

Form of Social and Environmental Responsibility in PT. Asian Agri Company (Palm Oil Factory in Tanah Datar Village, Asahan Regency)

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Abstract. *This study examines the implementation of Corporate Social Responsibility (CSR) by PT. Asian Agri, especially at the Palm Oil Mill in Tanah Datar Village, Asahan Regency, in the context of Government Regulation Number 47 of 2012. The study uses a normative and empirical juridical approach through analysis of laws and regulations, field observations, and in-depth interviews with the company, local communities, and village governments. The results of the study indicate that PT. Asian Agri has implemented various CSR programs that include liquid and solid waste management, community empowerment, and environmental conservation. This program has a positive impact in the form of reducing environmental pollution, increasing community welfare, and supporting sustainable development. However, challenges in terms of technology investment costs and community environmental awareness are still obstacles. Therefore, the study recommends increasing collaboration between companies, governments, and communities to optimize the impact of CSR and stricter regulatory oversight for program sustainability.*

Keywords: *Corporate Social Responsibility, Waste Management, Community Empowerment, Sustainable Development, PT. Asian Agri*

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INTRODUCTION

Social and Environmental Responsibility (CSR) is one of the important obligations for companies, especially those related to the management of natural resources. This provision is regulated in Law Number 40 of 2007 concerning Limited Liability Companies (*Undang-Undang Perseroan Terbatas, UUPT*), which is the legal basis for every company to carry out sustainable business activities and be responsible for the environment and the surrounding community (Aldila & Santiago, 2018; Situmorang & Nurdin, 2024; Arta et al., 2024). Regarding CSR, it is regulated in Article 74 of the UUPT and its explanation. This parameter applies to companies. Based on Article 1 Number 1, a responsible corporation is a business that is a legal entity, which is established based on an agreement, carries out commercial activities with shares as the authorized capital and meets the requirements set out in this act and its implementation of the regulations.

Article 1 number 3 of the UUPT defines CSR as: "The company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general." (Hermawan, 2018; Muhammad & M Djafar, 2021; Tabsuthurrizqo, 2023). Companies have social

and environmental responsibility (Corporate Social Responsibility or CSR) for reasons that are very important for the sustainability of their business and their contribution to society.

This is not only about carrying out obligations, but also reflecting moral values, sustainability, and harmonious relationships with stakeholders. First, companies have a moral and ethical obligation to pay attention to the impact of their activities on society and the environment. As part of the social community, companies do not only focus on profit alone, but must also help create better social conditions and maintain environmental sustainability. This action reflects the company's sense of responsibility as an integral part of society.

Furthermore, attention to sustainability is an important aspect in implementing CSR. By managing resources wisely and supporting community welfare, companies help ensure that natural resources are maintained for future generations. This sustainability is also a way to reduce the risk of environmental damage that can threaten human life in the future. Through the implementation of CSR, companies can also improve their reputation and positive image. The public increasingly appreciates and supports companies that care about social and environmental issues.

This has a major impact on customer loyalty, strengthening investor confidence, and building a good corporate image in the eyes of the public. As a result, companies gain long-term benefits both economically and socially. In addition, CSR is often a form of compliance with applicable laws in various countries, including Indonesia (Joseph et al., 2016). The Indonesian government, for example, through Law No. 40 of 2007 concerning Limited Liability Companies, requires natural resource-based companies to carry out social and environmental responsibilities. By complying with this regulation, companies not only avoid legal sanctions but also demonstrate their commitment to applicable norms.

The implementation of CSR also plays an important role in risk management. Conflicts with local communities, environmental damage, or protests can be serious threats to the sustainability of a company's operations. However, by involving the community in various social programs and maintaining environmental balance, companies can minimize the potential for these disruptions. CSR is one way to create a mutually beneficial relationship between the company and the surrounding community. No less important, CSR strengthens relationships with stakeholders, such as the government, consumers, and local communities.

Through collaboration in various social and environmental initiatives, companies not only expand their business networks but also open up new opportunities that can support long-term growth. Overall, CSR is a form of corporate responsibility that reflects integrity, sustainability, and commitment to society (Wiralestari, 2022). By integrating CSR into business strategies, companies are able to become agents of change that contribute positively to the environment, society, and the future of the world. This definition emphasizes that CSR is not only a legal obligation, but also a moral responsibility of the company to create a balance between economic growth, environmental sustainability, and community welfare (Rosser & Edwin, 2010; Asmara et al., 2023; Armansyah & Fadjar, 2024).

