

ANALYSIS OF THE IMPLEMENTATION OF THE FIVE BASIC PRINCIPLES OF ASEAN CORPORATE GOVERNANCE SCORECARD AT PT SEMEN INDONESIA IN 2022

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Abstract. This research aims to analyze the implementation of the five basic principles of the ASEAN Corporate Governance Scorecard on PT Semen Indonesia (Persero) Tbk-a public company of the materials construction sector-awarded for the Significantly Developing Domestic PLCs category. This research applies a qualitative descriptive approach, utilizing document content analysis with examination data, data classification and final assessment calculations with 146 assessment components based on the ASEAN Corporate Governance Scorecard standards. There are three rating outcomes in the Level 1 assessment of the ASEAN Corporate Governance Scorecard, consisting of fairly trusted, trusted, and highly trusted. The results of the level 1 assessment research for PT Semen Indonesia (Persero) Tbk in 2022 result in a score of 87.4 (highly trusted). The result of this research is an assessment of the five basic principles of the ASEAN Corporate Governance Scorecard which include shareholder rights, fair attitudes towards shareholders, the role of stakeholders, disclosure and transparency and board responsibility. The assessment component with the highest number of fulfilled criteria from these five principles was achieved by the criteria for shareholders' rights, while the criteria with the fewest fulfilled assessments were found in the board responsibility criteria.

Keywords: ASEAN Corporate Governance Scorecard, Corporate Governance, PT Semen Indonesia (Persero) Tbk

I. INTRODUCTION

Globalization causes a very broad impact, including in the improvement of technological systems in the world. Technological advances cause activities to be carried out quickly and efficiently, including investor decisions in capital investment planning. Investment decisions not only pay attention to how much profit the company will generate, but are seen in the implementation of corporate governance in the company they will invest in this era of globalization. Globalization in the economic field has an impact on the economic growth of a country, especially Indonesia, because only countries that have high competitiveness with an effective work system can take advantage of globalization opportunities as much as possible (Rafly et al., 2023).

Due to the widespread flow of globalization, the term Good Corporate Governance or corporate governance has become a hot issue for business people and stakeholders to be the main foundation of the company in dealing with business climate conditions that change every time (Hamonangan & Hermawan, 2020). In early 2020, Indonesia also experienced a

weakening of the economy due to the COVID-19 pandemic. Most people who work in several sectors are clearly experiencing greater difficulties. The decrease in income in this sector must have an impact on the overall national income (Fitrawaty & Maipita, 2023).

The COVID-19 pandemic is changing the way people work, including in many cases how decision-making processes are organized. This is especially true in corporate governance, where global needs require remote shareholder participation. Many jurisdictions see an opportunity to improve their regulatory frameworks due to the COVID-19 pandemic (OECD, 2023). Every company is required to make the best decisions when unexpected events occur by preparing for the implementation of good corporate governance. Companies must also pay attention to these decisions that have a good impact on all stakeholders, both internal and external. This corporate governance reform effort has led to the publication of the governance perception index and the awarding of commendations for companies with good corporate governance implementation (ekon.go.id, 2021).

The Coordinating Minister for Economic Affairs (2021) stated that Indonesia's geographical location causes vulnerability to natural disasters and climate change. Therefore, if the concept of governance and social environment is not practiced, it will cause many losses borne by the company. One of the keys for companies going public in Indonesia to experience development is through the implementation of Good Corporate Governance (Oei, 2021). In addition, companies must indirectly be able to keep up with global business developments and manage their business well in order to have a competitive advantage over their competitors. Effective corporate governance is an important part of achieving full corporate performance (Edi & Felicia, 2022).

The results of a survey conducted by McKinsey & Co (2002) in (Siek & Muhandi, 2015) state that investors avoiding businesses with substandard Good Corporate Governance practices should be a major concern. It is important to recognize that investors have a central role in shaping the structure and sustainability of a company. As key stakeholders, their decision to avoid business entities that do not meet expected Good Corporate Governance standards reflects deep consideration of the risks and long-term impact on investment value. Transparency and accountability are critical to the overall growth and well-being of a company. This means that all institutions should encourage all people within them to actively contribute to their welfare, with no one left behind (E. Sukoharsono, 2018). Therefore, engaging in solid Good Corporate Governance practices is not only an ethical obligation, but also a strategic prerequisite for building trust and attracting investors.

