



Communication On Progress 2018



Statement of Continued Support

Dear Stakeholders,
MUC Consulting has been a member of the United Nations Global Compact (UNGC) since 2008 and committed to support the Ten Principles of UNGC related to human rights, labor standards, environmental protection and anti-corruption.

We at MUC Consulting, hereby reconfirm our commitment to support the Ten Principles of the United Nations Global Compact within our corporate activities. We are pleased to continue our support and to implement the principles in our policies, procedures, and work culture of our company. This report will describe our efforts for the period of January-December 2018.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "Sugianto", written over a white background.

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





Profile

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

Our professionals come from variety fields of expertise with majority in taxation and accounting. Since its establishment, MUC has handled more than 1000 clients that comprise of 38% local companies, and 62% multinational companies. To be able to provide global range services, MUC is a member firm of MSI Global Alliance, a global association of independent legal and accounting firms that comprise of more than 250 independent legal and accounting firms in more than 100 countries. This is to meet our clients' expectation that mainly are multinational companies.

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.

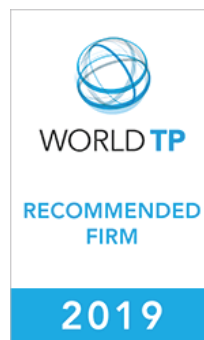


Global Recognition

Below are some awards achieved by MUC Consulting Group in 2018 according to surveys by international institutions:



World Tax 2019: “Leading Tax Firm in Indonesia” grouped in Tier III, issued by International Tax Review;



World Transfer Pricing 2019: “Leading Transfer Pricing Firm” grouped in Tier II, issued by International Tax Review;



Our Vision, Mission and Values

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.

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 the beginning.

To reach this vision, for years MUC has been supporting the Indonesian Business Links as a corporate partner since 2003.

Indonesia Business Links (IBL) is a not-for-profit foundation that was established in the wake of the Indonesian economic crisis. A major aim of the organization is to contribute towards the creation of sound and ethical business practices in Indonesia.



WE SUPPORT

Further, since 2008 MUC has been consistently supporting the ten principles on Human Right, Labour Standard, Environmental Protection, and Anti-Corruption under the UN Global Compact.



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 that they are 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.

The graphic below will show the number of external trainings attended by our employees in the last 3 years:

Year 2016	Year 2017	Year 2018
21	24	21

Labour

Principle 3:

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

Principle 5:

The effective abolition of child labour; and

Principle 4:

The elimination of all forms of forced and compulsory labour;

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. Further, MUC respects the right of all employees to be treated equal in getting promotion and in negotiating their expected monthly salary, even though in practice 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.

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:

Age	Year 2016		Year 2017		Year 2018	
	Management	Staff	Management	Staff	Management	Staff
18-20	0	0	0	0	0	0
20-30	4	70	7	97	6	92
30-40	15	16	20	17	18	21
40-50	13	4	13	7	14	8
60	2	0	5	0	9	0
	34	90	45	121	47	121



Labour

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 the last 3 years is as follows:

Gender	Year 2016		Year 2017		Year 2018	
	Management	Staff	Management	Staff	Management	Staff
Male	12	46	16	67	16	67
Female	22	44	29	54	31	54
	34	90	45	121	47	121



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.

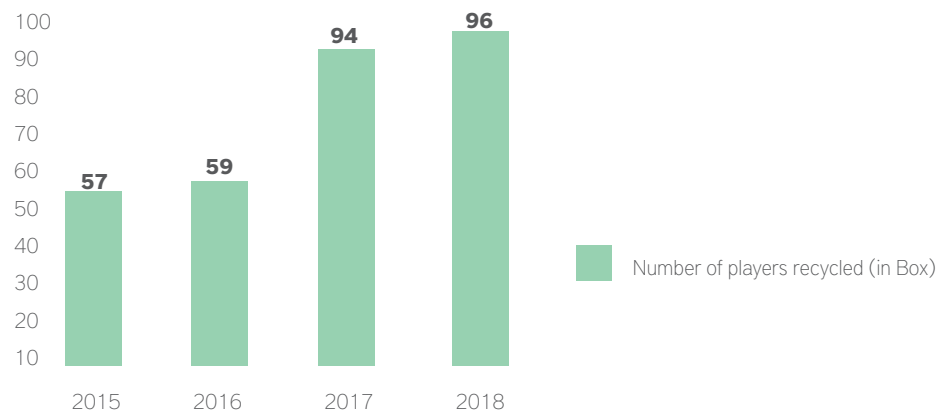
Recycle

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 of papers among employees is maintained in 2018. Supported with MUC-net system that accomodate dissemination of information by intranet basis, less paper are used. However, due to the change of our policy of documents disposal period from previusly 10 years to 5 years, there are significant increase on the number of papers recycled within the year. In 2018, 96 box equal to 4109 kg of used papers are destroyed and recycled.

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

Lighting

- 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;
- Switch off outside lights when it is not used.

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

- Avoid 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 2018, 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:

- 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

Generating Real Excellence in the Area of Taxation (GREAT Program) is one of MUC's Corporate Social Responsibility activities in the form of free seminar and training. Herewith are some activities of GREAT Program in cooperation with some universities in year 2018:



GREAT Program





GREAT Program

Date	Event	In cooperation with
3 May 2018	Seminar Millennials in the Workplace	Accounting & Tax Study Program, Universitas Trisakti
24 July 2018	Seminar how to win job competition & introduction to Transfer Pricing	East Indonesian Tax Student Association (Himampir)
4 September 2018	Seminar of Industrial Revolution 4.0	Vocational Program, Universitas Indonesia
16 October 2018	Seminar of Smart Millennial in Workplace & Discussion with MUC Tax Consultants	Tax Department Student Association of Vocational Program, Universitas Brawijaya
30 October 2018	Seminar of Tax Digitalization	Tax Student Association of Sekolah Tinggi Perpajakan Indonesia
15 November 2018	Workshop of CV Preparation	Vocational Program of Universitas Indonesia



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