



TRI HITA
CONSULTING



Final Report

Corporate Social Responsibility (CSR) Roadmap

PT Indonesia Steel Tube Works (ISTW)

Conducted by:
Tri Hita Consulting

IMPRINT

Final Report on CSR Roadmap

Tri Hita Consulting develops this CSR Roadmap for PT Indonesia Steel Tube Works (ISTW).

This document presents the draft Corporate Social Responsibility (CSR) Roadmap for PT ISTW. It serves as a strategic guide for the company's CSR initiatives over the next five years, ensuring that ISTW's business growth aligns with sustainable development principles and stakeholder expectations. This roadmap translates our long-standing corporate philosophy of QCDF + Safety (Quality, Cost, Delivery, Flexibility, and Safety) into tangible commitments for societal and environmental progress.

The roadmap adheres to national regulations, international standards, and best practices in CSR. Developed through direct engagement with our communities, this roadmap reflects a shared vision for a sustainable future. It also reflects ISTW's commitment to enhancing its societal, environmental, and economic contributions while strengthening the company's reputation on local, national, and international levels.

AUTHORS

Julia Rahmi, Tri Hita Consulting
Lintang Shafa Mazaya, Tri Hita Consulting
Sintya Chalifia Azizah, Tri Hita Consulting
Mokh Sobirin, Tri Hita Consulting

EDITORS

Verena Streitferdt, Tri Hita Consulting

November 2025

TABLE OF CONTENTS

IMPRINT	1
TABLE OF CONTENTS	2
GLOSARRY & ABBREVIATIONS	3
1. Introduction	5
1.1 Background	5
1.2 Objectives of the CSR Roadmap	5
1.3 Company Profile	6
1.4 Overview of ISTW Locations	7
1.5 CSR Regulatory and Reference Framework	8
1.6 Methodology for Roadmap Development	9
2. Analysis	12
2.1 Overview of the Current CSR Activities and CSR Implementation (2025–2026)	12
2.2 CSR Institutional Structure and Budget Analysis	13
2.3 Key Findings and Analysis	17
2.4 Strategic Issues by Location	18
3. Recommendations	22
3.1 Institutional Recommendations	22
3.2 Budget Adjustments	25
3.3 Strategic Pillars and 5-Year Roadmap (2026–2030)	27
4. Concluding Statement	41
REFERENCES	42
ANNEX LIST	44

GLOSARRY & ABBREVIATIONS

CBO	Community-Based Organisations
CID	Community Involvement and Development
CNA	Community Needs Assessment
CSR	Corporate Social Responsibility
ERP	Emergency Response Preparedness
ESG	Environmental, Social, and Governance
FGD	Focus Group Discussion
HRGA	Human Resources and General Affairs
ISO	International Organisation for Standardisation
NGO	Non-Governmental Organisation
PMI	Project Management Institute
QCDF	Quality, Cost, Delivery, Flexibility
SDGs	Sustainable Development Goals
SME	Small and Medium Enterprises
SROI	Social Return on Investment



TRI HITA
CONSULTING

CHAPTER 1

INTRODUCTION



1. Introduction

1.1 Background

Aside from producing high-quality products, customers and stakeholders expect modern manufacturing companies also to consider their social and environmental responsibilities. As an Indonesia-Japan joint venture, PT Indonesian Steel Tube Works (ISTW) blends Japanese principles of quality and precision with Indonesian values of community and mutual support (*gotong royong*), creating a unique foundation for our CSR approach.

ISTW has served as a pivotal contributor to Indonesia's industrial expansion for over four decades. As a leading producer of high-quality steel pipes, boasting an annual production capacity of up to 142,000 metric tons (MT), ISTW supplies more than 300 national clients across critical sectors, including automotive, construction, and government infrastructure projects. With three operational facilities located in Pulo Gadung (Jakarta), Cikarang (Bekasi), and Semarang (Central Java), ISTW's activities exert a considerable influence on the surrounding vicinities, encompassing economic, social, and environmental dimensions. Consequently, developing a comprehensive Corporate Social Responsibility (CSR) Roadmap is imperative to reinforce ISTW's commitment to sustainable development, foster harmonious relationships with stakeholders, and ensure the company's long-term business continuity.

1.2 Objectives of the CSR Roadmap

The primary objectives of this 5-year CSR roadmap are:

- Establish a clear strategic direction for Corporate Social Responsibility (CSR) programs over the next five years.
- Ensure alignment of CSR initiatives with national regulations and global standards.
- Integrate CSR principles into the company's core business strategy.

- Prioritise CSR programs that directly address the needs of communities proximate to ISTW's factory locations.
- Cultivate a positive corporate reputation and strategically position ISTW as a responsible and trusted partner among its stakeholders.

1.3 Company Profile

Brief History

Founded in 1971 as a joint venture between Indonesian and Japanese partners, ISTW began operations in 1975 with its first plant in Semarang. Over the decades, the company expanded its capacity through the establishment of the Pulo Gadung plant (1982) and the Cikarang plant (2000), now achieving a total annual production capacity of around 142,000 MT of steel pipes.

ISTW's consistent commitment to excellence is demonstrated by multiple international certifications, including ISO 9001 (Quality Management, 2005), ISO 14001 (Environmental Management, 2010), and IATF 16949 (Automotive Standards, 2015). Today, ISTW produces mechanical tubes, black pipes, and galvanised pipes that serve key industrial sectors across Indonesia.

ISTW's unwavering commitment is strengthened by its clear vision and strategic management framework. Below is an overview of ISTW's vision:

ISTW's Vision:

- We shall improve the QDCF + Safety "Corporate Culture" through the 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) activity.
- We shall make ourselves a "Corporation" that runs mainly on Local Human Resources through Permanent HR Development.
- We shall obtain "Reliability" to all the stakeholders, making ourselves "Extreme" No.1

The vision is further translated into a set of missions embedded in ISTW's daily operations.



