



2015

Communication on Progress
**MUC CONSULTING
GROUP**



STATEMENT OF CONTINUED SUPPORT

We acknowledge that the values and principles a company adopts could be the basis of the company's sustainability. In our operation, the values we attempt to lead resemble the Ten Principles of the UN Global Compact. It is that the principles cover the fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption as what our organization carries.

As, we understand the importance of alignment with these ten universally accepted principles for our business, we committed to continuing our support to the Ten Principles.

We hope that by announcing our continuous support to the Principles, we can give impacts to the implementation of the great values.

Yours sincerely,



Sugianto
Managing Director



PROFILE



Tax Consultant | Customs Consultant | Attorneys at Law | IT Consultant | Marketing Research | GCG and Risk Management Consultant | Publishing and Seminar | Public Accountant

MUC Consulting Group is a business consulting firm which is supported by more than 200 professionals in Jakarta, Surabaya, and Balikpapan.

Our professionals come from various field of expertise with majority in taxation and accounting. Since its establishment, MUC has handled more than 300 clients with the following composition

Commencing its business in 1999, MUC Consulting Group provided only tax consultancy service. As the company grows, MUC provides various services such as Accounting, Customs, Legal, and Research services, and collaborates with Public Accountant Firm.



- 59 % Foreign Investment Company
- 30 % National Private Company
- 5 % State Owned Company
- 5% Private
- 1% Foundation, Non Profit Organization, etc

RESULT OF SURVEY ISSUED BY INTERNATIONAL INSTITUTIONS

Below are some awards achieved by MUC Consulting Group in 2015 according to surveys by international institutions:



MUC is listed as one of the World's leading Tax Firm in Indonesia since 2009 up to now and World's Transfer Pricing Firm in Indonesia since 2014 based on annual survey conducted by Euromoney Publication.

MUC Consulting Group is awarded as Transfer Pricing Advisory Firm of the Year in the 2015 ACQ 5 Global Awards.

ARTICLES IN INTERNATIONAL PUBLICATIONS

- Source of information for International Tax Review journal for Indonesia's jurisdiction
- MUC as contributor in Bloomberg BNA, a monthly publication that focuses on tax and transfer pricing issues in the Asia Pacific region
- MUC as contributor in Global Trader magazine, published by British Chamber of Commerce.
- MUC as contributor (national expert) for Transfer Pricing in Indonesia article in Law Business Research in cooperation with Jason M Osborn from Mayer Brown LLP.



GETTING THE
DEAL THROUGH

National expert

PROFILE

PARTICIPATION IN INDONESIA BUSINESS LINK

Indonesia Business Links
Resource Centre for Corporate Citizenship

Becoming a leading consulting firm by enhancing ethical values in conducting business has become MUC's vision since more than 15 years ago. To endorse the values, MUC supports Indonesian Business Links, a non-profit organization promoting ethical business practices in Indonesia, as corporate

PARTICIPATION IN THE UNITED NATIONS GLOBAL COMPACT



MUC supports the ten principles on Human Right, Labour Standard, Environmental Protection, and Anti-Corruption under the UN Global Compact.

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.

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.



**OUR VISION,
MISSION
AND
VALUES**





THE TEN PRINCIPLES OF GLOBAL COMPACT



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.



Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

HUMAN RIGHTS

- Principle 1:** Business should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** Make sure not complicit in human rights abuses.

MUC continually supports and respects the protection of internationally proclaimed human rights as stated in the 1948 Universal Declaration of Human Rights (UDHR) that all human beings are born free and equal in dignity and rights.

MUC believes that everyone has the same rights for life and security, personal freedom, economic, social and cultural freedoms. Therefore MUC ensures that the business activities must not be complicit in human right abuses.

All employees in MUC have the same right to be treated equal. In line with MUC's vision to be a learning organization, all employees are encouraged to involve in various internal and external trainings delivered regularly. This effort is intended to give employees at all level to continuously improve and develops their knowledge and professionalism.



LABOUR



- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** The elimination of all forms of forced and compulsory labour;
- Principle 5:** The effective abolition of child labour; and
- Principle 6:** The elimination of discrimination in respect of employment and occupation.

MUC respects and maintain the equal rights of all employees in regards to the Global Compact principles on Labour, in term of uphold freedom of association and collective bargaining, eliminate all forms of forced and compulsory labor, abolition of child labor, and elimination of discrimination in respect of employment and occupation.

In line with the principles, all employees are allowed to involve in associations as long as it doesn't harm the prevailing Law. MUC respects the right of all employees to be treated equal in getting promotion and provides a chance to them to negotiate their expected monthly salary, even though the amount offered by MUC has surpassed the government standard.



