

## ABSTRACT

*This study aims to analyze the influence of stakeholder pressures (customers, government, employees, and majority shareholders) and national culture on the implementation of Islamic Sustainability Reporting (ISR), as well as its impact on maqashid al-shariah performance in global Islamic banking. The study employs a quantitative approach using panel data regression on annual and sustainability reports from 2015–2023 of Islamic banks that meet specific criteria. One of the main contributions of this research is the development of a synthesized set of ISR indicators through a systematic process: identification of key concepts from the Qur'an and Hadith, review of prior literature, expert judgment validation, and Focus Group Discussions (FGDs), resulting in 35 ISR indicators grouped into six reporting dimensions: financial, social, environmental, employee, product, and governance.*

*The findings indicate that pressures from customers, majority shareholders, and national culture have a significant effect on the implementation of ISR. In contrast, government and employee pressures do not show a significant influence, suggesting that successful ISR implementation is more strongly driven by stakeholders with strategic interests and a strong orientation toward Islamic values. National culture aligned with Islamic principles is shown to support ethical and participatory sustainability reporting, whereas formal regulations and internal pressures have not yet been able to encourage substantial transformation in ISR practices.*

*Furthermore, ISR is found to have a positive effect on the achievement of maqashid al-shariah performance, namely the protection of religion, life, intellect, progeny, and wealth. These findings confirm that sustainability reporting designed and implemented based on Islamic principles not only enhances corporate accountability and transparency but also serves as a strategic instrument for achieving shariah objectives and long-term sustainability within the Islamic financial system.*

**Keywords:** *stakeholder pressure (customers, government, employees, and majority shareholders), national culture, Islamic Sustainability Reporting (ISR), maqashid al-shariah performance (MQS)*