



**2022**  
**SUSTAINABILITY  
REPORT**

[www.xtholdings.com](http://www.xtholdings.com)



# THE MESSAGE FROM *OUR CEO*



Reflecting on the past year, I take pride in sharing XT continued commitment to improving our carbon footprint, reinforcing our social responsibility, and strengthening our corporate governance.

Regarding environmental care, our commitment to the environment has remained firm. This is reflected by our continued sales of aging vessels and their replacement by young and environmentally conscious ones. In the past year, we sold ten old vessels while expecting in the upcoming year deliveries of modern newly built ships. Our newly added ships showcase cutting-edge design and capacity and demonstrate our emphasis on emission reduction through advanced technology, as well as providing a modern working and living environment for our crew.

Our commitment to ESG extends beyond environmental aspects. XT actively supports over ten social initiatives, demonstrating our strong dedication to empowering communities. By contributing to and engaging with our surroundings, we pave the way for a future rich in opportunities and equality. Our community involvement continues to include education, healthcare, sports, academia, charity and social networks.

Furthermore, this year marks the launch of our new branding, XT - WE SEA YOU. After an extensive research process that included insights from our employees, clients, and partners, we realized that this powerful slogan sets us apart. It signifies our commitment to acknowledging and valuing our employees, clients, and partners. This distinctive approach reflects our company's values and has been the cornerstone of our success for nearly 70 years. It aligns seamlessly with the vision of our founders, Sami and Yuli Ofer, who aimed to establish a company rooted in these core values.

As part of this initiative, we have introduced an internal social network for all our employees. This platform serves as a space to share organizational updates, introduce upcoming social initiatives, exchange thoughts and feel deeply connected to our expansive XT community. The engagement and feedback from our employees have been genuinely encouraging, underscoring the relevance of our approach.

With a determination to lead and inspire positive change, we move forward towards a sustainable, connected, and flourishing future.

Sincerely yours,

**Ori Angel,**  
CEO of XT Holdings

## ABOUT THIS REPORT

This Sustainability Report covers the period 01.01.2022 – 31.12.2022, looking forward to 2023 and beyond with plans and initiatives. It explains our strategy for sustainability in terms of ESG concerns, how we've done in comparison to prior years and industry standards, and what we want to achieve in terms of sustainability in the future.

This Report follows the guidelines set forth by the GRI 2021 Standards. By adhering to the GRI 2021 Standards, reports may be certain that their contents are up-to-date, relevant, and comparable.

*The following standards and principles were taken into account while putting together the content of the report, in addition to the GRI Standards:*



### **SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) FOR MARINE TRANSPORTATION**

The report provides details on the SASB's industry-specific indicators for the marine sector, as outlined in the applicable standards.



**UN SDGs**

### **UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

Our business plans are in line with the United Nations' Sustainable Development Goals (SDGs) for 2015, which aim to reduce global warming, inequality, and poverty by 2030.



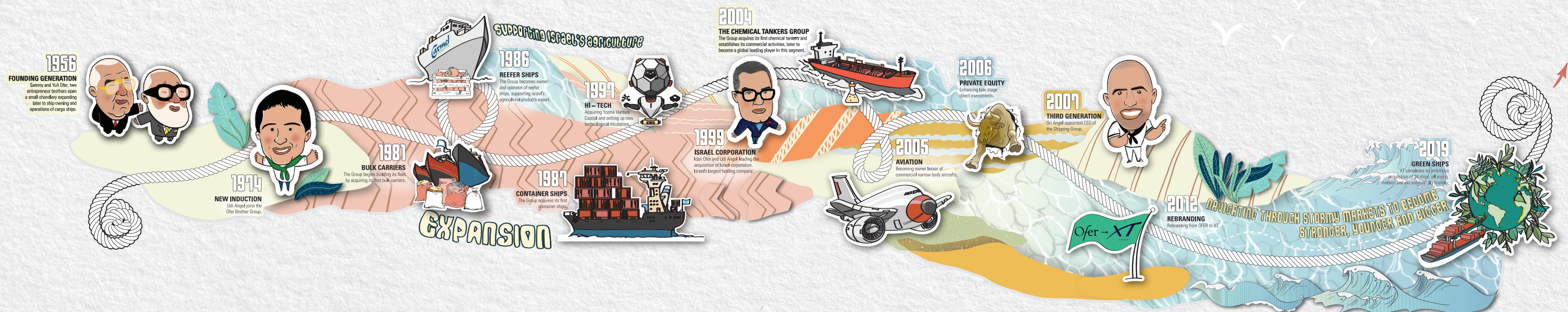
**PPRR**

### **THE POSEIDON PRINCIPLES REPORTING REQUIREMENTS.**

A framework for incorporating climate factors into financing decisions, the Poseidon Principles aim to support the decarbonization of international shipping.

*Throughout this report "XT Group" refers to all Companies of the XT Group as a whole. For more information on the different entities of the Group, please refer to the relevant sections ("Our Group" and "Our Governance Framework").*





## OUR GROUP



XT Holdings Ltd, under the leadership of Chairman Udi Angel, is a distinguished global holding group known for its diverse, innovative, and industry-leading companies. Central to its operations is XT Management Ltd, a wholly owned subsidiary and a prominent international shipowner and manager. With its primary operations based in Haifa, XT Management has expanded its presence with offices and subsidiaries in Romania, India, Singapore, and Greece, employing a significant portion of the XT Group's workforce.

The company is known for its continual expansion of its maritime fleet, earning a reputation for professionalism, quality, and reliability. Additionally,

XT Group is engaged in strategic investments in the Hi-Tech sector, utilizing its 25 years of experience, robust financial resources, and exceptional managerial expertise.

XT Group's history is a remarkable story of a family's ascent from humble beginnings to significant wealth. In 1956, entrepreneurial brothers Sammy and Yuli Ofer started with a small shipping chandlery. Their commitment to integrity and professionalism paved the way for their venture into ship ownership, marking the beginning of XT Group's journey to become one of Israel's largest privately held conglomerates.

The family's multinational business and its

successful team expanded over the years. Udi Angel joined the Group in the 1970s, ascending to the role of Chairman of XT Maritime in 1980, and eventually also becoming the Chairman of XT Holdings. In 1997, XT Hi-Tech was established, harnessing the team's acumen in financial markets and corporate development. This was followed by the acquisition of a 12.3% stake in Israel Corporation in 1999.

In 2006, the Group further diversified its portfolio with the establishment of XT Private Equity. Years later, in 2007, the legacy continued with Ori Angel, Udi Angel's son and Yuli Ofer's grandson, joining the group. He ascended to the role of CEO of XT Maritime, a position he still holds, steering the group

into new and specialized sectors while upholding the values that have defined XT Group.

The Group consistently seeks innovative opportunities, never losing sight of its mission: to deliver the highest standards of service, safety, and efficiency, always remaining true to its origins and commitment to its customers.

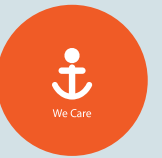


# OUR VALUES



## OPERATIONAL EXCELLENCE

XT Group is known for its operational expertise and is committed to providing the best customer service experience with a personal support and uncompromising quality with the highest standards of Service, Safety, and Efficiency.



## WE CARE

We care for our employees and customers and go the extra mile for their needs. We are committed to:

- Nurture a respectful and supportive working environment which is based on the values of familyhood and humanity to support the wellbeing of our employees.
- Put our costumers' needs first in order to provide them with the best services 24/7.



## DIVERSITY & EQUALITY.

We don't just talk diversity; we live by it. XT Group employs more than ten different nationalities onboard and more than six onshore. We encourage a diversified working environment which offers equal opportunity for those who seek to bring their true self, regardless of their religion, gender, nationality or race. XT Group is a microcosmos of the wonderful variety the world has to offer.



## SUSTAINABILITY

We believe in a personal responsibility for our environment and promote internal green initiatives onboard our vessels and at our offices worldwide since we simply care!



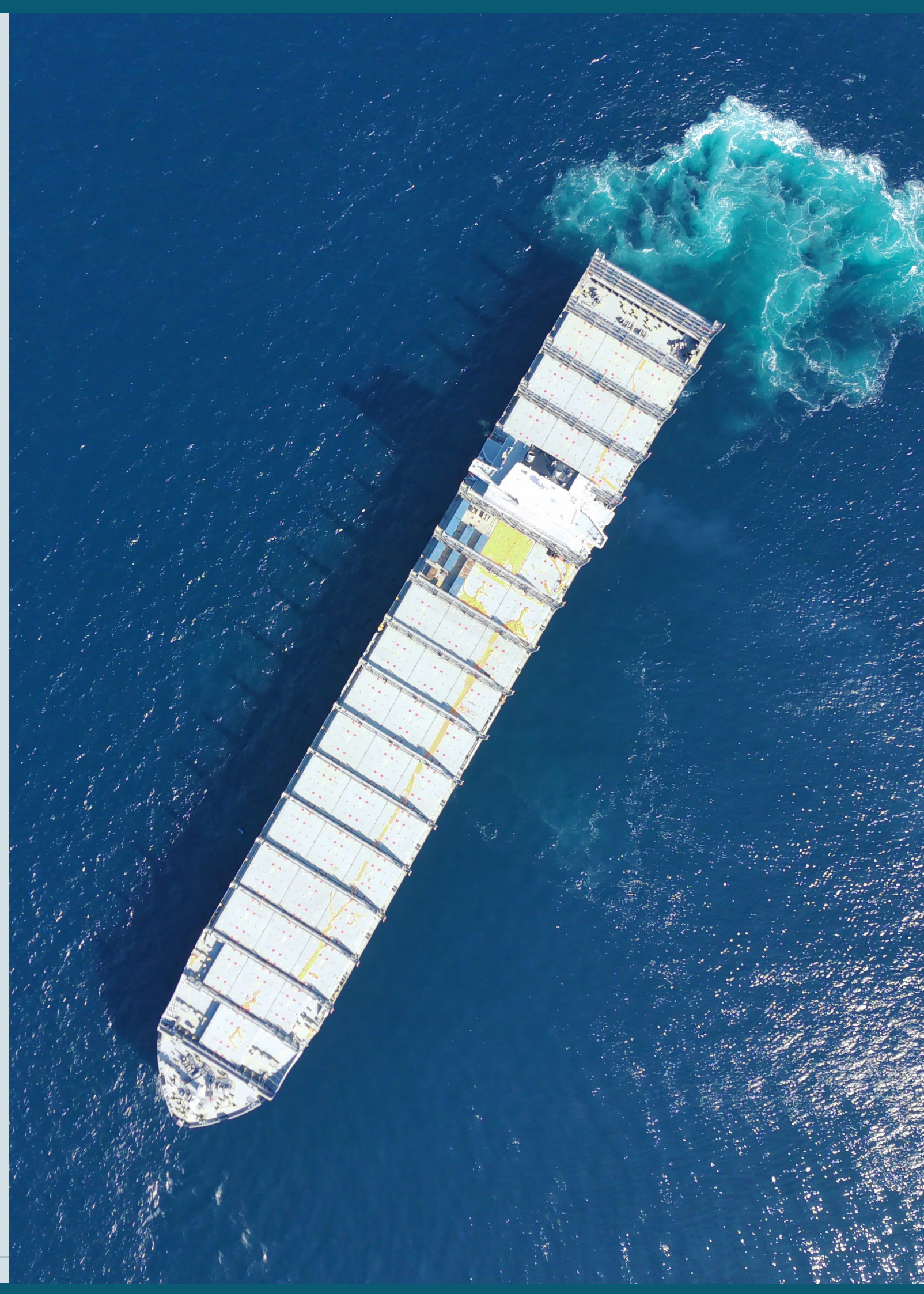
## STABILITY

We nurture close relations with our employees and offer them a stable working environment for more than 6 decades. A solid home where they can express themselves, develop and grow.



## ENTREPRENEURSHIP

We believe in always looking forward so we can keep excelling in what we do. We encourage creative and out-of-the-box mindset among our employees so they can expand their horizon and be initiative in their field of expertise. XT Group constantly adopts new initiatives, invests in new technologies to improve our performance.





# HUMAN CAPITAL

## 1. OUR PEOPLE IN FIGURES

In 2022, XT Group totaled 2,838 both seafarers and ashore, which demonstrates steadily our significant presence in the sector while contributing to human capital development, increasing employment opportunities for people throughout the globe, having already 25 nationalities on board. We cultivate a vibrant and inclusive work environment that empowers our team members to flourish, free from biases and

social exclusion based on factors such as gender, nationality, or any other personal characteristics. The company actively challenges the prevailing stereotype of shipping as a male-dominated industry by actively encouraging women to not only seek employment in our offices but also to embark on rewarding careers at sea.

