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Legal Void of Social and Environmental Responsibility in the Implementation of Corporate Social Responsibility in the Energy and Natural Resources Sector

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ABSTRACT

This research aims to explore the legal vacuum related to Social and Environmental Responsibility (CSR) in the implementation of Corporate Social Responsibility (CSR) in the energy and natural resources sector. Although CSR has been recognized as an important aspect of sustainability and corporate responsibility, the regulation regarding the minimum amount of funds that must be allocated for CSR is still not clearly and concretely regulated in the applicable legislation in Indonesia. The results show that legal uncertainty regarding the amount of TJSL funds has a significant impact on the implementation of CSR programs by companies. Many companies experience difficulties in planning and allocating budgets for effective CSR programs, due to the absence of clear guidelines regarding the funding obligations that must be met. The study also identified various challenges faced by companies in implementing CSR, including differences in understanding of CSR among stakeholders, environmental challenges arising from operational activities, and community pressure to increase social and environmental contributions.

Keywords: *Corporate Social Responsibility, Energy and Natural Resources, Legal Certainty*

INTRODUCTION

Corporate Social Responsibility (CSR) emerged as a response to public distrust of companies. The term company does not only refer to a limited liability company but includes all business entities, both incorporated and unincorporated. The term CSR began to be recognized in 1970 and grew in popularity after the publication of the book Cannibals with Forks: The Bottom Line in 21st Century Business (1998) by John Elkington. The book introduced three important components of sustainable development: economic growth, environmental protection, and social equity. John Elkington formulated that CSR focuses on three main aspects, known as the 3P concept: profit, planet, and people. In other words, a good company should not only pursue economic profit but should also show concern for environmental sustainability and social welfare (McWilliams & Siegel, 2001). As it developed, this concept became a guideline for companies in carrying out their social responsibility, now known as CSR (Widiastuti, 2023).

Universally, based on the various views that have been described, it can be concluded that Corporate Social Responsibility (CSR) is an activity carried out by companies or business actors to contribute and engage in sustainable social activities, with the aim of improving the quality of life and welfare of the company and society (Visser, 2006). In Indonesia, the regulation of CSR is regulated in several laws and regulations, including Law No. 40/2007 on

Limited Liability Companies, Law No. 25/2007 on Capital Investment, and Regulation of the Minister of State-Owned Enterprises No. Per-5/MBU/2007 on SOE Partnership Programs with Small Businesses and Community Development Programs, which specifically regulates CSR for SOE companies. Corporate social responsibility obligations are also re-regulated in Law No. 40/2007 on Limited Liability Companies. There are positive impacts for companies that implement CSR. Through CSR, companies can build mutually beneficial relationships with the community, which in turn can strengthen the company's image in the eyes of the public (Matten & Moon, 2008). This supports the company's reputation and provides long-term benefits in both social and economic terms. Corporate Social Responsibility (CSR) is a commitment from the business world to act ethically, carry out operational activities following legal requirements, and contribute to improving the quality of life of employees and their families, local communities, and society at large. The concept of CSR contains elements of shared responsibility between the government, companies, and local communities, which are active and dynamic in nature (Carroll, 1991). The implementation of CSR programs by companies brings its own benefits, as stated by the Eka Tjipta Foundation. CSR can be an inherent business strategy for companies to maintain or improve their competitiveness through reputation, product brand loyalty, and corporate image. CSR provides added value for companies in an era where people not only consider price but also broader social impacts. Improving a company's image has strategic implications, as a good reputation is one of the competitive advantages.

CSR can also be defined as actions taken by business actors or stakeholders through behavior that is socially responsible to society. In carrying out their social responsibility, businesses or companies pay attention to three main aspects, namely economic, social, and environmental, with a focus on sustainability (Margolis & Walsh, 2003). This is also one way to prevent a crisis by improving the company's reputation or image. The regulation on social and environmental responsibility (CSR) for companies, as stipulated in Article 74 of Law No. 40 of 2007 on Limited Liability Companies, aims to realize sustainable economic development to improve the quality of life and the environment that provides benefits for the Company, the local community, and society in general (Marnelly, 2012). This provision is intended to support the creation of a harmonious, balanced, and harmonious relationship between the Company and the surrounding environment under the values, norms, and culture of the local community.

