

Sustainability

Sustainability at Bahri	110
Environmental Protection	112
Responsible Business	116
People and Safety	118
Creating Value	122

4



At Bahri, our commitment is to be a model of responsibility, integrating sustainable practices into every facet of our business and ingraining ESG principles into the very fabric of our corporate culture.

Sustainability at Bahri

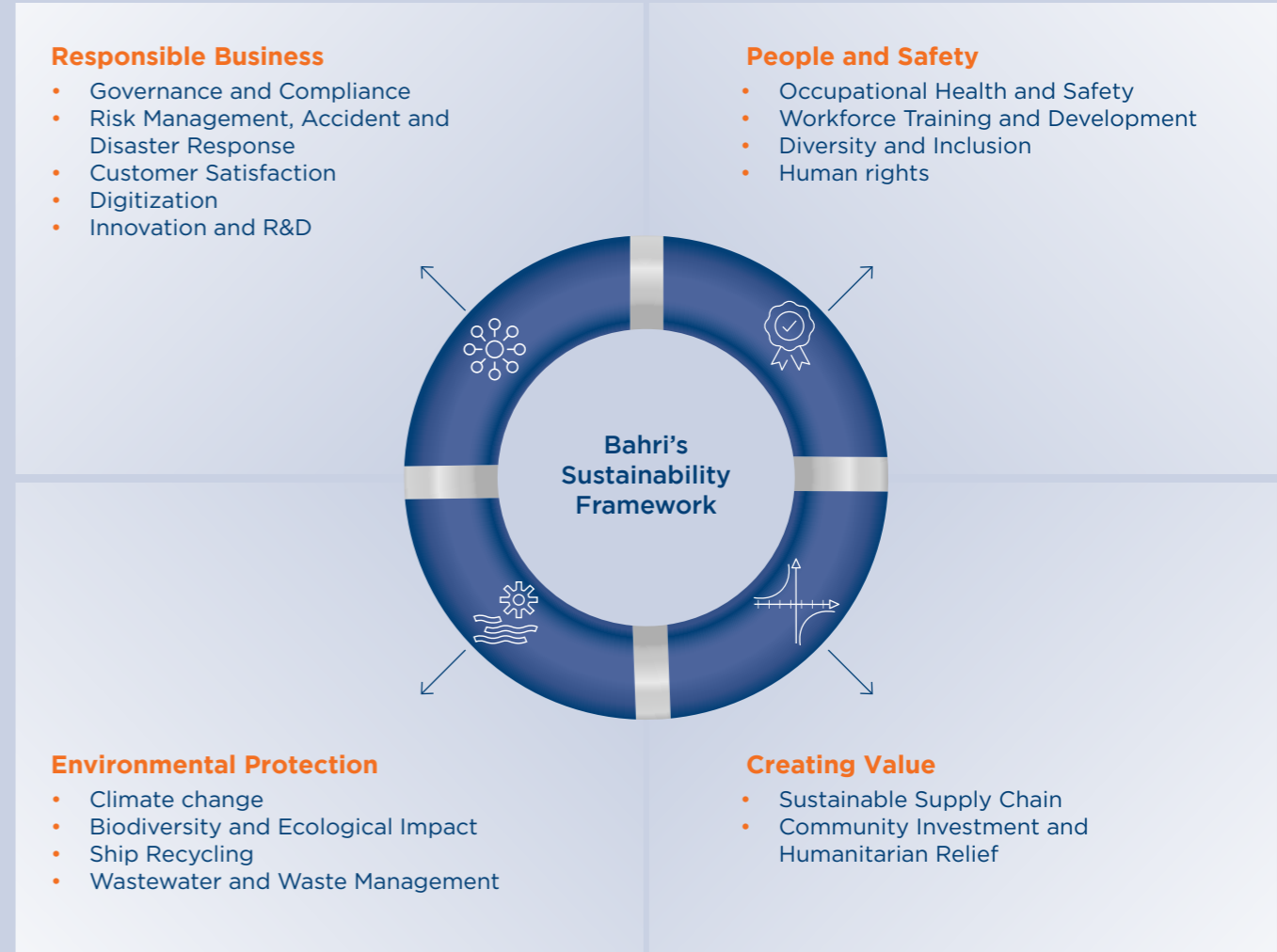
Bahri aspires to foster the growth of a thriving, ethical, and resilient enterprise that not only contributes to the Kingdom of Saudi Arabia's economic well-being but also enhances the quality of life for our people and local communities, all while safeguarding the health of our environment.

