
CREATING SHARED VALUE IN UPSTREAM OIL AND GAS COMPANY AND COMMUNITY: A CASE STUDY OF CSR IMPLEMENTATION IN PT PERTAMINA EP TARAKAN FIELD

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ABSTRACT

This research examines a Creating Shared Value (CSV) practice through CSR implementation in upstream oil and gas company and how it corresponds to sustainability. In a year of 2020, saw a notable natural decline in energy resources as a result of Tarakan Field production performance. This faced numerous economic and social challenge, including a responsibility to support holding company commitment to manage energy resilience as well as contribute to SDGs. This research, which incorporates information from literature analysis, in-depth interviews and company reports, shows that Tarakan Field's CSR implementations were a useful strategy for generating shared value for business, stakeholders, and communities in line with sustainability. It makes an argument for the relationship between CSR implementation and sustainability, as well as the implementation plan and CSV measurement through CSR implementation in Tarakan Field. These concerns are particularly evident in the vague of CSV measurement which made it inefficient for the company to meet its commitment by unintegrated CSR and operation activities in spite of company strategy.

Keyword: creating shared value, corporate social responsibility, sustainability, upstream oil and gas company.

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INTRODUCTION

The United Nations Sustainable Development Goals (SDGs) provide an ambitious, transformative and global framework to shift the world onto a sustainable and resilient path, by 2030 (Karyanto & Martiana, 2020). The world has pledged that no one will be left behind as we embark on this collective journey to act for the sustainability of people, planet and prosperity (Nations, 2017).

This universal agenda forces all of us to take bold and transformative steps which urgently needed for the sustainable development. In order to successfully tackle these challenges—business, government and civil society must work together and change the system that have created that we now face. In March 2021, the World Business Council for Sustainable Development (WBCSD) launched Vision 2050: Time to Transform, stated that there's nine transformation pathways that are essential to society (IPIECA, 2021).

In this path, the oil and gas sector plays an essential role to realize this vision and indeed the broader ambition of the SDGs and the objective of Paris Agreement. However, this industry also faces a sustainability challenge. While supporting a growing global population's demand for energy, the industry must continue to evolve the business model to scale up climate change action by continuous improvement to realize world aspiring net-zero emission.

Besides that, the oil and gas industry has always been in the spotlight in every country, especially in environment, social and ethical business aspect (Kurniadi, 2015). Therefore, in the

country named Indonesia— it has own regulation to obligate an extractive company doing corporate social responsibility (CSR) (Nurfadilah, 2015). Whether small or large, there's unintended side effect of human behavior, environment and business operation mutually.

Our commitment to sustainability aligns with the global dynamics that put forefront the commitment to environmental, social, and governance in the business strategy as well as the Sustainable Development Goals (SDGs); Pertamina Commitment (EP, 2021).

The role of oil and gas business to society and the environment, must take a high road by integrating the SDGs into core business. This action will not only generate significant contribution to the SDGs, but also help companies build resilience during energy transition, attract and retain top talent, manage regulatory and reputational risk, and present new market opportunities and access to sustainable finance.

PT Pertamina (Persero) as the only one oil and gas state-owned company in Indonesia— was running business in full spectrum of oil and gas industry; upstream, midstream and downstream (Syaus, 2016). These particularly to pay dividend and maintain energy resilience to Indonesia. Besides using national budget, company needs to attract financial funding to realize company strategic plan. However, to get an investment, Pertamina has to increase company value and go beyond compliance; become world class oil and gas company, as well as contribute in SDGs ambition.

In order to achieve the sustainability, Pertamina enforce its subsidiaries to manage company performance. It generates in company's sustainability strategy, policies, and organization governance. Besides being profitable, Pertamina has to manage its business by not causing harm for the environment and communities in and around operation area.

As an extractive company, being profitable by manage production performance was already challenging— since oil and gas known as unrenewable energy. Especially for upstream business sector which responsible on exploration and production process that operated in brown field. Experiencing a natural decline of energy resource was totally inevitable.



