

# Bahri Ship Management

BSM operates to the highest international standards of safety and quality and have one of the industry's lowest accident and on board injury rates.



2,200 trainings conducted



Hosted 4 international crew conferences



## Bahri Ship Management (BSM) was established in 1996 as a wholly owned ship management company that offers a full range of ship management and marine support services for Bahri Group.

The ship management company plays a crucial role in ensuring an efficient, safe, and environmentally responsible operation of Bahri's diverse maritime assets. BSM's services not only offer routine technical services and operations, but also overlook crewing, and purchasing for the managed vessels. Its expertise lies in ship management and marine support, complemented by specialized services designed to optimize operational efficiency and achieve excellence.

BSM operates to the highest international standards of safety and quality and have one of the industry's lowest accident and on board injury rates.

Today, we have grown to become one of the leading operators working in the Kingdom of Saudi Arabia, the USA, and Far East ports. We operate according to the strictest ship management regulations, including the International Safety Management (ISM) Code, UN Law of the Sea (UNCLOS), Port State Control (PSC), and classification society rules.



### Developments in 2023

Bahri Ship Management delivered several key achievements in 2023. During the year, 2 VLCC were sold and 2 secondhand VLCCs were bought. Moreover, 4 chemical vessels and 3 product tankers were sold, while 2 Ultramax bulk carriers were bought from the secondhand market and added to the dry fleet.

We supported the expansion of Bahri's fleet by completing the construction and delivery of the last (10th) of a series of advanced chemical tankers. As a result, we have improved our fleet's age profile and enhanced our commercial operations. This also coincides with new legislation from the IMO, where BSM continued to ensure that our fleet is up to date to align with these standards.

In addition, we extended our reach to the polar areas, as one of our fleet vessels operated in Alaska for a period charter after obtaining polar code certification. We have undergone a rigorous process to earn this certification which allows us to safely operate in the challenging and environmentally sensitive regions.

Our success in 2023 is reflected in the improvements in our scoring across several metrics. With Port State Control (PSC), we have improved our performance in PSC deficiencies per inspection ratio with 0.56 observations per inspection compared with the industry average of 2.68 for Paris MoU and 1.96 for Tokyo MoU. With regards to the Ship Inspection Report Program (SIRE), our average observation and inspection is 2.31 compared with the industry average of 2.33. Our score from the Chemical Distributions Institute (CDI) is 1.48 (CDI statutory) observations per inspection and 3.00 in total. The total figure has improved from 2022 at 3.47, demonstrating an upward trend in performance.

This year, we also met the EEXI requirements across all the vessels. This included the installation of a Shaft Power Limiting System on several of the vessels to comply with the requirements. As per the plan laid out in 2022, a dashboard that updates the CII rating based on daily noon reports was developed and made available to the Ship Management team, as well as to commercial operators for planning purposes.

We also improved the monitoring of energy consumption on board our ships, with additional dashboards developed for tracking the CO2 and other GHG emissions from the vessels. These were installed to support decarbonization measures that take place during the dry docking of the existing vessels.

BSM's strategy is to adopt the best practices for emission reduction, encompassing the evaluation of energy-saving technologies and alternative fuels, thereby fostering environmentally friendly maritime operations. Also, our rigorous process for enhancing fleet efficiency includes integrating energy-saving devices and exploring innovative technologies such as air lubrication systems and advanced hull coatings. This balance between operational excellence and environmental conservation is a testament to BSM's commitment to sustainable maritime practices.

### Our People

BSM established a People Committee, dedicated to ensuring employee well-being and making it a top priority across the organization. This Committee aims to address employee concerns effectively.

The following are several initiatives and programs offered by BSM:

#### Developing Industry Leading Professionals

BSM invests significantly in staff and crew training, fostering future maritime leaders. We host crew conferences and senior management training programs, prioritizing seafarer well-being and safety. Senior Officers conferences in key maritime hubs strengthen crew connections, promote safety culture, and stress effective communication. BSM's commitment to Saudi Vision 2030 is evident through partnerships with institutions like King Abdulaziz University and Saudi Aramco, underscoring their contribution to training over 200 skilled Saudi seafarers in the past 3 years, and supporting nationalization efforts.

#### Forging Maritime Careers, Empowering Futures

BSM fosters the future of shipping with training programs for students and graduates, including SAIF and Cooperative Training. Practical training is provided at select universities.