In an era where shipping firms are increasingly obligated to comply with a spectrum of evolving environmental, social, and governance (ESG) regulations and standards, there is a growing need for companies to transparently demonstrate how they address the diverse ESG factors and risks that emerge. At Bahri, our commitment is to be a model of responsibility, integrating sustainable practices into every facet of our business and ingraining ESG principles into the very fabric of our corporate culture. Bahri's active involvement in the Sustainable Maritime Industry Conference serves as a clear demonstration of its steadfast dedication to leading the charge for sustainability within the international shipping sector. The Company is committed to align its operations with the revised International Maritime Organization (IMO) Greenhouse Gas (GHG) strategy. This strategy includes reducing annual GHG emissions from international shipping by at least 20% by 2030, 70% by 2040 and reaching net zero GHG emissions by or around 2050. This is underpinned by a commitment to adopt innovative solutions that significantly boost the energy efficiency of our fleet.

Our Sustainability Management Approach

Through our integrated management approach and sustainability framework, we aim to cultivate agility in adapting to evolving sustainability trends, addressing challenges, and capitalizing on future opportunities. This involves implementing systems and procedures that enable different parts of our organization to work together efficiently towards our sustainability objectives. This integrated approach ensures that sustainability factors are embedded effectively into our decision-making processes across all levels of the organization, allowing us to quickly respond to emerging trends and challenges while also capitalizing on opportunities for sustainable growth.

Our sustainability framework is built upon 4 fundamental pillars: Environmental Protection, Responsible Business, People and Safety, and Creating Value. These pillars encapsulate the ESG topics that hold material significance for our business, aligning with Bahri's overarching corporate strategy and business objectives.



Aligning to National and International Priorities

Our sustainability framework not only integrates ESG elements pertinent to our business activities but also aligns with both national and international sustainability priorities. We consistently reaffirm our dedication to the sustainable development of the Kingdom of Saudi Arabia by aligning our commitments and efforts with the Saudi Vision 2030. Globally, we align with the United Nations Sustainable Development Goals (SDGs) to optimize our positive impact.

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Environmental Protection

Providing a diverse range of maritime logistics solutions, and due to the nature of the industry, Bahri recognizes the environmental risks posed by our operations. As such, we are firmly committed to actively pursuing methods aimed at mitigating the impacts of our activities through the adoption of innovative solutions and advanced technologies.

Our commitment to excellence in quality and environmental management across all our operations is evident through our current ISO 9001:2015 and ISO 14001:2015 certificates. Guided by our environmental policy ([read more](#)) and supported by our Environmental Management System (EMS), we have the capability to monitor and gauge critical environmental indicators. This enables us to swiftly respond to any identified risks or challenges, ensuring a proactive approach to environmental stewardship.

Additionally, our technical arm, the Bahri Ship Management office, and all our vessels hold ISO14001 certification. We maintain strict adherence to all Annexes of the International Convention for the Prevention of Marine Pollution from Ships (MARPOL), underscoring our dedication to sustainable maritime practices. Our commitment extends beyond certification, as we routinely undergo assessments and continually enhance our management system. This approach is ingrained in our operational philosophy, involving the establishment of tangible targets and the implementation of improvement programs wherever feasible.

Bahri, a global leader in logistics and transportation, demonstrated its unwavering commitment to sustainability at the Sustainable Maritime Industry Conference (SMIC) 2023 in Jeddah, Saudi Arabia. As a gold sponsor and active participant, Bahri showcased its dedication to leading the change towards a greener future in the international maritime industry. Bahri Ship Management's President emphasized the Company's focus on research and development into alternate fuels, highlighting achievements such as improved fleet fuel consumption rates and innovative AI-driven technologies. Bahri's dedication to achieving

the ambitions set by the IMO's GHG strategy underscores its proactive stance in addressing environmental challenges.

Climate Change and Energy

Aligning with the IMO's GHG strategy, Bahri is diligently working towards achieving net zero emissions by 2050. In accordance with the IMO's requirements we have developed a Ship Energy Efficiency Management Plan (SEEMP) for each vessel, aiming to increase energy efficiency. The approved Part III of these plans adheres to the Carbon Intensity Index calculations and their mandated reporting to the IMO, with regular reviews and updates conducted annually. Bahri's SEEMP outlines targets and requirements for carbon intensities specific to each vessel. Together with the in-house IT and Technical teams, we have set up a dashboard for monitoring daily emissions which are used to analyze and compare across voyages and vessels. This tool not only aids in prediction but also enables us to strategize and implement measures to reduce emissions and enhance energy efficiency.

