

THE IMPLEMENTATION OF ASEAN CORPORATE GOVERNANCE SCORECARD ON THE CONSUMER GOODS INDUSTRY: THE CASE OF PT UNILEVER INDONESIA TBK. AND PT INDOFOOD SUKSES MAKMUR TBK.

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Abstract: Global economic outlook is increasingly worrying due to war, crisis and pandemic. During globalization, several countries are integrated to compete to develop and formulate economic areas that can compete and have selling points in the world market. ASEAN then formed a forum called the ASEAN Capital Market Forum (ACMF). In this forum, the ASEAN Corporate Governance Scorecard (ACGS) was created with the hope that it could be a solution to implementing Good Corporate Governance practices and increasing information transparency to the public. This research aims to analyze the implementation of the ACGS criteria in the two consumer goods companies that is included in the 50 companies with the largest capitalization in Indonesia, namely PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. This research uses a qualitative method. The data analysis technique used is document content review. The data analysis procedure was carried out by classifying data and calculating weights using formulas for knowing the condition of ACGS implementation in each company. The result shows that implementation of the ASEAN Corporate Governance Scorecard which has been carried out at PT Unilever Indonesia Tbk. acquires a 80.7 score, while at PT Indofood Sukses Makmur Tbk. acquires a 62.6 score.

Keywords: ASEAN Corporate Governance Scorecard, Good Corporate Governance, Consumer Goods, Corporate Governance.

INTRODUCTION

The International Monetary Fund (IMF) estimates that the global economic outlook is increasingly worrying. This cannot be separated from the impact of risks due to the Russia-Ukraine war, which was responded to by an increase in global interest rates, resulting in the risk of an economic slowdown (Liadze et al., 2022). On the other hand, Indonesia is also included in the list of 15 countries in the world that are threatened with recession. Economic recession means a slump, which means a decline in Gross Domestic Product (GDP) when economic growth has a negative value for more than two quarters (Haji, R, 2019). People in general often equate recession with an economic crisis, even though these two things are different because a crisis has a broader meaning. History records that Indonesia has experienced three economic crises, namely in the first period 1997-1998, then in 2008, and finally in 2013. This was evidenced by the decline in economic growth in 1997, which decreased by 4.91%. Apart from that, even in the third quarter of 1998 economic growth experienced a minus of 17.13%. In addition, history records an increase in inflation in 1997 reaching 11.10%, and soaring in 1998 reaching 77.6% (Badan Pusat Statistik, 1998). There are many industries affected by the crisis, one of which is the consumer goods industry. In recent years, the consumer goods industry has been hit again

by the covid-19 pandemic. One of the impacts of the covid-19 pandemic on the economic sector is the performance of the manufacturing industry which experienced pressure during the second quarter of 2020 as a result of the covid-19 pandemic (Utami et al., 2021). Bank Indonesia prompt manufacturing index (PMI) in the second quarter of 2020 was 28.55%, down from 45.64% in the previous quarter and much lower than the PMI in the second quarter of 2019 which was recorded at 52.66% (Bank Indonesia, 2020). This is sustainable against the background of the implementation of Corporate Governance because one of the things that encourage companies to implement good corporate governance practices is a crisis phenomenon, including the crisis faced by Indonesia recently, namely the threat of recession and the covid-19 pandemic.

During globalization, several countries are integrated to compete to develop and formulate economic areas that can compete and have selling points in the world market. Indonesia is one of the countries that joined the ASEAN Economic Community in 2015. One of the objectives of the AEC is to be able to overcome problems in the economic field between ASEAN countries and be able to increase economic stability in the ASEAN region (Warsono, 2017). In connection with this, ASEAN then formed a forum called the ASEAN Capital Market Forum (ACMF). In this forum, the ASEAN Corporate Governance Scorecard was created with the hope that it could be a solution to implementing Good Corporate Governance practices and increasing information transparency to the public. Although this ASEAN Corporate Governance Scorecard is one of the good solutions, the criteria for its application in Indonesia are still fairly minimal, especially when compared to other countries in ASEAN. This is evidenced by data released by the National University of Singapore Business School (2021) regarding the application of the ASEAN Corporate Governance Scorecard criteria in each country in ASEAN. Indonesia is ranked second from the bottom with a score of 70.8. While the first position is occupied by Thailand with a score of 96.6. The second rank is occupied by Malaysia with a score of 94.99, then Singapore with a score of 88.27, the Philippines with a score of 77.24, Indonesia with 70.8, and finally Vietnam with a score of 54.55 (National University of Singapore Business School, 2021).

