



يوسف بن أحمد كانو
YUSUF BIN AHMED KANOO

EXECUTIVE SUMMARY

Sustainability Report

2023

Sustainable
Actions for a
Brighter Tomorrow



برج
يوسف بن أحمد كانو
YBA KANOO
TOWER

Leadership Message

At Yusuf bin Ahmed Kanoo, we believe that responsible business is not only a moral imperative—it is also a strategic advantage. As stewards of a legacy built on trust, innovation, and resilience, we are committed to embedding sustainability and ethical governance at every level of our operations.

This Environmental, Social, and Governance (ESG) report serves as both a reflection of our progress and a reaffirmation of our core values. It documents the deliberate steps we are taking to reduce our environmental footprint, advance social inclusion, and uphold the principles of integrity, accountability, and transparency across our organization.

We have prioritized investments in clean technologies, resource efficiency, and sustainable infrastructure. Through responsible energy consumption, waste reduction initiatives, and emissions monitoring, we are aligning our operations with the goals of a low-carbon, climate-resilient future.

Equally important is our responsibility to people. We are building a culture that values diversity, equity, and inclusion, where every voice is heard and every contribution matters. From our employees to the communities in which we operate, we are striving to create long-term social value through investing in education, skills development, health, safety, and community engagement programs.

Strong governance is the foundation upon which our ESG commitments rest. We uphold the highest standards of ethical conduct, risk management, and corporate transparency. Our governance frameworks are designed to ensure that decision-making is both responsible and forward-looking, with clear oversight from our leadership and engagement with all stakeholders.

We as a group are aligning our objectives with regional and international frameworks to achieve low carbon footprint and improve our culture, CSR efforts and the organizational sustainability.

On behalf of our HCB and Executive Leadership, I thank all our employees, partners, customers, and stakeholders who continue to support and challenge us in our ESG journey.

Together, we will continue to shape a more equitable, and sustainable future. We at Yusuf bin Ahmed Kanoo will be part in reducing the carbon footprint as we play a key role in this energy transition.

Khalid Mohamed Kanoo

Chairman of the Board

Yusuf Bin Ahmed Kanoo (Holdings) B.S.C. (c)





Sustainability Strategy

At YBA Kanoo Group, the Group's sustainability strategy provides a structured approach towards addressing the key sustainability issues that are critical to its diverse businesses and the industries in which the Group operates. This strategy is built around four core pillars: Environmental Responsibility, Social Responsibility, Governance, and Innovation & Sustainable Growth. Within each of these pillars, there are defined focus areas where Kanoo Group aims to create the greatest positive impact through its actions. By aligning its efforts through this structured strategy, which is aligned with national strategies and the United Nations Sustainable

Development Goals, the Group is able to maximize the returns and value generated from its sustainability initiatives. To further formalize the Group's commitment to sustainability, the Board of Directors has adopted a Responsible and Sustainable Investment Policy. This policy embeds social responsibility at the heart of operational and strategic decision-making, ensuring that the Group's investments align with its sustainability objectives and actively address key environmental, social, and economic challenges.

Innovation and Sustainable Growth

YBA Kanoo Group is committed to aligning its business operations with the United Nations' Sustainable Development Goals (SDGs), focusing on social, economic, and environmental dimensions. By incorporating these goals into its strategic framework, the Group aims to drive positive change and sustainable growth. Through proactive investments and responsible governance, YBA Kanoo seeks to generate meaningful outcomes that contribute to a better and more sustainable future for all.



Environmental Responsibility

At YBA Kanoo Group, the diverse nature of its businesses results in interactions with various natural resources, thereby creating a tangible environmental footprint. Through a commitment to responsible environmental stewardship, the Group actively monitors and manages its impact in a systematic and efficient manner.

Environmental Highlights 2023

Total Greenhouse Gas Emissions

YBA Kanoo Group follows the Greenhouse Gas (GHG) Protocol methodology to assess and manage emissions comprehensively across Scope 1 and Scope 2. This approach ensures a thorough understanding of direct and indirect emissions, enabling targeted reduction strategies within its operations.

43%

Scope 1 - Direct emissions from owned or controlled sources (e.g., fuel combustion).

5,292 tons CO₂e

57%

Scope 2 - Indirect emissions from purchased electricity and water consumption.

7,040 tons CO₂e

Total Carbon Footprint

12,332 tons CO₂e

Emissions Intensity

Emissions intensity refers to the amount of greenhouse gas emissions produced per unit of activity or resource usage. At YBA Kanoo Group, this metric is typically calculated per employee. Due to the diversified nature of the Group's businesses and industries, calculating emissions intensity per employee is a more suitable approach as this method enables the Group to effectively track emissions intensity as it continues to grow, while also identifying opportunities to improve resource utilization and enhance sustainability across its diverse operations.