Our ship performance monitoring tool, "SMARTShip[®]" has been successfully installed and commissioned on 57 vessels. This system seamlessly integrates various on board systems and assets, providing robust analytical capabilities. Through the utilization of "SMARTShip[®]" we have systematically monitored and analyzed energy consumption on board, identifying areas and operations that could be optimized to reduce fuel consumption and, consequently, decrease GHG emissions. This concerted effort has resulted in a slight reduction in our emissions this year.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Direct GHG emissions (Scope 1) intensity	Kgs of CO ₂ eq/ Nautical mile*	546.17	538.30	499.29
Other air emissions				
SO _x intensity	Kg/Nautical mile	1.29	1.30	1.0
NO _x intensity	Kg/Nautical mile	11.92	11.75	10.89
CO intensity	Kg/Nautical mile	0.63	0.62	0.58
Particles intensity	Kg/Nautical mile	0.85	0.83	0.77

*Unit has been restated due to a change in measurement methodology.

Our vessels are equipped with dedicated generators for electricity, powered by burning fuel or gas oil. To reduce on board power consumption, we initiated a program in 2021 to replace fluorescent lights with LED lights across a larger portion of our fleet. Recent initiatives have been introduced to monitor energy consumption and implement operational changes. To this end, we have developed baselines and analytical dashboards to track energy usage on each ship during idle conditions (i.e., when no cargo operations are taking place and the ship is not sailing), enabling us to optimize efficiency further.

We employ Power BI-driven analytics to continuously monitor and evaluate energy consumption and efficiency. This includes running comparisons across different groups of vessels and against benchmarked targets to ensure constant monitoring

of our operations. This data-driven approach guides and supports our ships in reducing and optimizing their energy usage. Additionally, by monitoring and benchmarking hull performance parameters, we can proactively plan for hull cleaning if a degradation in performance is detected, potentially attributed to hull fouling.

To ensure proper oversight of energy consumption, Bahri produces quarterly reports shared with the technical operations group. Insights gleaned from these reports have prompted corrective measures, aiding in the optimization of consumption. In 2023, we recorded a slight reduction in electricity consumption. We now report on the intensity of electricity generated per ship to provide a more nuanced understanding of our environmental impact.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Direct energy consumption				
Fuel oil intensity	Kg/Nautical mile	162.29	157.50	145.92
Gas fuel intensity	Kg/Nautical mile	9.69	11.19	11.15
Total fuel intensity	Kg/Nautical mile	171.98	168.69	157.07
Total energy consumption				
Electricity generated on board	MWh	594,997	627,157	614,164
Electricity generated on board per vessel	MWh/vessel	6,611.08	6,334.92	6,331.60
Total energy consumption	GJ	41,782,821	41,400,343	36,143,540

Water Management

In pursuit of conscious and sustainable water use at Bahri, we have implemented various management approaches in our day-to-day operations to ensure efficient water utilization. The majority of water consumed on our ships is sourced from on board freshwater generators that harness recovered energy.

Additionally, our vessels are equipped with vacuum toilet flush systems designed to minimize water usage.

The increase in our water consumption is primarily attributed to the expansion of our fleet, reflecting our commitment to monitor and address resource usage in alignment with sustainable practices.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total water consumption	m ³	351,020	353,872	372,433

Waste Management

Recognizing that poor waste management can contribute to air pollution and climate change, impacting various ecosystems and species, we prioritize waste reduction by meticulously tracking our consumption and disposal. This proactive approach allows us to identify improvement opportunities in waste management systems across our offices and fleet.

Furthermore, freshwater generation on board, achieved through waste heat or recovered energy, is a vital aspect of our operations. Water is utilized on board vessels for domestic and cleaning purposes as required. Ensuring the efficient operation of the freshwater generator is paramount, as any underperformance may necessitate the procurement of freshwater from shore facilities. To maintain optimal performance, routine planned maintenance tasks for the freshwater generators are diligently executed.

