



## **INTEGRATING COMMUNITY EMPOWERMENT AND ENVIRONMENTAL SUSTAINABILITY THROUGH CSR: A CASE STUDY OF PT SARIHUSADA IN THE UPPER SLEMAN WATERSHED, YOGYAKARTA**

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### **ABSTRACT**

The COMDEV and CSR program of PT Sarihusada Generasi Mahardika (SGM) in Padukuhan Kaliurang Timur, Kalurahan Hargobinangun, focuses on community empowerment and environmental curiosity. This research uses a descriptive qualitative approach to systematically describe various CSR initiatives carried out by PT SGM, by collecting data through program documentation, field observations, and participatory interviews. The CSR activities implemented include water conservation in upstream areas with the development of water catchment infrastructure, community-based integrated waste management, and urban farming as a strategy to improve food security. In addition, PT SGM also initiated the economic empowerment of women's groups through the Women Farmers Group (KWT) in dairy production and coffee harvest management. Environmental programs are enhanced through environmental education in elementary schools with the formation of environmental cadres and school garden management. To strengthen synergies, PT SGM also held multi-stakeholder discussions and campaigns to encourage cross-sector collaboration in preserving the environment. The whole program shows a holistic approach that combines ecological, economic, and educational aspects, and strengthens the community's capacity to face environmental challenges in a participatory and sustainable manner.

### **KEYWORDS**

csr; water conservation; waste management; urban farming; community empowerment

### **ARTICLE HISTORY**

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## INTRODUCTION

Corporate Social Responsibility (CSR) is a manifestation of private sector participation in realizing sustainable development that includes economic, social, and environmental dimensions (Elkington, 1998; Carroll, 1999). CSR is not only understood as a form of compliance with regulations, but also as a strategic effort of the company to create shared value with the surrounding community (Porter & Kramer, 2011). Companies that consistently implement CSR are able to build a positive reputation, strengthen social relations, and support environmental sustainability.

PT Sarihusada Generasi Mahardika (SGM), which is part of the Danone Group and is engaged in nutrition and health, demonstrates its commitment to CSR principles through a series of Community Development (ComDev) programs in Padukuhan Kaliurang Timur, Hargobinangun sub-district, Yogyakarta Special Region. These programs are designed with a community-based participatory approach and cover various strategic areas, including water conservation, waste management, urban farming, empowerment of women farmer groups (KWT), and environmental education in elementary schools.

Each initiative aims not only to protect and preserve local ecosystems, but also to improve the quality of life and economic resilience of surrounding communities. Collaborative implementation strengthens the community's position as the main actor in local development, while creating sustainable social and ecological impacts (UNDP, 2015).

Based on this background, this study aims to analyze the implementation of CSR programs run by PT SGM in Kaliurang Timur hamlet. The focus of the analysis includes the effectiveness of the implementation, the impact on the community and the environment, and the preparation of strategic recommendations for strengthening CSR practices based on community empowerment.

## METHODOLOGY

This research uses a descriptive qualitative approach with the aim to deeply understand the implementation of PT Sarihusada Generasi Mahardika (SGM) CSR program in Padukuhan Kaliurang Timur. This approach was chosen because it is suitable for exploring complex and contextual social phenomena, especially those related to the dynamics of community empowerment and participation-based environmental management (Creswell, 2014).

The research location was determined purposively, namely in Padukuhan Kaliurang Timur, Hargobinangun Sub-district, Kapanewon Pakem, Sleman Regency, Yogyakarta Special Region. This location was chosen because it is a direct beneficiary area of PT SGM's CSR program and has a variety of representative ComDev activities, such as water conservation, waste management, and urban agriculture.

Research informants were selected using purposive sampling technique with the following criteria: (1) representatives from PT SGM who are responsible for the CSR program, (2) administrators of beneficiary community groups, such as Women Farmers Group (KWT), environmental cadres, and community leaders, and (3) village government officials involved in program coordination. The number of informants is adjusted to the data needs until it reaches the point of data saturation.

Data were collected through in-depth interviews, participatory observation, and documentation studies. In-depth interviews were used to explore informants' perceptions,

experiences, and evaluations of the CSR program. Observations were made of field activities such as organic farming, waste management training, and environmental campaigns. Documentation studies included reviewing company reports, media reports, and supporting documents from local community and government organizations.