Figure 1. PT ISTW Mission

QCDF + Safety Culture

ISTW's corporate philosophy of QCDF + Safety (Quality, Cost, Delivery, Flexibility, and Safety) is not merely an operational guideline; it is the fundamental DNA that shapes ISTW's approach to corporate responsibility.

Quality	Reflected in CSR through vocational education partnerships to enhance youth employability.
Cost (Efficiency)	Translated into CSR by empowering local SMEs to adopt efficient business practices.
Delivery	Applied in CSR through infrastructure support, such as improving local roads and clean water access.
Flexibility	Reflected in CSR through responsive programs tailored to local needs, like flood mitigation in Semarang.
Safety	Extended to the community through health campaigns and the development of safe public facilities.

Figure 2. QCDF + Safety Elements

1.4 Overview of ISTW Locations

Semarang Plant: Located in Manyaran, West Semarang, this is ISTW's first production facility. It is situated in a mixed urban area that combines residential, educational, and small-business zones. The plant is closely

connected to residents of RT 009, RT 014, and RW 001. The communities face challenges typical of urban areas, including limited green space, inadequate waste management, and youth employment needs.

Pulogadung (Jakarta) Plant: Located in a strategic urban area that is a hub for business and ports. The plant provides close links for production, marketing, and industrial partners. It is directly connected to residents of RT 002, RW 007, Jatinegara Kaum.

Cikarang Plant: Situated in a major manufacturing centre in Indonesia, surrounded by industrial facilities, warehousing, and worker housing. The plant operates within the Greenland International Industrial City (GIIC) and has no communities directly connected to it.

1.5 CSR Regulatory and Reference Framework

ISTW aligns its CSR strategy with key national and international references:

a) National Regulations:

- Law No. 40/2007 on Limited Liability Companies.
- Law No. 25/2007 on Investment.
- Government Regulation (PP) No. 47/2012 on the Implementation of Social and Environmental Responsibility (TJSL).

b) Regional Regulations (Perda):

- Perda DKI Jakarta No. 4/2019 regarding Corporate Social and Environmental Responsibility.
- Perda Central Java No. 2/2017 regarding Corporate Social and Environmental Responsibility (recommending 1-2% of profit).
- Perda West Java No. 2/2013 regarding Guidelines for Corporate Social and Environmental Responsibility.

c) International Standards:

- ISO 26000 (Social Responsibility).
- The UN Sustainable Development Goals (SDGs).

1.6 Methodology for Roadmap Development

This CSR Roadmap was developed using a participatory and evidence-based approach.



Figure 3. CSR Roadmap Approach

The preparatory stage included research and desk studies to understand ISTW's current CSR activities and policy, along with literature reviews on social studies to determine the CSR roadmap methodology. The consulting team with ISTW gathers data from ISTW's database (stakeholder consultations, past CSR activities) and conducts a site visit to the Semarang site, which is chosen for its importance. The Semarang visit involved interviews with internal and external stakeholders to gauge future CSR needs. Data analysis identified the strengths, weaknesses, opportunities, and threats of the current CSR activities. The analysis results form the basis of the CSR roadmap, primarily to provide a five-year recommendation for CSR programs, which was presented to ISTW for feedback and subsequently finalised into a report.

Data collection was conducted for three sites with different approaches, as follows:

Semarang Plant

Comprehensive field research was conducted, including community surveys, in-depth interviews, and Focus Group Discussions (FGDs) to

understand complex social and environmental issues such as waste management and donation for people in need.

The Semarang plant in Manyaran, West Semarang, is ISTW's oldest facility and a significant local employer in a mixed urban area. Although protected from flooding by its elevation, the Manyaran community suffers from limited green space and traffic congestion and needs better waste management and more youth employment opportunities. Impactful CSR interventions at this historical site are essential to reinforce ISTW's legacy and create a model of sustainable industry–community coexistence, providing continued shared value.

Pulogadung Plant

Targeted short interviews were conducted with residents to gather direct feedback on the impacts of industrial operations, particularly concerning pollution and public health.

Cikarang Plant

A desk study using ISTW's internal data was conducted to identify broader regional trends, such as the need for workforce upskilling and SME digitalisation. A record of an interview with the Industrial Estate Managers for the ESG Materiality Assessment provides good insights into the community's expectations of ISTW.



TRI HITA
CONSULTING

CHAPTER 2: ANALYSIS



2. Analysis

2.1 Overview of the Current CSR Activities and CSR Implementation (2025–2026)

ISTW's current Corporate Social Responsibility (CSR) program for the 2025–2026 fiscal year is appropriately diversified, combining ongoing community support initiatives with targeted, high-impact projects across all operational sites. The total allocated budget for ISTW's CSR program is **IDR 313,600,000** for the fiscal period commencing **April 2025** and concluding **March 2026** across all plant locations. This amount represents less than 1% of ISTW's profit in 2024.

- **All Plants:** A series of company-wide programs will be implemented to ensure consistent community engagement. These initiatives include regular blood donation drives in partnership with the Indonesian Red Cross (PMI), and substantial financial contributions and in-kind donations during major religious observances, specifically Eid al-Fitr and Eid al-Adha, to benefit local communities.
- **Pulo Gadung (Jakarta):** The Jakarta plant's initiatives focus on direct social impact, including the provision of prosthetic limbs to individuals with disabilities and a substantial roof renovation for a nearby orphanage.
- **Cikarang:** The Corporate Social Responsibility (CSR) plan entails specific contributions to the local community, such as providing donations to support the Eid al-Adha celebration. These contributions, which include livestock for Qurban, are channelled through the Greenland International Industrial City (GIIC) management.
- **Semarang:** The Semarang plant's CSR plan hosts the most extensive range of programs, targeting diverse community needs. This multi-faceted approach has proven to be highly effective in

connecting the company directly with the tangible, day-to-day needs of the residents.

