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Love, Compassion, and Sustainability Accounting: An Islamic Values-Based Framework for Ethical and Spiritual Sustainability Reporting

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Abstract

This study proposes a conceptual framework for sustainability accounting grounded in Islamic values of love and compassion (mawaddah and rahmah). Employing a qualitative library research methodology, the study synthesizes classical Islamic sources—the Quran, Hadith, and juristic principles—alongside contemporary sustainability literature encompassing GRI standards and ESG frameworks. The analysis identifies five foundational elements of an Islamic sustainability accounting framework: (1) accountability toward all of creation (rahmah); (2) balance across economic, social, and environmental dimensions (tawazun); (3) intergenerational compassion (maslahah and amanah); (4) transparency as an expression of love and honesty (sidq); and (5) ethical consumption and production (qana'ah and itqan). The proposed framework is not merely normative but offers actionable sustainability reporting indicators applicable across diverse organizational contexts. This study contributes an epistemological dimension to Islamic accounting theory by integrating spiritual and ethical values into sustainability reporting practice, thereby enriching the broader discourse on accountable, inclusive, and equitable sustainable development.

Keywords

Islamic Accounting, Sustainability Reporting, ESG, Mawaddah Rahmah, Islamic Values

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1. INTRODUCTON

The tension between economic growth and environmental sustainability has emerged as a pressing global concern, drawing increasing attention from scholars, policymakers, and practitioners alike. In the pursuit of economic development, many nations and business actors continue to disregard environmental consequences—including pollution, overexploitation of natural resources, and the deepening climate crisis. As a result, ecological equilibrium is progressively disrupted, and the sustainability of life for future generations is placed under serious threat.

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For several decades, the prevailing approach to corporate financial reporting has been predominantly focused on financial performance, without adequately incorporating social and environmental dimensions. This narrow orientation has created a significant gap in the evaluation of corporate performance, particularly in the context of sustainability. Quantitative financial figures alone are insufficient to capture the full extent of the impact that business activities have on the environment and society.

Amid this multidimensional crisis, a compelling need has emerged for a more comprehensive and meaningful approach to reporting—one that goes beyond quantitative data to incorporate qualitative values reflecting corporate social responsibility and ethical accountability. This need has given rise to the concept of sustainability accounting, which integrates Environmental, Social, and Governance (ESG) dimensions into financial reporting.

Prior scholarship has extensively examined ESG as the principal framework for sustainability accounting. Empirical studies, including those by Atz et al. (2023), Demers et al. (2021), and Wong et al. (2021), have demonstrated a positive correlation between ESG performance and long-term corporate profitability (Dathe et al., 2024). Other works by Coscieme et al. (2020) and Kristensen and Mosgaard (2020) have focused on developing metrics to measure environmental performance. In contrast, Chang et al. (2021), Christensen et al. (2022a), and Grewal et al. (2021) have criticized the ESG framework for its excessive orientation toward capital markets and investors, rendering it largely instrumental and secular in character.

Although the ESG framework has contributed meaningfully to the incorporation of non-financial factors (Erben Yavuz et al., 2024), the existing literature reveals that this approach remains dominated by a Western perspective that separates spiritual values from business practice. ESG is frequently perceived as a risk management and reputational tool (Dathe et al., 2024) rather than as an expression of religious and moral responsibility. This gap opens the door for value-based alternative approaches that are more contextually relevant, particularly in societies where religious values play a significant role in public and economic life.

This is especially pertinent in countries with predominantly Muslim populations, where the values of Islam hold deep relevance. As a religion that embodies the principle of rahmatan lil 'alamin (mercy for all creation), Islam posits the balance between humanity and nature as a fundamental principle. The Quran and the Prophetic traditions (Hadith) contain numerous teachings that encourage just treatment of the natural environment, prohibit acts of corruption and excess, and underscore the human role as khalifah (steward) upon the earth. These values hold considerable potential as a foundation for the development of a more meaningful and ethically grounded sustainability accounting framework.

