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**RESEARCH ARTICLE**

**CSR Efforts for Achieving the SDGs: A Study of PT Hengjaya Mineralindo**

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**ABSTRACT**

Social responsibility is one of the company's strategies in supporting the acceleration of global sustainable development goals (SDGs). The proper utilization of economic, social, and environmental resources is also believed to support the achievement of sustainable livelihoods in terms of corporate business and other stakeholders. This research explores the CSR practice initiatives carried out by PT Hengjaya Mineralindo, which are aligned with 17 sustainable development goals through a descriptive qualitative approach. Program data was collected through logical, systematic procedures and finding valid data through interviews with PT HM's CSR Department and several stakeholders in Morowali Regency. The results show that the company has supported 12 out of 17 global goals with a beneficiary reach of more than 218,000 beneficiaries and 118 CSR program initiatives during 2022. These efforts have been optimized yearly through an integrated approach with various stakeholders in achieving sustainable development goals.

**KEYWORDS**

CSR, SDGs, PT HM, Sustainable Development

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**1. Introduction**

In the last few decades, Corporate Social Responsibility (CSR) has become an exciting and essential topic in the corporate world in developing countries (Carroll, 2010), including Indonesia. Corporate Social Responsibility (CSR) is an agency's effort to act ethically. This business is carried out with total commitment not only to reduce internal risks in the future (Coombs & Sherry, 2011) but also to contribute to improving the quality of life of employees and their families, the local community, and the wider community (stakeholders) (Anatan, 2009). This context emphasizes that the company's position serves not only the interests of shareholders but also the interests of the more comprehensive party (stakeholders). This examines the strength of stakeholders who can influence and be affected by the company's existence (Rusdianto, 2014).

CSR activities can create shared values for companies and society. This shared value is interpreted as evidence of governance that can contribute to physical and non-physical development in improving the quality of life of workers, local communities, and society at large. This contribution is closely related to considering the wishes and interests of various parties affected by the company's existence. In addition, this paradigm is closely related to global targets within the framework of implementing and achieving the 2030 Sustainable Development Goals (SDGs) agreed upon by 193 member countries (Bebbington & Unerman, 2018; Setyo, 2017). Although the SDGs are not legally binding, it is hoped that all stakeholders, including companies, will be able to direct collaborative efforts to eradicate poverty, hunger, discrimination, inequality, unemployment, and diseases that can destroy people's social life. Of course, natural, economic, and social problems cannot be easily and quickly resolved. Therefore, the SDGs have been carefully thought out and comprehensively to encourage all parties, including companies, to consider current and future needs through the 5P scheme (people, planet, peace, partnership, and prosperity) (UN, 2015).

The company has the resources, workforce, and technology to support the SDGs' achievement. Based on the CSR paradigm, triple bottom line, CSR is a business model that can demonstrate an ethical balance between economic interests, environmental needs, and social expectations (Elkington, 1997). Although CSR is the key to achieving corporate sustainability efforts, it contributes independently to broadly sustainable development (Mishra, 2021) and promotes the SDGs. However, through CSR, companies can invest in SDGs to protect themselves from future risks if they are managed based on the company's actual priorities. Thus, this sustainable governance will also indirectly help society to become more functional and avoid economic instability and environmental crises.

PT Hengjaya Mineralindo is a nickel mining company in Morowali Regency committed to supporting the achievement of SDGs in Indonesia through CSR agendas intended for internal and external companies. This commitment has been demonstrated through ongoing efforts to respond to current and future social and environmental challenges. The company's seriousness can be seen from its success in 2022 in obtaining a Green predicate in environmental and social governance or the Public Disclosure Program for Environmental Compliance (PROPER) from the Indonesian Ministry of Environment and Forestry (KLHK). The sustainability efforts carried out by PT HM in the CSR program are not just obligations or legal requirements based on the Law of the Republic of Indonesia Number 40 of 2007 article 74, but because of business awareness and moral responsibility. The company understands that mining activities are expected to impact the community in its operational area positively. Thus the company always supports educational, health service, social, cultural-religious, and environmental programs.

Through the commitment of PT Hengjaya Mineralindo in carrying out CSR programs to support sustainable development or SDGs, the authors attempt to classify and describe descriptively CSR programs that have answered sustainable goals or SDGs. This study is also expected to become an internal evaluation in reviewing program coverage in quality and quantity.

