



# Communication On Progress 2019

## Statement of Continued Support

Dear Stakeholders,

In line with our commitment for more than one decade, MUC Consulting has been a member of the United Nations Global Compact (UNGC), an international organization under the United Nations that supports the Ten Principles of the UNGC, covering Human Rights, Labour Standard, Environmental Protection, and Anti-corruption.

We, MUC Consulting, hereby reconfirm our commitment to support the Ten Principles of the UNGC within our corporate activities. We are pleased to continue our support and to implement the principles in our policies, procedures, and work culture. Further, this report describes our efforts for the period of January-December 2019.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Sugianto".

Sugianto  
Managing Director



## Profile

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





## Foreword

MUC Consulting is a fast-growing tax consultant incorporated in 1999. As the Company grows, we have added Customs, Accounting and Payroll services to meet our clients' needs.

Having been engaged in the tax and customs services for two decades, we are currently supported by a qualified team, representing a unique synergy of former tax/customs officers and professionals in private and educational institutions. The combination of in-depth knowledge of tax, accounting and customs philosophy as well as business practice gives us the capacity to professionally perceive our clients' business from multiple perspectives and generate one-stop applicable solutions accordingly.

Applicable tax and customs solutions need a sound insight into the nature of their implementation, especially in Indonesia. In other words, strong local knowledge plus updated information on the latest regulations are crucial to comprehend and manage our clients' taxes and customs matters.

We also recognize the importance of a wider perspective in providing our services. Thus, we have been collaborating with MSI Global Alliance, an international association of independent professional firms. This is to meet the demands of our clients that are mainly multinational companies with cross-border business activities.

The trust and confidence of our clients in utilizing our services are our most valuable assets. Over the wide range of our tax and customs services and the various needs of our clients, we always try to customize the services in finding the most applicable solutions. We also believe that communication and a good relationship will serve best in rendering services to our clients.

# 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 one-stop business consulting service to 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 the spirit for excellence through our professionalism, excellent service, qualified and competent personnel.
- We do our utmost to be a humane company by endorsing trust, personal values, and comfortable services, as well as employee cohesiveness to achieve a sense of solidarity, security, and co-operation, which will lead to employee's satisfaction in the drive to make a better future.
- We take seriously our responsibility to manage our firm as a learning organization that continuously improves and develops knowledge for corporate competencies.



## Good Corporate Citizenship

MUC Consulting's vision is to be a leading consulting firm in Indonesia by enhancing ethical values in doing business.

In line with that vision, since 2004, MUC Consulting has been actively supporting Indonesia Business Links, a non-profit organization that promotes ethical business practices in Indonesia as a corporate partner (official site: <http://www.ibl.or.id>).

In addition, since 2008, MUC Consulting has been registered as a corporate member of UNGC, an international organization under the United Nations that supports the Ten Principles of human rights, labour standards, environmental protection, and anti-corruption (official site: <http://www.unglobalcompact.org/>).

*Indonesia Business Links*  
Resource Centre for Corporate Citizenship



## Global Recognition

The following are some acknowledgments achieved by MUC Consulting according to surveys by international institutions:

World Tax 2020: “Leading Tax Firm in Indonesia” grouped in Tier II, issued by International Tax Review;

World Transfer Pricing 2020: “Leading Transfer Pricing Firm” grouped in Tier II, issued by International Tax Review;



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

All employees in MUC Consulting have the same right to be treated equally. In line with MUC Consulting's vision to be a learning organization, all employees are encouraged to involve in various internal and external training delivered regularly. This effort is aimed at providing employees at all levels with the chance to continuously improve and develop 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 Consulting maintains a harmonious work relationship and provides fair working conditions for all our employees. We respect and maintain the equal rights of all employees in regard to the Global Compact principles on Labour, in term of upholding freedom of association and collective bargaining, elimination of 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 can involve in associations as long as no prevailing Law is violated. Further, MUC Consulting respects the right of all employees to be treated equally in getting a promotion and in negotiating their expected monthly salary, even though in practice the amount offered by MUC Consulting has surpassed the government standard.