LABOUR



MUC supports the principle that all forms of forced and compulsory labor should be eliminated and that employees have equal right in the workplace, such as for the followings:

- The right to receive a written statement of terms of employment at the first employment date;
 - The right for max. 2 times extension of work period for contract employee and decision on employment status at the end of period;
 - The right for employment status for provision employee at the end of 3 months evaluation period;
 - The right to be paid at least the national minimum wage;
 - The right to be paid for overtime work hour;
 - The right to be paid on national holiday;
 - The right to time off for study or training;
 - The right to be paid on 3 months maternity leaves, and unpaid maternity leaves for the subsequent month;
 - The right to be paid for menstruation leave for female employee;
 - The right to have annual, sick, or family matter leaves;
 - The right for healthy and safe workplace;
 - The right for medical benefit, including for the employee's spouse and children;
 - The right for 1 hour break after 4 working hours, and 2 days break at weekend;
 - The right not to be discriminated due to age, disability, gender, marriage, race, religion or belief, etc
 - The right to perform religious activities (pray) at workplace and to get the Company's annual pilgrimage prize;
 - The right to breast-feed baby in a provided nursing room during working hours;
 - The right to be appreciated or promoted based on periodic performance appraisal result;
- Other rights in compliance with the Indonesia Manpower Law no. 13 year 2003.

LABOUR



MUC supports the principle to abolish child labor and to eliminate discrimination in respect of employment and occupation. Male and female employees have the same right to achieve their career based on their competency.

The composition of employees based on age in 2015 is as follows:

Age	Year 2014		Year 2015	
	Management	Staff	Management	Staff
18-20	-	6	0	4
20-30	-	82	0	83
30-40	13	19	12	22
40-50	12	3	13	4
60	-	1	1	1

**) Exclusive of branch employees*

MUC respects the right of all employees to work and to be promoted to certain positions without any gender discrimination. In other words, everyone has the same right to reach the required position based on their competency.

The composition of male and female employees in 2014 and 2015 is as follows:

Age	Year 2014		Year 2015	
	Management	Staff	Management	Staff
Female	8	57	8	58
Male	18	54	18	56
	26	111	26	114

**) Exclusive of branch employees*



ENVIRONMENT

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** Undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

As the number of clients MUC provides services to is always increasing each year, document management has been one of MUC's focus to maintain. For this reason, since 2007, MUC has been developing an internal information system called MUCNet. Initially, the software was intended only for clients' confidential information storage as support to Marketing Division. Now, it has been developed into an integrated system that connects every division in MUC, and has become a massive computerized data and document repository. Through this system, MUC can store numerous computerized files every year from many resources and various purposes of the company. The system also supports green environment as many paper-based activities can be cut, such as leave request, daily task report, overtime request, and etc, that used to be done in physical forms (using paper forms).



ENVIRONMENT



There are three principles of paper management in MUC : **Reuse, Reduce, and Recycle.**

- **Reuse:**
 - Reuse envelopes whenever possible for external or internal purpose;
 - Reuse back-sided paper for printing.
- **Reduce:**
 - Reduce paper by printing double-sided or re-using paper;
 - Reduce print by making computer files, not paper files when possible;
 - Reduce paper by using MUCnet, an internal information system;
 - Reduce Paper by using email instead of sending memos and faxing documents;
 - Reduce storage by using old boxes.
- **Recycle:**

Recycle used papers in cooperation with a document management company. Not only all documents are completely destroyed by this Company, but 100% of the materials are recycled and eventually made into other paper products such as for a napkin or paper towel. By this effort, MUC wishes not only to improve confidentiality and productivity, but also contribute positively to the environment.



ENVIRONMENT



The campaign to Reuse, Reduce, and Recycle is maintained among employees. As the result, more employees involved in the program and more papers are recycled. In 2014, 60 boxes of paper that comprise of 19 boxes of old archives and 41 boxes of used papers are recycled. As comparison, in 2015 we recycled 15 box of old archives and 43 box of used papers. The chart below will show the number of papers that successfully destroyed and recycled.



Energy Saving

MUC supports any attempts to save energy in the work environment such as on the use of lighting, electrical equipment, papers, water, and refined fuel oil. Below are some actions to save the energy.



ENVIRONMENT



Energy Saving

MUC supports any attempts to save energy in the work environment such as on the use of lighting, electrical equipment, papers, water, and refined fuel oil. Below are some actions to save the energy.