Data analysis was conducted thematically by following the stages of the Miles and Huberman (2014) model, namely data reduction, data presentation, and conclusion drawing/verification. Data validity was maintained through source, technique and time triangulation techniques, as well as member checking with several key informants to ensure the accuracy of the information obtained.

## **RESULTS AND DISCUSSION**

### **1. Company Profile PT Sarihusada Generasi Mahardika (SGM)**

PT Sarihusada Generasi Mahardhika (SGM) is a company that produces various nutritional products for pregnant & lactating mothers and children with good taste, affordable and international standards. Sarihusada has been operating in Indonesia since 1954 as a concrete manifestation of the National Protein Adequacy Program organized by the Indonesian government together with the United Nations (UN). PT SGM is a company incorporated in Danone Specialized Nutrition together with PT Nutricia Indonesia Sejahtera and PT Nutricia Advance Medical Nutrition.

In line with this, PT SGM also carries out Danone's vision and mission, where PT SGM strongly believes that human health and the planet are interconnected, and PT SGM's goal is to inspire healthier and more sustainable eating and drinking choices for everyone, including those with special nutritional needs.

### **2. Implementation of COMDEV and CSR by PT Sarihusada Generasi Mahardika (SGM)**

Companies have an obligation to carry out social responsibility towards the community and the environment around the company's operational area, commonly referred to as Corporate Social Responsibility (CSR). CSR can be applied to help sustainable development by improving the company's reputation. PT Sarihusada Generasi Mahardika (SGM) is a company that is part of the Danone Group engaged in the nutrition and health industry sector, has a vision of "One Planet, One Health" and "Nutrition for the Nation". Where they have the main focus applied in this CSR program is community empowerment and environmental sustainability in the environment around the company area in Kaliurang Timur, Hargobinangun Village.

PT SGM has been working with the community of Padukuhan Kaliurang Timur, Hargobinangun Village since 2021 in implementing their company's CSR program. Kalurahan Harjobinangun is a kalurahan in Kapanewon Pakem, Sleman Regency, Yogyakarta Special Region which is located at an altitude of 700-1,325 meters above sea level.

### **3. Implementation of PT SGM's COMDEV and CSR Program in East Kaliurang Padukuhan**

PT SGM implements CSR programs using a comprehensive approach, involving various aspects of environmental sustainability and community empowerment. PT SGM's COMDEV and

CSR programs include:

a. Upstream Water Conservation

Water conservation is one of the main focuses of PT SGM's CSR program because Padukuhan Kaliurang Timur often has problems related to water where every time it rains, there will be many puddles on the road of Padukuhan Kaliurang Timur. From this problem, PT SGM initiated a water conservation program that aims to improve the flow of water runoff from upstream to downstream because Padukuhan Kaliurang Timur is a recharge water area where the water flowing in the Sleman Regency area and its surroundings is water flowing from the recharge water area in Padukuhan Kaliurang Timur. In addition, this water conservation program also aims to increase the infiltration capacity of rainwater in the catchment area by building infiltration wells, rainwater reservoirs (PAH), and rorak.

By forming the Warih Lestari Group which was given the task of managing PT SGM's water conservation program so that from 2023 to 2024, PT SGM through the Warih Lestari Group in collaboration with JAVLEC Indonesia and also the surrounding community succeeded in building 57 infiltration wells, 21 PAHs, and 20 roraks. This program is expected to be able to absorb up to 28 million liters of rainwater per year, so as to reduce the risk of flooding / inundation that arises when rain arrives, and maintain the availability of groundwater in the region.

b. Waste Management

PT SGM's CSR program in waste management in Kaliurang Timur Padukuhan is divided into two types, namely organic and inorganic waste management. Inorganic waste management, PT SGM provides waste bins at several strategic points to support the management of inorganic waste such as plastics and bottles. This program is one of the community development programs implemented by PT SGM for the mothers of the Makmur Jaya group. Where inorganic waste collected in the trash cans will be sorted first by the mothers of the Makmur Jaya group before being sold to PT SGM's partner, Duitin.