Companies whose business activities are in the sector and/or related to natural resources are required to implement social and environmental responsibility. To fulfill this obligation, CSR must be budgeted and calculated as a company cost by the principles of propriety and fairness. Social and environmental responsibility activities must also be included in the Company's annual report. The implementation of corporate environmental responsibility is realized through various forms, such as Environmental Impact Analysis (AMDAL), Environmental Management Efforts (UKL), Environmental Monitoring Efforts (UPL), Community Development Programs, and other efforts to preserve the environment. Meanwhile, Corporate Social Responsibility (CSR) is generally implemented through charitable activities or social funding, such as scholarships, grants, Community Development Programs, and other humanitarian social assistance. However, in practice, the implementation of Social and Environmental Responsibility (CSR) by companies often does not run optimally. This is due to laws and regulations that still do not provide detailed and clear arrangements, especially regarding aspects of CSR that are directly related to regional interests and local communities (Ambadar, 2008).

Corporate Social Responsibility (CSR) generally encompasses business practices that are carried out with the principles of transparency based on ethical values, compliance with applicable laws and regulations, and respect for individuals, communities, and the environment. Although various definitions differ from each other, the principles contained in corporate social responsibility remain consistent, which include accountability, transparency, compliance with laws and regulations, international conventions and standards, and respect for human rights (Elvadri et al., 2024). located in the provisions of Article 4 to article 7 of Government Regulation No. 47 of 2012 concerning the Implementation of Corporate Social and Environmental Responsibility (hereinafter PP No. 47 of 2012):

Article 4:

(1) Corporate social and environmental responsibility is implemented by the Board of Directors based on an annual work plan that has been approved by the Board of Commissioners or the General Meeting of Shareholders (GMS), in accordance with the company's articles of association, unless otherwise stipulated by the prevailing laws and regulations.
(2) The annual work plan must include an activity plan and budget required for the implementation of social and environmental responsibility.

Article 5:

(1) Companies conducting business activities in the field of and/or related to natural resources must pay attention to propriety and fairness in preparing and stipulating activity plans and budgets as referred to in Article 4 paragraph (2).
(2) The realization of the budget for the implementation of social and environmental responsibility carried out by the company may be calculated as a company expense.

Article 6, The implementation of corporate social responsibility must be included in the company's annual report and must be accounted for at the General Meeting of Shareholders (GMS). Article 7, Sanctions are imposed on companies that do not implement social responsibility as stipulated in Article 3. The rules contained in these legal instruments are formulated to regulate the public interest and create a fair relationship between the parties. Legal principles contain elements of basic norms and values that serve as guidelines to direct actions. There is a view that the application and enforcement of rules is easier to do than the application of principles. The rule of law provides clarity with clear boundaries and sanctions applied to violations that occur. In contrast, principles emphasize individual awareness and self-regulation. Thus, monitoring and forcing ill-intentioned parties to comply with rules is more difficult than directing those who adhere to principles, because their actions are based on awareness and self-regulation. Environmental social responsibility (CSR) on the determination of the amount of Corporate Social Responsibility (CSR) funds Article 74 paragraph (2) of the Limited Liability Company Law (UUPT) states that (CSR) which is intended:

(1) It is an obligation of the company that must be budgeted and accounted for as a company expense, with implementation that must pay attention to propriety and fairness.

The explanation of “corporate obligations that are budgeted and calculated as corporate costs” indicates that TJSL must be included in the corporate budget. If the obligation is not implemented, the company will be subject to legal sanctions under Article 74 Paragraph (3) of the Company Law. Following the provisions of Article 66 paragraph (2) letter c of Company Law, the report on the implementation of TJSL is one of the reports that must be included in the annual report. In connection with the provisions regarding TJSL in the UUPT and related Government Regulations (PP), it should be clearly stated the amount of funds required for companies, so that in its implementation there is legal certainty. Based on the brief explanation above, it is necessary to discuss the clear inclusion of the amount of funds required for companies so that there is legal certainty and challenges as well as social responsibility efforts in the implementation of corporate social responsibility (CSR) in the Energy and Natural Resources Sector.

