

An aerial photograph of a busy shipping yard. In the foreground, numerous stacks of intermodal containers are visible, many with logos such as 'CMA CGM', 'APL', 'HANJIN', and 'MOL'. A large blue gantry crane stands on the left side of the yard. In the background, a long, low industrial building is visible under a clear sky. The overall scene depicts a major logistics and shipping hub.

2023 CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

COMMITMENT TO CORPORATE GOVERNANCE PRINCIPLES

The corporate governance framework sets the tone as to how the company operates in relation to its internal as well as external stakeholders. It defines the relationship between the Board of Directors, management, and the rest of the organisation. We, at APM Terminals Bahrain B.S.C., are committed to the highest standards of corporate governance.

The Company has appointed and elected a Board of Directors ("Board") including non-executive and independent directors and appointed a Corporate Governance Officer to ensure that the corporate governance principles are duly implemented and complied with.

The Company has Board approved policies for risk management, compliance, and internal controls, in accordance with the applicable laws, rules and guidelines. The Board's adherence to best practice in corporate governance is underlined by various principles such as transparency, integrity, independence, accountability, responsibility and fairness. The Board has adopted a Board of Director's Charter, together with the Company's Memorandum and Articles of Association as well as the Corporate Governance Manuals and Charters of Board Committees, that provide the authority and practices for corporate governance at APM Terminals Bahrain B.S.C.

The adoption and implementation of corporate governance is the direct responsibility of the Board. The Board is committed to excellence in corporate governance and adheres to rules of the High-Level Controls Module ("HC Module") of the Central Bank of Bahrain ("CBB"); and the principles of the Corporate Governance Code ("Corporate Governance Code") and Commercial Companies Law of the Kingdom of Bahrain.

SHAREHOLDER'S INFORMATION

APM Terminals Bahrain B.S.C.'s shares are listed on the Bahrain Bourse. The Company has issued 90,000,000 ordinary equity shares, each with a nominal value of 100 fils. All shares are fully paid up.

DISTRIBUTION OF SHAREHOLDING BY NATIONALITY AS OF 31 DECEMBER 2023

Nationality	No. of Shareholders	No. of Shares	Shareholding %
Bahrain	635	30,440,410	33.82
Netherlands	1	57,600,000	64
Saudi Arabia	13	208,737	0.23
Oman	3	521,974	0.58
Kuwait	5	385,197	0.43
UAE	1	361,566	0.4
Others	76	482,116	0.54
Total	734	90,000,000	100

OWNERSHIP ACCORDING TO PERCENTAGE/ NO. OF SHARES AS OF 31 DECEMBER 2023

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
Less than 1%	730	14,338,315	15.93
1 % up to less than 5%	2	3,661,685	4.07
5 % up to less than 10%	-	-	
10 % up to less than 20%	1	14,400,000	16.00
More than 50%	1	57,600,000	64.00
Total	734	90,000,000	100

< 50,000	675	5,268,209	5.85
50,000 to 500,000	53	7,799,037	8.67
Greater than 500,000 to 5,000,000	4	4,932,754	5.48
>5,000,000	2	72,000,000	80.00
Total	734	90,000,000	100

MAJOR SHAREHOLDERS (5% AND ABOVE) AS OF 31 DECEMBER 2023

Shareholder's Name	Ultimate Beneficiary	No. of Shares	% of shareholding
APM Terminals B.V.	Maersk Holding B.V.	57,600,000	64.00
Yusuf Bin Ahmed (Holdings) Co. W.L.L.	Various ultimate beneficiaries	14,400,000	16.00

Ownership by government

The Government of Bahrain does not hold any shares in the Company.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

- The Board comprises of six directors as per the composition in the table below.
- The Board is composed of 100% male members and no female members currently serve on the Board of Directors.

Board Member	Type	Position	Term
Soren Sjostrand Jakobsen	Executive Director	<ul style="list-style-type: none"> • Chairman of the Board • Member of the Board • Member of ARCC 	18 Jun 2013 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Fawzi Ahmed Kanoo	Executive Director	<ul style="list-style-type: none"> • Vice Chairman of the Board 	20 May 2006 to 18 Jun 2012 31 Jul 2018 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Jonathan Goldner	Executive Director	<ul style="list-style-type: none"> • Member of the Board 	10 Aug 2022 to 30 Mar 2025
Jesper Kjaedegaard	Non-Executive Director	<ul style="list-style-type: none"> • Member of the Board • Member of NRG C 	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Nadhem Saleh Al-Saleh	Independent Director	<ul style="list-style-type: none"> • Member of the Board • Chairman of ARCC • Member of NRG C 	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Mohamed Bin Ebrahim Alshroogi	Independent Director	<ul style="list-style-type: none"> • Member of the Board • Member of ARCC • Chairman of NRG C 	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to Mar 2025



Soren Sjostrand Jakobsen
Chairman

- Soren has been with the Maersk and APM Terminals group for more than 42 years and has held various positions of importance within the group.
- Though having retired from the group in 2022, he still serves as a board member in a number of JV entities of APM Terminals in Asia, Middle East, Africa and Latin America.
- He has a bachelor's degree in shipping and business with various management programs including at IMD and INSEAD.



Fawzi Ahmed Kanoo
Vice Chairman

- Fawzi is currently the Deputy Group Chairman of Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L., a multi-national organisation, having offices throughout the Arabian Gulf and Saudi Arabia.
- He holds directorship in various companies internationally. Specifically, he holds directorships in public listed companies in Bahrain namely Gulf Hotels Group BSC, Bahrain Ship Repairing & Engineering Co. BSC and National Bank of Bahrain B.S.C.
- He holds a bachelor's degree in Business Administration from Southwest Texas State University.



Jonathan (Jon) R. Goldner
Executive Director

- Jonathan has been part of the A.P. Moller-Maersk organization for over 26 years. He has been a member of APM Terminals' Executive Management Team for the last six years and currently serves as Chief Executive - Asia & Middle East.
- He has lived and worked in the U.S., China, Denmark, Netherlands, and Singapore in various leadership positions across APM Terminals, Maersk Line, and DAMCO. Prior to his current role, he served as CCO for APM Terminals globally.
- He attended Texas A&M University, has his Third Officers License, and received his MBA from Columbia University, New York. Jon is married, is a proud father of three, and is an active volunteer at St. George's Anglican Church.



Jesper Kjaedegaard
Non-Executive / Non-Independent Director

- Jesper has spent more than 40 years in the maritime industry and is currently serving as an Advisor/Board member for several maritime related companies.
- He was previously global head of Maersk Line and is also past President of the British Chamber of Shipping and Chairman of Maritime, UK.
- He is a graduate from Copenhagen's Commercial College and has subsequently attended several Management Programs including AMP (Harvard).



Nadhem Saleh Al Saleh
Independent Director

- Nadhem served at the University of Bahrain for 25 years where he assumed different academic & administrative positions. He has long years of experience in the areas of business administration, financial management and strategic planning.
- He is also a Board Member of Solidarity Bahrain B.S.C. and a Member of Board of Trustee of Kanoo Award for Creativity & Excellence.
- He holds a Ph.D. in Finance from Brunel University, England, MBA from University of Pennsylvania, USA and bachelor's degree in petroleum engineering from University of Baghdad, Iraq.



Mohamed Bin Ebrahim Alshroogi
Independent Director

- Mohamed was Investcorp's Co-Chief Executive Officer. He joined Investcorp in 2009 as President of the Firm's Gulf Business. He oversaw the development of private equity investment business in the MENA and Turkey region.
- He has been a member of the Bahrain Shura Council, Member of the Board of Trustees at Bahrain University and a member of the Bahrain Economic Development Board.
- He studied at Kuwait University and the Harvard Management Executive Program.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES AND DUTIES OF BOARD MEMBERS

The Board must review the quality and integrity of the Company's accounting and financial reporting practices. The Board must ensure that the Company's financial statements are prepared and reported in accordance with international financial reporting standards. The Board is accountable to the Shareholders for creation and delivery of strong sustainable financial performance and long-term Shareholder value. The Board works together as a team to provide strategic leadership to staff, ensure the organisation's fitness for purpose, set the values and standards for the organisation, and ensure that enough financial and human resources are available.

Transactions are carried out in accordance with the Company's Authority Matrix which lays down various levels of authority for the Board as well as the executive management. This includes strategic issues and planning, review of management structure and responsibilities, disposal of assets, investment policies, capital expenditure, policies, appointment of key officers, preparation of financial statements in accordance with international financial reporting standards, financing and borrowing activities and reviewing the adequacy and integrity of internal systems and the regulatory and control framework.

ELECTION AND TERMINATION OF DIRECTORS

There are formal and transparent procedures for the appointment and election of new directors to the Board, in accordance with applicable laws. Candidates are appointed and elected based on merit, in line with the objectives of the Company and with due regards to the benefit of diversity on the Board.