## 2. Literature Review

The 2030 Agenda for sustainable development is a global agreement on eradicating extreme poverty, fighting inequality and injustice, and ensuring no one is left behind (UN, 2015). The development goals agreed upon by world leaders at the UN in 2015, 17 Sustainable Development Goals (SDGs), have replaced the Millennium Development Goals (MDGs). The context of the SDGs is universal, with all stakeholders expected to contribute locally, nationally, and internationally. In addition, the seventeen goals of the 2030 Agenda for sustainable development are increasingly attractive topics for research, not only because of the interdisciplinary nature of the context of specific issues but also because of the concerns of many stakeholders regarding the expected depletion of the planet's resources and social and environmental issues—global economy. Embedding the SDGs into business strategy and optimizing the approach in an integrated manner is an effective effort to explore the interrelationships between each relevant topic and reflect the impact and sustainability of a company (Junior, Fien, & Horne, 2019; Adams & McNicholas, 2007). Such alignment allows companies to understand better, strengthen their relationships with stakeholders, and increase accountability.

Given the relevance and importance of the SDGs, various stakeholders have encouraged companies to support sustainable SDG goals and become more responsible for their contributions to the economic, social, and environmental fields. To achieve the SDGs, some of the main factors considered are universalism—nothing is left behind, real impact, not just numbers, businesses and other stakeholders join forces, protect the planet, and focus on global peace (Caprani, 2016). Because of its complexity, SDGs can only be achieved through integrated perspectives and efforts on the economic, social, and environmental dimensions (Sterling, 2016). In addition, taking into account the diversity of cultures, geographical breadth, economic status, political beliefs, and availability of resources, each country has been given flexibility in achieving the SDGs through a contextual approach by appropriately and adequately adjusting 169 parameters and 17 goals (Bebbington & Unerman, 2018).

## 3. Methods

This research uses a descriptive qualitative method. The authors try to describe, interpret and analyze which CSR programs are linear with the social pillars of the SDGs. Program data was collected through logical, systematic procedures and searching for valid data through interviews with the CSR Department of PT HM and several stakeholders in Morowali Regency from February to March 2023. Informants were selected based on purposive sampling with reference to several subjects closely related to the company's CSR program. In addition, this research was also carried out by studying written materials such as scientific articles, journals, and magazines. The authors study, classify and analyze CSR activity data based on the SDGs pillars in several related sources. Then further, the authors analyze these results using stakeholder theory to review company performance by maximizing the reach & expectations of stakeholders through the company's various CSR programs.

## 4. Result and Discussion

Companies can play a crucial role in contributing to regional development both physically and non-physically through various CSR practices. Through high resources, the company as a private sector is recognized as capable of providing positive social and

environmental impacts on stakeholders with geographic and psychographic proximity. Through CSR programs, companies can prove the support of business entities in overcoming several challenges to meet the SDGs. The implementation of SDGs in the field aimed at eliminating poverty, and hunger, increasing healthy and prosperous lives, quality education, and gender equality.

While the pillars of the SDGs are interrelated, the authors try to focus on the most relevant goals in each CSR effort to simplify the results of this study. Thus, independent analysis can be carried out for each purpose and each program without interfering with other targets and indicators. In addition, the authors also use the term "beneficiaries" rather than "people" because, in the context of CSR, one person can be several beneficiaries of several programs, which might be wrong if the researcher chooses to use the latter term. Preliminary findings from this approach are provided in Table 1.

**Table 1. PT HM's CSR efforts vs SDGs and the number of beneficiaries**

No	Purpose	Number of initiatives CSR	Number of beneficiaries
1	SDG 1: No poverty	4	205
2	SDG 2: Zero hunger	0	-
3	SDG 3: Good health and well-being	14	141.474
4	SDG 4: Quality education	19	1.405
5	SDG 5: Gender equality	0	-
6	SDG 6: Clean water and sanitation	1	230
7	SDG 7: Affordable and clean energy	0	-
8	SDG 8: Decent work and economic growth	8	4.510
9	SDG 9: Industry, innovation and infrastructure	13	8.647
10	SDG 10: Reduced inequality	0	-
11	SDG 11: Sustainable cities and communities	6	29.600
12	SDG 12: Responsible consumption and production	2	2.600
13	SDG 13: Climate action	0	-
14	SDG 14: Life below water	4	1.613
15	SDG 15: Life on land	1	35
16	SDG 16: Peace, justice and strong institutions	41	28.458
17	SDG 17: Partnerships for the goals	5	113
<b>Total</b>		<b>118</b>	<b>218.890</b>

Based on the data above, it can be seen that of the 118 CSR program initiatives, the company focuses on activities that promote peace and strong institutions (SDG 16) with communities around the mining area, which are then followed by improving the quality of education (SDG 4) and health promotion as well as welfare, as can be seen in Figure 1. However, this finding does not mean most beneficiaries come from SDG 16 alone. Instead, PT Hengjaya Mineralindo's efforts have made a more significantly positive contribution, namely SDG 3 (good health and well-being) and SDG 11 (sustainable cities and communities), as shown in Figure 2. These facts show that even though the company supports more activities aligned with SDG 16, the program's impact and scale differed from the health-related programs in the study period.