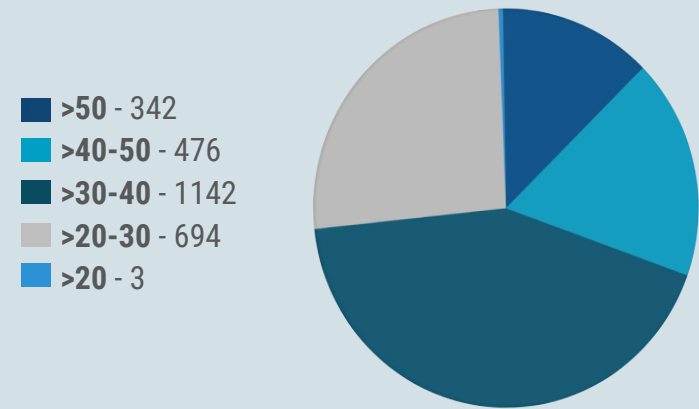
### TOTAL SEAFARERS:

2,657

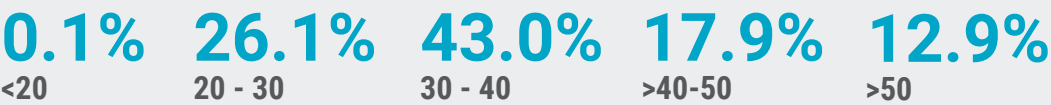
### NATIONALITIES:

25

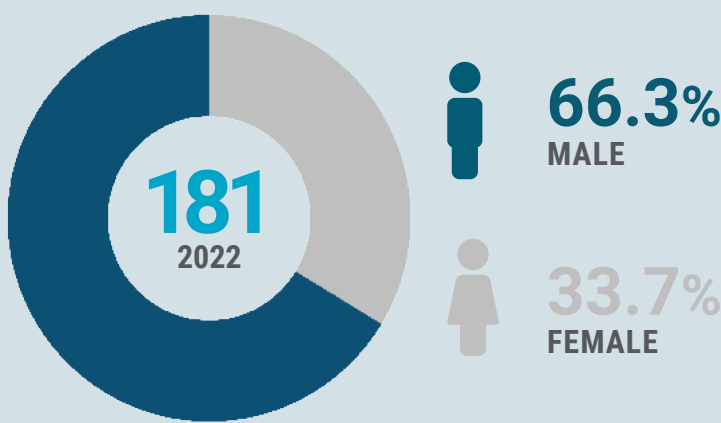
### SEAFARERS STATUS PER AGE



### SEAFARERS STATUS PER AGE GROUP (%)



### TOTAL EMPLOYEES ASHORE



### CREW STATUS PER NATIONALITY:

INDIAN	1128	BULGARIAN	30
PHILIPPINO	391	ISRAELI	29
UKRAINIAN	220	CROATIAN	24
ROMANIAN	148	PERUVIAN	22
ETHIOPIAN	100	THAI	16
TURKISH	87	LATVIAN	14
BANGLADESHI	85	MONTENEGRO	11
GEORGIAN	76	LITHUANIAN	5
SRI LANKAN	63	INDONESIAN	5
POLISH	59	KOREAN	3
VIETNAMESE	54	ITALIAN	2
RUSSIAN	52	ESTONIAN	1
CHINESE	32		





# OUR ACTIVITIES AND VALUE CREATION

## FOR OUR EMPLOYEES

- High – **quality HR policy**
- Equal opportunities for career development: **33.7 % of women**
- Non-discrimination policy (diversity, equality and inclusivity): **25 Nationalities/cultures**
- People-centered corporate culture with a strong familyhood spirit
- Competitive salaries , long term career growth plans and benefits
- Health coverage packages: **95% access to health coverage**

33.7%  
FEMALE

25  
NATIONALITIES

95%  
ACCESS TO HEALTH  
COVERAGE

## FOR THE PLANET

- Decarbonization Strategy: **1,848,183 MT** of CO2 emitted in 2022 by our fleet
  - Enhancing Air Quality: Consolidated Air Quality Metrics :
- ♦ **4,523 MT** of SOx emissions of our fleet in 2022
- ♦ **34,817 MT** of NOx emissions of our fleet in 2022
- Initiatives for Biodiversity Preservation
  - Advancing Research and Innovation:

1,848,183MT  
OF CO<sub>2</sub> EMITTED IN 2022 BY OUR FLEET

4,523MT  
OF SO<sub>x</sub> EMISSIONS OF OUR FLEET IN 2022

34,817MT  
OF NO<sub>x</sub> EMISSIONS OF OUR FLEET IN 2022

10  
INNOVATIVE TECHNOLOGICAL COLLABORATIONS

46,499,691GJ  
TOTAL ENERGY CONSUMED (OF WHICH 51% BY HFO AND 0% BY RENEWABLES)

## FOR OUR STAKEHOLDERS

- Engagement with Local Communities
- Contributions to Charities and Institutions
- Support through Sponsorships



## OUR COMMITMENT TO A MORE AMBITIOUS CLIMATE STRATEGY

There is a growing need for ESG strategies that are ambitious, proactive, and responsible, and this is evident in all environmental and regulatory developments (such as the EU’s implementation of CSRD). The XT Group is well aware of the sustainability risks and possibilities associated with its operations and is actively working to incorporate ESG into its fundamental operations.





# STAKEHOLDER ENGAGEMENT

We place a premium on stakeholder involvement. When making decisions, we think it's important to keep the lines of communication open with everyone involved. In order to comprehend the extent to which our operations influence them, to control the good impact we have on them, and to take precautions against any bad effects, we rely heavily on their insights and viewpoints. At the heart of our engagement activities is a commitment to listening to and meeting the needs of everyone involved. We make sure to address their perspectives and concerns in an acceptable way by conducting consultation with them via different types of frequent involvement. See Appendix A for information about stakeholder involvement.

## MAIN STAKEHOLDERS

	SHAREHOLDERS / INVESTORS	
	NGOS & COMMUNITIES	<ul style="list-style-type: none"><li>• ACADEMIC INSTITUTIONS</li><li>• LOCAL COMMUNITIES</li><li>• MEDIA</li><li>• NGOS</li></ul>
	EMPLOYEES & CREW	
	AUTHORITIES	<ul style="list-style-type: none"><li>• IMO</li><li>• FLAG ADMINISTRATOR</li><li>• PORT AUTHORITIES</li></ul>
	FINANCIAL INSTITUTIONS & GOVERNMENTS	<ul style="list-style-type: none"><li>• UNDERWRITING AGENTS</li><li>• INSURANCE COMPANIES</li><li>• BANKS</li><li>• LEASING INSTITUTIONS</li></ul>
	CUSTOMERS	<ul style="list-style-type: none"><li>• CHARTERERS</li><li>• VESSEL OWNERS</li><li>• CARGO OWNERS</li></ul>
	SUPPLIERS, INDUSTRY & TRADE ASSOCIATIONS	

# MATERIALITY MATRIX FOR SUSTAINABLE PERFORMANCE

An important goal for XT Group is to support the 2030 Agenda, which was approved in 2015 by the member states of the United Nations and aims to promote sustainable development in a balanced way across three dimensions: social justice/equity, economic prosperity, and environmental preservation. With the goal of making a significant contribution to their accomplishment, the firm has incorporated the 17 SDGs into its policies and practices.

To guarantee ethical and sustainable practices in the shipping sector, we are actively tackling these worldwide trends, which have a substantial influence on our ESG approach. The seven categories of stakeholders that we have identified have all contributed to the development of our ESG approach.

We conducted a twofold materiality evaluation this year to meet the impending CSRD reporting obligation. Both the “outside-in” (the way sustainability concerns influence our operations) and the “inside-out” (the way our actions affect people and the planet) ways were examined. The evaluation was divided into three sections. We started by looking through our internal networks to see what people in the XT Group community often spoke about. The second step was to learn what our external stakeholders wanted by doing desk research. We were able to use this information to refine the XT Group content themes and shape the survey that was sent to upper management. The survey probed into how various Environmental, Social, and Governance (ESG) factors affected the firm’s bottom line, day-to-day operations, and long-term viability, and how XT Group had an effect on these factors via its business practices.

## IN THIS LIGHT, XT GROUP HAS SET THE FOLLOWING ESG PRIORITIES:

ENVIRONMENTAL ENGAGEMENT	PEOPLE & SOCIETAL ENGAGEMENT	SUSTAINABLE & RESPONSIBLE TRADE
<div>1</div> Contribution against climate change by controlling our energy consumption and GHG emissions	<div>4</div> Protection of Employees (employee care and support)	<div>8</div> Excellence in our business (acting ethically and with integrity and compliance) practices
<div>2</div> Improvement of air quality and protection of biodiversity	<div>5</div> Personnel Development and Education	<div>9</div> Provision of sustainable and innovative services
<div>3</div> Promotion of a circular economy through our operations (waste management, plastic reduction, recycling)	<div>6</div> Support diversity and inclusion	<div>10</div> Contribution to a responsible double materiality (ensuring our supply chain is equally sustainable in environmental and social commitments)
	<div>7</div> Social responsibility initiatives	



## MODERATE CHALLENGES

- Waste management and recycling (E)

- ▲ Talent attraction and retention including internship programs (S)

## ESSENTIAL CHALLENGES

- Investment research and innovation in green technologies (E)
- Air quality and Marine biodiversity (E)
- Diversity & inclusion and equal opportunity (S)
- Career opportunities & advancement (S)
- Employee education and training (S)
- Occupational health and safety (S)
- ▲ Partnerships and relationships with business partners/stakeholders for Sustainability (G)

- ▲ Sustainable supply chain (G)
- ▲ Risk mitigation & control (G)
- ▲ Security of transports (Physical & cyber security) (G)
- ▲ Risk mitigation & control (G)
- ▲ Security of transports (Physical & cyber security) (G)
- ▲ Corporate Governance, ethics and transparency (G)
- ▲ Regulatory compliance (G)

## STRATEGICALLY IMPORTANT

- Fuel and Energy efficiency (E)
- Environmentally sustainable practices in Shipping (E)
- Air and Marine pollution reduction (E)
- Support local communities in countries of operation ("Giving back") (S)
- Employee protection (S)
- Involvement and "hands-on" management (S)
- ▲ Economic and commercial performance (G)

● ENVIRONMENT  
■ SOCIAL  
▲ GOVERNANCE

## IMPORTANCE FOR THE PERFORMANCE OF XT GROUP HOLDINGS

The materiality matrix was created, and the future material topics were defined. Six related impacts pertaining to the environment, seven to society, and eight to governance were the primary foci of our 2022 impact materiality analysis. The above

table presents the most important Environmental, Social, and Governance (ESG) issues according to the weight given to their associated repercussions and represents our ESG priorities.







# OUR PRIORITIES FOR ENVIRONMENTAL ENGAGEMENT

Our company operates with a steadfast commitment to environmental responsibility, aligning our business practices with our overarching objectives. These include a dedication to minimizing environmental impact, contributing to the reduction of global emissions, and ensuring the provision of safe and sustainable marine transportation. We acknowledge our duty to diminish our carbon intensity footprint and to actively reduce the greenhouse gas emissions of our fleet. Furthermore, we aim to enhance our Environmental, Social, and Governance (ESG) impact on the ecosystem, while rigorously adhering to all pertinent environmental regulations and industry standards.

In pursuit of these goals, we are engaged in implementing a range of technical and operational enhancements to our vessels. Our ambition is to not only comply with but also surpass the environmental standards set forth for Net Zero 2050. Through these endeavors, we reinforce our commitment to sustainable practices and environmental stewardship within the maritime industry.

XT Group has implemented a comprehensive approach to address the rate of consumption, focusing on three key strategies:

**1. Consume Less:** This strategy emphasizes the importance of behavioral change within the organization. Through targeted campaigns and policy incentives, XT Group aims to steer employee and corporate behavior towards more sustainable practices. This includes reducing the use of plastics and minimizing food waste. By promoting a culture of conservation and mindfulness about resource usage, the Group is making a significant impact on its overall consumption footprint.

**2. Consume Better:** XT Group advocates for choosing more sustainable product alternatives and making informed consumption decisions. This involves selecting products that are produced in an environmentally friendly manner, are recyclable, or have a smaller ecological impact. A notable example is the use of hybrid / electrical cars widely a company. This approach contributes to broader environmental goals.

