

ETHICAL CONSIDERATIONS IN HALAL SUPPLY CHAIN MANAGEMENT: BALANCING RELIGIOUS PRINCIPLES AND BUSINESS PRACTICES

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ABSTRACT

The increasing demand for halal products and services nowadays raises concerns over ethical compliance in Halal Supply Chain Management (HSCM), which could undermine the integrity of the related products and services. Multiple external and internal issues have arisen that are linked to the production process. It could be associated with both the work environment and the product itself. Therefore, the present paper intends to (1) assess the Islamic ethical framework and business practices of HSCM, (2) examine the challenges and risks associated with HSCM, and (3) integrate HSCM practices with the Sustainable Development Goals (SDGs). This study utilised a qualitative methodology, gathering data from respectable and trusted literature sources available as secondary sources. The findings demonstrate an extensive link between business practices and the Islamic ethical framework in HSCM, and it has been found that integrating both values and practices promotes moral behaviour and societal responsibility. The paramount ethical concepts in business are unity, justice, commitment, and benevolence, and these principles prioritise moral conduct, social accountability, and devotion to Islamic values. Nevertheless, the design and implementation of HSCM encountered several significant hurdles in the business process that could impede effective execution. Thus, this research also presents several recommendations and measures to ensure the harmonisation between religious principles and business processes and their correlation with the Sustainable Development Goals (SDGs).

Keywords: *Business Ethics, Halal Certification, Halal Supply Chain Management, Islamic Ethics, Sustainable Development Goals (SDGs)*

1. Introduction

In contemporary society, consumers show heightened awareness regarding the things they utilise and consume. This factor also holds the potential to impact their choices when making purchases. Hence, any firm must uphold its trust and loyalty by consistently providing service and building a relationship with consumers (Kamisah et al., 2018). According to data from the Pew Research Centre (2011), it is estimated that the worldwide Muslim population will increase by around 35% in the next 20 years, reaching 2.2 billion by 2030, compared to 1.6 billion in 2010. This suggests that the increasing global Muslim population has significantly increased consumer demand for halal products and services. As part of Muslim obligations to Allah SWT, Muslims must adhere to Islamic customs and lifestyles that are in accordance with Shariah (Hassan et al., 2017).

Halal Supply Chain Management (HSCM) is a significant area that ensures the integrity of halal products. Khan et al. (2018) define HSCM as a process-oriented approach that involves coordinating the flow of capital, information, and materials to improve supply chain performance and create value. This approach emphasises stakeholder collaboration and aims to extend halal and thayyib from farm to fork. HSCM provides halal services to consumers by consistently implementing halal-compliant procedures and activities (Samori et al., 2023).

In addition, there are currently many concerns regarding HSCM practices and ethics, particularly in this era characterised by significant innovation and technological advancements. This also presents a more incredible difficulty for all parties engaged in producing, transporting, and storing halal items to maintain the product's integrity along the whole supply chain (Khan & Haleem, 2016). As a result of this difficulty, various issues and threats could disrupt the balance between beliefs and business operations. Thus, the main objective of this paper is to assess HSCM from both an Islamic and business perspective. It will also address the challenges and risks currently faced that are associated with HSCM and provide recommendations for ethical HSCM. Furthermore, it will explore how ethical HSCM can contribute to the achievement of the Sustainable Development Goals (SDGs) in the long term.