Article 74 of the UUPT regulates the obligation to implement CSR. Social and Environmental Responsibility (CSR) is also regulated in Law Number 25 of 2007 concerning Investment (Waagstein, 2011; Fitriasari & Kawahara, 2018; Murjiyanto et al., 2023), which serves as a guideline for investors to ensure that their business activities are not only profit-oriented, but also provide positive contributions to society and the environment. Article 15 Letter B of Law 25/2007 stipulates that every investor must carry out CSR. What is meant by CSR according to the explanation of Article 15 Letter B of Law 25/2007 is the responsibility inherent in every investment company to continue to create harmony, balance and in accordance with the environment, values, norms and culture of the local community.

In addition to being subject to administrative sanctions, investors can also be subject to other sanctions in accordance with the provisions of the law (Article 34 paragraph (3) of Law No.

25/2007). Based on Law No. 25 of 2007, the implementation of CSR aims to: 1) Support the creation of sustainable development; 2) Ensure that the company's business activities do not have a negative impact on the environment and society; 3) Establish harmonious relations between the company, government, and local communities. The CSR provisions in Law No. 25 of 2007 provide a general legal basis for investment companies (Levashova, 2018). Meanwhile, Government Regulation No. 47 of 2012 provides technical guidelines for limited liability companies to implement CSR, including program management, reporting, and supervision.

Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies (*Peraturan Pemerintah*, PP No. 47/2012) is an implementing regulation of Law No. 40 of 2007 concerning Limited Liability Companies (Anggriani, 2024). This regulation provides technical guidelines for companies in implementing Social and Environmental Responsibility (CSR) as part of their legal obligations and ethical commitments to support sustainable development (Idowu, 2016). In Article 1 number 1 of PP No. 47/2012, CSR is defined as: "The responsibility inherent in every Company to continue to create harmonious, balanced, and appropriate relationships with the environment, values, norms, and culture of the local community."

This definition emphasizes that the implementation of CSR must pay attention to the environmental, social, and cultural interests of the community around the company's operational area. The main articles in PP No. 47/2012 which regulates the implementation of CSR are as follows (Setiawati et al., 2022): (1) Article 2, CSR must be implemented by Limited Liability Companies (PT) that carry out business activities in the field and/or related to natural resources. This obligation aims to maintain a balance between business sustainability, environmental preservation, and community welfare; (2) Article 3, CSR is part of the Company's strategic plan and must be considered in the planning and implementation process of business activities; (3) Article 4, CSR implementation costs must be included in the company's budget and are the full responsibility of the company; (4) Article 5, CSR implementation must be reported in the company's annual report as a form of transparency and accountability to stakeholders.

This PP (*Peraturan Pemerintah*, Government Regulations) does not specifically regulate sanctions, but non-compliance with CSR obligations can be subject to administrative or legal sanctions in accordance with applicable regulations. PP No. 47/2012 covers various activities that can be carried out by companies in implementing CSR, including: (1) Environmental Conservation: Programs related to waste management, energy efficiency, and natural resource conservation; (2) Social and Economic Development: Support to local communities through education, health, infrastructure, and economic empowerment; (3) Improving Quality of Life: Efforts to improve the standard of living of communities around the company's operational areas.

As a company engaged in the natural resource management sector (palm oil industry), PT. Asian Agri has an obligation to implement CSR according to PP No. 47/2012 (Gillespie, 2012; Sugino et al., 2015; Tyson et al., 2018). In this context, the study aims to analyze CSR as a process in which a company's moral or ethical business responsibility is transformed into a legal responsibility that can be enforced and has sanctions. Before being regulated in positive law in Indonesia, the implementation of CSR depended on voluntary moral or ethical responsibility, mainly determined by the company's leadership.