# Labour

MUC Consulting supports the principle that all forms of forced and compulsory labor should be eliminated and that employees have equal rights in the workplace. Therefore, we perform employment duty in compliance with Laws and treat all employees equally with fairness and respect regardless of their gender, ethnicity, race, and group differences to ensure that each employee feels valued and fully supported in achieving their personal potential. Therefore, we provide our employees with the following:

- The right to receive a written statement of terms of employment at the first employment date;
- The right for a maximum extension of work period of two times for contract employee and decision on employment status at the end of the period;
- The right for employment status for probation employee at the end of a three month evaluation period;
- The right to be paid at least at the national minimum wage;
- The right to be paid for overtime work hours;
- The right to be paid on national holidays;
- The right to take time off for study or training;
- The right to be paid on a three-month maternity leaves and unpaid maternity leaves for the subsequent month(s);
- The right to be paid for menstruation leave for female employees;
- 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 one-hour break after four working hours, and two day break on the weekend;
- The right not to be discriminated against age, disability, gender, marriage, race, religion, belief, etc.;
- The right to perform religious activities (pray) at the workplace and to get MUC Consulting's annual pilgrimage prize;
- The right to express breastmilk or breastfeed a baby in a provided nursing room during working hours;
- The right to be appreciated or promoted based on periodic performance appraisal results;
- Other rights in compliance with Indonesian Manpower Law No. 13 Year 2003.

# Labour

MUC Consulting 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 goals based on their competency.

The composition of employees\* based on age in the last three years is as follows:

Age	Year 2017		Year 2018		Year 2019	
	Management	Staff	Management	Staff	Management	Staff
18-20	0	0	0	0	0	1
21-30	7	97	6	92	9	91
31-40	20	17	18	21	17	15
41-50	13	7	14	8	13	4
51-70	5	0	9	0	7	0
	<b>45</b>	<b>121</b>	<b>47</b>	<b>121</b>	<b>46</b>	<b>111</b>

