CHAPTER I

INTRODUCTION

A. Context of Study

Social and Environmental Responsibility, also known as Corporate Social Responsibility (CSR), plays a crucial role in modern corporate governance, which is grounded in sustainability. In Indonesian corporate law, CSR is no longer just a voluntary or charitable activity. It is now a legal requirement for all companies, especially those involved in managing natural resources.[1]

This requirement is clearly stated in Article 74, paragraph (1), of Law No. 40 of 2007, which covers Limited Liability Companies. It states, "Companies working in or with natural resources must demonstrate social and environmental responsibility."[2] This demonstrates that CSR is a binding legal obligation and that companies have a social responsibility in balancing business, social, and environmental interests.[3]

Law No. 25 of 2007 on Investment requires Corporate Social Responsibility (CSR). Article 15(b) says: "Every investor must implement corporate social responsibility."[4] This means all investors in Indonesia, both local and foreign, must carry out CSR activities. These activities

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[1] Rika Ayu Ardani, "Implementasi Tanggung Jawab Sosial dan Lingkungan (CSR) sebagai Kewajiban Hukum Perseroan Terbatas di Indonesia," *Jurnal Hukum Ius Quia Iustum*, Vol. 26, No. 3 (2019), hlm. 451.

[2] Article 74, paragraph 1 of Law No. 40 of 2007 concerning Limited Liability Companies.

[3] John Ruggie, *Just Business: Multinational Corporations and Human Rights*, (New York: W.W. Norton & Company, 2013), hlm. 87; lihat juga United Nations, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, (New York and Geneva: United Nations, 2011), hlm. 14.

[4] Article 15, letter b of Law No. 25 of 2007 concerning Investment.

support sustainable development, help communities, and protect the environment.[5] Therefore, Indonesian law regards CSR as a legal obligation for any business or investment that impacts society or the environment, not just as an ethical or image concern.[6]

Government Regulation No. 47 of 2012 outlines the requirements for companies to implement Corporate Social Responsibility (CSR). This regulation states that social and environmental responsibility is a company's commitment to supporting sustainable economic development and enhancing quality of life and environmental sustainability.[7] As a result, CSR benefits not only the company but also the broader community.

Government Regulation No. 47 of 2012 makes it clear that CSR is a key part of a company's business strategy. Companies must carry out CSR activities regularly and report on them.[8] This shifts the traditional view of CSR as merely an administrative task, demonstrating that it is both a legal and moral tool for achieving sustainable and equitable corporate governance.[9]

At the regional level, Kulon Progo Regency Regulation No. 22 of 2012 strengthens the rules for Corporate Social Responsibility (CSR). This regulation requires every company in Kulon Progo Regency to develop

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[5] M. Yahya Harahap, *Hukum Perseroan Terbatas* (Jakarta: Sinar Grafika, 2020), hlm. 412.

[6] John Ruggie, *Just Business: Multinational Corporations and Human Rights* (New York: W.W. Norton & Company, 2013), hlm. 87; lihat juga United Nations, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework* (New York and Geneva: United Nations, 2011), hlm. 14.

[7] Article 2 of Government Regulation No. 47 of 2012 concerning the Social and Environmental Responsibility of Limited Liability Companies.

[8] Ibid., Article 6 paragraph (1).

[9] Rizal A. Damanik, "CSR sebagai Instrumen Hukum dan Etika Bisnis dalam Pembangunan Berkelanjutan," *Jurnal Hukum Ius Quia Iustum*, Vol. 28, No. 1 (2021), hlm. 134.

and implement CSR programs that address the needs and priorities of the local community, and to regularly report these programs to the local government.[10] The regulation also outlines how the local government will coordinate and supervise CSR to ensure transparency and accountability, ensuring that CSR delivers genuine social benefits to the community, not merely administrative compliance.[11]

Spatial planning in Kulon Progo Regency is also linked to CSR. Kulon Progo Regency Regulation No. 1 of 2012 sets the southern coastal area, including Temon, Wates, Panjatan, and Galur, as an iron sand mining zone.[12] This zoning requires mining companies to take their social and environmental responsibilities seriously, as mining in coastal areas can have significant ecological and social impacts.[13] As a result, CSR in this sector serves as both moral and legal compensation for these impacts, aligning with the principles of sustainable development (Sustainable Development Goals).[14]

Even though Indonesia has a strong legal framework for CSR, there are still major challenges in enforcing it. One main problem in the mining sector is the lack of clear legal penalties for companies that fail to

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[10] Article 4, paragraph (1) of Kulon Progo Regency Regulation No. 22 concerning Corporate Social Responsibility (CSR).

