

Implementation of Corporate Social Responsibility by PT Woyla Aceh Minerals in Geumpang District According to the Concept of *Maqasid Syariah*

Nurul Afna*

Universitas Islam Negeri Ar-Raniry, Banda Aceh, Indonesia

Email: 210102234@student.ar-raniry.ac.id

Badri Hasan

Universitas Islam Negeri Ar-Raniry, Banda Aceh, Indonesia

Email: badri@ar-raniry.ac.id

*Corresponding author

Abstract

This research examines the functions and applications of corporate social responsibility (CSR) by PT Woyla Aceh Minerals in accordance with the principles of *maqasid sharia*. The implementation of CSR aims to have a positive impact on community development from moral, social, and other aspects through community participation; however, the application of CSR in the Geumpang sub-district has resulted in water pollution, environmental damage, the destruction of forest ecosystems, and agrarian conflicts. This study focuses on how the CSR implementation by PT Woyla Aceh Minerals can reduce the pollution impacts from gold mining exploration in Geumpang Subdistrict, as well as analysing the effectiveness and function of CSR implementation by PT Woyla Aceh Minerals in Geumpang sub-district from moral, social, and job creation aspects. This research employs qualitative research methods with an empirical juridical approach, which is a legal study that focuses on the direct application or implementation of normative legal provisions in cases or legal events occurring in the community. Data collection techniques included interviews with workers, community leaders,

and relevant parties from PT Woyla Aceh Minerals. The results show that the CSR programme of PT Woyla Aceh Minerals' CSR programme has not fully met the community's strategic needs of the community, including increasing mineral resources, promoting sustainable economic development, and ensuring long-term preservation. Therefore, integrating *maqasid sharia* is proposed to ensure that CSR not only meets material aspects but also contributes to social and environmental welfare comprehensively and fairly. This research recommends that the government and law enforcement agencies do not grant operational permits to companies without oversight by related parties, by imposing strict sanctions and revoking licenses for irresponsible companies.

KEYWORDS: *Aceh*, Corporate Social Responsibility, Islamic Law, Mining, and *Maqasid al-Sharia*

Introduction

The exploration and exploitation of natural resources, particularly in the mining sector, have become a key pillar supporting Indonesia's national economic development. This sector not only generates significant revenue for the state but also creates numerous job opportunities and drives the growth of supporting industries. One company involved in gold mining exploration activities in Aceh Province is PT Woyla Aceh Minerals (PT WAM), which operates in Geumpang District, Pidie Regency. PT WAM manages a concession area spanning over 24,000 hectares with a significant estimated gold reserve. However, this substantial economic potential is accompanied by severe consequences, both in terms of environmental impact and social aspects for communities living near the mining area. Intensive mining exploration and exploitation activities have the potential to disrupt the local ecosystem's balance.¹

In assessing the success of CSR, one relevant approach is the theory of *maqasid syariah*. Scholars developed this theory to explain the five main objectives of Islamic law. Among them, according to Imam Al-Ghazali, who defines *maqasid syariah* as the benefit for all of humanity. Imam Al-Ghazali put forward five main objectives of Islamic law, known as Ad-Dharuriyat al-Khamsah, namely: Preserving Religion (*Hifz ad-Din*), Preserving Life (*Hifz*

¹ Lestari, B., & Prasetyo, A. "Agrarian Conflicts in Mining Activities." A Case Study in Indonesia. *Journal of Rural Sociology*, Vol. 8, No. 2, (2020), pp. 45-58.

an-Nafs), Preserving Reason (*Hifẓ al-Aql*), Preserving Lineage/Honour (*Hifẓ an-Nasl*), and Preserving Wealth (*Hifẓ al-mal*).² The *Maqasid Syariah* approach is universal and relevant in addressing contemporary challenges, including those related to development and social responsibility. Using this framework, CSR evaluation is not only focused on material achievements but also on its impact on the overall and equitable well-being of society.³

Corporate social responsibility is a duty that has the potential to change the perspectives and behaviour of business actors, both from a moral and social responsibility perspective, as an obligation that companies must fulfil.⁴ As stipulated in Article 74 of Law No. 40 of 2007 on Limited Liability Companies, companies operating in the natural resources sector are required to fulfil their social and environmental responsibilities. Non-compliance with the implementation of social and ecological responsibilities is subject to sanctions by applicable laws and regulations, reinforced by the provisions of the Minister of State-Owned Enterprises Regulation No. PER-08/MBU/2013, which emphasises the need to implement the State-Owned Enterprises Partnership Programme with Small Businesses and the Environmental Development Programme. These programs are also in line with Law No. 25 of 2007 on Investment, which regulates corporate social responsibility.