Figure 1. Tarakan Field Production Performance

In a case of Tarakan Field, one of Sub Holding Upstream units of Pertamina—2019–2020, company faced a notable rate of natural decline in 32%. Meanwhile the company's production target in year of 2021 stays on high number 2138 BOPD. This forces company to do significant and yet

efficient improvement to sustain the business activity of Tarakan Field.

In 2020, Tarakan Field had identified 1200 potential wells in Pamusian structure, it still contained bypassed oil which automatically cutting off oil conduction to an active well. Seen from engineering point of view, these thousands well should be undertaken with no excuse in order to attain revenue gain of Tarakan Field. Meanwhile, socially speaking, those wells were located in high population area.

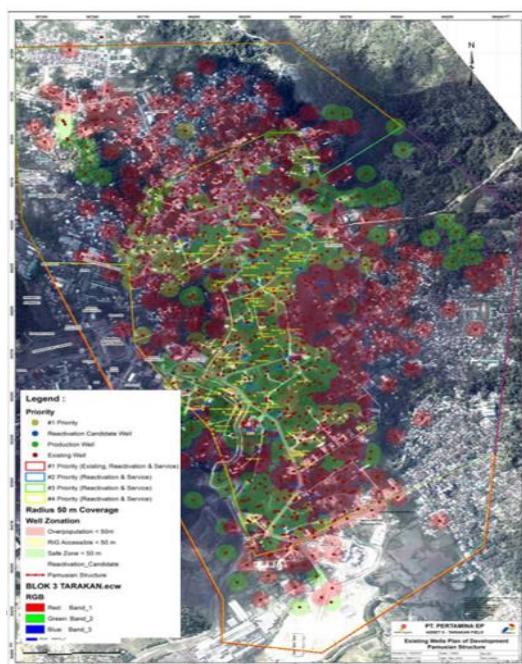


Figure 2. Map of Suspended Well Location

But, shows in figure 2, there were wells red colored, it tells that wells are located in high population area. This condition is doubled the challenges, in order to manage production performance, Tarakan Field also need to manage stakeholder engagement to avoid industrial conflict that could affect business operation and disgrace company reputation.

In contrast, the company needs to recognize societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create internal costs for companies—such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in education (Husted et al., 2015). And addressing societal harms and constraints does not necessarily raise costs for companies, because they can innovate through using new technologies, operating methods, and management approaches—and as a result, increase their productivity and expand their markets (Adha, 2020).

Balancing the business, social, and environment were become the sustainability of Pertamina business strategy which also known as The Triple Bottom Line principle (Putra & Wirman, 2017). It means that company has to well aware that importance Planet, People and Profit are corresponding. And it just not for company itself, however company CSR practice isn't only given added j..value for company, but also communities and stakeholders; shareholder, civil society and government—which also increase national competitiveness (Boulouta & Pitelis, 2014).

Table 1. Environmental Management and CSR Budget

Environmental Management Budget	Year (Mil. IDR)		
	2019	2020	2021
Water pollution control budget	18	18	1.373
Air pollution control budget	6.131	43.146	3.708
B3 waste management budget	2.840	1.785	1.837
Environmental management budget**	6.194	43.187	3.860
Corporate Social Responsibility budget	1.817	2.181	1.225

The table 1 above shows us environment management and CSR budget cost are generated in company's operation cost. As announced before, achieving production performance target is not the only one that matters for the sustainable business in oil and gas company. The company has to ensure that the process doesn't cause a damage for environment and creating shared value for community in operation area. The concept of shared value, in contrast, recognize that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create internal cost for company's— such as wasted energy or inadequacies in education (Porter & Kramer, 2018).

Meanwhile, Tarakan Field was already aware and implemented that concept since a long time ago. It wasn't only for create a harmonization, but also work together on development program with local stakeholders and community through CSR program. The relationship between Tarakan Field, stakeholder and community was built through collaboration and engaging same vision— this create a shared value for one another; for company, stakeholder, community, and empowerment. But this achievement still not well knowledgeable because lack of measurement and has not yet well described.