**3. Create Systemic Change:** Recognizing that sustainability goes beyond individual choices, XT Group

is committed to driving systemic change within its operations. This involves integrating principles of circular economy at the organizational level, incentivizing the use of recycled or secondary materials, and promoting food waste recycling. Investment in supportive infrastructure is also a part of this initiative. As governments and corporations worldwide increasingly adopt policies that favor recycling and reuse, and as consumer awareness about sustainability grows, XT Group's adoption of circular business models places it at a competitive advantage. The company anticipates that these sustainable practices will not only benefit the environment but also contribute to long-term business success.

These strategies reflect XT Group's deep commitment to sustainable practices and its role in fostering a more responsible and environmentally conscious approach to consumption and business operations.



# OUR PRIORITIES FOR OUR PEOPLE & SOCIETAL ENGAGEMENT

In XT Group, our top priority is to grow our human capital and promote social engagement. We believe that our people is the key to our success. A core element of XT Group's human capital management strategy are initiatives aimed at investing in our people and fostering a vibrant culture that prepares us to meet future challenges head-on.

## PEOPLE EMPOWERMENT STRATEGIES

We are committed to implementing people-centric strategies that attract a new generation of innovative problem solvers. Our focus extends to building core competencies that are essential for the future, while reinforcing attitudes of collaboration and teamwork. By promoting an environment that values diversity and inclusivity, we aim to create a workplace that fosters creativity and collaboration.

## CREATING AN INSPIRING EMPLOYEE EXPERIENCE

An engaging and meaningful employee experience is vital to aligning the needs of our workforce with our business goals. We emphasize recognizing and rewarding excellence and performance, promoting a culture of continuous learning, and encouraging personal growth through informal learning opportunities. Our goal is to create an environment where every individual feels valued and supported in their career path.

## LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING

We are committed to developing leadership skills in our workforce and supporting their career plans. By identifying and developing emerging leaders, we ensure a strong leadership pipeline that drives sustainable growth and innovation within our organization.

## CREATING A STRONG WORKING CULTURE

At XT Group, we insist on creating a work culture that allows each individual to reach their full potential. We believe that a culture of respect, fairness, genuine care, inclusiveness and ongoing support allows our workforce to excel collectively and individually.

## SUPPORTING AND PROTECTING EMPLOYEES

XT Group is proud of its corporate culture that prioritizes the well-being of its employees, providing health benefits to our seafarers and their families and maintaining strict policies aimed at eliminating drug and alcohol abuse and maintaining a safe and responsible work environment. We Sea You is XT Group's personal approach that truly sees the employees by knowing each one's needs and caring for their wellbeing and professional involvement.

## STAFF DEVELOPMENT AND TRAINING

We provide an excellent working environment that encourages its employees to pursue a successful career. Our focus on continuous education and training equips our staff to meet the evolving demands of the shipping industry, focusing on innovation, digitalization and holistic skills development.

## EMBRACING DIVERSITY AND INCLUSION

Diversity and inclusion are an essential part of XT Group's core values. We actively embody diversity, having a workforce that consists of diverse ethnicities, cultures and beliefs. Our commitment to creating an environment of mutual understanding ensures an atmosphere where every individual feels accepted and valued.

## SAFEGUARDING HUMAN RIGHTS AND CULTURAL RESPECT

We aim to create a sense of belonging and acceptance among our employees by encouraging the exchange of different cultural and religious backgrounds. XT values the uniqueness of each individual's cultural heritage, fostering an environment where mutual respect and recognition create a cohesive team working towards common goals.





# OUR RISK MANAGEMENT FOR NON-FINANCIAL RISKS

Maintaining a solid corporate and risk strategy is critical to our long-term performance since it helps us see potential threats and opportunities in our operations early on and takes preventative measures when necessary. As part of our Group-wide risk management system, which guarantees a systematic method for the identification, analysis, management, and control of risks, relevant risks are identified via a net risk analysis.

## OUR PARTNERSHIP AND STAKEHOLDER APPROACH

### STRONG AND TRANSPARENT RELATIONSHIPS

Offering first-rate service to our clients is XT Group's top priority. The distinctive personal touch, strong relationships formed with our business partners over the last seventy years, and the efficient, high-standard management and operation of our fleet have all contributed to the Company's reputation for excellence.

## OUR CLASSIFICATION OF NON-FINANCIAL RISKS

As part of our Risk Management processes, we keep a close eye on anything that might have an impact on our company's operations and take any and all precautions needed to make sure they run smoothly.

- ▶ Respect for human dignity, well-being, and safety of our crew members both at sea and on land
- ▶ Supply and demand of Wet and Dry product markets
- ▶ Regulatory authority acts or changes to government laws and regulations
- ▶ Climate related risks
- ▶ Cyber crimes
- ▶ Political dynamics on a global and national scale
- ▶ Physical incidents causing delays in material shipments
- ▶ Partnerships with suppliers and subcontractors
- ▶ Geopolitical Conflicts (Ukraine & Middle East)

For Risks related to Geopolitical conflicts we have in place

- ▶ strategies for maintaining operational continuity and safety for our employees, vessels, and cargo in regions affected by conflict.
- ▶ actions for insurance coverage and risk mitigation efforts, to ensure our ability to recover from potential losses associated with conflicts.







# OUR GOVERNANCE FRAMEWORK

Sustainability is rapidly becoming a strategic imperative for all XT Group entities. In order to maintain the trust and confidence of our stakeholders, we act responsibly, adhere to the highest standards of ethical conduct and implement a more targeted and integrated approach to reach our sustainability-related objectives. Our governance model is anchored with the Board of Directors and supported by additional assigned managers that ensure alignment across the company.

Through our governance framework, we aim to foster a culture of ethical business, while also following a proper risk management system.

XT Management Ltd is an Israeli limited liability company registered with the Israeli Registrar of Companies. It is a

fully owned subsidiary of XT Holdings Ltd which is XT's holding company, indirectly and beneficially owned by the Idan Ofer and Ehud Angel families.

XT Management has a board of directors consisting of Messrs. Ehud Angel, Ori Angel, Amnon Lion and Yoseph Rosen. Mr. Ehud Angel also serves as the Chairman of the Board. Board meetings are held on a quarterly basis but the vast majority of all resolutions and decisions are adopted in writing by the signature of all board members.

XT Management holds all the issued share capital of XT Maritime Ltd an Israeli company, which the owner of the XT fleet. Same board members also serve at XT Maritime's board and Mr. Ori Angel is the

CEO, responsible for all Shipping activities of both XT Maritime Ltd and XT Management.

XT entities do not have committees. All decisions are taken at either a board level (where they are adopted unanimously) or by Mr. Ori Angel, the CEO.

XT maintains several policies which define the way it conducts its business. These include internal policies as well as external policies to ensure proper way of conduct of business: sexual harassment, confidentiality, anti-bribery and more. Other compliance issues which are followed relate to identification of contractual partners and their UBO's for sanction compliance matters and anti-money laundering through a systematic auditing plan.

Accordingly, each party selling or buying ships as well as chartering those ships, is screened and identified. Other contractual partners are advised of the group's strict anti-bribery rules. Eyal Wolfsthal, Group General Counsel serves also as Compliance Officer and regularly monitors all compliance matters.



In 2022, the Group continued to strengthen and roll out its programme to prevent, detect and fight against breaches of integrity which includes, among others:

- A clear and strong commitment from the company and regular reporting to the Risk and Compliance, Audit and Accounts managers.
- Monitoring the proper application of the Anti-Corruption Code of Conduct.
- Updating the mapping of integrity-related risks, particularly in the Group's new activities, to identify, evaluate, prioritise and manage action plans to ensure the control of these risks.

It also provides top management and process managers with the information they need to implement measures to prevent and detect corruption risks in line with the issues identified.

- The implementation of specific accounting control procedures in the company ERP to ensure that books, records and accounts are not used to conceal corruption or influence peddling.
- Updating a training system, both face-to-face and e-learning. More than 85% of employees have successfully completed the e-learning course "Fighting corruption".
- The performance of an anti-corruption compliance assessment audit by an external audit company. External audits are systematically taking place every quarter -although not required by law- on top of the regular annual audit of Company accounts and integrity topics.



# OUR WAY TO NET ZERO 2050

The sustainable development strategy of our Group is anchored in three fundamental pillars:

## 1. ENVIRONMENTAL ENGAGEMENT:

This pillar encompasses our commitment to environmental stewardship and sustainable practices. It reflects our dedication to minimizing our environmental footprint and contributing positively to the ecological balance. We focus on implementing eco-friendly policies, reducing emissions, and promoting sustainability in all our operations.

## 2. ENGAGEMENT WITH OUR PEOPLE & SOCIETY:

This aspect of our approach emphasizes our responsibility towards our employees and the wider community. We are committed to fostering a supportive and inclusive work environment, ensuring the well-being and development of our workforce. Additionally, we actively participate in community initiatives and contribute to societal

well-being, aligning our actions with social responsibility principles.

## 3. SUSTAINABLE & RESPONSIBLE TRADE:

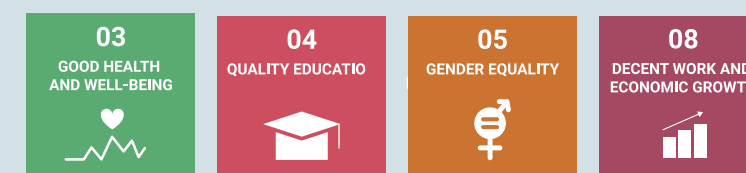
Under this pillar, we focus on ensuring that our business practices are ethically sound, transparent, and contribute to sustainable economic growth. This includes responsible sourcing, ethical business practices, and commitment to fair trade principles. By adhering to these standards, we aim to create a positive impact on the global economy and contribute to the broader sustainable development agenda.

These three pillars collectively address the Group's 10 sustainable development priorities, as detailed in the "Materiality Matrix" section. Through advancements in these domains, our Group aims to effectively respond to the challenges outlined in the 17 United Nations Sustainable Development Goals (SDGs). Our approach is designed to align with these global objectives, demonstrating our commitment to playing a pivotal role in achieving a sustainable future.

## ENVIRONMENTAL ENGAGEMENT



## PEOPLE & SOCIETAL ENGAGEMENT



## SUSTAINABLE & RESPONSIBLE TRADE





# OUR WAY TO NET ZERO 2050

2021		2024		2025	2050
TECHNOLOGIES	 <p><b>REDUCE ENERGY CONSUMPTION</b></p> <ul style="list-style-type: none"> <li>Strive to reduce energy consumption ashore and onboard ships</li> </ul>				 <p><b>ROADMAP</b></p> <ul style="list-style-type: none"> <li>Investing in renewable assets to maximum degree</li> <li>Optimize our maritime and supply chain operations</li> </ul>
MARKET	 <p><b>RESEARCH &amp; INNOVATION</b></p>	 <p><b>OPENING THE WAY TO RENEWABLE ENERGY RESOURCES</b></p> <ul style="list-style-type: none"> <li>Investing in renewable startups</li> </ul>			 <p><b>COMMITMENT TO RACE TO ZERO</b></p>
REGULATIONS	 <p><b>IMO</b></p> <ul style="list-style-type: none"> <li>Energy efficiency index (EEXI) calculation for existing vessels</li> <li>Measurement of Carbon Intensity index (CII) of vessels</li> </ul>	 <p><b>GREEN DEAL FOR EUROPE</b></p> <ul style="list-style-type: none"> <li>Intention of inclusion of XT Group in the EU emissions Trading Scheme (ETS)</li> </ul>		 <p><b>GREEN PACT FOR EUROPE</b></p> <ul style="list-style-type: none"> <li>Follow reduction targets for the carbon intensity of fuels by ships (2025)</li> </ul>	



# CONTRIBUTION AGAINST CLIMATE CHANGE

Contribution against climate change by controlling our energy consumption and reducing our GHG emissions.

Maritime transportation is a crucial aspect of the global economy. It is projected to grow in the upcoming years. However, without immediate action, it will continue to generate more and more greenhouse gas emissions and air pollutants. Therefore, it is vital to ensure a smooth and rapid transition of the industry.

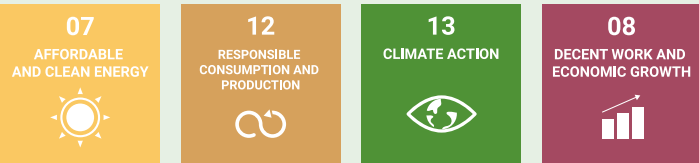
At XT Group, we confidently implement an Environmental Management System (EMS) based on ISO 14001, and a Company Energy Efficiency Management System (CEEMP) to ensure that our

vessels comply with all marine environmental protection requirements. Our dynamic EMS and CEEMP integrate environmental management practices into our operations, enabling us to take a proactive approach to minimize our environmental impact. Our goal of sustainable business practices is achieved through a steadfast adherence to these standards. We are proud to be at the forefront of responsible business practices and are committed to the highest standards of environmental protection.