The term of the current Board is for 3 years, commencing from 31 March 2022, unless terminated in accordance with the applicable laws in the Kingdom of Bahrain.

DIRECTOR APPOINTMENT

As a member of the Board, each Director has signed a formal written appointment letter which covers among other things, the Director's duties and responsibilities in serving on the Board, the terms and conditions of their directorship, the annual remuneration, sitting fees and the right to access independent professional advice, when needed.

INDUCTION AND TRAINING OF DIRECTORS

The Director's Board Charter recommends formal and tailored Director's induction program. The Chairman in coordination with the Secretary ensures that each new Director, upon appointment, receives a formal induction, to ensure his/her contribution to the Board from the beginning of their tenure.

The induction process includes meetings with the Executive Management, visits to the Company's facilities, presentations regarding significant strategic, financial, compliance and risk management related matters.

DIRECTORS REMUNERATION POLICY

The Board of Directors' remuneration is governed by the provisions of the Commercial Companies Law 2001 and its amendments, and the CBB rulebook. Such remuneration and the remuneration policy requires approval by the Shareholders at the ordinary general meeting. In addition, the Board of Directors' remuneration is reviewed by the Nomination, Remuneration & Governance Committee as per the remuneration policy. Directors' remuneration is accounted as an expense as per international accounting standards.

As per the remuneration policy, the Chairman is entitled to remuneration of BHD 12,000 annually and other members of the Board are entitled to remuneration of BHD 10,000 annually.

In addition to the fixed fee, the members of the Board are entitled to sitting fees as stated below:

- For Directors residing in Bahrain, a sitting fee of BHD 500 for each face-to-face Board meeting
- For Directors residing outside Bahrain, a sitting fee of BHD 1,000 for each face-to-face Board meeting
- Sitting fee of BHD 250 for each Board meeting attended through video or audio conferencing or through remote participation
- Sitting fee of BHD 250 per committee meeting
- For Directors residing outside Bahrain, the Company shall provide return air tickets for traveling to Bahrain, accommodation and any other related expenses to attend the Board meetings of the Company. For Board meetings outside Bahrain, the Company shall provide air tickets, accommodation and any other related expenses for all travelling Board members. Class of air travel and accommodation will be in accordance with the Company's travel policy.
- For Board meetings held in 2023, the Board of Directors passed a resolution to waive the sitting fees for all Board meetings held for the purpose of approving financial results. Such are indicated with a * in the table entitled DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS.

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REMUNERATION

In accordance with the Board remuneration policy, a total of BHD 81,500 for the year 2023 was paid to the Board of Directors as remuneration for their services as follows:

- BHD 62,000 as fixed fee
- BHD 19,500 as sitting fee

Director Name	Type	Term
Soren S. Jakobsen	12,000.00	4,500.00
Fawzi Kanoo	10,000.00	1,750.00
Jesper Kjaedegaard	10,000.00	3,750.00
Mohamed Ebrahim Alshroogi	10,000.00	2,750.00
Nadhem Saleh Al Saleh	10,000.00	3,500.00
Jonathan Goldner	10,000.00	3,250.00
Total	62,000.00	19,500.00

BOARD COMMITTEES

In compliance with applicable laws, the Board has established an Audit, Risk and Compliance Committee ("**ARCC**") and a Nominating, Remuneration and Governance Committee ("**NRGC**").

1. AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee has a written Charter approved by the Board of Directors ("**ARCC Charter**"). The ARCC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the ARCC Charter, the committee shall meet at least four times a year. The External Auditor and Internal Auditor of the Company shall report directly to the Committee

A. Functions of ARCC

In accordance with the ARCC charter, the committee conducts the following functions:

- Review the quality and integrity of the Company's accounting and financial reporting practices
- Review the integrity of the Company's financial controls, internal controls and financial statements
- Review and monitor the Company's compliance with the relevant legal and regulatory requirements as well as the Code of Conduct of the Company
- Recommend appointment, compensation and oversight of the external auditor
- Recommend appointment of the internal auditor, including the approval of internal audit policies, plans and reports made thereof
- Review and approve various policies and procedures of the Company including the ones pertaining to risk management function, key persons dealing, market abuse, reports and plans submitted thereof in compliance with such policies and procedures
- Review and approve annual and interim financial statements of the Company, recommend for additional or specific audit requirements in relation to financial statements or other relevant aspects of the Company's business
- Recommend and table discussion on the management letter to be provided to the external auditor

B. Members of ARCC are as follows:

ARCC Members	Type	Position
Nadhem Saleh Al-Saleh	Independent	Chairman
Mohamed Bin Ebrahim Alshoorgi	Independent	Member
Soren Sjostrand Jakobsen	Non-Independent	Member

CORPORATE GOVERNANCE REPORT

2. NOMINATING, REMUNERATION AND GOVERNANCE COMMITTEE

The Nominating, Remuneration and Governance Committee (NRGC) has a written Charter approved by the Board ("NRGC Charter"). The NRGC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the NRGC Charter, the Committee shall meet at least twice a year.

A. Functions of NRGC

In accordance with the NRGC charter, the committee conducts the following functions:

- Ensure adherence to the principles of corporate governance
- Oversee the development and implementation of the Company's Corporate Governance Manual and other relevant governance policies of the Company
- Establish board structure, composition and impart training and induction to the directors
- Identify persons qualified to become members of the Board or Executive Management and any other officers of the Company which the Board considers appropriate, except for the appointment of the internal auditor, which is the responsibility of ARCC
- Make recommendations to the Board, including recommendations of candidates for Board membership (including reappointment) to be included by the Board on the agenda for the Shareholders' General Meeting
- Lead the Board in its annual review of the performance of the Board and its committees
- Review and make recommendations on Board candidates proposed by those substantial Shareholders eligible to propose a Director to represent such Shareholder on the Board
- Review the Company's remuneration policies for the Board and senior management, which must be approved by the Shareholders and be consistent with the Company's corporate values and strategy
- Make recommendations regarding remuneration policies and amounts for specific persons to the whole Board, taking account of total remuneration including salaries, fees, expenses and employee benefits
- Recommend Board Member remuneration based on their attendance and performance

B. Members of NRGC are as follows:

NRGC Members	Type	Position
Mohamed Bin Ebrahim Alshoorgi	Independent	Chairman
Nadhem Saleh Al-Saleh	Independent	Member
Jesper Kjaedegaard	Non-Independent	Member

CORPORATE GOVERNANCE REPORT

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Board Meeting	20 Feb	8-Mar	11 May (i)	14 May (ii)	20-Jun	9 Aug	4-Oct	7 Nov	13 Dec
Soren S. Jakobsen	*	✓	*	*	✓	*	✓	*	*
Fawzi Ahmed Kanoo	*	✓	*	✗	✓	✗	✓	*	*
Jonathan R. Goldner	*	✓	✗	*	✓	*	✓	✗	*
Jesper Kjaedegaard	*	✓	*	*	✓	*	✓	*	*
Mohamed Bin Ebrahim Alshroogi	*	*	*	*	*	*	✓	*	*
Nadhem Saleh Al Saleh	*	✓	*	*	✓	*	✓	*	*

ARCC Meeting	20 Feb	11 May (i)	14 May (ii)	9 Aug	7 Nov
Nadhem Saleh Al Saleh	*	*	*	*	*
Soren Sjostrand Jakobsen	*	*	*	*	*
Mohamed Bin Ebrahim Alshroogi	*	*	✗	*	*

NRGC Meeting	28 Feb	15 Jun
Mohamed Bin Ebrahim Alshroogi	*	*
Nadhem Saleh Al Saleh	*	*
Jesper Kjaedegaard	*	*

✓ Physical Attendance | ✗ Absence | * Virtual Attendance

DIRECTOR'S SHAREHOLDING

No members of the Board, their spouses and sons own any shares in the Company except as follows:

Director's Name	Position	Direct Shareholdings	% of direct shareholding	Indirect Shareholding	% of indirect shareholding
Nadhem Saleh Al Saleh	Independent Director	2,000	-	18,244	0.0002

DIRECTOR'S TRADING OF COMPANY SHARES DURING THE YEAR

None.

EVALUATION OF BOARD'S PERFORMANCE

In accordance with the Board Charter, the Board conducts annual review and evaluation of performance of Board and its committees in accordance with CBB guidelines. Performance of the Board in 2023 has been satisfactory.

INDEPENDENCE OF DIRECTORS

In line with the requirements of the HC Module, the Company has put in place Board-approved criteria to determine 'Independence' using formal requirements as specified in the CBB rule book. The independent directors disclose personal interests on a regular basis. Such determines whether the Director is independent of management and any business or other relationships, which could materially interfere with the Director's ability to exercise objective, unfettered or independent judgement; or the Director's ability to act in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

EXECUTIVE MANAGEMENT



Matthew Luckhurst
Chief Executive Officer
(CEO)

- Mathew was appointed Managing Director for the company effective 2nd of July 2023.
- Matthew, a British national, joins APM Terminals from his current role as Vice President for Container Shipping at Milaha based in Qatar.
- His previous roles include Vice President of Bahri Logistics in Saudi Arabia and Managing Director United Africa Feeder Line out of Mauritius.
- Additionally, Matthew held multiple roles with P&O Nedlloyd and Maersk Line, across East Africa, Indonesia, Korea and Japan, as well as roles with Kuehne & Nagel in Kenya.