Therefore, the shared value between CSR Program and core business activity in upstream oil and gas company might not as clear as in manufacture company. The long period and significant effort of implementing long-term CSR Program somehow ignite a question about measurable impact by doing CSR Program as a social investment to community. Even though, Tarakan Field is already having CSR policy which align to Indonesia regulation and well-structured CSR guidance— the added value for business operation still vague and the social investment isn't measured yet.

From this reason, this paper gives a descriptive examination of the creating shared value through CSR implementation in accordance to the sustainability in Tarakan Field over the period 2020 – 2021 by taking two stages approach: assess the connectivity of the creating shared value through CSR implementation and the sustainability, and the measurement of CSV in Tarakan Field. The paper unfold as follows: Section II provides a literature review of CSR and the sustainability, CSR in upstream oil and gas company, and rethinking CSR through CSV. Followed by Section III that provides a methodology; research design, data collection and data analysis. In Section IV provides paper result findings, and Section V is the conclusion.

METHOD

This research utilizes a case study method. Data for this study were collected in two main types: primary data gathered through interviews and secondary data collected through document analysis and published oral history. The case study method tends to be more flexible, as it proposes

an in-depth exploration from various perspectives of the richness and complexity of specific social units, systems, or phenomena.

Seven individuals will serve as key informants for this research, and they will be interviewed by the author. Among them are two members from the CRC Unit, one of whom is also involved in management, four representatives from beneficiaries—one from a government institution and three from the local community. Equally important is the representation from Tarakan Field Management. Each interview is expected to last approximately 30 minutes and can be conducted through face-to-face discussions or over the phone. The profiles of the interviewees are described in the table below."

Table 2. List of Interviewees

Initials	Work Length (Years)	Position
VB	5	Head of Communication and Relation
NK	3	Community Development Officer
YKR	17	Management
K	4	Tarakan City Government representative
SL	4	Community Development Program Beneficiary
H	4	Community Development Program Beneficiary
AN	4	Community Development Program Beneficiary

After the data is collected, it is analyzed using the process of triangulation, as an inquiry logic, to distinguish the intentions, objectives, and literature review through the case study research process. Triangulation has developed strategies to explore how and in what ways the findings for a specific social phenomenon converge, diverge, contradict, or remain inconclusive through a process. Triangulation also encourages decisions on how to design, collect, analyze, interpret, and justify claims about the social, economic, and environmental settings (Green, 2018).

Thick narrative description—Key to understanding the data is that the report provides thick narrative description of the case, including the current context, history, and chronology of events. This description enables deeper understanding on the part of the reader. Thematic analysis—In addition to description, the author seeks to identify topics or issues that emanate from the findings and that shed light on understanding the complexity of the case (Green, 2018). When multiple cases are selected, a typical format includes a detailed description of each case as well as reports of themes within each case (within-case analysis) followed by thematic analysis across cases (cross-case analysis). Themes aggregate information into larger clusters of ideas and illustrate similarities and differences. Themes can also be presented as a theoretical or conceptual model.

RESULTS AND DISCUSSION

This section analyses the CSR practices in Tarakan Field by using selected data from interviews, document, and reports of the company. First, this final project talks about the CSR Program in Tarakan Field, and its correlation with company objective as well as the Sustainable Development Goals (SDGs) using Carroll's CSR Pyramid (2016). It followed by the analysis of how CSR Program of Tarakan Field give an impact for the sustainability; People, Planet and Profit. After that we could see the description of a creating shared value (CSV) of CSR Program in Tarakan Field which gives a value for society and company itself assessed by CSV concept (Porter & Kramer, 2018).

The Relationship of CSR and The Sustainability

CSR has typically been perceived as policies and practices that business people employ to be sure that society, or stakeholders, other than business owners, are considered and protected in their strategies and operations (Carroll, 2016). Tarakan Field operation area is very intersecting with community settlements. Long before Pertamina taken over Tarakan Field, the operation area was already illegally occupied by the community. Management representative of Tarakan Field stated that, CSR practice purposely to prevent risk towards business operation as well as environment and communities around operation area.