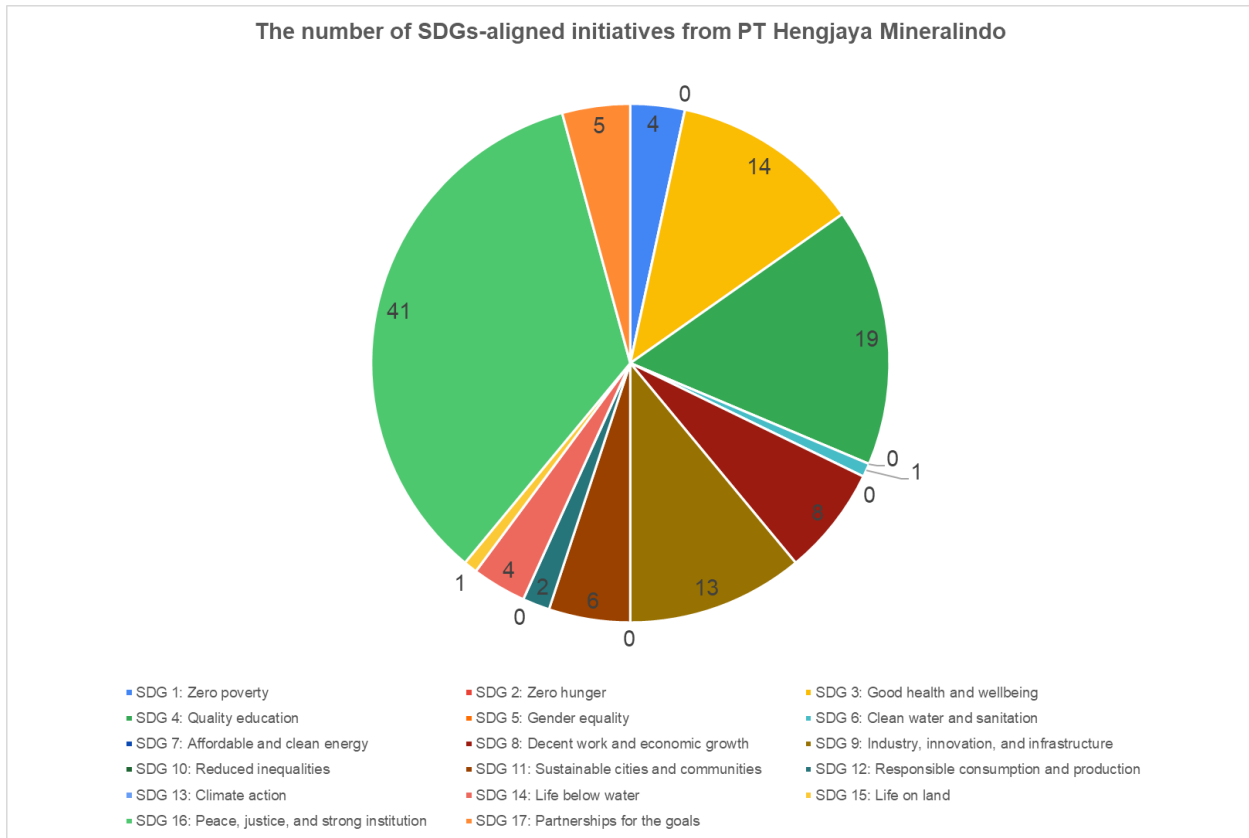


Figure 1. SDGs-aligned initiatives from HM in 2022

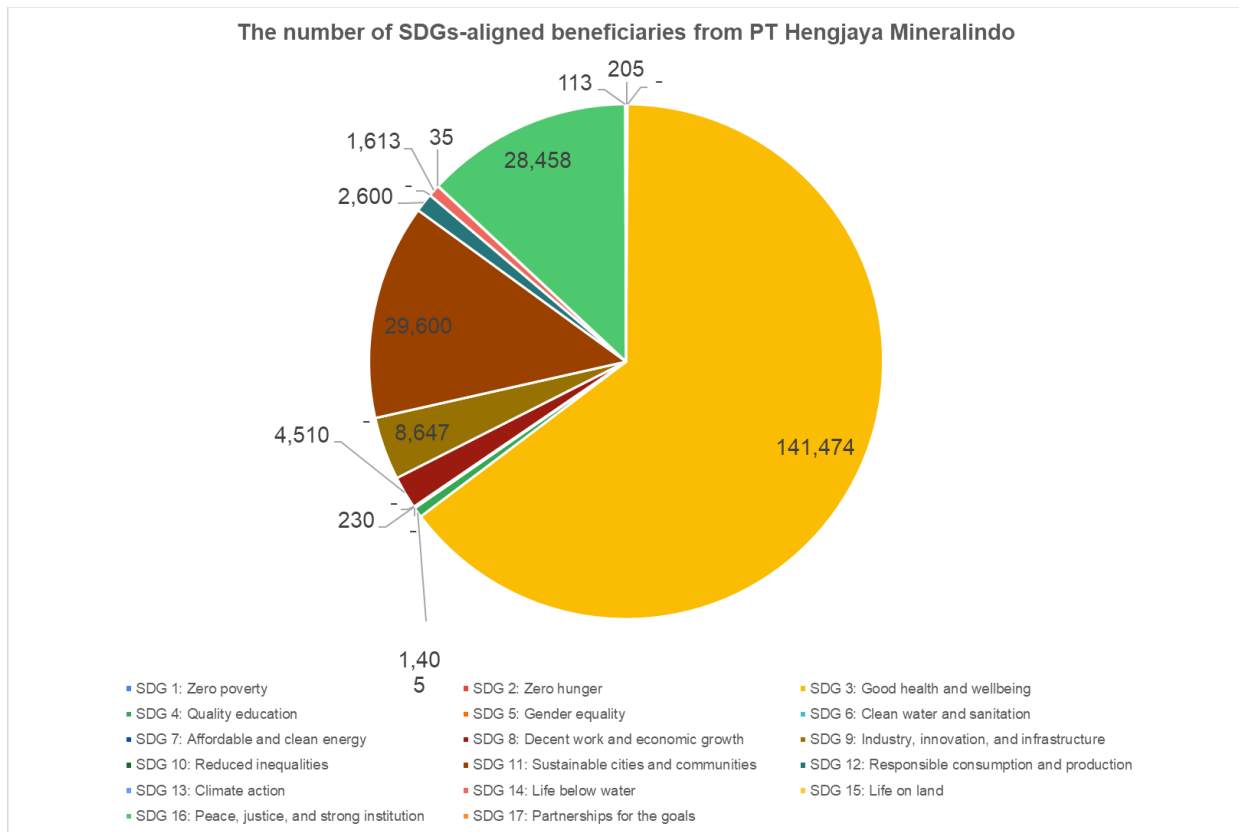
Apart from initiatives in quantity, based on other field data, the number of CSR practice initiatives is the most dominant in addition to the goals of peace, justice, and strong institutions (SDG 16), the company has also considered that the quality of public education in the mining area can be guaranteed both in terms of infrastructure and non-infrastructure (SDG 4). This can be seen from the existence of programs such as scholarships, libraries, apprenticeships, and the development of infrastructure to support education on an ongoing basis, reaching approximately 1500 beneficiaries cumulatively by 2022. The company always tries to support local governments to educate the lives of local communities following what is stated in the fourth paragraph of the Preamble of the 1945 Constitution of the Republic of Indonesia, the 1945 Constitution of the Republic of Indonesia Article 28C paragraph (1), and Article 5 of Law no. 20 of 2003 concerning the national education system. Therefore, the company's CSR practices focus on supporting the fulfillment of the rights of local communities in preparing all facilities, both primary and supporting quality education in the villages around the mine.

"(ee) we are grateful to have received assistance from the company several times, such as school operational funding, then teachers who are also in college are also assisted with scholarship funds, we even renovated school buildings so that children can study well," PY, Teacher in one of the schools in the mining area of PT Hengjaya Mineralindo.

Even though the quantity of SDG 4 initiatives is relatively high, in terms of the reach of beneficiaries, the goal of good health and welfare (SDG 3) has the highest significant number of beneficiaries, namely 141,474 out of a total of 218,890 people during 2022. The program aid drives this high number in a blood bank refrigerator with a capacity of approximately 600 blood bags given to the Indonesian Red Cross in Morowali Regency with a reach of more than 70,000. This initiative was motivated by the organization's blood bank refrigerator's unavailability to distribute blood requests to the people in Morowali Regency properly. Therefore, this context has described a positive contribution through collaboration between stakeholders, both the government, private institutions, communities, and regional non-profit organizations. Also, this is important because CSR practices have been linear with the community's needs and the development plan of local government quality management.

