

## The Implementation of Corporate Social Responsibility in Supply Chain Management at Agri-Food Companies (Case Study of PT Ciomas Adisatwa RPA Maros)

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### ABSTRACT

*This study aims to determine the extent of the implementation of corporate social responsibility in supply chain management implemented in the company PT Ciomas Adisatwa RPA Maros. This study is a descriptive qualitative study. The data collection methods used in this study are interviews, observations and documentation. The data analysis technique used is the Creswell model qualitative analysis technique. The results of this study indicate that PT Ciomas Adisatwa RPA Maros has implemented corporate social responsibility in several elements of supply chain management such as production activities, research and development activities, and relations with employees and the community. However, the implementation of CSR in PT Ciomas Adisatwa has not been maximized and must be developed further in the future. This study suggests that the company develops a CSR reporting system in SCM. PT Ciomas Adisatwa needs to identify relevant performance such as the use of sustainable raw materials and waste reduction, and build a reporting infrastructure that allows data collection from various points in the supply chain. In addition, this study suggests that further authors can further expand the analysis of the relationship between the implementation of CSR in SCM, especially in different industries.*

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## I. INTRODUCTION

In the world of goods and services industries, low-cost strategies and quick responses to market changes become very important challenges. In general, every company has the same goal, which is to maximize profits and minimize costs. Companies that strive to enhance competitiveness through product adjustments, quality improvements, cost efficiency, and market response speed will usually exert additional pressure on the supply chain. The additional pressure does not only last for a temporary period, but is dynamic and continuous. The sustainability of a company's activities essentially refers to the company's contribution to maintaining the sustainability of its operations, which is linked to economic, environmental, social, and governance aspects (Artiach et al., 2010). Corporate sustainability is also defined as a company's strategy to meet the interests of consumers and employees

pp: 41 - 50

in the long term (Puspita, 2014). This concept is closely related to corporate social responsibility (CSR), which is one of the practices used to maintain corporate sustainability. According to Weiss (2014), corporate social responsibility (CSR) is an effort that a company must undertake to maintain business continuity in the future.

The implementation of CSR is urgent because it is considered a solution to the increasingly severe environmental damage, especially in Indonesia, ranging from water pollution, air pollution, deforestation, climate change, and waste management. These environmental issues serve as a motivation for companies to develop social policies because a company cannot separate economic aspects from the social impacts that may arise from its business decisions. In other words, a company's actions cannot be separated from their social consequences because the company is part of the social community.

Business activities that also need to implement CSR are supply chain management (SCM). According to Jebarus (2001), SCM is the activity of managing product distribution to meet the needs of consumers or customers, further developed. The implementation of CSR in the supply chain is not only aimed at creating a short-term brand image but is intended for the company to apply sustainable social responsibility, thereby expected to bring added value to the company and the surrounding community. This is in line with the stakeholder theory approach that underpins the relationship between CSR and SCM. Stakeholder theory implies that companies can implement CSR in various business activities, including SCM, by considering the various parties that influence and are influenced by supply chain activities.

The implementation of CSR in the supply chain can be realized through the responsibility to promote and uphold environmental, health, and safety regulations for the workers who produce the company's products or the workers at the company's suppliers. According to Carter and Jennings (2004), one of the categories of CSR that can be applied in the supply chain is the environmental aspect through reducing negative impacts on the environment during the production cycle, thereby reducing the risk of government sanctions or public rejection due to environmentally damaging business practices.

In Indonesia, the poultry farming business has a large market share, making this sector highly sought after by farmers or the community. This sector is considered to have a very extensive supply chain, meaning that many parties are involved, thus the opportunities for the success of this business are very high. The Central Statistics Agency (2018) shows that the contribution of the livestock subsector to Indonesia's GDP is Rp213,468.10 billion or 1.57 percent of Indonesia's total GDP. PT Ciomas Adisatwa, one of the subsidiaries of PT Japfa Comfeed Indonesia Tbk which is the subject of this research, is an agri-food company in the livestock industry and has a complex supply chain network covering production, distribution, and delivery of products to consumers. PT Ciomas Adisatwa is a company that markets animal products and provides solutions to the needs of modern entrepreneurs and food suppliers. The products marketed by PT Ciomas Adisatwa are fresh, hygienic chicken carcasses, and their quality is guaranteed.

