

REGULATION OF THE MUNICIPALITY OF TANGERANG
NUMBER 12 OF 2023
ON
CORPORATE SOCIAL RESPONSIBILITY

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF TANGERANG,

- Considering:
- a. that every corporation must be responsible for the social and environmental impacts resulting from its business activities;
 - b. that in order to improve public welfare and maintain environmental sustainability in the Municipality of City, the Corporate participation through social and environmental responsibility is needed for directed, targeted, and sustainable development;
 - c. that Regional Regulation Number 8 of 2012 on Corporate Social Responsibility of Limited Liability Companies is no longer in accordance with legal developments and public needs so that it needs to be replaced;
 - d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on Corporate Social Responsibility;
- Observing :
- 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
 - 2. Law Number 2 of 1993 on Establishment of Level II Region Municipality of Tangerang (State Gazette of the Republic of Indonesia of 1993 Number 18 Supplement to the State Gazette of the Republic of Indonesia Number 3518);
 - 3. Law Number 23 of 2000 on Establishment of Banten Province (State Gazette of the Republic of Indonesia of 2000 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 4010);
 - 4. Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of 2003 Number 70, Supplement to the State Gazette Number 4297) as amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 - 5. Law Number 25 of 2007 on Capital Investment (State Gazette of the Republic of Indonesia of 2007 Number 67 Supplement to the State Gazette of the Republic of Indonesia Number

- 4724) as amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
6. Law Number 23 of 2014 on Local Governments (State Gazette of 2014 Number 244, Supplement to the State Gazette Number 5587) as amended several times and last by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 7. Government Regulation Number 47 of 2012 on Corporate Social Responsibility of Limited Liability Companies (State Gazette of the Republic of Indonesia of 2012 Number 89 Supplement to the State Gazette of the Republic of Indonesia Number 5305);
 8. Government Regulation Number 54 of 2017 on Local-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 73 Supplement to the State Gazette of the Republic of Indonesia Number 6041);

With the Joint Approval
THE REGIONAL HOUSE OF REPRESENTATIVES OF
THE MUNICIPALITY OF TANGERANG
and
THE MAYOR OF TANGERANG

HAS DECIDED:

To issue: REGIONAL REGULATION ON CORPORATE SOCIAL RESPONSIBILITY.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Tangerang.
2. Local Government means the Mayor as the administering element of the Local Government who leads the implementation of government affairs which are the authority of the autonomous region.
3. Mayor means the Mayor of Tangerang.
4. Corporate Social Responsibility, hereinafter abbreviated as CSR, means the corporate commitment to participating in sustainable social development in order to improve the quality of life and the environment that are beneficial for its own corporation, local communities, and public.
5. Corporation means an incorporated business entity or unincorporated business entity established in the territory of the Unitary State of the Republic of Indonesia and conducting business and/or activities in certain fields.
6. Social Welfare, means a condition of satisfying the material, spiritual, and social needs of citizens in order to enjoy a

decent life and being able to develop themselves, so that they can carry out their social functions.

7. Forum on Corporate Social Responsibility, hereinafter referred to as Forum, means an institution that aims to optimize the commitment and role of Corporation through the implementation of their social and environmental responsibility.
8. Family means a nuclear family consisting of husband/wife and biological children.

CHAPTER II IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY

Part One General

Article 2

- (1) Every Corporation conducting its business in the Region is required to implement the CSR program.
- (2) The CSR program as referred to in section (1) must be synergistic, directed, sustainable and continuous to the direction of regional development.

Part Two Corporate Social Responsibility Sectors

Article 3

Social responsibility as referred to in Article 2 includes programs in the sectors of:

- a. social welfare;
- b. education;
- c. health;
- d. arts and culture;
- e. religious;
- f. entrepreneurship;
- g. infrastructure; and/or
- h. environment

Part Three Objectives of Corporate Social Responsibility

Article 4

- (1) The target of CSR is intended for communities in the Region.
- (2) The target criteria for CSR as referred to in section (1) are determined by a Mayor Decision.

Article 5

Every Corporation in implementing CSR must be in accordance with the criteria as referred to in Article 4.

Part Four Data and Information

Article 6

- (1) The Local Government provides data and information on the

sectors as referred to in Article 4 as material for the preparation of CSR plans.

- (2) Data and information as referred to in section (1) at least contain:
 - a. priority programs for local government development;
 - b. Corporations that have implemented CSR; and
 - c. development of CSR implementation in the Region.
- (3) Data and information as referred to in section (2) must be easily accessible to corporations and the public.