The Semarang Plant's comprehensive CSR program spans health, education, environment, safety, and community development. Health initiatives include free medical screenings, critical illness education, and dengue prevention. Education focuses on HIV/AIDS and narcotics awareness. Environmental efforts prioritise rehabilitation, specifically tree planting, riparian greening, and promotion of 3R waste management. Safety aspects are also incorporated into CSR activities through training, donations of fire equipment, and the installation of street lighting and traffic signage. Community contributions involve supporting the construction and refurbishment of religious facilities and assisting disadvantaged communities in the Manyaran sub-district.

Table 1. Mapping of CSR Focus

Plants	CSR's Mapping Focus		
	Environment	Social	Economy
Pulo Gadung (Jakarta)			
Cikarang			
 Semarang			

Currently, all plants primarily concentrate their Corporate Social Responsibility (CSR) activities on social initiatives. However, the Semarang plant's CSR endeavours also encompass environmental protection, a necessary focus given its proximity to a residential area, unlike the Pulo Gadung and Cikarang plants, which are situated within industrial zones.

2.2 CSR Institutional Structure and Budget Analysis

2.2.1 Institutional Structure Analysis

The current internal structure and organisational capacity of ISTW present a critical deficit in Corporate Social Responsibility (CSR), stemming primarily from the absence of a dedicated, specialised CSR team. This absence is a significant and strategic gap. Consequently, the vital functions, roles, and necessary operational oversight associated with CSR activities are currently being absorbed and performed by existing personnel, specifically those whose primary focus and expertise lie within the Human Resources and General Affairs (HRGA) department.

While this interim arrangement, in which HRGA shoulders the CSR burden, provides a basic level of functionality and ensures some continuity of existing commitments, it is neither a sustainable nor an optimal solution for the long-term health and efficacy of ISTW's social impact strategy. Relying on HRGA staff to manage CSR, in addition to their core responsibilities, inevitably leads to conflicts in priorities, potential resource dilution, and a lack of the specialised, strategic focus required for high-impact CSR initiatives.

2.2.2 Budget Analysis

ISTW has demonstrated a consistent increase in its CSR budget from 2020 to 2025. In some cases, additional funding was allocated for specific activities in Semarang in response to direct community requests. ISTW has achieved a significant milestone, with its budget increasing fourfold over the past five years. This initiative reflects improvements in ISTW's financial capacity and prioritisation, in line with the company's commitment to community engagement.

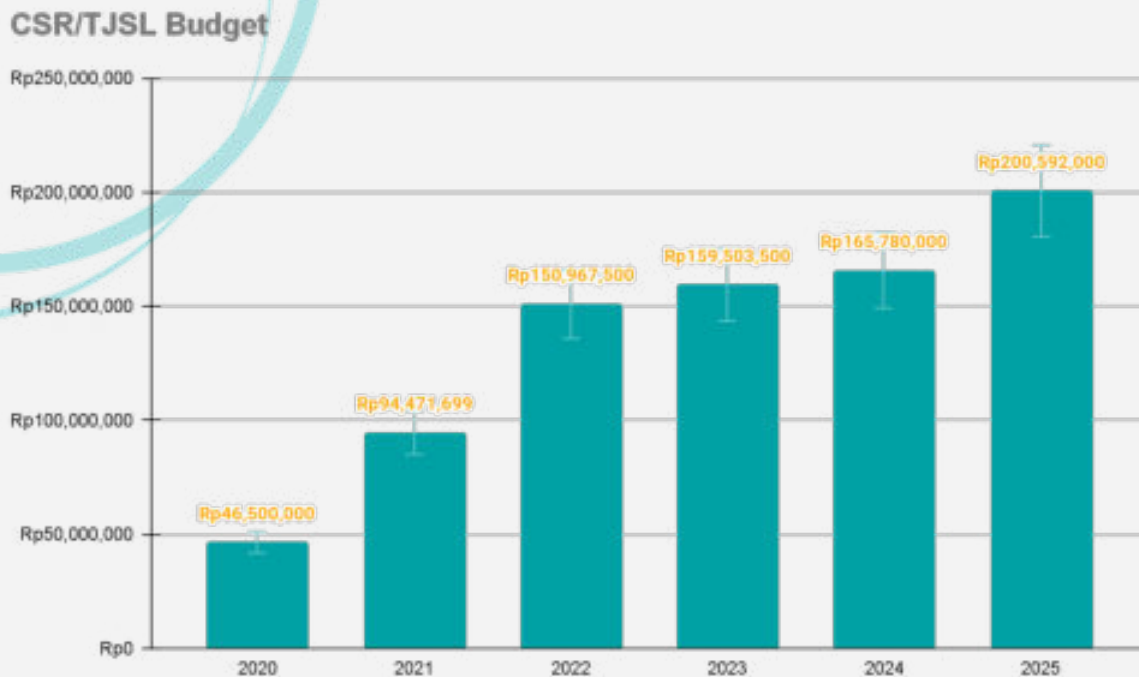


Figure 4. CSR Activities Budget

Source: Primary Data ISTW, 2020 – 2025

2.2.3 Benchmarking of Best Practice Corporate Responsibilities

It is beneficial for ISTW to know the best example of CSR implementation, so we are bringing two big companies in Indonesia, well-known for their CSR implementation, here. The benchmark is not to be compared with ISTW CSR operations at the moment, but rather to provide information on how best practices in CSR are implemented and to adapt the concept to ISTW's aspirations and scale.