2. Materials and methods

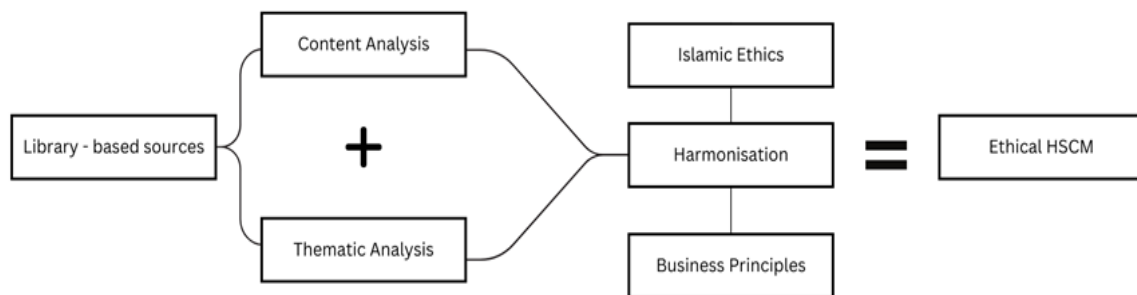


Figure 1. Research Methodology

This paper employs a qualitative methodology to acquire a thorough understanding of the topic under research and its ethical principles, drawing from Islamic teachings and business perspectives. Secondary sources were utilised to obtain data, primarily through library-based materials. These materials included the analysis of current literature, such as scholarly articles, documents, and conference proceedings. Content analysis and thematic analysis are employed in this section to fulfil the primary objectives of this research, which are to investigate the application of Islamic and business viewpoints in HSCM. Employing both approaches will facilitate the identification of whether the alignment between these two factors will lead to the formation of ethical HSCM in the future.

3. Results and Discussion

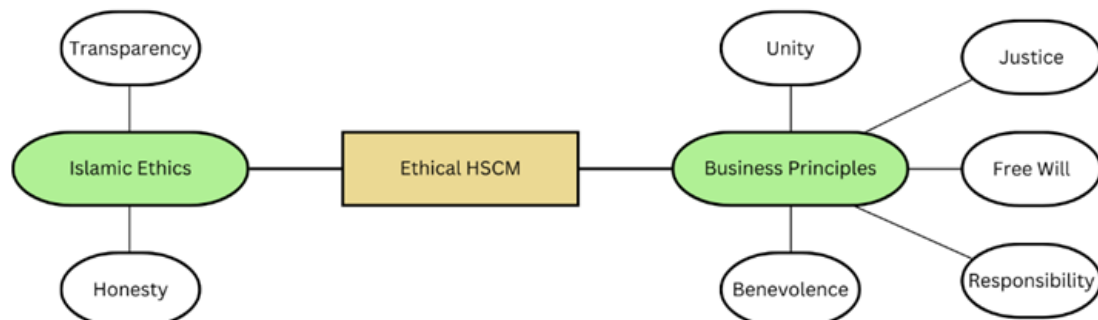


Figure 2. Criteria for Ethical HSCM

3.1 Islamic Ethical Framework of HSCM

Businesses have encountered difficulties addressing ethical concerns due to their unfamiliarity, as doing so requires striking a balance between numerous contradictory principles (ul Ain & Ramish, 2018). Agustian et al. (2023) emphasised that businesses that adhere to Islamic ethical norms are expected to give numerous benefits to society and the Muslim community. Therefore, businesses must incorporate ethical considerations into all aspects of their operations to encourage moral behaviour and social responsibility.

Ethics, also known as "*akhlaq*" in Arabic (اخلاق), is the study of moral principles and attributes that a person ought to possess throughout their life. Ethics are sometimes described as the "golden standards" that individuals and businesses must adhere to flourish and succeed (ul Ain & Ramish, 2018). Musa (2015), as referenced in Aravik et al. (2023), asserts that in the absence of an ethical framework that governs behaviour, a person may lack standards of behaviour, which can result in chaos and disorder. As a result, Islamic ethics can be defined as the moral behaviour developed by the teachings of the Qur'an and Prophet Muhammad SAW, as demonstrated by his actions and words.

Similar concerns have been raised in the halal market, as Halal Service Providers (HSPs) have occasionally disregarded ethical considerations when conducting business throughout the halal supply chain. The halal integrity of the products and services provided is ensured by HSCM, which has emerged as a crucial element of competitive strategy to boost profitability and productivity. Therefore, the findings show that maintaining transparency and honesty along the HSCM processes fulfils the Islamic principles and ethical values that should be taken into consideration by HSPs, as seen in Figure 2.

3.1.1 Transparency

According to Ul Ain and Ramish (2018), Islam strongly emphasises clarity, transparency, and truthfulness in business transactions to avoid misconceptions and uncertainties. For halal products and services to be trusted by customers, Islamic businesses should be transparent, particularly when it comes to contracts and transactions (Novianti et al., 2020; Agustian et al., 2023). Rastgar et al. (2023) state that transparency guarantees unrestricted access to information regarding the implementation of activities and the progression of processes. Prophet Muhammad SAW has elaborated on the advantages of the transaction and the importance of being transparent and truthful. Hakim bin Hizam narrated it:

"Allah's Messenger (ﷺ) said, "The seller and the buyer have the right to keep or return goods as long as they have not parted or till they part; and if both the parties spoke the truth and described the defects and qualities (of the goods), then they would be blessed in their transaction, and if they told lies or hid something, then the blessings of their transaction would be lost." (Sahih Bukhari 2079)

Transparency is essential in HSCM to maintain visibility and prevent halal product counterfeiting (ul Ain & Ramish 2018). Advanced technology, such as Blockchain, has been employed to establish halal traceability, providing comprehensive information on halal product origin, distribution, and processing. By guaranteeing that each stage of the supply chain is documented and available to all parties involved, this technology lessens Muslim consumers' concerns over the possibility of items contaminated with prohibited substances (Novianti et al., 2020; Zulihuma & Shibghatullah, 2022).