Article 7

- (1) Based on data and information provided by the Local Government as referred to in Article 6, the Corporation prepares CSR plans and programs.
- (2) CSR plans and programs as referred to in section (1) that have been made by the Corporation are submitted to the Local Governments.
- (3) The submission of CSR plans and programs as referred to in section (2) must be submitted from January to March.
- (4) The procedure for submitting CSR plans and programs is further regulated in the Mayor's Regulation.

Part Five

Implementation of Corporate Social Responsibility

Article 8

- (1) The scope of CSR includes:
 - a. internal corporate social responsibility; and
 - b. external corporate social responsibility.
- (2) Internal corporate social responsibility as referred to in section (1) point a relates to the commitment and efforts of the Corporation to meeting the needs of employees of the Corporation and Family who meet the criteria as referred to in Article 4 section (2)
- (3) External corporate social responsibility as referred to in section (1) point b relates to the commitment of the Corporation to improving the Social Welfare of the community:
 - a. in its surroundings; and
 - b. in the national environment

Article 9

Internal corporate social responsibility as referred to in Article 8 section (2) includes:

- a. providing basic social services to employees and families; and
- b. implementing protection and social security for employees and families.

Article 10

External corporate social responsibility in the area around the Corporation as referred to in Article 8 section (3) point a includes:

- a. giving priority to employment opportunities to the community around the Corporation in accordance with the

- needs and requirements of the Corporation
- b. providing empowerment, guarantee, protection or social rehabilitation around the Corporation;
- c. assisting the environmental facilities and infrastructure of the community around the Corporation; and
- d. developing the potential of human resources around the Corporation.

Article 11

External corporate social responsibility in the national environment as referred to in Article 8 section (3) point b includes:

- a. disaster management;
- b. implementation of national priority programs in public welfare; and
- c. handling social problems in other areas.

CHAPTER III

FORUM ON CORPORATE SOCIAL RESPONSIBILITY

Article 12

- (1) To encourage, coordinate, facilitate and synergize the implementation of corporate social responsibility of, a Forum is established.
- (2) Corporations are required to become members of the Forum.
- (3) Further provisions regarding the mechanism for establishing the forum are regulated in the forum's articles of association and bylaws.

Article 13

The forum referred to in Article 12 is established with the aim to:

- a. assist the Mayor in accordance with the scope of his authority in optimizing the implementation of CSR;
- b. assist and facilitate Corporations in implementing CSR oriented towards improving public welfare; and
- c. coordinate and synergize the implementation of CSR based on data and priority needs.

Article 14

The Forum as referred to in Article 12 has the following duties to:

- a. build understanding and partnership with Corporations and the community in improving the Social Welfare of the community;
- b. provide data and information to Corporations and Forum stakeholders regarding types and social problems in accordance with the sectors as referred to in Article 3 and their handling programs;
- c. encourage and invite Corporations to play an active role in supporting the success of improving public welfare; and
- d. provide assistance, advocacy, recommendations and facilities to Corporations in implementing CSR.

Article 15

The forum as referred to in Article 12 has the following functions of:

- a. organizing coordination both within and outside the forum environment;
- b. organizing socialization to forum members, stakeholders, the community and other parties;
- c. strengthening communication networks between the forum at the center and in the Region, between the forum and stakeholders and other parties;
- d. providing, developing and disseminating CSR information systems to other parties;
- e. organizing capacity building for CSR organizers; and
- f. receiving information and complaints from the community regarding Corporations that have not carried out social and environmental responsibility.

Article 16

- (1) Corporations in carrying out the distribution of CSR assistance through the CSR Forum.
- (2) The distribution of CSR assistance as referred to in section (1) by Corporations carried out directly or through third parties must be reported to the CSR Forum.
- (3) Corporations coordinate with Local Governments in carrying out the distribution of CSR assistance as referred to in section (1).
- (4) The percentage of CSR assistance distribution is based on legislation.

Article 17

- (1) The forum as referred to in Article 13 consists of at least the following:
 - a. managements; and
 - b. members
- (2) The managements as referred to in section (1) are appointed and determined by deliberations of the Region.
- (3) The managements as referred to in section (2) are confirmed by the Mayor for a term of service of 5 (five) years.
- (4) The inauguration of the managements as referred to in section (3) is determined by a Mayor Decision.

Article 18

The managements' structure as referred to in Article 17 is regulated in the articles of association and bylaws of the Forum.

Article 19

- (1) Members as referred to in Article 17 section (1) point b are Corporations.
- (2) Further provisions regarding members are set out in the articles of association and bylaws of the Forum.

Article 20

The duties and responsibilities of the administrators and members are further regulated in the articles of association and bylaws.