Astra International's commitment to social and environmental development is substantial, with its social responsibility initiatives benefiting approximately 2.2 million people. While the corporation does not allocate a fixed public percentage (e.g., "2% of profit") of its income as

a blanket budget for CSR activities, it demonstrated this commitment by allocating IDR 400 billion to its CSR programs in 2015. Additionally, its subsidiary, Astra Agro, has allocated 3% of its net profit specifically to CSR activities within its operational areas.¹

All CSR programs are overseen under the Corporate Affairs Directorate, which is responsible for formulating the overall strategic direction and ensuring alignment with the company's broader sustainability goals. While Corporate Affairs sets the policy framework, the day-to-day implementation is delegated to the CSR or Community Development divisions of each subsidiary, allowing them to tailor initiatives based on local needs and context. The CSR framework follows a structured, accountable cycle: planning, execution, and monitoring/evaluation using SROI to measure effectiveness, long-term value, and sustainable impact for stakeholders.



PT PLN Persero's CSR programs, governed by Director's Regulation No. 0138 of 2019 (ISO 26000-based), support community development and economic well-being. In 2024, PLN spent IDR 377.37 billion of its IDR 400 billion allocation, benefiting 0.68 million people, targeting 0.85 million by 2028.²

PT PLN (Persero)'s CSR function is centralised under the Corporate Communication & TJSL Division, reporting to the Director of Legal and Human Capital Management. This division, led by an Executive Vice

¹ PT Astra International Tbk. (2024). Sustainability Report 2023. <https://www.astra.co.id/sustainability/sustainability-report>

² PT PLN (Persero). (2025). ESG Performance Report 2024. <https://web.pln.co.id/statics/uploads/2025/07/ESG-Performance-Report-2024-1.pdf>

President (EVP), is structured into specialised units: a Vice President (VP) of TJSL manages the Community Involvement and Development (CID) framework aligned with SDGs, and a VP of Corporate Communication handles reputation. This structure ensures CSR is strategically integrated with long-term branding and sustainability, a model replicated in regional units (Unit Induk) with local Managers overseeing execution.

The Community Involvement and Development (CID) program has four pillars: Social (services/health/education), Environmental (preservation/management), Economic (local growth/SME support), and Legal & Governance (regulatory alignment/governance). While the Community Satisfaction Index (CSI) slightly decreased from 89.61 (2023) to 88.31 (2024), the Social Return on Investment (SROI) increased from 2.71 (2023) to 2.94 (2024), demonstrating growing economic and social value.

2.3 Key Findings and Analysis

Analysis of past programmes and stakeholder feedback identified several key areas for strategic improvement.

2.3.1 Analysis of Previous Programs

ISTW's current Corporate Social Responsibility (CSR) activities are primarily responsive and centred on donations. While these efforts offer immediate community support, they lack the strategic framework necessary to achieve broader, mutually reinforcing impacts for both the community and stakeholders. Consequently, a comprehensive restructuring of the CSR roadmap, focusing on identifying key priorities, is essential. The strategic shift should prioritise sustainable projects that cultivate community self-reliance and enhance shared public infrastructure.

2.3.2 Stakeholder Feedback

Internal (ISTW Management): Management acknowledges the "*Pagar Nasi*" concept (maintaining harmonious relations for long-term operational smoothness). There is a recognised need to reposition CSR from its current philanthropic/donation-based model toward empowerment-based programs.

Community (Semarang): Residents appreciate existing programs (like medical herb gardens and fish pond barriers). Key aspirations include the construction of a shared community hall (balai warga) and the prioritisation of residents for employment opportunities.

Community (Jakarta): Residents appreciate current programs. Key aspirations include support for waste management programmes and the development of infrastructure, such as a community meeting hall.

2.3.3 SWOT Analysis

ISTW's long-standing reputation and financial stability provide a strong foundation. However, the company still faces challenges, particularly the absence of a long-term impact evaluation and a dedicated CSR unit, which limits its ability to maximise impact. Additionally, ISTW continues to face environmental issues and the risk of social friction amid rising community expectations. These threats, however, can be addressed by leveraging strong opportunities for collaboration with government, NGOs, and universities.



Figure 5. A SWOT Analysis of ISTW's CSR Position

2.4 Strategic Issues by Location

While the SWOT analysis provides the whole corporate-level overview, the practical application of CSR must be tailored to the unique socio-economic and environmental context of each plant. The following strategic issues were identified through the location-specific needs assessments:

Pulo Gadung (Jakarta)

The plant's location within the dense Pulogadung industrial area, directly bordering a residential zone, creates a high potential for friction. Issues related to land access, traffic, and local labour expectations are not just operational hurdles; they are significant reputational risks. The key strategic issue here is the need for proactive community engagement to mitigate these risks, manage stakeholder expectations, and maintain a social license to operate within a complex urban environment.

The interviews conducted indicate that residents are generally satisfied with the social assistance provided by ISTW, including support for Qurban during Eid al-Adha. However, residents living around the Pulogadung plant hope that ISTW can also offer support for the construction of a community hall (balai warga), a public facility they have long needed but do not yet have. The absence of such a shared space continues to limit community activities and gatherings, making it a priority request from the surrounding neighbourhood.

Cikarang (Bekasi)

Shared Value Creation through Human Capital Development. Operating within a modern industrial estate presents an opportunity to contribute to a higher-value ecosystem. The primary strategic issue is the gap between the local workforce's skills and the evolving demands of modern industry. The high demand for SME digitalisation support, combined with the current context, positions ISTW to create shared value. By investing in upskilling and local economic empowerment, the company can enhance its corporate reputation, strengthen regional financial capacity, and help develop a more skilled local talent pool for the future.