One of the largest industries in Indonesia is consumer goods (Karina & Weli, 2020), but unfortunately, the consumer goods sector is also the sector that has the lowest score in Indonesia in implementing the ASEAN Corporate Governance Scorecard, with an average score of 60.36 (Asian Development Bank, 2021). This indicates that based on the average score, Indonesia only gets the title "Moderately Trusted", while other countries in ASEAN (except Vietnam) have the title "Highly Trusted". Other indications that arise based on the average value indicate that there is still a low implementation of the ASEAN Corporate Governance Scorecard criteria in public companies in Indonesia.

One of the consumer goods companies with the largest market capitalization is PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. PT Unilever Indonesia Tbk is ranked sixth while PT Indofood Sukses Makmur Tbk is ranked tenth in the "50 Leading Company in Market Capitalization". In another category, PT Unilever Indonesia Tbk was ranked 19th, while PT Indofood Sukses Makmur Tbk was ranked 9th in the "50 Most Active Stocks by Trading Value". On the other hand, the last category in the 2019 IDX Fact Book states that PT Unilever Indonesia Tbk is ranked 29th, while PT Indofood Sukses Makmur Tbk is ranked 45th in the "50 Most Active Stocks by Trading Frequency". (Indonesia Stock Exchange, 2019). However, neither the IDX, The Indonesian Financial Services Authority, nor the Asian Development Bank announced in detail the final scores obtained by the two companies as well as the strengths and weaknesses of these companies in implementing

the ASEAN Corporate Governance Scorecard criteria.

There is also a research gap in this study. The difference between this research and previous research lies in the focus on the industry and the number of companies. Where this study focuses on the consumer goods industry, and this study focuses on two companies listed on the Indonesia Stock Exchange in the same industry, namely PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. This is supported by the absence of research on the implementation of the ASEAN Corporate Governance Scorecard criteria in the consumer goods industry in the two companies that are included in the largest capitalization in Indonesia.

PT Unilever Indonesia Tbk. is a company engaged in the manufacturing, marketing, and distribution of consumer goods including soaps, detergents, margarine, dairy-based foods, ice cream, cosmetic products, tea-based beverages, and fruit juices. The portfolio of PT Unilever Indonesia Tbk. includes many beloved and world-renowned brands, such as Pepsodent, Pond's, Lux, Lifebuoy, Dove, Sunsilk, Clear, Rexona, Vaseline, Rinso, Molto, Sunlight, Wall's, Blue Band, Royco, Bango and many more. PT Unilever Indonesia Tbk. began commercial operations in 1933, and is currently one of the PT Unilever Indonesia Tbk. industrial goods with the largest capitalization value in Indonesia. PT Unilever Indonesia Tbk. has a vision that is "to become a leader in the global market in terms of creating a sustainable business; which is based on a noble purpose (purpose-led) and can compete in the future (future-fit)".

PT Indofood Sukses Makmur Tbk is an Indonesia-based company primarily engaged in the food processing industry. It classifies its business into five segments: branded consumer products, bogasari, agribusiness, distribution, and vegetable cultivation and processing. PT Indofood Sukses Makmur Tbk. operates its branded consumer products business through its subsidiaries. These products include dairy products, snacks, biscuits, seasonings, beverages, and specialty and nutritional foods. Its bogasari business consists of the production of wheat flour and pasta. Some of its major brands are Cakra Kembar and Blue Triangle. Its agribusiness segment includes palm oil cultivation and milling as well as the production of branded cooking oil, margarine, and butter. PT Indofood Sukses Makmur Tbk. has a vision of "Becoming a company that can meet food needs with quality products, quality, safe for consumption and become a leader in the food industry".

Agency theory is a theory that focuses on two parties or two individuals, namely the principal and the agent. In this case, the principal delegates responsibility in the form of decision-making to the agent (Raharjo, 2007). On the other hand, one of the reasons agency theory was created was because of the high level of busyness experienced by the principals, therefore they carried out the hiring process for the agents with the task of carrying out day-to-day company operations . It can also be said that the principal is the employer, while the agent is the party given the job. In management accounting, agency theory is used to identify the combination of employment contracts and information systems that will maximize the principal's benefit function and the behavioral constraints that arise from the agent's interests. Agency theory is based on three assumptions, namely assumptions about human nature, which emphasize that humans tend to be selfish, risk-averse, and have limited rationality. Next is the assumption about the organization, where there is a tendency of conflict between members of the organization, efficiency as a criterion of productivity, and the existence of information asymmetry between principals and agents. Next is the assumption about information, that information can be viewed as an "asset" that can be traded (Hamdani, 2016).