Corporate Governance is very important and is central to the good of the corporation. According to the GCG system adopted by countries in the world, there are two types, namely the one-tier system and the two-tier system. In the one-tier system, the Board of Directors (board of directors) acts as supervisor and executor. In Indonesia, which adheres to the two-tier system, the supervisory role is performed by the Board of Commissioners (board of commissioners) while the Board of Directors (board of directors) manages the company as the executor. The separation of the roles of the Board of Commissioners and Directors in a two-tier system will improve the quality of supervision and increase transparency in decision making (Pellegrini et al. in Tjahjadi & Soewarno, N. Mustikaningtiyas, 2021).

Indonesia's decision to join the ASEAN Economic Community (AEC) in 2015 was the right choice because it is part of the Southeast Asian economy and can enhance regional cooperation. The purpose of the AEC is to create economic integration within member countries and expand prosperity in the community by providing facilities in the fields of labor,

trade and investment (Aulia, 2023). To increase stakeholder confidence in investing in the Southeast Asian region, it is necessary to raise awareness of corporate governance through the ASEAN Corporate Governance Scorecard (ACGS) from the development of principles in 2011, namely The Organization for Economic Co-operation and Development (OECD). The target of forming this scorecard is to improve the governance standards of publicly listed companies in ASEAN (ekon.go.id, 2021).

Corporate Governance Expert from (RSM Indonesia, 2023) stated that the evaluation results of the ACGS will be used by regulators, institutional investors, and financial managers to produce the best information from listed companies in the ASEAN region. In 2021, the average corporate governance score in Indonesia grew by 9.3%. In addition, there was an increase in ACGS progress compared to 2020 in three publicly listed companies with appreciation, consisting of PT Bank BTPN Syariah Tbk, PT Industri Jamu dan Farmasi Sido Muncul Tbk and PT Semen Indonesia (Persero) Tbk (PT Semen Indonesia (Persero), 2023).

The difference between this research and previous research conducted by (Pahlevi & Purwanti, 2020) and (Panangian, A. A. G., Sudarma, 2022) uses research objects in the banking sector starting from PT Bank Rakyat Indonesia, Tbk and PT CIMB Niaga, Tbk and the real estate sector, namely, PT Lippo Karawaci, Tbk. This research will focus on a different field from previous research, namely the construction material company, PT Semen Indonesia (Persero) Tbk. This company was also selected as the top three companies with significant ACGS application progress compared to the previous year.

In addition, the reason for choosing PT Semen Indonesia (Persero) as the object of this research is because the company is the only entity that has a written mission in providing the best added value for all stakeholders. This is directly proportional to the focus of this research, which is to test the five basic principles or level 1 of the ASEAN Corporate Governance Scorecard (ACGS) which consists of (1) Basic shareholder rights, (2) Equal treatment of shareholders, (3) Role of stakeholders, (4) Disclosure and transparency, (5) Board responsibilities (sig.id, 2023).

The theoretical benefit of this research is that it can find out the relationship between stakeholder theory and the ACGS level 1 assessment component which examines various stakeholders in a company. The practical benefits of this research are (1) for policy makers: providing recommendations to the government in forming policies related to compliance with the implementation of corporate governance in Indonesia; (2) for investors: giving confidence to invest in companies with highly trusted predicates in good corporate governance practices; (3) for companies: improving and maintaining compliance with integrated corporate governance practices in the ASEAN region based on the ASEAN corporate governance scorecard standard; (4) for the public: providing general information about corporate governance associated with the ASEAN corporate governance scorecard standard.

This study aims to analyze and determine the final value of the practice of implementing corporate governance in accordance with international standards, namely the ASEAN Corporate Governance Scorecard (ACGS), especially at level 1 which has five basic principles in one of the construction material companies in Indonesia. Therefore, by looking at the explanation stated in the background, the researcher is interested in conducting research with the title Analysis of the Application of Five Basic Principles of ASEAN Corporate Governance Scorecard at PT Semen Indonesia (Persero) Tbk.