Farooq Zuberi
Chief Financial Officer
(CFO)

- Farooq joined the Company as CFO in June 2018. He is responsible for APMTs Bahrain's Accounting & Finance, Investor Relations, Legal Affairs & Procurement. In addition, he is also leading the decarbonization efforts for the company to reduce their carbon emissions and achieve net-zero.
- Prior to joining the Company, he has worked in senior leadership roles with Global Fortune 500 companies across several industries.
- He has worked with PwC, Unilever, GSK & Emirates Group in roles covering finance business partnering, project delivery & strategic initiatives.
- He is a Chartered Accountant from ICAP as well as Chartered Certified Accountant from ACCA – UK.



Isa Al-Qetami
Chief Government and
Security Affairs Officer (CGSO)

- Isa joined the company as the Chief Government and Security Affairs Officer in 2015.
- He has an extensive 34-years of experience within the government sector; fostering strong relationships between various government authorities and the private sector.
- His expertise in logistics, aviation maintenance and government relations cultivated from his distinguished service as a Colonel in the Bahrain Defense Force under the Bahrain Royal Air Force.
- Since joining APM Terminals Bahrain in 2015, he has been a vital member of the company's strategic leadership team, driving coordination with various government authorities to enable the smooth functioning of the port.



Abdelrahman Elshamy
Chief Operating Officer
(COO)

- Abdelrahman has an overall international experience of 18 years in ports and logistics industry.
- He completed his bachelor's degree in law from University of Alexandria, Egypt.
- He is a Certified Lean and Six Sigma Black Belt from Accenture, Netherlands, Certified TPM Facilitator from TPM Club India, Certified Lean Trainer from APM Terminals HQ in the Hague, Netherlands, and Certified Leader of Leaders, Maersk Leadership Center, Rolighed, Denmark.

CORPORATE GOVERNANCE REPORT



Aryavansh Shukla
Chief Commercial Officer
(CCO)

- Aryavansh joined APM Terminals in December 2023. He has international experience of over 10 years in ports and logistics with a large focus on the Middle East.
- Prior to joining APM Terminals, he has held commercial leadership positions with JM Baxi Ports & Logistics and Hutchison Ports.
- He holds a MBA in Finance and Entrepreneurship, from Amity Business School, India as well as a Bachelor of Engineering from the University of Leeds, United Kingdom.



Yosra Abdulla
Head of People Function
- Bahrain

- Yosra joined APM Terminals Bahrain in November 2019. She started her career back in 2004 in a family business industry with Khalil Bin Ebrahim Kanoo.
- 16 out of Yosra's 20 Years of work experience has been in the field of Human Resources. She is a BSc. Degree holder in International Studies, Certified in establishing fair recruitment processes – ILO and also an Advanced Lean Practitioner. Additionally, she is a qualified trainer, a certified John Maxwell's coach and a passionate youth mentor.
- Her experience also includes a global touch with her involvement in major projects abroad, the most recent being the successful completion of her Short-Term Assignment in the Hague, Netherlands.
- She enjoys working with Talent Management, Transformational Projects, strategy development and implementation and employee relations with core strengths in driving for results while maintaining a high team engagement.



Karl Gnonlonfin
Head of HSE and
Transformation

- Karl has been part of APM Terminals since 2005 and joined APM Terminal Bahrain in 2021.
- He has 17 years of experience with APM Terminals on various Terminal Operations and Safety senior Leadership roles and his areas of expertise are Port and Terminal Operations, workplace Health & Safety Management as well as Lean Leadership and management.
- He holds a Master's degree in Environment Management and NEBOSH International General Certificate in Health & Safety. He is a certified PFSO, a certified Lean Six Sigma Green Belt and a Lean Six Sigma Black Belt trained as well as a certified Leader of Others and Leader of leaders. Karl is a 2008 Magnet graduate and a 2018 Magnum graduate.



Ahmed Gamal
Head of Asset Maintenance

- Ahmed has been part of APM Terminals since 2011 and joined APM Terminal Bahrain in 2013. He has an overall experience of 16 years in the field of Maintenance Management and Asset Management for ports and heavy equipments.
- He holds a Master's degree in Mechanical Engineering from University of Alexandria, Egypt.
- He is Certified Asset Management Assessor, certified Lean and Six Sigma Green & Black Belt, Certified Maintenance & Reliability Professional from society of maintenance and reliability "SMRP" and Certified TPM Facilitator from TPM Club India

CORPORATE GOVERNANCE REPORT

EXECUTIVE MANAGEMENT SHAREHOLDING

Executive Management	Position	No. of Shares
Matthew Luckhurst	Chief Executive Officer	-
Farooq Zuberi	Chief Finance Officer	4,546
Isa Al Qetami	Chief Government and Security Affairs Officer	-
Abdelrahman Elshamy	Chief Operating Officer	-
Aryavansh Shukla	Chief Commercial Officer	-
Yosra Abdulla	GM, Human Resources	-
Karl Darius Gnonlonfin	Head of HSE and Transformation	-
Ahmed Gamal	Head of Asset Maintenance	-

TOTAL REMUNERATION PAID TO KEY EXECUTIVE OFFICERS

Total remunerations paid to the top 6 executive management members for the year 2023, including salaries, benefits, allowances, increases, etc. is ~BHD 744,000

REMUNERATION AND PERFORMANCE-LINKED INCENTIVES

The Company's remuneration policy for its executive management and its employees is designed to attract, retain and motivate qualified and talented professionals. The Company does not currently have any share ownership or option schemes for its employees.

CORPORATE GOVERNANCE FRAMEWORK

Company's Corporate Governance framework comprises of Board and Committees Charters, Whistle Blowing Policy, Code of Conduct, Corporate Social Responsibility Policy, Standard Operating Policies and Procedures (SOPs), internal controls and risk management process/systems; compliance procedures; internal and external audit; effective communications and transparent disclosure; and measurement and accountability.

In order to ensure good governance, the Company has appointed a corporate governance officer, a company secretary, internal auditors and external auditors, who directly report to the Board of Directors.

A Corporate Governance Report is submitted by the Corporate Governance Officer (Compliance Officer) annually to the NRGC and to the Board of Directors.

LEGAL MANAGER, CORPORATE GOVERNANCE OFFICER, COMPANY SECRETARY AND INVESTOR RELATIONS OFFICER

Name	Qualification	Contact Details
Dana Abdulrahman Alsendi	LLB Law (University of Leicester), LLM International Corporate Governance & Financial Regulation (University of Warwick), Qualified in the Kingdom of Bahrain	1736 5512

CORPORATE GOVERNANCE REPORT

EXTERNAL AUDITORS

Pricewaterhouse Coopers Middle East Limited (PwC) have been the external auditor of the Company for the Financial Year 2023.

Pricewaterhouse Coopers Middle East Limited (PwC) have been appointed as external auditors since 2021. PwC have operated in the Middle East region for more than 40 years. Collectively, PwC Middle East network employs in the region more than 6,000 people including 267 partners working from 23 offices (in 22 locations) across 12 countries.

PwC's services have been satisfactory throughout their engagement with us. The ARCC reviews the appointment of the external auditors, as well as their relationship with the Company, including monitoring the Company's use of the auditors for non-audit services. Please see the details in the table below:

Name of the audit firm %	PwC Middle East
Years of service as the Company's external auditor	Three years
Name of the partner in charge of the Company's audit	John Molloy
The partner's years of service as the partner in charge of the Company's audit	Three years
Audit and related services fee for the FY year 2023 (BHD)	26,194
Non-audit service fee	1,400

INTERNAL AUDITOR

The Board has appointed BDO Consulting WLL as Company's Internal Auditor. BDO Bahrain was established in 1980. BDO is one of the leading accounting and advisory firms in Bahrain. A thorough internal audit plan was prepared by BDO for financial year 2023, which was approved by ARCC. The Internal Auditor conducted audits in accordance with the approved audit plan throughout the year and submitted reports to ARCC for review, approval and relevant actions.

CORPORATE COMMUNICATIONS

Company conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communications channels include the Company website, regular regulatory announcements in the local media and Bahrain Bourse and the Annual Report.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Company is party to a number of agreements and arrangements with its shareholders and other related parties. The Company has in place and acts in accordance with a robust Corporate Governance Manual which governs related party transactions. Standard operations procedures and approvals are followed for all contracts that are entered into, to seek and ensure that there are no conflicts or preferences given to any specific entity.

The Directors make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest situation with the Company. The Directors are required to disclose their interests in other entities or activities to the NRGC committee on an annual basis and inform the Company of any conflict of interest whenever it arises and abstain from voting on any related subject matter.