Islamic teachings regulate not only the vertical relationship between human beings and God, but also horizontal relationships among people and between humanity and the natural world. The principles of justice (‘adl), trustworthiness (amanah), and moral responsibility (mas’uliyyah) are foundational elements of Islamic ethics that should permeate every dimension of economic activity and accounting practice. In this respect, an Islamic approach to sustainability accounting can offer an ethical and spiritual dimension that conventional models have yet to fully accommodate.

The integration of Islamic spiritual values into sustainability accounting practice is not merely a form of local cultural adaptation, but also constitutes an epistemological contribution to the field of accounting itself (Sagala & Siregar, 2025). It presents an opportunity to develop a more holistic, equitable, and contextually relevant accounting theory and practice. In this context, the Islamic approach can strengthen the social legitimacy of corporate sustainability reporting. The classical Islamic concept of hisbah, for instance, demonstrates that oversight of economic activity aims not only to maintain market efficiency, but also to ensure the upholding of moral and justice-based values. This illustrates that in Islam, economic life cannot be separated from its ethical and spiritual dimensions—including in its reporting.

One of the central challenges in developing an Islamic values-based sustainability accounting framework lies in translating the normative principles of religion into accounting instruments that are operational and measurable. This necessitates a methodological approach capable of bridging normative Islamic texts and modern accounting practice.

Research on the integration of Islamic values into sustainability accounting remains limited, particularly within the Indonesian context. Yet, as the country with the world's largest Muslim population, Indonesia possesses considerable potential to develop an applicable model of sustainability accounting grounded in Islamic principles.

Furthermore, Islamic financial institutions and Sharia-compliant enterprises in Indonesia require reporting guidance that aligns with Islamic principles—not only in financial terms, but also in social and environmental dimensions. This reinforces the urgency of systematically and academically formulating an Islamic sustainability accounting framework.

The application of Islamic-based sustainability accounting also aligns with Indonesia's national vision of achieving the Sustainable Development Goals (SDGs), in which local wisdom and religious spirituality serve as important factors in supporting inclusive and sustainable development policies.

Accordingly, this research not only contributes to the advancement of sustainability accounting scholarship, but also carries practical significance in catalyzing the emergence of reporting policies and practices that are sensitive to global challenges and relevant to the local context. Beyond this, the approach offers a worldview that positions Islamic values as an ethical foundation, such that sustainability practices are understood not merely as a technical obligation but as a form of moral responsibility.

Ultimately, the development of Islamic values-based sustainability accounting is expected to strengthen corporate reporting systems that are oriented not only toward economic profit, but also toward social welfare and environmental preservation—a crucial step in realizing a just and sustainable economy, as mandated by Islamic teachings.

Theoretical Framework and Literature Review

2.1 Sustainability Accounting

Sustainability accounting has emerged as a response to the imbalance between economic progress and environmental sustainability (Bisogno et al., 2025). The concept has developed because conventional accounting is considered excessively focused on short-term financial gains and insufficiently representative of the social and ecological impacts of organizational activity (Gil-Marín et al., 2022). Sustainability accounting broadens the scope of the discipline by incorporating environmental and social dimensions into the measurement and reporting of organizational performance (Christensen, Serafeim & Sikochi, 2022b).

In contemporary literature, sustainability accounting is defined as a reporting system that integrates financial and non-financial information to support transparency, accountability, and sustainable decision-making. Its primary focus is on how organizations affect, and are affected by, environmental and social factors—positioning sustainability accounting as a strategic instrument rather than merely a reporting obligation.

One of the most widely adopted frameworks in sustainability reporting is the Global Reporting Initiative (GRI). The GRI provides reporting guidelines grounded in the principles of materiality, stakeholder inclusiveness, and sustainability context (Global Reporting Initiative, 2023). GRI standards encourage organizations to actively evaluate their impacts on stakeholders and the surrounding environment in a holistic and measurable manner.

In addition to GRI, the ESG approach has become an important measurement tool in the investment and financial sectors. ESG is employed to assess non-financial risks and opportunities that may affect a company's long-term value (Lin et al., 2025). In practice, ESG has been used as a basis for portfolio management and strategic decision-making in both global and local enterprises.