Furthermore, giving consumers clear and comprehensive information regarding the halal status of the products enhances their trust in HSCM's processes by retaining transparency. This would eliminate the dishonesty, fraud, and failure to comply with halal standards by HSPs. These issues have been seen as obstacles in implementing HSCM and maintaining the integrity of halal products throughout the HSCM processes.

3.1.2 Honesty

Islam lays an intense emphasis on moral behaviour, honesty, and equity in all spheres of life, including business transactions. Honesty (*sidq*) is the act of being upright towards Allah SWT, both publicly and privately, and allowing one's inner self to reflect their outward self. The Quran highlighted the necessity of ethical behaviour in all spheres of human life. Businesses that engage in fraudulent practices, such as manipulating product weights, measurements, and calculations, are examples of those that may be considered dishonest (Irawan et al., 2021). In Surah al-Maidah verse 119, Allah SWT has mentioned:

﴿ قَالَ اللَّهُ هَذَا يَوْمُ يَنْفَعُ الصَّادِقِينَ صِدْقُهُمْ لَهُمْ جَنَّاتٌ تَجْرِي مِنْ تَحْتِهَا الْأَنْهَارُ خَالِدِينَ فِيهَا أَبَدًا رَضِيَ اللَّهُ عَنْهُمْ
وَرَضُوا عَنْهُ ذَلِكَ الْفَوْزُ الْعَظِيمُ ﴾

Translation: Allah will say, "This is the Day when the truthful will benefit from their truthfulness." For them are gardens [in Paradise] beneath which rivers flow, wherein they will abide forever, Allah being pleased with them, and they with Him. That is the great attainment.

There is also a Hadith narrated by Abdullah:

"The Prophet (ﷺ) said, "Truthfulness leads to righteousness, and righteousness leads to Paradise. And a man keeps telling the truth until he becomes truthful. Falsehood leads to Al-Fajur (i.e. wickedness, evil-doing), and Al-Fajur (wickedness) leads to the (Hell) Fire, and a man may keep on telling lies till he is written before Allah, a liar." (Sahih Bukhari 6094)

In the context of HSCM, honesty implies delivering accurate product information and ensuring HSPs strictly monitor each phase of the supply chain. Being genuine in the information supplied could be measuring halal products without decreasing their weight or ensuring they are appropriately labelled and free of any ingredients that could compromise their halal status. This implies that it is unlawful to deceive customers through deceptive advertising (Irawan et al., 2021). Honesty in HSCM also necessitates adherence to moral principles at all stages of the procedure, including guaranteeing that suppliers and businesses entirely observe halal regulations and ethical requirements.

3.1.3 Transparency and Honesty Compliance Towards Halal Certification

Halal certification has become a mark to ensure that the products have been audited following Shariah law. As stated by Zainuddin et al. (2019), halal certification includes managing procedures to guarantee that food is processed and prepared clean and hygienic, as well as inspecting and verifying food processes from farm to fork in HSCM. More importantly, the halal certification process improves traceability across the supply chain, potentially reducing the likelihood of fraudulent activities and contamination.

Nonetheless, problems persist with misusing halal logos and using fake halal certifications. This problem could render consumers trust the products they purchase. For this reason, HSPs' honesty and transparency are essential in ensuring that the halal products comply with Islamic ethical standards and guidelines throughout the supply chain (Zulihuma & Shibghatullah, 2022). The provision of this transparency enables consumers to make well-informed decisions regarding the food they purchase and consume.

It also facilitates the identification of products that conform to their beliefs and guarantees the safety and quality of halal products. Consumers' trust in halal certification is, therefore, able to be strengthened through providing transparency and honesty on HSCM as

it offers them peace of mind that the products flow throughout the supply chain following strict quality and safety standards (Ali et al., 2019 as cited in Zulihuma & Shibghatullah, 2022).