*\*) Exclusive of branch employees*



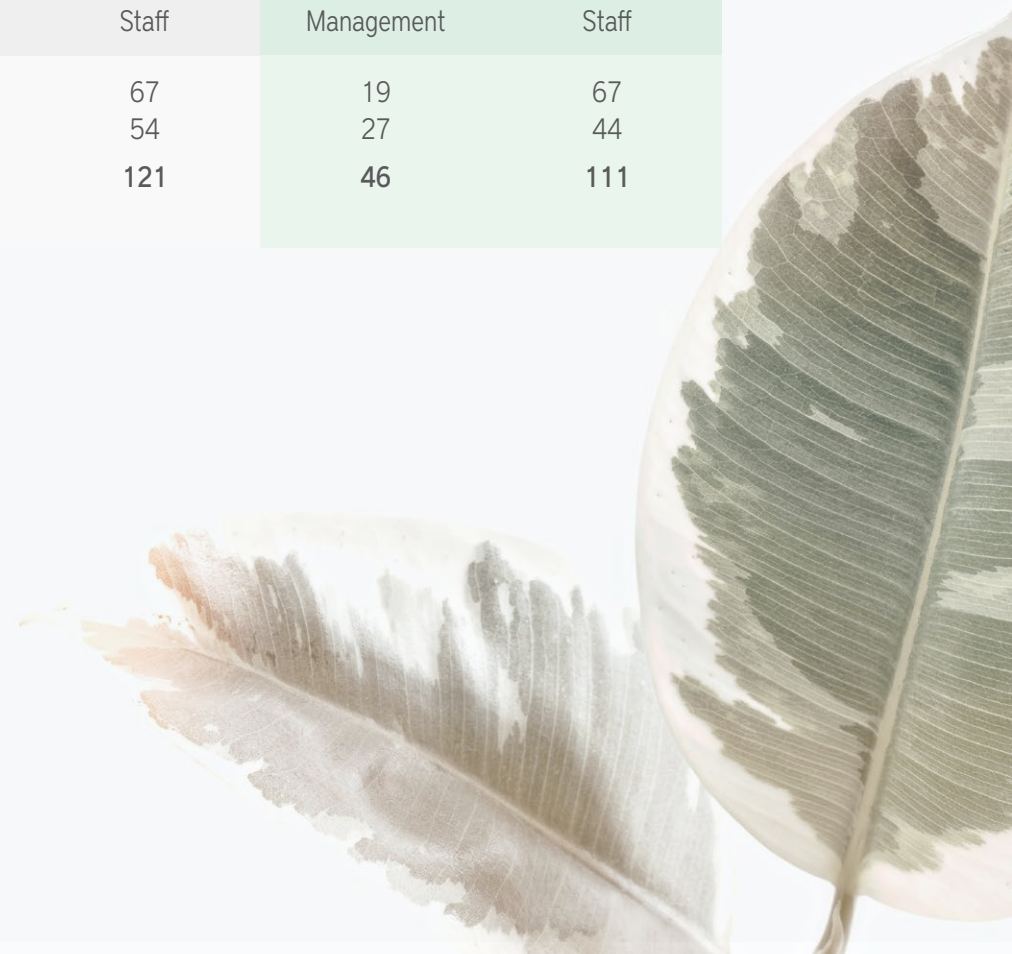
# Labour

MUC Consulting 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 sit on the required position based on their competency.

The composition of male and female employees\* in the last three years is as follows:

Gender	Year 2017		Year 2018		Year 2019	
	Management	Staff	Management	Staff	Management	Staff
Female	16	67	16	67	19	67
Male	29	54	31	54	27	44
	<b>45</b>	<b>121</b>	<b>47</b>	<b>121</b>	<b>46</b>	<b>111</b>

*\*) 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.

MUC Consulting supports the principle of UNGC concerning the environment. Therefore, we concern ourselves about developing sustainable solutions for our business operations, among others, in the form of paper management and energy saving.

## Paper Management

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

## Environment

There are three principles of paper management in MUC Consulting: 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; and

### Recycle

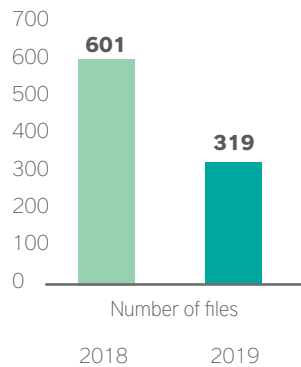
Recycle used papers in cooperation with a document management company. Not only all documents are destroyed by this company, but 100% of the materials are recycled and eventually made into other paper products such as napkins or paper towels. By this effort, we hope not only to improve confidentiality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

# Environment

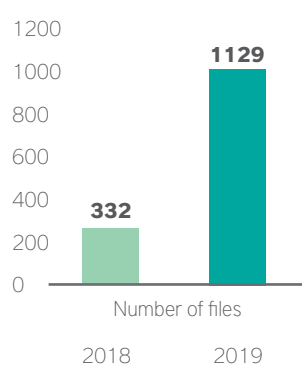
MUC Consulting has maintained the policy to reuse, reduce, and recycle papers among employees and encouraged employees not to print documents unless it is necessary. Supported by MUCNet system that accommodates dissemination of information by intranet basis, as well as archive policy of the Document Centre Division to keep all documents in digital format, less paper is used.

The following graphics show the comparison of files managed by the Document Centre Division in the year 2018 and 2019.

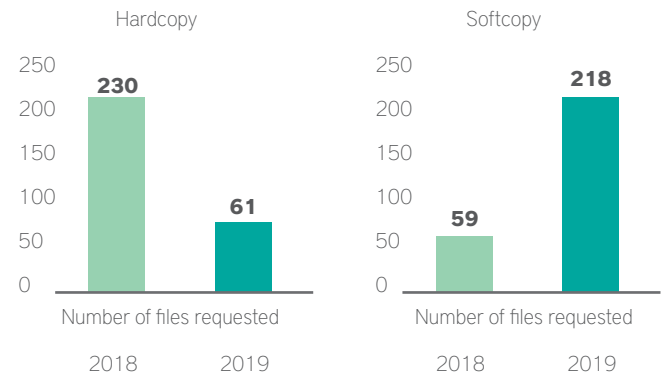
**Number of Hardcopy Received by Document Centre**