"So far, if people need blood, they will be directly connected to the donors due to the limited blood storage devices owned by PMI. Hopefully, with the help of this blood bank refrigerator (ee) can make it easier for PMI to accommodate and increase the stock of blood bags from donors so that patients who need blood transfusions can be served quickly and maximally," Hj. Nirmawati, Secretary of PMI Morowali.

Even though several CSR agendas have answered global challenges in terms of sustainable goals on the SDGs, based on data collected by the authors, PT Hengjaya Mineralindo's CSR does not directly answer several purposes in the SDGs, including ending hunger (SDG 2), gender equality (SDG 5), clean and affordable energy (SDG 7), reducing inequality (SDG 10) and tackling climate change (SDG 13). In addition, to eradicate poverty (SDG 1), access to clean water and sanitation (SDG 6), and maintain terrestrial ecosystems (SDG 15), the number of beneficiaries is still below 1,000 people. One example of CSR practices in SDG 6 is the construction of toilets in the mosque in the village community's residential area at the company's mine level, which supports the fulfillment of sanitation facilities in community worship. This program was implemented through a bottom-up approach that was agreed upon by community groups and discussed with the company. Thus, these results have emphasized the importance of companies considering supporting more massive and diverse initiatives to ensure that the company's contribution to the SDGs can be comprehensive and not seen as mere cherry picking. However, the uneven achievement gap in each of the SDGs is also a common problem globally which should be a "warm reminder" for CSR and Sustainability professionals in Indonesia to be able to ensure that corporate initiatives need to address SDGs specifically in the future.



**Figure 2.** SDGs-aligned beneficiaries from HM in 2022

With the CSR data obtained in the field, as described above, for authors, CSR contributions can optimally respond to global challenges in the SDGs if implemented through a stakeholder collaboration framework as stated in goal number 17, starting from the community to the institutions – globally competent institutions. This is bearing in mind that the SDGs have offered substantial opportunities to build new relationships and strengthen relationships among all actors (government, business, stakeholders, the scientific community, and civil society).

"We hope that the implementation of PT Hengjaya Mineralindo's CSR activities will also be followed and carried out by all companies located in the Morowali Regency area so that the implementation of the development can be more focused and following the vision and mission of the Morowali Regency government," Hasyim, Secretary of Bapelitbangda Morowali Regency.

For the authors, progress globally will occur in a context where all people can lead productive, vibrant, and peaceful lives together on a sustainable planet. Through the company's context, PT Hengjaya Mineralindo's CSR program has attempted to reach multi-stakeholder involvement in the program's sustainability process, from planning and implementation to evaluation. The parties involved are diverse, from the local community around the mine, the village government, the local government of Morowali Regency, to non-profit organizations outside the Morowali Regency area.

The SDGs' new paradigm has encouraged a corporate approach to planning and implementing CSR policies in the context of sustainable development. In line with the principle of "No left behind," the company's CSR is always ensured to support regional, national, and global development agendas in a participatory manner. The company's CSR agenda has been prepared with multi-stakeholders, so its implementation can answer local and international needs. The positive contributions that the company has made are based on internal resources and innovation that are well communicated to stakeholders in a collaborative framework. Companies can use the SDGs paradigm to increase CSR engagement in line with changes in stakeholder expectations. This initiative has been carried out as a form of the company's strategic sensitivity in responding to global challenges through the creation of shared value in the company's business chain. This means that PT Hengjaya Mineralindo has seen SDGs as a key strategy that should be adopted to manage social contracts between the business sector and society, especially in the mining area. Thus, in the end, the SDGs will become a common language between companies and stakeholders to contribute to sustainable development.

## 5. Conclusion

Each element in the triple bottom line theory has a vital role to play in fulfilling corporate responsibility in realizing sustainable development locally, nationally, and globally. In 2022, PT Hengjaya Mineralindo endeavoured to align social responsibility initiatives with 17 sustainable development goals carried out with a bottom-up and collaborative approach. The industries that have been implemented do not only focus on social issues but also the economy and the environment. This is considering that global goals cover various issues prepared based on mutual agreement. Based on the results of the discussion, several SDGs issues need to be noted for the development of corporate CSR initiatives in the future, namely those related to gender equality (SDG 5), clean and affordable energy (SDG 7), reducing inequality (SDG 10) and tackling climate change (SDG 7). SDG 13). These goals are expected to support other purposes that the company has focused on in responding to global challenges in humanitarian and environmental issues today and in the future.

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