

Sustainability Report **2019**



mbss

integrated transport & logistic services for the mining industry



25 Years
Together for
Growth

member of Indika Energy Group

SUSTAINABILITY
REPORT
2019



25 Years
Together for Growth



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Introduction

About the Sustainability Report

This sustainability report reflects the commitment of PT Mitrabahtera Segara Sejati Tbk (MBSS) - hereinafter referred to MBSS, the Company or "We" - to sustainable growth and practices.

Since publishing its first Sustainability Report in 2016, MBSS' plan is to release a Sustainability Report every year. The 2019 report contains information regarding the fulfillment of the Company's sustainability responsibilities, covering the economic, environmental, and social aspects, during the period of January 1 to December 31, 2019. The 2019 Sustainability Report was prepared with reference to the G4 Sustainability Reporting Guidelines (SRG) G4, which are published by the Global Reporting Initiative (GRI).

Materiality

This report discusses aspects of MBSS and its subsidiaries' business that are viewed as having significant impact and thus are considered to be material aspects. These material aspects were determined through discussions with key figures in the Company and involved opinions from internal and external parties with due consideration of the scope and impact of the Company's existence.

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President Director message

Dear Stakeholders;

In 2019, we celebrated MBSS' twenty-fifth anniversary by reiterating our commitment to customers and the communities where we operate. In the midst of volatile industry dynamics, MBSS continued to uphold operational excellence while emphasizing environmental safeguards, community contributions and good governance mechanisms, all of which we view as being crucial to the continuity of the business.

These initiatives delivered solid results as a whole, with volume transported growing by 3.9% to 35.2 million MT, revenue growth of 3.3% to US\$77.8 million, and total comprehensive income for the year moving into positive territory at US\$1.7 million compared to a loss in the previous year.

25 Years Together for Growth

Since MBSS' establishment in 1994, the company has focused on growing together with all stakeholders and this approach continued in 2019 as we focused on strengthening synergies both internally and externally for accelerated progress and positive impact.

Internally, we undertook a comprehensive evaluation of the business and created common metrics as the benchmark for the entire company, in order to encourage coordinated action between departments to achieve these metrics. We also continued to invest in human capital training to grow our internal competencies and capabilities.

Externally, we collaborated with a wide range of partners, in particular local government authorities, in carrying out regional activities. By working together with different local stakeholders, we were able to not only improve our operational efficiency in some aspects, but also increase the impact of our community development program.

For example, by working together with authorities in Banjarmasin, the 'Sahur on the River' festival that we proposed in Kalimantan has since been adopted as a yearly event by the local government, delighting locals and tourists alike. In another example, our community duck breeding program has received strong support from the Department of Agriculture as a pilot program.

Mitigating Our Environmental Footprint

Recognizing the role that fossil fuel consumption plays in global warming, we actively increased our fuel efficiency in 2019, while wastewater discharge and hazardous waste continued to be handled in compliance with all relevant national and international standards, to minimize the impact on local ecosystems.

In collaboration with local communities and clients, we further contributed to greening efforts along coastlines, in the form of mangrove planting. We also took other small but meaningful actions such as switching from bottled water in our offices to water dispensers.

These actions reflect our awareness and commitment to achieving growth in a sustainable and responsible manner.





New Vision to Enable National Growth

As we embark on the next phase of growth, the shareholders and management agreed that it was time to renew MBSS' vision in line with its commitment to excellence and enabling national growth. The new vision is: *To become Indonesia's safest, most reliable and efficient energy shipping company, enabling the region's growth in infrastructure and energy development.* A new mission was also established, namely: *To transport Indonesia's energy safely, timely and cost-efficiently by providing excellent customer services, making us the shipping partner of choice.*

This new vision and mission will guide MBSS in its next phase of growth, as we move to align our operations with international best practices and standards towards becoming more competitive and sustainable. We also affirmed that our Corporate values are Integrity, Unity in Diversity, Teamwork Achievement, Social Responsibility and Achievement. We strongly believe that these five values will help create a corporate culture that is conducive to achieving our new vision and mission.

Closing Remarks

The Board of Directors express its gratitude for all the support given to MBSS during this 25-year journey. As we embark on the next leg of our growth journey, it is our great hope that we will continue to advance together in harmony with our customers, partners, the communities around us, and the Indonesian people at large. Together, let us continue to grow for a better tomorrow.

Susana Germino
President Director



Together for Growth

MBSS Overview

PT Mitrabahtera Segara Sejati Tbk (MBSS) is a leading provider of logistics solutions and integrated marine transportation of bulk materials in Indonesia, particularly coal. MBSS clients are mainly first and second-tier coal producers in Indonesia.

MBSS was established in Jakarta, Indonesia in 1994 as a Limited Liability Company. In 2011, MBSS listed on the Jakarta Stock Exchange (now the Indonesia Stock Exchange). In the same year, MBSS became a member of Indika Energy Group.

Applying international operating standards and industry best practices to ensure efficient and reliable service for customers, MBSS is committed to sustainable growth and excellence through strategic decision making and operations.

During its 25 years of experience in this business, MBSS has established a reputation for safety, high quality, reliable service and a win-win philosophy for mutual growth.