- Switch off lights in empty rooms;
- Open curtains and blinds during daylight hours as it not only provides more pleasant light compared to the artificial one but also free;
- Only use required lights. For example if an employee is working alone in his room he may only require the row of lights above his desk or move to a bigger room to work with other employees;
- Use energy efficient lighting and replace old tube;

Electrical Equipment

- Replace PC with energy efficient monitor or laptop;
- Switch computers off when not required;
- Purchase energy efficiency rated equipment when replacing items;
- Shutdown computer, fax or printer on overnight;
- Minimize the use of lift and use stairs if possible;
- Clean air conditioned from dust regularly.

Water

- Void water running unnecessarily;
- Avoid a tap dripping;
- Report to building management for dripping tap or leaking;
- Attach sticker of Save Water Campaign in every Rest Rooms.

ENVIRONMENT



Refined Fuel Oil

The use of fuels in industrial machinery and transportation may not only affect the economy, but also health and environment as it gives significant contribution to the air pollution. For this reason, MUC realizes the importance of minimizing the use of fuels for vehicle in daily business activities by formulating an online system namely "Plan of Trip". In this system, employees are obliged to input their upcoming plan of trip in MUCNet (an internal database) and the General Affairs Division (GA) will group those whose trips are to the same direction with the other employees. Further, GA will decide which company's car or taxi will take them to their destinations in a group. By maximizing this method, MUC can save transportation costs and at the same time minimize the source of air pollution. In 2015, we continue to apply and develop our "Plan of Trip" system as our effort to maintain the environment.



ANTI-CORRUPTION



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

MUC prohibits corruption acts in all its forms. Below are some policies against corruption:

- MUC prohibits corruption acts in all its forms. Below are some policies against In procurement process, MUC applies multi-layer approval system to control all expenditures. For purchasing with significant amount, a transparent tender process shall be performed and all tender participants are treated equally without discrimination. The tender winning party is chosen based on certain criteria and scoring as informed to the vendors previously;
- As consultants, MUC shall not give or offer to give or authorize the giving or offering of anything of value to tax officers, government officials or any related parties who have direct or indirect relation with MUC for the purpose of influencing that person to misuse his or her official position for obtaining or directing business. This prohibition also applies to payments to any person for the purpose of obtaining or steering business.
- As consultants that provide services to clients, MUC shall not accept client's request to give or offer to give or authorize the giving or offering of anything of value to tax officers, government officials or any related parties who have direct or indirect relation with MUC's clients for the purpose of influencing that person to misuse his or her official position for the clients' benefit.

GREAT Program

GREAT (Generating Real Excellence in the Area of Taxation) Program is one of CSR program of MUC Consulting Group that aims to provide an overview to the university students regarding the profession in the field of taxation as well as to provide technical ability and soft skill to the university students before they enter the professional world.

GREAT Program presents the keynote speaker from MUC and other speakers from various background, such as tax officials, practitioners, Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK), and psychologists. Furthermore, the materials that will be discussed are, among others, the overview of career in the field of tax as well as the technical trainings such as the Tax Return e-filing, the accounting application, and the preparation to enter the professional world.

Since 2005, GREAT Program has been held in several reputable universities in Indonesia that are, among others, Universitas Indonesia, Universitas Syiahkuala, Universitas Mulawarman, Universitas Negeri Yogyakarta, Universitas Negeri Semarang, Universitas Negeri Malang, Universitas Airlangga, Universitas Brawijaya, Universitas Trisakti, and Universitas Katolik Atma Jaya.



On 7 October 2015, **MUC Consulting Group** in cooperation with Universitas Trisakti held seminar and tax training in the program of *Generating Real Excellence in the Area of Taxation (GREAT Program)* which took place in Universitas Trisakti.

On this occasion, Manager HRD of MUC presented topic related to personal rebranding. And, the tax consultant team of MUC presented tax material and tax court simulation.

MUC Consulting Group in cooperation with Universitas Airlangga, Surabaya, held a Public Lecture of Taxation and a Training of e-Invoice under GREAT program on 2 October 2015 in Universitas Airlangga.

In the event, Mr. Ika Fitrhriyadi as the Director of PT Multi Utama Consultindo shared his insight and experience in taxation. On the 2nd session, the Tax Consultants of MUC delivered a taxation material regarding e-Invoice.

GREAT, Cooperation Program between MUC and Universitas Trisakti



GREAT, A Cooperation Program of MUC and Universitas Airlangga

GREAT, Cooperation Program between MUC and Universitas Trisakti

MUC Consulting Group in cooperation with Universitas Trisakti held another GREAT program on May 28, 2015 located in Auditorium of Building S, 8th Floor of Trisakti campus.

In the event, the HRD Manager of MUC was a keynote speaker addressing a topic about personal rebranding. Furthermore, Tax Consultants of MUC delivered a taxation material regarding VAT and continued by a tax court simulation.





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