The related party transaction details are disclosed in Note 22 to the Financial Statements.

The Company has entered into the following related party transactions in the financial year 2023.

CORPORATE GOVERNANCE REPORT

RELATED PARTY TRANSACTIONS

S.N	Entity Name	Expenses (BHD'000)	Revenue (BHD'000)	Justification
APM Terminals B.V. Related Transactions				
1	Maersk A/S.	12	-	FTE outsourcing to assist in reporting
2	Svitzer Bahrain (S.P.C)	3,588	-	Marine services obtained pursuant to sub concession agreement.
3	Aqaba Container Terminal	3	-	Expenses - mainly training related
4	APMT Management B.V.	671	-	Services provided pursuant to Technical Service Agreement: mainly IT related services.
5	APM Terminals Apapa Limited	41	-	Expenses - mainly staff cost
6	APM Terminals Crane & Engineering Services Limited	8	-	Expenses - mainly inspection of equipment
7	Maersk Training DWC	5	-	Expenses - mainly training related
8	APM Terminals B.V.	340	-	Services provided pursuant to Technical Service Agreement: mainly management fees
9	A.P. Møller - Mærsk A/S	2	1,063	Interest earned on excess cash deposited with group
APM Terminals B.V. and Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
10	Maersk Kanoo Bahrain W.L.L.	-	2,269	Services provided as business as usual and governed by standard terms
Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
11	Al Manhal Water Factory	5	-	Lowest bidder among all qualified suppliers. Also, reliable delivery and quality
12	Bahrain Int'l Cargo Services	-	129	We also provide space for storage for certain special general cargo at agreed price
13	APL (Bahrain) W.L.L.	-	1,576	Services provided as business as usual and governed by standard terms
14	Hapag-Lloyd Bahrain Co. W.L.L.	-	2,270	Services provided as business as usual and governed by standard terms
15	Yousuf Bin A. Kanoo	44	336	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms Only dealer of hyster and cummins forklift for spares Leasing of 3Ton forklift for 5 Years, selected after getting multiple quotations and found competitive prices and technically approved.
16	Kanoo Travel	7	-	Travel related expenses

CORPORATE GOVERNANCE REPORT

In addition to the foregoing, pursuant to the treasury advisory function provided by APM Terminals Management B.V. and Board approval, the Company deposits its excess cash with the parent company A.P. Moller-Maersk of its major shareholder (APM Terminals B.V.). The Company, as of 31 December 2023, has deposited ~BHD 25M with A.P. Moller-Maersk A/S. The deposits are excess cash which are deposited as part of the treasury advisory and execution services provided by APM Terminals Management B.V. under the technical services agreement and direct agreement with the Company. These deposits offer interest rate benchmarked to the USD Libor along with foreign currency swap contracts with an additional premium such that the Company earns an annualized Net All-in-Yield of ~0.25% over the deposit rate offered by one of the international banks.

None of the directors appointed by the APM Terminals B.V. participated in voting in relation to this transaction.

COMPLIANCE WITH HC MODULE AND CORPORATE GOVERNANCE CODE

The Company is in compliance with the Corporate Governance Code and HC Module except for the following:

- HC- 1.4.6 and HC 1.4.8 of HC Module and Principle 1 First (a) (3) of Corporate Governance Code stipulates that the Chairman of the Board of Directors should be an independent director. Effective August 2022, Soren S. Jakobsen, an executive director has been elected Chairman of the Board. This is to ensure that APM Terminals will be able to deliver its obligations under the direct agreement, it has entered with the Government for management and operations of KBSP and the support that APM Terminals is required to provide. However, this does not compromise high standards of corporate governance as the Company follows strict policies to manage conflict of interest in Board decisions.

MANAGEMENT ANALYSIS AND PRINCIPAL RISKS

On 8 November 2006, the Company signed a 25-year Concession with the Government of Bahrain ("Concession") with numerous rights as listed in the Concession. Due to continuation of pandemic and various other global business factors FY 2023 faced certain principal risks and uncertainties which includes the following:

KEY PERFORMANCE INDICATORS (KPIs)

The Company is required by clause 13 of the Concession Agreement to adhere to certain minimum KPI's. There are four KPI targets set in relation to (i) vessel working rate (ii) crane rate (iii) labour rate and (iv) throughput per berth meter (each as defined and described in the Concession Agreement).

If the Company fails to meet one or more of the KPIs for a period of 4 years or any further years thereafter, except as a result of force majeure, then the Nominated Percentage element of the Revenue Charge (i.e. an element in the calculation of the Revenue Charge payable by the Company to the Government in consideration of the rights granted by the Government to the Company under the Concession Agreement) will be increased by an additional 1% above the level set out in the Agreement for such fourth year of failure and by a further 1% for each further year's failure thereafter. Such additional charges will continue until the Company produces a KPI report demonstrating compliance with the relevant KPIs in respect of the applicable year. This additional charge was applied in 2017 and 2018. However, the Company has successfully achieved all KPIs for the financial years 2019 and 2020 and accordingly no additional charge was applied in 2020 in relation to the KPI targets. The Company has not met its 'throughput per berth meter' KPI target in 2021, however, no penalty was imposed on the 2021 Revenue Charge, in accordance with the Concession Agreement. The Company has successfully met all KPIs for the financial year 2022. The Company has successfully achieved the 'throughput per berth meter' and 'labour rate' KPIs for the financial year 2023, however, did not meet the 'vessel working rate' and 'crane rate' KPIs.

Failure to meet KPIs for a period of 5 consecutive years would also constitute an event of default under clause 33.1 of the Concession Agreement which provides a right of termination of the Concession on the part of the Government, should it choose to exercise it.

CORPORATE GOVERNANCE REPORT

TRANSHIPMENT TARGET

One of the requirements of the Concession Agreement is that the Company must meet certain annual transshipment volumes. According to the Concession Agreement, in the event that the transshipment target for the year 2015 or any later year shows that the average level of transshipment at KBSP, over the previous four consecutive years, has failed to meet 60% of the transshipment targets set in relation to those four years (taken on an average basis over the relevant four year period) then the Government shall have the right, but not the obligation, to terminate the Concession Agreement as an event of default by the Company on 30 days' notice. The right of the Government to terminate does not apply in the event that Company can demonstrate to the Government's satisfaction both:

- That it has taken all reasonable steps (including expenditure of time and money) to market KBSP so as to secure transshipment business for KBSP during the four consecutive years in question; and
- That, notwithstanding the efforts of Company, external economic or other factors beyond Company's and APM Terminals control have prevented Company from achieving the required level of transshipment volume at KBSP.

Since commercial operations began at KBSP, Company has failed to meet the transshipment volumes required under the Concession and is therefore at risk that the Government may terminate the Concession Agreement. However, the Ministry of Transportation and Telecommunication issued a letter to the Company, dated 28 June 2015, in which the Ministry stated that it shall not apply the termination right in the Concession so long as the Company continues its efforts to reach the required transshipment level and the Ministry is comfortable with the Company's efforts.

COMPLIANCE RISK

Noncompliance with laws, regulations, rules, prescribed practices or contractual agreements can result in reputational loss, limited business opportunities and cessation of operations. The Company ensures adherence to all applicable regulations, including regulations prescribed by CBB and Bahrain Bourse. Besides, Company internal policies and code of conduct are in line with international business standards ensuring that best practices are adopted and implemented by the Company.

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

APM Terminals aims to be the leader in its sector. At the same time, it recognizes that leadership and success go beyond the bottom line to incorporate the principles of sustainable business practice.