We place utmost importance on the mental impacts of our operations and tackle challenges with a confident and systematic approach.

## SDG OBJECTIVES

- Fuel & Energy efficiency
- Investment in research and innovation in green technologies
- Environmentally sustainable practices in shipping



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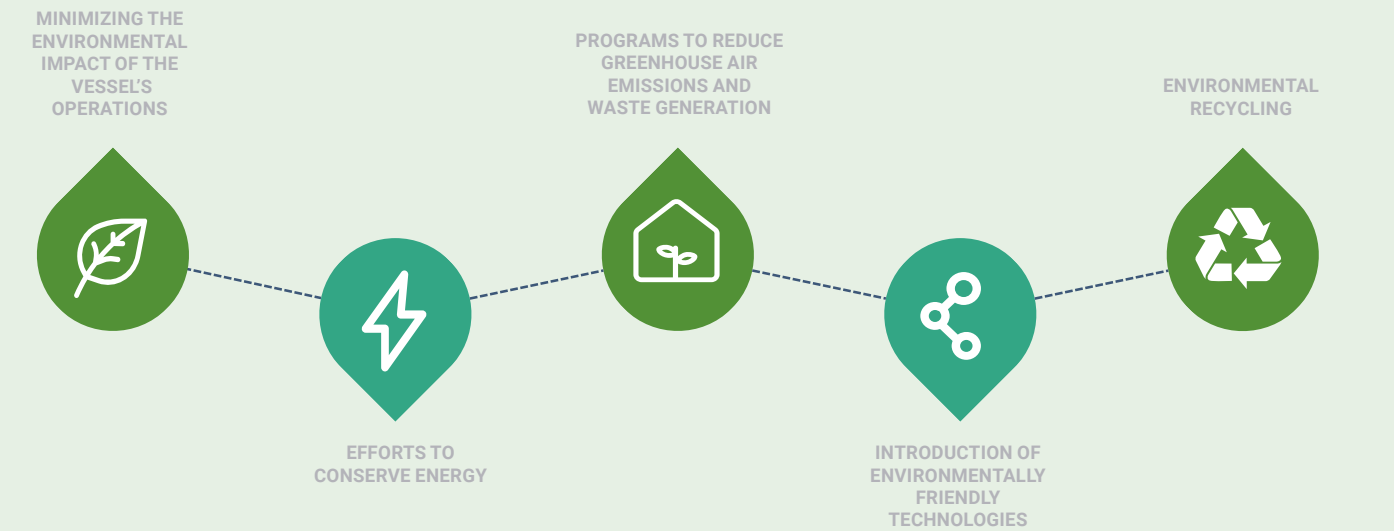
## STRONG FOUNDATIONS IN ENVIRONMENTAL OBJECTIVES

The shipping industry plays a crucial role in connecting people, businesses, and markets across the globe, enabling the exchange of goods, resources, and ideas. At XT Group, we firmly believe that shipping can create significant and long-lasting opportunities for economic growth and prosperity, and we are committed to promoting a well-balanced and sustainable approach to our business practices. We are highly conscious of the environmental aspects and impacts of our operations, and we strive to tackle all challenges in a positive and methodical manner. We firmly believe that implementing environmental improvements for short- and long-term benefits can yield a positive return on investment, while also contributing to a cleaner, healthier, and more sustainable future for all.

The XT Group is firmly committed to reducing carbon intensity in shipping and we are taking proactive steps to achieve this. We have set ambitious objectives to implement further phases of the Energy Efficiency Design Index (EEDI) for new vessels, in order to meet

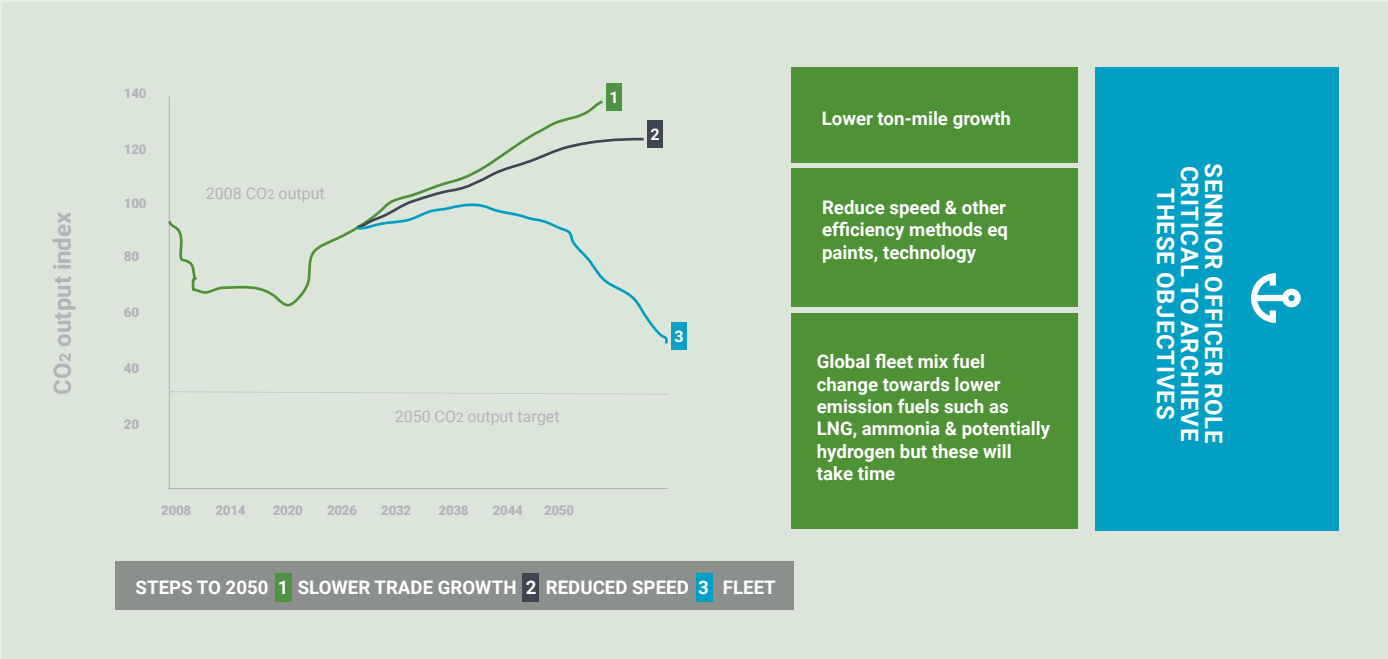
our goals. We are currently working towards the IMO 2030 objective, which aims to reduce CO2 emissions per transport work by at least 40% by 2030, as an average across international shipping. In addition, we are laying the groundwork to pursue further efforts to achieve a 50% reduction by 2050, compared to a 2008 baseline (IMO 2050).

Our commitment to sound environmental practices is evident in our implementation and ongoing improvements. XT Group has implemented a comprehensive environmental strategy, emphasizing compliance, sustainability, and marine protection. Key aspects of this strategy include:





# ROAD MAP FOR ZERO CARBON EMISSIONS IN SHIPPING



Our company values the environment, and we take our responsibility to protect it very seriously. To this end, we have implemented a robust and disciplined Environmental Management System (EMS), which is complemented by rigorous economic and technical analyses to identify the most effective approach. Prior to undertaking any new activity, we conduct a thorough environmental assessment, and we incorporate these findings into our project decision-making process. We take all environmental concerns into account, and we carefully review and, if necessary, revise our operating procedures to minimize any potential impact on the environment.

**As a shipping company, we are aware of the energy impacts of our business activities. Therefore, we take steps to minimize our carbon footprint. Consequently,**

- The significant reduction in energy consumption and waste from our operations and business travel substantially mitigates the environmental impact of our activities.
- Our environmental policy proactively tackles our operational responsibilities, focusing particularly on minimizing our emissions.



We not only align with international environmental concerns but also lead in implementing and continuously enhancing energy efficiency practices, positioning ourselves as a top-tier global shipping company. Our keen awareness of the energy implications of our business activities drives us to adopt numerous strategies for operating both efficiently and eco-consciously.

# ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS

**XT Group has developed and put into practice an Environmental Management System compliant with ISO 14001, adhering to the subsequent operational guidelines:**

• **Our Environmental Management System (EMS) is supported by several environmental programs (EPs) to continually minimize our impact to the environment, increase energy efficiency and minimizing energy waste. Their implementation helps us accomplish the following:**

- ◇ Optimize the utilization of current energy-consuming assets.
- ◇ Ensure clarity and enhance communication regarding the management of energy resources.
- ◇ Advocate for and instill best practices in energy management, emphasizing effective energy management behaviors on board.
- ◇ Systematically assess and prioritize the adoption of cutting-edge energy-efficient technologies.
- ◇ Establish a structured approach to fostering energy efficiency across the supply chain.
- ◇ Streamline the enhancement of energy management in projects aimed at reducing greenhouse gas (GHG) emissions.
- Seamless integration with existing organizational management systems, including environmental, health, and safety protocols.
- Implementation of the Sustainability Accounting Standards Board (SASB) standards for Marine Transport, complemented by additional indicators critical to XT Group.
- Development and upkeep of specific, quantifiable (where feasible), and achievable objectives that encompass design optimization, in-service performance tracking, and best-practice operational management.
- Creation and ongoing revision of a Ship Energy Efficiency Management Plan (SEEMP) by the company's senior management, covering all fleet vessels and outlining standard procedures for optimal energy management across various operational conditions.
- Constant reinforcement of environmental and energy efficiency awareness through training programs for both shore-based and maritime staff,

coupled with the execution of energy efficiency and environmental protection campaigns and other motivational initiatives for personnel.

- Vigilant monitoring and adherence to all relevant legal standards pertaining to ship energy efficiency management.
- Fostering a culture focused on energy efficiency and enhanced resource utilization in both design and operational phases.
- Establishing and meeting goals that stimulate innovation and contribute to reducing our carbon footprint and energy consumption.
- Actively exploring and validating technologies that reduce greenhouse gas (GHG) emissions.

**TOTAL ENERGY CONSUMPTION**  
**46,499,691GJ**  
**(51% HFO AND 0% RENEWABLES)**



## ENVIRONMENTAL POLICIES

Our Environmental Policies prioritize environmental protection and management as a foremost concern. Dedicated to conducting our operations in an environmentally responsible manner and contributing to a cleaner, safer environment, we consistently evaluate our performance and actively pursue enhancement opportunities. Our goal is to eliminate incidents with environmental repercussions, conduct our operations without harming the environment, and attain exemplary environmental performance.

The Company proactively adopts measures to comply with forthcoming legislation ahead of time. Although the safety of life at sea remains our utmost priority, the enactment of new environmental regulations continues to be a key focus on the Company's Agenda



# OUR DECARBONIZATION STRATEGY TOWARDS 2050 AND ITS IMPLEMENTATION

XT Group's strategic direction, which is in harmony with the International Maritime Organization's (IMO) pledge to slash greenhouse gas emissions from shipping by a minimum of 50% by 2050, is in line with the broader goal of achieving Net Zero emissions. Throughout 2022, numerous initiatives were launched, benefiting from the valuable contributions and insights of our stakeholders, to pinpoint the most viable routes for our decarbonization efforts leading up to 2050. This process also involved identifying the most suitable technologies to adopt in fuel and propulsion systems

We continued for 2022 the comprehensive strategic evaluation of worldwide climate scenarios and transition pathways we initiated at the beginning of 2021. This review led to the realization that climate action is a crucial strategic necessity for all businesses, particularly ours, given our extensive scale and industry influence. We have both the capacity and the commitment to become a leading example in the decarbonization of shipping. Our decision to embrace this role is further reinforced by distinct trends observed in our stakeholder environment, highlighting the urgency of decarbonization efforts.

- Initially, it's clear that a shipping company lacking a robust decarbonization strategy is at risk of losing market relevance. This is because customers are progressively seeking sustainable options and may hesitate to engage with services that don't align with these values. Therefore, it's imperative for our company to be at the forefront of the carbon reduction journey.
- Secondly, political measures are increasingly mirroring the realities of climate change. Driven by scientific evidence, the growing frequency of extreme weather events, and advocacy from diverse stakeholders, legislators are developing strategies like taxation, pricing mechanisms, and disclosure mandates for CO2 emissions. These measures aim to encourage widespread societal transformation. Such actions underscore and may help to alleviate the financial risks that climate change poses to businesses, asset managers, and societies at large.