### Crew Training

In 2023, BSM's training group saw several record-breaking achievements. The first of these was the number of conducted trainings, which exceeded 2,200. Notably, among those are the trainings conducted in compliance with the recent SIRE 2.0 requirements. Courses such as Liquid Cargo Handling Simulator, Bridge Resource Management, and Engine Resource Management, were part of this recent enforcement. Other courses included the Ice Navigation Course for ships navigating in polar waters, which was conducted in a timely manner to satisfy the charter requirement for one of our vessels, which ventured all the way to Alaska.

Moreover, to improve the quality of life on board our ships, the training group has begun Chief Cooks in culinary, hygiene, and inventory management skills training. Furthermore, to meet the demand of having trained engineers on board our latest vessels equipped with electronic main engines, we designed courses such as ME-C and RT-FLEX, specifically following makers specifications. In addition, we held a critical course on Fire Command and Control, which featured a full ship complement to mimic actual firefighting scenarios.

In addition, we have equipped our vessels with training computers, featuring the Ocean Learning Platform with numerous computer-based trainings. We have also launched our training platform for full control.

Finally, the training group operates an inclusive and generous Cadet Training program with 239 cadets from 13 countries receiving training on Bahri ships. The program has a strong focus on supporting young Saudi talent, with 183 Saudi cadets (77%).

### Next Wave of Seafarers

In a strategic partnership with the IMO and TGA, Bahri's Next Wave of Seafarers program aims to address the critical shortage of skilled maritime workers. The initiative is notable for its inclusive approach, particularly through the introduction of the female cadets' program, which champions gender diversity in the maritime workforce. The initiative is a pioneering venture that marks a milestone in fostering gender diversity within maritime careers.

Apart from this, 2023 witnessed a strategic focus on the ship staff, instilling a "Sense of Belonging" among our seafarers through enhanced communication. We were also able to host 4 international crew conferences to update the crew on operating standards. This gave the crew several opportunities to learn from incidents and accidents, receive regulatory updates, and increase overall awareness on seafarer well-being.

### Improvements in Our Technology

Technological advancement is a cornerstone of BSM's strategy. The development of our in-house business software system, MIPS, integrates various ship management functions, underlining our commitment to digitalization and operational efficiency. High-frequency data capturing and transmission systems on our vessels enable real-time monitoring and predictive analysis, enhancing fleet analytics and optimizing performance.

BSM's digitalization initiatives extend to ship performance and management, integrating various subscription-based services into our business software ERP systems and analytics platforms. Cloud-based solutions augment communication between shore and vessel-based teams, allowing for comprehensive monitoring and optimization of fleet operations, including fuel consumption, emissions, maintenance, and safety compliance.

In line with our continued efforts towards digitalization, BSM invested in having hardware and software upgrades on the ships and in the offices. For example, we installed and commissioned SMARTShip® systems on 16 additional vessels, taking the total to 58. The platform provides a comprehensive tool for the monitoring, analyzing, diagnostics, and troubleshooting of various systems on board the vessels.

Throughout the year, BSM used SMARTShip® and data from the MIPS to monitor hull performance and energy consumption, and to run analytics. Moreover, our Fleet Performance Monitoring Center (FPMC), which was set up in 2022, has helped to enhance vessel performance through comprehensive data collection, monitoring, and analytics-based interventions. The onboard crew and ashore operations teams are equipped to oversee equipment and systems, improving predictive maintenance, compliance, and decision-making processes.

BSM's proactive approach to digitalization, data analytics, and technology integration places us at the forefront of maritime innovation. This commitment not only drives operational excellence but also underscores BSM's role as a forward-thinking leader in the maritime sector.

### Health and Safety

In 2023, we continued our focus on training and improving our on board safety culture. As such, we formed a separate group for training the ship staff, with Officers typically spending around 3 weeks on each ship that they visit. During this time, the Officers take the crew through various drills and exercises to prepare them for the voyages.

To further gauge the safety culture within the organization, BSM conducted a OCDI survey on board and in the ship management office. A dedicated OCDI Committee was established to address the weak areas identified in the survey. We have also started the development of a policy and procedure on human elements based on OCIMF guidelines, which will consider various aspects and their influence on human behavior. In addition, BSM has implemented a new initiative of employing our own Master and Chief Engineer as dedicated Safety Training Officers (STO). These STOs will sail on board ships for about 3 weeks to develop and implement on board training after a safety culture assessment.