METHOD

In this study, the research method used are the statutory approach or statute approach, which can also be called normative legal research. It is a process to find a rule of law, legal principles, and legal doctrines to answer legal issues used to find out how the legal arrangements related to Corporate Social Responsibility (CSR) in the energy and natural resources sector in Indonesia. Case Approach is an approach that analyzes, and examines used as a guide to legal issues for legal challenges in the implementation of CSR in the energy and natural resources sector, and how it affects the sustainability of companies and communities (Marzuki, n.d.). Then the conceptual approach is based on the views and patterns of doctrine or the thoughts of experts who develop in legal science. From the various approaches and legal research described, it will answer whether the revitalization program is in accordance with the delicts in land.

RESULTS AND DISCUSSION

The Amount of Minimum Fund for Social and Environmental Responsibility in the Implementation of Corporate Social Responsibility Implementation.

Legal certainty theory focuses on the importance of clear and predictable rules in the legal system. Several elements form the basis for legal certainty, namely consistent rules of law where rules made by the state must be consistent and applicable in practice. This means that they should not contradict each other and should provide clear guidance on how they should be applied. Application by government officials, including law enforcement, must apply the rule of law consistently and adhere to existing legal principles. When law enforcement officials can apply the law consistently, public trust in the legal system will increase. Conformity of society Most of the people are expected to follow and obey the existing laws. This conformity is one indicator of the successful application of law in society. When people realize that the rules are clear and consistently applied, they tend to comply with the law. Judges must act freely and impartially in applying the rule of law as their independent role. Decisions made by judges must be based on the applicable law, not on pressure or influence from any party. When judges are consistent in applying the law, this will create a sense of justice and legal certainty in society (Mertokusumo et al., 1999).

Legal certainty on Social and Environmental Responsibility (CSR) is regulated through the Limited Liability Company Law (UUPT) based on the principles of legality, propriety, and justice. This reflects the responsibility of state administrators in realizing sustainable economic development, which aims to improve the quality of life and the environment that provides benefits not only for the company but also for the local community and society. UUPT, as the regulation used, must be clear, be democratically formed, and guarantee justice and benefits for the welfare of the people. Regulations must also provide protection to the community through an independent and impartial judicial system so that government actions are not carried out arbitrarily but based on governing regulations. Communities that are the target of TJSL activities are entitled to the protection of their rights through legal certainty in the implementation of TJSL. On the other hand, business actors (companies) can also carry out their obligations with clearly defined responsibilities. However, the legal Company is expected and which has not been regulated in detail is the amount of funds required for TJSL activities, both in the Company Law and in its implementing regulations.

Soedikno Mertokusumo argues that “one of the conditions that must be met in law enforcement is legal certainty”. This means that the purpose of law must lead to the creation of legal certainty, where the provisions governing the implementation of TJSL become a legal basis that provides certainty, especially for business actors and the community. Based on this description, because TJSL has been recognized in the Company Law as an imperative legal obligation (must be implemented), the guarantee of legal certainty regarding the amount of funds that become TJSL obligations for business actors must be regulated in clear and concrete legislation. This is important considering that the Republic of Indonesia is a state of law based on Pancasila and the 1945 Constitution, which aims to realize a just, prosperous, safe, peaceful, and orderly way of life as well as guarantee equal legal standing for all citizens.

Legal certainty in Social and Environmental Responsibility is important to create a conducive climate for business actors and the community. The provisions governing the implementation of CSR must be clear and accessible so that all parties involved understand their responsibilities and rights. Without legal certainty, companies may hesitate to take the necessary steps to fulfill their social and environmental obligations, which can lead to uncertainty in investment and community development. Under the Limited Liability Company Law (UUPT), CSR is recognized as an imperative legal obligation. This means that companies not only have a choice but are required to carry out these responsibilities. However, the challenge is the lack of clear regulation on the amount of funds that must be allocated for CSR programs. This lack of clarity makes it difficult for companies to plan their budgets and execute beneficial CSR programs. Therefore, a concrete and detailed regulation is needed in the legislation governing the obligation of CSR funds. Hence, companies can fulfill their obligations without doubt or ambiguity.