In general, the understanding of CSR revolves around three main points. First, CSR is a *voluntary* role that allows a company to decide whether or not to engage in efforts to address social and environmental issues. Second, in addition to being profit-oriented, companies also allocate part of their profits for *philanthropy* aimed at empowering communities and repairing environmental damage caused by their activities, exploration, and exploitation. Third, CSR is also interpreted as a form of *corporate social responsibility*. This refers to the commitment of companies to care for and contribute to addressing the increasing humanitarian and environmental

² Al-Gazali, Abu Hamid, *Al-Mustasfa min Ilm al-Usul*, Beirut: Dar al-Kutub al-Ilmiyyah, p. 283.

³ Auda, J. "*Maqasid syariah as philosophy of Islamic law*": A System Approach, (2008). Accessed at <https://iiit.org/en/book/maqasid-al-shariah-as-philosophy-of-islamic-law>.

⁴ This paper is a summary of the results of a research project funded by the DIPA UNSRI No. 023-04.2.415112/2013 dated 15 December 2012.

crises through the implementation of corporate social responsibility programmes.⁵

Among the environmental impacts caused by company operations are river pollution due to mining waste, deforestation leading to the loss of habitats for flora and fauna, degradation of productive land, and disruption of traditional agricultural practices that are the livelihoods of local communities. Mining activities often trigger agrarian conflicts and create economic inequality, particularly for communities directly affected.⁶ In addition, investigative reports from Mongabay Indonesia also highlight the fact that mining activities in Aceh, including those in the Geumpang area, often cause environmental damage that has not been adequately addressed.⁷

Beyond environmental impacts, the social and cultural aspects of the community are also under significant pressure. Many indigenous people and local communities feel excluded from decision-making processes related to mining activities. Their rights to customary land are not recognised proportionally, which ultimately triggers horizontal and vertical social conflicts. The arrival of workers from outside the region has accelerated social structural changes, causing tensions and shifts in local cultural values. Growing social inequality and unfair distribution of economic benefits create conditions that are prone to conflict and social resistance. Munasinghe, in his study, warns that development projects that do not consider local social and cultural dimensions are at high risk of social failure.⁸

To mitigate and address these negative impacts, the role of companies through corporate social responsibility programmes is crucial. CSR is a form of active contribution by companies to sustainable development that is not only oriented towards economic profit but also considers social balance and environmental sustainability. Carroll states that CSR is not only about legal obligations but also includes moral responsibilities and philanthropic activities that support the well-being of the broader community.⁹ Therefore,

⁵ Cantra Puspita Ningtyas. "Implementation of Corporate Social Responsibility at Aneka Tambang Tbk. Ubpn Southeast Sulawesi." Vol. 5 No. 4, (2022).

⁶ Lestari, Y., & Prasetyo, E. *"The Impact of Mining on Social and Environmental Sustainability,"* (2020). p. 45

⁷ Mongabay Indonesia, *"Investigation of the Environmental Impact of Mining Exploration in Aceh,"* (2021). Accessed from <https://www.mongabay.co.id/2023/03/21/tambang-emas-ilegal-marak-di-aceh>.

⁸ Munasinghe, M. *"Social and Cultural Dimensions of Sustainable Development."* (2019).

⁹ *Ibid*

the implementation of CSR by PT Woyla Aceh Minerals' CSR implementation in Geumpang is a vital strategy to gain community support and build social legitimacy for the company's operations.