II. LITERATURE REVIEW

A. Stakeholder Theory

Stakeholder theory is a theory that explains that a company must provide benefits to its stakeholders rather than just acting in its own interests. Therefore, the involvement played by stakeholders greatly affects the survival of a company (Sembiring, 2020). All parties, both internal and external, who have a relationship that affects or is affected, whether carried out directly or indirectly by the company are referred to as stakeholders (Taner, 2020). This theory states that stakeholders determine the existence of the company. Therefore, because the company's management is morally committed to stakeholders, the company will consider the interests of stakeholders. The company will be encouraged by the management to consider the interests of stakeholders during the business strategy decision-making process (Alfaiz & Aryati, 2019). Indirectly, the establishment of a company must be balanced with the fulfillment of all stakeholders who play a major role in supporting the achievement of the main objectives of the company. Support from these stakeholders can have a significant impact, especially in maintaining the sustainability of the company in the eyes of the community and opening up broad opportunities to spread corporate values to be implemented to the public. In relation to corporate governance, stakeholder theory is the foundation for the development of holistic Good Corporate Governance (GCG) practices. In the ever-changing dynamics of business, stakeholder theory invites organizations to understand and adjust to changes in stakeholder interests and expectations that arise from this theory including transparency, accountability, and responsiveness to diverse interests. Along with that, the application of this theory is not only normative, but also a strategic approach in improving company performance through balance and management of interactions with stakeholders.

B. Good Corporate Governance

Good Corporate Governance has a straight relationship with stakeholder theory which states that companies can never be separated from management stewardship to form the expected conditions. To create a better situation and quality of the company, structured governance is needed effectively and efficiently. (Organization for Economic Co-operation Development., 2023) states that corporate governance involves a series of relationships between company management, the board of directors, shareholders, and other stakeholders. (International Corporate Governance Network., 2017) states that global governance talks about a system that directs and oversees business based on fairness, accountability, responsibility, and transparency within an effective governance control framework. However, in ICGN these principles are only guidelines, there is no assessment component in it because it aims to be a global race. In Indonesia, there is also a committee tasked with assessing the quality of corporate governance policies called (Komite Nasional Kebijakan Governansi., 2021). The KNKG also argues that corporate governance is a system and procedure used to direct and manage a business to achieve business progress and corporate accountability. After getting governance perspectives from international and national organizations, there is also an organization that focuses on the regional level called the ASEAN Capital Market Forum (ACMF) which initiated the ASEAN Corporate Governance Scorecard (ACGS) to assess corporate governance in the Southeast Asian region. The governance principles of the ACMF are used in this study.

C. ASEAN Corporate Governance Scorecard

The ASEAN Corporate Governance Scorecard is one of the awareness efforts of resilience reform and corporate recovery in the region through the ASEAN Capital Market Forum (ACMF) in collaboration with the Asian Development Bank, and the ASEAN Corporate Governance Scorecard (ACGS) was formed in 2011. The main objective of the ACGS is to raise the standard of governance practices of listed companies by creating greater international visibility for companies with good governance quality in the ASEAN region. The main benchmarks in the ACGS are based on corporate governance principles (G20/OECD Principles of Corporate Governance., 2016) which are scorecards to measure the quality of corporate governance at a global level. The ACGS applies two levels of evaluation designed to assess the actual implementation of substantial aspects of effective corporate governance. Level 1 involves elements that essentially cover the implementation of laws, rules, regulations, as well as statements that refer to the OECD principles. Meanwhile, Level 2 reflects advanced elements of corporate governance implementation consisting of bonus and penalty components (Hamonangan & Hermawan, 2020).

D. Five Basic Principles

At Level 1 of the ACGS there are five basic principles regarding the assessment of the basic aspects that cover the implementation of the basic principles of corporate governance. The five principles consist of the first is the rights of shareholders who are recognized and have protection rights with 21 assessment components and the maximum score for this principle is 10. Second, fair treatment of shareholders, both minority and majority, all must get the same service by looking at 15 criteria and the maximum score is 10. Third, the role of stakeholders which not only regulates internal parties but also involves external parties which must meet 13 criteria and the maximum score on this principle is 15. Fourth, disclosure and transparency which handles the transparency of the company's financial reporting, company website, communication media, auditor selection and audit reports which are expected to comply with 32 criteria with a maximum score of 25. Fifth, the responsibility of the company's board is the principle that has the most criteria and is complicated but has the largest maximum score, namely 40. Level 1 ACGS has a maximum score of 100 which is the accumulation of the final scores of the five principles.

