Environmental Development Program of CSR: Analysis of Waste Bank in Karya Mulia Village, Palembang, Indonesia

Yeni Rosilawati^{1,*}, Fitria Rahmawati²

¹Universitas Muhammadiyah Yogyakarta, Department of Communication Studies, 55183 Yogyakarta, Indonesia

²Universitas Muhammadiyah Yogyakarta, English Language Education Department, 55183 Yogyakarta, Indonesia

Abstract. This study aims to analyze the environmental development program of the Corporate Social Responsibility (CSR) waste bank of PT. Pertamina Limau Field. This study used a qualitative method with in-depth interview data collection. This research model is interactive by reducing data, presenting and drawing conclusions. The results of this study indicate that the implementation of PT. Pertamina Limau Field makes a positive contribution to the surrounding community. The application of community development provides education and awareness to the community in appreciating environmentally friendly values and reducing the waste of resources. The synergy with the Prabu Mulih waste bank makes waste management more efficient and optimal. The waste bank program also has an impact on the social and economic aspects of the community. The sustainability of the waste bank program applies the green economy concept which refers to the Sustainable Development Goals (SDGs) number 11 concerning sustainable cities and communities, number 12 concerning responsible consumption and production. The positive impact of PT. Pertamina Limau Field has resulted in the participation of more than 100 customers who have deposited non-organic waste.

1 Introduction

Corporate Social Responsibility (CSR) or corporate social responsibility is a manifestation of a company's commitment to operate ethically, run legally and make a

© The Authors, published by EDP Sciences. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

^{*}Corresponding author: yenirosilawati@umy.ac.id

positive contribution to improving the quality of life of its employees, the local community and society. The principles of CSR include the responsibility of partnering between the government, companies and the community around the company in an active and dynamic way of interaction and collaboration [1].

The concept of corporate social responsibility (CSR) is regulated by law in Indonesia which is contained in the law of the Republic of Indonesia (RI Law) Number 40 of 2007 concerning Limited Liability Companies and law Number 25 of 2007. Through these laws, companies have an obligation to carry out CSR activities that contribute to the development of society and the environment around the Company's operational areas [2] [3].

One of the objectives of the law is that companies can carry out exploration and production activities wisely. Various impacts that can be caused during the exploration and production phase of the company are environmental damage, clean water shortages, drought, crop failure on community agricultural land, air pollution and a negative impact on public health [4]. For this reason, companies need to take preventive actions to prevent negative impacts by focusing on social responsibility (CSR) activities.

Environmental damage, air pollution, flooding and the use of preservatives are serious challenges faced by society. This phenomenon has prompted the emergence of the Green Economy concept to reduce environmental problems. Green Economy is a new paradigm in the economy and is a sustainable development strategy that prioritizes a balance between economic, social and environmental values [5].

Green economy is a new direction that is more radical in creating harmonious and balanced social and environmental development of the country. It is formulated as an alternative approach to the existing economic model. The concept of green economy has become even more important after the various crises in 2008. The crisis made us realize that "business as usual" is no longer possible. The green economy is an alternative paradigm that offers the promise of growth and protecting the Earth's ecosystems and contributing to poverty alleviation.

Green Economy model can answer the weaknesses of the old development strategy which only focused on growth. Economic growth that always prioritizes the benefits of the owners themselves, is pragmatic, but always harms other parties, both consumers, suppliers and the community [6]. This phenomenon is called the shareholder maximization paradigm. Green Business is a part of the green economy that synergizes economic, social and environmental values [7].

Green Business seeks synergy and continuity between economic goals, namely: a) sustainable profits and company growth [7], b). social goals, namely: the welfare and prosperity of society [8], c). Environmental goals, namely: environmental preservation in the long term [9]. This concept is in line with Skinner and Ivancevich's statement that in general the purpose of establishing a company is grouped into four, namely profit, corporate survival, growth and social responsibility.