Despite the implementation of various measures to reduce waste, there has been an observed increase in waste generation, particularly in the categories of food waste and plastics waste. The increase in food waste is largely influenced by the increase in number of vessels undergoing long-term maintenance in dry-dock which requires additional manpower. Plastics waste primarily originates from packaging materials of spares and consumables received on board from shore. While efforts are made to return these materials to the same port of delivery whenever feasible, logistical constraints sometimes prevent this, leading to an accumulation of plastics waste on board. Moreover, the increase in plastics waste may also be attributed to a higher volume of items delivered for the ship's drydock preparations and routine maintenance requirements. These factors collectively contribute to the overall increase in waste generation despite ongoing efforts to mitigate it.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total waste generated	m ³	4,769	5,128	5,682
Total waste generated per vessel	m ³ /vessel	53.18	51.80	58.57
Paper consumption (Dubai office)	Kg	1,250	1,685	1,753
Paper consumption on total fleet	Kg	17,360	16,422.5	16,282.5
Paper consumption per vessel	Kg/vessel	192.9	165.9	167.86
Plastic and packaging waste carried on board total fleet	m ³	1,113.21	1,181.71	1,317.63
Plastic and packaging waste carried on board per vessel	m ³ /vessel	12.37	11.93	13.58
Oil spills				
Total number of oil spills	#	0	1	0
Total volume of spills	L	0	0.2	0

Biodiversity and Ecological Impact

Bahri's commitment to environmental compliance is evident through its adherence to various regulations and guidelines. Our ships are fully compliant with the IMO 2020 regulations regarding sulfur in fuels and align with the Hong Kong and European Union (EU) conventions governing the Inventory of Hazardous Materials (IHM).

To reduce underwater noise pollution, Bahri incorporates elements from IMO guidelines in the design of new vessels. This includes optimizing hull form design, conducting model tests, and propeller cavitation tests. Regular inspections of the hull and propeller, carried out at least once a year, inform cleaning and polishing actions to maintain optimal conditions, minimizing cavitation and reducing hull resistance - key contributors to noise pollution.

Bahri has a formal policy on reducing marine pollution and biodiversity, with revised targets in 2023 including minimizing clean bilge generation by controlling discharge and reducing cooling water leakages. To mitigate our impact on marine life,

Bahri vessels strictly adhere to IMO guidelines when sailing in Emission Control Areas or Special Areas defined under MARPOL. We avoid sensitive sea areas and comply with local laws. Preventive measures are in place to minimize accidental and operational discharges, such as the temporary conversion of unused tanks on certain vessels to store sewage, eliminating the need for discharge during port calls. Our commitment extends to using compatible fuels, exhaust gas cleaning systems, and restricting solid and liquid waste discharges into the sea.

67% of Bahri's vessels now comply with the D2 standards of the IMO's Ballast Water Management Convention, discharging treated water. This represents a 39% increase over the past 2 years, subsequently increasing the amount of treated water discharged. For vessels yet to comply, they will be fitted with ballast water treatment systems, ensuring adherence to the D2 standard by their individual compliance dates. This approach ensures that ballast water is either treated or exchanged in open seas away from coastal areas.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total Clean Bilge water discharges to sea*	m ³	23,208.9	22,725.6	20,901.5
Ballast water discharge - D2 standard*	m ³	6,195,497	16,085,294	20,868,922
Ballast water treatment - D2 standard	%	28	56	67
Ballast water exchange - D1 standard	%	72	44	33

*This KPI has been restated to reflect scope of information provided.



Responsible Business

Our deep commitment to strong corporate governance and compliance is underscored by our rigorous approach to risk management. Our idea of responsible business goes beyond governance, compliance, and risk management, focusing on creating value as the primary goal and catalyst for sustainable success.

Governance and Compliance

Recognizing the susceptibility of the shipping industry to potential instances of financial and governance wrongdoing, Bahri is steadfast in addressing corruption risks through diligent management while striving to bolster transparency through a robust governance approach. Our commitment to conducting business with integrity and transparency is unwavering, as we adhere to a zero-tolerance policy for bribery and corruption ([read more](#)). We are dedicated to ethical, fair, and robust competition, aligning with the principles outlined in Bahri's Code of Business Conduct and Ethics to maintain trust and integrity in all our business endeavors.

Proudly holding official membership in the Maritime Anti-Corruption Network (MACN), a global coalition comprising over 190 companies committed to combating corruption in the maritime industry, Bahri actively contributes to fostering a culture of accountability and integrity within the sector.