This research refers to the study conducted by Wulandari (2018) which analyzes the integration of CSR in SCM towards the business sustainability of the company at PTPN VII (Persero) and the study by Sibarani (2019) which analyzes the role of corporate social responsibility and supply chain management on the performance of defense industry companies. The difference between this research and the two previous studies lies in the locus of the case study. In Wulandari's (2018) research, the research locus is general, while in Sibarani's (2019) research, the research locus uses the defense industry. This research uses the agri-food company PT Ciomas Adisatwa, which operates in the poultry farming industry. The analysis of CSR implementation in the poultry farming industry's supply chain is urgent considering the significant social and environmental impacts that the industry can cause. The background review encourages the author to investigate the implementation of corporate social responsibility in supply chain management at PT Ciomas Adisatwa and its contribution to providing added value to PT Ciomas Adisatwa.

## **II. LITRATURE REVIEW**

### **Corporate Social Responsibility**

According to Purwanto et al. (2021), CSR is a form of corporate social responsibility towards society and the environment aimed at enhancing the company's economy. It focuses not only on financial profits but also on economic growth in the company's region. This is usually done through

pp: 41 - 50

investments in infrastructure projects and other social programs that have a positive impact on the surrounding environment.

CSR is an agreement that originated from the meeting of The World Business Council for Sustainable Development (WBCSD) in Johannesburg, South Africa, in 2002, aimed at encouraging all companies to engage in creating sustainable development and collaborating with stakeholders, including company employees, employees' families, local communities, and the community as a whole, in an effort to improve the social, economic, and environmental conditions of the company. So, it can be concluded that corporate social responsibility is the company's commitment to being accountable for the social and environmental impacts of its operations. Companies also choose to focus on specific issues when contributing to society or the environment. This contribution can take the form of financial aid, expert assistance, and material support from the company.

The implementation of CSR can essentially provide many benefits for the company, including,

Through CSR programs, companies can maintain and enhance their brand image in the eyes of the public and consumers, help the company obtain a license to operate socially, and CSR programs can assist the company in conducting operational activities while considering the environmental impact. In addition to external benefits, CSR also has a positive impact on the internal aspects of the company, as it can enhance employee morale and productivity.

The scope of CSR is divided into three, namely the narrow scope of CSR which includes social responsibility to employees, social responsibility to stakeholders such as consumers and employees, and social responsibility to the general public. The scope of CSR in a broad sense includes: social responsibility towards the environment, social responsibility towards human rights, and corporate social responsibility towards anti-corruption behavior. The scope of CSR according to the views of companies in Indonesia varies greatly. Some see CSR as a form of kindness and direct support for communities in need, while others view CSR as active involvement in large development projects to support government goals.

### **Supply Chain Management**

Supply chain management is a process that involves the purchase of raw materials, transforming them into semi-finished products and final products, and then delivering these products to customers through distribution procedures. This step is taken to build a supply chain that focuses on achieving maximum value for customers. Effective supply chain management means making suppliers partners in the company's strategy to meet the ever-changing market (Heizer et al., 2004). Effective supply chain management requires simultaneous development, both in terms of improving customer service and the internal operations of the company (Miradji, 2014). According to Chopra and Meindl (2007), the supply chain has dynamic characteristics involving three constant flows, namely the flow of information, products, and money, to meet consumer needs and generate profit.

Supply chain management is essentially not a new concept; it is an advanced development to meet consumer needs. This concept focuses on an integrated pattern in managing the flow of products from suppliers, manufacturers, and retailers, to end customers. Supply chain management integrates and organizes supply chain processes within the company, connecting all internal and external partners, such as departments within the organization and information system providers.

### **Stakeholder Theory and Legitimacy Theory**

The stakeholder theory emphasizes that a company's responsibility is not limited to achieving financial performance but also involves various parties with interests who can influence the success or failure of the organization. The stakeholder theory states that a company or institution can choose to voluntarily disclose information about its environmental and social performance beyond the mandatory requirements imposed by the government. This is done to meet the expectations of stakeholders (Solihin, 2009). According to Gray et al., in Utami and Prastiti (2011), Legitimacy Theory essentially refers to an analytical approach or framework that positions an organization or company as one component within a larger social environment. Legitimacy theory also emphasizes the importance of legitimacy or public acceptance of an organization's activities and existence. In the context of CSR, companies are expected to act ethically and contribute to the welfare of society.