Government Regulation Number 47 of 2012, issued on April 4, 2012, marked a new era in the development of law in Indonesia by regulating the Social and Environmental Responsibility of Limited Liability Companies. This regulation is an implementation of the mandate of Article 74 paragraph (4) of Law Number 40 of 2007 concerning Limited Liability Companies. In addition to the UUPT, the implementation of CSR is also regulated in Law No. 25 of 2007 concerning Investment. Article 15 (b) of this law states that every investor is obliged to carry out corporate social responsibility.

This means that every investor, both domestic and foreign, who conducts business activities in Indonesia is required to implement CSR as part of their business activities. Thus, the

implementation of CSR is an obligation for all companies that invest in Indonesia, not only limited to companies engaged in the natural resources sector. Law No. 39 of 2014 concerning Plantations is a regulation issued by the Indonesian government to regulate all aspects related to the plantation industry in Indonesia (Maryudi et al., 2015; Nasir et al., 2024; Nasir et al., 2025).

This regulation aims to create sustainable, fair plantation management that provides optimal benefits for the state, society, and the environment. This regulation covers various matters related to the management of natural resources, licensing, production, and the company's obligations in implementing social and environmental responsibility (CSR) related to plantation operations. One of the important aspects regulated in Law No. 39 of 2014 is environmental management in plantation activities which is very relevant to Law No. 47 of 2012 concerning Social and Environmental Responsibility in Companies.

In the palm oil industry as carried out by PT. Asian Agri Palm Oil Mill, This Government Regulation provides guidelines for companies to carry out social and environmental responsibilities including the management of B3 waste (Hazardous and Toxic Materials), maintaining soil quality, and fulfilling obligations to implement CSR programs that focus on the welfare of the surrounding community and environmental protection. Therefore, this study examines the implementation of Social and Environmental Responsibility (CSR) by PT. Asian Agri, especially at the Palm Oil Mill in Tanah Datar Village, Asahan Regency, in the context of Government Regulation Number 47 of 2012.

METHODS

The types of legal research used include normative legal approaches and empirical legal research (Christiani, 2016; Taekema & van der Burg, 2024). Normative legal research focuses on norms as the focus of research, including norms contained in laws and regulations as well as legal norms from various laws.²⁶ By looking at the functional relationship between normative legal theory and dogmatic legal science or normative legal science, it can be emphasized once again that the definition of normative legal theory is a theory of legal science in describing and prescribing legal norms. Normative legal research aims to study, analyze, and interpret legal norms that exist in a particular legal system. In the context of the given thesis title, the research will focus on the analysis of Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility in Companies (Cahaya et al., 2015; Gunawan & SeTin, 2019). This research was conducted for one month, namely in August 2024. Research activities include collecting primary and secondary data conducted through interviews with the management of PT. Asian Agri Palm Oil Factory, the community around Tanah Datar Village, and direct observation at the research location. In addition, the study also includes a review of related documents, such as company reports and relevant laws and regulations, including Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility. This process is carried out intensively to obtain valid and in-depth data as analytical material in evaluating the implementation of social and environmental responsibility in the company. This study will involve an in-depth analysis of the content and substance of the regulation, including the scope, provisions, sanctions, and legal implications for the company's CSR (Corporate Social Responsibility) practices. In addition, this study will also consider other relevant legal aspects, such as other related regulations, relevant court decisions, and applicable legal doctrines. A case study of PT. Asian Agri Palm Oil Factory in Tanah Datar Village, Asahan Regency will be a concrete example used to illustrate the application of the regulation in a real context.

Through this approach, the study aims to provide a deep understanding of the implementation of the law in the company's business practices, as well as its impact on social and environmental responsibility. This study uses primary and secondary data to support the analysis of the implementation of Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility (CSR) at PT. Asian Agri, especially in the Palm Oil Mill located in Tanah Datar Village, Asahan Regency. Field research was conducted by conducting direct observation of the research object to collect the necessary data. This was done through an