E. Construction Material Public Company

Construction Material Public Companies are companies that are specifically involved in the production, distribution, and possibly construction of large projects or infrastructure. As a public company, these entities have an obligation to comply with regulations and reporting obligations imposed by local capital market authorities. Construction Material Public Companies are expected to meet high standards of transparency, provide regular financial information to the public, and undergo an independent audit process to ensure the accuracy and reliability of its financial statements.

III. RESEARCH METHODOLOGY

A. Type of Research

This research uses a quantitative approach, where the data collected is numerical and analyzed as it is to describe the relationship between variables in a particular phenomenon. The purpose of this approach is to test the relationship between variables objectively using data that can be measured statistically.

B. Research Object

The object of this research is PT Semen Indonesia (Persero) Tbk, which is analyzed to evaluate corporate governance practices based on the ASEAN Corporate Governance Scorecard standard. The focus of this research is on aspects of corporate governance, including the organizational structure, board of commissioners and directors, as well as various other supporting documents.

C. Data Source and Collection Method

Data collection is done through documentation studies using instruments in the form of checklists to help sort and organize data systematically. The data source used is secondary data obtained from the company's official website, such as company profile, annual report, organizational structure, GMS composition, code of ethics, and supported by journals, scientific articles, previous research results, and publications from government agencies. Data analysis techniques are carried out by examining and classifying data, then calculating the final assessment score based on the ASEAN Corporate Governance Scorecard criteria. The five principles of ACGS Level 1 are also organized in a formula to determine the total score for the part that has met the criteria. The following is the ACGS Level 1 score calculation formula:

$$\text{Score} = \frac{\text{Total Criteria Met}}{\text{Total Criteria}} \times \text{Maximum Points}$$

Here are also mentioned the five basic principles of the ASEAN Corporate Governance Scorecard which will be calculated the score of each of the 5 basic principles, then accumulated in total with a maximum score of 100.

Table 1. Composition of ACGS Level 1 Assessment

Principle	Number of Criteria	Maximum Points
Shareholder rights	21	10
Fair treatment of shareholders	15	10
Stakeholder roles	13	15
Disclosure and transparency	32	25
Corporate board responsibilities	65	40
Total	146	100

Source: ACGS Country Report and Assessment (2021)

The Asian Development Bank (2021) also revealed three predicate classifications in the implementation of the ASEAN Corporate Governance Scorecard (ACGS) level 1:

Table 2. ACGS Level 1 Assessment Predicate

No.	Predicate	Value
1	Reliable enough	55,00 - 69,99
2	Trusted	70,00 - 84,99
3	Very reliable	85,00 - 100,00

Source: (Pahlevi & Purwanti, 2020)

The procedure for weighting the ASEAN Corporate Governance Scorecard level 1 consists of several series of implementation, consisting of: (1) of the 5 basic principles there are several components of the assessment of each principle, then the researcher measures by means of the total criteria met divided by the total criteria, then multiplied by the maximum points of each basic principle; (2) after that, add up the final value of each component in order to find out the total value of each ACGS basic principle; (3) accumulate the value of each principle, from the 1st to the 5th principle into a separate table, then it will produce the final score of the ACGS Level 1 weighting of the company under study; (4) at this stage it is optional, namely analyzing if each component is fulfilled, then a description is given as fully applied, but if there are one to half of the components that are not fulfilled, it will get a partially applied description, then if the component is not fulfilled at all, then the description is not applied.