### **The Relationship Between CSR and SCM**

pp: 41 - 50

The relationship between CSR and SCM is expressed by Carrol and Buchholtz (2000) in Wulandari (2018), who state that CSR is not just the implementation of sustainability actions within the supply chain, but also includes the company's efforts to consider stakeholders, social impacts, and the environment comprehensively. The integration of CSR and SCM has emerged and developed due to changes like business relationships, environmental complexity, transitions in technology, societal needs, and the availability of natural resources.

The implementation of corporate CSR not only needs to be considered from an ethical standpoint but also requires an understanding that criticism of CSR can be seen as a potential loss or an obstacle to the company's profitability. It can be concluded that the relationship between CSR and SCM is not just as two different objects but as complementary elements. Both objects are directed to respond to current issues regarding CSR and SCM as well as the company's response from both social and business perspectives. Furthermore, the relationship between CSR and SCM in this study is shown in Figure 1.

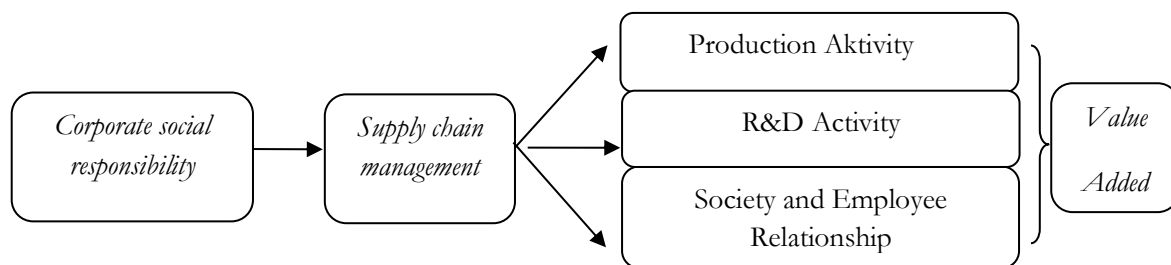


Figure 1. Research Conceptual Framework

### Previous Research

There are several studies that link SCM and CSR. For example, Sitorus's (2018) research found that the implementation of CSR in the supply chain at PT. SidoMuncul has been carried out well and provided added value, one of which is an increase in sales. Another study was conducted by Wulandari (2018) regarding the analysis of the integration of Corporate Social Responsibility (CSR) in Supply Chain Management (SCM) on the sustainability of the company's business, which found that the integration of CSR in SCM at PTPN VII Rejosari Business Unit has been carried out towards the sustainability of the company's business. However, due to bad debts and the lack of loyalty from KUB to the company, the SCM mechanism was disrupted, affecting the sustainability of the company's business. The relationship between SCM and CSR is also emphasized in the research by Sibarani et al. (2019), which shows that CSR has a positive impact on supply chain management. Other research also introduces the concept of a 'green' supply chain, such as the study by Pellondou and Wahyuningsih (2022), which found that supply chain integration capabilities positively affect economic performance and environmental performance, with green supply chain management as a mediator. This is in line with the research by Yalviolita and Hendayani (2022) which shows that stakeholder pressure has a positive and significant impact on Green Supply Chain Management (GSCM) and the company's green resources, while GSCM has a positive and significant impact on the company's environmental performance and economic performance.

### III. METHODS

The research method used is the qualitative descriptive method. This research method is used to understand phenomena in a natural social context that illustrates the company's problems from a behavioral perspective. After that, the researcher analyzes and reports the phenomenon in a research analysis result. qualitative approach with primary data sources in the form of interviews, observations, and direct documentation at PT Ciomas Adisatwa. The analysis used is descriptive analysis based on the Creswell model (2013). The research was conducted at the company PT Ciomas Adisatwa Japfa located on Jl. Haji Bohari, Desa Bontotallasa, Dusun Makuring, Kecamatan Simbang, Kabupaten Maros, Province of South Sulawesi.