The effectiveness of CSR implementation in the mining sector continues to face significant criticism. This suggests that most CSR programs implemented by mining companies tend to be symbolic and focus more on image-building than on addressing substantive issues faced by affected communities.¹⁰ The lack of community participation in the design and implementation of CSR programs, combined with the absence of a transparent evaluation system, further complicates the effectiveness of these programs. An ideal CSR programme should be designed with a sustainable and participatory approach, involving a wide range of stakeholders, and tailored to local social and cultural conditions, emphasising the importance of creating shared value between the company and the community as the foundation of strategic CSR.

In the context of Aceh as a special region with special autonomy in the implementation of Islamic law, there is strong justification for integrating Islamic values into the implementation of CSR. Based on Law Number 11 of 2006 concerning the Government of Aceh, all social and economic activities in this region should be in line with the principles of Sharia.¹¹ Therefore, CSR programmes implemented by companies in Aceh, particularly in the mining sector, must consider local norms and religious values upheld by the community. CSR implementation that aligns with *the objectives of Sharia law* can strengthen harmonious relationships between companies and communities, fostering mutual trust that serves as the foundation for social sustainability.

For instance, CSR programmes focused on environmental conservation can be viewed as efforts to protect the community's lives and property. Meanwhile, the development of educational infrastructure and health facilities can be linked to the protection of intellect and life. At the same time, skill enhancement and economic empowerment programmes align with the protection of property. With this approach, CSR is evaluated not only by the

¹⁰ Yulianto, H., & Hafid, A. "The Effectiveness of CSR Programs in the Mining Sector." (2018).

¹¹ Law of the Republic of Indonesia Number 11 of 2006 concerning the Government of Aceh.

quantity of assistance provided but also by its impact on beneficiaries' quality of life and human values of the beneficiaries.

Based on interviews and community reports in Geumpang District, it is known that most of PT Woyla Aceh Minerals' CSR programmes are already in progress. Still, some important ones have not yet addressed urgent strategic needs. For example, educational assistance/scholarships, donations for religious events, and support for community social activities are considered necessary. Still, they have not addressed deeper issues such as human resource capacity building, sustainable economic development, public facility development, and long-term environmental conservation.¹² This situation necessitates the need for more systematic, comprehensive, and participatory CSR planning, involving all layers of society, including religious leaders, village officials, and civil society organisations, with an emphasis on the importance of a participatory approach in implementing CSR in areas with strong religious characteristics.¹³ They suggest close collaboration between companies and religious institutions as a strategic step in enhancing the legitimacy of CSR programmes and ensuring that company activities do not conflict with the moral values of the local community.¹⁴ Therefore, the integration of *maqasid syariah* theory in CSR evaluation in Aceh represents a normative approach that not only supports the principles of good corporate governance but also promotes sustainable development, placing the community at the centre of development, rather than merely as recipients of benefits. Corporate social responsibility is not limited to providing financial assistance; it is an integral part of a company's strategy to create sustainable social contributions for the surrounding community. Additionally, fairness is required for mine workers, ensuring they are not discriminated against compared to mine workers outside the local community within the mining industry context.¹⁵

Based on the issues discussed above, it is crucial to conduct in-depth research to provide theoretical contributions to the expansion of

¹² Interview results with Samsuar, Village Head of Geumpang Sub-district and Public Relations Officer at PT Woyla Aceh Minerals, on 7 June 2025.

¹³ Interview with Muhammad Ali, a resident of Geumpang District, on 14 July 2024.

¹⁴ Interview results with Ahmat, Head of the Mining Division at the Aceh Department of Energy and Mineral Resources. On January 15, 2024.

¹⁵ Interview results with Muhammad Nazar, a gold miner in the drilling section of Geumpang District, on 7 June 2025.

understanding of CSR practices grounded in Sharia values, as well as practical contributions to the formulation of more targeted, sustainable, and community-aligned CSR strategies. Additionally, the findings of this study can serve as a reference for other mining companies in developing social responsibility programs that not only comply with formal regulations but also address the spiritual, cultural, and actual needs of the local community. Therefore, the author is interested in further examining and researching the "Implementation of Corporate Social Responsibility by PT Woyla Aceh Mineral in Mitigating the Impacts of Gold Mining Exploration in Geumpang Pidie District According to the Concept of Maqasid Syariah."