This green business phenomenon has become an attraction for various parties, both consumers and investors. This has become a tendency for consumers to prefer products and services that are healthy, of high quality, safe in the long term and do not pollute the environment. Given the importance of implementing Green Business, the government through the Ministry of Environment initiated the Company Performance Rating Rating Program in Environmental Management (PROPER) which is a development of Proper

Prokasih. The purpose of implementing the PROPER instrument is to encourage an increase in company performance in environmental management through the dissemination of compliance information on company performance in environmental management to achieve an increase in environmental quality [10].

In recent years, more and more companies have become increasingly aware of the importance of implementing Corporate Social Responsibility (CSR) programs as an element in their business strategy. The company will gain social legitimacy and maximize its financial strength in the long term through the implementation of CSR [11]. CSR is a corporate concern that sets aside a portion of profit (profit) for the benefit of human development (people) and the environment (planet) in a sustainable manner based on proper and professional procedures [12].

This study aims to see and analyze the Corporate Social Responsibility (CSR) program of PT. Pertamina Limau Field. In accordance with the Sustainable Development Goals (SDGs), PT. Pertamina Limau Field created an environmental development program, namely the waste bank program located in Hamlet 3, Karya Mulya Village, in synergy with the Prabumulih waste bank. The Garbage Bank Program is the company's commitment to support SDGs no 12 in efforts to reduce environmental impacts and SDGs no 11 concerning safe and comfortable village areas.

It's indeed easy to grasp the idea of social responsibility, as well as ethics, to differentiate what is wrong and right and being good people. Corporate social responsibility is generally connected to the public principles embraced by the organization. Four criteria are included in the model used to measure the social success of CSR initiatives: economic, legal, ethical, and policy. Numerous concepts to describe CSR simply and unbiasedly have been added.

A CSR corporation is distinct from conventional companies. The careful act of representing the interests of the corporation and the public at large is corporate social responsibility (CSR). According to Lawrence & Weber, CSR means that a corporation should be held accountable for any of its actions that affect people, their communities, and their environment (Ikhsan et al., 2021). CSR is described by the World Business Council for Sustainable Development (WBCSD) as a commitment to contribute to sustainable economic development and to combine the efforts of employees of the company, family members of employees, local committees [13]. According to the definition of WBCSD (2002) CSR is a commitment to contribute to sustainable development (Sustainable Development) and aims to improve the quality of life of the community. CSR also has a close relationship within the framework of the goal of increasing the company's reputation in the context of sustainable development [14]

Although it has many meanings, CSR is a way of giving back to the community from corporations. Mahmud, Ding, and Hasan (2021) conclude that CSR is a strategic management tool that offers win-win prospects for the community and corporation [15].

2 Research Method

This research was conducted at PT. Pertamina Limau Field, Prabumulih District, South Sumatra Province. The method used in this study is a qualitative method. Qualitative method is a way of analysis that understands the meaning behind individuals or groups in social or human problems [13]. Data collection techniques were carried out by means of in-depth interviews. The purpose of in-depth interviews is to obtain specific information from all

respondents, but the wording and order of questions are adjusted to the characteristics of each respondent.

The respondents of PT Pertamina Limau Field who will be collecting data are:

- 1. Community development center manager PT. Pertamina Limau Field
- 2. Partnership community development officer
- 3. Beneficiary partnership fostered partners from PT. Pertamina Limau Field

Data collection is done through documentation which includes "letters, memorandums, official announcements, agendas, meeting conclusions, administrative documentation, proposals, clippings, and articles" [14]. Researchers use books, photos, and company reports PT. Pertamina Limau Fields through CSR Management. The author applies data source triangulation to compare interview results with the contents of related documents to test the validity of the data [15]. The research model is interactive by carrying out data reduction, presentation, and conclusions [14].

3 Results and Discussion

This research was conducted at PT. Pertamina Limau Field, Prabumulih District, South Sumatra Province. The method used in this study is a qualitative method. Qualitative method is a way of analysis that understands the meaning behind individuals or groups in social or human problems [13]. Data collection techniques were carried out by means of indepth interviews. The purpose of in-depth interviews is to obtain specific information from all respondents, but the wording and order of questions are adjusted to the characteristics of each respondent.