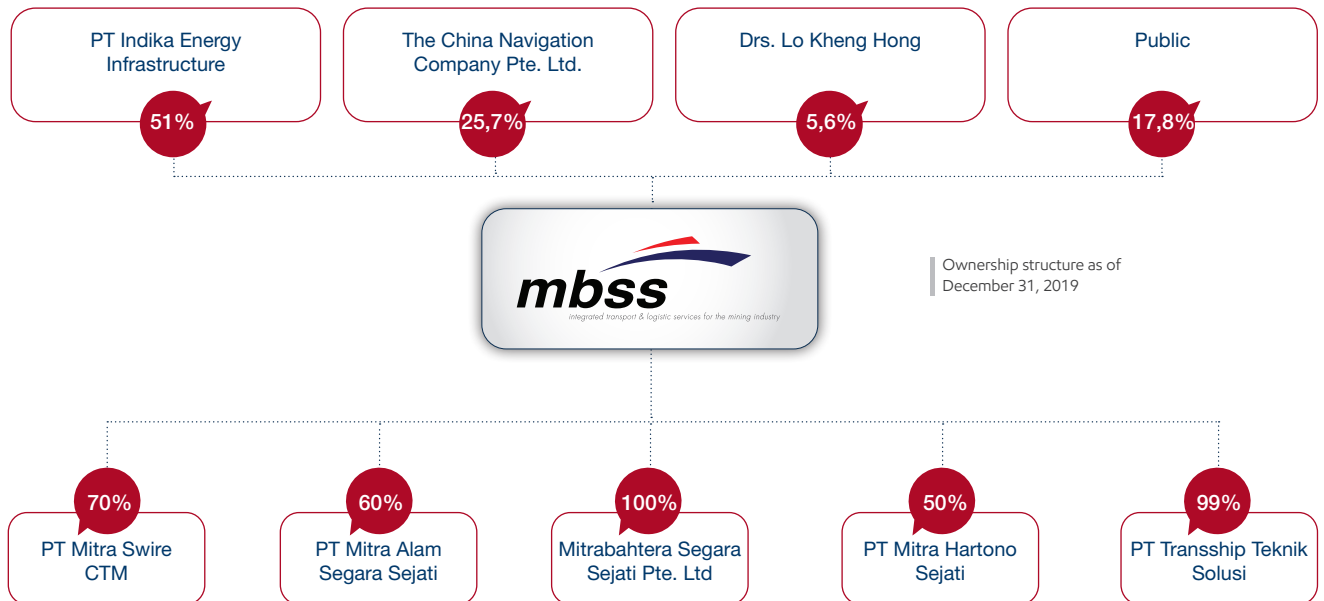
VISION

To become Indonesia's safest, most reliable and efficient energy shipping company, enabling the region's growth in infrastructure and energy development.

MISSION

To transport Indonesia's energy safely, timely and cost-efficiently by providing excellent customer services, making us the shipping partner of choice.





Scale of the Organization

		2019	2018
Number of Employees	:	1,400	1,430
Revenues (million US\$)	:	77.8	75.4
Liabilities (million US\$)	:	46.3	68.3
Equity (million US\$)	:	171.9	171.4
EBITDA (million US\$)	:	27.4	24.0
Total Assets (million US\$)	:	218.1	239.7

Products & Services

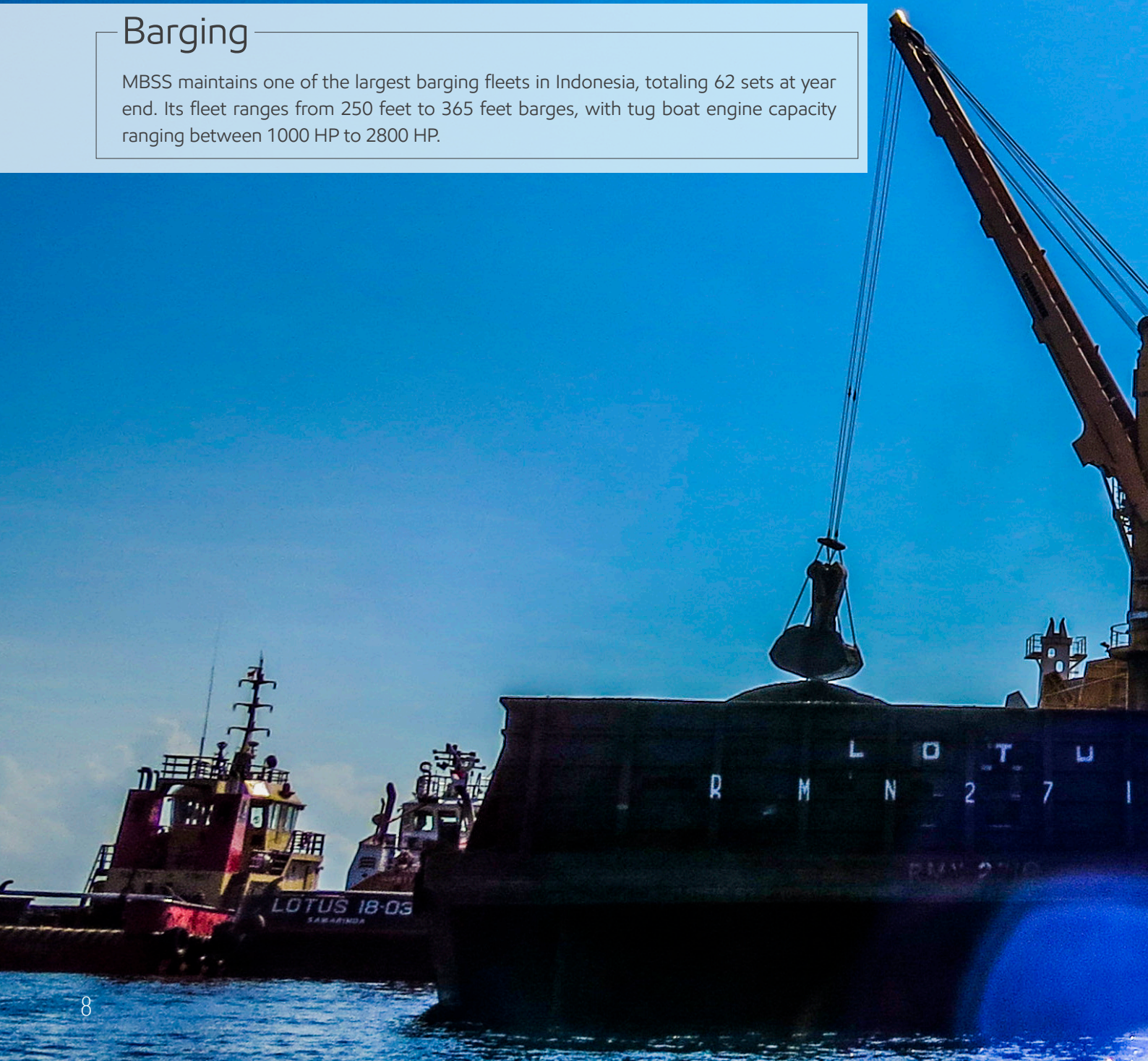
MBSS provides integrated one stop sea logistics and transportation solutions for bulk materials, particularly coal. Its integrated transportation solutions cover material handling and operation of onshore facilities, barging and transshipment services. With its large fleet and excellent operational track record, including a strong safety record, MBSS is positioned to be a logistics provider of choice in Indonesia.