An interview with the Industrial Estate Management indicates expectations for ISTW to improve their environmental protection activities to increase the absorption of the local workforce in the area.

Semarang (Central Java)

Building holistic resilience for a secure shared environment. The ISTW Semarang plant is situated in an elevated area of the city, safely above the tidal flooding (*rob*) that frequently affects other parts of Semarang. Nevertheless, the site's environmental initiatives are directed toward supporting broader flood mitigation efforts in the city's lower-lying areas. In previous years, the plant faced community concerns about noise pollution from production activities. This issue was effectively resolved through technical modifications—specifically, redesigning the pipe-cutting procedure to reduce noise levels—thereby improving relations with the surrounding community.

Additionally, the area continues to face daily safety challenges, including fire hazards and traffic risks, which impact community well-being. Consequently, ISTW has made building holistic community resilience a strategic priority. This commitment goes beyond environmental mitigation and adopts a comprehensive approach to safety and security. Through initiatives such as fire prevention training and improvements to local infrastructure—including the installation of street lighting and traffic signs—the company actively extends its internal culture of “Safety” to the broader community. This commitment is tangibly demonstrated by the deliberate installation of a factory hydrant capable of reaching the nearest residential area, providing a critical, shared resource in the event of a fire. The interviews with the communities in the area indicate that community development activities such as workforce absorption, skill development training, and community space infrastructure are preferred.



TRI HITA
CONSULTING

CHAPTER 3

RECOMMENDATIONS



3. Recommendations

3.1 Institutional Recommendations

To ensure the effective management of strategic CSR activities, experienced companies establish an internal organ to plan, implement, and manage their CSR programs. The internal unit can be a special division or department, depending on the company's scale. ISTW currently lacks a dedicated team to handle CSR. Furthermore, CSR policies and procedures for monitoring and evaluation need to be prepared.



Figure 6. Action Plan within the Institution

Institutional strengthening is essential for the baseline of the strategic pillars. Institutional strengthening will support ISTW in establishing the systems, capacity and governance needed to plan and implement impactful programs. By prioritising institutional development in the early years (2026–2028), ISTW can build a solid framework for long-term sustainability, improve decision-making processes, and enhance its ability to deliver measurable outcomes.

Table 2. Roadmap of Institutional Strengthening

Year	Site	Activities	Output	Stakeholders
2026	All plants	- Establishment of CSR strategy - Adjust budget allocation - Assigned the CSR team - Develop comprehensive Standard Operating Procedures (SOPs), conduct program implementation, monitoring, and evaluation, including roles, workflows, and data management requirements.	- Annual CSR Strategy and Budget Document - Establish a robust CSR team with its formation and mandate clarified via an official circular/internal decree. - An officially approved and legalised SOP document for program implementation, monitoring, and evaluation.	- Board of Directors - Senior Management - HRGA - CSR Team (initial formation) - Finance Team - Legal Team - External consultants for assessment (optional)
2027	All plants	- Start regular monitoring and evaluation of the program's operational processes. - Provide training for CSR staff on CSR strategy,	- Monitoring and evaluation report - The CSR team staff achieved proficiency in CSR strategy, monitoring and evaluation, ESG standards, and	- Senior Management - HRGA - CSR Team - External consultants for capacity building (optional)

		monitoring & evaluation (M&E), ESG standards, and stakeholder management.	stakeholder management through formalised capacity development initiatives.	
2028	Semarang and Pulogadung plant	- Strengthen partnerships with local government, NGOs, and communities. - Integrate all institutional strengthening improvements into daily operations	- Strong multi-stakeholder collaboration - Fully operational internal governance and CSR/ESG systems	- CSR Team - Local Government & CBOs - NGOs/CSOs - Academic institutions - Beneficiary communities - All internal departments (company-wide integration)
2029	All plants	Conduct SROI		

3.2 Budget Adjustments

Indonesian Law No. 40 of 2007 and Government Regulation No. 47 of 2012 mandate Corporate Social Responsibility (CSR) for companies involved in natural resource activities. This legislation requires the CSR budget to be "appropriate and reasonable," tied to the company's financial capability and operational impact. Additionally, some regional policies, such as Semarang's, mandate a minimum CSR budget of 1% of the company's net profit.

Table 3. Regulatory of CSR Budget Allocation

Regulatory Level	Key Regulation	Status of CSR Budget
National (Core Law)	Government Regulation (PP) No. 47 of 2012 on Social and Environmental Responsibility of Limited Liability Companies ³	Companies shall determine their CSR budget based on principles of "appropriateness and reasonableness" (<i>kepatutan dan kewajaran</i>).
Regional (Jakarta)	Governor Regulation (Pergub) No. 112 of 2013 concerns Corporate Social and Environmental Responsibility (TJSL) for Businesses in the Province of DKI Jakarta ⁴	The CSR budget is determined based on the company's annual work plan and budget, with consideration of the principles of "appropriateness and reasonableness."
Regional (Cikarang)	Regional Regulation (PERDA) of Bekasi Regency Number 6	The requirement is to allocate funds that are deemed

³ Pemerintah Republik Indonesia. (2012, 4 April). *Peraturan Pemerintah No. 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas*. Lembaran Negara Republik Indonesia No. 89. Retrieved from <https://peraturan.bpk.go.id/Details/5260/pp-no-47-tahun-2012>

⁴ Pemerintah Provinsi DKI Jakarta. (2013, 24 September). *Peraturan Gubernur Nomor 112 Tahun 2013 tentang Tanggung Jawab Sosial dan Lingkungan Dunia Usaha* [Pergub DKI 112/2013]. Retrieved from <https://peraturan.bpk.go.id/Details/322352/pergub-prov-dki-jakarta-no-112-tahun-2013>

	of 2015 concerning Corporate Social and Environmental Responsibility. ⁵	appropriate for the scale of the company's activities and impact in the region.
Regional (Semarang)	Regional Regulation (PERDA) of Semarang City Number 7 of 2015 on the Partnership and Community Development Program as Corporate Social Responsibility in Semarang City. ⁶	CSR budget allocations are categorised as a company cost. While regulations do not mandate a specific profit percentage, a minimum of 1% is suggested, with 2–2.5% generally considered a fiscally sound and advisable range.
Regional (CSR Forums in Semarang)		

The company is obligated to allocate an appropriate and reasonable portion of its annual business profit to the CSR budget, proportional to its scale and impact.