### IV. RESULTS AND DISCUSSION

#### Supply Chain Management at PT Ciomas Adisatwa

pp: 41 - 50

PT Ciomas Adisatwa realizes that the supply chain process involving production and distribution generates a large amount of unavoidable waste. The company realizes that the presence of such waste can have a negative impact on the environment and the comfort of the surrounding community. Therefore, the company is committed to taking good steps in the supply chain management process to ensure the sustainability of the company's operations while maintaining the environment and the well-being of the surrounding community.

From the researcher's interview with the informant AB, the Head of Production, it was found that there are two supply chain flows in PT Ciomas Adisatwa: the product flow and the information flow. The flow of whole chicken carcass products starts from the farmers to the end consumers. The flow of products from the farmers to PT Ciomas Adisatwa is marked by the fluctuating demand for live chickens from the farmers, adjusted according to consumer demand conditions. After the chickens are received by the RPA (Chicken Slaughterhouse), a size selection process is carried out to separate the chickens by weight. The next flow of the product occurs at PT Ciomas Adisatwa to the Retailer, starting with PT Ciomas Adisatwa breaking down the order requests based on time and the quantity needed. After that, the products will be sent directly to each retail outlet. The next flow occurs between the regular Broker and the Trader. This starts with the trader ordering chicken carcass products from the regular broker by placing an order directly at the broker's location, and the risk of distributing the chicken meat products from the regular broker to the trader is fully borne by the trader. The final supply chain is the trader/retailer/supermarket and the consumer. Consumers can purchase meat products by ordering directly at the retailer's location or through social media from the retailer's owned media. The products sold by the retailer to consumers do not undergo any quality enhancement or are the same as the form produced by PT Ciomas Adisatwa.

The flow of information that occurs in the supply chain of whole chicken carcass products includes information on price, size, whole chicken, production process, safety and halal status of chicken meat products, quantity of materials and products, as well as information on cooperation between supply chain flows. The flow of information begins when PT Ciomas Adisatwa and the farmers establish a written contract relating to the partnership, making the information flow process easier as they are under the Japfa Group umbrella. In addition, the flow of information also occurs between PT Ciomas Adisatwa and supermarkets. The supermarket sends the order information for chicken carcass products through an order form provided by the company.

### **The implementation of Corporate Social Responsibility in Supply Chain Management at PT Ciomas Adisatwa**

In general, Corporate Social Responsibility is a form of corporate responsibility towards the surrounding environment, which until now is still viewed as a formality to eliminate responsibility. In reality, the existence of industry cannot be separated from human life because the industrial world was born from the effort to meet human needs. However, on the other hand, the presence of industry has proven to leave negative residues for both the community and the employees working in that industry. An explanation of the implementation of CSR in SCM at PT Ciomas Adisatwa was obtained from an interview with the Head of HSE in the HR & GA division, who stated that:

*"Yes, the implementation of CSR in SCM within the company certainly exists, the company must consider the impact of the production process on the surrounding environment and employees." For example, if the company only pays attention to the surrounding environment and does not consider the employees, it can affect the production process and vice versa."*

As explained by the source, it can be understood that the implementation of CSR in SCM is important because it not only impacts the surrounding environment but also the production process. This is because if the company only focuses on one aspect, such as only paying attention to environmental issues without considering employee welfare, or vice versa, it can affect the overall production process. Another statement was presented by the SI source about the program in implementing CSR in SCM:

*"One of the CSR programs at this company is the distribution of free products to the community, of course, for the environment so as not to disturb the surrounding community." The waste generated from the production process is processed first as one of the measures to prevent environmental pollution, and employees undergo health checks every month."*

pp: 41 - 50

*This is done to ensure that the produced products are guaranteed and the production process runs smoothly."*

Information from the above participant indicates that PT Ciomas Adisatwa has implemented a series of CSR programs that involve several aspects of SCM, particularly those related to production. The CSR program also pays attention to the community and employees who are still part of the SCM. The above statement is also reinforced by a statement from the AI source as the production division regarding the usual obstacles faced during the SCM process:

*"Usually, the SCM process is hindered due to three factors: first, delays in raw materials from suppliers; second, damage to production machinery; and third, the health of employees or human resources."*

From the interview above, it can be concluded that employees are an important aspect in managing the supply chain. The condition of employees greatly affects all activities within the company, whether it be supply chain activities or other activities. If employees' health is not taken care of, it can trigger disruptions in the supply chain. In addition to focusing on employees, PT Ciomas Adisatwa also conducts CSR activities regarding production waste. The SI representative from the environmental division explained that:

*"We are here as a company that manages chicken meat automatically, there is an IPAL." We manage the waste first before it is disposed of into the environment to prevent pollution. For the waste management flow, it starts when wastewater enters the process, then the output of the process is discharged as wastewater. PT Ciomas Adisatwa manages integrated wastewater, which means it is the same as domestic wastewater..."*

The above statement implies that the waste from production is processed as best as possible by the company to avoid polluting the environment, which would impact the surrounding community. This shows the implementation of CSR in one of the important aspects of SCM, namely production.

### **The implementation of CSR in SCM to add Value Added to PT Ciomas Adisatwa**

The researchers also conducted interviews and direct observations with the AI informant, the Head of Production, regarding the value added that the company receives when implementing CSR in SCM. Participants expressed that:

*"Of course, the implementation of CSR in SCM can add value and have a positive impact on the company. For example, if the company produces guaranteed and high-quality products, it can increase consumer trust, and if the company can manage its waste well, it will also have a positive impact on the community, thereby enhancing the company's reputation in the eyes of the public."*

That can help the company maintain its relationship with stakeholders. CSR practices in SCM provide significant added value for PT Ciomas Adisatwa. Ensuring guaranteed and high-quality products can increase consumer trust because consumers are more likely to trust companies that care about social and environmental responsibility. Proper waste management and attention to environmental impact can create a positive reputation in the eyes of the public, leading them to tend to support the company. Concern for employees is also one of the CSR practices that can add value to the company. This is a strategic investment that not only considers the welfare and needs of employees but also strengthens the relationship between the company and its employees.

PT Ciomas Adisatwa, in its evolution into a rapidly growing poultry industry, demonstrates management's awareness of corporate social responsibility (CSR). PT Ciomas Adisatwa integrates CSR as an important part of corporate governance as a form of commitment to the environment and the surrounding community, in line with the company's mission to be a part that provides a positive impact on society and the environment.

Management's awareness in implementing CSR shapes the company's legitimacy as per the legitimacy theory, which emphasizes the importance of aligning social values with societal norms to form organizational legitimacy. Thus, the implementation of CSR by PT Ciomas Adisatwa can have a positive impact on the company's business processes by increasing alignment with the surrounding community.

pp: 41 - 50

However, with the development of the business world, the implementation of CSR is not only limited to concern for the environment and community but is also applied in the supply chain involving external and internal parties. PT Ciomas Adisatwa implements the concept of corporate social responsibility (CSR) in three circles of responsibility, namely inner, middle, and outer, as classified by the Committee for Economic Development (CED). In the inner circle, PT Ciomas Adisatwa focuses on the effectiveness of production activities and research and development (R&D) to create products that are safe for consumers. In the middle circle, the company ensures the fulfillment of employee rights and maintains good relationships with consumers in marketing its products. Meanwhile, in the outer circle, the company demonstrates concern for environmental sustainability. The implementation of CSR in this company is intended to form the company's long-term commitment to making positive contributions to the workforce, society, and the environment, as well as advancing the overall sustainability of the company, including in the aspect of supply chain management.

The analysis of CSR implementation in SCM at PT Ciomas Adisatwa is divided into three parts: the implementation of production activities, R&D activities, and its relationship with employees and the community, which can provide added value to PT Ciomas Adisatwa.

### **Production activities in providing value added for PT Ciomas Adisatwa**

Production activities at PT Ciomas Adisatwa can encompass a number of steps and processes involved in producing chicken products or processed products, including livestock maintenance, selection and processing of raw materials, product management, storage and distribution, equipment maintenance and care, and waste management. All production activities at PT Ciomas Adisatwa have been carried out in accordance with existing procedures and are also guaranteed. This is also supported by the company's commitment to implementing product safety and security procedures based on FSSC 22000 and ISO 9001:2015, as well as work discipline in all parts and stages of the production process. A series of production processes that do not overlook waste management demonstrates the company's commitment not only to product quality but also to efforts to reduce the environmental impact caused by production activities. The implementation of CSR in the form of waste management at PT Ciomas Adisatwa is an effort to integrate CSR into SCM because, according to Carter and Jennings (2004), one of the CSR categories that can be applied in the supply chain is the environmental aspect through reducing negative impacts on the environment during the production cycle.