3.2 Business Practices in HSCM

Randeree (2020) states that the halal industry has gained increasing recognition in global marketplaces as a result of the increased demand for products that adhere to Islamic principles. Ensuring ethical factors are prioritised is essential for maintaining the reliability and integrity of HSCM operations. This, in turn, will enhance consumers' confidence in the authenticity and reliability of the products they purchase. This will ultimately cultivate trust, facilitate collaboration, and improve communication at different levels of the supply chain, leading to enhanced performance and exceptional customer service. Eventually, adhering to ethical practices will result in positive consequences, such as improved business performance, and it will also allow individuals to achieve their ultimate objective of pleasing Allah SWT (ul Ain & Ramish 2018).

3.2.1 Unity

The idea of unity in Islamic ethics concerning business is rooted in *tawhid*, which underscores the belief in the oneness or unity of God (Fernandez, A. T., 2023). *Tawhid* entails rejecting all deities and recognising and submitting to the one God, the creator and sustainer of all existence (Haerul et al., 2023). Within the realm of business, unity signifies equality and cooperation, prohibiting discrimination based on religion, ethnicity, or gender. Unity also promotes fairness, teamwork, and non-discrimination (Mohammed, 2013; Nugraheni, Alhabshi & Rosman, 2024).

Unity emphasises collaboration, fairness, and equality among all parties, such as employees, consumers, and suppliers (Sulistianingrum & Istanto, 2023). This unity fosters ethical conduct, transparency, integrity, and honesty to ensure that products and processes meet halal standards. It also encompasses serving the community and supporting those in need to enhance their well-being and uphold ethical practices. It is crucial to recognise that establishing unity among all stakeholders is vital for effectively addressing and resolving issues related to maintaining halal integrity.

The core values of collaboration, fairness, and adherence to Islamic ethical principles are crucial in fostering unity within HSCM. These values can improve transparency and honesty while addressing cross-contamination and disruptions. By maintaining unity and adhering to Islamic principles at every stage of the supply chain, organisations may more effectively navigate and address problems to guarantee the authenticity and conformity of halal products, hence minimising the likelihood of food waste and preserving consumer trust (Agustian, K. et al., 2023).

3.2.2 Justice

Justice in Islam, known as 'adl, highlights the significance of balance, equity, and fairness in all spheres of life, including business (Sulistianingrum & Istanto, 2023). It includes treating all humankind fairly and avoiding extremes in behaviour (Nugraheni et al., 2024). Justice is also applied to economic activity, where it is prioritised to treat workers fairly, benefit the community and distribute assets equally (Alwi, Parmitasari & Syariati, 2021). The Islamic notion of justice advocates for fair and ethical business practices that bring advantages to the business and the broader community (Hasan, S., 2024).

Justice plays a vital role in HSCM as it ensures a balanced and equitable treatment of all parties involved, such as suppliers, workers, and customers. Moreover, adherence to

Shariah law is essential to ensure that the supply chain operates in line with Islamic principles. Ensuring a fair distribution of resources, such as the circulation of assets, between the wealthy and poor individuals guarantees that all stakeholders benefit from supply chain activities in a just manner (Alwi et al., 2021). Furthermore, justice in HSCM aims to extend its benefits to the wider community and assist those in need, thereby ensuring that the supply chain activities contribute to the overall well-being of the community and the environment.

Maintaining the integrity of products throughout the supply chain requires ensuring justice in HSCM. Justice helps in tackling issues such as cross-contamination, which can result in the disposal of halal products that have been contaminated. Ensuring justice in the supply chain reduces disruptions and non-compliance issues, hence minimising food waste and environmental damage. Addressing these difficulties may establish a supply chain that is more transparent, fair, and ethical, resulting in advantages for businesses and the community. By integrating principles of justice into HSCM, organisations can successfully address issues, assuring honesty, adherence to rules, and ethical conduct along the supply chain.

3.2.3 Free Will

Islamic business ethics places a strong emphasis on the idea of free will, which is the capacity of the human mind to make decisions within the boundaries of Allah SWT's creation (Sulistianingrum & Istanto, 2023). This freedom is evident in the actions of Muslims when entering into agreements, whether they choose to fulfil or reject them. The concept of free will is closely tied to accountability, as individuals are responsible for the consequences of their decisions (Mohammed, 2013; Nugraheni et al., 2024). Furthermore, it highlights the significance of engaging in business with good and sincere intentions and upholding the principles of Shariah. It is crucial to note that all endeavours, including those that pursue profits, are regarded as acts of worship to Allah SWT when conducted following Islamic values (Nugraheni et al., 2024).