Agency problems are problems that arise due to the application of agency theory that can be minimized through good corporate governance implementation procedures. Some ways that can be used to minimize the negative impact of agency theory is by procedure-increasing corporate governance so that the agent can act in the interests of stakeholders and can reduce information asymmetry between the principal and the agent (Panangian & Sudarma, 2022).

Agency problems related to the perspective of the relationship between the principal and the agent are then the background of Corporate Governance which is present to minimize the negative impacts that can be caused by agency theory.

Corporate governance consists of rules, entities, and processes that govern how companies use their assets to generate and distribute income among shareholders, employees, and other parties (Shadab, 2007). By definition, corporate governance is a set of guidelines that determine the relationship between shareholders, creditors, employees, government, and other internal and external stakeholders concerning rights and obligations or in other words a system that directs and controls the company (Iswara, 2014). This definition is also in line with what was conveyed at the Forum for Corporate Governance in Indonesia (FCGI). Corporate governance is intended for three things, namely the first to regulate relationships, the next is to prevent significant mistakes in corporate strategy and to ensure that mistakes that occur can be corrected immediately (Shaqila, 2021).

Corporate governance became a topic that began to be discussed after the crisis that occurred in the financial sector from 1997 to 1999 in various countries in Asia, such as Thailand, Japan, Singapore, and Indonesia (Arifin, 2005). Not only in the regional scope of Asia but in the global scope also found similar cases or events. The case that represents the weakness of corporate governance in the global scope is the case or event that has been carried out by a public company from the United States, namely Enron (Tarigan & Prawihatmi, 2017). The Enron case is the biggest scandal in the history of the capital market and the largest form of corporate corruption in the history of the United States by mark-up profits of 600 million USD and concealing debts of 1.2 billion USD (Sekaredi & Adiwibowo, 2011). The scandal even resulted in the global closure of Arthur Andersen Public Accounting Firm (Bukhori & Raharja, 2012). These things are then considered the cause of this crisis, one of which is due to the poor practice of good corporate governance in the country. Another perspective or thing that is pro to corporate governance being something that must be improved is because of the financial cases carried out by American public companies, such as Enron and WorldCom, with the same causes as the crisis that occurred in the Asian region (Prabowo, 2019).

One of the real practices that can be used to overcome discrepancies (both ways, systems, and procedures) in Corporate Governance practices is by applying the principles of Good Corporate Governance. Good Corporate Governance is a step that can be applied by various countries and companies in the world as an effort to improve corporate governance, especially after the financial crisis in various countries that are considered weak in implementing Corporate Governance (Iba & Bariah, 2013). Good Corporate Governance is a system that regulates and controls the company to create value-added for all stakeholders, and has two emphases, namely the importance of shareholders' rights to obtain correct and precise information, then the company's obligation to disclose accurately, on time, transparently to all information on company performance, ownership, and stakeholders (Kaihatu, 2006). In other words, Good Corporate Governance focuses on the corporate system by which the company is organized, directed, managed, and

controlled to achieve a goal.

The ASEAN Corporate Governance Scorecard is the result of an effort process carried out and developed in collaboration between the ASEAN Capital Market Forum (ACMF) and the Asian Development Bank (ADB) which initiated forming a standardized assessment of Good Corporate Governance practices starting in 2011 (Chairunesia et al., 2018). According to the ASEAN Capital Market Forums (2020) in a document entitled ASEAN Corporate Governance 2019 Awards, the ASEAN Corporate Governance Scorecard is an assessment based on publicly available information and refers to international best practices on corporate governance. In other words, the ASEAN Corporate Governance Scorecard is a corporate governance assessment framework as a tool to determine and assess the governance performance of public companies in ASEAN (Sulastri et al., 2018).

