



MUC Communication on Progress 2010



Statement of Continued Support

MUC realizes the essential of growing in harmony with stakeholders as well as respecting the environment and society. Thus, with this spirit MUC are pleased to continue supporting the ten principle of United Nation Global Compact (UNGC).

As to show our support, we always try to implement the principles in every aspects of our daily business activities. Hereby our Communication on Progress of year 2010 that will portray our efforts in implementing the ten principles.

Warm regards,

Sugianto
MUC Consulting Group



About MUC Consulting Group

MUC Consulting Group is business consulting firm which is supported by more than 200 professionals in Jakarta, Surabaya and Balikpapan. Our professionals comes from various field of expertise with majority in taxation and accounting.

Based on survey conducted by International Tax Review and published by Euromoney Publication in a World Tax book, MUC Registered Tax Consultants is listed as one of world's leading tax firm in Indonesia with international standard of quality.

For us the success on business is not only measured by how we obtain trust from our valuable clients and the acknowledgement from international body but also in line with our effort in applying the essence of Manpower Law in every aspect of our internal policies and making contribution to the community. We believe that this spirit is in the same path with the Ten Universally Accepted Principles of UNGC on Human Rights, Labor Standards, Environmental Protection, and Anti Corruption.



About MUC Consulting Group

Our History

1999 Establishing Company engage in Tax Consultancy

2000 Establishing Training and Publications Company

2001 Providing Business and Tax Regulations Database Software

2002 Providing Audit and Accounting Services

2003 Providing Customs Services

2004 Providing Legal Services

2005 Providing Marketing Research and Business Intelligence Services

2007 Providing Good Governance and Risk Management Consultant

2008 Launching two branch offices in two major cities in Indonesia

(Balikpapan and Surabaya)

2010 Moving to MUC's own building



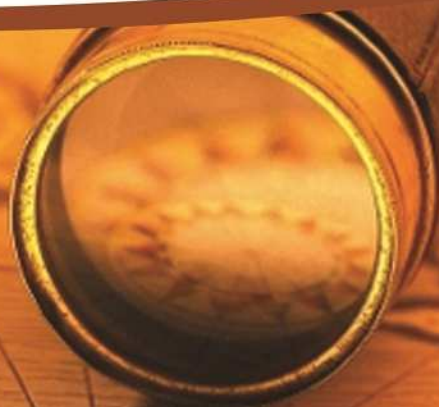
About MUC Consulting Group

Vision

We envision ourselves becoming one of the leading business consulting firms in Indonesia by enhancing ethical values

Mission

- To provide a one stop business consulting service with international standards of quality;
- To deliver the best service to clients through the use of highly professional and ethical consultants, together with innovative processes;
- To offer the best value to the stakeholders.



About MUC Consulting Group

Values

- We embrace a spirit of excellence through our professionalism, outstanding service, and our qualified and competent personnel.
- We have created a reputable company by endorsing trust, personal values and reliable service.
- We believe that employee cohesiveness is essential in achieving a sense of solidarity, security, and co-operation which will lead to employees' satisfaction in the drive to make a better future.
- We take seriously our responsibility to manage our firm as a learning organization which continuously improves and develops the knowledge of our staff to enhance the professionalism of this company.





We Support THE TEN PRINCIPLES OF UNGC

- Principle 1** *We support and respect the protection of international human rights in our sphere of influence*
- Principle 2** *We make sure that MUC are not complicit in human rights abuses*
- Principle 3** *We uphold freedom of association and recognize the right to collective bargaining*
- Principle 4** *We eliminate all forms of forced labor*
- Principle 5** *We abolish child labor*
- Principle 6** *We eliminate discrimination with respect to employment occupation*
- Principle 7** *We support precautionary approach to environmental challenges*
- Principle 8** *We undertake initiatives to promote greater environmental responsibility*
- Principle 9** *We encourage the development and diffusion of environmentally friendly technologies*
- Principle 10** *We work against all forms of corruption including extortion and bribery*

Human Rights

Principle 1 *We support and respect the protection of international human rights in our sphere of influence*

Principle 2 *We make sure that MUC are not complicit in human rights abuses.*

We believe that every human has same basic rights that should be respected. Below is our continued efforts in implementing the principles on human rights:

We continue to ensure that our policy in Human Resources is in compliance with Law No. 13 year 2003 concerning Manpower. For example, our policies on minimum wages for our employees surpass the government standard. We also continue to provide opportunity for our employees to take a rest between working hour and provide many kind of leaves according to the prevailing Manpower Law, such as: 12 days annual leave (Art 79), special leave for female employee during menstruation period (Art. 81), special leave for female employee who giving birth (Art. 82), and other additional leaves as regulated by the Law.