Research Method

In this study, the author employs a legal-empirical approach to analyse the issues that have been applied and understood in community practice, utilising legal values as reflected in legal provisions on CSR regulation, such as company guidelines and prerequisites. These legal values serve as parameters, which are then linked to primary data obtained from interviews and field observations to measure the company's compliance with CSR practices at PT Woyla Aceh Minerals.

The primary data obtained in this study were obtained through interviews with several respondents, namely PT Woyla Aceh Minerals employees and the community around the mining area, regarding field observations to see the conditions after mining exploration and the social activities carried out by the company in implementing CSR. Secondary data is complementary information collected directly by the author to support the primary data. This data provides additional information to strengthen and clarify the primary data.¹⁶

In this study, the author obtained data through interviews, which were conducted by interacting directly and asking questions to parties who have essential roles in the field being studied. The interviews used were *guided interviews*, where the question-and-answer process focused on issues that had been systematically organised.¹⁷

¹⁶ Sumardi Suryabrata, *Research Methodology*, (Jakarta: PT Raja Grafindo Persada, 1997), p.84.

¹⁷ Burhan Bungin, *Social and Economic Research Methods*, (Jakarta: Kencana, 2013), p.140.

In addition to using interview data and field observations, the author also utilised documentary data, as much information is stored in this format. The documentation used includes photos taken at the research location, articles from online media, interactions with the communities of Geumpang and Mane sub-districts, and other relevant information that supports the author's research study.

Definition of *Corporate Social Responsibility (CSR)*

Corporate social responsibility can be defined as a moral responsibility to its stakeholders, especially the communities affected by the company's operations and activities. The moral and ethical principles of a company are reflected in the harmonious relationship between the company and the communities surrounding its operational areas. In this way, the company must achieve the best results while minimising negative impacts on the community. Meanwhile, provisions regarding this matter are regulated in Law Number 40 of 2007 concerning limited liability companies in Article 3, which explains that social and environmental responsibility is a commitment of the company to participate in sustainable economic development that has a positive impact on improving the quality of life and the environment for the company, the local community, and society in general.¹⁸

In general, the understanding of *corporate social responsibility (CSR)* encompasses three main aspects. First, *CSR* is viewed as a voluntary form of responsibility, where companies have the freedom to participate or not in addressing social and environmental issues. Second, in addition to being profit-oriented, companies also allocate part of their profits to philanthropic activities, to empower communities and repair environmental damage caused by their business activities. Third, *CSR* is considered a moral and social obligation of companies to participate in addressing the growing humanitarian and ecological crises.¹⁹ There are two types of *CSR* concepts, namely, broad and narrow. *CSR* in a narrow sense is closely related to efforts

¹⁸ Jejen Hendar, Nurul Chotidjah, Abdul Rohman. "Implementation of Corporate Social Responsibility in Islamic Banking from the Perspective of Maqasid Syariah" *Anterior Journal*, Vol. 20 No. 2. (2021).

¹⁹ Candra Puspita Ningtyas, "Implementation of *Corporate Social Responsibility* at PT. Aneka Tambang Tbk. Ubpn Sulawesi Tenggara", *Journal Publicubo*, Vol. 5 No. 4, (2022), p. 94.

to achieve sustainable economic activities. In this context, sustainability encompasses not only corporate social responsibility but also the obligation of companies to be accountable to society, the state, and the global community. Widjaja, Yerima stated that the form of partnership between companies is not limited to limited liability companies, but instead involves all *stakeholders*, both those directly and indirectly involved, to ensure business continuity.²⁰

The implementation of *corporate social responsibility (CSR)* by companies generally involves the active participation of the community, both as beneficiaries and as programme implementers. This involvement is significant because the community plays a vital role in the company's sustainability. The community is the party that directly feels the impact, both positive and negative, of the company's production activities. This impact can encompass various fields, including social, economic, political, and environmental. This implementation aligns with the concept of social and ecological responsibility, which represents the company's commitment to contributing to sustainable economic development, thereby enhancing the quality of life and the environment, ultimately benefiting the local community and society as a whole.²¹

Legal Basis and Benefits of *Corporate Social Responsibility (CSR)*

Four legal bases require certain companies to carry out *corporate social responsibility* activities. In addition, there is also one international guideline that regulates *sustainability responsibility* in Indonesia, including:

1. For State-Owned Enterprises (SOEs), they are obligated to implement partnership and environmental development programs (PKBL) as stipulated in the Minister of State-Owned Enterprises Regulation No. 05/MBU/2007, Article 1, Paragraph 6.
2. Limited Liability Companies (PT) operating in the natural resource management sector are obligated to carry out social and environmental responsibilities. These provisions are outlined in Law No. 40 of 2007.