At Bahri, we firmly believe in the importance of open communication and feedback as integral components of a healthy and productive workplace. Consequently, the Company actively encourages all employees to voice their concerns, raise complaints, and address any difficulties promptly. Proper and transparent communication is paramount for fostering smooth operations and harmony among our workforce. We have established comprehensive policies that champion transparent and open communication throughout the Company. These policies articulate the principles and ethical culture that we aim to instill in the workplace. As part of our induction process, all new hires are thoroughly briefed on Bahri's policies and procedures. Additionally, employees undergo

regular refresher sessions throughout the year to ensure their full understanding and compliance.

In acknowledgment of our commitment to adhering to the latest standards of the Business Continuity Management System (BCMS) and establishing robust business continuity strategies, Bahri received the ISO 22301:2019 certification by the British Standards Institution (BSI) in 2021.

Risk Management

Our Enterprise Risk Management (ERM) framework at Bahri adheres to the requirements outlined in ISO 31000:2018, encompassing a comprehensive evaluation of risk sources and impacts affecting our business.

In our commitment to risk mitigation, Bahri takes proactive measures such as the development and implementation of relevant policies and procedures. These measures are designed to manage identified risks and minimize their occurrence in the future, whenever possible.

All new joiners undergo risk-awareness training, complemented by ongoing risk awareness campaigns. These initiatives are integral to refreshing and embedding the ERM framework throughout the organization, fostering a culture of vigilance and resilience in the face of potential risks.

Digitization and Innovation

Considering the inherent complexity of the maritime supply chain, Bahri is committed to the digital transformation and optimization of its operations and processes. The Fleet Performance Monitoring Center (FPMC), launched in 2022, is gradually evolving into a centralized support system that furnishes data and

analytics-driven guidance and recommendations for decision-making by technical, safety, and crewing operations staff.

The FPMC empowers onboard crews and operations teams ashore to easily monitor the status of various equipment and systems. Leveraging analytics-driven rapid interventions and machine learning anomaly detection tools, the FPMC contributes to preventing breakdowns, reducing downtime, enhancing predictive maintenance, and ensuring compliance with regulatory standards.

In parallel with these strides in technology, Bahri has recently achieved key certifications to fortify its

operational framework and IT service management. The Company has renewed its BSI certificate in quality and compliance, and was awarded a globally recognized IT certification under the ISO/IEC 20000-1:2018 standard.

Bahri is also actively fortifying its data privacy systems. Robust cybersecurity procedures, coupled with a comprehensive policy, have been developed in alignment with the National Cybersecurity Authority (NCA) regulations and best practices. Notably, Bahri has maintained zero data breaches over the past 3 consecutive years, a testament to its commitment to data security and privacy.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Number of data security breaches	#	0	0	0

Customer Satisfaction

Customer satisfaction stands as a paramount performance metric for Bahri and is one of the Company's most vital business components. The centrality of customers to our operations prompts us to regularly conduct surveys to gauge their satisfaction and pinpoint potential areas for improvement. Further details on these efforts will be expounded upon in Bahri's 2023 Sustainability Report.

In 2023, Bahri Integrated Logistics underwent a transformation of its systems and processes to elevate the customer experience. This transformation resulted

in providing customers with full visibility for tracking their shipments and introducing digital solutions spanning from booking to payment. Furthermore, a Customer Solutions Department was established with the objective of integrating customers' systems with Bahri Logistics cargo wise systems and solutions, aimed at enhancing process efficiency and reducing cycle time for shipments. Additionally, value-added services such as in-house customs clearance, warehousing solutions, and agency services were incorporated into the package to offer better control and cost-effectiveness, ultimately benefiting the customers.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Customer satisfaction rate*	%	75%	80%	87%

*Customer satisfaction rate is from Bahri Integrated Logistics

People and Safety

At Bahri, we firmly believe that the success of our business endeavors is intrinsically tied to our people, who serve as the backbone of our operations and the driving force behind our continuous achievements.

The physical and mental health of both onshore and offshore employees is of paramount importance to us, and we consider it a top business priority. Our commitment extends to creating a welcoming and engaging environment that fosters excellence in individuals' chosen careers. This dedication to our people has not gone unnoticed, as evidenced by Bahri received 2 coveted awards at the 7th Global Good Governance (3G) Awards, namely the '3G Championship Award in Human Resource Development' and the '3G Sustainability Reporting Award' from the premier awards program. These accolades affirm our ongoing efforts to prioritize and enhance the well-being of our workforce.