We are currently undertaking a thorough assessment of our decarbonization objectives, seeking opportunities for heightened excellence. In pursuit of this goal and the orchestration of associated processes, a new decarbonization initiative was inaugurated in January 2021. This initiative is specifically charged with fostering collaboration across the commercial, operational, technological, and corporate facets of our Group, solidifying decarbonization as an even more robust strategic priority.



## REPLACING OLD FLEET AND ACQUIRING ECO VESSELS

As an integral component of our overarching strategic roadmap, we are in the process of replacing a segment of our aging fleet with the procurement and construction of contemporary, environmentally advanced vessels. Slated to integrate into our fleet between 2023 and 2024, these vessels play a pivotal role in realizing our ambitious environmental targets. Particularly focusing on the Energy Efficiency Existing Ship Index (EEXI) and the Energy Efficiency Design Index (EEDI), the XT Group has instituted a goal-driven energy efficiency enhancement strategy. This strategy is informed by a meticulous Life Cycle Cost Analysis per vessel, comprehensively considering the vessel's operational profile, current operational expenditures (OPEX), retrofit capital expenditures (CAPEX), and additional operational expenditures.

## SELECTION OF TECHNOLOGIES AND ENGINE DEVELOPMENTS IN OUR DECARBONIZATION PATH

We are encouraging our strategic partners (including engine makers and shipbuilders) to intensify their focus on the entire value chain — not just the combustion cycle — when deciding which measures to take to reduce their collective carbon footprint whilst our and charterers increasingly appear poised to set the requirements for the environmental performance of vessels in connection with the prospective financing of new ships and new chartering agreements, respectively.

Our conclusions of our study of future transition designs are that modern engine developments have made conversion to most future fuels much easier to achieve than in the past. The latest electronic-controlled, two-stroke, high-pressure diesel engines are simpler to convert to alternative fuels without loss of power. Transition to alternative fuels can be made much more attractive if it is planned at the new building design stage. In particular, fuel tanks should be specified based on the original and future fuels planned to be used. The CAPEX of the transition to alternative fuels is largely independent of the fuel.

On LNG, we have concluded that although LNG is a low-carbon fuel that can reduce tank-to-wake emissions by about 15% compared to fuel oil, it is important to account for its well-to-wake carbon footprint and the contribution of methane to the GHG effect, through methane slip of fugitive emissions. Both of these factors are important and can lead to up to 80% higher GHG emissions than marine gas oil (MGO) on a life-cycle basis, depending on the power generation system used.

Methane slip is only a fraction of the methane emitted to the atmosphere across the LNG production, distribution, and bunkering chain. The United States Environmental Protection Agency (EPA) estimates methane emissions from US natural gas production to be approximately 1.4% of the gross gas produced; however, according to an ABS study, recent studies have demonstrated that this value may be underestimated by as much as 60%. These factors create the need to account for well-to-wake emissions of all fuels used in shipping, which is expected to make LNG a transition fuel but not a long-term solution.

**In short, we are intensifying our focus on the entire value chain, not just the combustion cycle, when deciding which measures to take to reduce our collective carbon footprint as we recognize that reducing the output of carbon emissions will play a key role in shaping the future of the business and how environmental and financial performances are assessed, from individual shipping assets, to fleets and finally to the entire value chain that supports them.**



Regarding the EEXI and EEDI (Energy Efficiency Design Index), XT Group has established a target-driven energy efficiency enhancement strategy, grounded in comprehensive Life Cycle Cost Analysis for each vessel. This analysis incorporates factors such as the vessel's operational profile, current operational expenses (OPEX), retrofit capital expenditures (CAPEX), and additional OPEX.

From mid-2020, the most suitable energy-saving technologies were selected and implemented on most of the ships, aligning with the targets each vessel is required to meet according to IMO standards effective from January 1, 2023. All our vessels have achieved the efficiency levels mandated by January 2023, thereby reducing CO2 emissions by 1-2 years ahead of schedule. Further, enhancements in logistics and supply-chain efficiencies, driven by digitalization, sensors, and intelligent algorithms, are set to boost our fleet's efficiency.

In tandem, other technical enhancements in vessel operations are being employed to further decrease

CO2 emissions and elevate energy efficiency. These include hull treatments and propeller polishing on a routine basis using silicon-based paints with a lower CO2 footprint, the utilization of Variable Frequency Drive (VFD) pumps, among other initiatives.

XT Group is also collaborating closely with Alpha Marine Consulting Ltd. (AMC) regarding the IMO's Carbon Intensity Index (CII), an operational carbon intensity metric. This collaboration aims to benchmark and enhance efficiency, encompassing operational and commercial dimensions.

Beyond applying Energy Saving Devices for vessel efficiency improvement, XT Group has, since early 2022, started installing online performance software. This tool enables prompt and precise monitoring of daily energy usage, serving as a key instrument in minimizing excessive energy consumption and thereby reducing CO2 emissions through optimized voyage planning and onboard fuel management. The full installation of this software across all vessels is slated for completion by the end of 2023.

# REGULATORY COMPLIANCE IS ONLY PART OF OUR SUSTAINABILITY EFFORT

In 2020, XT Group initiated the implementation of a reporting system, which was expanded to encompass the entire fleet in 2021 and 2022. This system is dedicated to collecting necessary data from all vessels and conducting quarterly calculations of the following metrics:

- Annual Efficiency Ratio (AER) (Emissions gr Co2)/(mile\*ton DWT)) and also
- SOx Index (gr SOx / tonne-mile)
- NOx Index (gr NOx / tonne-mile) and the
- PM Index (gr PM / tonne-mile) per vessel and per fleet category.

## POSEIDON PRINCIPLES

The Poseidon Principles represent a worldwide framework for the evaluation and reporting of the climate alignment of shipping portfolios held by financial institutions. These principles set a universal standard for quantitatively determining and disclosing the extent to which financial institutions' lending

portfolios align with established climate objectives. They are in harmony with the International Maritime Organization's (IMO) policies and goals.

By converting the IMO's Absolute Target into a relative carbon intensity target trajectory for each vessel class, the Poseidon Principles provide a practical approach to measure and compare a vessel's carbon footprint. This measurement is based on the Annual Efficiency Ratio (AER), which is set to be recognized by the IMO as the Carbon Intensity Index (CII) starting in 2023.

The AER calculation utilizes data that shipowners are already required to provide under existing IMO regulations. This includes a vessel's fuel consumption (factoring in the CO2 conversion factor), the distance traveled, and the vessel's deadweight tonnage. To gauge a vessel's compliance with the Poseidon Principles, its AER is annually compared to the specified Poseidon trajectory AER for its class. This comparison yields the vessel's Sustainability Score, calculated as the Vessel AER (grams of CO2 per tonne-nautical mile) divided by the Poseidon trajectory AER (grams of CO2 per tonne-nautical mile) for that specific vessel class.

## POSEIDON PRINCIPLES

### KEY DATA

- ♦ Launched on **18 June 2019** and currently has signatories **34 leading financial institutions**.
- ♦ Finances over **80%** of the global ship finance portfolio.
- ♦ Is a framework for **assessing and disclosing** the **climate alignment** of vessels.
- ♦ Consistent with **IMO 2050** strategy for **50%** reduction of GHG.

### KEY ELEMENTS

- ♦ **Assessment of Climate alignment:** Collection of environmental data per vessel.
- ♦ **Accountability:** To ensure that information provided is practical, un-biased, and accurate.
- ♦ **Enforcement:** Introduces standard covenant clauses to ensure the appropriate data and information are provided by shipowners to Signatories and with privacy.
- ♦ **Transparency:** Disclosure of accurate information in a timely manner.

### OUR CONTRIBUTION

As of the report's issuance date, we have either already furnished or are currently in the process of supplying data to various financial institutions. This data sharing aligns with their commitment to the Poseidon Principles.

## LEADING SIGNATORY BANKS





# IMPROVEMENT OF AIR QUALITY & PROTECTION OF BIODIVERSITY

The emission of pollutants such as sulfur oxides (SOx), nitrogen oxides (NOx), and particulates resulting from the combustion of heavy fuels poses a significant public health issue, especially affecting seafarers, terminal workers, and residents of port cities who are more directly exposed. In response to IMO regulations, XT Group adopted the use of low-sulfur fuel oil starting in January 2020. Committed

to an ongoing reduction of atmospheric emissions, XT Group is actively engaging in the adoption of new technologies and evolving its energy mix. This approach not only aligns with regulatory standards but also contributes to the preservation of biodiversity along our trading routes.

### SDG OBJECTIVES

- Reduce sulphur content of fuel oils
- Air & Marine pollution reduction
- Air Quality & Marine biodiversity



## REDUCING AIR EMISSIONS RESULTS IN CONTINUOUS IMPROVEMENT OF ENERGY EFFICIENCY MANAGEMENT, ENVIRONMENTAL PROTECTION AND POLLUTION PREVENTION

Human activities have led to a significant rise in global greenhouse gas (GHG) emissions since pre-industrial times, witnessing a 70% increase between 1970 and 2004. The majority of the rise 2 in global average temperatures since the mid-20th century is highly attributed to the augmented concentrations of anthropogenic GHGs. The impact of human actions extends beyond just average temperature changes to various other climate aspects. Among these gases, carbon dioxide (CO2) stands out as the most crucial anthropogenic greenhouse gas.

The XT Group adheres to the stipulations of ISO 14001 and is committed to perpetually enhancing the energy efficiency of our fleet through the Ship Energy Efficiency Management Plan (SEEMP). This plan offers a systematic strategy for evaluating and

improving the performance of both individual ships and the entire fleet over time. It includes a variety of potential measures for optimizing ship performance. The procedures, methodologies, and specific measures selected for implementation aboard our vessels as part of the SEEMP are also meticulously outlined in this document.



### MEASURES OF SEEMP ARE CONSIDERABLE:

Optimizing ship speed can lead to substantial savings. Essentially, the optimum speed is defined as the velocity at which the fuel consumption per tonne-mile is minimized for a specific journey.

**Enhanced Voyage Planning:** Achieving the most efficient route and heightened operational efficiency is the result of meticulous voyage planning and execution. The International Maritime Organization's Resolution A. 893(21), which offers guidelines for voyage planning, serves as a valuable reference for ship crews and voyage planners. Our ships attain optimal routing and enhanced efficiency through this diligent approach to planning and conducting voyages.

**Weather Routing:** The Ship Performance Optimisation System (SPOS) is a sophisticated and dependable routing system installed onboard our vessels. It functions as a comprehensive weather routing tool, delivering regular updates on meteorological conditions. This system ensures that the crew is consistently informed about forthcoming weather conditions , taking into account various elements such as wind, waves, swell, currents, and other relevant factors.

**Optimum Trim Management:** The trim of the vessel is meticulously adjusted to the ideal values based on the planned voyage speed and vessel draft. This adjustment is guided by the onboard trim tables and is implemented to the extent practical. This optimization ensures the vessel operates at peak efficiency for the specific conditions of each journey.

**Hull Resistance Optimization:** The condition of the hull is routinely evaluated during port stays when feasible, utilizing in-water inspections. Occasional in-water hull cleaning is carried out, particularly during port stays where it is practical, targeting areas highlighted in these inspections. The scheduling of docking intervals is closely aligned with the ship operator's continuous evaluation of ship performance. To optimize hull resistance, we employ advanced coating systems, including silicone-based anti-fouling systems, in conjunction with strategically timed cleaning intervals. This approach ensures the hull remains in an optimal state, reducing resistance and enhancing overall vessel efficiency.

**Energy Optimization in Accommodation Areas:** Implementing straightforward measures, such as the conscientious utilization of tube fluorescent lamps (TFLs) LED lights in lieu of incandescent bulbs across all accommodation spaces, significantly contributes to environmental conservation. Additionally, ensuring that all appliances are turned off when not in use is a simple yet effective strategy to enhance energy efficiency and protect the environment.