The respondents of PT Pertamina Limau Field who will be collecting data are:

- 4. Community development center manager PT. Pertamina Limau Field
- 5. Partnership community development officer
- 6. Beneficiary partnership fostered partners from PT. Pertamina Limau Field

Data collection is done through documentation which includes "letters, memorandums, official announcements, agendas, meeting conclusions, administrative documentation, proposals, clippings, and articles" [17]. Researchers use books, photos, and company reports PT. Pertamina Limau Fields through CSR Management. The author applies data source triangulation to compare interview results with the contents of related documents to test the validity of the data [15]. The research model is interactive by carrying out data reduction, presentation, and conclusions [14].

1. Environmental Development Program Implementation

The environmental development program through the waste bank initiative is a creative step taken by PT. Pertamina Limau Field through the CSR program with the aim of empowering the community towards environmental cleanliness and sustainability. In this program, the people of Hamlet 3 of Karya Mulya Village are involved to play an active role in waste management by collecting, sorting and recycling waste. This waste bank program is not only a corporate ceremonial program, but also contributes to reducing the impact of pollution and environmental damage.

Implementation of a waste bank is an alternative in community development by providing education and awareness to the public to be able to appreciate environmentally friendly values and reduce wastage of resources. The waste bank program does not only have an impact on the environment, but also provides social and economic benefits by reducing the use of goods that are only used once.

The synergy of the Karya Mulya Village Dusun 3 waste bank with the Prabumulih waste bank has had a positive impact on the success of this program. This collaboration

becomes a process of waste management that is more efficient, structured, broadens the reach of its impact, is more optimal and has a greater impact on the community environment.

Pertamina Hulu General Manager Rokan said that the company is committed to providing CSR, especially in community development programs in the company's operational areas. The company seeks to encourage the growth and empowerment of local communities and contribute to improving the quality of life. The CSR program provided prioritizes sustainability values in economic, social and environmental aspects.

The main factor for the sustainability of waste banks is due to the enthusiasm and support of the community and the innovations provided by the company. Collaboration between communities and companies forms a solid foundation on which this program achieves positive and impactful results. Community enthusiasm is evidenced by playing an active role in the waste bank program as the main driver in creating better results. Through this participation creates a conducive environment for program implementation and strengthens the relationship between the company and the surrounding community.

On the other hand, companies play an important role in formulating innovations that support program implementation. The establishment of a waste bank as a community development is a creative approach and solution to environmental issues. This innovation also reflects the company's vision to create wider positive changes in the environment.

PT. Pertamina Limau Field is in the environment around the community not only carrying out exploration and production activities. The Corporate Social Responsibility (CSR) program makes a major contribution in the form of oil and gas revenue-sharing as well as community development programs (PPM) with various pillar categories, including: economy, health, education, infrastructure and the environment which play a role in the government's efforts to advance and prosper the surrounding community company operating area

PT. Pertamina Limau Field has implemented the Triple Bottom Line principle which includes three main elements related to environmental and human aspects (People, Profit and Planet). The concept of Corporate Social Responsibility (CSR) is fundamental and strategic for companies that cannot be separated from good relations with society and the environment. The company really understands the importance of harmonization between financial benefits, human welfare and environmental sustainability.

Based on the CSR program that has been carried out, the company shows awareness of the social and environmental impacts of the PT. Pertamina Limau Field. This concept does not only focus on financial gain, but also recognizes the integral role of stakeholders (consumers, workers, communities, government and business partners) and shareholders who do not only pursue profit.

According to Pertamina's 2021 Sustainability Report, the CSR vision is to become a company in the upstream oil and gas sector that is oriented towards environmental sustainability and provides added value to stakeholders around the Company's operational areas. While the mission of CSR is to carry out corporate social and environmental responsibility for community development and environmental sustainability and to create harmonious relationships, a conducive and sustainable social and business climate to support the company's operations [18].

The implementation of the trash bank program is appropriate in realizing the vision and mission of corporate social responsibility. This step reflects the implementation of corporate social responsibility in supporting community development and environmental conservation, creating harmonious relationships and a conducive social and business atmosphere.