Floating Crane

MBSS owns and operates one of the largest fleet of floating cranes in Indonesia. As of the end of 2019, MBSS owned four floating cranes ranging in capacity from 18,000 tpd to 30,000, and two floating loading facilities with a capacity of 50,000 tpd.

Barging

MBSS maintains one of the largest barging fleets in Indonesia, totaling 62 sets at year end. Its fleet ranges from 250 feet to 365 feet barges, with tug boat engine capacity ranging between 1000 HP to 2800 HP.







Operational Map

The scope of MBSS' operational activities is currently distributed across five provinces in Indonesia in the following operational areas:

Barging	Floating Crane
East Kalimantan	East Kalimantan
South Kalimantan	South Kalimantan
South Sumatera	South Sumatera
Lampung	Suralaya

No.	Market scope	Operation area
1.	Adaro Indonesia	South Kalimantan
2.	Cotrans Asia	East Kalimantan
3.	Cotrans Asia (New)	East Kalimantan
4.	Berau Coal	East Kalimantan
5.	Multi Tambang Jaya Utama	South Kalimantan
6.	Bayan (PT Muji Lines)	East Kalimantan
7.	PLN Batu Bara	Java South Kalimantan South Sulawesi
8.	Pelayaran Bahtera Adiguna	Java Lampung South Sumatera
9.	Titan Infra Energy	Java South Sumatera
10.	Usaha Maju Makmur	Java South Sumatera
11.	Alfa Energi Investama	East Kalimantan

Operational Map



No.	Market scope	Operation area
12.	Atlas Resources	South Kalimantan
13.	Mitra Maju Sukses	East Kalimantan
14.	Kidco Jaya Agung	East Kalimantan
15.	Chiyoda – Saipem – Tripatra – SAE (<i>Joint Operation</i>)	East Kalimantan
16.	Berau Coal	South Kalimantan
17.	Sinarmas LDA Maritime	East Kalimantan
18.	Maritim Barito Perkasa	Java South Kalimantan South Sulawesi
19.	Bukit Prima Bahari	Java Lampung South Sumatra
20.	Virtue Dragon Nikel Industri	Java South Sumatra
21.	Trascoal Pasific	Java South Sumatra
22.	Energy Trasporter Indonesia	East Kalimantan

Growing Together with Stakeholders

Since its establishment in 1994, MBSS has always maintained and nurtured relationships with all stakeholders in order to grow together.

Recognizing that each stakeholder has different needs and aspirations, we have mapped the interests of each MBSS stakeholder group and tailored our activities to meet their needs:

Stakeholders Groups	Method of Relations Development	Interest
Shareholders	<ul style="list-style-type: none"> General Meeting of Shareholders Annual (Sustainability) Report 	<ul style="list-style-type: none"> Sustainable growth of investment Good Corporate Governance
Clients	<ul style="list-style-type: none"> Periodic reports Improvement and continuous innovation Solid performance Service quality assurance 	<ul style="list-style-type: none"> Excellent services Reliable and on time Services solution pursuant to clients needs Transparency of services quality principle
Government	<ul style="list-style-type: none"> Participation in the Government activities, both at central and regional level Consultancy on the operation data report 	<ul style="list-style-type: none"> Obligations fulfilment in accordance with prevailing regulations Monitoring on environmental performance
Employees	<ul style="list-style-type: none"> Performance and compensation review Direct communication Competency development program Company internal activities 	<ul style="list-style-type: none"> Employees welfare increase Security, safety and occupational health insurance
Local Community	<ul style="list-style-type: none"> Participation in community development program Social contribution and environment protection (CSR) 	<ul style="list-style-type: none"> A harmonious and beneficial relationship to the community surrounding the operation area Environmental preservation
Business Partners and Local Suppliers	<ul style="list-style-type: none"> Periodic evaluation on cooperation 	<ul style="list-style-type: none"> Quality of business cooperation
Media	<ul style="list-style-type: none"> Press conferences and media release 	<ul style="list-style-type: none"> Information on corporate action and Company strategy

Associations

As one of the pioneers in the industry, MBSS actively participates in two strategic associations, namely Persatuan Pengusaha Pelayaran Niaga Nasional Indonesia (INSA) and the Chamber of Commerce and Industry (KADIN).