The ASEAN Corporate Governance Scorecard was developed by corporate governance experts across the region to assess the corporate governance position and performance of public companies. In addition, the ASEAN Corporate Governance Scorecard assessment method was developed by the Corporate Governance Expert, which is a party trusted by each country that assesses the ASEAN Corporate Governance Scorecard criteria. The following are the Corporate Governance Experts (ASEAN Capital Market Forums, 2020):

Table 1. Countries Participating in the ASEAN Corporate Governance Scorecard

No	Country	Representative
1	Malaysia	Minority Shareholders Watch Group (MSWG).
2	Singapore	Singapore Institute of Directors (SID) and National University of Singapore (NUS).
3	Thailand	Thai Institute of Directors.
4	Vietnam	Vietnam Institute of Directors (VIOD).
5	Philippines	Institute of Corporate Directors (ICD).
6	Indonesia	RSM Indonesia

Source: ASEAN Capital Market Forums (2020)

In addition to the advantages from the perspective of criterion preparation and assessment methods, there are also other competitive advantages, namely the ASEAN Corporate Governance Scorecard can assess the quality of a company from various perspectives, such as shareholder rights (participation, information disclosure, effectiveness of the GMS), fair treatment of shareholders (voting rights, rules for share transactions by internal parties, related-party transactions), the role of stakeholders (protection rights, compensation opportunities, performance improvement mechanisms), disclosure and transparency (transparency of ownership structure, quality of annual reports, transparency of share ownership by the Board of Commissioners or Directors, timeliness of annual report issuance), and the responsibilities of Board members (Ramli & Setiany, 2021).

The methods and criteria for assessing the ASEAN Corporate Governance Scorecard have been compiled in such a way and then developed based on the principles of corporate governance published by the Economic Co-operation and Development (OECD), so that the criteria used in the ASEAN Corporate Governance Scorecard can represent Good Corporate Governance, both regionally and globally (Asian Development Bank, 2021).

Every company needs Good Corporate Governance to describe its goals and values. This is one of the directions to make employees, customers, shareholders, and other stakeholders aware of the company's goals (Suherman, 2022). To know and realize the company's goals, it is necessary to improve management services and functions through the implementation of Good Corporate Governance. Therefore, companies are competing to implement the science and practice of Good Corporate Governance (Bintara, 2021).

Along with increasing the need for Good Corporate Governance, ASEAN then formed a forum called the ASEAN Capital Market Forum (ACMF). In this forum, the ASEAN Corporate Governance Scorecard was created with the hope that it could be a solution to implementing Good Corporate Governance practices and increasing information transparency to the public.

In 2009, ASEAN Finance Ministers endorsed the implementation plan of the ASEAN Capital Market Forum (ACMF) to promote the development of integrated capital markets. This initiative was undertaken in parallel with the efforts to achieve convergence in ASEAN countries by 2015 as an economic community. Broadly speaking, the ACMF implementation plan seeks to achieve the goals and aspirations of the ASEAN Economic Community by enabling areas for regional integration, creating market infrastructure and regionally focused products and intermediaries, strengthening the implementation process, enhancing ASEAN visibility, integrity, and branding as an asset class (Justina & Simamora, 2017). Since the inception of the ASEAN Corporate Governance Scorecard in 2011 until now, the ASEAN Corporate Governance Scorecard assessment procedure has been carried out seven times, namely in 2012, 2013, 2014, 2015, 2017, and 2019 (ASEAN Capital Market Forums, 2020).

ASEAN Corporate Governance Scorecard also has a maximum value in each level and assessment weight. The following are the assessment criteria and weights at level one:

Table 2. Composition And Structure of Level One ACGS Assessment

Number of Criteria	Percentage of total Level 1 score	Maximum Score
Part A: Shareholder rights 21	10	10
Part B: Fair Treatment of Shareholders 15	10	10
Part C: Stakeholder roles 13	15	15
Part D: Disclosure and transparency 32	25	25
Part E: Responsibilities of company board members 65	40	40
146	100	100 point

Source: Asian Development Bank (2021)

ASEAN Capital Market Forums (2020) in a document entitled ASEAN Corporate Governance Scorecard Country Reports and Assessments 2019, states that the ASEAN Corporate Governance Scorecard assessment method has three main objectives and benefits, namely:

1. To provide new perceptions to the public in the international scope regarding the implementation of good public corporate governance in the ASEAN region, and of course, publicize that the company is worth investing in.
2. To improve the quality of governance implementation in public companies in the ASEAN region.
3. To achieve the idea of ASEAN Capital Market Forum and promote ASEAN as an asset class.