Beyond national regulations, the ISTW facility in Semarang is subject to local ordinances. A key local regulatory mandate stipulates that a minimum of 1% (one per cent) of ISTW's audited annual business profit be earmarked for the CSR budget. Adherence to both this minimum threshold and the "appropriate and reasonable" national standard is required to maintain the operating license and ensure positive community relations.

⁵ Pemerintah Kota Bekasi. (2015). *Peraturan Daerah Kota Bekasi Nomor 6 Tahun 2015 tentang Pedoman Tanggung Jawab Sosial dan Lingkungan Perusahaan di Kota Bekasi* [Perda Bekasi 6/2015]. Retrieved from <https://peraturan.bpk.go.id/Details/165387/perda-kota-bekasi-no-6-tahun-2015>

⁶ Pemerintah Kota Semarang. (2015). *Peraturan Daerah Kota Semarang Nomor 7 Tahun 2015 tentang Program Kemitraan dan Bina Lingkungan sebagai Tanggung Jawab Sosial Perusahaan di Kota Semarang* [Perda Semarang 7/2015]. Retrieved from <https://peraturan.bpk.go.id/Details/252424/perda-kota-semarang-no-7-tahun-2015>

3.3 Strategic Pillars and 5-Year Roadmap (2026–2030)

Considering the company's vision and mission, the field findings, the strong commitment from the management, and the benchmarking results with the companies mentioned above, we recommend developing a CSR strategy built on three priority pillars.

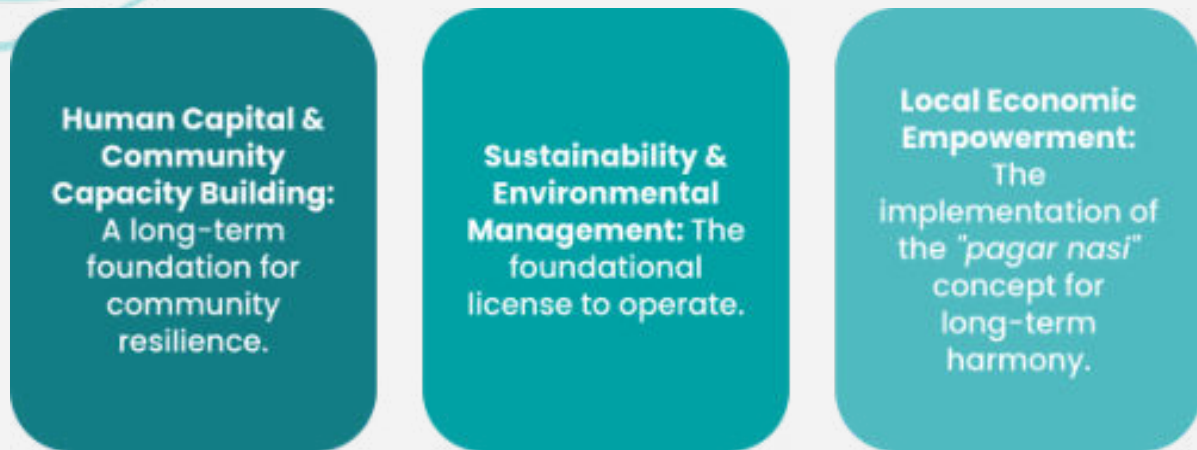


Figure 7. Three Main ISTW's CSR Pillars

Pillar 1: Human Capital & Community Capacity Building

- **Strategic Rationale:** To address the skills gap (Cikarang), build community resilience (Semarang), strengthen social engagement (Jakarta), and establish ISTW as a safe, healthy, and competent partner.
- **Main Programs:** Vocational (SMK) and university partnerships (scholarships, internships) (Semarang); and health and welfare programs (clinic support, sanitation) (Semarang and Pulogadung);

5-Year Roadmap (2026–2030):

Table 4. Human Capital & Community Capacity Building Roadmap

Year	Site	Activities	Output	Stakeholders
2026	Semarang and Pulo Gadung	- Implement "quick win" aspiration programs (e.g., community hall renovation in JKT/SMR) - Assessment to identify and prioritise the most vulnerable group for donations.	- Renovated community facilities - List of needs, based on assessment - Assistance targeted to the list of needs	- CSR/Community Development Team - Local community leaders (RT/RW, kelurahan) - Jakarta & Semarang local governments
2027	Semarang & All plants.	- Map potential SMK/university partners. - Launch community health education programs (nutrition, sanitation) - Identify the needs of local health clinics (<i>puskesmas</i>).	- Database of potential education/vocational partners - Improved community awareness on health & hygiene - Assessment report on <i>Puskesmas</i> needs	- CSR/Health Program Team - Puskesmas & local health offices (Dinkes) - Community health cadres (kader kesehatan) - Local schools & community groups
2028	Semarang & All plants	Implement industrial-based vocational/internship programs according to the	- Trained vocational participants & internship placements - Upgraded health clinics - Strengthened community	- HR/Training Division - Partner SMKs & Universities - Puskesmas & Dinas Kesehatan - Community-based

		mapped potential SMK/University partners. • Upgrade local health facilities (medical equipment, sanitation renovation) • Conduct community organisational management training	organisations	organisations (CBOs)
2029	All plants	• Monitoring and evaluation of CSR • Continuing the programs from the previous year that have proven to deliver a positive impact on the community. • Conduct a mapping of a new public issue • Develop priority public infrastructure (street lighting, signs).	• Monitoring and evaluation report • A report on continuous CSR programs that are beneficial for the community and enhance the company's brand image. • List of public issues that can be opportunities for a CSR program • Installed lighting & public signs, improving safety	• Emergency Response/EHS Team • Local schools & residents • Local government (public works)

