

Bahri is committed to remain a vibrant, ethical and resilient enterprise that supports prosperity for the Kingdom while advancing the well-being of our people and protecting the environment, particularly in the sea lanes where we operate.

6

Sustainability

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Our Approach to Sustainability

We aspire to integrate this commitment into every aspect of our daily operations. Our initiatives are organized in alignment with our sustainability framework that covers four main focus areas:

- **Safeguarding the environment**
- **Anchoring our talent**
- **Propelling value creation**
- **Navigating with integrity**

These strategic pillars, informed by material sustainability issues, are aligned to the United Nations' Sustainable Development Goals, as well as to Saudi Vision 2030.



Key ESG topics

Energy and Climate Change
Governance and Business Ethics
Occupational Health and Safety
Human Rights
Biodiversity and Marine Pollution
Risk Management
Digitization and Data Security
Customer Satisfaction
Diversity and Inclusion
Sustainable Supply Chain
Talent Attraction, Retention and Engagement
Community Engagement

■ High impact ■ Moderate impact ■ Low impact



The Board sets and reviews key principles and policies relating to our sustainability framework. In 2024, the Company embarked on a reorganization of its sustainability program with the creation of a Sustainability Department under Integrated Planning to lead Group-level planning, management and coordination of sustainability initiatives, promoting alignment of these with the Company's strategy and plans.

In 2024, we published the 2023 Sustainability Report which presented in greater detail the goals, activities, key performance indicators and outcomes of Bahri's sustainability initiatives.



Safeguarding the Environment

“Safeguarding the environment” is our commitment to protecting the natural environment, particularly the marine environment, underpinned by initiatives relating to energy and climate change, waste and water management, and the conservation of biodiversity.

Environmental management

Bahri Ship Management (BSM) is the lead organization tasked with implementing Bahri’s environmental management program.

BSM is certified for ISO 14001: Environmental Management Systems (EMS), a globally recognized standard developed by the International Organization for Standardization (ISO) providing a framework for designing and implementing an EMS, and for continuously improving performance. This certification reflects our commitment to managing our environmental responsibilities in a systematic and effective manner.

Our commitment is also reflected in our Environment and Energy policy which outlines our resolve to comply with all maritime regulations, continuing efforts to improve energy and environmental performance, and the active promotion of awareness and training to ensure our people are aligned to these objectives. Our energy policy is implemented using ISO 5001: Energy Management Systems, for which BSM is likewise certified.

Energy and climate change

We are committed to decarbonizing our activities. Our ambition is to reduce our direct (Scope 1) greenhouse gas (GHG) emissions to at least 20% reduction by 2030 compared to 2008 levels, and to at least 70% reduction by 2040, also compared to 2008 levels. These goals are fully aligned to the indicative international shipping checkpoints set by the International Maritime Organization (IMO) to reach net-zero GHG emissions by 2050.



In 2024, Bahri’s GHG emissions intensity amounted to 494 kg of CO2 equivalent per nautical mile, down 1% from 2023.

Direct GHG emissions intensity (kg CO2 eq / nautical mile)



A critical driver of GHG emission reduction is improving the energy efficiency of our vessels. To achieve this, we operate a centralized Fleet Performance Monitoring Center which leverages data-driven insights to optimize vessel energy performance. Additionally, each vessel has a tailored Ship Energy Efficiency Management Plan for improving key factors such as main engine fuel efficiency, hull resistance reduction, propeller efficiency, heat balance efficiency, auxiliary generators efficiency, passage planning, weather routing and speed optimization. These plans are reviewed on a quarterly basis to ensure continuous improvement and fine-tuning to achieve energy efficiency goals.

Total fuel intensity of the Bahri fleet reached 156 kg per nautical mile in 2024, reflecting a 1% year-on-year (YoY) decline.

Total fuel intensity (kg/nautical mile)



Biodiversity and marine pollution

To minimize our impact on the marine environment and biodiversity, Bahri fully complies to maritime regulations relating to treated water discharges, waste management and recycling requirements, and sulfur emissions from fuel, as well as the stricter guidelines when sailing in designated sensitive sea areas.

Our fleet recorded zero oil spills in 2024, marking the second consecutive year we had no incidents.