Table 3. ASEAN Corporate Governance Scorecard Level One Assessment Criteria

No	Section	Criteria
1	Part A: Shareholder Rights	Participation in decision-making is fundamental to the change or development of the company. Obtaining information on the rules and procedures for voting in GMS activities and participating effectively in these activities. The market in charge of controlling the company must function openly and efficiently. The company must facilitate the rights of shareholders, including institutional shareholders, in exercising their rights.
2	Part B: Fair Treatment Of Shareholders	Share and voting rights. Invitation to the GMS. Execution of transactions on shares carried out by internal parties of the company as well as unilateral agreements that are abusive and should not be permitted. Related party transactions conducted by directors or key executive management. Protecting minority shareholders from abuses.
3	Part C: Stakeholder Roles	Protecting stakeholder rights. Stakeholders are allowed to obtain redress if their rights are violated. Performance improvement mechanism. Providing stakeholders with the freedom to communicate with the company on matters relating to illegal or unethical practices.
4	Part D: Disclosure And Transparency	Transparent company ownership structure. Quality of the company's annual report. Disclosure of transactions with related parties. Disclosure of ownership of company shares by the board of commissioners and directors. External auditor and auditor's report. Timeliness of the issuance of annual reports and financial statements. Official company website. Shareholder relations.
5	Part E: Responsibilities Of Company Board Members	Duties and responsibilities of the Board of Commissioners and Directors. Company board structure. Company board process. Parties included in the company board. Company board performance.

Source : RSM Indonesia (2020)

In addition to the weights, the Asian Development Bank (2021) has also compiled a calculation formula for the final score obtained by public companies that apply the ASEAN Corporate Governance Scorecard criteria, the following is the formula for calculating the final score at each level one, namely:

1. Calculate the value of each part according to the predetermined weight percentage:

$$\text{Total Score} = \frac{\text{Total Criteria Fulfilled}}{\text{Total of All Criteria}} \times \text{Weight per section (in points)}$$

2. Add up the total points from each section.

METHODS

This research uses a qualitative method with a descriptive approach. Researchers use a qualitative research design because in carrying out this research researchers need to analyze the data and information that has been disclosed by the company that is the object of research to see the quality of Good Corporate Governance by the criteria determined by the ASEAN Corporate Governance Scorecard. In conducting qualitative research methods, the researcher will be the party who acts as the key instrument in the research, because the researcher who is conducting the research is the only party who directly collects data and carries out research procedures that have been previously designed. The theory underlies this method is agency theory discovered by Jensen and Meckling in 1976.

The data used consists of primary and secondary data. Primary data comes from the company's official website or trusted institutions. The data can be in the form of annual reports, GMS minutes, company articles of association, codes of ethics, ASEAN Corporate Governance Scorecard reports, and other data that are legal and accessible to the public. Meanwhile, secondary data can be in the form of other sources such as documents from journals, articles, or previous research. Researchers use online data search methods to obtain information that supports research and can be accounted for. One of the aspects emphasized in the ASEAN Corporate Governance Scorecard is the openness and transparency of information that is easily accessible to the public freely and legally, so researchers only need to take advantage of this information which is freely disclosed on the internet network by research objects and other relevant organizations.

To support the successful use of documentary materials, researchers review data from documents that have been collected using document content analysis. In carrying out research procedures using documentary material techniques and document analysis studies, researchers use tools in the form of scorecards and final assessment calculation formulas that have been determined and officially published by the ASEAN Capital Market Forum in assessing Good Corporate Governance based on ASEAN Corporate Governance Scorecard criteria. This research focuses on level one of the ASEAN Corporate Governance Scorecard criteria which are mandatory criteria that must be met by public companies that are the object of the ASEAN Corporate Governance Scorecard assessment. Researchers also use predicate classification criteria that have been determined to classify the quality characteristics of the final ASEAN Corporate Governance Scorecard score for each company.

RESULTS AND DISCUSSION

Agency problems arise due to poor corporate governance practices. This can be minimized by improving and enhancing corporate governance procedures so that the agent can act in the interests of stakeholders and can minimize information asymmetry between the principal and the agent.

As the definition and examples of impact explained earlier, the role of the ASEAN Corporate Governance Scorecard (ACGS) here is as a practical follow-up to the principles of Good Corporate Governance (GCG). ACGS has parts that do not contradict the principles of GCG, and help companies make it easier to apply GCG principles because ACGS has detailed in such a way what things must be applied and disclosed by the company properly. In its implementation, ACGS emphasizes its application in information disclosure and helps ensure that the rights and obligations of each party related to the company, such as the board of commissioners, directors, shareholders, stakeholders, and employees can be fulfilled properly.

Table 4. Final Score of ASEAN Corporate Governance Scorecard on PT Unilever Indonesia Tbk.