CSR is a social strategy that company use to mitigate the potential of asset facilities and operation sabotage from communities (Keenan et al., 2019). That's why it's importance for company to doing social risk assessment, in order to know the pile up best procedure to mitigate or to respond an emergency for not being escalated. If it escalated, this will lead to the termination of business operation which cause harm to business sustainability.

Every year, Tarakan Field conduct social mapping to gather information of social problem, local potential, and the needs of communities. Capturing social condition not only become base line data for company to arrange CSR Program, but also useful for designing a whole of company strategy. These helps company compiled social and engineering job, at once calculating company budget precisely. Based on that, company is aligning operation and CSR budget, because one and another are integral to computing company profit maximization.

The construction between operation and CSR above was internally generated by company specific. Tarakan Field as the subsidiary of Pertamina Persero obliged to support holding commitment; actively contribute in sustainable development agenda. It leads to Pertamina sustainability strategy; ESG (Environmental, Social, and Governance) that integrates company's strategies and activities into the context of environmental, social, and governance, especially in contributing to the SDGs and achieving Pertamina ambition to become a world-class oil and gas company.

Followed holding company sustainability strategies, it was internalized in Tarakan Field policies and activities to operate the company. Based on that, company's CSR practices purposely to create a value that support Pertamina ambition as well as SDGs. Tarakan field recognized that to create a value, the process of CSR practices needs to be structured and systemized (Pertamina EP, 2018). It required for CSR programs to have a positive impact on society and add value to the company, which are:

1. Providing a positive impact (relevant and beneficial) for society and the environment.
2. Fully supporting efforts to improve the company's image and reputation.
3. Fostering cooperation and building the self-reliance of communities around the company's operational area through CSR programs.
4. To obtain support, foster mutual understanding, and create synergy between the company and its stakeholders.
5. To prevent/anticipate the occurrence of cultural value clashes, social conflicts, and economic conflicts between the company, the community, and other stakeholders.

The CSR Policy of Tarakan Field composed by several aspect. First is global issue refer to SDGs— followed by a social mapping for the contextualization of development issue in local area.

Secondly is company vision and mission and regional development plan. This formulation of CSR policy was implicated by the balance of functional relation between company and community.

PT Pertamina EP's CSR program is either planned or unplanned. The arrangement of CSR program is based on strategic and operational plans agreed upon by stakeholders through a discussion and approval process. Empowerment-based programs aim to strengthen communities through processes of planning, implementation, monitoring and evaluation. Charity/donation programs, on the other hand, provide immediate relief to those in need. The company emphasizes that CSR programs should be outsourced to communities close to its operations based on priorities and actual needs.

Meanwhile, in internal company, Tarakan Field managed to follow the procedure of CSR practice which divided in three stages: planning, implementation, and monitoring evaluation. The description below is how Tarakan Field operate company CSR practices that accounted for field, zona/ asset, region, sub holding upstream, Pertamina Persero and SKK Migas.

Following Carroll's CSR pyramid, there were four components of company responsibility; economic, legal, ethical, and philanthropic responsibilities has been already accomplished by Tarakan Field. There's a national forum in Republic of Indonesia, particularly organized by Ministry of Environment and Forestry Indonesia Republic— known as PROPER; Public Disclosure Program for Environmental Compliance which the most prestigious appreciation from Indonesia Government to private sector that operate in Indonesia. Every year, Tarakan Field actively participate in PROPER, particularly in 2019 – 2021— which are the scope of time of this paper.



Figure 3. Tarakan Field Received Gold PROPER from Indonesia Government

In the last four years Tarakan Field was achieving a beyond compliance and environmental and sustainable community development level regarding company environmental management and CSR application. This situation represent Tarakan Field is already undertakes an economy, legal, ethical and philanthropic responsibilities from the perspective of Carrol's CSR pyramid concept.

By going further— the philanthropic responsibilities come from community's desire— practically submitted as a proposal and the output from company is charity program. In CSR Organizational Governance of Tarakan Field which commenced in 2018, the charity program included in un-planned CSR Program. This type of program doesn't give a significant impact for community, government and company itself for the long-term period of time. Even so this create a harmonization between company and community, but charity program also cultivates a dependency

of community— which not gives a significant or wider impact.