Human Capital Management

Our accomplishments in the realm of human capital management are intricately aligned with Saudi Vision 2030, which envisions the creation of a vibrant society where all citizens can thrive. To embody this vision, we have implemented a comprehensive array of policies and initiatives. These range from competitive remuneration packages and flexible working options to robust training programs and clear pathways for career progression. Our overall aim is to position Bahri as an employer of choice, not only in the Middle East but also on the global stage.

In the year 2023, our workforce increased by approximately 17%, including a notable increase of about 6% in the number of Saudi nationals within our total workforce.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Full-time employee equivalents (FTEs)	#	567	583	680
Workforce by job category				
Senior management employees	#	57	58	66
Middle management employees	#	140	156	168
Non-management employees	#	370	369	446
Employees by contract				
Permanent contracts	#	567	583	677
Temporary contracts	#	3	10	3
Workforce: offshore and onshore				
Offshore*	#	4,376	4,387	4,205
Onshore	#	567	583	677
Employees by gender				
Females	#	113	131	155
Males	#	454	452	525
Nationalization (onshore)				
Saudi nationals among total full-time workforce globally	%	43	44	47.5
Saudi nationals among total full-time workforce in the Kingdom of Saudi Arabia	%	69	73	77.5
Turnover				
Total turnover rate	%	15	15	12.2

*Values restated due to system upgrades

Human Capital Development

Bahri is deeply committed to providing ample opportunities for the growth and development of its employees, aligning with management approaches that adhere to both national and international regulations.

In line with our contribution to Saudi Vision 2030, we actively nurture local talent and support the growth of our industry and the overall economy. The Bahri Training Program (BTP) has successfully trained 39 participants in 2023. Of these participants, 20 trainees enrolled in our Co-operative Training Program (COOP), a short-term (3-7 months) program for undergraduates. The remaining 19 participants were enrolled for the Bahri Graduate Development Program (GDP) which is a paid 10 month fast track program designed for fresh graduates followed by a permanent job opportunity at Bahri.

In 2023, Bahri Ship Management conducted 16 types of training, totaling 152,947 hours of training, averaging 34.8 hours per crew member. This ensures that our crew members receive the necessary training for their roles. As part of talent development initiatives and cost optimization, Bahri Ship Management launched a new in-house e-learning platform comprised of 75 customized courses for Bahri Ship Management's office staff and crew.

Furthermore, our talent development team has conducted a thorough analysis of current job needs and identified gaps to formulate effective individual development plans for our employees. In 2023, the number of employees engaged in trainings increased by a significant 146% due to multiple sessions being introduced during the year.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total training delivered	Hours	20,112*	7,305	8,200
Average training per employee**	Hours	35.5	12.5	12.1
Number of trainings by males	#	264	347	791
Number of trainings by females	#	94	85	270
Trainees (BTP)				
Number of trainees (BTP)	#	196	29	39
Number of male trainees (BTP)	#	182	16	23
Number of female trainees	#	14	13	16
Percentage of employees who received a performance and career development review	%	90	88	89

* Figures are significantly higher due to a focus on online training during Coronavirus Disease 2019 (COVID-19).

**2021 and 2022 figures have been restated to align with a new calculation used in 2023.

Diversity and Inclusion

Bahri views diversity and inclusion not just as policies or headcounts but as integral components of our management philosophy and corporate culture. We recognize that diverse and inclusive workplaces contribute to enhanced employee trust and loyalty, leading to improved business outcomes and a higher likelihood of fostering creativity.

In the year 2023, we proudly welcomed 174 new team members, with 50 of them falling within the age range of 18-30. This signifies a diverse influx of talent, creating an inclusive environment where individuals of various backgrounds and ages contribute to the richness of our organizational culture.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total number of new employee hires	#	79	92	174
New employee hires by gender				
Female	%	30	33	30
Male	%	70	67	70
New employee hires by age				
Age 18-30	%	51	44	50
Age 31-50	%	38	53	45
Age 51+	%	11	3	5
Number of nationalities	#	52	52	52

* Figures are significantly higher due to a focus on online training during Coronavirus Disease 2019 (COVID-19).
**2021 and 2022 figures have been restated to align with a new calculation used in 2023.

Human Rights

As a responsible maritime business, Bahri recognizes its duty to protect and respect human rights. We firmly believe in the significance of fostering a workplace environment where human rights are upheld, and all individuals are treated with dignity and respect. Consequently, the Company actively encourages all employees to voice their concerns, raise complaints, and address any difficulties promptly, ensuring a culture that prioritizes human rights.