²⁰ Widjaja, Yerima, A.P. "*Legal and Business Risks of Companies Without CSR.*" Jakarta: Forum Sahabat. (2008)

²¹ *Ibid*, p. 92.

3. Foreign investment is regulated by Law No. 25 of 2007 on foreign investment regarding *CSR* obligations.
4. Companies engaged in the management of oil and gas are bound by Law No. 22 of 2001, Article 13, Paragraph 3, regarding social and environmental responsibilities.
5. ISO 26000 is an international standard in the field of *corporate social responsibility* (CSR) that is essential for business sustainability. This standard aims to provide practical guidance to various organisations in implementing *corporate social responsibility* (CSR) and to enhance public understanding of CSR.
6. Environmental protection and management are regulated under Law No. 32 of 2009.²²

Corporate Social Responsibility activities are considered to have a significant impact, both within and outside the company. Every company has strategic and sustainable *CSR* activities, and the objectives of CSR support the company's vision and mission, which in turn will have a positive impact on the community while also benefiting the company itself. The main benefits for the community include:²³

1. Economic development, where companies can provide capital support to micro-businesses to empower the community's economy. Additionally, they can facilitate the promotion of products or services to reach a wider audience and provide guidance and monitoring to keep the community informed about business developments.
2. Environmental Conservation: In addition to economic benefits, *CSR* is also highly concerned about the environment surrounding the company, particularly in areas near drilling sites.

²² Rahmatullah. "*CSR and Local Government Interests*." ISBN, 197. (2011).

²³ Pustikaningsih, A. "Analysis of the Relationship between Corporate Social Responsibility (CSR) and Financial Performance in Service Companies (Case Study of Service Companies in D.I. Yogyakarta)." Indonesian Accounting Education Journal Vol IX No 2, (2011), pp. 32-39.

Understanding and Legal Basis of *Maqasid Syariah*

Maqashid is the plural form of *maqsud*. This word comes from the root verb *qashada*, which means to aim, to desire, and to intend. In Arabic grammar, *maqashud* or *maqashid* is known as isim *maf'ul*, which means object. Therefore, *maqashid* can be interpreted as a goal or several goals. Meanwhile, *As-Syariah* is the subject form derived from the word *syara'a*. This word refers to the path leading to the source of water, which is the source of life.²⁴ Al-Syatibi uses several terms to refer to the concept of *maqashid syariah*, such as *maqashid syariah*, *al-maqashid al-syar'iyyah fi al-syariah*, and *maqashid min syari' al-bukm*. Although there are differences in terminology, according to Asafri Jaya Bakri, all these terms have the same purpose: to realise the objectives of the law as established by Allah. This aligns with Al-Syatibi's statement that, fundamentally, Sharia aims to achieve *maslahah* (welfare and goodness) for humanity in both this world and the hereafter. All laws are prescribed for the benefit of servants. This affirms that the meaning of *maqasid syariah* is to bring goodness and welfare to humanity, both in this world and in the hereafter.²⁵

The objectives of Sharia law aim to realise the welfare of human life, both in this world and in the hereafter. *The objectives of Sharia law* include the wisdom behind the law, which must be supported by substantial evidence and arguments. This encompasses the wisdom underlying every Islamic law, as well as the beneficial objectives achieved by Sharia law, which opens the way to goodness and closes the way to evil.²⁶ The welfare directly explained by Allah SWT is found in the Quran, Surah al-'Ankabut (28:45):

“Read what has been revealed to you, namely the Book (the Quran), and establish prayer. Indeed, prayer prevents indecency and wrongdoing. And indeed, remembering Allah (prayer) is greater (in virtue than other acts of worship). And Allah knows what you do”. (QS. Al ankabut (29): 45)

²⁴ Ahmad Sarwat, *“Maqashid Syari'ah”*, (Jakarta: Rumah Fiqh Publishing, (2019), p. 10.