The improvement in the quality of the company's products becomes a guarantee of the safety and quality of the products produced in the eyes of consumers, which also impacts the increase in the company's sales. This is in line with the legitimacy theory regarding the implementation of documented procedures, thereby demonstrating the company's commitment to product quality, safety, and security. This is also a strategy to obtain legitimacy from various parties such as the government, consumers, and the general public.

The value added that the company gains from its directed production activities, starting from suppliers/farmers to the distribution stage to consumers, is the raw materials that are maintained and guaranteed in quality, resulting in products that have high-quality standards and can meet customer expectations.

This research is in line with previous studies conducted by Siberani (2019), which state that the implementation of CSR in SCM has a positive impact on companies, particularly in terms of production. Meanwhile, research by Sitorus (2018) states that the implementation of CSR in SCM, when executed well, will provide added value. So it can be stated that there is the implementation of CSR in production activities as part of the supply chain at PT Ciomas Adisatwa, which adds value to the company.

### **R&D activities in providing value-added at PT Ciomas Adisatwa**

In the implementation of R&D activities, PT Ciomas Adisatwa requires several resources, including human resources (labor), raw materials, technology (software), and equipment or machinery (hardware). This is intended to achieve the company's mission in product development. Currently, PT Ciomas Adisatwa is supported by more than 300 employees with varying levels of education and placed according to their respective expertise, abilities, and capacities. In addition to sufficient human resources, the company also has adequate facilities including super dirty areas, dirty areas, clean areas, chiller storage, and cold storage.

pp: 41 - 50

R&D activities are an important initial stage for products that circulate in society. Therefore, the assurance of a product's safety and health begins with R&D activities by questioning the adequacy of cleanliness in the processes to create a product and the accuracy of the drugs and materials used, as well as their impact on health. The assurance to the public regarding the ongoing R&D activities is carried out by the company through collaboration with the POM Office, where the company is used as an example or sample by the POM Office and obtains MUI certification.

In R&D activities, the company also reads desires and complaints through surveys conducted by the marketing department by distributing questionnaires and product samples to the public, which then show the public's response to the product. This then becomes the basis for the products that consumers actually need, leading to product development that starts from raw materials, production technology, and market sampling.

This is in line with the stakeholder theory that every company involves several stakeholders who play a crucial role in product development. One of them is the consumer, who is the main stakeholder in determining the success of the product.

The value added that the company gains through R&D is that the products produced are guaranteed to be of high quality and the materials used are safe and good for consumer health. The trust that arises from consumers is what positively impacts the company in marketing its products. With the guarantee of product safety and health, it also shows the company's concern for the community.

The results of this study are in line with previous research conducted by Yuesti (2020), which found that CSR affects the value of the company. So it can be stated that every company activity, including research and development activities, can provide unique value to the company. Although the R&D activities at PT Ciomas Adisatwa do not directly imply the implementation of CSR, the efforts made to provide safe and healthy products indirectly demonstrate the company's commitment to the safety of consumers and employees, who are part of the entire supply chain.

### **Relationships with employees and the community in providing value added at PT Ciomas Adisatwa**

Employees are valuable assets for the company, so it is the company's responsibility to pay attention to the development of employees' competencies and well-being. The development of employee welfare at PT Ciomas Adisatwa in creating good human resources PT Ciomas Adisatwa implements a program to support employee welfare through monthly health check-ups. PT Ciomas Adisatwa ensures that employees receive the necessary medical care and can maintain good health conditions, which positively impacts the overall performance of the company.

The value added that companies gain by paying attention to employee welfare is the improvement in employee performance, which allows the company's production process to run more effectively and efficiently, thereby preventing the emergence of several problems that could hinder the business process. Employee rights are an important aspect that companies must pay attention to for the smooth operation of their business. The efforts made by PT Ciomas Adisatwa towards employee safety indirectly represent the implementation of CSR in an important aspect of the supply chain.