Total Headcount

2,796

Emissions Intensity per employee

4.4 Tons CO₂/Employee



Energy Management

As a leading business conglomerate with diverse operations across multiple geographies, YBA Kanoo Group recognizes energy efficiency as a critical factor in driving sustainable growth. Effective energy management not only reduces operational costs but also plays a vital role in lowering Scope 2 emissions by minimizing reliance on purchased electricity. By prioritizing energy conservation, we enhance our overall environmental footprint, ensuring long-term resilience and compliance with evolving regulatory standards.

In 2023, YBA Kanoo Group consumed 11,422.116 MWh of electricity across the operations with an energy intensity of approximately 4.08 MWh per employee.

Water Management

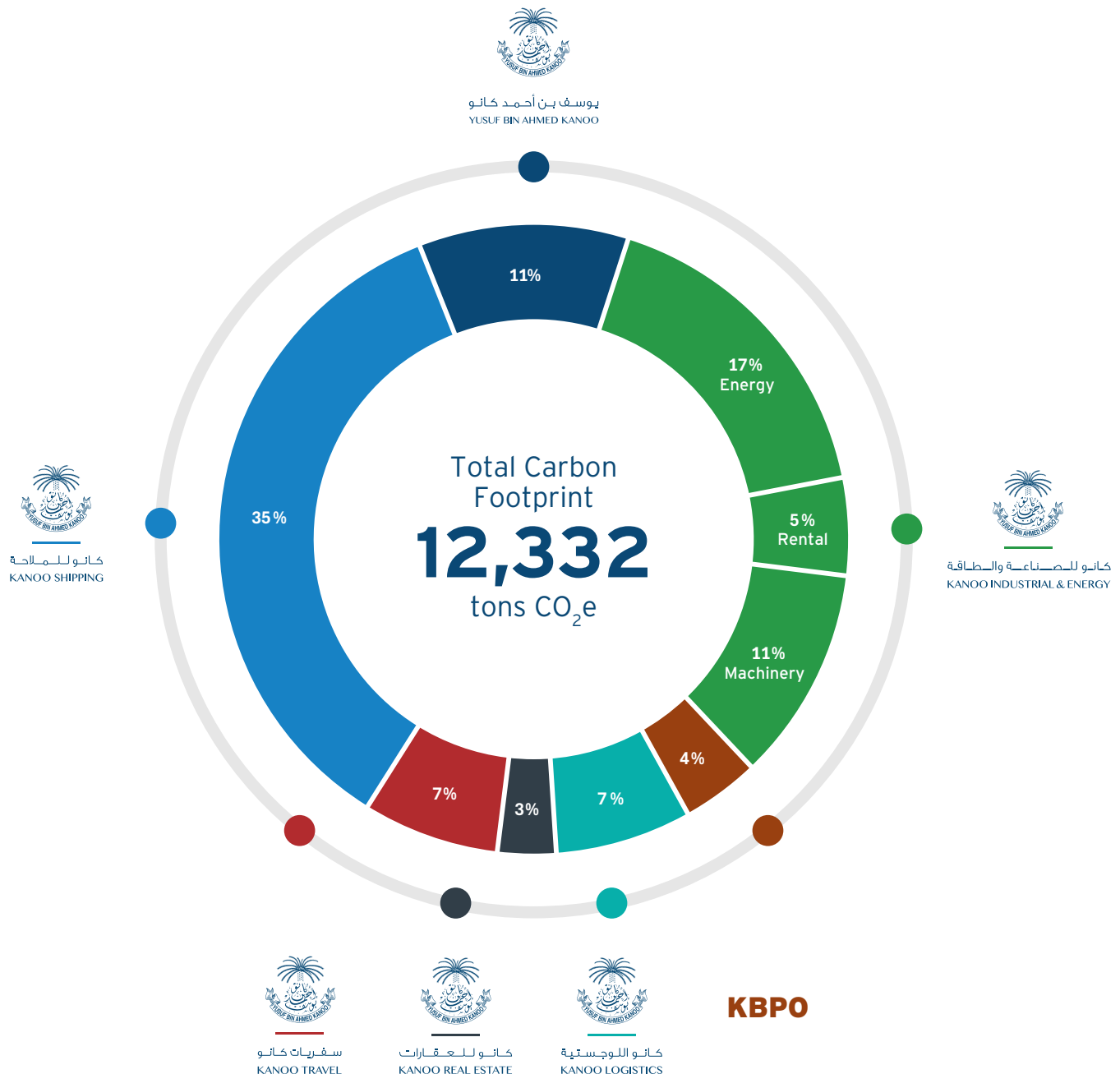
Water is a vital and limited natural resource, and YBA Kanoo Group recognizes the importance of managing it responsibly. The Group is committed to optimizing water consumption across its operations, focusing on minimizing usage through water recycling and reuse initiatives. Additionally, YBA Kanoo Group has implemented strategies to reduce its dependence on freshwater resources, ensuring a more sustainable water footprint. The Group's water management approach includes a range of conservation and preservation initiatives in the regions where it operates.