Our Qualifying Life Event (QLE) and related policies serve as staunch advocates for human rights, enforcing strict regulations and measures to prevent abuse, harassment, discrimination, child labor, and slavery. This commitment applies both within our offices and aboard our ships.

To ensure the protection of human rights throughout our entire supply chain, we engage with reputable vendors globally who adhere to best practices, especially in relation to child and forced labor. By partnering with vendors committed to upholding human rights, we actively contribute to fostering a supply chain environment that prioritizes ethical and responsible practices.

Occupational Health and Safety (OH&S)

Bahri's commitment to health, safety, environmental, and quality (HSEQ) standards is reflected in our comprehensive manual, which establishes high benchmarks for these crucial aspects across all our locations and business areas. The HSEQ manual delineates a detailed approach to environmental health and safety procedures, performance indicators, and enforcement policies.

Furthermore, as part of our commitment to ensuring a safe and healthy work environment, Bahri has implemented a robust OH&S Policy ([read more](#)). This policy is designed to protect the well-being of our employees, contractors, and visitors by identifying and mitigating potential risks and hazards in the workplace.

Our Ship Management is ISO 45001:2018 certified for Occupational Health and Safety (OHS), aligning our management rules and guidelines with international and national standards. These include adherence to conventions such as the Maritime Labor Convention (MLC), the International Convention for the Safety of Life at Sea (SOLAS), the International Safety Management (ISM) Code, and the UAE's federal regulations for workers OHS, among others.

As part of Bahri Ship Management, we have an Occupational Health and Safety (OHS) Committee comprising representatives from each of Bahri's business units. Elected for a 1-year term, these committee members play a pivotal role in investigating incidents, implementing preventive actions, evaluating the OHS risk register, and addressing the health and safety concerns of employees. The Committee conducts quarterly meetings and safety awareness sessions and communicates the outcomes to management.

Bahri is committed to surpassing regulatory standards by providing comprehensive health and safety training that safeguards and nurtures our personnel. Recognizing the distinctive challenges of the seafaring life, we address mental health concerns related to stress, isolation, and family separation through a purposeful program in collaboration with the International Seafarers' Welfare and Assistance Network (ISWAN). Additionally, Bahri actively supports the commendable efforts of the Mission to Seafarers, extending responsible assistance to care for abandoned seafarers and their families.

To gain deeper insights into our Company's day-to-day operations and enhance data analysis for targeted improvements, we have formulated a Human Factors Policy. This policy, introduced in 2023, promotes and supports excellence across all ship operations, emphasizing the crucial role of human factors in preventing major incidents and fostering a safer working environment.

The implementation of the Human Factors Policy extends both on board and ashore in the Ship Management office. Human factors are now seamlessly integrated into various aspects of our operations, including daily work planning, risk assessment, safety meetings, investigations, work design, procedure writing, and procedure review processes. Additionally, key office staff have undergone specialized human factor training, while awareness programs have become an integral part of the ship's staff on board training.

Building on our efforts from 2022, in 2023, we continued to advance the Bahri Oasis initiative, a behavior-based safety program, with the guidance of an expert in this field. As a crucial component of this initiative, we established a steering committee within the office. This committee underwent rigorous training and now spearheads the project. Furthermore, we have trained 400 seafarers to date, and a specialized team onshore is diligently monitoring and analyzing all observed behavioral data. Our overarching goal is to mitigate at-risk behaviors effectively.

In 2023, Bahri experienced a 522.5% increase in the total hours of HSE (Health, Safety, and Environment) training provided to employees, attributed to the implementation of new training programs focusing on fire safety, enclosed space entry, and cooking.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Employee fatalities	#	0	1	0
Contractor fatalities	#	0	0	0
Total recordable case frequency (TRCF)	#	1.41	0.54	0.64
Lost time injury frequency (LTIF)	#	0.52	0.29	0.35
Total number of health and safety audits	#	114	118	106
Total hours of HSE training provided	Hours	210	320	1992
Percentage of employees who received HSE training	%	100	100	100

Creating Value

Bahri is unwavering in its commitment to create value for its stakeholders and contribute to the local economy. This is demonstrated through consistent efforts to enhance economic performance and invest in projects that bring positive impacts not only to the Company but also to our supply chain and the broader community.