The importance of legal certainty regarding CSR not only affects companies but also the wider community. With clear regulations in place, communities can better understand their rights and demand accountability from companies operating in their neighborhoods. This creates a more harmonious relationship between the company and the community, where both parties have a common understanding of each other's responsibilities and expectations. In this way, the goal of CSR as part of sustainable economic development can be achieved, where companies contribute to community welfare and environmental protection. In a rule-of-law country like Indonesia, legal certainty in the implementation of CSR is the foundation for social justice, community welfare, and environmental protection. The government, through appropriate legislation, has a crucial role to play in ensuring that all parties understand their responsibilities and can fulfill their roles effectively. With clear legal certainty, it is expected that the implementation of CSR is not only an obligation but also an integral part of a sustainable and responsible business strategy.

Social and Environmental Responsibility carried out by PTs is not yet fully and clearly regulated by the Company Law or Government Regulation No. 47/2012. If the founders of the PT or the General Meeting of Shareholders (GMS) are committed to regulating TJSL in the Articles of Association as outlined in a Notarial Deed, then this step will be a progressive action that deserves to be emulated by other companies. It is important to integrate a TJSL clause in the Articles of Association of a PT, as the commitment to TJSL will be legally recognized. The Articles of Association, as the constitution of a PT, will certainly bind all parties within the PT. One of the legal acts required by legislation to be set out in a notarial deed is the establishment of a Limited Liability Company (PT). In accordance with Article 7 paragraph (1) of Law Number 40 Year 2007 on Limited Liability Companies (UUPT), a PT must be established by a minimum of two persons by a notarial deed prepared in the Indonesian language. In the deed of establishment of a PT, the regulation of the Articles of Association is an important aspect. Based on Article 15 paragraph (1) of the Company Law, the Articles of Association of a PT must cover at least nine main matters, namely:

1. Name and location of the PT's domicile.
2. Purpose and objectives and types of business activities carried out by the PT.
3. Period of existence of the PT.
4. Amount of authorized capital issued capital, and paid-up capital.
5. Number of shares, classification of shares if any along with the number of shares for each classification, rights attached to each share, and nominal value of each share.
6. Title and number of members of the Board of Directors and Board of Commissioners.
7. Determination of the location and method of holding the General Meeting of Shareholders (GMS).
8. Procedures for the appointment, replacement, and dismissal of members of the Board of Directors and Board of Commissioners.
9. Procedures for profit management and dividend distribution.

If the founders agree or the General Meeting of Shareholders (GMS) decides to include a clause on Social and Environmental Responsibility (TJSL) into the Articles of Association of the Company as stated in a Notarial Deed, this can be done as a form of commitment from the founders or GMS to further regulate the provisions that have been regulated in Article 74 of the UUPT and Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. Thus, the TJSL clause can be an addition to the nine important things mentioned previously. The role of a notary is very crucial in providing an understanding to the company regarding the importance of compiling a social responsibility clause. Although the decision to include the clause must be based on the company's wishes, the existence of the TJSL clause in the company's deed of establishment becomes a concept that reflects awareness of the importance of a good and healthy environment. This clause becomes an integral part of the Notarial deed related to the establishment of the company or changes to the Articles of Association of the Company, which functions as an authentic deed and can be used as a valid basis for evidence.

Notaries play a role in drafting deeds based on the wishes of the parties and providing legal input regarding the legal and ethical responsibilities of the company. This aims to balance the position of all parties, including environmental interests, which are an important part of supporting corporate sustainability and sustainable development in Indonesia, in line with the demands of the 5.0 era. On the other hand, local governments also have a role in encouraging the development of Limited Liability Companies (PT). This effort is made to foster existing PTs to make changes to the Company's Articles of Association and Bylaws. If, previously, the social and environmental responsibility clause was not included, then changes need to be made so that the improvements include the TJSL clause.