²⁵ Asafri Jaya Bakri, *“Maqashid Syariah according to Al-Syatibi,”* (Jakarta: PT Raja Grafindo Persada), (2021), p. 61.

²⁶ Sri Wahyuni, *“The Performance of Maqasid Syariah and Determining Factors,”* (Surabaya: Scopindo Media Pustaka), (2020), p. 9.

The implementation of *maqasid syariah* in CSR at PT Woyla Aceh Minerals aims to achieve genuine benefits through Islamic law, based on religious texts. This benefit is centred on the preservation of five basic things:

- 1) Preserving Religion (*al-Muhafazhah ala al-Diin*), protecting religious freedom and religious practices. In the context of CSR, this may mean ensuring that company activities do not interfere with or damage religious values and local community activities.
- 2) Preserving Life (*al-Muhafazhah ala an-Nafs*): PT Woyla Aceh Minerals' operations cause water and environmental pollution that fundamentally threaten the preservation of life (*hifzh al-nafs*). Contaminated water and a threatened environment pose risks of various diseases and reduce community access to vital resources. The direct impacts endanger the health and survival of residents; therefore, the company's CSR must focus on clean technology investments, strict waste management, and effective environmental impact mitigation programmes to protect the community from pollution hazards.
- 3) Preserving the Mind (*al-Muhafadzah ala al-'Aql*): Severe pollution and conflict can also disrupt the spiritual well-being of communities, as they feel threatened and no longer able to live in harmony with nature. Additionally, the preservation of the mind (*hifzh al-Aql*) is also indirectly affected. A damaged environment and a community plagued by conflict tend to hinder access to education and cognitive development, as the primary focus shifts to survival efforts. Therefore, good CSR must also support educational development and comprehensive qualitative improvements in living standards.
- 4) Preserving the Next Generation (*al-Muhafadzah ala an-Nasl*): Forest ecosystem damage caused by mining threatens the preservation of the next generation, as it will have long-term impacts on future generations in the Geumpang District. The loss of forests means the loss of natural resources, biodiversity, and microclimate changes that affect agriculture and water availability in the future. Responsible CSR must include large-scale environmental rehabilitation programmes, such as reforestation and habitat restoration, to ensure that future generations can still enjoy a sustainable environment and have access to sustainable livelihoods.
- 5) Preserving Property (*al-Muhafadzah ala al-Mal*). Agrarian conflicts arising from the mining activities of PT Woyla Aceh Minerals constitute a

serious violation of the preservation of property/wealth (*hifz al-mal*). These conflicts often involve the loss of land ownership rights and community access to traditional natural resources, which ultimately result in economic losses. Actual CSR must prioritise the fair resolution of conflicts, provide adequate compensation to affected parties, and develop alternative economic empowerment programmes to ensure that communities do not lose their livelihoods.²⁷

These five pillars are essential for life on earth; without them, a perfect and noble human life cannot be achieved. In addition to these five pillars, Imam Syuhabuddin al-Qara'fi added the preservation of honour (*hifz al-ird*) as one of the necessities. Collectively, these objectives are referred to as the teachings of Islam.

Scholars' Views on *the Maqasid of Sharia* in Fiqh Muamalah

Legal scholars must understand the objectives of Islamic law (*maqasid syariah*) to develop Islamic legal thought and address the content of modern laws not explicitly regulated in the Quran and hadith. The term "*maqasid syariah*" itself began to gain recognition in the 4th century Hijriyah. The following is the opinion of Imam al-Haramain al-Juwaini on *maqasid syariah*. According to historical analysis, Imam Al-Haramain, Al-Juwaini, is recognised as the first scholar of *usul* (principles of Islamic jurisprudence) to highlight the importance of *maqasid syariah* in establishing Islamic law. Al-Juwaini divided the objectives of legislation (*tasyri*) into five levels: necessity (*dharayat*), public obedience (*al-hajjah ammah*), morality (*mukramat*), recommendations (*al-mandubat*), and what is not explicitly mentioned. He stated that *the objectives* of Islamic law are the preservation of faith (*al-ishmah*), life, intellect, family, and property.²⁸ In the establishment of Islamic law, some objectives are rigid and cannot be altered, such as the five daily prayers, which cannot be changed due to their direct stipulation in the text (*ta'abbudi*). There are also *maqasid* that require the role of reason and comparison between texts to determine the law, especially in cases not explicitly regulated