[11] Pemerintah Kabupaten Kulon Progo, *Naskah Akademik Rancangan Peraturan Daerah tentang Tanggung Jawab Sosial Perusahaan (CSR/TSP)*, (Kulon Progo: Bappeda Kulon Progo, 2011), hlm. 15.

[12] Kulon Progo Regency Regulation No. 1 of 2012 concerning the 2012–2032 Spatial Plan (RTRW).

[13] Dwi Wahyuni & Yudhistira D. Prakoso, "Implikasi Penetapan Zona Tambang Pasir Besi terhadap Ekologi Pesisir Kulon Progo," *Jurnal Ilmu Lingkungan*, Vol. 17, No. 2 (2020), hlm. 178.

[14] United Nations Development Programme (UNDP), *Sustainable Development Goals and the Private Sector: Working Together for Inclusive Growth*, (New York: UNDP, 2016), hlm. 22.

meet their social and environmental responsibilities.[15] For instance, Law No. 2 of 2025 on Mineral and Coal Mining (Minerba Law) requires companies to run community development and empowerment programs (PPM) as part of CSR.[16] However, this law does not clearly outline the legal, civil, or criminal consequences for companies that fail to follow CSR rules.[17]

Because there are no strict penalties, there is legal uncertainty and weak enforcement of CSR. As a result, companies often follow CSR rules only if they choose to, rather than because the law requires it.[18]

Weak enforcement of Corporate Social Responsibility (CSR) in the mining sector is evident in the case of PT Jogja Magasa Iron (JMI), a subsidiary of PT Jogja Magasa Mining, which was permitted to mine iron sand in the southern coastal area of Kulon Progo Regency, Yogyakarta.[19] According to the Regional Development Plan (Bappeda) of Kulon Progo Regency, PT JMI failed to fulfill its obligations for post-mining reclamation and social and environmental responsibility programs, despite receiving written warnings from the local government.[20] This shows a gap

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[15] Budi Santoso, "Problematika Penegakan Hukum Tanggung Jawab Sosial dan Lingkungan dalam Kegiatan Pertambangan di Indonesia," *Jurnal RechtsVinding*, Vol. 9, No. 1 (2020), hlm. 112.

[16] Article 108 of Indonesia, Law No. 2 of 2025 concerning Amendments to Law No. 4 of 2009 concerning Mineral and Coal Mining.

[17] Andri G. Wibisana, "CSR dalam Perspektif Hukum Lingkungan: Antara Kewajiban Moral dan Tanggung Jawab Yuridis," *Jurnal Hukum dan Pembangunan*, Vol. 49, No. 2 (2019), hlm. 257.

[18] Surya Deva, *Regulating Corporate Human Rights Violations: Humanizing Business* (London: Routledge, 2012), hlm. 96.

[19] Pemerintah Kabupaten Kulon Progo, *Rencana Pembangunan Jangka Menengah Daerah (RPJMD) 2017–2022*, Bappeda Kulon Progo, hlm. 64.

between the legal rules that require CSR and what happens in practice, where the company's responsibilities become just paperwork and do not bring real benefits to the community or environment. This situation highlights the limited effectiveness of law enforcement and local oversight in making sure CSR is properly carried out in the mining sector.

In practice, PT Jogja Magasa Iron did not implement CSR programs in the mining area. Based on empirical findings, the company ceased operations and left the mining location while still in the pre-production stage. As a result, planned CSR programs, including community development and environmental management initiatives, were not carried out. This situation created social and environmental uncertainty for surrounding communities and raised questions about the company's legal responsibility, despite the absence of active production. The absence of CSR implementation was not merely due to administrative delay, but also due to the company's decision to discontinue its activities before entering the production stage.