Duitin is a waste management community that opens a partnership network with the Duitin.id digital platform, they also facilitate the recycling and monetization of waste. As for organic waste, it will also be managed by the Makmur Jaya Group, where residents of Padukuhan Kaliurang Timur can provide their household organic waste to the Makmur Jaya Group at the Waste Conservation and Management Pilot Site on the land owned by the mother of Mr. Dukuh Padukuhan Kaliurang Timur. The organic household waste received by the Makmur Jaya Group will be used for maggot cultivation.

c. Urban Farming

Urban farming is also one of the community development programs initiated by PT SGM to improve local food security. This program involves housewives formed in a group called Kelompok Makmur Jaya to plant vegetables, fruits, and herbs with high economic value. The planting was carried out in the Pilot Land for Conservation and Waste Management in the village of Padukuhan Kaliurang Timur, which happened to be the land owned by the mother of the village head.

One of the developments carried out is ginger and maggot cultivation, which not only increases yields but also provides added economic value. The ginger cultivation will be sold to

ronde sellers around Kaliurang area, and the maggot will be used to feed catfish and chicken. In addition to planting in the conservation demonstration plot, the community of Kaliurang Timur Padukuhan was also invited to plant trees and coffee in the plantation area on the slopes of Merapi.

d. Empowerment of Women Farmers Group

The group fostered by PT SGM Kaliurang runs a community development program through milk-based product processing as part of the effort to support Micro, Small and Medium Enterprises (MSMEs). This program aims to utilize the potential of milk as the main raw material to produce high-value processed products. Currently, one of the ready-to-sell products is milk stick, a crunchy light snack with a distinctive milk flavor, which has met quality standards and is suitable for marketing through cooperatives, gift shops, and digital platforms. Meanwhile, other products such as milk dodol and milk pie are still under development. PT SGM supports this empowerment through training, provision of raw materials, technical assistance, and marketing facilitation. This program has a positive impact on the community such as creating jobs and as a milk and nutrition producer, PT SGM is often involved in campaigns and programs to raise awareness about the importance of child nutrition. In addition to producing milk, KWT is also assisted to manage coffee from the harvest in the garden. The coffee from the harvest will be sold in bundles outside the Kaliurang Timur area.

e. School-level Environmental Cadre Program

PT SGM's CSR program also focuses on the formation of school-level environmental cadres at SD Kaliurang 1. In this context, the program aims to create a school community that cares about the environment while supporting students' character development. Through an environment-based education approach, the program is designed to involve elementary school children in the formation of environmental cadres, a group of students who receive special training on environmental issues such as waste management, greening, and water conservation.

Grade students are given materials and training on global and local environmental issues, recycling techniques, and 3R-based waste management (Reduce, Reuse, Recycle). After that, 5th grade students are required to take part in maintaining and going directly to the school garden. The products from the school garden will also be sold to the students' guardians to show that the result of the environmental cadre formation program in SD Kaliurang 1 is successful and sustainable.

This program is expected to have an impact on creating a green school environment and developing a collective awareness of the importance of preserving the environment. This initiative reflects an effort to support sustainable development that can create a positive impact that extends to the surrounding community.

f. Multi-stakeholder Discussion and Campaign

PT SGM also creates discussion programs and conservation campaigns that focus on environmental preservation. The program is designed to raise public awareness about the importance of protecting the environment and supporting the sustainability of natural resources. By involving various stakeholders, such as local communities, environmental experts, and local governments, the program aims to create joint solutions in addressing environmental

issues.

Collaboration with local communities, Non-Governmental Organizations (NGOs), and academics in discussions related to environmental conservation in the Kaliurang area can be beneficial for the local community and the natural ecosystems that exist there. Waste management and recycling education for the local community and SMEs also needs to be done to help develop the knowledge and skills of the community and SMEs in Padukuhan Kaliurang Timur.

#### **4. The Impact of PT SGM's CSR Program in Kaliurang Timur Hamlet**

The Corporate Social Responsibility (CSR) program conducted by PT Sarihusada Generasi Mahardika (SGM) in Kaliurang Timur has given significant positive impacts, both environmentally, socially, and economically. Environmental impacts include increased water infiltration, waste reduction, and preservation of local ecosystems. Social impacts involve community empowerment, environmental education, and strengthening food security. Meanwhile, the economic impact can be seen from the increase in community income through waste management, urban farming, and dairy production. With a collaborative approach, PT SGM has successfully demonstrated that corporate social responsibility can provide significant long-term benefits to the community and the environment.