IV. RESULT AND DISCUSSION

A. *Company Overview*

PT Semen Indonesia (Persero) Tbk, also known as Semen Indonesia Group, is a State-Owned Enterprise (SOE) entity in Indonesia that operates in the cement sector. The company was officially established in 1953. The vision of PT Semen Indonesia is to become the largest building material solution provider in the region. The mission of PT Semen Indonesia is oriented towards customer satisfaction in every business initiative, applying the best standards to ensure quality, focusing on creating environmental protection and sustainable social responsibility, providing the best added value for all stakeholders, making human resources the center of company development. Constitutionally, the operational activities of PT Semen Indonesia (Persero) Tbk cover various aspects of the cement industry, including the production, mining and excavation of raw materials needed for the cement industry and other industries. The company is also involved in the sale, promotion and delivery of goods and services related to the cement industry, in addition to providing services to the cement industry and other related industries. In addition, the company also integrates its business with the supply chain, covering limestone mining, raw material grinding, and product distribution. Semen Indonesia's product portfolio includes various types of cement, ranging from portland cement, composite-type cement, to instant cement. In looking to the future, Semen Indonesia continues to innovate and adapt to global challenges.

B. *The Relationship Between Stakeholders Theory and the Implementation of the ASEAN Corporate Governance Scorecard (ACGS)*

Two things that are related to each other are stakeholder theory and the ASEAN Corporate Governance Scorecard (ACGS). Stakeholder theory is present not only to be responsible for regulating the existence of shareholders (shareholders), but also protecting the interests of stakeholders in the company. With the presence of the ASEAN Corporate Governance Scorecard (ACGS), the company is able to map and measure how far the company's condition on the implementation of the principles of Good Corporate Governance (GCG) in ASEAN. As an instrument for measuring GCG performance, ACGS is not only an evaluation tool, but also reflects a commitment to balance and fairness in the interaction between companies and stakeholders. Stakeholders consisting of shareholders, suppliers, directors, commissioners, employees, government, customers, and communities have been regulated in the assessment components of the ASEAN Corporate Governance Scorecard (ACGS) completely and clearly to fulfill their rights and obligations by the company. The complexity of corporate governance assessment with components of the ASEAN Corporate Governance Scorecard (ACGS) has the

benefit of providing fair treatment for all stakeholders, ensuring that all stakeholders' interests are protected, creating transparency and corporate accountability, enhancing sustainable development, maintaining corporate reputation, improving a credible investment climate and increasing potential investment returns. The alignment between stakeholder theory and ACGS creates a strong foundation for improving GCG practices at the regional level, helping to create a business environment that is responsive, sustainable and responsible to diverse stakeholders. In this context, an in-depth understanding of stakeholder theory can be a valuable guide in designing and implementing effective GCG policies, strengthening the link between theory and practice to advance corporate governance in the ASEAN region.

C. Implementation Results and Details of ASEAN Corporate Governance Scorecard (ACGS) Values at PT Semen Indonesia (Persero) Tbk

1. Basic Principles of Shareholder Rights

The first principle of the ACGS Level 1 criteria describes Shareholder Rights in detail with a total of 21 criteria. For the assessment of the first principle at PT Semen Indonesia (Persero) Tbk shows a final score of 9 out of a maximum score of 10. The components of the results of the five-part assessment of the first principle of shareholder rights have been written into table 3.

This indicates that there is only one criterion that has not been fully applied, especially in the section on granting the right to participate effectively in the GMS. In this section there are several parts that need to be evaluated, namely for non-controlling shareholders to nominate candidates for directors or commissioners and the provision of shareholder approval in each agenda item for the general meeting of shareholders. These two components can be improved by providing a clear statement regarding what rights are obtained for non-controlling shareholders and the agenda items that require shareholder approval are in the summary after the general meeting of shareholders. In general, this section only needs to make improvements to one criterion, because the other criteria are well met.

Table 3. Components of the Shareholder Rights Principle Assessment

Assessment Criteria	Total Criteria	Total Criteria Met	Max Point	Final Grade	Desc.
Basic Shareholder Rights	1	1	10	0,5	Fully Applied
Right to Participate in Decisions on Fundamental Corporate Changes.	3	3	10	1,4	Fully Applied
The right to effectively participate and vote in general meetings of shareholders and must be informed of the rules, including voting procedures, governing general meetings of shareholders.	15	13	10	6,1	Partially Applied
Markets for corporate control should be allowed to function efficiently and transparently	1	1	10	0,5	Fully Applied

Assessment Criteria	Total Criteria	Total Criteria Met	Max Point	Final Grade	Desc.
The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	1	1	10	0,5	Fully Applied
Total	21	19	10	9,0	

Source: Research Working Paper (2023)

