

"The Contribution of PT Petrokimia Gresik to the Achievement of the SDGs: A Perspective of Sustainability and Accountability – A Study of the 2023 Annual Report."

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Abstract

This study aims to analyze the contribution of PT Petrokimia Gresik in supporting the achievement of the Sustainable Development Goals (SDGs) through sustainability strategies and transparent performance reporting. Using a descriptive qualitative approach and content analysis method, this research examines the company's 2023 sustainability report, which is prepared in accordance with the Global Reporting Initiative (GRI) guidelines. The main focus of the study lies in the extent to which the company discloses SDG indicators and how the integration of Environmental, Social, and Governance (ESG) principles is reflected in its operational activities and social responsibilities. The programs not only contribute to improving community welfare but also strengthen food security and maintain ecological balance. Moreover, the company actively integrates the principles of transparency and accountability in its reporting by preparing a report separate from the annual report and publishing it openly to the public.

With the attainment of the "Platinum" award in the 2023 Asia Sustainability Reporting Rating (ASRRAT), PT Petrokimia Gresik is considered to have successfully demonstrated a genuine commitment to accountable sustainability reporting. This study emphasizes the importance of high-quality reporting practices, which can serve as a reference for other companies in preparing sustainability reports that align with international standards and support sustainable development.

Keywords: Sustainable Development Goals (SDGs), Corporate Sustainability, PT Petrokimia Gresik

INTRODUCTION

The implementation of sustainable development in the industrial sector in Indonesia has become an interesting issue for modern businesses. It encourages companies to report and present disclosures regarding the social and environmental impacts of their operational activities. Profit maximization remains the primary goal of a company, but investor appeal is strengthened through sustainability reports. The assessment of a company's production processes, along with its environmental and social concerns, adds value to the company. The Sustainable Development Goals (SDGs) (Jihan & Murwaningsari, 2023), related to the new development agreement, drive

changes toward sustainability. The Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets, serve as a global framework encouraging all sectors, including corporations, to contribute to sustainable development (Amaliyah & Andayani, 2022).

PT Petrokimia Gresik, as a chemical industry company engaged in the production and distribution of fertilizers, plays a strategic role in the implementation of the SDGs. The company's contributions can be seen in aspects such as food security, clean water management, and sanitation. With its large-scale operations and significant influence in the agricultural sector, the company's contributions to the SDGs have a direct impact on community welfare and environmental preservation.

Commitment to sustainability serves as an inspiration for state-owned enterprises (SOEs), which must be accompanied by high accountability in program planning, implementation, and performance reporting. PT Petrokimia Gresik has demonstrated concrete efforts in building a sustainability strategy through Corporate Social Responsibility (CSR) programs, energy efficiency, emission reduction, and the development of environmentally friendly product innovations (Muadhimah Maulidiya et al., 2024). Additionally, the company has begun integrating Environmental, Social, and Governance (ESG) principles into its corporate governance as a form of transparency and accountability to the public and stakeholders. This research is important to further examine the extent of PT Petrokimia Gresik's contributions to achieving the SDGs, as well as how sustainability and accountability values are reflected in the company's business strategy

METHOD

This research uses a descriptive qualitative approach with content analysis methods to evaluate PT Petrokimia Gresik's contribution to achieving the Sustainable Development Goals (SDGs) based on its 2023 Sustainability Report (Dewi, 2023). The primary data was obtained from the company's official reports available on PT Petrokimia Gresik's website. The analysis was conducted by examining the extent to which the company discloses SDG indicators in the report, as well as assessing the quality and consistency of disclosures related to economic, social, and environmental aspects in accordance with Global Reporting Initiative (GRI) standards.

Overall, this research emphasizes the importance of transparency and accountability in corporate sustainability reporting. By adopting a content analysis approach and GRI standards, this study contributes to understanding PT Petrokimia Gresik's role in supporting the achievement of the SDGs. The findings are expected to serve as a reference for other companies in improving the quality of their sustainability reports and strengthening their commitment to sustainable development.

RESULTS AND DISCUSSION

The findings reveal that PT Petrokimia Gresik has made significant contributions to the Sustainable Development Goals (SDGs) through its sustainability initiatives, as documented in its 2023 Sustainability Report. The company actively supports multiple SDGs, including SDG 1 (No Poverty) through its revolving fund program for farmers, SDG 3 (Good Health and Well-being) via the Sekar Mamamia health initiative, SDG 7 (Affordable and Clean Energy) through renewable energy projects like solar power (PLTS), and SDG 12 (Responsible Consumption and Production) with its waste management program (Masdarsa). Additionally, its mangrove rehabilitation efforts (SDG 14) and precision farming technologies (SDG 2 – Zero Hunger) demonstrate a strong commitment to environmental and agricultural sustainability. These programs align with the triple bottom line (People, Planet, Profit) framework, reinforcing the company's balanced approach to economic, social, and environmental impacts.