²⁷ Al-Ghazali. "*al-Mustasfa min Ilm al-Usul Jilid I*" (Cairo: al-Amiriyah). p. 87

²⁸ Paryadi, "*Maqasid Syariah: Definitions and Opinions of Scholars*," Vol. 4 No. 2, (2021), p. 207.

(*ta'aqquli*). This demonstrates the flexibility of Islamic law in addressing various issues while remaining committed to the principles of Sharia.²⁹

Provisions on the Obligation to Implement Corporate Social Responsibility in Law No. 40 of 2007

Limited liability companies (PT) operating in the field of natural resource management (SDA) are obligated to carry out social and environmental responsibility, as stipulated in the Limited Liability Company Law on social and environmental responsibility, in Law No. 40 of 2007, Article 74, which states:³⁰

1. Companies engaged in business activities in the field of and/or related to natural resources are required to implement Social and Environmental Responsibility.
2. The Social and Environmental Responsibility referred to in paragraph (1) is an obligation of the company that is budgeted and accounted for as a company expense. The company must implement it reasonably and fairly.
3. A company that fails to fulfil the obligation referred to in paragraph (1) shall be subject to sanctions in accordance with the provisions of applicable laws and regulations.
4. Government Regulations regulate further provisions regarding Social and Environmental Responsibility.

Government regulations stipulate social and environmental responsibilities aimed at realising sustainable economic development to improve the quality of life and the environment. This is expected to benefit the local community, the general public, and the company itself. Thus, the company and the local community will build harmonious, balanced, and mutually beneficial relations, respecting each other's values, norms, and culture. Under these government regulations, companies whose business activities involve or relate to natural resources must fulfil their social and environmental responsibilities. Implementation must be carried out correctly

²⁹ Zakīy al-Dīn Sha'ban. *"Ushul Fiqh, Cairo: al-Maktabah al-Tijariyyah bi Misrā,"* p. 126.

³⁰ Law of the Republic of Indonesia No. 40 of 2007 on Social and Environmental Responsibility, Article 74.

and reasonably. The regulations on social and environmental responsibilities are intended to achieve the following objectives:

1. Enhancing companies' awareness in the Indonesian mining sector regarding the implementation of social and environmental responsibilities.
2. To meet the legal needs of society regarding social and environmental responsibility; and
3. Strengthening regulations on social and environmental responsibility as stipulated in various laws and regulations regarding the business activities of the relevant companies.

Based on the above article, the author concludes that natural resource companies, which are limited liability companies (PT) whose business activities are directly related to natural resources (SDA), must carry out social and environmental responsibility (CSR). This emphasises that in addition to seeking profits, companies operating in their respective areas must also consider the social and ecological impacts of their operations. The implementation of social and environmental responsibility (CSR) is not merely a voluntary initiative but a mandatory obligation, with funds explicitly allocated and recorded as part of the company's operational costs. If a company fails to fulfil its social and environmental responsibility (CSR) obligations, it may face sanctions under applicable laws and regulations. In summary, Article 74 emphasises that companies in the natural resource sector have an absolute obligation to implement social and environmental responsibility (TJSL) or CSR.