Part	Fulfilled	Not Fulfilled	Weighted	Final Score
A	18	3	10	8.6
B	11	4	10	7.3
C	12	1	15	13.8
D	25	7	25	19.5
E	51	14	40	31.4
Total	117	29	100	80.7

Source: Data has been processed by the author (2023)

Table 5. Final Score of ASEAN Corporate Governance Scorecard on PT Indofood Sukses Makmur Tbk.

Part	Fulfilled	Not Fulfilled	Weighted	Final Score
A	15	6	10	7.1
B	10	5	10	6.7
C	11	2	15	12.7
D	21	11	25	16.4
E	32	33	40	19.7
Total	89	57	100	62.6

Source: Data has been processed by the author (2023)

The numbers in the table above were obtained by researchers answering questions on the ASEAN Corporate Governance Scorecard standards or criteria by the ASEAN Capital Market Forum. In each section there are questions that serve as a reference for the standards or criteria. Researchers answer these questions using sources that are available and disclosed to the public by the Research Object legally and officially. If the Research Object cannot meet the ASEAN Corporate Governance Scorecard criteria, the final score will be smaller, and vice versa. In each section there is also a section weight which will then be generated using a calculation formula that has been determined by the ASEAN Capital Market Forum.

CONCLUSION

Based on the results of research regarding the implementation of the ASEAN Corporate Governance Scorecard criteria at PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. shows that PT Unilever Indonesia Tbk. received a final score of 80.7 with the title "Very Trusted". Meanwhile PT Indofood Sukses Makmur Tbk. got a final score of 62.6 with the title "Trusted".

At PT Unilever Indonesia Tbk. The section with the lowest level of implementation is section B with a percentage of 73.3%, followed by sections D, E, A, and C with percentages of 78.1%, 78.5%, 85.7% and, respectively. 92.3%. Meanwhile at PT Indofood Sukses Makmur Tbk. The section with the lowest level of implementation is section E with a percentage of 49.2%, followed by sections D, B, A, and C with percentages of 65.6%, 66.7%, 71.4% and 84.6% respectively.

In general, both are well-established companies, but from the researcher's perspective it is concluded that PT Unilever Indonesia Tbk. better in implementing Good Corporate Governance through the ASEAN Corporate Governance Scorecard criteria compared to PT Indofood Sukses Makmur Tbk. which is proven by obtaining a higher final score. According to researchers, this is due to quality and cannot be separated from the maturity of the Unilever company (both global and regional). Multinational companies generally import systems from their parent companies, therefore multinational companies have a better perception in the eyes of the public. On the other hand, national companies need to self-establish themselves by benchmarking against better multinational companies, especially in terms of systems and implementation of the ASEAN Corporate Governance Scorecard.

After knowing the implementability as well as the strengths and weaknesses of the implementation conditions of PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk., basically there needs to be an increase in excellence and overcoming weaknesses, as well as an increase in the percentage of compliance by completing the detailed information required in accordance with what has been determined by the ASEAN Corporate Governance Scorecard criteria, so that the final value and percentage of PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. can increase further.

Based on the research results, despite the weaknesses in the implementation of the ASEAN Corporate Governance Scorecard at PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. However, in its implementation both companies have been able to apply the ASEAN Corporate Governance Scorecard criteria in day-to-day company operations quite well. This implies that the strategy and principles of Good Corporate Governance which are manifested through the ASEAN Corporate Governance Scorecard have a very important role in the quality of corporate governance. Because the role of the ASEAN Corporate Governance Scorecard has quite significant benefits and roles in companies, such as the quality of implementation of governance in public companies in the ASEAN region, as well as providing a new perception to the public in the international scope regarding the implementation of good public corporate governance in the ASEAN region, and of course publicize that the company is worth investing in.

Based on the explanation that has been explained in the research limitations section, the researcher suggests two things for future research, namely:

Further research can carry out the process of assessing the implementation of the ASEAN Corporate Governance Scorecard at PT Unilever Indonesia Tbk. and PT Indofood

Sukses Makmur Tbk. using level two criteria of the ASEAN Corporate Governance Scorecard, to find out more about what criteria can increase and decrease the final value of PT Unilever Indonesia Tbk. and PT Indofood Sukses Makmur Tbk. in implementing the ASEAN Corporate Governance Scorecard criteria. And Conduct research with similar methods but using different research objects (both in the same sector and different sectors), namely various types of industrial companies that have been listed on the Indonesia Stock Exchange, to expand public or company awareness of the importance of implementing the ASEAN Corporate Governance Scorecard.

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