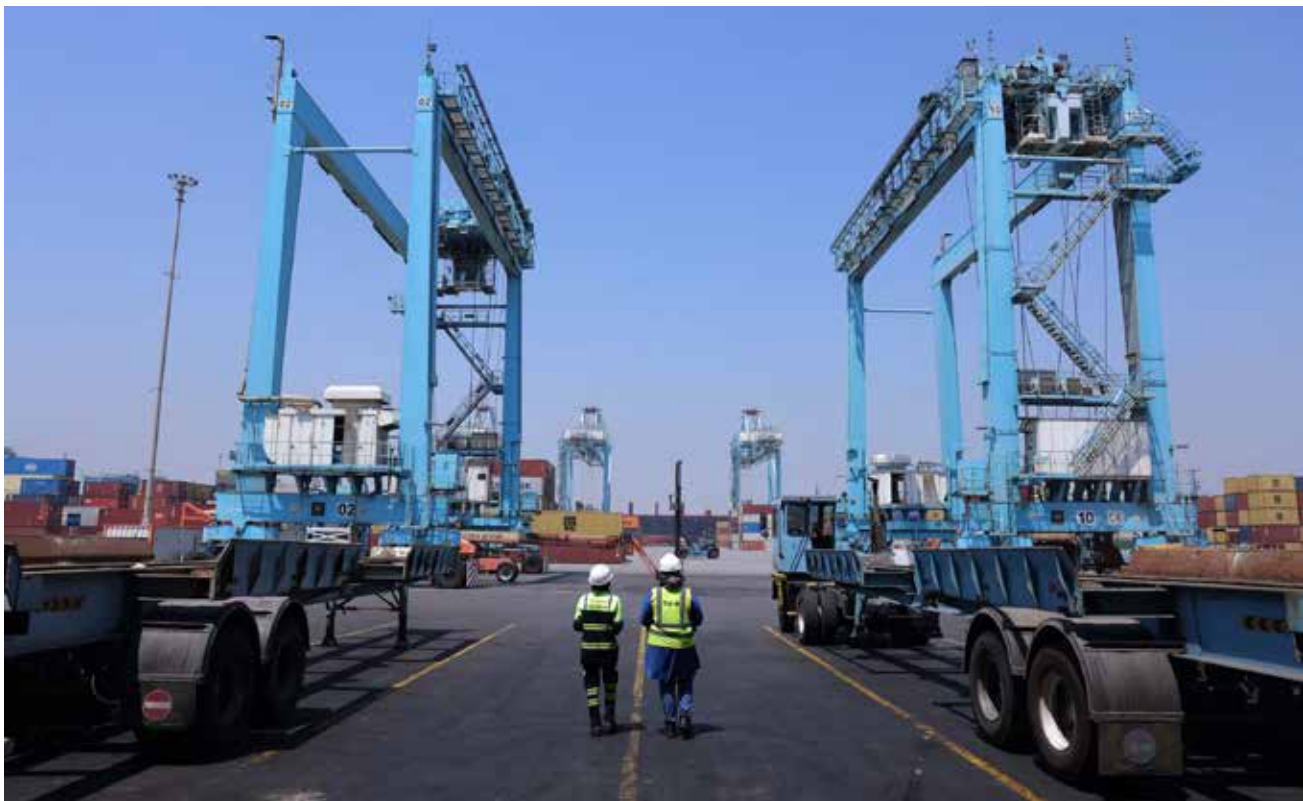
The group also measures its progress according to its safety record, its environmental performance, and its contribution towards uplifting its people and their communities.

APM Terminals Bahrain believes that its contribution to society extends beyond the port and extends to the ongoing development of the local community.

We have a regular program of social engagement, including outreach programs for disadvantaged children, placement schemes for young students, and contribution of our time and other resources to help the local communities develop.

The total amount spent on Corporate Social Responsibility for the year 2023 is -BHD 181,743.72 in addition to time devoted by members of the Company. The Corporate Social Responsibility Policy of the Company sets out the Company's commitment to continuing its efforts to incorporate sustainability into its business process. The Company's approach to corporate social responsibility is led by the executive management, headed by the CEO.

APM Terminals Bahrain is committed to integrating its own community-based activities as well as supporting those of its employees.



CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Socio-Economic Development

Social responsibility is one of our main sustainability pillars. We recognize the importance of being a good corporate citizen, contributing to local communities and making a difference to their wellbeing. Equally, we believe in improving people's quality of life and thus investing in the future of our country.

APM Terminals Bahrain is committed to ensuring that its socio-economic investments have a sustainable impact on the local community. APM Terminals has sponsored and participated in various charity events that were all for a good cause. Employees are also encouraged to take part in such events..

CORPORATE SOCIAL RESPONSIBILITY

GO GREEN WEEK

APM Terminals Bahrain organised its Go Green initiative. The week-long series of activities were in partnership with key stakeholders such as Svitzer.



The main focus was to raise awareness about the sustainable utilization of resources and highlight the importance of the 3Rs: Reduce, Reuse, and Recycle.

As a part of the campaign, the Company held environmental sessions for the children of our employees, and carried out port clean-up activities and informative sessions throughout the port.



CORPORATE SOCIAL RESPONSIBILITY

SOLAR PROJECT



APM Terminals Bahrain announced the launch of a ground-breaking solar power project worth approximately BHD3.8 million (USD 10 Million), which will make the port energy self-sufficient in 2024.

By implementing this project, the port will reduce its carbon emissions by 65% while also securing a reliable and sustainable source of energy, effectively making Khalifa Bin Salman Port the region's first fully energy-sufficient seaport.

The solar power project is part of APM Terminals' global decarbonisation plans, which aim to reduce greenhouse gas emissions by 70% by 2030 and achieve net zero by 2040. As a subsidiary of A.P. Moller-Maersk, APM Terminals is committed to leading the way in promoting sustainability within the maritime industry, and the solar power project in Bahrain is one of the main pillars in its overall decarbonisation journey.



Furthermore, the driving force behind the solar power initiative is in line with the vision of His Majesty King Hamad bin Isa Al Khalifa for a more prosperous and sustainable Bahrain, and follows the carbon-neutral commitment made by the Crown Prince and Prime Minister, His Royal Highness Prince Salman bin Hamad Al Khalifa to reduce the Kingdom's emissions by 30% by 2035 and achieve net zero by 2060.





In collaboration with the Ministry of Transportation & Telecommunications, APM Terminals has launched its nationwide Acceleration Program with both its tracks:

THE LEADERSHIP TRACK:

4 leaders have joined APM Terminals Bahrain in 2022 in an initiative to support people who have lost their jobs due to the Covid-19 Pandemic and those who are looking for a career in the logistics field. This initiative is a 2-year development program with an employment opportunity to be mentored, developed, and be prepared to become the future leaders in the Logistics Industry. This covers areas including Asset Management, Human Resources, Port Operations, Transformation, and Health, Safety & Environment.

The program has started in May 2022 and continues for 2 years until April 2024.

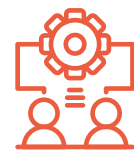
THE YOUTH TRACK:

Aiming to re-ignite the passion of Maritime and ensure strong Bahraini caliber are the right candidates for future careers in the industry, APM Terminals Bahrain launched a full scholarship program where 3 students have been chosen amongst over 100 applicants between the ages of 20 and 30 to undergo a Level 3 Diploma, Deck Officer Training at South Tyneside College, UK. The selection has gone through an extensive process to determine the top 3 students and it included members of APM Terminals Bahrain, Ministry of Transportation & Telecommunications and Bahrain Polytechnic.

The program includes alternate phases of academic studies at the College and sea-time apprenticeship aboard a Maersk Vessel. It continues until 2025-2026 where the students shall take the certifying exam after which they become officially certified Deck Officers.



CORPORATE SOCIAL RESPONSIBILITY INTERNSHIP PROGRAM



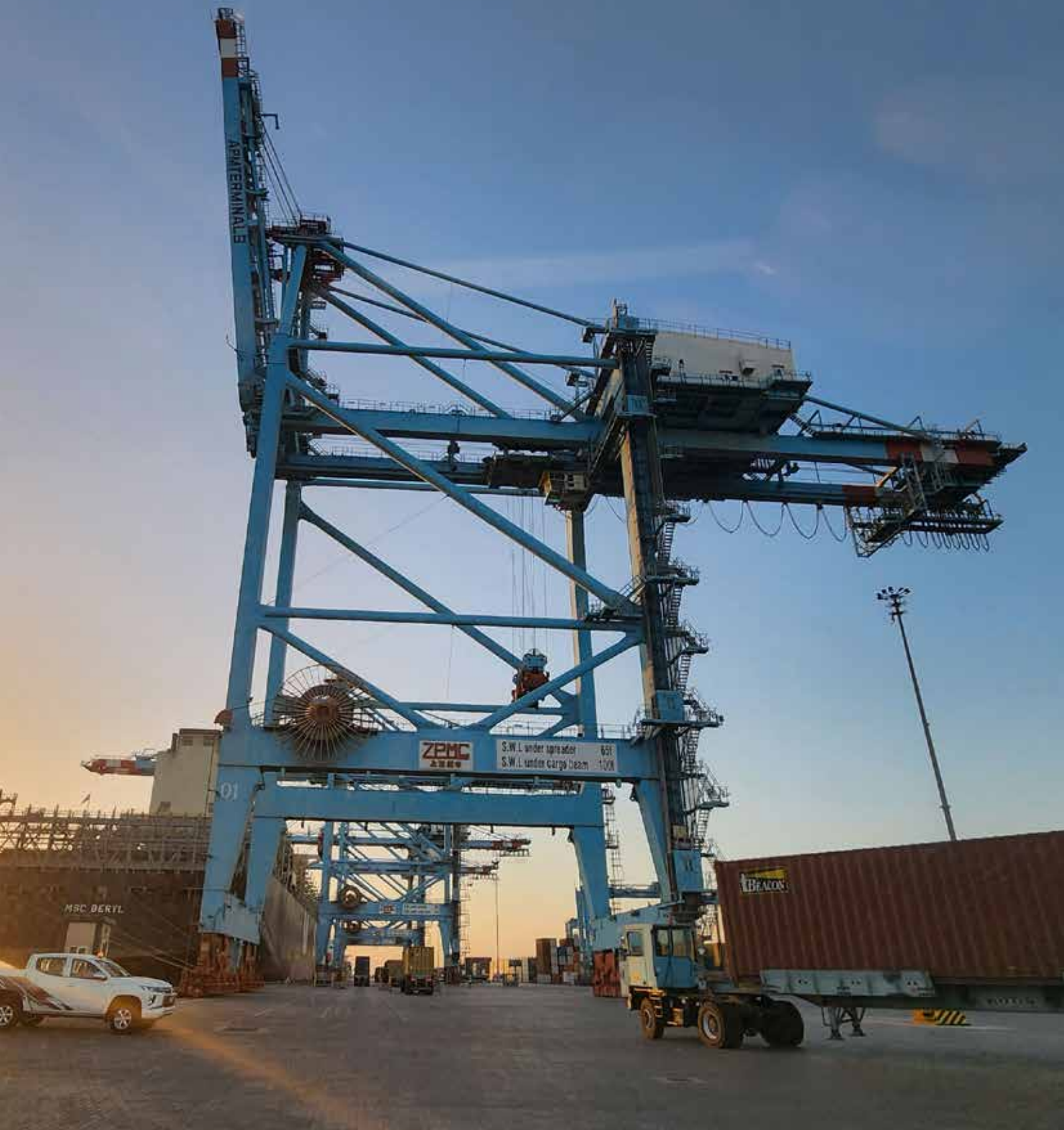
As part of our commitment towards giving back to the community, developing our Youth, and being active in our contribution to Bahrain's Vision 2030, and in addition the Talent Acceleration Program, APM Terminals Bahrain offers university students the opportunity to gain the required course credits and work experience as part of their curriculum.