2023 Total water consumption across the YBA Kanoo Group operations

160,055.85 m³

Entity Wise Emissions

To gain a deeper understanding of the Group's emissions profile, the company also analyzed the breakdown of emissions across each entity within the organization. This detailed evaluation helps identify specific areas where targeted actions can drive the most significant impact. The Shipping vertical was found to contribute the highest share of the Group's total emissions, primarily due to the extensive use of diesel fuel for its own fleet of offshore service boats. YBA Kanoo Group remains committed to pursuing decarbonization strategies while balancing cost considerations and adopting innovative approaches. This dedication reflects the Group's ongoing efforts to reduce emissions and enhance sustainability across all operational sectors.





Empowering Employees

At YBA Kanoo Group, employee management and well-being are core focus areas. The Group has established policies and processes to uphold employee satisfaction and well-being through fair compensation, comprehensive benefits, engagement initiatives, and learning opportunities that support continuous growth and development.

Given the Group's presence across diverse industries, robust safety protocols are in place to ensure employees are protected in their work environments.

Employee Health, Safety & Well-being

The Company upholds international OHS standards and promotes a “culture of care,” integrating safety into every aspect of its operations. Through comprehensive safety protocols, continuous training, and proactive risk management, Kanoo Group creates a safe and healthy work environment. This approach not only protects employees and stakeholders but also aligns with global best practices, supporting long-term business sustainability.

At YBA Kanoo Group, Occupational Health and Safety (OHS) is a core priority, demonstrating its commitment to employee well-being, social responsibility, and sustainability.

Health, Safety and Environment Policy

YBA Kanoo has adopted a comprehensive Health, Safety, and Environment (HSE) policy that places the responsibility for maintaining a safe workplace across all internal stakeholders. This policy establishes and maintains an effective Occupational Health & Safety (OH&S) and Environmental Management System, aligned with ISO 45001 and ISO 14001 standards. Kanoo's OHS system is fully compliant with applicable national regulations and international best practices. The company focuses on eliminating hazards and OHS risks through regular audits of health and safety conditions.

Role of Employees in OHS Systems and Processes

Employees play a vital role in the Group's OHS systems and processes. Employees are actively consulted and encouraged to participate in identifying and eliminating OHS risks. Adequate training is provided for employees to mitigate any risks they may encounter, with special training offered to those working in high-risk environments. Health and safety obligations are integrated into the Code of Conduct to ensure all employees understand their responsibilities in maintaining a safe and secure working environment.

YBA Kanoo's OHS Management System covers

100% of its employees.

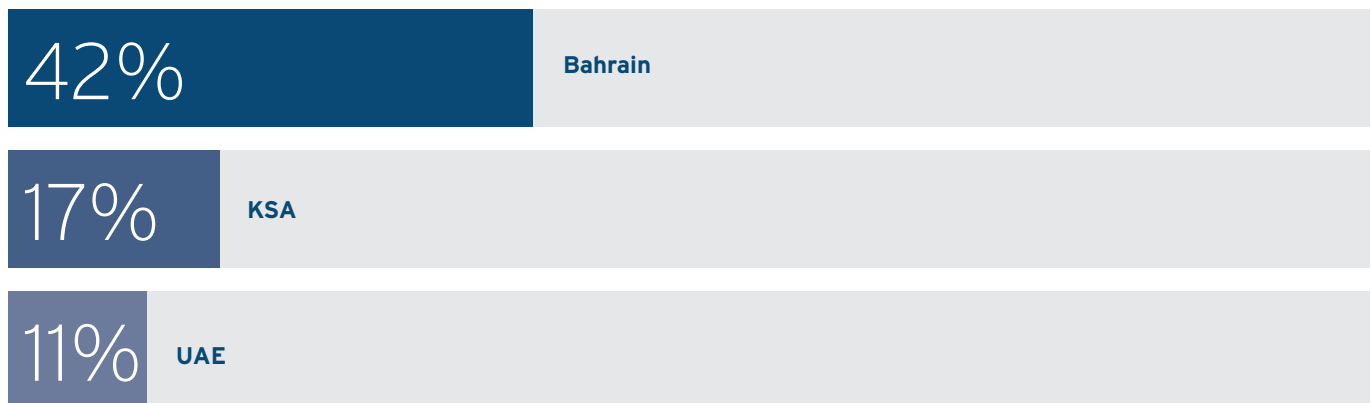
Bolstering Local Talent

YBA Kanoo Group remains committed to aligning with national policies on workforce development. The Group actively invests in building a strong pipeline of local talent through dedicated initiatives that enhance their skills and competencies.