CHAPTER V GUIDANCE AND SUPERVISION

Article 21

- (1) The guidance and supervision of the Forum is carried out by:
 - a. Mayor; and
 - b. related regional apparatuses.
- (2) The guidance and supervision as referred to in section (1) are carried out on the implementation of policies, programs and activities of the Forum.
- (3) Guidance and supervision as referred to in section (2) are carried out in the form of:
 - a. technical guidance;
 - b. dissemination;
 - c. facilitation;
 - d. monitoring, evaluation and supervision;
 - e. reporting; and
 - f. digitalization of information, technology and communication systems.

CHAPTER VI FUNDING

Article 22

Funding for the implementation of Forum activities can be sourced from:

- a. local budget;
- b. contributions of forum members; and/or
- c. other legal and non-binding sources in accordance with the provisions of legislation.

CHAPTER VII REPORTING

Article 23

- (1) Every Corporation that has implemented the CSR program prepares a written report.
- (2) The written report as referred to in section (1) at least contains:
 - a. the form of the program;
 - b. the name of the recipient;
 - c. the time and place of implementation;
 - d. the amount of the fee;
 - e. program output; and
 - f. program benefits.
- (3) A written report as referred to in section (1) is submitted to the Minister through the Director General of Social Empowerment.
- (4) The written report as referred to in section (1) is submitted through the system in the network.
- (5) The report as referred to in section (2) to section (4) is submitted at least 1 (one) time in 1 (one) year.

Article 24

The written report as referred to in Article 23 is one of the criteria for prospective award recipients.

Article 25

- (1) The managements of the Forum submit a written report on the implementation of the activities of the Forum to the Mayor.
- (2) The report as referred to in section (1) is submitted at least 1 (one) time in 1 (one) year.

CHAPTER VIII
AWARD

Article 26

- (1) The Mayor, in accordance with his authority, may grant the *padmamitra* award to Corporations that are meritorious and outstanding in implementing CSR.
- (2) The award as referred to in section (1) is granted in the forms of:
 - a. award charter and/or trophy; and/or
 - b. incentives in the form of ease of doing business in the Region in accordance with the provisions of legislation.
- (3) Further provisions regarding the procedure for granting the award as referred to in section (1) are regulated in a Mayor regulation.

CHAPTER IX
MONITORING AND EVALUATION

Article 27

- (1) The Mayor in accordance with his authority monitors and evaluates the implementation of the programs and activities of the Forum.
- (2) The Mayor may conduct monitoring and evaluation directly to the Corporation.
- (3) The results of monitoring and evaluation as referred to in sections (1) and (2) are used for the preparation of policies for the following years.
- (4) Monitoring and evaluation as referred to in section (1) and section (2) are carried out in accordance with the provisions of legislation.

CHAPTER X
PUBLIC PARTICIPATION

Article 28

- (1) The public, both individually and in groups, can participate in the implementation of CSR.
- (2) The public participation as referred to in section (1) may be manifested in the form of:
 - a. submission of proposals, suggestions for input in the process of preparing the CSR program
 - b. complaints against the implementation of CSR that is not in accordance with the established program

CHAPTER XI ADMINISTRATIVE SANCTIONS

Article 29

Corporations that do not implement CSR as referred to in Article 2 are subject to administrative sanctions in the form of:

- a. written warnings;
- b. temporary suspension of activities;
- c. permanent termination of activities;
- d. temporary revocation of permits; and
- e. revocation of permanent permits.

CHAPTER XII CLOSING PROVISIONS

Article 30

At the time this Regional Regulation comes into force, Regional Regulation Number 8 of 2012 on Social and Environmental Responsibility of Limited Liability Companies (Regional Gazette of the Municipality of Tangerang of 2012 Number 8, Supplement to the Regional Gazette of the Municipality of Tangerang Number 8) is repealed and declared ineffective.

Article 31

The implementing regulation of this Regional Regulation must have been prepared not later than 1 (one) year after this regional regulation is issued.

Article 32

This Regional Regulation comes into force on the date of its promulgation.

promulgate this Regional Regulation by its placement in the
Regional Gazette of the Municipality of Tangerang.

Issued in Tangerang
on 22 December 2023

MAYOR OF TANGERANG,

signed

ARIEF R. WISMANSYAH

Promulgated in Tangerang
on 22 December 2023

REGIONAL SECRETARY
OF THE MUNICIPALITY OF TANGERANG,

signed

HERMAN SUWARMAN

REGIONAL GAZETTE OF THE MUNICIPALITY OF TANGERANG OF 2023
NUMBER 12

Jakarta,
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,

ASEP N. MULYANA

ELUCIDATION
OF
REGULATION OF THE MUNICIPALITY OF TANGERANG
NUMBER 12 OF 2023
ON
CORPORATE SOCIAL RESPONSIBILITY

I. GENERAL

Social welfare development is a manifestation of efforts to achieve the nation's goals mandated in the 1945 Constitution of the Republic of Indonesia. The fifth precept of Pancasila states that social justice for all Indonesian people, and the Preamble to the 1945 Constitution of the Republic of Indonesia mandates the state to protect the entire Indonesian nation and all Indonesian bloodshed, promote general welfare, educate the nation's life, and participate in implementing world order based on independence, lasting peace, and social justice.