Furthermore, PT Petrokimia Gresik maintains high accountability and transparency in its sustainability reporting, adhering to Global Reporting Initiative (GRI) Standards and OJK Regulation No. 51/POJK.03/2017. The company's separate Sustainability Report, publicly accessible on its website, ensures stakeholder engagement and compliance with best practices. External validation comes from its "Platinum" rating in the Asia Sustainability Reporting Rating (ASRRAT) 2023, reflecting excellence in ESG disclosures. Despite not directly boosting short-term financial returns, these initiatives create long-term shared value, as seen in improved community well-being and environmental performance. However, challenges remain in quantifying the direct economic ROI of social programs, suggesting a need for more robust impact measurement frameworks in future reporting.

Sustainability Disclosure and SDGs

The company, established as a subsidiary of Holding Pupuk Indonesia and located in Gresik, East Java, was founded in 1972 and is known as the most comprehensive fertilizer producer in Southeast Asia. The company's vision is to be an agro-industrial solution to support sustainable agriculture and national food security. In its operations, PT Petrokimia Gresik does not only pursue profit but also applies sustainability principles by maintaining economic, social, and environmental aspects.

Petrokimia Gresik manages an area of over 500 hectares with a production capacity of around 8.9 million tons per year, consisting of 5 million tons of fertilizer products and 3.9 million tons of non-fertilizer products. Their main products include various types of fertilizers such as Urea, NPK Phonska, Petroganik, SP-36, and ZA, as well as non-fertilizer products like superior seeds, probiotics for livestock and fisheries, and industrial chemicals such as ammonia, sulfuric acid, and phosphoric acid. Additionally, the company has several subsidiaries, such as

Petrokimia Kayaku, Petrosida Gresik, and Petro Jordan Abadi, strengthening their business network in the agricultural and chemical sectors. Petrokimia Gresik's commitment to social responsibility is also substantial.

Sustainable Development Goals (SDGs) utilize all resources in work to provide quality of life and community welfare. Development that can balance the natural and built environments, as well as maintain balanced interactions between the two. The SDGs consist of 17 goals and 169 targets designed to address various development challenges, including poverty, inequality, climate change, and environmental degradation, with a target achievement year of 2030 (Amaliyah & Andayani, 2022). The SDGs are universal and require active involvement from all stakeholders, including the private sector. Companies are expected not only to pursue economic profit but also to contribute to social development and environmental preservation by integrating sustainability principles into their business strategies (Muhammad Fachrizal Wahyu Darma Putra & Nurul Asfiah, 2024).

In its annual report, PT Petrokimia Gresik demonstrates tangible contributions to achieving the Sustainable Development Goals (SDGs) through various economic, environmental, and social initiatives. The company runs programs categorized as follows: (1.) Community and economic empowerment, realized through the Partner Business Development Program (PUMK), which includes revolving fund activities and economic empowerment for farmers, aligning with SDG 1. The Sekar Mamamia program to improve health cadres' capacity aligns with SDG 3. (2.) Environment, with programs such as waste management through the Community Waste Management Awareness Program (Masdarsa), which aligns with SDG 12. Mangrove rehabilitation covering 1.5 hectares in the coastal area of Gresik through PRPM Mengare aligns with SDG 14. The use of renewable energy such as solar power (PLTS) and the development of Green Hydrogen and Green Ammonia align with SDG 7. (3.) Education, with scholarship programs for high school and undergraduate students (Bestro) aligning with SDG 4, and the Petro Young Farmers program for farmer regeneration. (4.) Food security, providing quality fertilizers to support national food security and launching a smart precision farming program using drone IoT technology for agricultural efficiency.

Analysis of Social and Environmental Responsibility Programs

From a sustainability perspective, PT Petrokimia Gresik's contributions to the Sustainable Development Goals (SDGs) reflect their efforts to balance business growth with social and environmental responsibility. Through the development of eco-friendly products, energy efficiency, and the use of green technologies such as Green Hydrogen and Green Ammonia, the company supports SDG targets like clean energy, responsible production, and climate action. Additionally, by strengthening food security through quality fertilizer production and sustainable

agricultural programs, Petrokimia Gresik helps achieve the goals of zero hunger and inclusive economic growth.

Petrokimia Gresik has a flagship program to support a sustainable economy, implemented through the Healthy Village Program. The Healthy Village Program aligns with the sustainable development goals framework, particularly the triple bottom line (3P) approach: People, Planet, and Profit (Mujab & Nugraheni, 2024). The program aims to improve community quality of life through various activities focused on health and environmental sustainability.