Determining the amount of Social and Environmental Responsibility (TJSL) funds is very important to achieve the noble goal of realizing sustainable economic development that can improve the quality of life of the community, especially the community around the company. This goal will be more optimally achieved if there is legal certainty in its implementation and balanced justice for the company and stakeholders, which is adjusted to the company's capital capacity and the business sector being run. Companies whose operations have a significant impact on environmental damage and natural resources must be required to set aside a larger portion of TJSL funds. On the other hand, companies engaged in the financial services or tourism sectors, for example, will be required to implement TJSL with a smaller portion than companies engaged in mining. Currently, the provisions regarding TJSL in the UUPT give rise to various interpretations regarding the amount of funds required from each company, because the UUPT does not provide clear and concrete regulations regarding the number of legal obligations for companies. Therefore, changes are needed to clarify the vague norms in the regulation of TJSL implementation funds. With clear regulations, legal certainty and justice for entrepreneurs and stakeholders, especially the surrounding community, can be guaranteed. The process of formulating laws and regulations must refer to Law No. 12 of 2011 on the Establishment of Legislation. The amount of TJSL funds required should be based on the company's capital capacity and the business sector being run. Companies that have a significant impact on environmental damage and natural resources are subject to a larger portion, while companies engaged in financial services or tourism are required to implement TJSL with a smaller portion.

Challenges and Efforts of Social Responsibility in the Implementation of Corporate Social Responsibility (CSR) in the Energy and Natural Resources Sector.

Legal uncertainty in regulations governing Corporate Social Responsibility (CSR) and Social and Environmental Responsibility (TJSL) is one of the main challenges faced by companies, especially in the energy and natural resources sector. This ambiguity often arises from inconsistent or overlapping regulations, which make it difficult for companies to understand what obligations they must fulfill. When regulations are unclear, companies can feel anxious about how they should operate and what the consequences of their decisions regarding CSR programs will be. This uncertainty can hinder investment in CSR programs that have the potential to provide significant benefits, both for the company and for society. Without certainty about what is required, companies may choose not to take risks and avoid the financial or resource commitments needed to implement CSR initiatives. For example, if a company does not know how much money to set aside for a TJSL program, they may choose to allocate that budget to other activities that are clearer and more guaranteed. This can reduce the positive impact of the CSR program, thus not only harming society but also potentially creating a bad reputation for the company. Legal uncertainty can create an unfavorable investment climate. Investors tend to look for certainty and stability in regulations when considering their investments. If companies are uncertain about the legal obligations associated with CSR, they may lose interest from investors who prefer to invest in countries or regions with clearer and more transparent regulations. In the long run, this situation can hinder economic growth and sustainable development that are expected through the implementation of CSR.

Different understandings of Corporate Social Responsibility (CSR) among various stakeholders pose a significant challenge in its implementation. Each stakeholder, including companies, governments, and communities, brings different perspectives, goals, and values in defining and understanding CSR. For example, companies may see CSR as a marketing strategy to build a positive image and increase profits, while governments may view it as a moral obligation to improve the welfare of communities and the environment. On the other hand, communities often expect CSR to focus on real contributions that improve their quality of life, such as providing infrastructure, education, and health. These differences in understanding often lead to incompatibility and conflict in the implementation of CSR programs. When companies design CSR programs without considering the needs and expectations of local communities, the results may not be by what the community expects. For example, if a mining company implements a CSR program that focuses on building sports facilities while the community is more in need of access to clean water and education. Then, the program will be considered irrelevant and can cause disappointment. This kind of conflict can damage the relationship between the company and the community and reduce the effectiveness of the CSR program that is supposed to improve social welfare. The government also plays an important role in shaping the understanding of CSR. If government regulations are unclear or inconsistent, this can create confusion among companies and the community about their responsibilities. Companies may feel confused about their legal obligations regarding CSR, while the community may be skeptical of the company's commitment. This uncertainty can lead to mistrust and increase the potential for conflict which ultimately hinders effective collaboration in implementing CSR programs.