The concept of the triple bottom line (TBL), which emphasizes the importance of balancing profit, people, and planet (Elkington, 2013), remains relevant to this day. Although introduced over two decades ago, this approach has been re-adapted within the modern sustainability context through its combination with GRI standards and ESG principles. The integration of TBL into reporting practices reflects a growing awareness of multidimensional corporate responsibility (Pham et al., 2021).

Nevertheless, technocratic approaches such as GRI, ESG, and TBL continue to attract criticism for being overly mechanistic and insufficiently attentive to moral and ethical dimensions in sustainability reporting (Barreiro-Gen & Lozano, 2020; Wahyuningrum et al., 2024). Many reports are produced primarily for compliance purposes, rather than as a genuine reflection on the social and ecological impacts of organizational activity. This risks reducing sustainability reporting to an administrative formality.

The limited incorporation of moral and spiritual values in modern sustainability accounting frameworks represents a weakness warranting further examination. Quantitative measures do not always adequately reflect the quality of a company's relationship with society, the integrity of its reporting, or the ethical intent behind its decision-making. There is, therefore, a need for an approach that integrates the dimension of values—not merely data.

Moreover, the reporting standards widely adopted internationally are rooted in secular value systems, which are often misaligned with the social and cultural contexts of local communities. Countries with predominantly religious populations, such as Indonesia, require reporting approaches that also take into account religious values such as justice, trustworthiness, and spiritual accountability.

In light of these considerations, the exploration of an Islamic values-based approach becomes increasingly important. Such an approach offers not only an ethical perspective on sustainability but also the potential to form a reporting system that is more contextually appropriate, relevant, and meaningful. Islamic sustainability accounting is understood to be capable of addressing the shortcomings of technocratic approaches while reinforcing spiritual accountability in business practice.

2.2 The Values of Love and Compassion in Islam

In Islam, love and compassion represent the foremost values underpinning all relationships among human beings, the natural world, and the Divine. The concepts of mawaddah and rahmah appear extensively throughout the Quran and Hadith as moral foundations for constructing a just and harmonious society. In Surah Ar-Rum (30:21), God declares that He has placed mawaddah wa rahmah between spouses as a sign of His greatness—a concept that extends beyond the marital relationship to serve as an ethos governing social relations and human engagement with the natural environment.

Mawaddah refers to a deep and stable form of love, while rahmah encompasses compassion, care, and self-sacrifice. In the context of sustainability, these values can be understood as the moral foundation for cherishing the earth, treating all living beings with compassion, and preserving ecological balance as an act of devotion to the Creator (Ali & Agushi, 2024). This teaching is harmonious with the spirit of sustainability accounting, which emphasizes the balance between economic, social, and environmental dimensions.

Islam further teaches that loving and caring for God's creation is a manifestation of faith (Zafran, 2025). The Prophet Muhammad (peace be upon him) is reported to have said: "The best of people is the one who is most beneficial to others" (HR. Ahmad). This principle has been extended by Islamic scholars to encompass concern for future generations (al-ajyal al-qadimah), the environment, and social order. In contemporary literature, this principle is referred to as intergenerational justice—a principle of sustainability that foregrounds responsibility across time (Wibisana, 2017).

The expression of love and compassion in Islam is also manifested through the principle of tawazun (balance). Islam prohibits all forms of excessive exploitation of natural resources (israf), as this contradicts the principles of justice and sustainability. Surah Al-A'raf (7:31) emphasizes the prohibition of excess in the use of blessings, indicating that balanced consumption and environmental preservation are dimensions of worship (Nsr et al., 2013).

The principle of maslahah (public benefit) is equally important in framing sustainability from an Islamic perspective. Maslahah refers to the consideration of the common good in decision-making, including in business and resource management contexts. According to the Maqasid al-Shariah (objectives of Islamic law), protecting the environment and ensuring the continuation of life fall under the category of hifz al-bi'ah (environmental protection), as part of the protection of life and progeny (Abdullah et al., 2025).