Contributing to the Nation

Financial Performance in 2019

By focusing on aligning its operations with international standards, MBSS successfully turned around its financial performance in 2019, with higher revenue and profit moving into positive territory in 2019. Performance was mainly driven by the increased revenue from the Floating Crane segment which rose from US\$19.6 million to US\$22.3 million, while the revenue of the Barging segment was relatively stable at US\$55.5 million.

This achievement is a reflection of the improvement in operational performance achieved through hard work and increased synergy to grow together.

	2019	2018
Volume coal transported (million metric tons)	35.2	33.9
Revenue (US\$ million)	77.8	75.4
EBITDA (US\$ million)	27.4	24.0
Total comprehensive income (loss) for the year (US\$ million)	1.7	(16.3)

Supporting National Economic Growth

Over its 25-year-old journey, MBSS has supported national economic growth through both direct and indirect contributions. MBSS' economic activities have generated value for various stakeholders, from individuals to the national level.

As a major provider of shipping services to the coal industry, MBSS has directly supported national economic growth by meeting the logistics needs of the domestic coal industry and other important national services, for example by transporting coal to PT Perusahaan Listrik Negara (PLN), which helped ensure adequate national power supply. MBSS also transports coal for export, which earns valuable foreign currency for the country.

MBSS also distributes dividends to shareholders from time to time in accordance with the performance of the Company and the policy of the management

In addition, MBSS has created jobs and consistently meets its tax obligations to the government as its contribution to national development.

	2019	2018
Direct job creation (number of MBSS employees)	1,400	1,430
Government tax payments (US\$ 000)	957.33	954.29
Employee compensation (US\$)	6,575,532	5,689,532

MBSS' Role in Regional Economic Development

The presence of MBSS, which has operational activities in 5 provinces, is quite significant for the local economy in the areas where MBSS operates.

Where possible, human capital needs are filled by local hires. MBSS has also established community development programs as detailed elsewhere in this report. These programs including training and assistance with the aim of empowering local communities to improve their incomes for mutual growth.

In addition to employing and training local residents, MBSS also makes an effort to prioritize local suppliers to meet its needs. By giving local suppliers business, MBSS further stimulates the regional economy to advance and grow together.

Local suppliers	2019				2018			
	Jakarta	Banjarmasin	Balikpapan	Samarinda	Jakarta	Banjarmasin	Balikpapan	Samarinda
Clean water	1	2	1	2	1	2	1	2
Repair dan Docking	1	3	2	2	1	3	2	2
Spare part ship	6	4	3	2	5	3	4	1
Moring rope	2	4	1	2	2	2	1	2
General consumables	4	3	3	2	3	3	3	2
Service maintenance	10	4	2	1	4	4	2	1



Continuous Improvement for Operational Excellence

In 2019, as part of aligning its operations with international shipping practices, MBSS thoroughly reviewed its operations and business processes. In November, the Company subsequently launched Project Berani (BOLD) which focused on five key areas for improvement: cost reduction, utilization, availability, commercial and crewing. To carry out these improvements, a Permanent Management Office (PMO) was formed with representatives from every department.

Although the process has just gotten started, the Project Berani has already delivered results, achieving measurable productivity and efficiency gains in 2019. Going forward, the process of improvement will continue for several years going forward until MBSS successfully applied international shipping practices.



Productivity & Efficiency Gains

	2019	2018
Volume transported (million MT)	35.2	33.9
Direct costs (US\$ million)	59.4	70.5

This was achieved without decreasing customer satisfaction, as shown by MBSS' ability to retain existing contracts and win new ones. MBSS continued to strive to deliver service excellence, ensuring that customers concerns are addressed in a timely fashion. MBSS can be contacted 24/7 in the case of any issues.



Mitra QHSE Management System

The "Mitra QSHE" integrated management system was developed by MBSS in 2015, and has successfully gained recognition from the SGS Certification Agency and the Government.

This is reflected in MBSS' success in obtaining several certificates related to the Management System, including:

- ISO 9001: 2015
Quality Management System, a certificate issued by SGS United Kingdom since 2006
- ISO 14001: 2015
Environmental Management System, a certificate issued by SGS United Kingdom in February 2019
- OHSAS 18001: 2007
K3 Management System, a certificate issued by SGS Australia in February 2019
- ISM Code
International Safety Management, where MBSS's "Safety Management Adjustment Document" (DOC) is valid until November 4, 2021.

In addition, the MBSS also successfully passed the Surveillance Audit (annual) for ISO 9001, ISO 14001, and OHSAS 18001 from 10-13 December 2019 with the result that "the management system certification was maintained".

As part of Top Management's commitment to meet national and international regulatory requirements, throughout 2019 MBSS successfully implemented a

Safety Management System on Floating Crane (FC) Chloe and Blitz.

This is evidenced by the issuance of the Interim Safety Management Certificate (Temporary SMC certificate) by the Indonesian Classification Bureau (BKI) as a Recognized Organization appointed by the Government of the Republic of Indonesia.