2030	All plants	• Training for the community to further develop the activities and knowledge established in previous years (self-management), while remaining integrated into the company's business processes. • Evaluate the impact of vocational programs on local hiring (especially in Semarang).	• Improved community skills and self-management capacity, resulting in stronger community-led initiatives that remain integrated with the company's business processes. • Impact evaluation report: vocational graduates & hiring outcomes	• CSR/ESG Division • Community representatives & forum members • HR recruitment team • Cikarang industry partners • Local government (Manpower Office/Disnaker)
------	------------	---	---	---

Pillar 2: Sustainability & Environmental Management

- **Strategic Rationale:** To respond to environmental threats (Semarang), reduce ecological footprint (all plants), and strengthen long-term sustainability and reputation (all plants).
- **Main Programs:** Collaborative flood mitigation and riverbank greening (Semarang); investment in pollution reduction technology (all plants); and exploration of clean energy (all plants).

5-Year Roadmap (2026–2030):

Table 5. Sustainability & Environmental Management Roadmap

Year	Site	Activities	Output	Stakeholders
2026	Semarang	- Map flood-prone areas (Semarang) and begin mangrove planting. - Integrate the effort of decarbonisation into CSR implementation	- Flood risk map 1st tree planting area established	- Internal ESG/CSR Team - Plant Operations (Semarang/Jakarta/Cikarang) - Semarang Local Government & Disaster Agency (BPBD) - Community groups
2027	Semarang and Pulo Gadung	Conduct 3R education for employees and the community	Trained workforce & communities	- Internal ESG/CSR Team - Plant Operations (Semarang/Jakarta/Cikarang) - Local waste banks/cooperatives - Community groups
2028	Semarang	Begin a collaborative flood mitigation program in Semarang (with the local government/community).	Active flood-mitigation initiatives	- Cikarang Plant Management - Government ERP team - Semarang Government (Public Works, DLH) - Local communities and volunteers

2029	All plants	Form an Environmental Stewardship Committee (involving employees and community)	- Active multi-stakeholder committee - Annual environmental transparency report	- IT & Engineering Teams - Environmental Stewardship Committee - Community representatives - Relevant local government agencies (DLH)
2030	All plants	Evaluate and monitor program impact	- Impact evaluation report - Comparative baseline vs. endline performance data - Evidence-based insights for next-year planning and resource allocation	- ESG/CSR Team (lead evaluator) - Plant Operations & Maintenance Teams - Environmental Health & Safety (EHS) Team - Data/Monitoring & IT Division - Local Environmental Agency (DLH) for verification/consultation - Community representatives (for flood preparedness feedback) - Senior Management (for decision-making and policy adjustments)

Pillar 3: Local Economic Empowerment

- **Strategic Rationale:** To create shared value, strengthen the local economy (Pulogadung and Semarang), and build long-term, stable community relationships (Pulogadung and Semarang).
- **Main Programs:** SME training (financial literacy, digital marketing, quality control) (Pulogadung and Semarang); integration of local businesses into the company supply chain (Pulogadung and Semarang); entrepreneurship support and mentorship (Pulogadung and Semarang).

5-Year Roadmap (2026–2030):

Table 6. Local Economic Empowerment Roadmap

Year	Site	Activities	Output	Stakeholders
2026	All plants	- Conduct a Community Needs Assessment (CNA) focusing on economic aspects - Map local economic potential and identify SMEs that can support industry (food, services, micro-manufacturing)	- Economic CNA report - List & profiling of priority SMEs - Mapping of industry-supporting local businesses	- CSR/Community Development Team - Local SMEs & business associations - Village/urban local government (<i>Kelurahan/Desa</i>) - UMKM Office (Dinas Koperasi & UMKM)
2027	Semarang and Pulo Gadung	- Provide training for SMEs: business management, digital marketing, and simple bookkeeping - Support product quality improvement: Halal certification, PIRT, packaging upgrades	- Trained SMEs with improved business & digital skills - SMEs certified (Halal/PIRT) - Enhanced product quality & packaging	- SME trainers/consultants - Halal certification bodies (BPJPH/MUI) - Local Health Office (PIRT) - UMKM Office & Cooperatives - Local packaging vendors
2028	Semarang and Pulo Gadung	Launch a business incubation program for high-potential SMEs	- Incubated SMEs with business growth plans - Mentorship records & progress reports	- Incubator partners/mentors - Marketplace partners (Tokopedia, Shopee, etc.)