Law Number 25 of 2007 on Capital Investment and Law Number 40 of 2007 on Limited Liability Companies have basically affirmed that Corporations that run business fields and/or those related to natural resources or investment Corporations are "obligated" to carry out the social responsibility of Corporations and their environmental responsibility. The implementation of Corporate Social Responsibility is also regulated in Regulation of the Minister of Social Affairs Number 9 of 2020, in which the Corporate Social Responsibility whose responsibility is attached to each Corporation is to continue to create harmonious, balanced and appropriate relationships with the environment, values, norms and culture of the local community in its region.

Corporate Social Responsibility is intended as a form of Corporate participation in sustainable social development, encouraging Corporations to participate in efforts to improve community welfare, providing direction to Corporations in planning and implementing Corporate Social Responsibility to suit the needs of the community and development programs, providing guidelines for the Local Government and other parties in conducting facilitation of planning and implementing Corporate Social Responsibility, and optimizing the participation of the community, especially Corporations in supporting the acceleration of development.

Through the implementation of Corporate Social Responsibility, it is hoped that social problems can be handled and people in need are served by social welfare services, increasing image and profits and maintaining the survival of Corporations, the realization of commitment and concern of Corporations to participate in efforts to improve the welfare of the community and development, the realization of Corporate Social Responsibility programs of that are directed and in accordance with community needs and development programs, the realization of synergy between local governments

and companies in planning and implementing the Corporate Social Responsibility and achieving regional development goals optimally.

That the implementation of Corporate Social Responsibility is currently still not directed and produces good and optimal outputs because it has not been synergized with regional development planning, especially in programs for handling social problems and social welfare development in the region.

Regulation regarding Corporate Social and Responsibility and Partnership and Community Development Program (PCDP) in the Region have been regulated in Regional Regulation Number 8 of 2012 on Corporate Social Responsibility of Limited Liability Companies which in its regulation has not been in accordance with the legal needs of the community and has not referred to Regulation of the Minister of Social Affairs Number 9 of 2020 on Corporate Social Responsibility, one of the scope is the regulation regarding the scope of subject of the CSR to be Corporate Social Responsibility and Forum, so it needs to be regulated in a Regional Regulation. This Regional Regulation regulates the Implementation of Corporate Social Responsibility, Implementation of Corporate Social Responsibility, Forum, Forum's Organizational Structure, Financing, Reporting, Guidance and Supervision, Administrative Sanctions and Public Participation.

Therefore, the presence of regional regulations in their function of describing more regulations and accommodating the aspirations of local communities needs to be issued immediately in steps to describe or further regulate the implementation of the Corporate Social Responsibility.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

section (1)

Sufficiently clear.

section (2)

Point a

The implementation of social welfare programs includes social rehabilitation, social security, social empowerment; and social protection.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

The term "external social responsibility in the environment in surroundings" includes: a) Giving priority to employment

opportunities to the community in the Corporation area according to the needs and requirements of the Corporation; b) providing empowerment, guarantee, protection or social rehabilitation to the people in need of social welfare services around the Corporation; c) assisting the environmental facilities and infrastructure of the community around the Corporation; and d) developing the potential of human resources around the Corporation.

Article 4
Sufficiently clear.

Article 5
Sufficiently clear.

Article 6
Sufficiently clear.

Article 7
Sufficiently clear.

Article 8
Sufficiently clear.

Article 9
Sufficiently clear.

Article 10
Sufficiently clear.

Article 11
Sufficiently clear.

Article 12
Sufficiently clear.

Article 13
Sufficiently clear.

Article 14
Sufficiently clear.

Article 15
Sufficiently clear.

Article 16
Sufficiently clear.

Article 17
Sufficiently clear.

Article 18
Sufficiently clear.

Article 19
Sufficiently clear.

Article 20
Sufficiently clear.

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Article 22
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Article 24
Sufficiently clear.

Article 25
Sufficiently clear.

Article 26
Sufficiently clear.

Article 27
Sufficiently clear.

Article 28
Sufficiently clear.

Article 29
Sufficiently clear.

Article 30
Sufficiently clear.

Article 31
Sufficiently clear.

Article 32
Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE MUNICIPALITY OF
TANGERANG NUMBER 12