The value of amanah denotes the trust and responsibility entrusted to human beings as stewards (khalifah) of the earth. In the context of sustainability accounting, amanah requires accountability for every economic, social, and ecological activity conducted by organizations and individuals—to God, to society, and to future generations (Mukhlisin & Mustafida, 2021). This principle demands transparency, accountability, and honesty in sustainability reporting.

The value of itqan (diligence and professionalism) also constitutes an important element in Islam with direct bearing on sustainability practice. The Prophet Muhammad (peace be upon him) is reported to have said: "Verily, Allah loves that when one of you does a piece of work, he does it with excellence" (HR. Baihaqi). In the context of sustainability, itqan demands high-quality performance and the efficient management of resources, without compromising ethical principles.

By integrating such values as mawaddah, rahmah, tawazun, maslahah, amanah, and itqan, the Islamic approach to sustainability transcends mere legal or economic obligation and becomes a comprehensive form of spiritual and social devotion. This approach functions not only as a reporting instrument but also as a pathway to achieving barakah (divine blessing) in business activity.

These Islamic values, rooted in love and compassion, hold significant potential for shaping a sustainability reporting system grounded in ethics and spirituality. In Muslim-majority societies, the consistent application of these values will enhance the social legitimacy and public trust of institutions that adopt them. It is therefore imperative for the development of sustainability accounting in Indonesia to explore and apply Islamic teachings in a contextually relevant and operationally viable manner.

The introduction should briefly place the study in a broad context and highlight why it is important. It should define the purpose of the work and its significance. The current state of the research field should be reviewed carefully, and key publications cited. Please highlight controversial and diverging hypotheses when necessary. Finally, briefly mention the main aim of the work and highlight the principal conclusions. As far as possible, please keep the introduction comprehensible to scientists outside your particular field of research. References should be cited as (Kamba, 2018) or (Marchlewska et al., 2019) or (Cichocka, 2016; Hidayat & Khalika, 2019; Ikhwan, 2019; Madjid, 2002) or (Miller & Josephs, 2009, p. 12) or Rakhmat (1989). See the end of the document for further details on references. Technical terms should be defined. Symbols, abbreviations, and acronyms should be defined the first time they are used. All tables and figures should be cited in numerical order.

2. METHOD

This study employs a qualitative approach utilizing a conceptual and exploratory library research methodology (library research). The purpose of this approach is to explore, examine, and formulate a conceptual framework for sustainability accounting grounded in Islamic values—particularly the values of love and compassion—as a theoretical contribution to the development of a more ethical and spiritual sustainability reporting system.

The study is classified as conceptual research, which refers to an analytical form aimed at constructing a framework of thought through the synthesis of existing theories (Heinonen & Gruen, 2024). The focus is on the integration of Islamic values (such as rahmah, tawazun, maslahah, amanah, qana'ah, and itqan) into the concepts and practices of sustainability reporting.

Data sources are drawn from secondary literature, encompassing both classical sources (the Quran, Hadith, and scholarly exegesis) and contemporary sources including journals indexed in SINTA, Scopus, and the Web of Science, sustainability reports, academic books, and official documents from GRI and ESG frameworks. Literature was examined in depth to identify the foundational Islamic values that are relevant and can be operationalized within modern accounting reporting syData collection was conducted through documentation, involving a systematic search of scholarly literature on sustainability accounting, maqasid al-shariah, Islamic business ethics, and social and environmental reporting practice. Data were subsequently classified according to major thematic categories, namely the five principal elements of the love and compassion framework.

Data analysis was conducted using content analysis and thematic analysis (Ahmed et al., 2025; Krippendorff, 2013). Content analysis was employed to explore the meanings embedded in Quranic verses, Hadith, and jurisprudential principles pertaining to social responsibility and sustainability. Thematic analysis was applied to categorize contemporary literature according to its alignment with the Islamic values underpinning this study. To ensure relevance to sustainability reporting practice, the Islamic values framework was then integrated with the GRI (Global Reporting Initiative) and ESG (Environmental, Social, and Governance) frameworks. This approach yields an integrative conceptual framework that can serve as a foundation for developing more ethical, spiritual, and actionable sustainability reporting indicators.