The leadership style at Bahri revolves around creating value, which is evident in our vision and goals, guiding every aspect of our operations. We are dedicated to generating a positive and enduring impact in our community, the maritime industry, and the environment. In pursuit of these goals, Bahri employs the Asset-Based Community Development (ABCD) strategy. This strategy involves forming collaborations with various institutions to cultivate and develop local talent, ensuring a broader reach that encompasses all demographics in the Kingdom of Saudi Arabia.

Sustainable Supply Chain

Bahri acknowledges the collective responsibility we all share in promoting sustainable development within our communities. We firmly believe that by thoughtfully selecting our suppliers, we can make significant contributions to the development of a sustainable supply chain, thereby generating long-term value for the Company, its stakeholders, and the local community.

While recognizing that we may not have direct control over the actions of all stakeholders in our supply chain, we strive to ensure that our values and standards are upheld whenever we engage with them. This involves communicating our views on issues such as human rights, corruption, and environmental stewardship. Our vendors are required to adhere to our procurement contract terms and conditions, which includes conflict-of-interest and anti-corruption provisions which reserves Bahri's authority to terminate the contract in case of any breaches.

For enrolment to the approved vendor list, suppliers must meet our stringent pre-qualification criteria, covering various principles of the Code of Conduct, including adherence to our ethical business policy and compliance with Occupational Health and Safety (OH&S) standards, in line with our quality management systems. Additionally, vendor proposals are evaluated by taking into consideration the environmental and energy efficiency related impacts associated with the projects.

Our established procedure mandates annual audits of critical vendors, particularly those that have a substantial impact on safety, environment, and quality, in addition to relevant financial considerations based on our set criteria. Furthermore, in line with our commitment to sustainability, Bahri collaborates with selected shipyards in China for vessel repairs and dry dockings. Utilizing environmentally conscious methods and equipment, such partnerships facilitate the vessels obtaining certificates of decarbonization.

The audit criteria encompass ISO standards for Quality Management, Environmental and Energy Management, and Occupational Health and Safety, depending on the nature of the vendors. During the year 2023, a total of 24 critical vendors underwent screening against various environmental and social criteria, with none identified as having potential negative impacts.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Number of suppliers that were subject to audit	#	25	31	24
Number of suppliers identified as having significant actual and potential negative impacts	#	0	0	0

Supporting the development of the local economy, we actively seek opportunities to engage with local suppliers. This year, we successfully brought on board an additional local supplier and plan to further expand our engagement with local suppliers in the future.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Total number of suppliers engaged	#	677	729	736
Total number of local suppliers engaged	#	29	38	39
Percentage of spending on local suppliers	%	18	18	24.8

Note: The data in this table is related to fleet operations and maintenance only.

Community Investment

As a responsible corporate citizen, Bahri plays a significant role in supporting the local community and understands the positive impacts it can have on people, the environment, and the economy.

At Bahri, we actively engage in initiatives that benefit both our local and wider communities. Exemplified by our Cadet Training Program, which includes partnerships with institutes such as the King Abdulaziz University, Saudi Aramco, National Maritime Academy, and International Maritime College Oman, Marine Science students are provided with the opportunity to gain practical experience aboard Bahri vessels, bridging academic knowledge with real-world applications. In 2023, 239 cadets were trained.

Also, in 2023, a Letter of Intent (LoI) was signed between Bahri, the International Maritime Organization (IMO), and Transport General Authority (TGA) for implementation of the pilot project supporting the "Next Wave of Seafarers (NWS)".

The object of this project is to provide opportunities for the training of cadet seafarers initially in cooperation with Bahri, thus encouraging global participation in similar projects to address crew shortages as well as research into the future of seafarers. to develop and implement 'Next Wave of Seafarers', an advanced training programme for training cadets. This showcases our commitment to sustaining the shipping industry, intending to address the shortage of trained seafarers, and strengthening the Kingdom of Saudi Arabia's global maritime presence.

We have proudly increased our community investment from SAR 2,000,294 in 2022 to SAR 4,897,645 in 2023. It is worth highlighting that the notable increase can be largely attributed to an increase in number of participants in the Saudi cadet training program, contributing to SAR 1,965,701. of the total amount of community investment. Bahri remains committed to its role in supporting the local community and will continue to explore avenues for meaningful engagement and positive contributions.

Key Performance Indicators (KPIs)	Unit	2021	2022	2023
Amount of community investment	SAR	2,633,434	2,000,293	4,897,645