Legally, when PT JMI fails to meet its CSR obligations, it breaches mandatory rules.[21] Satjipto Rahardjo notes that the law should not only be about formal rules, but also help achieve genuine justice in society.[22] So, if a company neglects its social and environmental responsibilities, it should

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[20] Badan Perencanaan Pembangunan Daerah (Bappeda) Kabupaten Kulon Progo, *Laporan Evaluasi Pelaksanaan CSR di Kabupaten Kulon Progo Tahun 2021*, hlm. 22.

[21] Philip I. Blumberg, *The Multinational Challenge to Corporation Law: The Search for a New Corporate Personality*, (New York: Oxford University Press, 1993), hlm. 127.

[22] Satjipto Rahardjo, *Hukum Progresif: Hukum yang Membebaskan*, (Jakarta: Kompas, 2009), hlm. 15.

face fair legal consequences, such as administrative sanctions, civil lawsuits, or even criminal charges if the negligence causes harm.[23]

To date, there is no clear legal precedent in Indonesia that specifically treats negligence in CSR as a violation that can be taken to court. In practice, affected communities usually use non-legal methods like advocacy, mediation, social dialogue, or protests to demand CSR from companie.[24] This indicates that the legal basis for holding companies accountable for CSR negligence remains weak, and the rights of affected communities and the environment are not adequately protected.[25]

This phenomenon highlights the gap between the legal norms (*das sollen*) outlined in legislation and the reality of implementation (*das sein*) in the field, particularly in the context of implementing social and environmental responsibility in the iron sand mining sector of Kulon Progo.[26] The absence of strict sanctions and weak monitoring systems raises fundamental questions about the form of legal accountability that should be imposed on corporations that neglect to implement CSR, as well as the legal consequences for companies such as PT Jogja Magasa Iron (JMI).[27] Therefore, this study was conducted to normatively analyze the

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[23] Surya Deva, "Corporate Human Rights Violations: The Interface between International Law, Non-State Actors and State Responsibilities," *Human Rights Law Review*, Vol. 10, No. 1 (2010), hlm. 68.

[24] Ruggie, John G., *Just Business: Multinational Corporations and Human Rights* (New York: W.W. Norton & Company, 2013), hlm. 87.

[25] United Nations, *Guiding Principles on Business and Human Rights: Implementing the UN "Protect, Respect and Remedy" Framework* (New York and Geneva: United Nations, 2011), hlm. 14.

[26] Theo Huijbers, *Filsafat Hukum dalam Lintasan Sejarah*, (Yogyakarta: Kanisius, 2019), hlm. 123.

form and legal consequences of negligence in implementing CSR in accordance with Indonesian positive law, as well as to assess its implications for the protection of communities affected by mining activities.

B. Problem Formulation

1. What form does corporate liability take for negligence in the implementation of Social and Environmental Responsibility?
2. What legal consequences can be imposed on PT Jogja Magasa Iron (JMI) for its negligence in implementing social and environmental responsibility?

C. Research Objectives

1. To identify and analyze forms of corporate liability for negligence in the implementation of Corporate Social Responsibility (CSR) according to Indonesian law.
2. To examine the legal consequences for PT Jogja Magasa Mining (JMM) due to negligence in fulfilling its social and environmental responsibility obligations.

D. Originality of Research

No	Sources	Research Outcome	Main Differences with this research

[28] Nugroho, T.P.A, "Analysisi of Disclosure of Corporate Social Responsibility (CSR) in Mining Industry Companies Registered on the IDX for the 2018-2022 Period," *Jurnal Akuntansi dan Keuangan*, Vol. 25, No. 3, 2023

	Jurnal: (Tri Prastiyo Agung Nugroho, 2023) "Analysis of Disclosure of Corporate Social Responsibility (CSR) ini Mining Industry Companies Registered on the IDX for the 2018-2022 Period"[28]	The board of commissioners has an influence on the disclosure of corporate social responsibility, while company size, profitability, and leverage have no influence.	This study focuses on governance structures as a key factor that is useful for comparing legal aspects and community involvement in the implementation of CSR in the mining sector.
2.	Jurnal: (Sasono Pramudi, Yanna Pratiwi, Siwi Dyah Desi Lantianti, 2024) "Pengaruh Good Corporate Governance Terhadap	Good corporate governance, including independent directors, audit committees, institutional ownership, and CEO ownership, has no	This study aims to provide insights from the perspective of corporate governance law, which is useful for assessing the influence of internal legal factors on CSR compared to