What makes APM Terminals Bahrain's program different is the practical working experience for a minimum of one month based on mutual agreement that also includes mentoring, upskilling their knowledge, training them on Project Management Tools, and certifying them as Lean Practitioners.

In 2023, a total of 10 students out of which 9 were from the Bahrain Polytechnic University have been offered the opportunity to work on different real-life projects in the Terminal Operations, Commercial, Health & Safety, and Human Resources.



2023 ESG SUMMARY



APM TERMINALS BAHRAIN'S VISION

APM Terminals Bahrain (the "Company") is pleased to present our 2023 Environmental, Social, and Governance (ESG) summary. As a responsible corporation in the Kingdom of Bahrain, we remain dedicated to transparently communicating our sustainability initiatives and performance to our stakeholders.

This year, we mark the inaugural publication of our ESG summary - a major milestone in our sustainability journey; we continue to embed key ESG priorities into our operations and strategy. As a subsidiary of A.P. Moller-Maersk, we integrate our parent company's three sustainability commitments:

- Decarbonize Logistics
- Ensure Employee Wellbeing
- Operate Responsibly

The past year presented new sustainability challenges and opportunities - both globally and locally. We aim to transparently highlight our response efforts and our vision for continuously improving ESG performance at APM Terminals Bahrain in the years ahead.

CEO'S MESSAGE



Matthew Luckhurst
Chief Executive Officer

APM TERMINALS BAHRAIN CEO MESSAGE

At APM Terminals Bahrain, we are driven by a steadfast commitment to responsible business practices that permeate every aspect of our strategy and operations. Sustainability lies at the core of our global mission to deliver world-class logistics services while locally uplifting the surrounding communities which we serve.

Recognising the urgency of addressing climate change, we have embarked on a comprehensive sustainability strategy aimed at reducing our carbon footprint, exploring better utilization of recycled materials and fortifying our governance framework to prioritize and evaluate environmental, social, and governance (ESG) initiatives. Our decarbonization journey is a collective endeavor, fueled by the unwavering commitment of our people across all functions.

Cross-functional teams have been at the forefront of identifying the root causes of rising carbon emissions and implementing targeted initiatives. We have optimized logistics operations for fuel efficiency, upgraded facilities with eco-friendly technologies, and are in the process of installing a roof-mounted 11.4 MWp solar plant to harness renewable power. As part of our ambitious goal to achieve net-zero emissions by 2040, we remain vigilant in tracking and minimizing non-renewable energy consumption.

Safety is a paramount concern for us, with the well-being of our customers, vendors, employees, and stakeholders being our utmost priority. We foster a preventative safety culture through intensive leadership engagement, hazard awareness programs, fast-tracked remediation processes, and continuous enhancement of safety protocols.

The achievements highlighted in this ESG summary are a testament to the dedication and hard work of our staff at all levels. As we look ahead, our people will remain the driving force behind our sustainability initiatives, ethical practices, and outstanding service quality. We are committed to doubling down on our efforts to promote the health and well-being of our people, providing them opportunities for skills advancement, and empowering them to continue innovating the industry.

Together, we will continue to uphold our values, prioritize sustainable practices, and deliver exceptional service to our customers while contributing to the betterment of the communities we serve.

ENVIRONMENT

Our commitment

We are committed to minimizing our environmental impact by:

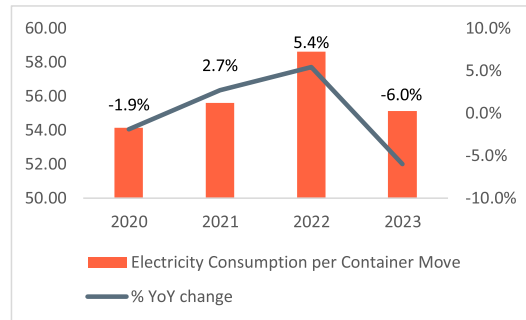
- Continuously improving energy efficiency and exploring renewable energy options
- Responsibly managing waste, water, and other resource usage
- Tracking and reducing greenhouse gas emissions from our operations

Energy efficiency and climate action (SDG 13: Climate Action)

• Energy

Energy Efficiency

Khalifa Bin Salman Port ("KBSP") is closely monitoring its emissions intensity benchmarks; it has adopted multiple metrics such as electricity usage per container movement which has reduced by 6% when compared with the previous year. Moreover, the Company has started implementing energy efficiency and conservation initiatives to optimize consumption.



• Decarbonization

The Company has set an ambitious vision to become a leader in decarbonizing the port and terminal industry. The Company recognizes the urgent need to transition terminal operations and maritime logistics to a low-carbon model to combat climate change and environmental degradation.

• Emissions reduction targets

By 2030, we are striving to reduce total carbon emissions at Khalifa Bin Salman Port by 70%. This near-term science-based target aligns with the Paris Agreement's goal to limit global warming and matches leading corporate climate commitments.

The solar power project represents a significant milestone in the Company's global decarbonisation plans, which strive to reduce greenhouse gas emissions by 70% by 2030 and achieve net-zero emissions by 2040. As a subsidiary of A.P. Moller-Maersk, the Company is committed to leading the charge in promoting sustainability within the maritime industry, with the solar power project in Bahrain standing as a cornerstone of its overall decarbonisation journey.

The driving force behind this groundbreaking initiative in Bahrain aligns with the vision of His Majesty King Hamad bin Isa Al Khalifa for a more prosperous and sustainable Bahrain. Additionally, it echoes the carbon-neutral commitment made by Bahrain's Crown Prince and Prime Minister, His Royal Highness Prince Salman bin Hamad Al Khalifa, to reduce the Kingdom's emissions by 30% by 2035 and achieve net-zero emissions by 2060.

Beyond its 2030 target, APM Terminals Bahrain has set an even more ambitious long-term vision to fully decarbonize terminal operations at Khalifa Bin Salman Port. The Company aims to achieve net zero carbon emission across KBSP by 2040. This goal to reach carbon neutrality nearly two decades ahead of Bahrain's national 2060 net zero target demonstrates the Company's climate leadership and commitment to driving faster industry transition.

Three-pillar implementation strategy

Renewable Energy Installation

KBSP is implementing a large-scale rooftop solar plant to transition to renewable electricity supply, the solar plant will have the capacity of 11.4 MWp and capable of generating 18.6 GWh annually, the plant will be fully functional in Q3-2024, making it the first port in the region to run on 100% renewable energy. This renewable energy transition will abate 62% of CO2 emissions annually which equates to approximately 8,700 tCO2.

Equipment Electrification

The Company has developed a comprehensive plan to fully electrify 69 vehicles and equipment from 2026. This transition from diesel to electric power will eliminate 34% of CO2 emissions per year (approximately 4,700 tCO2). Some of the key equipment undergoing electrification include rubber-tyred gantry cranes (RTG), terminal tractors, reach stackers, forklifts, and utility vehicles.

ENVIRONMENT

Energy Optimization

KBSP will deploy advanced solutions to enhance operational and energy efficiency across the port ecosystem. Key initiatives include optimizing RTG efficiency, upgrading buildings, shifting to LED lighting, and reefer management. These optimization efforts intend to abate 4% of CO2 emissions annually which equates to approximately 600 tCO2.