Bahri's Organizational Awareness and Safety Induction System (OASIS), a pivotal Behavior Based Safety (BBS) initiative launched in late 2022, also saw several positive outcomes this year. By Q2 2023, OASIS had established a solid track record and was well received by crew members, marking a significant achievement in promoting safe behaviors and practices. Through proactivity in safety, identification of safety concerns, analysis of influences on behavior, and positive reinforcement with regular observations, OASIS represents our commitment to a safer operational environment by minimizing the likelihood of accidents and promoting a culture of safety.

BSM has also been looking to standardize many of our operations to optimize costs and increase efficiencies. In line with these efforts, we signed a 5-year contract with a global leading company for Safety, Fire, and Rescue equipment services in 2023.



**Environmental Protection**

Bahri is committed to cutting emissions by 50% by 2050 and reducing our environmental impact on the planet’s resources by operating more efficiently and ethically. Our Environmental policy coupled with our Environmental Management System (EMS) allow us to track and measure important environmental indicators and respond quickly to any risks or challenges when necessary. Furthermore, the BSM office and all our ships are ISO14001 certified, while adhering to all the Annexes of the International Convention for the Prevention of Marine Pollution from Ships (MARPOL).

As per the IMO’s requirements, Bahri has developed a ship-specific Ship Energy Efficiency Management Plan (SEEMP) for each of the ships. The approved Part III of this plan is based on the requirement for the Carbon Intensity Index calculations and their reporting to the IMO, which will be reviewed and updated on an annual basis.

Using SMARTShip®, together with the MIPS and Power BI-driven analytics, we have monitored and analyzed the energy consumption on board the ships to identify areas or operations that could be optimized to reduce fuel. This year, we are on track to manage the GHG Level 1 emissions within the set targets.

In addition, as part of our goal to use water consciously and sustainably at Bahri, we have implemented several management approaches across our day-to-day operations. Almost all the water consumed on our ships comes from using on board freshwater generators that utilize recovered energy. Moreover, our vessels are fitted with vacuum toilet flush systems to conserve water usage.

Another critical component of Bahri’s strategy to achieve positive environmental impact is waste management. We generate less waste at Bahri by tracking our waste consumption and disposal, while seeking opportunities to improve the waste management systems in our offices and fleet.

Bahri’s ships also comply with the IMO 2020 regulations governing sulfur in fuels, and our vessels comply with the Hong Kong and European Union (EU) conventions governing the Inventory of Hazardous Materials (IHM). When designing new build vessels, Bahri follows elements from the IMO guidelines for reducing underwater noise pollution.

Moreover, as part of our continuous efforts to reduce our negative impact on marine life, all Bahri vessels follow the strict IMO guidelines when sailing in Emission Control Areas or Special Areas as defined under MARPOL. We also avoid sailing in particularly sensitive sea areas and abide by local laws and regulations in this regard.

During 2023, 10 additional vessels were fitted with Ballast Water Treatment Systems which help to protect the marine environment by restricting the transfer of invasive aquatic species through shipping. All Bahri ships are coated with high-performance anti-fouling paints which help to maintain efficient performance and energy consumption. Bahri is committed to complying with the IMO’s targets of decarbonization and has implemented various initiatives to monitor and reduce emissions through applying efficient operational measures.



**Looking Ahead**

BSM has a positive outlook for the coming year. The planned upgrade of our in-house Mideast Information and Planning System (MIPS), which covers a range of modules for ships’ operations, was kicked-off this year and will continue through 2024. We also have ongoing efforts to digitize our forms and checklists, making it easier for our team to access important information and complete tasks.

In addition to improving the efficiency of our operations, we will also focus on improving the safety culture on board our fleet. We will be providing training for both ship and office staff to ensure that our team is well-equipped to handle any challenges that may arise. We also plan to conduct 4 Senior Officers conferences throughout the year to bring our team together and discuss important issues related to safety and operation of our vessels.

We have also been actively engaged with engine makers, classification societies, and other like-minded institutions in the study of alternative fuels and emission reduction technologies. These information gathering exercises have helped us to shape strategies for meeting the strict GHG reduction targets in the coming years. Overall, we are confident that these initiatives will ensure that we will continue to provide top quality services to our clients and drive the success of our business in 2024 and beyond.



**Awards and Recognitions**



**“Ship Manager of the year” by The Maritime Standard Awards**

“Letters of Commendation” from the IMO to Captain Anatoliy Golev and the crew of the tanker NCC Najem for their roles in the rescue of 35 survivors who were found in the sea after their vessel capsized, in strong currents and high waves