We had likewise completed the installation of ballast water treatment systems in all our vessels, meeting IMO’s 2024 target for implementation in all vessels of a treatment system for ballast water discharges to prevent the spread of invasive species and pathogens from port to port.

All our vessels follow a waste management plan which provides guidelines for minimizing, handling and disposal of waste materials. In 2024, waste generated by our fleet declined to 52 cubic meter per vessel from 59 cubic meters the previous year.

Ballast water treatment installations (% of vessels)



Total waste generated (cubic meter per vessel)



Anchoring our Talent

“Anchoring our talent” refers to our commitment to prioritizing, above all, the safeguarding of the lives and well-being of our people, and to build a dynamic and innovative workforce through programs to attract, retain and develop top-tier talent.

Occupational health and safety

The health and safety of our people has always been a top priority at Bahri. We are committed to achieving zero fatalities, maintaining a Lost Time Injury Frequency (LTIF) of less than 0.44 per million man-hours, and making continuous progress towards a “Goal Zero” accident days across all vessels in our fleet for over a year.

Bahri’s Occupational Health and Safety Management Program is certified under ISO 45001: Occupational Health and Safety Management Systems. To minimize health and safety risks, especially in the inherently challenging maritime environment, we have implemented a range of initiatives and tools,

including an organizational culture diagnostic tool that provides predictive indicators of safety performance, comprehensive training programs for all workers at sea, covering areas such as safe cargo operations, firefighting, survival at sea and first aid, and task-specific risk assessments to anticipate and address operational hazards, the provision of personal protective equipment that exceed industry standards, and wellness programs to promote healthy habits, manage stress and stay active at sea.

We also empower our workforce through a STOP Work Authority policy, allowing all offshore staff to halt any activity they believe pose a risk to people, property or the environment. Our Just Culture policy ensures individuals involved in non-safe activities are held accountable while being treated fairly. In addition, we encourage reporting of near-miss incidents, offering our people the option to report anonymously. Near-miss reports are reviewed by the appropriate management team within 24 hours, and impactful reporting is rewarded to promote a proactive safety culture.

There were no fatalities in both 2023 and 2024, reflecting our steadfast commitment to continuous improvement in health and safety. Meanwhile, Bahri’s 2024 LTIF increased to 0.42 per million man-hours, compared to 0.35 a year ago.

Lost Time Injury Frequency
(incident per million man-hours)



Diversity and inclusion

Promoting diversity and equal opportunity is a key priority for Bahri, enabling us to leverage a broader range of perspectives and expertise. A significant focus is on increasing the participation of women in the workforce. The proportion of women among full-time employees was 22% in 2024, marginally lower from 23% in 2023. To support female employee retention, Bahri offers parental leave benefits, including 10 weeks of paid maternity leave for mothers in Saudi Arabia.

Female workforce participation
(% female among full-time employees)



Talent attraction, retention and engagement

To ensure continuing competitiveness and unlock the full potential of its growth strategy, Bahri recognizes the importance of attracting and retaining a talented workforce. Our Career Development Policy is designed to foster a supportive and dynamic work environment that empowers our people to thrive both professionally and personally.

We run separate training programs for our crew members and our employees. Crew members are offered training on core maritime skills, technical certifications, various e-learning courses, and career progression programs along the cadet-to-senior officer pathway. Employees benefit from training covering all aspects of our operations, alongside specialized programs for fresh graduates and for those advancing through the management career track.

Aligned with Vision 2030, Bahri is also committed to increasing the number of Saudi nationals in its workforce. In 2024, Saudi nationals comprised 58% of our full-time global workforce from 47% in 2023.

The number of our full-time employees reached 771 at the end of 2024, an increase of 14% from the previous year, while employee turnover rate was unchanged at 12% YoY.

Talent attraction, retention and engagement	2024	2023
Number of full-time employees	771	678
Employee turnover rate (%)	12	12
Saudization rate (% Saudi nationals among full-time global workforce)	58	47
Average hours of training per employee	15	12
Average hours of training per crew member	34	35



Propelling Value Creation

“Propelling Value Creation” embodies our commitment to align our business objectives with our social and environmental responsibilities. We deliver value for the communities where we operate by driving financial performance that benefits a broad range of stakeholders, including suppliers, employees, contractors and shareholders. Through our operations, we facilitate business growth for our customers, create meaningful job opportunities, and contribute to capital formation through our investments in Saudi Arabia and other countries where we have a presence.