[29] Pramudi Sasono, Pratiwi Pratiwi, Lantianti, S.D.D, "Pengaruh Good Corporate Governance Terhadap Corporate Social Responsibility pada Sektor Pertambangan yang Terdaftaf di BEI pada Tahun 2018-2022," *Jurnal Ekonomi dan Bisnis*, Vol. 15, No. 1, 2024,

	Corporate Social Responsibilty Pada Sektor Pertambangan Yang Terdaftar di BEI Pada Tahun 2018-2022"[29]	effect on CSR, but institutional ownership alone has a significant effect.	community involvement.
3.	Jurnal: (Dio Anugerah & Ersi Sisdianto, 2024) "Implementasi CSR Berkelanjutan di Sektor Pertambangan: Startegi untuk Meningkatkan Citra dan Keberlanjutan Perusahaan"[30]	CSR that is integrated into the Company's strategy and supported by cross-sector collaboration has a long-term impact, whereas short-term CSR has no local relevance and is unable to strengthen the Company's reputation.	This research is relevant for assessing whether CSR is merely a formality or truly has an impact, as well as highlighting the gap between regulations and practices in the field.
4.	Jurnal: (Intiyanah, Satira Yusuf, Lilistiana Putri, 2023) "Pengaruh		

[30] Anugerah Dio & Sisdianto Ersi, "Implementasi CSR Berkelanjuta di Sektor Pertambangan: Startegi untuk Meningkatkan Citra dan Keberlanjutan Perusahaan," *Jurnal Manajemen Sumber Daya Alam,* Vol. 8, No.2, 2024.

		This study reveals that CSR has no effect on company value, and CSR does not yet cover all	The debate over whether CSR is merely a formality or has a real impact highlights the gap

[31] Intihanah, Yusuf Satria, Putri Lilistiana, "Pengaruh Pengungkapan Corporate Social Responsibilitu Terhadap Nilai Perusahaan (Bukti Empiris pada Perusahaan Pertambangan di BEI)," *Jurnal Akuntansi Indonesia,* Vol.12, No. 4, 2023.

[32] Laurensia Mutiara Anindya, Meiriyana Lim, "Juridical Study on the Negligence of Coal Mining Companies on Corporate Social Responsibility for the Community Affected by Mining Activities" *Journal of Social Science(JOSS),* Vol. 4, No. 10, 2025.

	Jurnal: (Laurensia Mutiara Anindya & Meiriana, 2025) "Juridical Study on the Negligence	Finds that many mining companies have not optimally implemented CSR programs, particularly in	This study differs from the present research in that it discusses CSR negligence in coal mining companies
6.	Jurnal: of Coal Mining Companies on Corporate Social Responsibility for the Community	Explains that community empowerment and environmental management. The research concludes	The previous study generally and does not focus on a specific company or examine the concrete legal consequences

[33] KMS Herman, Badrunsyah, "Legal Obligantions of Mining Companies in the Implementation of CSR Based on Laws and Regulations" *Jurnal Indonesia Sosial Teknologi (JIST)*, Vol. 5, No.10, 2024.

	(KMS Herman & Badrunsyah, 2024) "Legal Obligantions of Mining Companies in the Implementation of CSR Based on Laws and Regulations"[33]	although CSR regulations already exist in Indonesian law, there remains a significant gap between the normative regulations and their practical implementation in the field	primarily analyzes CSR obligations from a normative legal perspective, while this research combines normative and empirical approaches to examine the implementation of CSR and its legal consequences in a specific case
7.	Jurnal: (Cahya Putri Febiola, Susi Susanti, Charine Alya Pratiwi, Fajar Putra Prastina Rumelawanto, 2024) "Corporate		

[34] Cahya Putri Febiola, Susi Susanti, Charine Alya Pratiwi, Fajar Putra Prastina Rumelawanto, "Corporate Social Responsibility ini Limited Liability Companies in National Mining Law", *Journal of Law and Policy Transformation*, Vol 9, No. 2,2024.