interview process with competent parties at PT. Asian Agri Palm Oil Mill in Tanah Datar Village, Asahan Regency. In field research, primary data was collected through in-depth interviews and direct observation in the field. Interviews were conducted with several parties who had knowledge and direct involvement with the CSR program of PT. Asian Agri. In addition to interviews, direct observation was conducted to observe the implementation of CSR activities in the field such as the provision of educational assistance, health facilities, and environmental management carried out by PT. Asian Agri. Data analysis is a process that includes arranging, sorting, grouping, coding, and categorizing data to then be organized into a manageable form with the aim of finding themes and working hypotheses which are then used as substantive theories (Mehmetoglu & Altinay, 2006; Hoda et al., 2012; Neale, 2016). In this study, qualitative methods are used to find theories from data, which refer to legal norms in legislation, court decisions, and norms that exist and develop in society. All legal materials relevant to the research topic, including Government Regulation Number 47 of 2012 and other related laws related to corporate social and environmental responsibility. Collection of all documents and regulations related to corporate social and environmental responsibility, including Government Regulation Number 47 of 2012 and internal company regulations related to CSR.

RESULTS AND DISCUSSION

Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility (CSR) requires companies to carry out activities that have a positive impact on the community and the surrounding environment (Nuswantara & Pramesti, 2020; Zamroni et al., 2022; Wibawani et al., 2024). CSR is an integral part of a company's operational activities aimed at achieving sustainable development. The implementation of Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility (CSR) by PT. Asian Agri Palm Oil Factory in Tanah Datar Village, Asahan Regency, is a significant step in ensuring that the company operates by considering the social and environmental impacts it causes.

This regulation emphasizes that every company is required to make a real contribution to the community and environment around its operational location. PT. Asian Agri has adopted various policies and programs to comply with this regulation, especially in the management of factory waste and empowering local communities. To understand the implementation of Government Regulation Number 47 of 2012 in depth, the researcher conducted an interview with the Manager of PT. Asian Agri Palm Oil Factory in Tanah Datar Village. The Manager said:

"The company has adopted a policy that is in line with PP Number 47 of 2012 through a number of environmental and social programs. The program includes efficient waste management, reforestation, and MSME development, which are designed to improve community welfare and maintain environmental quality around the factory. In addition, the company faces challenges such as the need for significant investment in waste processing technology and the lack of environmental awareness among some parties. To overcome these challenges, PT. Asian Agri continues to increase investment in environmentally friendly technologies, strengthen education programs, and collaborate more closely with the government and non-governmental organizations." (Interview with Husnisyah, Manager of PT. Asian Agri. Asahan, August 28, 2024.

PT. Asian Agri implements environmentally friendly waste processing technology. This factory uses a sophisticated liquid waste processing system to reduce environmental pollution. This process involves biological and chemical processing to ensure that the waste discharged meets environmental quality standards. According to P. M. U. Nugroho in his book *Palm Oil Industry Waste Processing Technology*, these steps are very important to reduce the negative impact on the local ecosystem. PT. Asian Agri has implemented various waste management programs to minimize the negative impact on the environment:

Liquid Waste Processing (Palm Oil Mill Effluent - POME)

Liquid waste is treated through a combination of anaerobic and aerobic pond systems, where it undergoes multiple stages to significantly reduce organic matter before being safely released into the environment. Additionally, biogas technology is employed to process Palm Oil Mill Effluent (POME), generating renewable energy while simultaneously reducing methane emissions, thus contributing to a more sustainable and environmentally friendly waste management approach.

Solid Waste Management

Palm kernel shells and fibers are utilized as fuel for boilers, helping to reduce reliance on fossil fuels and promote sustainable energy use. Additionally, empty oil palm bunches are processed into compost, which is then used to enhance soil fertility in oil palm plantations, supporting environmentally friendly agricultural practices.

PT. Asian Agri also runs a community empowerment program. This program includes training for local farmers on sustainable farming techniques, the use of organic fertilizers, and efficient water management. This initiative aims to improve the welfare of village communities by providing knowledge and skills that can improve their agricultural output. As noted by D. S. Kusuma in his book *Pemberdayaan Petani dan Pembangunan Berkelanjutan*, such training can help farmers adopt better and more environmentally friendly agricultural practices. The researcher then conducted interviews with the Tanah Datar Village Government Representatives with the aim of assessing the extent to which PT. Asian Agri's social and environmental responsibility (CSR) policies and programs coordinate with local government policies and their impact on the local community. The Village Government Representative said:

"The cooperation between PT. Asian Agri and the village government in implementing the CSR program. PT. Asian Agri is actively involved in supporting local policies through various initiatives, such as community empowerment and environmental conservation programs. In addition, they highlighted the company's significant contribution in supporting village policies, including participation in local development projects and support for social activities that benefit the community." (Interview with Jarkasih, Village Government, Asahan, August 28, 2024)

PT. Asian Agri shows a strong commitment to implementing CSR in accordance with PP Number 47 of 2012. Several internal policies implemented by the company include: (1) Preparation of CSR Guidelines: PT. Asian Agri has prepared internal guidelines that regulate the implementation of CSR covering environmental, social, and economic aspects; (2) Formation of a Special Team: The company has formed a special team responsible for implementing the CSR program to ensure that each activity is in accordance with applicable regulations. PT. Asian Agri is committed to ecosystem sustainability through various environmental conservation programs. One of its main initiatives is reforestation and tree planting around the company's operational area. This step aims to maintain ecosystem balance, reduce soil erosion, and improve air and soil quality in the surrounding area.

In addition, PT. Asian Agri also manages a biodiversity conservation program to protect local flora and fauna that are threatened by industrial activities. Through these efforts, the company strives to minimize negative impacts on the environment and maintain the sustainability of natural resources, while ensuring the survival of local species in the area. As part of its corporate social responsibility (CSR), PT. Asian Agri carries out various community empowerment programs to improve the welfare of local communities. One of the main programs is training and education, where the company provides guidance to local farmers on sustainable farming techniques and domestic waste management. This program aims to improve farmers' skills and promote environmentally friendly and efficient practices. In addition, PT. Asian Agri also focuses on the development of Micro, Small, and Medium Enterprises (MSMEs) by providing capital assistance and mentoring. This support helps local communities develop their businesses

and create alternative sources of income, thereby driving local economic growth and improving the overall quality of life.

The implementation of PP Number 47 of 2012 by PT. Asian Agri has had a significant positive impact on the environment in Tanah Datar Village. First, effective management of liquid and solid waste has succeeded in reducing water and soil pollution, maintaining the quality of the surrounding environment. Second, the reforestation and tree planting programs implemented have increased vegetation cover, supported the balance of the local ecosystem, and helped conserve natural resources. Third, the use of biogas technology to process POME (Palm Oil Mill Effluent) plays a role in reducing methane emissions, which supports climate change mitigation efforts. In addition, the implementation of PP Number 47 of 2012 has also had a positive impact on community welfare. Community empowerment programs, such as composting and developing MSMEs, create new economic opportunities that increase community income (Kania et al., 2021; Kurniawan et al., 2024; Pratiwi & Iva Istirawati, 2024).

Education and training programs increase community awareness of the importance of protecting the environment and implementing environmentally friendly practices. Another positive impact is on public health; environmental pollution reduction resulting from sustainable practices reduces the risk of diseases caused by water and soil pollution, thereby improving the overall health and well-being of the community. Regulations governing corporate social responsibility (CSR), especially those related to social and environmental responsibility, are no longer voluntary. Instead, CSR activities have become mandatory and contain legal responsibilities. This means that every company, in general, is required to carry out its social responsibilities, while for companies engaged in natural resources (such as mining investments), they also have an obligation to fulfill these social and environmental responsibilities.

Although PT. Asian Agri has made various efforts in implementing corporate social responsibility (CSR), there are several challenges faced. One of the main challenges is investment costs, where waste processing technology and CSR programs require significant funds, which can be a financial burden for the company. In addition, although there are educational programs, environmental awareness among workers and the community still needs to be improved so that support for the sustainability of the CSR program is more optimal. Another challenge is collaboration with stakeholders, where building effective partnerships with the government, communities, and non-governmental organizations requires time and ongoing effort. To overcome this challenge, PT. Asian Agri can make several improvements. First, increasing investment in more efficient and environmentally friendly waste processing technology is essential to achieving long-term sustainability goals.

Second, education and outreach programs on the importance of environmental management need to be continuously improved, by utilizing collaboration with the government and educational institutions to expand reach and impact. Third, strengthening collaboration with the government and non-governmental organizations can help strengthen the CSR program and ensure its sustainability. Finally, regular monitoring and evaluation of the CSR program is essential to identify areas that need improvement and ensure compliance with applicable regulations, so that the program can continue to be improved and adjusted to the latest needs and developments. The role of the Asahan Regency government is very important in overseeing the implementation of CSR by PT. Asian Agri. The local government routinely conducts inspections and audits of the company's activities to ensure compliance with applicable regulations. They also serve as mediators between the company and the community, helping to resolve conflicts that may arise related to the impact of factory operations.