Furthermore, the two contributions made by the company to the community, which are part of CSR activities, demonstrate the company's commitment to gaining legitimacy from the community as a stakeholder. The first activity is related to sharing products or parcels with the surrounding community, aimed at providing direct contributions to the local community. This action not only provides direct assistance to those in need but also enhances the positive relationship between the company and the local community, thereby influencing the brand image and consumer perception of the company. The second CSR activity is waste management to prevent environmental pollution. PT Ciomas Adisatwa implements waste management practices and environmentally friendly technology in the production process. Waste management is part of the company's supply chain. PT Ciomas Adisatwa has calculated and managed the environmental impact of the entire production and distribution process well. Although PT Ciomas Adisatwa's CSR program for the surrounding community is still lacking because the company focuses more on employee welfare. But with good waste management, it has already made a significant contribution to the surrounding community.

The value added that the company gains through this activity not only benefits the community but also enhances the company's image as perceived by the general public. This is due to the company's increasingly broad responsibilities and its foundation in social responsibility, which not only



pp: 41 - 50

seeks economic profit but also pays attention to social and environmental issues. This activity also has a positive impact on the company in meeting the production raw material needs.

The commitment of PT Ciomas Adisatwa to employees and the community is related to stakeholder theory because a company is not an entity that operates solely for its own interests, but must also provide benefits to stakeholders including employees and the community. Being responsive to the needs and well-being of employees is an important step in building solid relationships, which in turn maximizes the company's contributions. Just like employees, the company's direct contributions to the community create a positive impact on the environment and the daily lives of the surrounding community.

The results of this study are in line with previous research conducted by Taufiq and Iqbal (2021), which showed that several aspects, including social, economic, and environmental aspects, have been targeted for sustainable CSR implementation. So, it can be stated that by maintaining relationships with employees and the community as part of the supply chain, the company has effectively implemented CSR, resulting in positive impacts for the company's long-term sustainability.

Basically, CSR related to SCM is not only limited to environmental responsibility but also involves other aspects such as social responsibility towards the community, consumers, and employees. From the results of the interviews conducted, it has been found that the elements of SCM, namely production activities, R&D activities, and the company's relationship with the community and employees, have been managed well except for the reporting system of CSR implementation in SCM and the absence of a specific division handling that. This is because PT Ciomas Adisatwa does not yet have strong regulations to actively promote CSR. Some companies still consider CSR as a voluntary or optional effort, so they do not feel the need to implement or carry it out.

## **V. CONCLUSION**

Based on the research results regarding the implementation of corporate social responsibility in supply chain management at PT Ciomas Adisatwa, it can be concluded that the implementation of CSR at PT Ciomas Adisatwa has been applied to several elements of SCM such as production activities, research and development activities, and relationships with employees and the community. The implementation of CSR also encompasses three circles of responsibility as classified by the Committee for Economic Development (CED), namely the inner circle, which includes the effectiveness of production activities and research and development (R&D) activities to create safe, good, hygienic, and MUI-certified products for consumers; the middle circle, which involves fulfilling employee rights and fostering good relationships with consumers (the community) in marketing its products; and the outer circle, which reflects the company's concern for environmental sustainability through waste management. However, when viewed as a whole, the implementation of CSR in SCM at PT Ciomas still has several shortcomings. This is related to the absence of a reporting system for CSR implementation in SCM, the lack of a dedicated department handling CSR in the company, and the presence of aspects in SCM that are still not optimal in terms of applying social responsibility values. The implementation of CSR in SCM at PT Ciomas has provided added value, including the creation of quality products reaching consumers, increased public or consumer trust in consuming the products which boosts sales, harmonious relationships with the surrounding community during production activities, and improved employee quality and performance.

This research suggests that the Company should develop the CSR reporting system within SCM. PT Ciomas Adisatwa needs to identify relevant performance metrics such as the use of sustainable raw materials and waste reduction, and build a reporting infrastructure that allows data collection from various points in the supply chain. Moreover, it is important to form a special team responsible for implementing CSR in SCM with the appointment of a team leader and clear task division. In addition, the company must also remain committed to CSR practices in all operational aspects, including SCM. Ensure that these practices are not only carried out as social responsibility but also as an integral part of the business strategy. Companies can also increase CSR practices in the surrounding community, such as local economic development, infrastructure development around the company's location, and health and wellness programs for the surrounding community. In addition to the Company, this research suggests that future authors should further expand the analysis of the relationship between CSR implementation in SCM, especially in different industries.

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pp: 41 - 50

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