Localization Policy

YBA Kanoo Group's localization policy prioritizes the hiring and retention of national talent in Bahrain and Saudi Arabia, aligning with regulatory requirements and recognizing the value of local expertise. The policy ensures a fair recruitment process, sets localization targets, and mandates the inclusion of qualified local candidates in all hiring shortlists, fostering a workforce that reflects national priorities.

Senior Management who are local to the country



By nurturing national employees, The Company aims to foster growth, create opportunities, and contribute to the long-term development of the local workforce, reinforcing its role as a responsible and forward-thinking organization.

Community Social Initiatives 2023

Throughout 2023, YBA Kanoo Group, through its various subsidiaries, launched initiatives to enhance community well-being and promote the collective advancement of society.

Retirees Association



Yusuf bin Ahmed Kanoo Group sponsored the construction of the new Retirees Association headquarters in Dammam, covering 5,100 square meters. HRH Prince Saud bin Nayef, Governor of the Eastern Province, praised the initiative, welcoming association members and YBA Kanoo representatives. The center will feature a health club, social council, swimming pool, event hall, and guest accommodations, fostering generational connections through workshops and experience sharing.

Philanthropic Contributions



Mr. Fawzi Ahmed Kanoo, Deputy Chairman of YBA Kanoo Group, sponsored the construction of a mosque, two multi-purpose event halls, and commercial shops in Salman City. The MoU was signed with Shaikh Dr. Rashid bin Mohammed Al-Hajri, Chairman of the Sunni Waqf Directorate, in Manama.

YBA Kanoo aims to support local development, empower individuals, and nurture a culture of social responsibility.

Delivering Critical Help to Gaza



BICS partnered with the Royal Humanitarian Foundation (RHF) in a crucial campaign under the patronage of HH Sheikh Nasser bin Hamad Al Khalifa to facilitate aid to Gaza. As the primary collaborator for this initiative, BICS managed the entire process, from collecting and packing to palletizing the cargo. This partnership ensured the timely delivery of essential supplies, making a significant impact during times of crisis.

Supporting Bahraini Down Syndrome Society



In a bid to promote the well-being of the most vulnerable members of our society, YBA Kanoo donated to the Bahraini Down Syndrome Society. The Group is committed to supporting local charitable foundations and associations to enhance the overall well-being of everyone.

Governance

At YBA Kanoo Group, strong corporate governance forms the foundation for long-term success and the integration of sustainability within the organizational culture. Under the oversight of the Board of Directors and the leadership of the management team, the Group is committed to upholding the highest standards of ethics, integrity, compliance, and accountability across all business activities.

The Group has established three Board-level committees—Audit, Compliance, Risk Management, and Corporate Governance Committee; Nomination and Remuneration Committee; and Strategic Investment Committee. Each Board committee has a defined mandate to support the Board in key oversight areas. To reinforce its governance framework, the Group adheres to a comprehensive set of internal policies as outlined in the Kanoo Code of Conduct. In line with its commitment to sustainable practices, the Group also prioritizes local procurement to support national economic development and reduce emissions associated with transportation.

Ethical Conduct and Integrity

Kanoo Code of Conduct

The Kanoo Code of Conduct (the Code) reflects the Groups commitment to ethical behavior, integrity, and respect for all. It emphasizes the Group's values:



Be Good



Be Honest



Be Fair



Be Loyal



Be Transparent



Be Respectful

The Code is applicable to stakeholders including directors, officers, shareholders, employees and agents including those in the Group's wholly owned subsidiaries, associate and joint ventures companies where the Code has been adopted.

The Code ensures that the values of the Group are upheld through adequate actions and decisions. YBA Kanoo Group pledges to treat everyone with dignity, maintain confidentiality, comply with laws and regulations, and exercise independent judgment. The Code requires reporting any violations, including discrimination or harassment, and completing mandatory training to uphold these standards. By adhering to these principles, Kanoo Group aims to foster a culture of ethics, accountability, and respect in all aspects of its work.



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