Even so, the charity Program couldn't be eliminated anyway, because there's a specific time that needed, such as natural disaster or like the period of pandemic COVID-19. This program has not an element of empowerment, because there's no phases like planning, implementing, monitoring and evaluating— only executing the proposal or the company quick response of social phenomenon.

The second category of CSR Program in Tarakan Field is community development— a planned program. This program purposely builds to empower local community and contribute to environmental preservation with four phases of process; plan, implementation, monitoring and evaluation. This program has a clear background, objective, subjected, program activity, budget, time frame, and an expected output.

Table 3 .Tarakan Field CSR Budget Allocation

CSR Program	Yearly Budget (Mil. IDR)		
	2019	2020	2021
Charity	913	852	228
Community Development	903	1,255	438
Total	1,817	2,106	666

Following the CSR Program trends, look at Table 4. budget allocation for community development program is higher than charity program in the last three years. It shows that the program priority has been shifted slowly— which driven by a company objective as well as the commitment Tarakan Field to contribute to SDGs.

Tarakan Field has done many CSR Program with community development based. But in 2019 – 2021 period of time— there're three community development program that Tarakan Field currently focus on. First is disability community development in Tarakan City through MSME Batik Environmentally Friendly (Kelompok Usaha Batik Disabilitas; Kubedistik)— located in Kampung 1, Tarakan. The second one is The Work Alliance of Waste Management (Aliansi Kerja Bebas Sampah; Akar Basah)— located in Mamolo, Nunukan. And the last one is COVID-19 Disaster Resilient Village (Kampung 6 Tangguh Bencana COVID-19; Kelingan), this program particularly conducted to respond pandemic COVID-19 by actively involving the community— located in Kampung 6, Tarakan.

The shear zone between economic and environmental aspect was probably the common or mandatory thing to do for extractive industry; Tarakan Field as an upstream oil and gas company. This agenda is throwing up such agenda as eco-efficiency. The interesting concept that Elkington said is, "The more efficient the actors, however, the more actors can be sustained". Tarakan Field concerned in seven environmental management aspect, these included: energy efficiency, hazardous-waste reduction and utilization, non-hazardous waste management (3R), air pollution reduction, water efficiency, water pollution load reduction, and biodiversity.

Table 4. Tarakan Field Contribution to SDGs

Environmental Aspect	Total of Activity	National Medium-Term Development Program	Tarakan Field Contribution
		14,5 %	0,00000259 %
Energy efficiency	17	0,9 BOE/ Billion Rupiah [20,9%]	0,000328 BOE/ Billion Rupiah [0,03644%]
Hazardous-waste reduction and utilization	11	98.680.000 Ton [23%]	2.288,42 Ton [0,002319 %]

Environmental Aspect		Total of Activity	National Medium-Term Development Program	Tarakan Field Contribution
Non-hazardous waste management (3R)	waste	13	67.100.000 Ton [21%]	17,92 Ton [0,00002671%]
			67.100.000 Ton [21%]	1,99 Ton [0,00000297%]
Air pollution reduction		18	4.920.000 Ton CO2 [22%]	8.126, 76 Ton CO2 [0,165%]
Water efficiency		8	1.576.800.000 m3 [20%]	54.476,20 m3 [0,00345%]
Reduction of water pollution load		1		4.705, 40 Ton/m
Biodiversity		4	1.600.000 Ha [21%]	5 Ha [0,000313%]
			70 Million Ha [24%]	23 Ha [0,0000329%]
			25 Species [52%]	3 Species [12 %]

Following Table 5. of Tarakan Field contribution of environmental management derived from company strategies implementation; both from operation and CSR practice. The information shows Tarakan Field has been doing business that not causing harm for environment and communities around company's operation area. Meanwhile, Tarakan Field has been supporting Pertamina commitment for doing energy efficiency as well as SDGs agenda. By being proactive in environment preservation and community development, Tarakan Field has been achieving several appreciations.