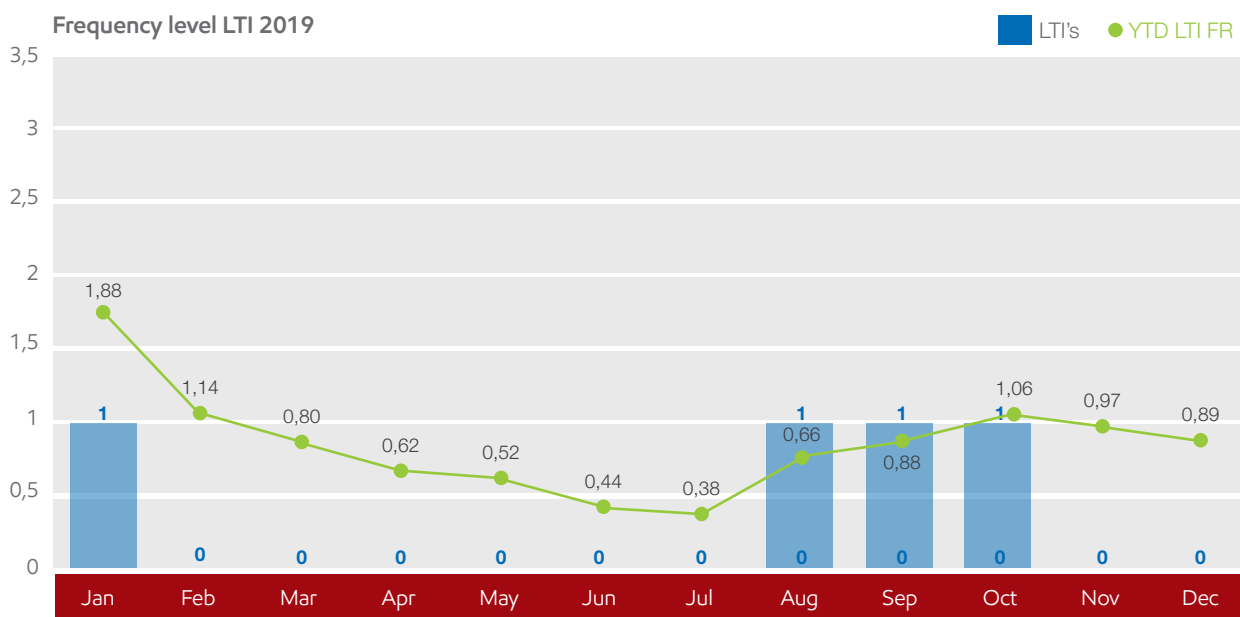
Occupational Safety, Health and Environmental Protection

The aspects of Occupational Safety, Health and Environmental Protection aspects are top priorities for MBSS.

Throughout the year, Management has encouraged crew members to have a more proactive mindset in maintaining occupational safety, through a number of initiatives focused on raising awareness related to safety through the implementation of Familiarization, Training On Board (TOB), Weekly Safety Talk and other promotional and preventive efforts.

In 2019, MBSS recorded safe working hours without any accidents resulting in missing work days amounting to 978,248 man-hours Free LTI.

In addition, the LTI-FR (Lost Time Injury Frequency Rate) also experienced a positive downward trend, from 1.88 at the beginning of the year, to 0.89 at the end of the year (LTI-FR <1).



During 2019 the amount of safety training was significantly increased, and operations and technical procedures were reviewed with the help of an outside consultant to look for gaps and areas for improvement. Besides that, the Crewing function was moved under the Technical Department alongside QHSE and Technical Management in order to better integrate these three aspects, which are all closely related to safety. Previously Crewing was placed under Operational.



Various safety initiatives were also initiated during the year including a safety training platform, a safety video competition, updating our safety induction video and more.

- Health and sanitation examination onboard ships, such as wet ball temperature index, indoor air quality, vessel water / sewage discharge quality, clean water quality, quality of drinking water, lighting, noise, etc.

Training, Awareness, Socialization, Induction

- Marine Insurance
- Pengawas Operasional Pratama
- Internal Auditor ISM Code (International Safety Management)
- Internal Auditor for the 2015 version of ISO 9001 and ISO 14001
- Basic safety training for crew dan officers onboard ships
- Confined Space
- HSE Supervisory
- Designated Person Ashore
- Visual Safety Observation
- Working at Height
- Hazard Identification Risk Assessment & Determining Control
- Job Safety Environmental Analysis
- KMPD (Basic Training Material Group)
- KMPP (Supervisory Training Material Group)
- Weekly Safety Meetings

Achieving Safety with Partners

Everyone who performs work for and or on behalf of MBSS, must understand and comply with Company Policies related to Work Quality, Occupational Safety and Health and Environmental Protection.

Safety Activities

As part of these efforts, MBSS consistently strives to fulfill and achieve key operational safety indicators as follows:

Inspection, Commissioning and Monitoring

- Monthly inspections of vessels
- Monthly inspections of safety and lifesaving appliances
- Pre start checks for vehicles and moving equipment
- Buoy inspections
- Heavy equipment commissioning
- Monitoring and measurement of industry health and hygiene
- Calibration of measuring instruments such as: multigas detector, lux meter and Sound Level Meter
- Examination and inspection of lifting and transport equipment and lifting tools



Keeping Employees Safe, Healthy and Productive

MBSS is committed to implementing good labor practices including maintaining a safe and comfortable workplace, giving competitive remuneration, continuous training and education and maintaining employees' Occupational Health and Safety as part of achieving sustainable growth.

Due to the high occupational health and safety risks in our environment, we require employees to undergo HSE training (Health, Safety, and Environment). The goal is to improve the capabilities and expertise of workers in HSE aspects, based on their job positions. The training was held at the Company's facilities or we send employees to attend training classes held outside the company. Our safety policies aim for zero incidents by reducing work accident risk factors.