The sustainable development goals framework in the Healthy Village Program consists of People. Implementation of "People" is realized through the Healthy Village Program, with a primary focus on public health, through various activities such as Healthy Village School, Healthy Juice, Fit Friday (Jumat Semua Sehat) Academy, and free health check-ups for the community (Muadhimah Maulidiya et al., 2024). The community is expected to adopt healthy living habits as these programs are carried out daily. Collaboration with various parties, such as posyandu (integrated health posts), community health centers (puskesmas), and the Gresik District Health Office, ensures the program's success and positive impact on society.

The next framework is Planet, which covers environmental aspects. Contributions to environmental preservation are made through activities that promote clean and healthy living, as seen in the Mas Darsa (Community Waste Management Awareness) mentoring program. This program is expected to raise awareness about waste management and provide new knowledge to the community on how to process waste into valuable products. Various training sessions are conducted directly for the community, as households adopting eco-enzyme practices can reduce the amount of organic waste sent to landfills.

Profit is the final framework, focusing on programs encompassing social, environmental, and economic aspects of the Healthy Village Program's contribution. Improving community welfare creates harmonious relationships with the community and generates positive economic value by creating benefits for society. Previous research highlights that the Healthy Village Program positively impacts profitability through its innovations. Data shows significant improvements from 2019 to the 2023 report. Although it does not directly increase short-term ROI, this program holds strategic value as a long-term social investment that contributes to creating shared value between the company and the community (Tsabita et al., 2023). Thus, the Healthy Village Program is a crucial step in realizing inclusive and impact-oriented corporate sustainability (Amaliyah & Andayani, 2022).

Level of Accountability and Transparency of PT Petrokimia Gresik in Sustainability Performance Disclosure

PT Petrokimia Gresik demonstrates a strong commitment to accountability and transparency by compiling its 2023 Sustainability Report based on the Global Reporting Initiative (GRI) Guidelines and OJK Regulation No. 51/POJK.03/2017. The sustainability report is prepared separately from the annual report and is publicly accessible on the company's official website, ensuring openness of information to stakeholders. This proves that the company not only fulfills reporting obligations but also actively strives to create long-term sustainability value (Dewi, 2023).

Accountability and transparency are two crucial elements in effective sustainability governance, especially for state-owned enterprises (BUMN). PT Petrokimia Gresik shows commitment to these principles through regular and publicly accessible sustainability performance disclosures. In the Sustainability Report published annually, the company presents information covering environmental, social, and governance (ESG) aspects, adhering to international standards such as the Global Reporting Initiative (GRI Standards). In terms of accountability, the company applies the TARIF principles (Transparency, Accountability, Responsibility, Independence, and Fairness) in all aspects of corporate governance. The comprehensive application of these principles creates a strong oversight and risk management structure, ensuring that all operational and business activities are ethically and professionally accountable.

Disclosure transparency is further strengthened by internal policies such as the Information Disclosure Guidelines and Business Ethics Guidelines. Management and periodic financial reports are submitted not only to shareholders but also to the public through various information channels, including press conferences, mass media, and internal digital platforms, ensuring equal and real-time access to information.

The success of this implementation is evident from Petrokimia Gresik's achievement of the "Platinum" rating in the Asia Sustainability Reporting Rating (ASRRAT) 2023. This award reflects external recognition of the company's sustainability performance disclosure quality. It is also supported by a significant increase in social investment and high environmental satisfaction scores, indicating that the company's sustainability efforts are not merely administrative but have a tangible impact on society and the environment.

CONCLUSION

Based on the analysis of the 2023 sustainability report, PT Petrokimia Gresik has demonstrated significant contributions to achieving the Sustainable Development Goals (SDGs) through the implementation of sustainability strategies encompassing social, environmental, and economic aspects. The company runs various programs aligned with SDG targets, such as the Healthy Village program, farmer empowerment, educational scholarships, environmental conservation, and renewable energy utilization. The implementation of these programs proves that the

company focuses not only on economic profits but also on social and ecological impacts.

In terms of accountability and transparency, PT Petrokimia Gresik has applied international GRI reporting guidelines and OJK regulations while ensuring information openness by preparing separate reports and providing broad public access. This commitment is supported by good corporate governance principles through the implementation of the TARIF principles (Transparency, Accountability, Responsibility, Independence, and Fairness). Additionally, the sustainability report has been verified by an independent party, enhancing the credibility and public trust in the disclosed information.

The achievement of the "Platinum" rating from ASRRAT demonstrates external recognition of the quality of the company's sustainability reporting. This study concludes that PT Petrokimia Gresik serves as an example of a state-owned enterprise (BUMN) capable of balancing business interests with social and environmental responsibilities. These findings are expected to inspire other companies in preparing and improving the quality of their sustainability reports to support sustainable development agendas at both national and global levels.

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