Activities in the energy and natural resources sector often have significant environmental impacts. Mining, oil and gas exploitation, and fossil-based power generation can cause ecosystem damage, land and water pollution, and greenhouse gas emissions. For example, coal mining can degrade land, change river flow patterns, and destroy animal and plant habitats. The use of fossil fuels for power generation produces carbon emissions that contribute to global climate change. Therefore, companies operating in this sector must consider the environmental impacts of their activities and adopt sustainable practices. In facing these challenges, companies are required to implement effective environmental management strategies. These efforts include conducting environmental impact assessments before starting projects, implementing environmentally friendly technologies, and designing post-operation recovery plans. For example, companies engaged in mining can implement land reclamation practices after mining activities are completed to restore affected ecosystems. Companies can also invest in renewable energy as an alternative to reduce dependence on non-renewable resources and minimize carbon emissions. In addition to legal obligations, companies also face pressure from society and stakeholders to be socially and environmentally responsible. Communities living around the operational location often feel the direct impacts of the company's activities, such as water and air pollution and environmental damage. Therefore, companies must communicate transparently with the community and involve them in the decision-making process related to environmental impacts. This can increase community trust and create a more harmonious relationship between the company and the community.

The era of globalization has brought about major changes in the way companies operate and compete. With the existence of a global market, companies not only compete at the local level but also at the international level. This encourages companies to adapt and strengthen their strategies, including Corporate Social Responsibility (CSR). CSR is not only a legal obligation, but also an important strategic element to maintain competitiveness and enhance a company's reputation in the global market. First, globalization has increased the expectations of stakeholders, including consumers, investors, and the wider community, regarding corporate social responsibility. In an increasingly connected global environment, consumers are becoming more aware of social and environmental issues, and they tend to choose products and services from companies that demonstrate a commitment to sustainability. Therefore, companies need to design CSR programs that not only meet local standards but also meet international expectations and norms. This includes transparent, ethical, and responsible management, as well as active involvement in relevant social and environmental issues in the various countries in which they operate. Global competition forces companies to innovate in their CSR approaches. Companies that can integrate sustainability into their business strategies often have an advantage in attracting customers and investors. For example, innovation in green technologies or sustainable products can be a significant competitive advantage. On the other hand, companies that fail to address social and environmental issues can face serious reputational risks, which in turn can negatively impact their business performance. Therefore, investing in innovative and comprehensive CSR is not just an option, but a necessity to survive in global competition. Companies operating internationally must also consider the differences in culture, regulations, and societal expectations in each market they enter. A CSR approach that works in one country may not be effective in another. Therefore, companies need to adapt and develop CSR strategies that are appropriate to local conditions while adhering to global values and standards. This not only increases the relevance of CSR programs but also strengthens relationships with local communities and creates a more positive impact.

Efforts to overcome this challenge, namely the preparation of clear and concrete policies regarding Corporate Social Responsibility (CSR) and Social and Environmental Responsibility (TJSL) are important steps that must be taken by the government to ensure that companies can carry out their social responsibilities properly. Clear regulations not only provide guidelines for companies in implementing CSR programs but also create the legal certainty needed to support investment and sustainability of business activities. Clear policies can help overcome the uncertainty that often hinders companies in planning and implementing CSR programs. Without specific regulations, companies may hesitate to allocate funds for CSR programs for fear of violating unclear or ambiguous provisions. With regulations that determine the amount of funds that must be allocated for CSR programs, companies can plan their budgets more effectively and efficiently. This will not only encourage companies to invest in CSR programs but will also help optimize the social and environmental impacts of their activities. Clear regulations on the amount of CSR funds will also create fairness among companies operating in the same sector. With standards set by the government, all companies are expected to contribute in proportion based on their capacity. The impact of preventing an imbalance where large companies may neglect their social responsibilities while small companies feel pressured to meet the same demands. Fair and transparent regulations will ensure that all stakeholders, including the community, receive equal benefits from CSR activities. In drafting the government needs to involve various stakeholders, including companies, non-governmental organizations (NGOs), and civil society. A participatory approach in making regulations will ensure that the resulting policies are not only relevant and applicable but also reflect the needs and aspirations of the community (Freeman, 2010). Through constructive dialogue, the government can formulate policies that not only meet legal demands but also contribute to sustainable social and economic development. Regarding regulations on CSR and TJSL, the government must also provide adequate monitoring and enforcement mechanisms. Without clear sanctions for companies that do not fulfill their CSR obligations, regulations will be ineffective and become mere formalities. Therefore, the preparation of clear policies must be accompanied by a transparent and accountable monitoring system. Hence, companies are truly motivated to carry out their social responsibilities seriously.