• Solar Project

Project overview

The Company is installing an extensive rooftop solar photovoltaic system – 26,960 solar panel modules - spanning 71,000 square meters across Khalifa Bin Salman Port's warehouse roofs. This large-scale rooftop solar plant is projected to generate approximately 18.6 gigawatt-hours of renewable electricity annually by the end of 2024. The solar power produced will be sufficient to meet 100% of KBSP's annual electricity consumption needs.



Implementation approach

The Company intends to implement the solar project by the end of 2024. The Solar plant will have the Capacity of 11.4 MWp and capable of generating 18.6 GWh annually. The solar project will be deployed in multiple phases to enable a smooth transition. Hence, the implementation of the solar project will significantly enhance KBSP's energy resilience and reliability.

The rooftop solar project is a critical enabler for KBSP transitioning its terminal operations to be fully powered by renewable energy. The annual solar generation will be more than sufficient to meet KBSP's current electricity consumption of around 15.6 GWh. Therefore, the excess capacity will ensure provision for future electrification projects and growth plans.

Solar Project Milestones

• Tender process and contractor selection

The Company conducted a transparent global tender for the rooftop solar plant construction in 2023. After multiple rounds of technical and commercial evaluation, the tender was awarded to Bhageria, an experienced solar Engineering, Procurement, and Construction (EPC) firm.

• Construction timelines and progress

The solar project EPC contract has been signed and the construction has commenced. Current workstreams include waterproofing the rooftops of warehouses 5 and 6 and preparing for solar module installation. The Company has already received the initial shipment of solar panels for these zones from Bhageria.

In parallel, APM Terminals Bahrain is in the process of obtaining necessary approvals from Bahrain's Electricity and Water Authority (EWA) Zones

Environmental Impact

The solar project once functional will reduce grid electricity consumption at KBSP and eliminate associated carbon emissions. Based on KBSP's current emissions profile, installing the large-scale solar system is projected to significantly decrease tonnes of CO2 emissions annually. This accounts for a substantial reduction in KBSP's scope 2 carbon footprints compared to 2021 baseline levels. The remaining 38% of emissions at KBSP, post-solar project implementation, will be from fuel combustion in vehicles and equipment, which the Company plans to address through electrification.

Regional first with fully green terminal

Upon completion of the solar project, Khalifa Bin Salman Port will become the region's first fully solar energy-powered seaport terminal in the Middle East. KBSP will eliminate its reliance on fossil fuel-generated grid electricity and transition to 100% renewable power for terminal operations. This pioneering industry accomplishment demonstrates the Company's leadership in sustainable port development and green shipping initiatives. It will serve as a model and inspiration for other major ports across the Arabian Gulf and globally to invest in renewable energy installations.

It is a blueprint for terminals to seamlessly integrate renewables within port infrastructure, enhancing climate resilience. In tandem with its electrification and efficiency roadmap, KBSP's decarbonization journey will make it a leading case study for other ports. The Company aims to share best practices and insights to enable wider industry progress towards sustainable port ecosystems.

ENVIRONMENT

Our commitment

Reinforcing APM Terminals Bahrain ESG commitments

The solar project and broader decarbonization roadmap at Khalifa Bin Salman Port reinforces the Company's robust Environmental, Social and Governance (ESG) framework. As a global port operator, the Company recognizes its responsibility to integrate sustainability into its strategy, operations, and value chain; investing significantly in renewable energy, electrification and efficiency reflects its commitment to environmental stewardship.

Mr. Farooq Zuberi, Chief Finance Officer and Head of Bahrain decarbonisation stated, "We are very excited to take the first major step in our decarbonisation plans, which will make Khalifa Bin Salman Port the region's first seaport to be fully powered by renewable energy. Our decarbonisation strategy for the port is in line with the vision of HM The King and the commitment of HRH the Crown Prince and Prime Minister for Bahrain, as well as APM Terminals' global goal of being safer, better, and bigger". He continued, "We are constantly striving to develop more sustainable and responsible business practices in order to serve better our customers and the communities in which we work."



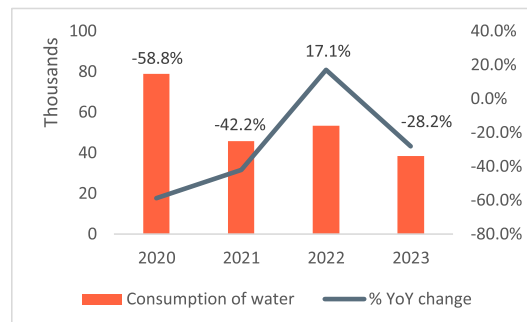
While the solar project is a major step forward, the Company has a defined multi-year roadmap to make KBSP a zero-emissions terminal. This includes advancing electrification technology solutions for terminal vehicles and equipment by replacing all diesel-powered assets by 2040. Energy optimization through intelligent equipment/building control systems and data analytics will further enhance efficiencies.

The Company also continues exploring other innovations like solar-battery microgrids and hydrogen/renewable fuel bunkering to drive deeper decarbonization and aims to leverage its first-mover experience in renewable adoption at KBSP to accelerate green transitions across its global network of 64 terminals.

Water Management (SDG 12: Responsible Consumption and Production)

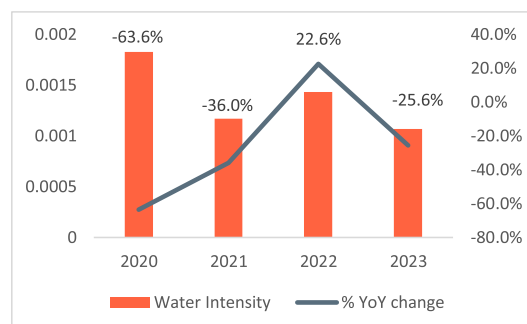
• Water Usage

The Company is committed to the responsible use of water resources across its operations. We actively track and manage our water consumption through conservation initiatives focused on efficiency upgrades and employee engagement programs. This diligent water stewardship directly enabled a 28.2% year-over-year reduction in water usage from 53,470 m³ in 2022 to 38,396 m³ in 2023. Continual improvement in sustainable water management remains an ongoing environmental priority.



• Water Intensity

The Company actively monitors water intensity to quantify sustainable resource utilization. In 2023, the Company's water consumption declined by 25.6% YoY for every million BD of revenue. By systematically optimizing processes to minimize utilization relative to economic productivity, the Company has achieved impressive efficiency improvements that limit environmental externalities amid business expansion.



SOCIAL

Our commitment

We are committed to:

- Providing a safe, healthy, and secure working environment for employees
- Respecting human rights and labour rights throughout our operations and supply chain
- Fostering a diverse and inclusive workplace with equal opportunities
- Investing in our local communities through social initiatives

Human Rights Policy Statement

As part of the A.P. Moller–Maersk group of companies, APM Terminals Bahrain B.S.C. is committed to conducting business in a responsible and upright manner and to respect human rights across our activities, in line with our corporate values: Constant Care, Humbleness, Uprightness, Our Employees and Our Name.

We commit to respect all internationally recognised human rights referenced in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These rights include core labour rights such as the rights of freedom of association and collective bargaining, the rights to not be subjected to forced labour, child labour or discrimination in respect of employment and occupation, and standards on working hours and the safety & health of workers. We regularly assess our human rights impacts. In the context of our end-to-end logistics strategy, digitalization transformation and ambitious decarbonization goals, we have a heightened focus on salient human rights issues that include health & safety, access to remedy and our subcontractors' labour conditions, as well as emerging issues such as data ethics and supporting a just energy transition. When issues are identified, we manage, mitigate, and remediate our impacts.

• Health, Safety and Security

We are committed to protect our people, our business partners, the communities we work alongside and the customers we serve, by ensuring our operations are carried out in a healthy, safe, and secure way with minimal impact to the environment every single day.

• Equal Opportunity and Diversity

We will treat every employee with respect and dignity and will not tolerate discrimination or harassment of any kind. Employment-related decisions are based on a variety of relevant factors such as qualifications, skills, performance, and relevant experience.

• Child and Forced Labour

We will comply rigorously with all local laws and regulations and will in no event employ children below the age of 15 years. APM Terminals Bahrain will not permit hazardous work or night work for children below the age of 18 years. APM Terminals Bahrain will not use any form of forced or involuntary labour and refrains from practices that can give rise to a risk of involuntary labour.

• Freedom of Association and the Right to Collective Bargaining

APM Terminals Bahrain respects its employees' right to associate freely, form or join organisations of their choosing and to bargain collectively in accordance with recognised international instruments, local laws, and regulations, in full freedom and without fear of reprisal, intimidation or harassment. APM Terminals Bahrain also recognises its employees' right to refrain from collective representation. APM Terminals Bahrain is committed to conducting collective bargaining with freely chosen employee representatives of (a) legally recognised trade union(s).