	Social Responsibility ini Limited Liability Companies in National Mining Law"[34]		

Table 1.1: Originality of Research

E. Literature Review

1. Corporate Social Responsibility/CSR

Corporate Social Responsibility (CSR) is a crucial tool in achieving sustainable development. CSR is not only seen as a moral obligation of companies, but also as a legal and social mechanism for regulating the relationships between corporations and the communities and environments in which they operate. This concept emphasizes that every business activity cannot be separated from its impact on social, economic, and environmental aspects, so companies are required to conduct their business responsibly, transparently, and with a long-term orientation.[35]

Conceptually, CSR has evolved from mere philanthropic activities into a business strategy oriented towards creating shared value. Michael Porter and Mark Kramer assert that CSR is no longer just a form of social concern, but a competitive strategy that creates shared

[35] R.E. Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman, 1984), 45.

value for companies and society.[36] Therefore, CSR can be a tool to integrate sustainability into a company's business model.

According to the World Business Council for Sustainable Development (WBCSD), CSR is a sustained commitment to ethical behavior, strict compliance with the law, improving the quality of life in the community, and maintaining environmental sustainability.[37] This definition emphasizes that CSR has a broader scope than charitable activities, because it contains binding legal, ethical, and environmental dimensions.

In Indonesia, CSR is strictly regulated in Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies (PT Law), which requires companies engaged in or related to natural resources to implement social and environmental responsibilities.[38] This provision is clarified by Government Regulation No. 47 of 2012 on the Social and Environmental Responsibilities of Limited Liability Companies, which governs mechanisms for planning, implementing, and reporting on CSR.[39] In addition, CSR obligations are emphasized in Law No. 25 of 2007 concerning Investment, which mandates every investor to implement social responsibility.[40]

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[36] Michael E. Porter dan Mark R. Kramer, "Creating Shared Value," *Harvard Business Review* Vol. 89, No. 1–2 (2011): 62–77.

[37] World Business Council for Sustainable Development (WBCSD), Corporate Social Responsibility: Making Good Business Sense, Geneva: WBCSD, 2000.

[38] Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies Article 74.

[39] Article 2 of Government Regulation No. 47 of 2012 concerning the Social and Environmental Responsibility of Limited Liability Companies.

[40] Law No. 25 of 2007 on Investment.

Archie B. Carroll, through Carroll's Pyramid of CSR, divides corporate responsibility into four dimensions: economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility.[41] More modern CSR principles are also accommodated in ISO 26000 Guidance on Social Responsibility, which emphasizes seven core subjects, ranging from organizational governance to community engagement.[42] This standard is used globally as a reference for implementing CSR to ensure corporate sustainability and accountability.

2. CSR in the Mining Sector

The mining sector is among the most vulnerable to social conflicts and environmental damage because its activities directly exploit natural resources. Mining activities have the potential to significantly impact the environment and society. Therefore, the implementation of CSR in this sector is not only intended to build a positive image for the company, but is also a legal and moral obligation.[43]

Based on Law No. 2 of 2025 concerning Mineral and Coal Mining (Minerba Law), companies are required to implement Community Development and Empowerment Programs (PPM) in a planned, integrated, and sustainable manner.[44] The program covers education,

[41] Archie B. Carrol, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," Business Horizons, Vol. 34, No. 4, 1991.

[42] International Organization for Standardization, ISO 26000: Guidance on Social Responsibility, ISO, Geneva, 2010.

[43] Rhenald Kasali, *Corporate Social Responsibility* (Jakarta: Gramedia, 2007), 72.

[44] Article 108 of Law No. 2 of 2025 concerning Mineral and Coal Mining.

health, local economic capacity-building, and infrastructure development that support the welfare of communities near mining areas. Therefore, PMM has become a legal instrument that strengthens CSR's position in the Indonesian mining sector.

In addition, provisions regarding CSR in the mining sector are also regulated in a number of derivative regulations, such as Regulation of the Minister of Energy and Mineral Resources No. 1827 K/30/MEM/2018 concerning Guidelines for the Implementation of Good Mining Practices, which requires companies to prepare a PPM Master Plan (RI-PPM) document as a condition for obtaining a mining business permit.[45] This regulation emphasizes that the success of mining companies is not measured solely by production achievements, but also by their contributions to the development of the surrounding community.