2. CSR Program Sustainability Through the Green Economy Concept

Green Economy is related to sustainable development which is the target of each country in achieving the points of the Sustainable Development Goals (SDGs). Green Economy is an economic development that prioritizes environmental sustainability, provides benefits in the short and long term (sustainability), reduces inequality for present and future generations [19].

Efforts to achieve Sustainable Development Goals (SDGs), PT. Pertamina Limau Field carries out Corporate Social Responsibility (CSR) activities through the waste bank program in Hamlet 3, Karya Mulya Village. This program is in line with the achievement of SDGs number 11 on sustainable cities and communities, as well as SDGs number 12 on responsible consumption and production.

The waste bank program run by PT. Pertamina Limau Field is an activity that is in line with the interpretation of SDGs number 11, namely making cities and settlements inclusive, safe, resilient and sustainable in building a better environment for all life. By giving authority to the community to participate in waste management, this program can create a healthy and clean environment, and provide a sense of security for the rest of the community.

The sustainability of the waste bank program has a positive impact on community settlements. This activity contributes to forming settlements that are resilient to environmental changes and natural disasters, so that the community is better prepared to face future challenges. Thus, the waste bank program of PT. Pertamina Limau Field in Dusun 3 Desa Karya Muyla is not only an implementation of corporate responsibility, but also a concrete manifestation of the concept of green economy and Sustainable Development Goals (SDGs) .

The waste bank program also refers to SDGs number 12 concerning responsible consumption and production. This element has the basic objective of ensuring sustainable patterns of consumption and production. Through the waste bank program, the public is educated to reduce waste and reuse materials that still have value. It aims to raise awareness to avoid overuse and promote longer life cycles. This program also helps to reduce the burden on limited natural resources.

Referring to the production context, the waste bank program also encourages local producers and businesses to design products that are environmentally friendly and easy to recycle. This aims to stimulate innovation in sustainable production, reduce waste generated and increase resource efficiency. The sustainability of the waste bank program is an action to achieve environmental values including the wise use of goods, waste management, recycling and innovation in consumption and production.

The positive impact generated by PT. Pertamina Limau Field is generating the participation of more than 100 customers who have deposited non-organic waste. This success is a preventive action against environmental pollution and community responsibility towards consumption needs. Greater public participation to become customers who deposit non-organic waste is a concrete action in encouraging changes in consumption and production patterns that are more sustainable and environmentally friendly.

Increased public awareness and implementation of the waste bank program by PT. Pertamina Limau Field in the framework of social responsibility is an effort to achieve Sustainable Development Goals (SDGs) number 12. The success of SGDs is not only the responsibility of the government, but also involves various development actors including companies and communities. This shows that collaboration between actors is very important in development processes.

4. CONCLUSION

The research conducted at PT. Pertamina Limau Field in South Sumatra Province highlights the significant positive impact of their waste bank initiative as part of their Corporate Social Responsibility (CSR) efforts. This creative approach actively involves the local community in waste management, fostering environmental cleanliness and sustainability. It not only contributes to reducing pollution but also brings about social and economic benefits by promoting responsible consumption and production patterns. The collaborative synergy between the waste banks enhances the efficiency and outreach of the program, strengthening the bond between the company and the community. Moreover, PT. Pertamina Limau Field's commitment to the Triple Bottom Line principle, alignment with Sustainable Development Goals (SDGs), and adoption of the Green Economy concept showcase their dedication to balancing financial benefits, social welfare, and environmental sustainability.

This holistic approach, coupled with increased public participation and awareness, underscores the company's role in promoting sustainable development and fostering harmonious relationships within its operational areas. Overall, the waste bank program at PT. Pertamina Limau Field stands as a commendable example of how a corporation can proactively address environmental and social issues while contributing to broader global sustainability goals.