Table 5. Tarakan Field Achievement in Environment and Social Responsibility

Achievement	Year	Information
PROPER	2022	Achieve gold rank
	2021	Achieve gold rank
	2020	Achieve green rank
	2019	Achieve green rank
Indonesia Green Awards	2022	Plastic waste management program
	2021	Endemic plant conservation program
	2020	Integrated waste management program
North Kalimantan Province Regional Innovation Awards	2019	Mangrove and proboscis conservation program
	2021	Innovation of plastic recycle to environmentally friendly seaweed buoy
Environment Management System	2022	ISO 14001:2015 certification
	2019	ISO 14001:2015 certification
	2022	Green energy for oil pump installation
Patent	2022	Green energy for oil pump installation
	2020	Digitalizing employee health status to minimizing paper use "My Health"

In social and environmental shear zone, business is working on environmental literacy and training issues. In the previous discussion, CSR Program of Tarakan Field always have concerned about environmental preservation. Applicate 3R principle in waste management system is triggered community's creativity. In Tarakan Field CSR Program Kubedistik, KSM Ramah Lingkungan and Aliansi Kerja Bebas Sampah, company assisted beneficiaries to create useful product or tools to meeting the needs of communities.

First is Kubedistik with their environmentally friendly canting which made from used carton. This is not only decreasing a waste heap, but also widening a freedom of creation. Because, before Kubedistik made their own canting, they purchased from Java Island which geographically far and need longer time for shipment process. The second one is environmentally friendly seaweed buoy which made from plastic waste. This helps minimalizing plastic bottle use for seaweed buoy which has short durability. The last one is KSM Ramah Lingkungan who's producing environmentally friendly fuel for Tarakan garbage transport vehicle. Moreover, to implementing a sustainable CSR Program, Tarakan Field ensure that the program bring out an economic value for stakeholder, community and company itself. It leads us to the last shear zone of three principles of sustainability.



Figure 4. Pertamina Receive Awards Charter for Contributing in SDGs

Following Figure 5, Pertamina was being appreciated for their contribution in SDGs. This automatically increase Pertamina position as reputable company who's commit to bring in value for stakeholder, community, and company itself. Having this kind of reputation, Pertamina would gain more trust to get financial funding and attract investor. In the same way, the degree of trust between a corporation or industry and their external stakeholders is likely to be a key factor determining their long-term sustainability.

The Measurement of CSV in Tarakan Field

Tarakan Field measurement method would divided into those three pillars combined with Porter and Kramer CSV concept. First, it has to bring in a value which are economic and societal benefits relative to cost. Second, CSR practice is integral to competing and profit maximization. The third one is CSR practice is internally generated with company specific. Which all of those lead us to the last one— CSR impact is realigning with the entire company budget.

For environment or planet pillar, Tarakan Field using Life Cycle Assessment (LCA) approach to calculate analyzing environmental impact of Tarakan Field business process. Following the assessment process were identified that 18.613,70 GJ of energy efficiency, this achievement also received a charter certification from a regional representative of Ministry of Energy and Mineral Resource in 2022 for being proactive in efficiency energy agenda. Contribute in emission reduction and the absolute calculation result is 4.719,61 Ton/ CO₂eq, it received a charter certification from a regional representative of Ministry of Energy and Mineral Resource in 2021 for being proactive in emission reduction agenda. However, in particular the result of CSR impact in environmental pillars

were 16,9 Ton/ CO2eq emission reduction, the reduction of carton waste by 30 Kg and 3,3 Ton plastic waste reduction.