Implementing sustainable CSR in the mining sector offers multiple benefits. For companies, CSR can strengthen their reputation, maintain social legitimacy (also known as a social license to operate), and minimize the risk of conflict with the community.[46] For the community, CSR can provide long-term benefits, including improved welfare, economic independence, and strengthened local capacity.[47]

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[45] Regulation of the Minister of Energy and Mineral Resources No. 1827 K/30/MEM/2018 concerning Guidelines for the Implementation of Good Mining Practices.

[46] Wayne Visser, *The Age of Responsibility: CSR 2.0 and the New DNA of Business* (Chichester: John Wiley & Sons, 2011), 65.

In global practice, various models of CSR implementation in the mining sector serve as references. One of them is the Community Development Agreement (CDA), implemented in several African countries, under which mining companies are required to sign an official agreement with local communities outlining the social contributions they must make. In Australia, there is a policy on Mining Agreements and Indigenous Land Use that regulates the obligations of mining companies to provide compensation and empowerment programs for Indigenous communities in mining areas.[48]

Therefore, CSR in the mining sector is understood not only as a legal and formal obligation but also as a strategy instrument for building constructive relationships between companies and communities. Proper implementation will promote business sustainability while protecting the social and environmental rights of affected communities.[49]

3. The Legal Framework for CSR in Indonesia

The regulation of CSR in Indonesia has a fairly clear legal basis, although, in practice, there are inconsistencies in the norms. Some of

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[47] International Finance Corporation (IFC), *Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets* (Washington, DC: World Bank, 2010), 14.

[48] World Bank, *Mining Community Development Agreements: Sourcebook* (Washington, D.C.: World Bank, 2012), hlm. 5–7.

[49] United Nations Global Compact, *Guide to Corporate Sustainability: Shaping a Sustainable Future* (New York: UN Global Compact, 2014), hlm. 23; Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies.

the main regulations that form the legal basis for the implementation of CSR include:

a. Law No. 40 of 2007 concerning Limited Liability Companies.[50]
b. Law No.25 of 2007 concerning Investment.[51]
c. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.[52]
d. Law No.2 of 2025 concerning Mineral and Coal Mining.[53]
e. Regulations of the Minister of Energy and Mineral Resources (Permen ESDM) related to the implementation of Community Development and Empowerment (PPM) and Environmental Impact Analysis (AMDAL).[54]
f. Regional Regulations on Spatial Planning (RTRW)

Although it has been normatively regulated, Setiawan's (2020) research found differences in the interpretation of CSR's nature, whether it is imperative or merely voluntary.[55] These differences in interpretation have created legal uncertainty, weakening the enforcement of CSR obligations, particularly in the mining sector.[56]

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[50] Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies.
[51] Law No. 25 of 2007 on Investment.
[52] Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.
[53] Law No. 2 of 2025 concerning Mineral and Coal Mining.
[54] Ministry of Energy and Mineral Resources Regulation No. 1824 K/30/MEM/2018 concerning Guidelines for the Implementation of PPM and Ministry of Energy and Mineral Resources Regulation No. 26 of 2018 concerning the Implementation of AMDAL.
[55] Setiawan, "CSR di Sektor Pertambang: Antara Regulasi dan Implementaso." *Jurnal Hukum dan Pembangunan*, Vol. 50, No. 2, 2020, hlm. 287.

4. Relevant Legal Principles

The implementation of CSR in the context of iron sand mining in Kulon Progo must be analyzed based on the following legal principles:[57]

a. Principle of Legal Certainty

Legal certainty requires clarity of norms, regularity, and consistency in CSR regulations.[58] Ambiguity in sanctions or overlapping regulations will reduce the effectiveness of law enforcement, thereby failing to adequately protect the rights of affected communities.[59]

b. Principle of Justice

This principle requires a balanced distribution of benefits and burdens between the Company and the community.[60] In the context of iron sand mining, justice is achieved when the economic benefits of the Company's operations are commensurate with the efforts to mitigate environmental impacts and the local community's livelihoods.[61]

c. Principle of Sustainable Development

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[56] Ibid.

[57] Sudikno Mertokusumo, *Penemuan Hukum*, Liberty, Yogyakarta, 2009, hlm. 42

[58] Article 1 Paragraph 1, Law No. 12 of 2011 on the Formation of Regulations.