Economic value-added

In 2024, Bahri injected approximately ₪ 5.43 billion in cash operating costs and general expenses into the economies where we operate, driving wealth creation for our suppliers, contractors and employees. Full-time employment at Bahri grew by 14% YoY to a headcount of 771, further supporting job creation. Additionally, Bahri shareholders received cash dividends totaling ₪ 406 million, while tax jurisdictions benefited from ₪ 140 million in tax and Zakat payments. Lastly, Bahri supported capital formation through ₪ 5.48 billion in capital investments made during the year.



Cash operating costs and general expenses (₪ billion)



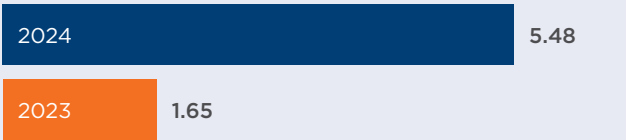
Dividends paid (₪ billion)



Tax and Zakat payments to governments (₪ billion)



Capital expenditure (₪ billion)



Community engagement

As in previous years, Bahri’s community engagement efforts prioritized developing human capital, with a particular focus on funding training programs for students and young professionals to prepare them for careers in the maritime sector. In 2024, we invested ₪ 6.34 million in these initiatives, a 29% increase YoY, reflecting higher funding for cadet training.

Community investments (₪ million)



Digitization and data security

Our digital transformation strategy, discussed in the Strategy Review chapter of this report, includes digitization and data security as part of its three-year implementation plan.

Navigating with Integrity

“Navigating with integrity” represents our commitment to responsible business. We strive to ensure that everyone who interacts with Bahri is treated with respect and dignity, and that we uphold the highest standards of ethics and corporate governance, maintaining a clear understanding of risks and opportunities to strengthen the resilience of our business.

Human rights and a sustainable supply chain

Respect and protection of the human rights of our employees, clients and the communities where we operate is a core value at Bahri. Internally, we have robust policies in place to support whistleblower reporting and protection, ensuring all employees are informed of these measures upon joining the Company.

Externally, we engage only with reputable vendors who adhere to best practices, particularly regarding the prohibition of child and forced labor. To ensure compliance, we conduct regular, proactive audits of our vendors, assessing not only their operational and financial capabilities but also their adherence to our Supplier Code of Conduct, which emphasizes ethical and responsible business practices.

In 2024, we audited 26 vendors, resulting in the termination of contracts with two suppliers due to non-compliance. While we are addressing the impact of these terminations, they have not had a material effect on our operations.

Number of suppliers that were subject to audits



Governance and business ethics

Bahri’s corporate governance structure is anchored by a 10-member Board of Directors, supported by three permanent Board Committees, and an Executive Management team led by the CEO. The Board’s Audit Committee, and Nomination and Remuneration Committee are both chaired by independent directors. The Chairman of the Board also heads the Board’s Executive Committee, which is responsible for shaping and overseeing the Company’s investment strategy and decisions.

As a publicly listed company, Bahri complies with the Corporate Governance Regulations of Saudi Arabia’s Capital Market Authority. We maintain transparency by regularly disclosing our quarterly and annual financial and operational results, as well as announcements of corporate events which can have a potential material impact on Bahri’s share price. Effective and proactive engagement with shareholders and the broader investment community is further fostered through our Investor Relations Department.

To uphold integrity and accountability, Bahri has a comprehensive internal audit process in place led by the Internal Audit Department which reports directly to the Board. This internal audit process ensures compliance with applicable laws, regulations and internal policies, as well as the review of procedures for the handling of employee grievances to guarantee fair treatment. Internal Audit also investigates potential instances of fraud, corruption and anti-competitive practices. In 2024, there were no reported breaches against Bahri’s code of conduct, similar to the previous year.

Risk management

Details on our policies, processes and governance framework for risk management are in the chapter on Regulatory Disclosures. This chapter also discusses our major risks, and the mitigation measures we have put in place for these.