REFERENCES

- 1. M. S. Lina Anatan, S.E., "CORPORATE SOCIAL RESPONSIBILITY (CSR): Tinjauan Teoritis dan Praktik di Indonesia," *J. Manaj. Maranatha*, vol. 8, pp. 1–11, 2010.
- Undang-Undang Republik Indonesia Nomor 40 Tahun 2007, "Tentang Perseroan Terbatas."
- 3. Undang-Undang Republik Indonesia Nomor 25 Tahun 2007, "Tentang Penanaman Modal."
- Radhali and Wahyu Ramadhani, "Pencemaran Lingkungan Akibat Pembuangan Limbah Yang Dilakukan Oleh Pt. Medco Di Kabupaten Aceh Timur Menurut Undang-Undang Nomor 32 Tahun 2009 Tentang Perlindungan Dan Pengelolaan Lingkungan Hidup," *J. Huk. Samudra Keadilan*, vol. 16, no. 1, pp. 86–97, 2021, doi: 10.33059/jhsk.v16i1.3198.
- 5. M. Keliat et al., "Ekonomi Hijau dalam Visi Indonesia 2045," LAB 45 Monogr., 2022.
- 6. H. N. Thelken and G. de Jong, "The impact of values and future orientation on intention formation within sustainable entrepreneurship," *J. Clean. Prod.*, vol. 266, p. 122052, 2020, doi: 10.1016/j.jclepro.2020.122052.
- 7. N. Yasir, M. Babar, H. S. Mehmood, R. Xie, and G. Guo, "The Environmental Values Play a Role in the Development of Green Entrepreneurship to Achieve Sustainable Entrepreneurial Intention," *Sustain.*, vol. 15, no. 8, 2023, doi: 10.3390/su15086451.
- 8. D. A. Shepherd and H. Patzelt, "The New Field of Sustainable Entrepreneurship: Studying Entrepreneurial Action Linking 'What Is to Be Sustained' With 'What Is to Be Developed," *Entrep. Theory Pract.*, vol. 35, no. 1, pp. 137–163, 2011, doi: 10.1111/j.1540-6520.2010.00426.x.
- 9. J. Maroušek, O. Strunecký, and V. Stehel, "Biochar farming: defining economically

- perspective applications," *Clean Technol. Environ. Policy*, vol. 21, no. 7, pp. 1389–1395, 2019, doi: 10.1007/s10098-019-01728-7.
- 10. Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia, "Program Penilaian Kinerja Perusahaan Dalam Pengelolaan Lingkungan Hidup (PROPER)," pp. 1–8, 2019.
- 11. D. Angelia and R. Suryaningsih, "The Effect of Environmental Performance And Corporate Social Responsibility Disclosure Towards Financial Performance (Case Study to Manufacture, Infrastructure, And Service Companies That Listed At Indonesia Stock Exchange)," *Procedia Soc. Behav. Sci.*, vol. 211, no. September, pp. 348–355, 2015, doi: 10.1016/j.sbspro.2015.11.045.
- 12. B. Z. Rahmat, "Corporate Social Responsibility Dalam Perspektif Etika Bisnis Islam," *Amwaluna J. Ekon. dan Keuang. Syariah*, vol. 1, no. 1, pp. 98–115, 2017, doi: 10.29313/amwaluna.v1i1.2099.
- 13. J. Moon, "The contribution of corporate social responsibility to sustainable development," *Wiley Online Libr.*, vol. 15, no. 5, pp. 296–306, 2007, doi: https://doi.org/10.1002/sd.346.
- 14. L. Da Silveira and M. Petrini, "Sustainable Development and Corporate Social Responsibility: A bibliometric analysis of International Scientific Production.," *Gest. e Prod.*, vol. 25, no. 1, 2018, doi: https://doi.org/10.1590/0104-530X3173-16.
- 15. A. Mahmud, D. Ding, and M. M. Hasan, "Corporate Social Responsibility: Business Responses to Coronavirus (COVID-19) Pandemic," *SAGE Open*, 2021.
- 16. Y. Rosilawati and A. Dewi, "Empowering communities for resolving the environmental crisis in forest and land fires in Riau Province," *E3S Web Conf.*, vol. 232, 2021, doi: 10.1051/e3sconf/202123202005.
- 17. M. R. Pahleviannur, A. De Grave, D. Sinthania, L. Hafrida, V. O. Bano, and D. N. Saputra, *Metodologi Penelitian Kualitatif*. 2022.
- 18. J. W. Creswell and J. D. Creswell, Mixed Methods Procedures. 2018.
- 19. Pertamina EP, "Sustainability Report," 2021.