[59] Setiawan, "CSR di Sektor Pertambang: Antara Regulasi dan Implementaso." *Jurnal Hukum dan Pembangunan*, Vol. 50, No. 2, 2020, hlm. 288.

[60] Aristoteles, *The Nicomachean Ethics,* Terjemah W.D. Ross, Oxford University Press, Oxford, 2009.

[61] Ibid.

This principle demands a balance between economic growth, environmental conservation, and social welfare.[62] This principle is reflected in the United Nations Sustainable Development Goals (SDGs), which encourage private sector involvement in achieving global goals.[63]

F. Research Method

1. Type of Research

This research employs an empirical legal approach to examine how corporate social responsibility (CSR) is implemented and how companies are held accountable for failing to meet these standards. The study combines an analysis of the laws that regulate CSR with data collected from interviews and field observations.[64]

2. Object of Research

The objective of this research is to examine the regulation and form of corporate legal accountability for negligence in implementing social and environmental responsibility (CSR) under Indonesian positive law. In addition, this study also examines the legal implications of such negligence, reviewing the case of PT Jogja Magasa Iron (JMI) in iron sand mining activities in Kulon Progo as a supporting case study.

3. Sources of Research Data

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[62] World Commission on Environment and Development, *Our Common Future,* Oxford Univerity Press, Oxford, 1987, hlm. 43.

[63] United Nations, *Transforming Our World: The 2030 Agenda for Sustainable Development*, UN General Assembly Resolution A/RES/70/1, 25 September 2015.

[64] Soerjono Soekanto, *Pengantar Penelitian Hukum* (Jakarta: UI Press, 1986), hlm. 10.

The resources used in this study are Primary data, with the following legal materials:

1. **Primary Legal Material**

   Obtained through an interview with the Local Government.

2. **Secondary Legal Material**

   Consisting of primary legal materials (Law No. 40 of 2007 concerning Limited Liability Companies, Law No. 25 of 2007 concerning Investment, Law No. 2 of 2025 concerning Mineral and Coal, Government Regulation No. 47 of 2012, Kulon Progo Regional Regulation No. 22/2012 concerning CSR, Regional Regulation No. 1/2012 concerning Spatial Planning) as well as secondary legal materials (books, journals, scientific articles, previous research results, media reports).

3. **Tertiary Legal Material**

   Includes the Kamus Besar Bahasa Indonesia (KBBI) dictionary, legal encyclopedia, and other supporting sources that provide definitions and explanations of relevant legal terms.

4. **Method of Data Collection**

Data collection in this study was conducted through field research, direct interviews with relevant parties, and observation at the research location, as well as library research, which involved examining laws and regulations, official documents, books, scientific journals, and other relevant sources pertinent to the research problem.[65]

5. Data Analysis

The legal materials obtained were analyzed using qualitative analysis methods, namely by inventorying, classifying, and interpreting legal norms related to corporate social and environmental responsibility. Furthermore, a descriptive-analytical analysis was conducted by comparing das sollen (normative provisions) and das sein (implementation reality) in the context of CSR obligations, in order to assess the extent to which Indonesian positive law provisions have provided legal certainty, justice, and social accountability for the implementation of social and environmental responsibilities by corporations.

G. Structure of Writing

To facilitate discussion, this study is systematically organized as follows:

1. CHAPTER I: INTRODUCTION

   This contains the background of the problem, problem formulation, research objectives, originality of the research, literature review, operational definitions, research methods, research structure, and bibliography.

2. CHAPTER II: GENERAL OVERVIEW

   This chapter provides an overview of Limited Liability Companies (PT), Corporate Social Responsibility (CSR), mining law,

[65] Zainuddin, A. (2019). *Metodologi Penelitan Hukum.* Jakarta: RajaGrafindoPersada.

investment, as well as the theories of legal certainty and justice as a basis for researchers in addressing the problems formulated.

3. CHAPTER III: RESEARCH RESULTS AND DISCUSSION

   This chapter presents discussions and research results from the general review described earlier.

4. CHAPTER IV: CLOSING

   This chapter presents the research conclusions and recommendations as input and suggestions for future research.