• Compensation

APM Terminals Bahrain will provide its employees with compensation and employment-related benefits on a competitive basis. APM Terminals Bahrain recognises that wages are essential to meeting employees' basic needs and will at least pay the minimum wage and mandated benefits required by local law.

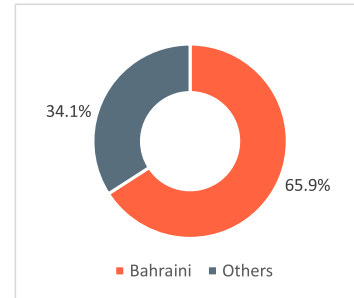
SOCIAL

- **Fair Procedures**

We are committed to upholding the privacy of our employees. APM Terminals Bahrain undertakes to follow fair disciplinary, grievance and dismissal procedures which are provided for by company policies and collective bargaining agreements including, upon request, the provision of exit conversations for employees leaving the company.

- **Nationalization**

We remain dedicated to recruiting, training, and promoting local Bahraini talent to drive sustainable growth. Bahrainisation is an integral pillar of both our talent strategy and broader business operations. Today, Bahrainis represent 65.9% of our workforce - a strong indication of our commitment to empowering local communities by attracting and retaining national talents.



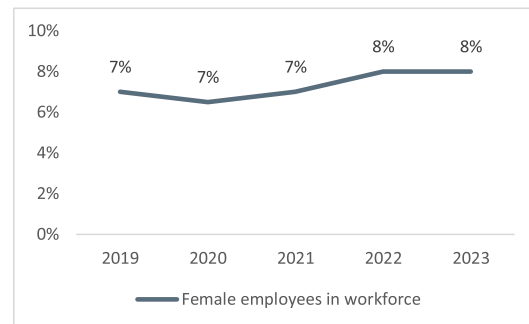
- **Diversity**

- **Female employees in top management**

We are committed to promoting equal opportunities for women to rise into leadership roles. Although currently only 1 out of 10 senior executives is a woman, we aim to continually improve female representation through targeted policies, development programs, and a supportive culture for women advancing their careers. This will enable greater innovation, responsiveness to our customers, and sustainable growth.

- **Female employees in work force**

We strive to empower female talent and improve gender diversity across all levels of our workforce. Currently, women represent 8% of our workforce. We have proactively implemented policies and programs to support the recruitment, inclusion, retention, and advancement of women. By taking proactive measures to overcome gender gaps, we aim to develop a vibrant work environment where women can utilize their skills to drive innovation.



- **Ethnic and cultural mix**

While we maintain a strong emphasis on Nationalization, the Company also welcomes talent from around the world. Currently, our workforce comprises employees from 12 nationalities. We value diversity of backgrounds and perspectives as this fuels innovation and reflects the global nature of our parent organization and operations.

- **Human Capital**

- **Temporary Workers Ratio**

We carefully leverage temporary employees to address business needs, while ensuring fair working conditions; currently, the Company engages approximately 400 part-time staff. We have implemented broad policies to safeguard temporary workers' rights in alignment with our Company's values and ethical obligations. This includes competitive pay, clearly defined assignments, and reasonable working hours that provide work-life balance.

- **Community Engagement (SDG 11: Sustainable Cities and Infrastructure)**

- **Talent Acceleration Program**

- **Leadership Track**

In 2022, APM Terminals Bahrain launched an inclusive hiring initiative to empower 4 talented individuals who lost their jobs due to the COVID-19 pandemic, with skills and leadership development. Participants undergo a 2-year program focused on mentoring, training, and hands-on experience across key fields including Asset Management, Human Resources, Operations, Transformation, and Health, Safety & Environment.

By nurturing expertise in high-demand logistics capabilities, we aim to create employable local leaders equipped to thrive in global trade environments with oversight from our veterans. This program also delivers societal value by turning setbacks into strengths for diverse candidates establishing careers. Starting from May 2022, our participants have begun applying learned concepts to drive innovation. We look forward to their future contributions as ambassadors of Bahraini ingenuity in the logistics sector.

SOCIAL

Youth Track

Seeking to cultivate strong Bahraini talent for the maritime industry, the Company instituted a competitive scholarship program in partnership with the Ministry of Transportation & Telecommunications and Bahrain Polytechnic. Following an extensive selection process, the Company awarded full scholarships to three exceptional candidates aged 20-30 to undertake specialized Deck Officer training.

The three-year program, conducted at South Tyneside College in the United Kingdom, combines academic education and practical sea apprenticeships aboard Maersk vessels. By 2025-2026, participants will undergo certification exams to qualify as certified Deck Officers. Through this initiative, the Company aims to ignite passion for global maritime careers and build national capacity to meet future talent needs.

• Internship program

We are committed to developing youth and giving back to our community in alignment with Bahrain's Vision 2030. Beyond our Talent Acceleration Program, we provide unique internship opportunities for university students to gain practical work experience and mentorship.

In 2023, we hosted 10 student interns, with 9 from Bahrain Polytechnic University, for a minimum of one-month rotations tailored to their fields of study. During their time with us, they collaborate on real-life projects across departments including Terminal Operations, Commercial, Health & Safety, and Human Resources. We further enrich their professional growth through training in areas such as Project Management, Lean Methodologies, and more



By empowering talented young citizens with industry exposure and in-demand future skills, we aim to support the next generation while benefiting from fresh perspectives that propel responsible business practices.

• Standalone Initiatives

Go Green Initiative

APM Terminals Bahrain organized a weeklong Go Green Initiative in partnership with key stakeholders such as Svitzer. It concentrated on raising awareness of the sustainable use of resources and the importance of the 3Rs: Reduce, Reuse, and Recycle. This initiative welcomed employees' children to attend informational sessions and port clean-up exercises.



SOCIAL

School Visits

To inspire young minds about the logistics industry, APM Terminals Bahrain hosted students from local schools, such as New Millennium School, The Indian School and The Multinational School Bahrain, for an informative visit to Khalifa Bin Salman Port.

Through interactive exposure to on-site experts from customs clearance, shipping, health and safety, the students gained first-hand knowledge of the diverse functions working collectively behind the scenes to expedite global trade. Such industry outreach aligns with APM Terminals Bahrain's commitment to engage youth in envisioning their future careers.



GOVERNANCE

Our commitment

We are committed to ethical business practices through:

- Maintaining strong corporate governance and board oversight
- Embedding anti-corruption practices across our operations
- Ensuring data privacy and security safeguards are in place.
- Requiring suppliers to adhere to our ethical Supplier Code of Conduct

Board Assessment

• Board diversity

While our Board of Directors and sub-committees are entirely comprised of men, we actively welcome nominations for qualified female directors to bring in diverse perspectives. As a company grounded in ethical business practices, we recognize the value of balanced gender representation in guiding strategy and governance oversight.

• Board Independence

At APM Terminals Bahrain, we separate the roles of CEO and Chairman of the Board in line with corporate governance best practices for accountability. Currently, none of our executive leaders hold concurrent board seats. In addition, 2 out of 6 board directors qualify as independent members, enabling impartial guidance and oversight. By structuring leadership this way, we instil checks and balances across business operations, strategy setting, risk management and financial controls.

• Ethics & Anti-Corruption

We maintain zero tolerance for corruption and bribery, which violate our duty to society. As part of A.P. Moller-Maersk, we have adopted group-wide anti-corruption policies outlining strict protocols. This enables proactive identification, mitigation, and management of misconduct risks across interactions.

• Data Privacy

We are committed to managing all data, especially personal information, in an ethical and compliant manner. As part of the A.P. Moller-Maersk group, we have adopted strict data policies and principles aligned with global regulations including the EU's GDPR which serves as our minimum data protection standard. By embedding integrity into our daily data practices across business functions, we aim to build trust with stakeholders, mitigate risks, and support long-term, sustainable success.

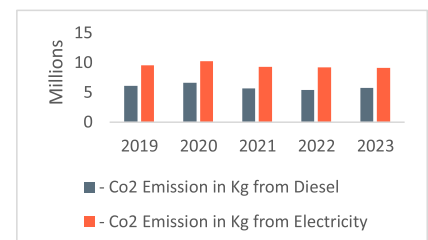
• Supplier code of conduct

We are committed to responsible practices not just within our operations, but across our supply chain partnerships. Our Supplier Code of Conduct, embedded into procurement contracts, requires direct and select sub-suppliers to comply with all labour laws, health/safety regulations, environmental standards, and ethical business principles.

AREAS OF IMPROVEMENT

• Green House Gas Emissions

In 2023, APM Terminals Bahrain experienced an increase in total greenhouse gas (GHG) emissions, including a 5.4% rise in carbon dioxide from diesel consumption. Recognizing this as a critical priority, we will undertake initiatives to curb emissions growth.



• Electricity Usage

In 2023, the Company's electricity consumption increased by 0.5% when compared with the previous year. This increase in usage represents an area for focus. We see an opportunity to closely integrate electricity requirements with evolving productivity needs as part of optimizing resource utilization across the company.