Free will is a crucial factor in HSCM. Individuals who conduct business following Islamic principles adhere to ethical standards and encounter inherent difficulties in preserving the authenticity of halal products. The exercise of free will, which allows for autonomy, requires meticulous attention at each step of the supply chain to avoid contaminants that may jeopardise the halal certification of products. Ensuring compliance with Shariah principles and promoting transparent, honest, and ethical procedures within HSCM requires finding an acceptable balance between making moral decisions based on free will and overcoming problems related to product integrity.

Individuals have the autonomy to exercise their free will in HSCM, enabling them to make ethical choices guided by their conscience. This ensures that the entire supply chain follows Islamic values by selecting partners, suppliers, and practices that align with halal principles. This approach promotes fair trade and prohibits any haram elements. Through free will, individuals can empower the community and enhance social welfare in alignment with Islamic principles, thereby providing benefits and upholding ethical practices (Sulistianingrum & Istanto, 2023).

3.2.4 Responsibility

Human beings have the freedom to choose but must also be responsible for their actions. According to the Islamic notion of *Taklif* (accountability), everyone will be held accountable

for their actions on Judgement Day (Hasan et al., 2016; Nugraheni et al., 2024). This obligation stems from divine commands. In business, obligations are intertwined with every contract, and it is imperative for the parties involved to fulfil and take full responsibility (Nugraheni et al., 2024). *Taklif* plays a crucial role in a company's operations, as each employee is responsible for their assigned tasks (Ismail, 2013; Nugraheni et al., 2024). Fulfilling responsibilities is vital for human survival and the preservation of natural resources (Hasan, 2006; Nugraheni et al., 2024).

The community can benefit from HSCM, which aligns with Islamic values of social responsibility and good deeds. Responsibility can be applied by managing resources for everyone and considering sustainable development in supply chain management (Ham et al., 2018; Nugraheni et al., 2024). Moreover, responsibility emphasises the importance of making ethical choices, fulfilling obligations, and taking complete responsibility for one's actions.

In HSCM, the notion of responsibility underscores the need to make ethical decisions, fulfil obligations, and take full accountability for one's conduct. This encompasses the responsible management of resources and the conscientious consideration of the overall welfare of the broader community. The concept of responsibility in HSCM is in accordance with Islamic principles of social responsibility and acts of virtue, guaranteeing that ethical decisions are consistently made across the supply chain. One of the challenges in HSCM is ensuring the preservation of product quality throughout the whole supply chain. The presence of cross-contamination, which might result in the disposal of halal products that have been contaminated, highlights the importance of implementing responsible practices (Kurniawati & Cakravastia, 2023). Responsibility is of utmost importance in maintaining the integrity of products, avoiding unnecessary waste, and ensuring ethical standards are upheld throughout the supply chain.

Nonetheless, this is all connected to the concept of duty in Islamic business ethics, which concerns the accountability of a business person. If a business person commits fraud, he is responsible in both the present world and the afterlife. Business professionals are responsible for the products and services provided to customers. Humans must be accountable for all their actions to maintain the ideals of justice and harmony inherent in Allah SWT's creations (Irawan et al., 2021). This is also derived from a verse in the Qur'an known as al-Mudathir verse 38:

﴿كُلُّ نَفْسٍ بِمَا كَسَبَتْ رَهِينَةٌ﴾

Translation: Every soul, for what it has earned, will be retained.

3.2.5 Benevolence

Benevolence, known as *Ihsan* in Islamic ethics, highlights the importance of kindness, generosity, and carrying out tasks meticulously (Taiba, Shabana, & Moin, 2023). This concept involves benefiting others voluntarily and showcasing exemplary conduct for Muslims (Armuyanto & Suntoro, 2023). Benevolence encompasses business endeavours, motivating employees to excel in their duties as an expression of devotion to God and due to the constant divine observation of their conduct (Ababneh et al., 2022). Benevolence also extends to the preservation of the environment and the treatment of others with sincerity, honesty, and compassion, even in matters related to finances (Nugraheni et al., 2024).