		• Provide mentorship (finance, operations, branding) • Facilitate market access: annual bazaar, corporate marketplace partnerships	• Local SMEs participating in bazaars/marketplaces	• Local government (Cooperatives & MSME Office) • SME associations
2029	Semarang and Pulo Gadung	• Pilot integration of 1–2 local SMEs into ISTW's supply chain (e.g., catering, cleaning supplies) • Host workshops on accessing capital (banks, fintech, microfinance institutions)	• SMEs selected for supply chain pilot • Increased SME readiness to access loans/capital • Partnerships with financial institutions	• ISTW Procurement & Supply Chain Team • Selected SMEs • Banks, fintech providers (KUR, P2P lending) • Business development consultants
2030	Semarang and Pulo Gadung	• Integrate selected SMEs into ISTW's formal procurement system • Continuing the programs from the previous year that have proven to deliver a high economic impact on society • Conduct economic & social impact evaluation	• Fully onboarded SMEs in procurement • A report on sustainable programs that positively impact the economic community. • Impact evaluation report (income, employment, business growth) • Publicised SME success	• Procurement Division • CSR/ESG Team • SMEs & local entrepreneurs • Communications/PR Team • Local government (UMKM Office)

		• Publish success stories to promote SME empowerment	stories	
--	--	--	---------	--



TRI HITA
CONSULTING

CHAPTER 4 CONCLUSION



4. Concluding Statement

This CSR Roadmap outlines ISTW's transition from responsive community support to a fully integrated, strategic commitment focused on creating shared value. Currently, CSR activities across all plants predominantly focus on social aspects. However, the Semarang plant is an exception, incorporating environmental protection into its CSR activities because of its proximity to a residential area, unlike the Pulo Gadung and Cikarang plants, which are situated within industrial zones.

ISTW is financially stable but lacks a long-term impact evaluation and a dedicated CSR unit, which limits its potential. Unresolved environmental issues and rising unmet community expectations pose a real risk of social friction and stakeholder alienation. The recommendations for ISTW begin with institutional mandates: the budget allocation for Corporate Social Responsibility (CSR) should be drawn from ISTW's business profit, with an annual allocation of approximately 1–2%. This allocation is crucial for implementing the five-year CSR strategy, which is structured around three core pillars.

By focusing on the three strategic pillars, Human Capital & Community Capacity Building, Sustainability & Environmental Management, and Local Economic Empowerment, ISTW would directly address the most critical needs and opportunities in its corporate social responsibilities. Strategic CSR activities align with ISTW's commitment to transforming potential risks into pillars of mutual strength and turning ISTW's corporate capabilities into engines for sustainable development.

ISTW must commit to ensuring that these initiatives are not only maintained but also expanded in scope to generate profound, sustainable positive impacts on both society and the environment.

REFERENCES

Kontan. (n.d.). Sembari menjaga kinerja, Astra International (ASII) tetap rutin jalankan CSR. Kontan.

https://industri.kontan.co.id/news/sembari-menjaga-kinerja-astra-international-asii-tetap-rutin-jalankan-csr?utm_source

Pemerintah Kota Bekasi. (2015). *Peraturan Daerah Kota Bekasi Nomor 6 Tahun 2015 tentang Pedoman Tanggung Jawab Sosial dan Lingkungan Perusahaan di Kota Bekasi* [Perda Bekasi 6/2015]. Retrieved from <https://peraturan.bpk.go.id/Details/165387/perda-kota-bekasi-no-6-tahun-2015>

Pemerintah Kota Semarang. (2015). *Peraturan Daerah Kota Semarang Nomor 7 Tahun 2015 tentang Program Kemitraan dan Bina Lingkungan sebagai Tanggung Jawab Sosial Perusahaan di Kota Semarang* [Perda Semarang 7/2015]. Retrieved from <https://peraturan.bpk.go.id/Details/252424/perda-kota-semarang-no-7-tahun-2015>

Pemerintah Provinsi DKI Jakarta. (2013, 24 September). *Peraturan Gubernur Nomor 112 Tahun 2013 tentang Tanggung Jawab Sosial dan Lingkungan Dunia Usaha* [Pergub DKI 112/2013]. Retrieved from <https://peraturan.bpk.go.id/Details/322352/pergub-prov-dki-jakarta-no-112-tahun-2013>

Pemerintah Republik Indonesia. (2012, 4 April). *Peraturan Pemerintah No. 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas*. Lembaran Negara Republik Indonesia No. 89. Retrieved from <https://peraturan.bpk.go.id/Details/5260/pp-no-47-tahun-2012>

PT Astra International Tbk. (2024). Sustainability Report 2023. <https://www.astra.co.id/sustainability/sustainability-report>

PT PLN (Persero). (2025). ESG Performance Report 2024.

<https://web.pln.co.id/statics/uploads/2025/07/ESG-Performance-Report-2024-1.pdf>

ANNEX – List of Interviews

A total of **11 key stakeholders** were interviewed, including ISTW management and community representatives in Semarang and Jatinegara (Jakarta).

Table 6. Stakeholders Interviewed

No	Name	Position	Contact Detail	Date of Interview
1	Ronny Siagian	ISTW Advisor	0816770532	15 – 16 September 2025
2	Asep Iswandi	Project Coordinator	081573041277	15 – 16 September 2025
3	Agung Haidar	HRGA Manager of Semarang Plant	08156586693	15 – 16 September 2025
4	Reza Rachman	HRGA staff of Semarang Plant	085727322141	15 – 16 September 2025
5	Primanita Octaviani	HRGA Manager of ISTW	08156588240	16 September 2025
6	Pak Cucu	Chairperson of RT 9 / RW 1, Manyaran Village	082137627477	16 September 2025
7	Pak Sulis	Chairperson of RT 14 / RW 1, Manyaran Village	085865696545	16 September 2025
8	Marfuah	Secretary of Manyaran Village	085876188213	16 September 2025
9	Sunaryo	Chairperson of RW 1, Manyaran Village	081390334441	16 September 2025
10	Maullah	Chairperson of RW 007, Jatinegara	081388926026	15 September 2025
11	Abdullah	Chairperson of RT 002, RW 007, Jatinegara	0895635008057	15 September 2025



TRI HITA CONSULTING

Innovating for Sustainable Futures

Tri Hita Consulting

(PT Konsultan Tri Hita Karana)

Jalan Tukad Barito Timur V No. 3A

Renon, Denpasar, Bali

info@trihita-consulting.com

www.trihita-consulting.com