Table 4. Components of Assessment of the Principle of Fair Treatment of Shareholders

Assessment Criteria	Total Criteria	Total Criteria Met	Max Point	Final Grade	Desc.
Shares and Voting Rights	2	2	10	1,3	Fully Applied
GMS Invitation	5	4	10	2,7	Partially Applied
Insider trading and abusive self-dealing should be prohibited	2	1	10	0,7	Partially Applied
Related party transactions by directors and key executives	4	2	10	1,3	Partially Applied
Protecting minority shareholders from abusive actions	2	2	10	1,3	Fully Applied
Total	15	11	10	7,3	

Source: Research Working Paper (2023)

2. Basic Principle of Fair Treatment of Shareholders

The second principle of the ACGS Level 1 criteria describes the Fair Treatment of Shareholders in detail with a total of 15 criteria. For the assessment of the second principle at PT Semen Indonesia (Persero) Tbk shows a final score of 7.3 from a maximum score of 10. The components of the assessment results of the five parts of the second principle of Fair Treatment of Shareholders have been written into table 4.

In this second principle, there are three parts that must be improved. Starting from the criteria for calling the GMS, insider trading and prohibited self-dealing, along with related party transactions by directors and executives. The evaluation can be started by tightening the policy to minimize the transaction of information from insiders to outsiders, creating a policy for top management to review material to related parties, along with providing a policy not to participate in board discussions on certain agendas when there is a conflict. On the other hand, the two criteria in this principle have been well met to achieve the target in fair treatment for shareholders. By providing appropriate and equal information to all shareholders, companies can ensure fair involvement in decision-making. This fair treatment is not only an ethical obligation, but also supports company growth and builds solid trust among shareholders, creating a sustainable foundation for business success.

3. Basic Principles of Stakeholder Roles

The third principle of the ACGS Level 1 criteria describes the Role of Stakeholders in detail with a total of 13 criteria. For the assessment of this third principle at PT Semen Indonesia (Persero) Tbk shows a final score of 13.9 from a maximum score of 15. Almost all criteria in this stakeholder role section have been met, except for the criteria for employee participation mechanisms for development. Evaluation that can be done so that this principle can achieve the maximum score can be started by making policies in awarding or compensating that take into account the company's performance in the long-term assessment. By giving an assessment in the long term, the company can see the history or data from year to year related to the company's performance. It is necessary to review and take steps to improve in order to achieve maximum points in implementing a good and correct stakeholder role. The components of the assessment results from the four sections on Stakeholder Roles have been written into table 5.

Table 5. Components of the Stakeholder Role Principle Assessment

Assessment Criteria	Total Criteria	Total Criteria Met	Max Point	Final Grade	Desc.
Stakeholder rights established by law or through mutual agreement that must be respected.	7	7	15	8,1	Fully Applied
Where stakeholders' interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violations of their rights.	1	1	15	1,2	Fully Applied
Employee Participation Mechanism for Growth	3	2	15	2,3	Partially Applied
Stakeholders including individual employees and organizations, should be able to freely communicate their concerns about illegal or unethical practices to the Board and their rights should not be compromised in doing this.	2	2	15	2,3	Fully Applied
Total	13	12	15	13,9	

Source: Research Working Paper (2023)

4. Basic Principles of Disclosure and Transparency

The fourth principle of the ACGS Level 1 criteria explains about Disclosure and Transparency in detail with a total of 32 criteria. For the assessment of the fourth principle at PT Semen Indonesia (Persero) Tbk shows a final score of 22 out of a maximum score of 25. The parts that have been fulfilled and reached the maximum score are achieved by the quality criteria of the annual report, disclosure of transactions with related parties, disclosure of trading in company shares by insiders, external auditors and auditor reports, communication media, company websites and investor relations have been disclosed optimally and meet the assessment points.