In addition to waste management and community empowerment, PT. Asian Agri is also involved in various other social initiatives. The company has built village infrastructure, including roads, health facilities, and schools. All of this aims to improve the quality of life of the local community and demonstrate the company's commitment to sustainable development. In the book *Social Initiatives and Village Development* by L. A. Rahma, it is stated that this kind of

contribution is very important in building good relations between the company and the local community. The positive impact of the implementation of CSR by PT. Asian Agri can be seen in various aspects of village community life. The company's education programs have increased literacy rates in the village, while better access to health services has reduced maternal and infant mortality rates. In addition, economic empowerment programs have helped increase household incomes and reduce poverty rates. The book on Social and Economic Impact of CSR by R. W. Sari states that such contributions are very important in improving the welfare of the community.⁵⁸ The implementation of Government Regulation Number 47 of 2012 by PT. Asian Agri is a good example of the company's efforts in carrying out social and environmental responsibilities. By continuously improving existing programs and initiatives and working together with various stakeholders, PT. Asian Agri can ensure that their operations are not only economically profitable but also contribute positively to the community and the surrounding environment.

The implementation of Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility (CSR) by PT. Asian Agri Palm Oil Factory in Tanah Datar Village, Asahan Regency, has shown positive results in the management of factory waste. This effort not only helps reduce negative impacts on the environment but also provides economic and social benefits to the local community. With a strong commitment and continuous improvement efforts, PT. Asian Agri can continue to improve the quality of waste management and strengthen its role in creating a cleaner and more sustainable environment. The government must also ensure that the social and environmental goals of investment can be achieved through policies that encourage corporate social responsibility (CSR) and environmental protection. It is important to create a balance between economic interests and social interests, so that investment not only provides financial benefits, but also contributes to sustainable development and the welfare of society as a whole.

PT. Asian Agri implements environmentally friendly waste processing technology. This factory uses a sophisticated liquid waste processing system to reduce environmental pollution. This process involves biological and chemical processing to ensure that the waste discharged meets environmental quality standards. According to P. M. U. Nugroho in his book *Palm Oil Industry Waste Processing Technology*, these steps are very important to reduce the negative impact on the local ecosystem. PT. Asian Agri has implemented various waste management programs to minimize the negative impact on the environment: Liquid Waste Processing (Palm Oil Mill Effluent - POME) as follows: 1) Anaerobic and Aerobic Pond System: Liquid waste is processed through several stages of anaerobic and aerobic ponds to reduce the levels of organic matter before being released into the environment; 2) Biogas Technology: POME is processed using biogas technology that produces renewable energy and reduces methane emissions. Meanwhile, for Solid Waste Management as follows: 1) Utilization as Fuel: Palm kernel shells and fibers are used as fuel for boilers, reducing dependence on fossil fuels; 2) Composting: Empty oil palm bunches are processed into compost that is used to improve soil fertility in oil palm plantations.

PT. Asian Agri also runs a community empowerment program. This program includes training for local farmers on sustainable farming techniques, the use of organic fertilizers, and efficient water management. This initiative aims to improve the welfare of village communities by providing knowledge and skills that can improve their agricultural output. As noted by D. S. Kusuma in his book *Pemberdayaan Petani dan Pembangunan Berkelanjutan*, this type of training can help farmers adopt better and more environmentally friendly agricultural practices. The researcher then conducted interviews with the Tanah Datar Village Government Representative with the aim of assessing the extent to which PT. Asian Agri's social and environmental responsibility (CSR) policies and programs coordinate with local government policies and their impact on the local community. The Village Government Representative said:

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In addition, PT. Asian Agri also manages a biodiversity conservation program to protect local flora and fauna that are threatened by industrial activities. Through these efforts, the company seeks to minimize negative impacts on the environment and maintain the sustainability of natural resources, while ensuring the survival of local species in the area. As part of its corporate social responsibility (CSR), PT. Asian Agri carries out various community empowerment programs to improve the welfare of local communities. One of the main programs is training and education, where the company provides guidance to local farmers on sustainable agricultural techniques and domestic waste management. This program aims to improve farmers' skills and promote environmentally friendly and efficient practices. In addition, PT. Asian Agri also focuses on the development of Micro, Small, and Medium Enterprises (MSMEs) by providing capital assistance and mentoring. This support helps local communities develop their businesses and create alternative sources of income, thereby encouraging local economic growth and improving overall quality of life.