The conceptual validity and credibility of the framework were safeguarded through theoretical source triangulation, whereby diverse classical and modern Islamic literatures were compared and sustainability reporting practices of organizations that have already adopted sustainability principles were examined. This was undertaken to ensure that the developed framework is not merely normative but also practically relevant.

To enhance analytical rigor, the selection of literature in this study was conducted purposively based on relevance to sustainability accounting and the Islamic perspective, prioritizing sources from indexed academic journals, academic books, and official documents such as GRI standards and the ESG framework. The analysis proceeded through stages of data reduction, conceptual categorization, and thematic synthesis to identify interconnections between Islamic principles and modern sustainability accounting practice. The results of this synthesis were then utilized to construct a systematic and coherent conceptual framework capable of bridging the normative aspects (Islamic values) with the operational aspects of sustainability reporting.

Through this methodology, the study aims to provide both theoretical and practical contributions that enrich the literature on Islamic accounting and broaden the scope of sustainability reporting, which has hitherto remained predominantly technocratic and secular in orientation.

3. FINDINGS AND DSICUSSIOUN

Love and Compassion-Based Framework for Sustainability Accounting

The concept of love and compassion in Islam extends beyond interpersonal relationships to serve as the foundation for human interaction with all of God's creation. In the context of sustainability accounting, this concept can be operationalized into five principal elements that constitute a conceptual framework for more ethical, humanistic, and transcendental reporting. This framework seeks to unite Islamic spiritual principles with contemporary reporting practice, positioning love (mawaddah) and compassion (rahmah) as the primary foundation of social and environmental accountability.

The first element is accountability toward all of creation (rahmah). In Islam, rahmah signifies universal compassion encompassing human beings, animals, plants, and even inanimate objects. The Quran refers to the Prophet Muhammad as "rahmatan lil 'alamin" — a mercy for all the worlds (Thoha et al., 2025). Accordingly, sustainability reporting must reflect an organization's responsibility for its impact across all dimensions of creation, not merely narrow economic interests (Cho & Costa, 2024). This principle requires accountants and management to recognize that any activity causing harm to the environment or society constitutes a breach of divine trust.

The second element is the balance among economic, social, and environmental dimensions (tawazun). Tawazun in Islam is the principle of equilibrium that must be maintained in all aspects of life. In sustainability accounting, this means that reporting must not be one-sided—it should not merely highlight economic performance while disregarding environmental harm or social inequality (Helfaya et al., 2018). Each component of the triple bottom line must receive proportional attention. This framework teaches that genuine success is measured not only in financial profit, but also in contributions to social and ecological balance (Abdelzaher & Latheef, 2023).

The third element is compassion toward future generations (maslahah and amanah). Islam teaches that human beings are stewards (khalifah) entrusted with the preservation of the earth—not only for present benefit but also for the welfare of future generations. The concept of maslahah in maqasid al-shariah requires that organizational policies and activities take into account their long-term impacts (Hammoudeh, 2016). Sustainability reports must disclose the extent to which organizations minimize long-term ecological risks and ensure that natural resources remain preserved for coming generations (Kula, 2001).

The fourth element is transparency as an expression of love and honesty. In Islam, truthfulness (sidq) is among the most fundamental values. Transparency is not merely a legal obligation; it is an expression of love for fellow human beings, as it enables them to make informed and just decisions (Bourne & Alanazi, 2025). Honest and open sustainability reporting is a reflection of compassion and social responsibility. In this context, data manipulation or symbolic reporting (greenwashing) constitutes a betrayal of Islamic values.

The fifth element is the ethics of consumption and production (qana'ah and itqan). Qana'ah means contentment and the avoidance of excess, while itqan means performing work with excellence and professionalism (Noufal & Thacharupadikkal, 2012). Within the sustainability framework, these values promote resource-efficient, responsible economic behavior. They discourage organizations from exploitative practices that damage the environment or burden society (Adam, 2018). Through qana'ah, organizations are encouraged to avoid production driven solely by profit accumulation, while itqan ensures that every process is executed with the highest quality and accountability.