However, this section also needs improvement in the areas of disclosure of annual reports in accordance with the deadline and publication of direct and indirect shareholders considered major or substantial shareholders. The evaluation that can be done is by increasing the transparency of share ownership of senior management which can be disclosed in more detail and paying attention to financial reporting deadlines and ensuring that the report is on the official website of the Indonesia Stock Exchange (IDX) because the status of this company is a public company. Increasing the transparency of senior management's shareholdings is a key step in an important evaluation. By providing greater visibility of share ownership, companies can build trust and reduce potential conflicts of interest. More open information can give shareholders and stakeholders a clearer picture of strategic decision-making and company direction. In addition, this transparency also creates a transparent and accountable corporate culture. Thus, increasing the transparency of senior management's shareholdings is not only a tactical step, but also a necessity to create a sustainable and trustworthy corporate environment. The components of the assessment results from the nine sections of the Disclosure and Transparency section have been summarized in table 6.

Table 6. Components of Disclosure and Transparency Principle Assessment

Assessment Criteria	Total Criteria	Total Criteria Met	Max Points	Final Grade	Desc.
Ownership Structure Transparency	5	3	25	2,3	Partially Applied
Annual Report Quality	8	8	25	6,3	Fully Applied
Disclosure of Transactions with Related Parties	2	2	25	1,6	Fully Applied
Does the company disclose insider trading of company shares?	1	1	25	0,8	Fully Applied
External auditor and Auditor's Report	2	2	25	1,6	Fully Applied
Communication Media	4	4	25	3,1	Fully Applied
Timely submission / issuance of annual / financial reports	3	1	25	0,8	Partially Applied
Company Website	6	6	25	4,7	Fully Applied
Investor Relations	1	1	25	0,8	Fully Applied
Total	32	28	25	22	

Source: Research Working Paper (2023)

5. Basic Principles of Board of Commissioners' Responsibilities

The fifth principle of the ACGS Level 1 criteria explains the responsibilities of the Board of Commissioners in detail with a total of 65 criteria. For the assessment of this fifth principle at PT Semen Indonesia (Persero) Tbk, it shows a final score of 35.2 from a maximum score of 40.

The component of the assessment results of the five sections on the Responsibilities of the Board of Commissioners has been written into table 7.

The parts that have been fulfilled are in the board performance section and the duties and responsibilities of the board of commissioners which have reached the maximum score and have been fully applied. For the parts that have not been fulfilled are in the board structure section of the code of ethics, the board process, and the people in the board row.

Table 7. Assessment Components of the Corporate Board Responsibility Principle

Assessment Criteria	Total Criteria	Total Criteria Met	Max Points	Final Grade	Desc.
Duties and Responsibilities of the Board of Commissioners	6	6	40	3,7	Fully Applied
Structure of the Code of Ethics or Conduct Board	24	23	40	14,2	Partially Applied
Board Process	22	16	40	9,9	Partially Applied
People on the Board	6	5	40	3,1	Partially Applied
Board Performance	7	7	40	4,3	Fully Applied
Total	65	57	40	35,2	

Source: Research Working Paper (2023)

Table 8. Final Value of ACGS Level 1 at PT Semen Indonesia (Persero) TBK in 2022

Assessment Criteria	Section	Total	Number of Criteria Met	Max Points	Final Grade
Shareholder rights	A	21	19	10	9,0
Fair treatment of shareholders	B	15	11	10	7,3
Stakeholder roles	C	13	12	15	13,9
Disclosure and transparency	D	32	28	25	22
Corporate board responsibilities	E	65	57	40	35,2
Total		146	127	100	87,4

Source: Research Working Paper (2023)

The evaluation that can be done is to review the supporting components in the field of board processes that can be material for improvement in the next period, such as the number of meeting quorums, meeting attendance, procedures for re-election of the board of directors/commissioners in a particular year.

After calculating the score of each principle of the ASEAN Corporate Governance Scorecard (ACGS), the following is the accumulated final score of level 1 at PT Semen Indonesia (Persero) Tbk, which is listed in table 8.

V. CONCLUSION

Based on the results of the research on the analysis of PT Semen Indonesia (Persero) Tbk in implementing the ASEAN Corporate Governance Scorecard (ACGS) Level 1 Year 2022, it can be concluded that PT Semen Indonesia (Persero) Tbk deserves the assessment criteria in the form of HIGHLY RELIABLE in implementing the criteria of the ASEAN Corporate Governance Scorecard (ACGS) with a final level one assessment score of 87.4. With this final score and predicate, PT Semen Indonesia (Persero) Tbk can provide added value and trust to stakeholders in the implementation of good and highly reliable corporate governance.

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