The implementation of PP Number 47 of 2012 by PT. Asian Agri has had a significant positive impact on the environment in Tanah Datar Village. First, effective management of liquid and solid waste has succeeded in reducing water and soil pollution, maintaining the quality of the surrounding environment. Second, the reforestation and tree planting programs implemented have increased vegetation cover, supported the balance of the local ecosystem, and helped conserve natural resources. Third, the use of biogas technology to process POME (Palm Oil Mill Effluent) plays a role in reducing methane emissions, which supports climate change mitigation efforts. In addition, the implementation of PP Number 47 of 2012 also has a positive impact on community welfare. Community empowerment programs, such as composting and developing MSMEs, create new economic opportunities that increase community income.

Education and training programs increase public awareness of the importance of protecting the environment and implementing environmentally friendly practices. Another positive impact is on public health; reducing environmental pollution resulting from sustainable practices reduces the risk of diseases caused by water and soil pollution, thereby improving the quality of health and welfare of the community as a whole. Regulations governing corporate social responsibility (CSR), especially those related to social and environmental responsibility, are no longer voluntary. Instead, CSR activities have become mandatory obligations that contain legal responsibilities. This means that every company, in general, is required to carry out its social responsibilities, while for companies engaged in natural resources (such as mining investments), they also have an obligation to fulfill these social and environmental responsibilities.

CONCLUSION

The regulation of Social and Environmental Responsibility (CSR) in Indonesia is regulated through various regulations such as Law No. 40 of 2007 concerning Limited Liability Companies, Law No. 25 of 2007 concerning Investment, and Law No. 19 of 2003 concerning State-Owned

Enterprises. CSR is not only a legal obligation but also a moral responsibility for companies to contribute to sustainable development and community welfare. Companies such as PT. Asian Agri which operates in the natural resources sector are required to implement CSR in accordance with applicable regulations, including PP No. 47 of 2012 and Law No. 39 of 2014 concerning Plantations which regulate obligations related to environmental management and community welfare. The implementation of CSR is important to ensure the sustainability of the company's operations, as well as minimize negative impacts on the environment and surrounding communities. Based on Government Regulation No. 47 of 2012, the forms and benefits of social and environmental responsibility (CSR) in companies include environmental preservation, social and economic development, community empowerment and responsibility towards employees and consumers. The CSR program implemented provides positive benefits for workers, communities, and the government, including improving welfare, developing infrastructure, and reducing environmental impacts. The implementation of Government Regulation Number 47 of 2012 by PT. Asian Agri in Tanah Datar Village, Asahan Regency shows a good commitment from the company in carrying out social and environmental responsibility (CSR). The programs and initiatives that have been implemented have made positive contributions both economically and environmentally, although there are still some areas that need to be improved, such as increasing community participation in planning and evaluating CSR programs. Overall, the implementation of this policy has had a beneficial impact on the surrounding community, but its sustainability and effectiveness can still be improved.

SUGGESTION

There needs to be stricter supervision and strict law enforcement on the implementation of CSR by companies, especially in sectors that have an impact on the environment and society. Companies are also expected to increase transparency in reporting CSR activities and focus more on empowering local communities and implementing sustainability principles in their operations. Companies are expected to continue to improve CSR implementation with a focus on sustainability and transparency, and ensure better waste management to minimize negative impacts on the environment and surrounding communities. PT. Asian Agri should increase community involvement in the planning, implementation, and evaluation of CSR programs to ensure that community needs are better met and that the programs implemented are truly relevant to local conditions. In addition, the company is also advised to strengthen cooperation with the government and non-governmental organizations (NGOs) in order to optimize the positive impact of this policy and ensure that all company operational activities are in line with sustainability principles.

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