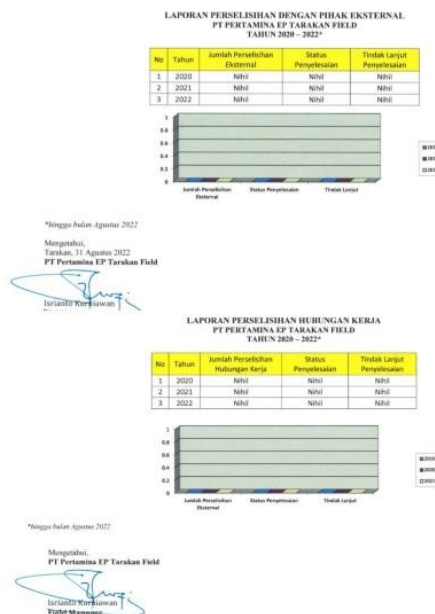


Figure 5. Conflict Record of Tarakan Field

For people pillars, Tarakan Field was taking seriously both in internal and external relation. It purposely to not cause social issue such as demonstration, asset facilities and business operation sabotage. Even located in high population area, for the last three years Tarakan Field industrial conflict was nil recorded.

On those papers stated that, “There has never been a conflict” between company and communities or stakeholders. Therefore, Tarakan Field has been not pulled out cost accidents or conflict. Quite the opposite, company has been maintained stakeholder engagement around that location through CSR program.

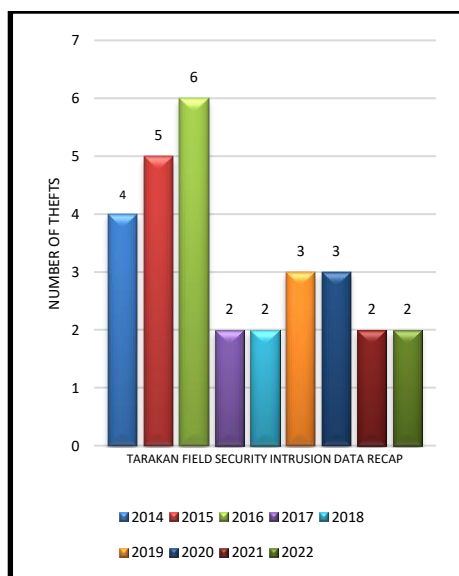


Figure 6. Tarakan Field Security Data Recap

Figure 7 shows that the incident of thefts has decreased in the last two years. Thefts incident usually steal Tarakan Field asset such as wire, pipe, SRP unit, and supply chain inventory. These acts have potential to give a domino effect in company business operation. The missing tools would cause an error operation process, and matter worse causing harm for environment and people around operation area. Therefore, when the situation is escalated, it might cause the termination of business operation— and also damaging company's reputation which both of situation brings out a company loss.

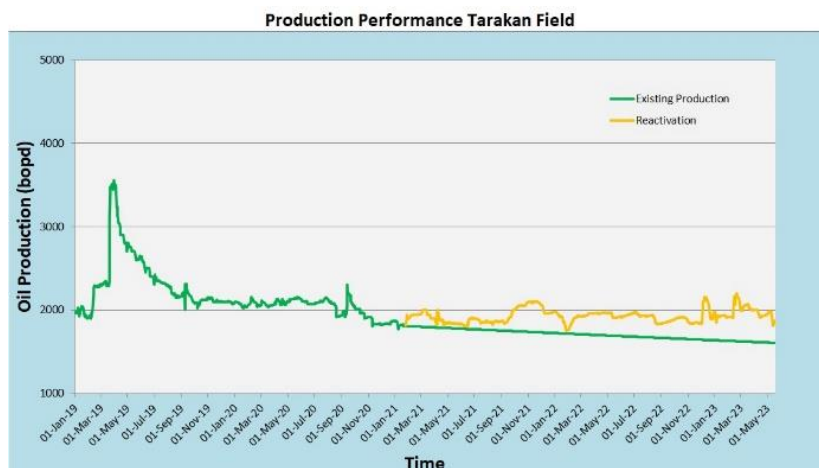


Figure 7. Production Performance of Tarakan Field after Reactivation Program

Following figure 8. Tarakan Field strategy to maintain production performance through reactivation program achieved a good success. As announced before, the potential of suspended well were located in high population area. However, it works seamlessly not only attributed by engineering innovation, but also influenced by company good reputation of environment and social aspect. This achievement helps company gain more revenue through reactivated suspended well.