#### **5. Challenges and Solutions for the Implementation of PT SGM's CSR Program in East Kaliurang Village**

The implementation of PT Sarihusada Generasi Mahardika (SGM) Corporate Social Responsibility (CSR) program in Kaliurang Timur is inseparable from a number of challenges faced, both challenges that arise from technical and social aspects. One of the main challenges in the implementation of PT SGM's CSR in Padukuhan Kaliurang Timur is the varying level of community participation. Some communities do not fully understand the importance of environmental conservation and community empowerment, so the level of community involvement in programs such as waste management, urban farming, and water conservation is still not optimal. In addition, technical constraints such as limited supporting infrastructure and resources to manage organic and inorganic waste efficiently become obstacles in the implementation of the program.

To address this challenge, PT SGM adopts a participatory approach by increasing socialization and education to the community. Environmental education programs in schools, environmental cadre training, and multi-stakeholder campaigns are designed to build community awareness on the importance of environmental preservation and sustainability. In addition, collaborations with various parties such as the JAVLEC Indonesia Foundation and the Duitin waste management platform help strengthen the technical implementation of the program. In terms of infrastructure, PT SGM is gradually building supporting facilities such as infiltration wells, rainwater harvesting, and inorganic waste bins to facilitate community participation.

Through a combination of education, collaboration, and infrastructure strengthening approaches, PT SGM's CSR programs are able to face existing challenges and create a sustainable positive impact on the community and the surrounding environment. This

approach also ensures that the programs remain relevant and effective in supporting long-term sustainability.

## CONCLUSIONS

### 1. Conclusions

#### a. Holistic Community-Based CSR Approach

PT SGM applies a comprehensive CSR approach by involving the community in every stage of the program. Programs such as water conservation, waste management, urban farming, empowerment of Women Farmers Group (KWT), and environmental education in elementary schools show the company's efforts in creating shared value with the surrounding community.

#### b. Community Empowerment and Welfare Improvement

Through the formation of groups such as Makmur Jaya and KWT, PT SGM has succeeded in empowering communities, especially women, in productive economic activities. These programs not only increase community income but also strengthen food security and environmental awareness.

#### c. Multi-stakeholder Collaboration for Sustainability

Collaboration with various parties such as the JAVLEC Indonesia Foundation, the Duitin waste management platform, and government agencies shows PT SGM's commitment to building synergies for program sustainability. Activities such as the simultaneous creation of 300 biopores in Padukuhan Kaliurang Timur is a clear example of such collaboration.

#### d. Positive Environmental and Social Impact

The implementation of PT SGM's CSR program has had positive impacts, such as increased rainwater absorption through the construction of infiltration ponds and roraks, waste reduction through organic and inorganic waste management, and increased environmental awareness among elementary school students.

### 2. Recommendations

#### a. Increasing Community Participation

To overcome the challenges of varied community participation, it is recommended to increase socialization and education on the importance of environmental conservation and community empowerment. Environmental education programs in schools and environmental cadre training can be expanded to reach more residents.

#### b. Strengthening Infrastructure and Supporting Facilities

PT SGM can continue to build and improve supporting infrastructure such as infiltration ponds, rainwater harvesting, and waste management facilities to facilitate community participation.

#### c. Product and Market Diversification

Encouraging KWT to develop other dairy products such as milk dodol and milk pie, as well as expanding the market through digital platforms and cooperation with cooperatives or gift shops, can increase income and business sustainability.

d. Continuous Monitoring and Evaluation

Conducting regular monitoring and evaluation of CSR program implementation will help identify successes and areas for improvement, and ensure that the program remains relevant and effective in supporting sustainable development.

e. Program Replication in Other Areas

The success of the CSR program in Padukuhan Kaliurang Timur can be used as a model to be implemented in other areas by adjusting local needs and conditions, so that the benefits of the program can be felt by more communities.

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