MBSS has established medical facilities and insurance as well as healthy working conditions. Employees are covered by insurance policies whereby the premiums are borne by MBSS, and all employees undergo routine medical check-ups.

Pre-medical checkups are also carried out as part of the employee recruitment process. Whereas on site, MBSS has arranged with clients to provide access and facilities so that crew can receive medical assistance as soon as possible in the case of medical emergencies.

Certification

All of MBSS' crew are certified in line with SEACOM regulations, and has received safety training induction supported by frequent inspections and refresher training.

Good Labor Practices

Apart from giving preference to regional hires for site locations, MBSS hires employees based on their merits and competencies without prejudice as to religion or ethnicity. In providing training and education, MBSS is committed to giving equal opportunities to all employees including crew.

Apart from these practices, MBSS refuses all forms of forced labor including child labor. In all of its practices, MBSS always complies with prevailing labor regulations.



	2019	2018	2017
Number of crew members	1,154	1,166	1,101
Number of onshore employees	246	204	285
Total MBSS employees	1,400	1,430	1,386

Caring for the Environment

As part of its commitment to be a world class company, MBSS complies with all applicable environmental rules and regulations in its operations. Therefore, MBSS has established a series of policies to mitigate the impact of its activities on the environment.

Overall, MBSS environmental policy aims to:

1. Prevent environmental pollution and oil spills.
2. Manage hazardous waste generated by the Company's operational activities in accordance with national and international regulatory requirements.
3. Reduce greenhouse gas emissions
4. Use energy efficiently.

Good Environmental Record

During 2018-2019 there were no reported environmental issues including large or small oil spills.

Environmental Conservation Efforts

MBSS strives to minimize its environmental footprint in general. In 2019, the initiative that produced the biggest impact was a significant drop in fuel usage, which was achieved through more efficient scheduling supported by closer collaboration with crew.

In addition, MBSS has also fulfilled Ministry of Transportation Regulation (Permenhub) No. 29 of 2014 relating to fuel procurement with a maximum sulfur content limit of 0.5% to reduce air pollution. This new rule is effective starting January 1, 2020.

▪ Reduction of Greenhouse Gas Emissions

MBSS is committed to supporting the Government's efforts to reduce greenhouse gas (GHG) emissions through various means, including various efforts to improve the efficiency of fuel use. These efforts are carried out in various ways, ranging from minimizing use of fuel and solvents in its operations and maintenance to periodic engine maintenance so that engines run optimally and use fuel effectively, to the selection of smooth paint which reduces vessel friction in the water and in turn reduces fuel wastage, as well as more efficient scheduling and monitoring fuel usage more strictly.



▪ Reducing energy consumption

In order to reduce energy usage, MBSS implements energy conservation programs to improve energy efficiency and reduce emissions in each work area. MBSS has also centralized printers, faxes and scanners, and it utilizes teleconferencing technology to conduct remote meetings.





▪ Protecting aquatic ecosystems

Waste water discharged from vessels is filtered before release to decrease pollution of local waterways. In addition, MBSS' vessels are engineered to reduce the amount of warm water released from engine cooling systems into waterways, which can negatively impact local ecosystems.



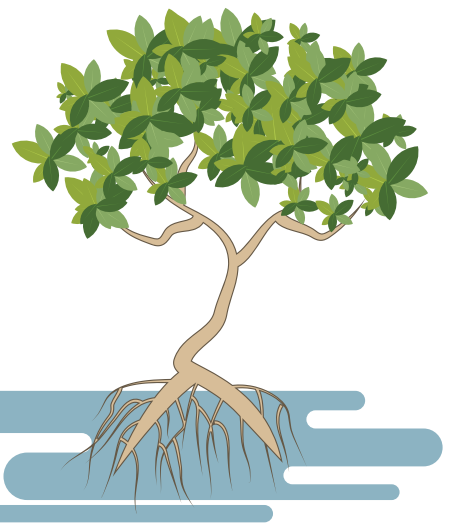
▪ Hazardous Waste Management

The Company always handles Hazardous Waste Management responsibly in compliance with the regulations set forth by the Government of Indonesia.



▪ Planting mangroves

Together with partners and local communities, MBSS planted thousands of mangrove trees in Tanah Merah during 2018-2019.



▪ Decreasing plastic waste

At the office, water is no longer offered in plastic bottles but is rather made available from a dispenser.





25 Years of Giving Back

Since it was first established in 1994, MBSS has always made efforts to grow together with its customers, partners and the Indonesian people so as to advance together. As MBSS spread its wings, there emerged the desire to give back more to the communities who had supported our growth in the areas where we operate. Therefore, the Company established a corporate social responsibility (CSR) program that aims to nurture good relations with the community and advance local residence, so that we can grow together.

CSR Program Pillars

MBSS' programs comprise 4 CSR Pillars: Health, Education, Community Development and the Environmental programs tailored to the needs of the community in the company's operating area.

Program Principles and Design

In carrying out its programs, MBSS upholds the following CSR principles to:

1. Support the concept of sustainable development and prosperity.
2. Take into account the presence of all the stakeholders.
3. Integrate CSR activities into business operations.
4. Comply with the law and be consistent with international norms.

Building on these principles, MBSS' CSR programs are formulated based on social mapping, communication and feedback from stakeholders, with consideration of social issues that are strongly relevant to the operations and sustainability of our business.

Growth Together, Working Together

In carrying out its programs, MBSS always adheres to the principle of cooperation with local institutions and governments, so that parties can work together and provide benefits to the community as well as other stakeholders.