Fleet Energy and Environmental performance monitoring

Monitoring and Benchmarking Fleet Performance on CO2 Emissions: Our approach to tracking and comparing our fleet’s CO2 emissions, specifically the Energy Efficiency Operational Indicator (EEOI), is a standardized and critical process. We gather industry benchmarking data from various reputable sources:

- International Maritime Organization (IMO): We utilize the “Second IMO GHG Study 2009” (MEPC 59/INF.10, dated 9 April 2009) for benchmarking our 2020 performance, and the “Fourth IMO GHG Study 2020” (IMO4) for evaluating our 2021 performance.
- National Technical University of Athens (NTUA) - Laboratory for Maritime Transport: Their “Ship Emissions Study,” prepared for the Hellenic Chamber of Shipping in May 2008, provides valuable insights.
- Alpha Marine Consulting Ltd. (AMC): We refer to their website, www.alphamrn.com, for additional data and analysis.

These sources enable us to maintain a comprehensive and up-to-date understanding of our fleet’s environmental impact in comparison to industry standards.

Biodiversity

In September 2019, the United Nations Global Compact introduced a vital initiative for ocean conservation through its launch of the Sustainable Ocean Principles. These nine principles call on global corporations to actively participate in preserving a healthy and productive ocean. Companies that become signatories of these principles are committing to critical environmental responsibilities: they pledge to prevent pollution, sustainably manage their marine resource utilization to ensure longevity, and maintain transparency regarding their ocean-related activities and impacts. To facilitate this commitment, a series of practical guidance documents tailored for various sectors was published in January 2020, offering actionable steps for companies to align their

operations with these principles.

The urgency of this initiative is underscored by the alarming state of ocean health. Covering 71% of the Earth’s surface and encompassing 97% of its water, the global oceans are crucial for maintaining ecological balance. They play a vital role in redistributing CO2 and heat, providing essential resources like food and renewable energy, and supporting economic activities such as tourism, trade, and transportation. Recognizing the critical state of marine ecosystems, the years 2021–2030 have been designated as the ‘UN Decade of Ocean Science for Sustainable Development’. This decade is focused on enhancing oceanic research and conservation efforts to address the burgeoning environmental challenges.

OCEAN HEALTH IS DETERIORATING

Presently, the oceans are facing a severe crisis, exacerbated by climate change. Rising temperatures and shifting chemical compositions are leading to ocean acidification, resource depletion, and increased pollution, including significant plastic waste. These issues are contributing to the rapid deterioration of ocean health.

Moreover, with the world’s population growth, there is an escalating demand to utilize ocean resources for food production, energy generation, raw material extraction, and transportation. This increasing dependence on ocean resources is occurring amid a backdrop of inadequate global knowledge and understanding of marine ecosystems. Addressing this knowledge gap is critical to developing sustainable ocean management strategies that can meet these growing demands without compromising the health and productivity of our oceans.

In summary, the global community faces a dual challenge: expanding the use of oceans to meet human needs while simultaneously enhancing our understanding and stewardship of these vital ecosystems to ensure their long-term sustainability.

Environmental Responsibility and Ocean Conservation Efforts

Our organization is steadfast in its dedication to adhering to all pertinent laws and guidelines aimed at preserving ocean health. This commitment involves:

- Responsible Handling of Hazardous Materials: We diligently manage fuels and chemicals to prevent any spillage into water bodies, thereby minimizing environmental harm.
- Effective Waste Management: Our strategies for waste management are designed to ensure that refuse is appropriately processed and does not contribute to ocean pollution.
- Compliance with Ballast Water Management Standards: We rigorously adhere to the Ballast Water Management Convention, employing comprehensive policies and procedures to mitigate the risks associated with ballast water, which is essential in controlling the spread of aquatic invasive species.

In addition to these regulatory compliances, we proactively address emerging environmental challenges, such as the increase in underwater noise, which has become a significant concern due to its impact on marine life, from plankton to whales. Our vessel retrofit program includes modifications to reduce noise emissions. We also recognize that slower sailing speeds can decrease underwater noise, and thus, we actively participate in speed reduction initiatives and research, particularly in regions inhabited by whales.

Active Role in Tackling Plastic Pollution

Our seafarers witness the escalating problem of plastic pollution in the oceans daily. With an estimated 5 trillion pieces of plastic waste scattered across major ocean basins, this issue is particularly resonant with our company and our workforce. We are committed not just to preventing further pollution but also to playing a role in removing existing plastic waste from our oceans, understanding its detrimental impact on marine ecosystems and biodiversity.

Ballast water treatment systems

The manner in which vessels manage ballast water holds significant implications for the health of oceans and biodiversity. Ballast water taken on board by

ships can harbor thousands of various aquatic or marine microorganisms, plants, and animals. When this water is discharged into new environments, it can disrupt local ecosystems, introducing invasive species that may harm the native biodiversity.

In adherence to the International Maritime Organization (IMO) Ballast Water Management (BWM) Convention, which mandates all ships engaged in international traffic to effectively manage their ballast water, our company has taken proactive measures. We have already equipped, or are in the process of equipping, the entirety of our fleet with Ballast Water Treatment Systems (BWTSS). This initiative covers all of our vessels, with the exception of one Roll-on/Roll-off (Ro-Ro) vessel.

These systems are critical in ensuring that ballast water is treated and purified before being discharged, thereby significantly reducing the risk of inadvertently introducing invasive aquatic species to new environments. This initiative is a testament to our commitment to responsible maritime practices and the protection of global marine ecosystems.

100%

OF FLEET INSTALLED OR IS IN THE PROCESS TO INSTALL BWTSS AS OF 31 DECEMBER 2022.



Renewal of the fleet

**XT Group is actively engaged in renewing its fleet with a focus on environmental sustainability and energy efficiency. This strategy involves divesting older, less efficient vessels and acquiring newer, high-specification models. Key aspects of our fleet renewal and sustainability strategy include:**

1. New Building Projects: We have embarked on three new building projects with reputable, high-quality shipyards.  
Each of these new vessels will be built to high specifications, with a strong emphasis on fuel efficiency. We anticipate that these newbuilds will constitute 30% of our fleet within a few years, aligning with the stringent requirements of the Energy Efficiency Design Index (EEDI) Phase 3, and embodying super eco-friendly features.
2. Advanced Maritime Technologies:
  - AMP Systems: Advanced Maritime Power (AMP) systems will be installed on new container ships.
  - VECS: Vapour Emission Control Systems (VECS) will be a feature of our new chemical tankers, ensuring reduced emissions and enhanced safety.
3. Innovative Dual Fuel Chemical Tankers will play a pivotal role in significantly lowering XT Group’s carbon footprint.
4. Sustainability-Linked Financing: We are utilizing Environment-Linked Bonds (ELBs) to finance these initiatives, demonstrating our deep commitment to the decarbonization of the shipping industry.
5. Green Series Container Vessels: The latest additions to our container fleet, comprising vessels of 1,800 TEUs each, delivered during 2019 and 2020, are part of our “Green Series”. These vessels are not only super eco-friendly but also incorporate modern technological advancements.
6. Emission Control and Efficiency Standards: All our new buildings are equipped with Main Engine Tier III and conform to EEDI Phase 3 standards, ensuring they meet the highest levels of environmental compliance.

Through these comprehensive measures, XT Group is at the forefront of driving sustainable practices in the maritime industry, significantly reducing environmental impact while enhancing operational efficiency.

A MODERN FLEET IN THE MAKING

Comprehensive Environmental and Energy Efficiency Measures by The Group

**The Group is actively implementing a range of advanced solutions and initiatives aimed at enhancing fuel efficiency, reducing emissions, and promoting environmental sustainability. These initiatives encompass a wide array of technologies and practices:**

- Electronically Controlled Engines: Designed to maximize fuel efficiency and minimize emissions.
- Enhanced Seal Program: Implemented to prevent oil leaks into marine areas.
- Regular Hull Cleaning and Propeller Polishing: These practices reduce vessel friction, thereby improving energy efficiency.
- High-End Hull Paints (Silicon-Based): Applied to reduce fuel consumption by lowering water resistance.
- Extensive Use of Fuel Additives: To enhance engine performance and efficiency.
- VFD Pumps Usage: Employed to cut down on energy consumption.
- Eco-Friendly LED Lighting: Widespread use across the fleet, along with efforts to minimize unnecessary lighting.
- Cross Flow Lube Oil Preheater Installation: For Main Engine and Auxiliary Engine to enhance operational efficiency.
- Bulbous Bow Modifications: Tailored to optimize flow and energy efficiency for new service speeds.
- Propeller Modifications: Designed to optimize fuel consumption.
- AMP (Alternate Marine Power) Installation: Allowing vessels to use shore electric connections in ports.

- Collaboration on Improvement Projects: Working with major charterers on projects like bio-fuels, deadweight tonnage (DWT) increase, etc.
- Duct & PBCF (Propeller Boss Cap Fins) Installation: Improving fuel consumption by up to 7%.
- Auto Pilot ECO System Upgrade: New version with optimized course algorithm, improving fuel consumption by 3-5% and efficiency.
- Installation of new trim optimizations programs
- ME PMI (Main Engine Performance Measurement Indicator) Installation: Enhancing main engine efficiency.
- Food Waste Management Training for Crew:

- Emphasizing sustainable practices.
- Transition to Digital Platforms: Converting hard-copy forms to soft copies and implementing online platforms for better efficiency.

**Each of these measures reflects the Group’s dedication to environmental stewardship and its commitment to advancing operational efficiency within the maritime industry.**

EXTENSIVE TECHNICAL IMPROVEMENTS TO FLEET





# PROMOTION OF CIRCULAR ECONOMY

(WASTE MANAGEMENT, PLASTIC REDUCTION, RECYCLING)

Integrating Circular Economy Principles into Our Strategic Framework

SDG OBJECTIVES

- Reduce plastic pollution
- Better waste reception facilities
- Green Technology initiatives



OUR RECYCLING PROGRAM

Commencing in 2022, our organization has diligently aligned with the Responsible Ship Recycling Standard (RSRS) and the European Union Regulation 1257/2013 on Ship Recycling, effective from January 1, 2021. In our commitment to environmental stewardship, we have systematically identified and closely monitored the presence of hazardous materials across our entire fleet. Key focus areas include: improving the performance of both individual ships and the entire fleet over time. It includes a variety of potential measures for optimizing ship performance. The procedures, methodologies, and specific measures selected for implementation aboard our vessels as part of the SEEMP are also meticulously outlined in this document

- Utilization of anti-fouling systems that incorporate organotin compounds as biocides.
- Identification and management of asbestos-containing materials.
- Comprehensive control of polychlorinated biphenyls (PCBs).
- Rigorous handling and disposal of ozone-depleting substances.
- Strict oversight of perfluoro octane sulfonate (PFOS) usage.

At XT Group, we maintain a steadfast commitment to our ship recycling program, recognizing it as an ongoing journey rather than a destination. Achieving certification of our vessels as per Inventory of Hazardous Materials (IHM) is merely the initial step in our quest for responsible recycling practices that negate environmental, health, and safety concerns. Our objective is to catalyze significant change in the global ship recycling industry, promoting responsible practices that prioritize worker welfare and environmental protection.

ALL OUR VESSELS ARE ALREADY IN COMPLIANCE WITH THE INVENTORY OF HAZARDOUS MATERIALS REGULATIONS

1,193.7  
TONS OF PLASTIC

DISCHARGED ASHORE OR INCINERATED DURING 2022

In our pursuit of sustainability, XT Group is actively engaged in adopting eco-friendly practices in all aspects of our operations, both ashore and aboard our vessels. We are continually exploring innovative ideas and are receptive to new strategies. As part of our endeavor to minimize our plastic footprint, particularly onboard, we are exploring the feasibility of installing water filtration systems on our vessels. Key initiatives include:

- 1. Water Conservation and Quality:** We have implemented the use of water dispensers and supplied reusable bottles, coupled with an ongoing awareness campaign about the benefits of filtered water. This initiative is a precursor to the potential introduction of onboard water filters.
- 2. Plastic Reduction:** We have banned the use of single-use plastics, such as disposable dishes, across our fleet and in all our global offices, reinforcing our commitment to environmental stewardship.
- 3. Sustainable Transportation:** In an effort to reduce

our carbon footprint, we have transitioned to using electric and hybrid vehicles for our shore-based employees.

**Food Waste Management:** In response to the International Maritime Organization’s (IMO) enhanced MARPOL Annex V guidelines on food waste disposal, we are piloting the use of waste shredders in our new vessels. Additionally, we are assessing the viability of food waste biodigesters or compost machines as innovative solutions for managing waste fleet-wide.

2,513.0  
TONS OF WASTE

(FOOD AND DOMESTIC) WAS DISCHARGED ASHORE OR INCINERATED DURING 2022





## OUR UPCOMING INITIATIVES ON MARINE ECO-MANAGEMENT

- In our ongoing commitment to environmental conservation, we have set a significant goal for the year 2023: to reduce our plastic consumption by 50% compared to the levels recorded in 2020.