Another positive impact for communities and stakeholder by doing CSR was the realization in social development and welfare. As it stated before, Tarakan Field CSR program is integral with company specific as well as SDGs agenda. In regional scale, it's corresponding with the needs of stakeholder and community around company's operation area. The economic and societal value invented by Tarakan Field CSR program would described below.

Number of direct beneficiaries is 58 people and 200 people indirect beneficiaries such as other beneficiaries that collaborate with Kubedistik like KSM Ramah Lingkungan, Kelingan and Bank Sampah Karya Bersama. Kubedistik Program existence also gives a multiplier economy for local tailor, printing business, expedition, etc. Tarakan Field community development program contributes in SDGs agenda verified by DKPU ITS in year of 2022.

1. Contribute in SDGs 1.4.1 indicator; access of basic services for household proportion, 0,002319% of 23% National Medium-Term Development Plan Target
2. Contribute in SDGs 3.8.1 (a) indicator; unmet need of health services, 20,71% of 23% National Medium-Term Development Plan Target.
3. Contribute in SDGs 4.1.1 (a) indicator; proportion of children and teenager to achieve basic standard education, 0,000317% of 57% National Medium-Term Development Plan Target.
4. Contribute in SDGs 6.3.1 indicator; household liquid waste was securely managed, 18,2 Ton parameter

5. Contribute in SDGs 8.3.1 (a) indicator; percentage of MSME access to financial services, 0,05% of 20% National Medium-Term Development Plan Target.
6. Contribute in SDGs 8.5.2 indicator; open unemployment rate based on gender and age group 0,00414% of 23% National Medium-Term Development Plan Target.
7. Contribute in SDGs 11.6.1 (b) indicator; management of national waste, 0,04254% of 22% National Medium-Term Development Plan Target.

Tarakan Field social investment was bringing in an advantage return of company's social position. Start from 2021, Tarakan Field started to calculate the return of social infestation of community-based CSR Program— in particular Kubedistik Program, because only this program which has already practiced more than two years. This was done by third party whom has qualification for doing SROI study.

The framework of SROI method was a development measurement from cost benefit analysis, social accounting and social audit. It aims to capture social value through conversing social objective into finance and non-finance calculation (UGM, 2022).

There were four phases of SROI measurement process first, decided a scoop of analysis and identify a key stakeholder. Secondly, Mapping outcome through SROI logical framework; input, activity, output, outcome and impact. After that, this study was proving and providing value to capture achievement indicators, how it collected, who's the informant, and the sustainability of social transformation (outcome). An in the fourth phase is to calculate and establish the impact of social investment. And to prevent an overclaim of program and/or the other party, this study adjusts with deadweight, attribution, displacement and drop off. In final calculation, this study was adjusting monetary value with net present value, so it was not affected by inflation.

Total amount of Tarakan Field social investment in Kubedistik was 487,297,500 IDR for program implementation. After that the output and outcome of Kubedistik were brings in a social value for company— and converted to economic value. Total amount of the return of investment was 1,053,245,493 IDR— which means after 1 IDR of investment, Tarakan Field gain 2,2 IDR for the return of investment.

CONCLUSION

In summary, PT Pertamina EP Tarakan Field's Corporate Social Responsibility (CSR) initiatives have played a crucial role in generating both societal and economic benefits for various stakeholders. By strategically focusing on community development within the framework of CSR, the company has fostered positive relationships, decreased security issues, and streamlined operational costs. Tarakan Field's adaptation to a more comprehensive CSR approach, emphasizing economic and societal benefits over traditional philanthropy, has been notably successful. Using the Social Return on Investment (SROI) method, they have achieved an impressive return of 1:2.2, showcasing the effectiveness of their CSR efforts. Moreover, aligning CSR strategies with company objectives, such as energy efficiency and emission reduction, has led to substantial environmental gains, including a significant reduction in CO₂ emissions. In essence, Tarakan Field's CSR practices, anchored in creating shared value, have not only enhanced relationships with stakeholders and communities but have also yielded substantial economic, social, and environmental advantages. By persisting in aligning their CSR initiatives with specific corporate goals and sustainable development objectives,

Tarakan Field is poised to continue making a significant positive impact and contribute to a more sustainable future.

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