Monitoring and Evaluation

Implemented activities are monitored and evaluated by the company to ensure that the stakeholders enjoy benefits. Monitoring and evaluation are conducted regularly by the Commissioners and Directors of the company internally and as well as at Indika Energy Group level through the Sustainability Forum.

Community Development Programs

Improving the Welfare of the Villages of Janju and Pasir Mayang with Duck Farming



MBSS worked together with the Department of Agriculture's BTPU to train 30 residents of Pasir Mayang village and 10 students and teachers in the Babussalam boarding school, Janju village, how to farm ducks. This program was agreed upon through discussions between the community and the MBSS team.

Each participant was given 30 superior layers and 10 kilos of feed, in addition 100 ducks were handed over to Janju village to be managed together as a form of MBSS' concern for the local community.

The program is expected to create new sources of income for each participant, and to build a duck farming business in the villages of Janju and Pasir Mayang, so that the aspirations of Paser Regency to become a supplier of ducks can be realized.



"The Babussalam Islamic Boarding School family in Tanah Grogot, Paser, East Kalimantan expresses its highest gratitude and appreciation to PT. Mitra Bahtera Segara Sejati Tbk (MBSS) for its assistance in the form of ducklings to be nurtured at the Babussalam Islamic Boarding School in Tanah Grogot.

The assistance was very helpful for Babussalam Islamic Boarding School. From the residential side side, this assistance helped the residences' income. Some of the ducks were sold, some were consumed, and the eggs were taken from some. Babussalam Islamic Boarding School plans to develop an egg hatchery so that the results can continue to sustainably enjoyed by the Babussalam Islamic Boarding School. May Allah always bless us all and may PT. Mitra Bahtera Segara Sejati Tbk. always be successful!"

KH Nashrudin Ata, Ponpes Babussalam Official, Janju Tanah Grogot

Community Development Programs

Sahur on the River 2019

The Sahur on the River festival a collaboration between MBSS, the Banjarmasin city government and the Polresta water police which was first held in 2016 and has now become an annual official agenda in Banjarmasin City.

To maintain relations and cooperation with the community and stakeholder interests in the Barito River, as one form of the Company's concern for religious celebrations in the community.

Sahur on the River 2019 was attended by more than 2000 people of the city of Banjarmasin including religious leaders, government officials, community leaders and local residents.

Sahur on the River has become an iconic program for the city of Banjarmasin which also supports tourism, while nurturing synergies between MBSS, local authorities and the community. Going forward, there are plans to invite local MSMEs to participate in this event.



Education Programs

Equipping Children of the Nation with Digital Capabilities and Knowledge



MBSS believes that education is a very important need for the community. Therefore, MBSS periodically rehabilitates school facilities and infrastructure in its operational areas.

In 2019 MBSS once again held the Cerdaskan Anak Bangsa Sungai Barito program to support education for communities along the Barito River.

In collaboration with the South Kalimantan Regional Water Police, MBSS donated 15 computer seeds and servers to the MTS Hidayatullah school located at the Barito River estuary. With the computer lab at school, students can better prepare for the Computer-Based National Examination (UNBK) as well as equip themselves with the digital competencies that are increasingly needed in this digital age.



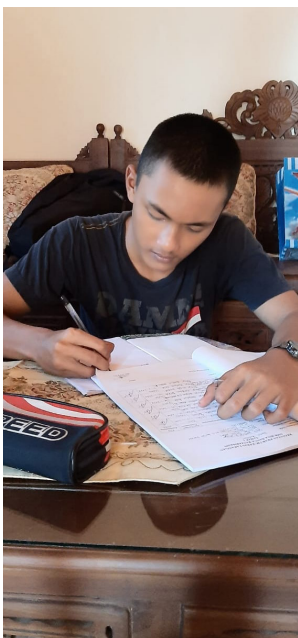
"Students in the village of Aluh-aluh Besar and several neighboring villages on the banks of the Barito River faced major obstacles to taking computer-based exams, because they had to travel for 2 hours to the nearest village to go to schools that have computer laboratories. MBSS found out about this after the Water Police, our local partner, invited MBSS to visit the MTS Hidayatullah school in the village. In the end, MBSS was very happy to present 15 laptops complete with a server and routers to support teaching and learning activities in this school. Later on we found out that 5 other junior high schools and Tsanawiyah from surrounding villages also came to MTS Hidayatullah, Aluh-aluh, to take their exams. We are grateful that are small contribution has produced big benefits for the students there. Together, let's spread benefits..."

Mrs. Dwi as the MBSS Area Manager for South Kalimantan and Central Kalimantan, took the lead in realizing MBSS's CSR in the field, and even invited the MBSS team to encourage the students in person by sharing their experiences and inspiration as well as tips for success.

Education Programs

Scholarship Program for High Achieving Students

This program began in 2011 as a form of support for the children of employees who show promise, in order to help them realize a better future. In 2019, MBSS gave scholarships to 105 high performing students who are the children of MBSS employees, including crew. Since beginning, this program has given out a total of 465 scholarships to high achieving students, ranging from elementary to high school students.



"We hereby express our gratitude to PT MBSS for providing assistance in the form of scholarship programs for children of employees who have excelled at school, at the same time easing the financial burden on employees' families."

Ikbal, fitter / welder, MBSS employee



Elementary School



Junior High School



Senior High School

Batch I	26	12	5	43
Batch II	43	28	9	80
Batch III	11	10	7	28
Batch IV	18	13	11	42
Batch V	13	17	13	43
Batch VI	19	21	9	49
Batch VII	34	27	14	75
Batch VIII	44	35	26	105
				Total

Environmental Programs

Planting 2,500 Mangrove Trees for MBSS' 25 Years

One of the initiatives carried out at MBSS is planting mangrove trees to maintain the sustainability of shoreline areas.