The integration of these five elements transforms sustainability accounting from a technocratic and procedural exercise into a spiritual and ethical expression of organizational responsibility before God and His creation. Sustainability reports become answerable not only to shareholders or regulators, but also to the divine values that underpin Islamic ethics. This approach therefore promotes accountability of a deeper kind, one that touches the dimension of faith.

This framework further serves as a normative guide for evaluating the ideal practice of sustainability reporting. Organizations that claim to implement sustainability principles while continuing to damage the environment or withhold information from the public may be deemed insufficiently aligned with Islamic reporting values. The application of this framework in evaluating sustainability practices is expected to produce assessments that are both more just and more comprehensive.

From an academic perspective, this love and compassion-based framework opens up space for the development of Islamic sustainability accounting theory. This represents a significant epistemological contribution toward broadening the accounting paradigm—from one that is purely materialistic to one that is spiritualistic and socially oriented. The model is also consonant with Indonesian local wisdom, which prioritizes communal cooperation, harmony, and social responsibility.

Table 1. The Love and Compassion-Based Sustainability Accounting Framework

No.	Islamic Value	Meaning in Sustainability Accounting	Practical Implementation	Qur'anic/Hadith Reference
1	Accountability toward all creation *(Rahmah — Universal Compassion)*	Recognizing and reporting the impact of organizational activities on the environment, society, and all living beings	Comprehensive and honest environmental impact reporting; accounting for carbon footprint and biodiversity loss	QS. Al-Anbiya: 107 — "We have sent you only as a mercy to the worlds"
2	Balance across economic, social, and environmental dimensions *(Tawazun — Balance)*	Avoiding dominance of one dimension (e.g., economic) over others in sustainability reporting	Proportional triple bottom line reporting; equal inclusion of social and environmental indicators	QS. Al-A'raf: 31 — "...eat and drink but do not be excessive"
3	Intergenerational compassion *(Maslahah &*	Ensuring long-term benefits and protecting resources for future generations	Long-term environmentally friendly business	QS. Al-Baqarah: 30; Hadith: "Each of you is a

	Amanah)		strategies; renewable energy commitments; climate risk and mitigation reporting	guardian..." (HR. Bukhari)
4	Transparency as an expression of love and honesty *(Sidq — Truthfulness)*	Honest, open, and non-misleading reporting as a reflection of love for fellow human beings	Avoiding greenwashing; disclosing data accurately; publishing reports publicly	QS. At-Taubah: 119 — "Be with the truthful ones"
5	Ethics of consumption and production *(Qana'ah & Itqan)*	Avoiding excess and promoting quality and responsibility in all economic processes	Eco-friendly production, energy efficiency, quality internal audit systems, sustainability certification	QS. Al-A'raf: 85; Hadith: "Allah loves one who perfects their work" (HR. Baihaqi)

Source: Processed by the Authors

Elaboration of Elements and Practical Indicators

The love and compassion-based sustainability accounting framework in Islam is not merely normative in character; it can also be elaborated into practical indicators applicable within sustainability reporting. Such elaboration is essential to ensure that values such as rahmah, tawazun, maslahah, amanah, sidq, qana'ah, and itqan can be systematically operationalized in the annual or sustainability reports of institutions and corporations.

First, the element of accountability toward all of creation (rahmah) is grounded in QS. Al-Anbiya (21:107): "And We have not sent you except as a mercy for all the worlds." Practical indicators for this element include the number of environmental protection initiatives, emissions reductions, biodiversity conservation measures, and community engagement in environmental projects.

Second, the element of balance across economic, social, and environmental dimensions (tawazun) draws upon QS. Al-A'raf (7:31): "…eat and drink, but do not be excessive. Indeed, Allah does not like those who commit excess." Implementation indicators include the proportion of CSR budgets allocated to environmental and social initiatives, the integration of social values into supply chains, and the measurement of triple bottom line balance in sustainability reports.