In compliance with article 83 of Manpower Law, we provide opportunity for female employee to breast-feed her baby during working hours. For this policy, we continue to provide a special nursery room in the office building.



Human Rights *(continued)*

On education sector, we continue to support our employees in upgrading their knowledge by providing weekly training every Friday. All employees are encouraged to join various topics of training presented by internal and external speakers. Topics presented in the training among others are about issues on taxation, Customs, document filling, Transfer Pricing Documentation, and Accounting. For non consultant employees, we also provide trainings with the topic of writing, communication, leadership, and grooming.

We continue to provide opportunity to our employees in performing their religious obligation as stipulated in Article 80 of Manpower Law. We provide opportunity to Muslim employees to perform their daily prayer between working hour. To accommodate the employees' need, we built a mosque in the top roof of our building. We also respect other religions of our employees.

We continue to have a routine monthly HRD meeting and sharing day where employee can express their problems related to workplace condition or any others HR issues.

We also realize the right of community to get proper education. Therefore, we continue to conduct training program under GREAT Program (Generating Real Excellence in the Area of Taxation) a free training for university students together with lecturer from various Universities . In this training, we motivate the students to be ready in preparing their career plan and provide them with technical skills in the from of e-SPT Training (Training of Taxation/Accounting software)

Labour

Principle 3 *We uphold freedom of association and recognize the right to collective bargaining*

Principle 4 *We eliminate all forms of forced labor*

Principle 5 *We abolish child labor*

Principle 6 *We eliminate discrimination with respect to employment occupation*



We continue to support the principle of freedom of association and recognize the right to collective bargaining. We Therefore, we support the initiative of our employees to establish an employee cooperative. The cooperative is intended to increase the employees' welfare by making profit activities.

We continue to support the principle of eliminating all forms of forced labor. Recruitment are performed based on mutually agreed condition. All responsibilities, roles, functions, job descriptions as well as payments and facilities are discussed before candidate of employee sign employment agreement with MUC.

We continue to support the principle of abolishing child labor. In opening recruitment for employee, we do not accept candidate below 18 years old. For position of staff, our requirements is from university graduates while for housekeeping, driver and others our requirements is high school graduates. In 2010, we recruited more than 15 employees for structural and functional position. The youngest employee recruited during this period is 20 years old.



Labour

The composition of our employee based on the age is as follows:

Employee Ratio by Age

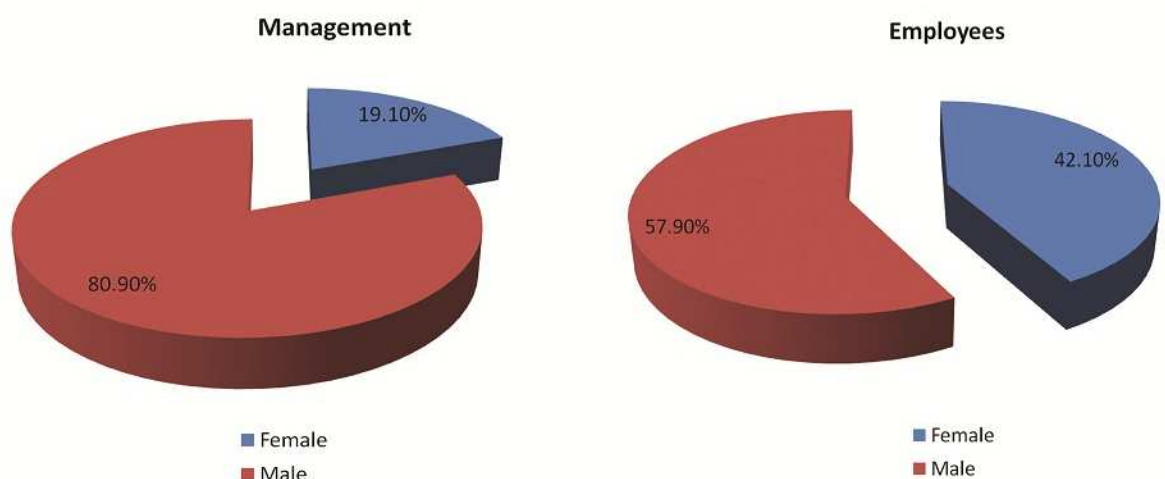
Age	Management (%)	Staff (%)
10 – 20	0%	0%
20 – 30	42.9%	62.5%
30 – 40	52.4%	32.6%
40 – 50	4.7%	4.9%
60 – 60	0%	0%
Total	100%	100%