The urgency of this initiative is underscored by the detrimental effects of plastic pollution on marine life. Solid plastic debris in the oceans poses a severe threat to fish, seabirds, and marine mammals, affecting at least 267 species globally. This includes 86% of sea turtle species, 44% of seabird species, and 43% of marine mammal species. The consequences are dire, ranging from ingestion and starvation to suffocation, infection, drowning, and entanglement. Entanglement with marine debris severely compromises the survival of marine animals, impairing their ability to sense hunger, capture and digest food, move effectively to evade predators, and reproduce.

Marine animals often become entangled in nets, ropes, and lines discarded or lost from commercial fishing activities, as well as consumer plastic waste. Certain types of plastic debris, such as packing loops, are particularly hazardous as they can attract animals like seals and sea lions. These animals mistake these items for food or become accidentally entangled in them. Once trapped, they struggle to feed or escape from predators. If these items remain entangled as the animals grow, they can cause deep, painful wounds or even strangulation.

This issue is particularly critical for endangered species such as the Steller sea lion and Hawaiian monk seal. In areas where young pups are raised, the proliferation of plastic debris can be devastating, threatening the survival of these already vulnerable species and impeding conservation efforts. Our initiative aims to significantly reduce our contribution to this global crisis, reinforcing our dedication to the protection and preservation of marine ecosystems.

**APPROXIMATELY 26 MILLION TONNES OF PLASTIC WASTE ARE GENERATED ANNUALLY IN EUROPE, WITH PLASTIC COMPRISING ABOUT 80% OF MARINE LITTER.**

## ACTIVE PARTICIPATION IN GREEN TECHNOLOGY INITIATIVES

### Forged strong partnerships to implement our decarbonization strategy

Recognizing the escalating urgency of addressing climate change and its far-reaching social and economic impacts, XT Group has intensified its commitment to a sustainable future by forging strategic partnerships and aligning with several essential initiatives. This year, these collaborations have significantly advanced, demonstrating a marked improvement compared to the previous year. These efforts, primarily targeting the shipping industry's transition to decarbonization, underscore a heightened focus on overcoming the challenges posed by climate change. Moreover, XT Group's involvement is now deeply rooted in a broader mission of environmental conservation, reflecting an enhanced dedication to making tangible impacts in combating climate.

XT Group has been a committed member of RightShip since 2010, the world's foremost maritime risk management and environmental assessment organization. RightShip's mission is to enhance the safety and environmental sustainability of the maritime sector. Particularly since February 2021, with the launch of RightShip's new Safety Score Platform, XT Group has been at the forefront, adopting and investing in enhanced processes to improve shipping safety and quality.

XT Group is aligned with the United Nations Global Compact, a voluntary initiative with over 12,000

signatories across more than 160 countries. This initiative urges businesses globally to implement sustainable and socially responsible policies. It focuses on aligning corporate strategies with universal principles concerning human rights, labor, the environment, and anti-corruption, and promotes actions that contribute to broader societal objectives.

XT Group actively participates in the Global Maritime Forum, an international non-profit organization dedicated to shaping the future of global seaborne trade. This organization focuses on fostering sustainable economic development and enhancing human well-being. The Forum unites maritime industry leaders with policymakers, non-governmental organizations, experts, and other key stakeholders in a collaborative community. Together, they strive to develop innovative solutions and action-oriented recommendations for the industry's challenges.



United Nations  
Global Compact



GLOBAL  
MARITIME  
FORUM

**RIGHTSHIP**

## OUR SUSTAINABILITY KPIS

After a thorough review of the foremost sustainability reporting standards, XT Group has chosen to adopt the recommendations set forth by the Sustainability Accounting Standards Board (SASB) specific to Maritime Transport. In addition to these guidelines, we have integrated additional indicators that hold material significance for both XT Group and our stakeholders. Furthermore, we are committed to supporting the United Nations Sustainable Development Goals (SDGs). To this end, we have strategically aligned our Key Performance Indicators (KPIs) with those areas where XT Group can exert the most significant impact.

Sustainability KPIs and Data Sheets Detailed in [Appendix C](#).



# OUR PEOPLE

## EMPLOYEE HEALTH & WELL-BEING

### SDG OBJECTIVES

03

GOOD HEALTH AND WELL-BEING

04

QUALITY EDUCATION

05

GENDER EQUALITY

08

DECENT WORK AND ECONOMIC GROWTH

At the heart of our organizational principles lies the commitment to the well-being and welfare of our employees. Caring for our workforce is not just a practice but a fundamental aspect of our mentality. We recognize that the collective success of our endeavors is intricately linked to the health, happiness, and fulfillment of each team member. Thus, we prioritize creating an environment that fosters excellent support, understanding, and a sense of community. By placing caring for our employees at the forefront, we strive to cultivate a workplace where individuals thrive both personally and professionally, contributing to a harmonious and successful journey for the entire organization. XT Group has set strong policies to ensure the common understanding of our commitments and creating the framework towards our goals. We have a high quality HR policy and non-discrimination policy enhancing our efforts for diversity, equality and inclusion.

Within our core principles, is to prioritize the well-being and fulfillment of our employees. Caring for our workforce is integral to our values, and we actively cultivate a corporate culture centered on people and a strong sense of unity akin to a family. Our commitment is evident through the provision of necessary resources to support their overall well-being and professional development. We ensure equal opportunities for career growth, offer competitive salaries and bonuses, and provide extensive health coverage packages, with 95% accessibility to health benefits. This dedication goes beyond mere expression of gratitude; it establishes a foundation for a workplace that values the comprehensive development and satisfaction of each team member. We also support women during the transformative period of motherhood goes beyond merely complying with relevant legislation. We provide comprehensive benefits not only during maternity leave but also throughout the first year following their return. Our dedication is evident as we prioritize the smooth reintegration of young mothers into their roles within the company once their maternity leave concludes, fostering an environment that values and supports their journey into motherhood.

>95%

HEALTH COVERAGE PACKAGES:  
95% ACCESS TO HEALTH  
COVERAGE



In XT Group, the formulation of our corporate culture is an intentional commitment that extends beyond the workplace, actively supporting seafarers and their families through comprehensive packages that go beyond the standard offerings. Competitive salaries are coupled with benefits such as a robust pension fund, extensive health insurance coverage as well as opportunities for scholarships, demonstrating our commitment to holistic support. Central to our corporate ethos is the cultivation of a familial atmosphere within our organization, fostering strong team relationships that contribute to enhanced workplace dynamics. This intentional and robust culture is designed to facilitate effective collaboration, encouraging our team members to work synergistically. Moreover, our stringent Drug and Alcohol Policy for seafarers underscores our dedication to safety, incorporating testing and screening medical examinations as a preemptive measure before embarking on vessel assignments. Through these multifaceted initiatives, XT Group creates an environment that not only values professional excellence, but also prioritizes the overall well-being and cohesion of our maritime community.

### ENGAGEMENT.

At XT Group, we anchor our future success in the proactive preparation of our workforce for the dynamic challenges of the evolving market. Our Human Capital management strategy revolves around strategic investments in people and culture, fostering resilience and adaptability. Our focus on fostering an inclusive and empowering environment is not only reflected in our daily operations but also in the developmental opportunities we offer to our team. We believe in creating a workplace where diverse perspectives are valued, ideas are celebrated, and continuous learning is encouraged. By investing in the professional development of our employees, we aim to build a workforce that is not only well-equipped to tackle current challenges but also primed for future success. This commitment to a positive workplace culture and ongoing development underscores our dedication to building a dynamic and thriving community within our organization.





OUR COMPASS

As a company that values its people, our top priorities for employees revolve around fostering an environment that nurtures professional evolution, a place for one's self-expression

Our key priorities include:

**1. Safety and Well-being:** Ensuring the safety and well-being of our employees is our foremost priority. We are committed to providing a secure and healthy work environment, both onshore and offshore, promoting the physical and mental health of our team.

**2. Professional Development:** We prioritize the continuous growth and development of our employees. This involves investing in training programs, skill enhancement initiatives, and career advancement opportunities to empower our workforce with the knowledge and capabilities needed for success.

**3. Work-Life Balance:** Recognizing the importance of a healthy work-life balance, we prioritize initiatives that enable our employees to manage their professional responsibilities while enjoying personal time. This includes flexible work arrangements, time-off policies, and support for maintaining a harmonious work-life equilibrium.

**4. Inclusive and Diverse Culture:** We strive to cultivate an inclusive and diverse workplace culture where every employee feels valued and respected. Embracing diversity fosters innovation and creativity, contributing to a vibrant and dynamic work environment.

**5. Competitive Compensation and Benefits:** Offering competitive salary packages and comprehensive benefits is integral to our commitment to attracting and retaining top talent. We aim to provide financial security and recognize the contributions of our employees.

**6. Employee Engagement and Recognition:** Actively engaging and recognizing the efforts of our employees is a priority. We encourage open communication, seek feedback, and implement recognition programs to acknowledge and celebrate the achievements of our team members.

**7. Health and Well-being Programs:** Promoting the health and well-being of our employees is a priority. We provide access to well-being programs, health insurance, and initiatives that support a healthy lifestyle, contributing to the overall vitality of our workforce.

By aligning our priorities with these key areas, we aim to create a workplace that not only attracts top talent but also nurtures a thriving and engaged workforce. In line with our initiatives to enhance our employee well-being, we offer a wide range of health benefits aimed at fostering a thriving workforce. Our health benefits include extensive medical insurance coverage, regular health check-ups, and access to wellness programs. Employees also enjoy the flexibility of a health and wellness allowance that supports their fitness and mental well-being pursuits. Additionally, we provide initiatives such as on-site fitness facilities and wellness workshops to promote a healthy lifestyle. These benefits not only contribute to the physical health of our team members but also underscore our commitment to creating a workplace where employees feel supported and empowered in all aspects of their well-being. Our proactive approach to health and safety extends beyond conventional measures, reflecting our dedication to the holistic flourishing of each employee within our organization.



2ND YEAR FOR THE PROGRAM WE SEA YOU

We celebrate the continuance of our multilateral approach program for the support and well-being of our employees .

In commemorating the enduring success of our multilateral approach program, we take pride in the remarkable steps we have taken in fostering the support and well-being of our employees. This holistic initiative has emerged as a driver of success, providing an integrated framework that goes beyond conventional practices. The program encompasses a variety of elements, including health

support, professional development opportunities, and personalized wellness initiatives. Through tailored workshops, access to counseling services, and ongoing skill enhancement programs, we have witnessed a tangible reinforcement in employee satisfaction and engagement. The success of this program is not only measured in metrics but also in the positive transformation of our workplace culture. Celebrating the continuation of this multi-faceted approach, we underline our firm approach to a supportive working environment that attracts and retains talent for the long term.



IMPACTS DERIVED BY THE PROGRAM

WE SEA YOU reflects the profound results achieved through our dedication to our principles. The longevity and strength of our partnerships, spanning decades with the majority of our Xteam, underscore the success of our approach. Empowering Excellence and Care is not a motto, it's a reality that reveals the growth of our exceptional team.

Through tailored development programs, promotions, and a commitment to a supportive working environment, our employees evolve alongside the company. Familyhood and humanity, embodied in our solid home-like workplace, contribute to the well-being and personal development of our valued team members resulting to a turnover rate of 2%.





Our accessible HR team, available 24/7 onshore and aboard, ensures that support is consistently provided. The Global Welfare policy, coupled with local adjustments, extends care to every office, while welfare initiatives on board, bonding activities, and a personal touch reinforce a sense of belonging.

In recognizing the importance of Work-Life Balance, our policies, such as shorter contracts at sea and a hybrid working model onshore, demonstrate our commitment to the well-being of our team. The emphasis on Diversity and Equality, backed by internal policies, showcases a working environment where every individual is valued, contributing to a multinational fleet and a diverse onshore team.

Our zero-tolerance stance on drug and alcohol abuse and sexual harassment underscores our commitment and ensures a safe and respectful working environment. The proactive implementation of policies, testing, and guidance sessions ensures the well-being of our employees.

EMPLOYEES’ OPINIONS MATTER

As part of our people-centric approach, we always consult our employees to report their concerns and perceptions of the challenges they face in the workplace. Employees complete an annual satisfaction survey indicating topics of great significance for them and we dedicate our efforts to take all necessary measures to meet their needs and successfully respond to their concerns. Furthermore, we conduct constructive COFFEE WITH HR sessions globally which aims to facilitate organizational communication so the employees can share their inputs, ideas, thoughts and requests. This way WE SEA their actual needs and address them properly”.