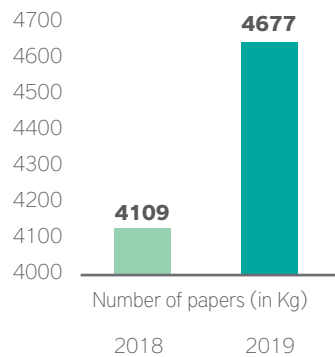
**Number of Hardcopy Digitalized by Document Centre**



**Employee Access Request for Hardcopy and Softcopy Files**



**Number of Papers Destroyed and Recycled**



	2018	2019
Feb	703	1004
Apr	1900	548
Jul	750	942
Oct	756	1123
Dec		1060
<b>Total</b>	<b>4109 kg</b>	<b>4677 kg</b>

**Note:**  
Digitalized **1129** items = **±2258 kg**





## Energy Saving

MUC Consulting supports any attempts to save energy in the work environment such as on the use of lighting, electrical equipment, water, and refined fuel oil. The following are some actions MUC Consulting has taken to save 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 is 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 the old tubes; and
- Switch off outdoor lights when not used.

## Electrical Equipment

- Replace PCs with energy-efficient monitors or laptops;
- Switch computers off when not required;
- Purchase energy-efficient-rated equipment when replacing items;
- Shutdown computer, fax or printer overnight;
- Minimize the use of lift and use stairs if possible; and
- Clean air conditions from dust regularly.





## Environment

### Water

- Avoid water running unnecessarily;
- Avoid tap dripping;
- Report to building management for dripping tap or leaking; and
- Attach stickers of Save Water Campaign in every Rest Room.

### Transportation

- Develop a “Plan of Trip” online system;
- Encourage employees to plan their trip one day before to be further grouped by General Affair Division; and
- Group the trips to the same direction in one car to save transportation costs and minimize air pollution at the same time.

# Anti-Corruption

## Principle 10:

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

MUC Consulting prohibits corruption acts in all its forms. The following are some policies against corruption acts taken by MUC Consulting:

- A multi-layer approval system shall be applied in the internal procurement process to control all expenditures. For purchases with a 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.
- Any MUC Consulting individual shall not directly or indirectly give or offer to give nor promise nor 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 Consulting for the purpose of influencing the person to misuse their official position for obtaining or retaining business, or directing business, or gaining any other improper advantages.
- As consultants that provide services to clients, any MUC Consulting individual shall not accept anything of value from clients or any third parties nor accept clients' or any third parties' request to give or offer to give nor 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 Consulting's clients for the purpose of influencing that person to misuse their official position for the clients' benefit.
- Any transaction or payment must be correctly recorded and described, both the amount and the written description, in MUC Consulting's bookkeeping to ensure that no improper nor illegal payment is made. The improper payment activity, including but not limited to sponsoring travel of government or government officials; direct and in-kind support for the government or government official; security support for public law enforcement; per diems for government officials; meals, gifts, and entertainment for government officials; charitable and cultural donations to the government or government officials; or to those parties affiliated with them, and political contributions.





## GREAT Program

Generating Real Excellence in the Area of Taxation (GREAT Program) is one of MUC Consulting's Corporate Social Responsibility activities in the form of free seminars and training. The following are some activities of the GREAT Program in cooperation with some universities in the year 2019:

## GREAT Program

Date	Event	In cooperation with
06 April 2019	How to Prepare a Scientific paper	Vocational Program, Universitas Indonesia
28 April 2019	The Role of Taxation in the Industrial Revolution Era (Industry 4.0)	Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI)
02 May 2019	Getting Ready to Enter the Workplace in the Digital Era	Universitas Trisakti
17 May 2019	Industry 4.0: Opportunity or Threat to Taxation?	Universitas Trisakti
24 June 2019	Seminar for Final Year Students	Universitas Islam Negeri Jakarta
22 October 2019	Company Visit and Tax Seminar	Universitas Brawijaya

# GREAT Program





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