
Analysis of ESG Implementation at PT Wijaya Karya Based on ASRRAT 2024

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Abstract

Environmental, Social, and Governance (ESG) practices are increasingly important in supporting corporate sustainability, especially in infrastructure companies. This research aims to examine how PT Wijaya Karya (Persero) Tbk integrates ESG principles in its business operations. The research was conducted with a qualitative case study approach based on the company's 2023 sustainability report which was analyzed using content analysis techniques. The results show that the implementation of ESG at WIKA reflects the company's commitment to environmental protection, social responsibility, and good governance. This commitment is evidenced through the achievement of the Gold rating in ASRRAT 2024. The conclusion of this study is that the systematic implementation of ESG can improve corporate accountability and long-term stakeholder trust.

Keywords: *Environmental, Social, and Governance (ESG), sustainability, infrastructure, Wijaya Karya (WIKa)*

INTRODUCTION

The issue of sustainability has now become a major concern in the global business world, along with increasing collective awareness of the long-term impact of economic activity on the environment and society. Companies are no longer only required to achieve high financial performance, but are also expected to be able to demonstrate a real contribution to environmental preservation (Environmental), social empowerment (Social), and run a corporate governance (Governance) that is accountable, transparent, and ethically oriented. This concept is widely known as ESG principles and has become an important benchmark in assessing sustainability and corporate social responsibility at the national and global levels.

Along with the increasing attention to ESG principles, various assessment and rating agencies have also emerged to recognize companies that have successfully implemented sustainability practices consistently. One of the influential rating agencies in the Asian region is the Asia Sustainability Reporting Rating (ASRRAT), organized by the National Center for Corporate Reporting (NCCR). Through a rigorous evaluation process and international standards, PT Wijaya Karya (Persero) Tbk was awarded the Gold rating in ASRRAT 2024 for its dedication and consistency in submitting sustainability reports and implementing ESG principles throughout its business lines.

This research aims to dig deeper into how PT Wijaya Karya integrates ESG principles in its business practices through a qualitative case study approach. The main emphasis of this research is on the real implementation reflected in the company's policies, work programs, and impacts on stakeholders. Thus, this study not only provides an overview of ESG implementation, but also evaluates the effectiveness and challenges faced by the company in realizing its sustainability commitments in a comprehensive and sustainable manner.

METHOD

This research uses a qualitative approach with a descriptive case study method to explore in depth how the implementation of Environmental, Social, and Governance (ESG) principles is applied by PT Wijaya Karya (Persero) Tbk. This approach was chosen because it allows researchers to understand the complex context and dynamics in the implementation of ESG in state-owned infrastructure companies. This research uses secondary data obtained from various sources, including PT WIKA's 2023 sustainability report, company documentation, official publications from the 2024 ASRRAT rating agency, and relevant ESG reporting regulations and standards such as the Global Reporting Initiative (GRI) and POJK No. 51/POJK.03/2017.

The data analysis technique used is content analysis, which is a method used to systematically identify, categorize, and interpret information based on ESG indicators. The analysis process is carried out by sorting the data into the three main pillars of environment, social, and governance to assess the quality and consistency of ESG implementation by the company. To improve data validity, a source triangulation technique was applied by comparing different types of documents and references from different sources. This approach is expected to provide a comprehensive and reliable picture of PT WIKA's sustainability strategy.

RESULTS AND DISCUSSION

This study aims to evaluate how PT Wijaya Karya (Persero) Tbk implements ESG principles based on its 2023 sustainability report and Gold rating in ASRRAT 2024. The findings are grouped into three main aspects of ESG, namely environmental, social, and governance, which are described in detail below.

1. Environmental Aspects

PT WIKA shows a high commitment to environmental preservation, which is reflected through various environmentally friendly initiatives in construction and infrastructure projects. The company implements systematic energy efficiency, emission reduction and waste management policies. One example is the application of low-carbon construction technology and building material recycling systems. In addition, WIKA is also actively reforesting and providing green open space around the project site.