In 2019, MBSS and Cotrans as its partners and local residents once again planted mangrove trees in the Tanah Merah beach area. This effort is expected to prevent coastal erosion and abrasion, as well as greening efforts in the context of preserving the local ecosystem so that the environment of the population is maintained.

In total, 2500 mangrove trees were successfully planted, higher than the 2000 mangrove trees planted in the previous year. Over these 2 years as many as 4500 mangrove seedlings have been planted on the Tanah Merah beach through the MBSS CSR program.

In previous years, MBSS has periodically helped to plant mangrove forests near its operational areas. Besides preventing erosion and abrasion of the shoreline, there is also the potential to support the local economy as the mangroves are a habitat for various types of animals, including those that have commercial value such as shrimp.

Health Programs

Blood Donations together with the Indonesian Red Cross

MBSS held 2 employee blood drives in collaboration to increase blood supply at PMI which were approaching critical levels. Around 140 employees participated with 97 blood bags collected for donation, higher than the previous year.

The first blood drive was held in the first quarter to commemorate the Company's anniversary, while the second was held after Eid. MBSS routinely carries out blood drives as a form of its support for society.



Health Programs

Medical Treatment for Bambang Village



MBSS once again carried out health activities in the form of social services as well as providing nutritious food. Specifically, the service was carried out in cooperation with the Barito Kuala Regional Water Police for residents of Bambang Barito Kuala village which MBSS vessels pass by on the Barito River. As many as 60 residents benefited from the activity.

Health Programs

Water Ambulance for the Coastal Communities of Barito Kuala



Also in cooperation with the Barito Kuala Water Police, on October 19, MBSS inaugurated a water ambulance service in the form of a speedboat to answer the needs of the community on the coast of the Barito river during a medical emergencies to bring victims to hospitals or other health facilities.

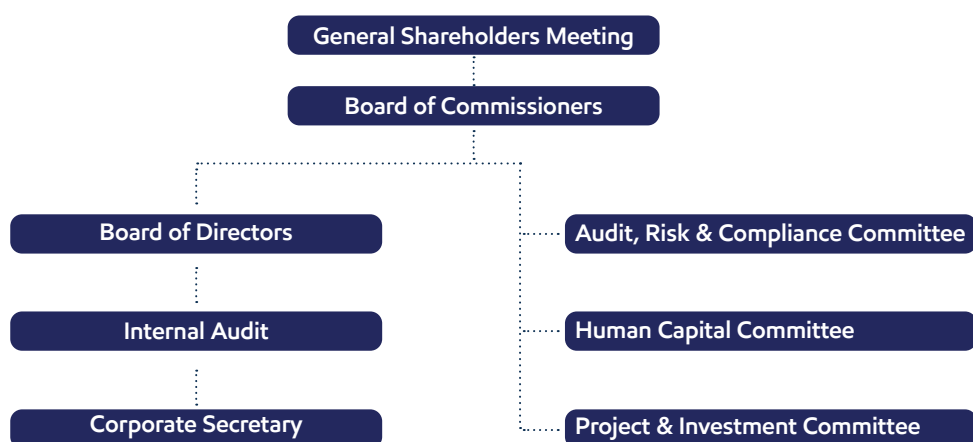


Good Corporate Governance

The implementation of good corporate governance (GCG) is one of the priorities at MBSS in line with the Company's vision and mission to adhere to international standards, and MBSS is therefore highly committed to implementing GCG in all aspects with due consideration of the principle of prudence.

The implementation of consistent and effective corporate governance is continuously carried out so that the principles of transparency, accountability, responsibility, independence, justice and equity and compliance are apparent at every level of organization's activity as well as management.

In line with Law 40 of 2007 on Limited Liability Companies, the structure of corporate governance body is comprised of the General Meeting of Shareholders, the Board of Commissioners and Board of Directors.



Composition of the Highest Governance Body and Supporting Committees

The Board of Commissioners is the highest governance body of MBSS. The primary factors in determining the composition of the members of the Board of Commissioners and its supporting committees are competence and qualifications. Other factors such as age, nationality and gender are secondary.

Similarly, members of the Board of Directors are appointed based on merit and ability to contribute based on their working experience and education, without prejudice to age, gender, race or nationality.

That said, MBSS values a diverse range of experience and background in our leadership which, in our view, helps strengthen the Company.

Mechanisms for Recommendations to the Highest Governance Bodies

In line with the principles of GCG, all shareholders including minority shareholders have the right to express their opinions at the General Meeting of Shareholders.

Whereas all employees are able to express opinions to the management through formal channels such as meetings, informal channels such as casual discussions, as well as anonymous reports through the Whistleblower mechanism.

Code of Ethics & Whistleblowing

As part of building a corporate culture that firmly upholds GCG principles, MBSS has established a Code of Ethics that all employees and management is expected to adhere to.

We have also implemented a Whistleblowing system which allows employees to freely communicate their concerns anonymously without exception. Complaints are reviewed by the Audit Committee and followed up as necessary. All whistleblowers will be protected from retaliatory action.

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Disclaimer regarding forward-looking statements

In this report there are a number of plans, projections, strategies and objectives of the Company. Everything must be understood as a statement about the future instead of historical facts. Statements regarding the future depend on the risks and uncertainties that could cause actual results to state and company in the future is different than the expected or indicated one. There is no assurance that the results anticipated by the Company or indicated by statements about the future in this report will be achieved.

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