Benevolence within HSCM encompasses sincerity, integrity, and high quality of products and services. The primary objective is to enhance the well-being of consumers and society through strict adherence to halal requirements. All parties involved, such as suppliers, employees, and customers, are treated equitably, with respect, fairness, and

compassion (Sulistianingrum & Istanto, 2023). This entails ethical treatment of workers, fair pricing, and ensuring that supply chain operations are beneficial to all parties. Moreover, benevolence takes into account the societal implications of supply chain activities, promoting community welfare and supporting charitable initiatives. Upholding ethical values, transparency, and compliance with halal principles are fundamental components of benevolence. By integrating benevolence into HSCM, businesses can make a positive impact on society and uphold a sustainable environmental footprint (Armia & Armia, 2023; Nugraheni et al., 2024).

3.3 Challenges in Implementing HSCM

Zulfakar et al. (2014) explain that generally, the supply chain involves overseeing the movement of products from suppliers to consumers, while also managing non-halal products to serve both Muslim and non-Muslim consumers at the same time. The main objective of HSCM is to provide consumer satisfaction and maintain the integrity of the product throughout the whole supply chain process. Nonetheless, it is challenging for all parties involved in producing, shipping, and storing halal food to uphold the product's purity along the supply chain (Khan & Haleem, 2016). As a result, several problems and threats might impact the balance between religious beliefs and business operations, with sustainability being a significant concern.

Cross-contamination can cause products to become non-halal, perhaps resulting in the disposal of the contaminated halal products. Any interruption in the supply chain or purity of a halal product could cause it to become a non-halal product, leading to, for instance, food wastage (Kurniawati & Cakravastia, 2023). It is costly and ecologically harmful. One objective of establishing a sustainable supply chain in the halal industry is to reduce food wastage. Thus, an efficient supply chain is vital for tackling this issue, and minimising food waste is necessary for attaining sustainability in the supply chain. Lee and Dye (2012), Huang et al. (2018), and Beullens and Ghiami (2021), referenced by Kurniawati & Cakravastia (2023), reported that approximately 30% of food had been stated to be lost in the distribution and supply chain.

Another objective of HSCM is to generate products devoid of chemical ingredients, superior quality, and nutritious products by employing suitable methods for handling, processing, and storing items (Zainal Arifin et al., 2021). However, producers face challenges in preserving halal integrity in the products due to the lack of traceability in processing and production. This is very important since traceability is a tool for ensuring the integrity of halal items and that they are authentic (Khan et al., 2021). Failing to identify the presence of prohibited substances at any point in the production process can endanger the safety of the products.

Clear labelling is also one of the crucial components of the marketing aspect in the product's supply chain (Zainal Arifin et al., 2021). Labels are a vital marketing tool that convey important information and represent the dedication of producers. The halal logo on the packaging signifies that the product is produced using approved ingredients and complies with Shariah law principles. Halal product labels must list all ingredients used without any intentional exclusions. This differs from the current standard labelling method, which permits the exclusion of some substance groups from the labels. This has the potential to deceive and violate customers' rights to be informed and make decisions based on information. According to Zainal Arifin et al. (2021), omitting, fabricating, or presenting misleading information on labels will be deemed fraudulent or dishonest. Thus, effective labelling should communicate both accurate details and the product's standard.

Another issue is that, in Islamic countries with a predominantly Muslim population that favours halal food, there is a general assumption that all food items produced are halal, resulting in a decreased focus on halal certification (Gul et al., 2020). Many producers disregard halal certification, considering it unnecessary due to insufficient consumer demand stemming from a lack of education and awareness. Halal certification and displaying the halal logo are optional in certain countries, such as Malaysia. This could impact manufacturers' viewpoints on halal products and services. Producers find it challenging to convince them to acquire halal certification for their products due to its optional nature. Some argue that acquiring halal certification is redundant as long as they can persuade potential buyers that their product is "halal" (Gul et al., 2020).

Other than that, many dishonest halal certificate providers prioritise profit over the integrity of halal standards (Khan & Haleem, 2016). The use of pork and its by-products, for example, in various products, has been the subject of a great deal of research. For financial reasons, certain nations are increasing the amount of processed pork in their food products as it is cheaper compared to other raw materials (Hidayati et al., 2023). As has been discussed earlier, fraud in any form is forbidden in Islam. This occurs due to the violation and denial of others' rights, creating an unjust wealth scenario where one-party gains at the cost of another (Irawan et al., 2021).