Innovation in Corporate Social Responsibility (CSR) programs is becoming increasingly important for companies that want to ensure that their social and environmental contributions not only meet legal obligations but also make a significant impact. In an era of continuous development, where social and environmental challenges are increasingly complex, companies need to think creatively and adaptively in designing their CSR programs. One way to achieve this is by utilizing modern technology available. The use of technology can increase the effectiveness of CSR programs. For example, companies can use digital platforms to identify community needs and design programs accordingly. By utilizing data analytics and online surveys, companies can gain deeper insights into the issues faced by their communities. This allows companies to tailor CSR programs to real needs, thereby creating a greater impact. Technology can also be used to measure and report the results of CSR programs more transparently and accurately, providing a clear picture of the contribution that has been made. Innovation in CSR programs can also involve collaboration with various stakeholders, including NGOs, governments, and local communities. By adopting a collaborative approach, companies can leverage the expertise and resources of various parties to achieve more ambitious goals. For example, an energy company can work with an environmental NGO to develop a sustainable natural resource management program. This type of collaboration not only increases the effectiveness of the CSR program but also builds stronger relationships with the community and strengthens the company's reputation in the eyes of the public. Innovation in CSR can also include developing programs that focus on sustainability and environmental responsibility (Visser, 2006). Companies can look for ways to reduce their carbon footprint through sustainable initiatives, such as the use of renewable energy and waste reduction. For example, a mining company can implement environmentally friendly technologies in their operations, while providing training to employees and the community on sustainable practices. In this way, companies are not only fulfilling their social responsibility but also contributing to environmental protection and long-term sustainability. Finally, companies also need to innovate in the way they communicate about their CSR programs. In an increasingly connected world, transparency and accountability are key to building public trust. Using social media and digital platforms to share stories about the positive impacts of CSR programs can increase public awareness and engagement. In this way, companies can not only demonstrate their commitment to CSR but also inspire positive action among other stakeholders.

CONCLUSION

Legal certainty is essential for effectively implementing Social and Environmental Responsibility (TJSL) within the framework of the Limited Liability Company Law (UUPT), which provides a basic structure for corporate social responsibility (CSR) programs. However, further clarification is necessary regarding the allocation of funds for these programs to prevent uncertainties that could impede investment and social progress. A regulatory system that is democratic, clear, and equitable is vital for promoting sustainable economic development that benefits both businesses and communities. Integrating TJSL clauses into a company's Articles of Association through a notarial deed can enhance commitment to social and environmental responsibility and offer robust legal proof. The government should establish detailed regulations on TJSL funding, considering the capital capacity and environmental impact of various sectors, ensuring that those with greater environmental effects bear a larger share of social responsibility, while less impactful sectors may have lower obligations. In the energy and natural resources sectors, challenges like legal ambiguity and varying stakeholder perceptions complicate CSR implementation, leading to inconsistent programs. Companies must adopt sustainable practices and innovate their CSR approaches, especially in the competitive global market, to meet stakeholder expectations and enhance their reputations. Thus, developing clear policies and proactive regulations for CSR and TJSL is crucial for providing the legal certainty needed for companies to invest in and innovate their CSR initiatives, with effective monitoring to ensure compliance and meaningful impact through collaboration and technological innovation.

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