Figure 1. Infrastructure development project area by PT Wijaya Karya (Persero) Tbk which is integrated with reforestation area around the forest



Source: PT Wijaya Karya (Persero) Tbk, 2024

Figure 1 shows the company's efforts to maintain a balance between development and environmental preservation as part of the implementation of the Environmental (E) principle in ESG. The impact of this initiative is a 10% reduction in energy consumption and a 15% reduction in CO₂ emissions by 2023. In addition, WIKA has also managed more than 75% of construction solid waste to be reused or recycled.

2. Social aspect

In the social dimension, PT WIKA develops good relationships with communities, workers, and stakeholders through corporate social responsibility (CSR) programs, work safety, and human resource development. Some of the main programs include skills training for communities around the project, social infrastructure development (village bridges, clean water facilities), and enforcement of work safety standards in each project unit.

Table 1. WIKA CSR Program in 2023 Based on Project Location

Project Location	CSR Program	Direct Benefits
Kab. Kutai Kartanegara	Job training & MSME assistance	125 residents certified to work
Kab. Gresik	Village bridge construction	Easier access to 300 houses
Kab. Bogor	Mobile health clinic & counseling	500 residents receive treatment

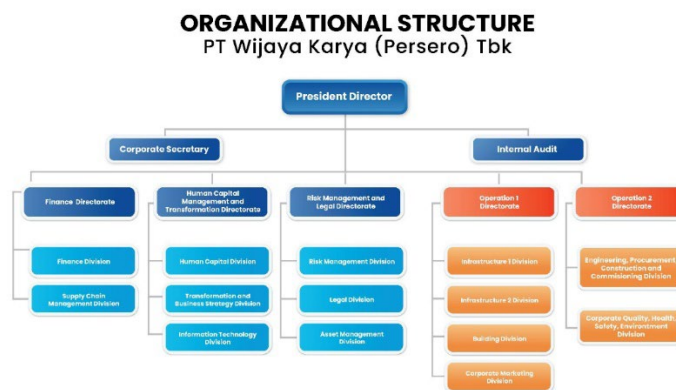
Source: Internal data or summary of various WIKA CSR programs (not openly published), 2023.

This program has succeeded in increasing the positive perception of the community around the project, as evidenced by the results of an internal survey which shows 86% satisfaction level of residents around WIKA's major projects in Kalimantan and West Java.

3. Governance Aspects

Good corporate governance is an important foundation for WIKA in maintaining its credibility. The company applies the principles of transparency, accountability and strong internal control. One of the concrete initiatives is the establishment of the ESG Committee which is directly responsible to the Board of Commissioners and Directors. In addition, PT WIKA implements a whistleblowing system that is open to all employees and the public.

Figure 2. ESG Governance Structure at PT WIKA



Source: PT Wijaya Karya (Persero) Tbk

The ESG structure at PT WIKA shows a reporting mechanism that starts from the project implementation unit to the internal ESG Committee. This committee is tasked with consolidating reporting and submitting it to the Board of Directors and Board of Commissioners as strategic decision makers. WIKA also follows sustainability reporting standards based on GRI and complies with POJK 51/2017. In the 2023 external audit, no significant violations were found in terms of governance or financial and sustainability reporting.

CONCLUSION

PT Wijaya Karya (Persero) Tbk has successfully integrated Environmental, Social, and Governance (ESG) principles in its business operations, which is reflected in the achievement of the Gold rating in ASRRAT 2024. In the environmental field, the company shows a high commitment to nature conservation through energy efficiency policies, emission reduction, and waste management. CSR programs that focus on community empowerment and social infrastructure development also show a positive impact on the welfare of communities around the project. In addition, good governance is demonstrated through the establishment of an ESG Committee and the implementation of a transparent reporting system.

This success shows that ESG implementation can improve the company's reputation and trust from stakeholders. It is recommended that PT WIKA continues to strengthen its ESG commitment through continuous innovation and periodic evaluation, as well as increasing collaboration with stakeholders to ensure the relevance and effectiveness of sustainability programs that have been implemented.

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