Adding on, Islamic manufacturers are sometimes hesitant to follow these standards due to concerns about costs and the complex paperwork and procedures involved. They cannot recognise benefits that extend beyond the difficulties. On the other hand, non-Muslim producers find it lucrative to tap into the halal industry, while facing challenges in comprehending the concept of *halalan thayyiban* (Zainal Arifin et al., 2021). Halal certification is needed to ensure that all products meet halal requirements. This indicates that the products comply with Islamic standards for hygienic conditions, humane treatment of animals, and other regulations related to the production process (Khan & Haleem, 2016). Halal certification should be compulsory and required for all halal product manufacturers. Therefore, obtaining halal certification from a reputable and regulated organisation is essential (Gul et al., 2020).

It is also essential to prevent the mixing of halal products with non-halal items during transportation and distribution to maintain their purity. This is due to many cases of cross-contamination that occur during the process. It has been proven that for a halal product to be considered authentic, it must be verified as halal along the entire supply chain process, from manufacturing and packaging to final consumption (Yaacob et al., 2018). Hence, businesses should use transportation techniques that are appropriate for keeping and transporting halal products, safeguarding their integrity by avoiding contamination with non-halal products. Allowing halal food producers to oversee transportation and deliver products directly to clients can greatly diminish or eradicate the contamination of halal and non-halal items (Zainal Arifin et al., 2021).

Furthermore, hygiene and cleanliness are essential factors in the production and preparation of halal products (Khan & Haleem, 2016). Prioritising cleanliness and purity from a spiritual perspective is also essential for achieving wholesomeness. This element should not impede religious obligations, such as prayers, which may be impractical for non-Muslim manufacturers. Manufacturers and producers frequently overlook hygiene in their production processes, causing waste material to remain unchecked for days. This issue leads to many halal certification authorities refusing to certify them (Gul et al., 2020). Several cases occurred in which food items are often present in small establishments where insects can get them easily, such as butcher's shops with many flies (Gul et al., 2020). This presents a substantial threat to human health.

3.4 Sustainable Development Goals (SDGs) in HSCM

The integration of Sustainable Development Goals (SDGs) within HSCM guarantees ethical consideration while simultaneously accomplishing its objectives. It is evident from the report's explanation that HSCM has aided in achieving the 8th SDG, which is to "Promote decent work and economic growth". A commitment to ethical values in all facets of HSCM is involved in performing HSCM. Therefore, HSCM guarantees that the entire halal production emphasises fair trade practices to offer products that adhere to halal standards and regulations while upholding the integrity of a halal product.

Additionally, the report relates to the 16th 'Brunei Sustainable Development Goal' of 'Peace, justice and strong institutions', emphasising the importance of justice in Islamic business ethics. It emphasises the need for balance, equity, and fairness in all aspects of life, including business activities. Justice, or '*adl*', advocates for ethical and fair practices that benefit both businesses and the community. It also emphasises the need for compliance with Shariah law to ensure the supply chain adheres to Islamic principles, fostering transparency, integrity, and honesty.

4. Recommendations for Improving HSCM

According to Tieman (2017), the majority of halal risk management in businesses' procedures is restricted to ensuring that suppliers and manufacturing processes adhere to halal standards and the requirements of the halal certification. However, halal concerns across the entire supply chain are not addressed. It is assumed that the halal assurance system and the existing crisis management are sufficient to handle halal incidents. Still, it is a risky tactic as it jeopardises halal sales and reputation. It is discovered that there are significant gaps in the supplier chain and brand owners' halal risk management procedures, which leads to a weak halal assurance system and halal risk management. This reveals violations of the integrity of brand owners and harm to sales and company image. Consequently, it is vital to professionalise halal risk management to develop a stronger halal management system that can support the development of a company's capital and reputation as well as safeguard sales and operating licenses in Muslim markets.

One of the best practices in halal risk management is effective risk prevention methods, which are essential for minimising vulnerabilities and building a strong HSCM. This demands the identification of halal control points along the supply chain as well as the assessment of supply chain risk vulnerability (Tieman, 2017). One example would be the application of blockchain. Japan is among the nations that have put international traceability systems in place. According to Heitzeberg (2017), the famous Japanese wagyu beef can be tracked across the supply chain. As a result, blockchain technology is growing, which encourages other businesses to employ it as a system for product traceability to obtain a competitive advantage. Other than that, there are also products called BeefChain and Genesis which are designed to offer transparency. Animal health procedures, supply chain progress, and updates on the meat's present location may all be tracked with the Genesis blockchain. Additionally, smart contracts are used to support customised data flow and validate transactions (Alamsyah et al., 2022). Another useful tool for managing the halal supply chain is RFID (Radio Frequency Identification). The system consists of tags and readers that use radio waves to transmit the identity of an object in response to electromagnetic fields or impulses sent out by the readers. RFID is useful in manufacturing processes because it allows businesses to monitor raw materials and labour involved in processing finished goods and products (Mefid & Eltiveni, 2023).

