT UNTUK NEGARA "
"ILMU BUDI BAKTI"**

Saya yang menjalankan amanah,

PROF. DR. ASMADI BIN MOHAMED NAIM
Penyelia
Pusat Pengajian Perniagaan Islam (IBS) UUM
Tel: 019-558 6063/Emel: asmadi@uum.edu.my

Universiti Pengurusan Terkemuka
The Eminent Management University



Appendix 8: Letter Prove from Prof. Dr. Abd. Ghafar Bin Ismail

QUESTION FORM

PART ONE: General Information

1. Organization name : Universiti Sains Islam Malaysia
2. Date : 25 Februari 2020
3. Time : 12.00p.m
4. Location : FEM, USIM.

PART TWO: Informant Background

This section covers the background information of the informant. Please answer all the questions by ticking (✓) in the appropriate boxes.

1. The informant's name : Prof. Dr. Ghafar Ismail.
2. The informant's position : Professor of FEM, USIM
3. Gender of the informant : () Male () Female
4. Highest educational background : () Bachelor's () Masters
() Ph.D () Others: _____
5. Professional qualification : _____

Official Stamp and signature:



25/2/2020

FEM- USIM

Appendix 9: Letter Prove from En. Badlishah Bashah

QUESTION FORM

PART ONE: General Information


1. Organization name : Securities Commission
2. Date : 26 Feb 2020
3. Time : 10⁰⁰ Am
4. Location : Meeting Room, SC

PART TWO: Informant Background

This section covers the background information of the informant. Please answer all the questions by ticking (✓) in the appropriate boxes.

1. The informant's name : Badlishah Bashah
2. The informant's position : Assistant General Manager
3. Gender of the informant : (✓) Male () Female
4. Highest educational background : () Bachelor's (✓) Masters
() Ph.D () Others: _____
5. Professional qualification : _____

Official Stamp and signature:



Badlishah Bashah
Islamic Capital Market Division
Securities Commission Malaysia
3, Persiaran Bukit Kiara, BUKIT KIARA
50490 Kuala Lumpur
Tel: +603-6204 8373 Fax: +603-6201 5082
Email: badlisha@seccom.com.my

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Appendix 10: Letter Prove from Prof. Dr. Engku Rabiah Adawiah Bt Engku Ali

QUESTION FORM

PART ONE: General Information

1. Organization name : UIAM

2. Date : 26 FEB 2020

3. Time : 3 pm

4. Location : IIPB, UIAM

PART TWO: Informant Background

This section covers the background information of the informant. Please answer all the questions by ticking (✓) in the appropriate boxes.

1. The informant's name : ENGKU RABIAH ADAWIAH ENGKU ALI

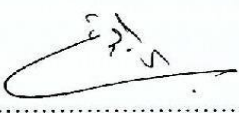
2. The informant's position : PROFESSOR OF IIBF, UIAM

3. Gender of the informant : () Male () Female

4. Highest educational background : () Bachelor's () Masters
() Ph.D () Others: _____

5. Professional qualification : _____

Official Stamp and signature:



.....

Prof. Dr. Engku Rabiah Adawiah Engku Ali
IIUM Institute of Islamic Banking & Finance
International Islamic University Malaysia

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Appendix 11: Photo Session with Prof. Dato' Dr. Azmi Omar



Description : Researcher with Prof. Dato' Dr. Azmi Omar after interview session.

Date : 16 February 2020 (Sunday)

Place : TH Hotel and Convention Centre Alor Setar, Kedah

Appendix 12: Photo Session with Prof. Dr. Abd. Ghafar Bin Ismail



Description : Researcher with Prof. Dr. Abd. Ghafar Bin Ismail after interview session

Date : 25 February 2020 (Tuesday)

Place : Faculty Economics and Muamalat, Universiti Sains Islam Malaysia, Nilai Negeri Sembilan.

Appendix 13: Photo Session with En. Badlishah Bashah



Universiti Utara Malaysia

Description : Researcher with En Badlishah Bashah after interview session

Date : 26 February 2020 (Wednesday)

Place : Islamic Capital Market Department, Securities Commission Malaysia, Bukit Kiara, Kuala Lumpur