Third, the element of compassion toward future generations (maslahah and amanah) is grounded in QS. Al-Baqarah (2:30), which affirms the human role as steward (khalifah) of the earth. The Hadith of the Prophet: "Each of you is a guardian, and each guardian is responsible for those in his care" (HR. Bukhari) reinforces the dimension of trustworthiness (amanah). Concrete indicators include long-term environmentally friendly strategy reports, renewable energy commitments, and climate risk disclosures with accompanying mitigation plans.

Fourth, the element of transparency as an expression of love and honesty (sidq) is derived from QS. At-Taubah (9:119): "O you who have believed! Fear Allah and be with the truthful." Applicable indicators include external auditing of sustainability reports, openness of social and environmental impact data, and the transparent disclosure of incidents harmful to society.

Fifth, the element of ethics in consumption and production (qana'ah and itqan) can be referenced in QS. Al-A'raf (7:85), which concerns the upholding of justice and the prohibition of corruption, as well as the Hadith: "Verily, Allah loves that when one of you does a piece of work, he does it with excellence" (HR. Baihaqi). Practical indicators encompass energy and water use efficiency, operational efficiency audits, anti-waste policies, and employee training on environmental responsibility.

Through these indicators, the spiritual values of Islam can enter sustainability reporting systems in an operational and measurable manner. This simultaneously dispels the assumption that a religious approach cannot be quantified or implemented concretely within modern organizations.

Relevance and Applicability Across Diverse Organizations

Islamic values such as rahmah, tawazun, amanah, and itqan are both universal and contextually grounded, making them relevant for application across a wide range of organizational types, whether in the public or private sector. Universities, hospitals, cooperatives, state-owned enterprises, and private companies can adopt this framework in their sustainability reports according to the characteristics of each institution.

In universities, the principles of rahmah and amanah can be applied in the reporting of community service activities, sustainable research, campus waste management, and inclusive policies (Sahin, 2017). Hospitals can apply tawazun in integrating the quality of medical services, patient welfare, and medical waste reduction. The principle of maslahah encourages them to design services that are accessible to disadvantaged patients and environmentally considerate of surrounding communities.

In cooperatives and micro, small, and medium enterprises (MSMEs), the value of qana'ah is particularly relevant for cultivating a culture of modest, frugal, and socially responsible business practice. In state-owned enterprises and private companies, indicators such as transparent auditing, ESG reporting, and social impact measurement can be adopted on the basis of itqan and sidq. These values are expected to strengthen corporate reputation and increase public trust (Leong et al., 2024; Althaus, 2025).

These Islamic values are not in conflict with international principles such as ESG or GRI; rather, they can enrich the ethical and spiritual dimensions of sustainability reporting. Even in non-Muslim-majority countries, the concepts of intergenerational justice, honesty, social responsibility, and harmony with nature constitute recognized foundations of global sustainability.

4. CONCLUSIONS

The Islamic sustainability framework is inherently inclusive and adaptable by any organization committed to ethics, spirituality, and social responsibility. Its application is also aligned with the values of Pancasila and Indonesian local wisdom, which emphasize communal cooperation (gotong royong), social justice, and harmony with the natural world.

This study proposes five principal elements of a love and compassion-based sustainability accounting framework: (1) accountability toward all of creation (rahmah); (2) balance across economic, social, and environmental dimensions (tawazun); (3) intergenerational compassion (maslahah and amanah); (4) transparency as love and honesty (sidq); and (5) ethical consumption and production (qana'ah and itqan). Each element is supported by Quranic and Hadith foundations, and can be operationalized through concrete sustainability reporting indicators.

Theoretically, this framework contributes an epistemological dimension to Islamic accounting scholarship by integrating spiritual values into sustainability reporting practice, thereby enriching and broadening the discourse on accountable, inclusive, and equitable sustainable development. Practically, this framework is highly relevant for application by Sharia-based institutions and other organizations in Indonesia that espouse strong sustainability values.

It is therefore essential for academics and practitioners to continue developing relevant and actionable indicators so that this framework can serve as an operational guide for organizational decision-making, reporting, and holistic and equitable performance measurement.

Future research is recommended to empirically test this framework in specific organizational contexts, assess its applicability in non-Muslim-majority settings, and explore its potential for integration into existing national sustainability reporting standards.

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