Second, in identifying the halal hazards and minimising their severity, efficient response management is required. This can be put into practice by implementing a communication and risk-reduction plan that addresses the halal issue (Tieman, 2022). According to a study by Sarwar et al. (2021), production, planning, and sourcing are the three hazards associated with managing the halal supply chain. Due to several risk factors, including raw material quality, storing halal materials, and machinery or equipment failure, the production stage is the most crucial in the HSCM process. To succeed, these risks need to be addressed in order of priority. The second most important risk in HSCM is planning. Risks associated with planning, such as raw material procurement, production procedures, policy failure risk, inaccurate demand forecasts, and a lack of dedication to managing the halal supply chain, also have an impact on supply chain operations. The sourcing risk is the most significant since it requires greater caution and has an impact on the logistics and production processes.

Third is conducting halal training. The halal industry is now experiencing a lack of skilled and semi-skilled workers due to the rapid expansion of the halal services sector. Efforts were taken to guarantee that these workers are knowledgeable throughout the entire supply chain to fulfil the requirements of Islam. Therefore, halal training is crucial for human resources. To comprehend and be aware of various halal concerns that exist in the halal industry and market, individuals, especially those who are involved in halal sectors, must have a basic understanding of halal education and knowledge. For example, unapproved or questionable halal logos should be handled carefully, providing management of the company with sufficient knowledge and information about the halal logo and advice on how to handle and resolve the issue. Programs for halal management are essential for imparting new skills and Shariah knowledge in the administration of halal goods and services. Tieman (2017) believes that universities would be more successful in narrowing the gap in halal education if they integrated halal into already-existing topics.

For example, a lot of institutions now offer courses involving the halal industry. The Institute of Halal Research and Management (IHRAM) in Malaysia creates halal training programs, services, and modules. Collaborations with organisations and authorities such as the Religious Affairs department, scientists, and government authorities, which have the expertise and expertise needed to run halal programs are very much needed. This is to ensure that the required courses and training in knowledge are tailored to the target groups and cover the areas of knowledge required to become a professional employer or employee in an organisation (Hashim & Shariff, 2016). Manufacturers who lack knowledge can learn through courses or programmes offered by authorities and related groups. In Brunei, these organisations may consist of the Ministry of Religious Affairs (MoRA) or specifically the Halal Food Control Division (BKMH) (Mohd Raffi, 2020). Manufacturers and producers could participate in halal fairs, seminars, or 10 conferences to stay updated on current issues in the halal industry. This will assist them in staying updated on current halal trends to adjust accordingly. The government should provide incentives to motivate non-halal-certified companies to obtain halal certification for their products. This will make it easier to monitor processed food products in circulation, potentially reducing the chances of harmful food items being consumed by Muslim customers (Zainal Arifin et al., 2021).

5. Conclusion

To conclude, this paper highlights the need for transparency, honesty, and compliance as key business practices in HSCM, as these practices are crucial for maintaining the integrity of halal products and fostering consumer trust. By integrating Islamic ethical ideas and practices into their business operations, businesses can encourage ethical behaviour and

fulfil their social duties in line with the values of the halal sector. Nevertheless, HSCM may have difficulties in maintaining the authenticity of products along the supply chain, as issues such as cross-contamination could result in the necessary disposal of affected halal products. Any disruptions or contaminants in the supply chain might cause a halal product to become noncompliant, leading to costly food wastage that is also environmentally detrimental.

Thus, implementing a sustainable supply chain in the halal industry reduces food waste and ensures that products are devoid of prohibited (haram) elements, underscoring the need of traceability for product safety and authenticity. HSCM ensures that the entire halal production processes prioritise fair trade practices that comply with halal standards and laws, therefore contributing to the achievement of the 8th target of SDG. Consequently, it is crucial to tackle obstacles, adopt optimal methods, and follow the suggestions outlined to improve profitability and efficiency and maintain Islamic principles in the HSCM framework. This comprehensive strategy not only guarantees the authenticity of halal products but also reinforces the ethical basis of HSCM.

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