To ensure that the Aceh ESDM Agency's oversight of mining activities in Geumpang District is effective, an integrated approach is required. Formulating regulations alone is not sufficient; the primary focus must be on rigorous law enforcement, supported by adequate monitoring facilities. Additionally, public awareness of both the negative and positive impacts of mining needs to be enhanced.³¹

Despite this, the Aceh ESDM Department has implemented various mining supervision efforts in the Geumpang District. These steps involve

³¹ Interview with Mr. K, as the representative of the Mineral and Coal sector, on 15 May 2024, at the Aceh Energy and Mineral Resources Office.

sending supervision teams directly to mining sites. The primary objective of these visits is to ensure the legality of mining activities through the possession of official permits, as well as to prevent and address environmental damage. To this end, the Aceh ESDM Agency is collaborating with relevant parties to regulate heavy equipment and take action against mining companies and their workers. This collaboration is crucial to ensure that regulations are adequately enforced.³²

For foreign investors, regulations are outlined in Law Number 25 of 2007 on Foreign Investment.

Foreign investment (PMA) refers to the activity of investing funds to conduct business in Indonesia by foreign investors. This can be done either by entirely using capital from abroad or through cooperation with local investors. The Law of the Republic of Indonesia Number 25 of 2007 on Investment regulates foreign investment (PMA) in several articles, including: Article 1. Investment is any form of capital investment, whether by domestic investors or foreign investors, to conduct business in the territory of the Republic of Indonesia.³³ Article (4) Investment refers to an individual or business entity that engages in investment, which may be domestic investment or foreign investment. Article (8) Foreign capital refers to capital owned by a foreign country, foreign individuals, foreign business entities, foreign legal entities, and/or Indonesian legal entities where foreign parties own part or all of the capital.

Under Law of the Republic of Indonesia Number 25 of 2007 on investment in business sectors that cannot be subject to foreign investment, as stipulated in Article 12(2), the business sectors closed to foreign investment are: Production of weapons, ammunition, explosives, and military equipment. Article 15 sets forth several obligations for every investor: Every investor must apply the principles of good corporate governance. To fulfil corporate social responsibility. To prepare and submit reports on investment activities and submit them to the investment coordination body. To respect the cultural traditions of the community surrounding the location

³² Interview with Ms. A, as the representative of the Mineral and Coal Division, on 15 May 2024, at the Aceh Provincial Energy and Mineral Resources Office.

³³ Law of the Republic of Indonesia No. 25 of 2007 on Investment.

of investment activities and comply with all applicable laws and regulations.³⁴ In the event of a dispute in the field of investment between the government and a foreign investor, the parties shall resolve the dispute through international arbitration agreed upon by both parties.³⁵

Conclusion

Based on this study on the implementation of *corporate social responsibility* by PT Woyla Aceh Minerals regarding the impact of gold mining exploration in Geumpang District, the results indicate that PT Woyla Aceh Minerals' CSR programs have not fully met the strategic needs of the community. These programs have not focused on building human resource capacity, promoting sustainable economic development, or ensuring long-term environmental conservation. Therefore, this study recommends the integration of *maqasid syariah*. This integration aims to ensure that CSR programs not only meet material aspects but also contribute to social and environmental well-being in a comprehensive and fair way. This approach is relevant because it evaluates CSR based on the five primary objectives of Islamic sharia: protection of religion (*din*), life (*nafs*), intellect (*aql*), lineage (*nasl*), and property (*mal*).

The obligation of CSR for companies in the natural resource sector is stipulated in Article 74 of the Republic of Indonesia Law No. 40 of 2007 on Investment. The implementation of CSR is considered an operational cost for companies, and failure to comply may result in penalties. To enhance the effectiveness and sustainability of CSR, this study suggests a more systematic, comprehensive, and participatory planning process. This planning should involve all stakeholders, including religious leaders and civil society organisations, to foster harmonious relationships between companies and communities.

For future research, the author suggests conducting more in-depth quantitative and qualitative evaluations of the concrete impacts of *Sharia-based* CSR programmes, including specific indicators for each pillar. A comparative study between companies that implement CSR with a *Sharia-based* approach could also provide insights into its effectiveness. It is essential

³⁴ *Ibid*, Article 15.

³⁵ *Ibid*, Article 34(4).

to further analyse the role of the government and religious institutions in supervising and facilitating Sharia-based CSR, as well as developing optimal models of community participation and identifying specific challenges and solutions in integrating *maqasid syariah* into CSR programmes, and analysing the need for education and socialisation regarding this concept for company management.

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