Labour (continued)

We continue to support the principle of eliminating discrimination with respect to employment occupation. Our employees are recruited and promoted based on their competency. We do not make any discrimination for male and female to achieve certain positions. Male and female has the same right to work in all levels from staff to managerial level. However, this policies does not applicable for certain job such as security and driver. For this jobs, we prefer to recruit male than female.



The composition of our male and female employees are as follows:





Labor (continued)

Every six months we perform Performance Appraisal for staff and management level. In this appraisal, two methods are applied. The first one is Bottom to Top: staff could provide opinion about their superior in provided written form. And the second one is Top to Bottom: Superior will evaluate his/her staff performance by doing face-to-face interview. This is expected to avoid discrimination in giving promotion or reward and to create equal opportunity for all employees to compete and improve their performance.

In addition, once a year in socialization of annual meeting, we show our appreciation to dedicated employees by giving them reward. We also provide wide opportunity to our employees to continue their study and to take training or professional certification.

For senior consultant, we encourage them to join Tax Consultant Certification Exam (USKP) where all tuition fees are paid by the Company. As an appreciation to those who passed the exam, we also give them reward in the form of cash of 25% from the amount of tuition fee. We also assign our employees to participate in various external training where all expenses are paid by our company.



Environmental

Principle 7 *We support precautionary approach to environmental challenges*

Principle 8 *We undertake initiatives to promote greater environmental responsibility*

Principle 9 *We encourage the development and diffusion of environmentally friendly technologies*

We continue to support the principles on environmental issues. In running business, we always consider environment friendly policy such as to reduce – reuse – and recycle. This is not only to save the environment but also to cut cost (efficiency). To save the electricity for example, if only small number of employees taking overtime we invite them to work in a meeting room instead of their own rooms. By doing this, we could switch off the main power of central Air Conditioned and lamps of large room and localized the air conditioned and lamps in the meeting room only. In addition, we also encourage our employee to use the stairs instead of lift if they only need to go to one floor above or below their room.

Below are some of our continued efforts in preserving the environment:

- Paperless Report, We developed online integrated information management program within MUC Consulting Group. Almost all information required in daily business activities of MUC is accessible by this user-friendly program. This can minimize the use of paper in daily activities, ex: clients reports, assignment progress, payments due, absence reports, annual leave etc. can be seen
- Utilize used paper for internal use
- Prohibit smoking in the building
- Energy saving, by turning off air conditioned and computer when it is not used
- Water saving campaign
- Green space for trees
- Replace PC with NoteBook which uses less electricity
- Waste management by providing different garbage can for wet and dry trash.



Anti-Corruption

Principle 10 *We work against all forms of corruption including extortion and bribery*

We continue to support the principle of working against all forms of corruption including extortion and bribery. In selecting clients and vendors for example, from the beginning we ensure our prospective clients know about our values that we cannot assist them if the services required are not in compliance with the prevailing Law. We also cannot help them to give some money or goods in any name or form to government officer, before, during, or after the completion of our service. This policy is also applied to our employees where they are prohibited to accept money or goods in any name or form from clients, vendor, or other party having relation with goods/service procurement.

In purchasing goods and services, we continue to invite more than two vendors in order to get the best offer from competitors in the form of punctuality, quality of goods, pricing, and other aspects which is not violating with law. To prevent conflict of interest, purchase of goods/services and payment of goods/services are conducted by separate divisions. All purchasing of goods/services has to obtain approval from several related divisions.

In education sector, we realize the importance of anti-corruption knowledge for students as the agent of change. Therefore, under GREAT Program (the free training for university students), we also invite speaker from Indonesia's Corruption Eradication Commission (KPK) to give description about examples of corruption act in business. By giving the knowledge, students are expected to be aware of various kind of corruption acts when they enter the business environment.





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