<2%

TURNOVER RATE

WE SEA YOU 2022 CULTIVATING A SUPPORTIVE WORK ENVIRONMENT

**WI-FI on board:** Recognizing the significance of internet connectivity for our seafarers, we understand its pivotal role in enhancing their quality of life. Today, the internet serves as a crucial means for seafarers to

stay connected with family and friends, access social media, utilize apps, and engage in various personal activities. XT Group is committed to ensuring that seafarers aboard all our vessels have access to Wi-Fi. We provide a range of options, ensuring that each seafarer can enjoy the benefits of internet connectivity tailored to their individual preferences.

**Facilities on board:** XT Group maintains an elevated standard of welfare facilities across all vessels in its fleet, prioritizing the establishment of a healthy and conducive infrastructure for onboard work environments. Our fleet is outfitted with a diverse range of entertainment facilities, comfortable day rooms, and well-equipped gyms, providing seafarers the opportunity to nurture both their physical and mental well-being while at sea. Ensuring our crews’ satisfaction is paramount, and we actively seek their input through annual surveys to continuously enhance living conditions on board. Additionally, rigorous inspections are conducted every six months across all vessels, reaffirming our commitment to sustaining the highest standards of welfare to meet and exceed overall expectations.

**PSF – Personal saving fund:** XT Group dedicates resources to the “Personal Saving Fund” designed for the benefit of all our crew o/b. Throughout their tenure with us, seafarers have the opportunity to accumulate substantial savings, potentially reaching hundreds of thousands of dollars. The fund offers an attractive interest rate, further augmented by special grants over time. When entitled to the Personal Saving Fund for a specific period, crew members have the flexibility to opt for either receiving the accumulated amount as of the period’s last day or extending their entitlement in accordance with our established policy. This initiative underscores our commitment to supporting the financial well-being of our valued team members during and beyond their service with XT Group.



**Food & Chef Patrick:** In a dedicated effort to elevate the culinary experience and enhance the overall quality of life for seafarers on our vessels, XT Group is making substantial investments of resources. Recognizing that the path to a seafarer’s satisfaction often passes through their stomach, we’ve brought Chef Patrick on board to ensure our chief cooks deliver a diverse range of exceptional meals. Our goal is to offer the crew an exquisite culinary journey, akin to dining in a new restaurant around the world every day.



Chef Patrick plays a pivotal role by sharing new recipes weekly and maintaining close communication with all our chief cooks and messmen through a dedicated chat group. This interactive platform allows the exchange of food photos, recipes, and valuable feedback. The collaborative efforts between Chef Patrick and our onboard culinary team have proven highly effective, ensuring a consistently high standard of meals that not only satisfy but elevate the dining experience for our seafarers.



**Events on board:** Navigating life on board a vessel presents seafarers with a distinctly different world characterized by unconventional lifestyles, working conditions, and relationships. These disparities can contribute to stress, fatigue, and overall dissatisfaction, exacerbated by the diverse cultural influences shaping preferences and interactions. At XT Group, prioritizing seafarers’ well-being is utmost. Social interaction is recognized as a vital element for a healthy onboard environment, contributing significantly to mental and physical health benefits.

To actively promote camaraderie and positive morale, each vessel is allocated a specific budget for onboard celebrations. Whether it’s a birthday, holiday, promotion, or marking years of service, every occasion

is an opportunity for the crew to come together and enjoy moments of camaraderie. Monthly barbeques serve as a platform for integrating the entire crew into one cohesive family, fostering stronger teams and building enduring relationships.

Recognizing the significance of personal milestones, seafarers are not only celebrated on birthdays but also receive a thoughtful on-board gift – a distinctive XT Group Backpack. Moreover, for each significant seniority milestone, be it 5, 10, 20, or 30 years, seafarers are honored with a specially curated gift, reinforcing XT Group’s commitment to acknowledging and appreciating the dedication of its maritime family.



# WE ARE ALL A BIG FAMILY

**Seafarers' Magazine:** Our aim is to craft something meaningful and captivating for our seafarers. The Seafarers' Magazine serves as a unifying platform, fostering a shared understanding of our values and instilling a profound sense of belonging within our seafarers' community. It stands as one of several avenues through which we come together as a unified team, a cohesive family.

Issued biannually, the magazine serves the purpose of keeping our seafarers well-informed about the latest developments within the company. To ensure accessibility, we distribute digital copies via various social media channels, reaching every corner of our seafaring community. Additionally, hard copies are meticulously sent to all our vessels, reinforcing our commitment to keeping every member of our maritime family connected and informed.

**Seafarers Portal App:** The XT Group Seafarers Portal serves as a comprehensive platform empowering our seafarers to seamlessly manage various aspects of their employment. Upon logging in, seafarers gain instant access to a personalized dashboard displaying essential details such as their rank and Date of Assignment (DoA). The portal offers a range of features including crew planning, mandatory training requirements, and the ability to submit expense claims.

Additionally, through this application, seafarers can conveniently access the Quality and Technical Management System (QDMS). This feature enables them to stay current with all documents

published by our Quality Assurance (QA) and Technical (TECH) departments. This includes up-to-date versions of Quality Procedures (QP) and Fleet Safety Instructions (FSI), circular letters, and other pertinent documents. The XT Group Seafarers Portal is designed to streamline communication and facilitate easy access to crucial information, ensuring our seafarers remain informed and empowered throughout their journey with XT Group.

**Competitions:** Elevating our seafarers' mental health to the forefront of our priorities, we curate a diverse range of activities throughout the year. Recognizing the profound impact of recreation on mental well-being, we leverage it as a powerful team bonding tool. These activities serve as a crucial avenue for crew members to connect and socialize beyond the confines of their work environment.

We organize engaging competitions for our seafarers, every 2-3 months. These competitions not only foster team interaction within each vessel but also infuse an element of fun through diverse activities. Whether it's a competition tailored for our Chief Cooks or one that involves all seafarers on board, these events provide a platform for camaraderie and the chance to win exciting prizes. By encouraging participation in these inspiring competitions, we aim to enhance the mental well-being of our seafarers and reinforce the sense of community and teamwork aboard our vessels.





# EMPOWERING THE STRATEGIC ASSETS OF TALENT AND SKILLS

## SDG OBJECTIVES



A crucial requirement for any company aspiring to emerge as a leader in its industry is the continuous training of its human resources. At our core, we are dedicated to fostering a culture that promotes growth and maximizes the potential of our team members. Our focus lies in the continual training of our people, incorporating comprehensive, high-value training programs to enhance their knowledge and skills. In 2022, more than 7,600 training hours were provided to the employees ashore, with average training hours 42,5 for each employee during the year.

42.5

### AVERAGE HOURS OF TRAINING

The company is dedicated to fostering the growth of proficient and effective seafarers by encouraging and supporting their career advancement within the organization. Our commitment extends to enhancing skills and facilitating career development. In alignment with the career plan we create together with our employees, we have devised promotion strategies for all ranks both at sea and on shore, established cadet programs, and implemented a range of training initiatives, including webinars and briefings. Ensuring that our seafarers have diverse opportunities for growth, both while at sea and ashore, is a priority, enabling them to ascend the ranks and reach the pinnacle of their careers.

We provide every candidate with fair and equally opportunities for working in our company. The only criterion for selecting a candidate to work for the company is his/her suitability for the needs of the position. Even if a candidate is not selected, the reasons for the rejection of his/her application are sent to him/her by email.

### CADET'S PROGRAM

One of our main values in XT Group is the long-term career development of our dedicated employees. Our cadets are recruited before finishing their studies and have a constant follow-up with the company to ensure a successful start in their careers. We are proud of our special and long relationship with our seafarers. It is not by chance that many of our senior crew on and offshore joined XT Group as cadets and climbed all the way up and some of them are the 2nd proud generation in the company.

40years

### MOST OF OUR SEAFARERS ARE UNDER 40 YEARS OLD

We try to have groups of cadets joining the company every 6 months, or at least once a year if it is a big group. Our cadets complete a minimum of 12 months of sea service before receiving the opportunity for promotion.

## ON-LINE LIBRARIES FOR TECHNICAL SKILLS AND EDUCATION

The company encourages continuous education and training of its staff so that they can respond to the needs and developments of the shipping industry. Both the educational and training seminars they attend are aimed at familiarizing staff with innovation and digitalization as well as developing soft skills. We prioritize the continuous development of our personnel through various avenues, including complimentary English language courses that empower employees to navigate the multicultural environment they operate in and enhance their familiarity with English maritime and shipping terminology. Additionally, our commitment extends to the operation of libraries in both our offices and onboard vessels, constantly enriched with new books. These libraries serve as valuable resources for technical skills acquisition, complemented by the availability of all training materials and SMS documents online, accessible to our crew at sea and employees ashore.

### WEBINARS FOR OUR SEAFARERS

XT Group offers live webinars that cover a diverse array of relevant and informative training topics for our seafarers. These webinars are tailored to specific audiences based on the subjects covered, ensuring their relevance and applicability. Each department plans its agenda of topics at the start of every year, guaranteeing a comprehensive and organized approach. Our commitment is to provide up-to-date training to our crew, enabling them to perform at their best by staying current with the latest industry knowledge and practices.

### BRIEFING SESSIONS

In ensuring the seamless integration and optimal performance of our seafaring personnel, a meticulous

and comprehensive briefing process is at the forefront of our operational strategy. Recognizing the significance of providing essential information to guarantee the safety, efficiency, and regulatory compliance of our seafarers, we prioritize the delivery of tailored guidance. Specifically, all newly joined or promoted top two officers undergo a mandatory visit to the head office for a thorough briefing before embarking on vessel assignments. This critical session encompasses updates on the company's latest developments and practices, involving collaboration across various departments such as Crew, Technical, QA, Purchase, Insurance, and IT. Scheduled within 2-3 weeks of joining the vessel, these briefings adhere strictly to the company's guidelines and equip officers with accessible materials for continued reference and study. This proactive approach not only sets the stage for a successful onboard experience but also underscores our commitment to fostering a culture of safety, proficiency, and regulatory adherence.

### DE-BRIEFING PROCESS

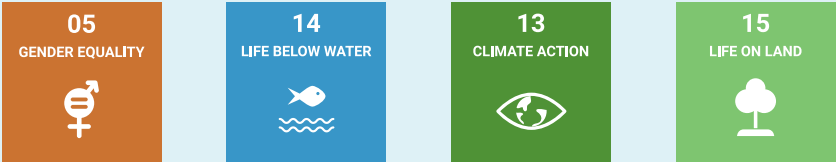
In pursuit of fostering continuous improvement and maintaining open communication channels, we have instituted the XT Group De-Briefing process specifically designed for our top-two crew members upon disembarking from their vessels.

The XT Group De-Briefing process has been implemented to enhance the assessment of our top-2 crew members post-disembarkation from the vessel. The primary objective of this initiative is to foster a high level of continuous improvement, benefiting both the operational aspects of our vessels and the overall efficiency of our office functions. Furthermore, the process aims to ensure that our top officers experience a fair and conducive atmosphere, providing them with an opportunity to express their insights and perspectives openly.



# NURTURING DIVERSITY AND INCLUSION IN OUR COMMUNITY

## SDG OBJECTIVES



Diversity and inclusion stand as integral pillars in our workplace, creating a profound and multifaceted value that enriches our organizational fabric. The synergy of diverse backgrounds, perspectives, and experiences fosters a dynamic environment that sparks innovation and creativity by bringing together people from twenty five nationalities. We recognize that diverse teams are more adept at problem-solving and are better equipped to navigate the complexities of a rapidly evolving global landscape. Inclusion ensures that every voice is heard and every individual is empowered, contributing to a sense of belonging and commitment among our team members. Beyond enhancing our adaptability and

performance, embracing diversity and inclusion reflects our commitment to social responsibility and ethical business practices. By championing these values, we not only create a workplace that attracts top talent but also one that nurtures a culture of respect, collaboration, and excellence.



DEI - Diversity, Equality, and Inclusivity - stand as pillars of pride within our organization. We are proud to maintain a multinational fleet and a diverse composition of our onshore staff, which collectively forms a microcosm mirroring the rich tapestry of our world. We take every opportunity to celebrate the differences among individuals, spanning diverse races, genders, ages, cultures, religions, disabilities, and sexual orientations. We embrace different educational backgrounds, personalities, skillsets, and experiences, recognizing the unique contributions each individual brings to our collective success. In fostering an inclusive environment, we cherish and celebrate this diversity as a cornerstone of our organizational strength and vitality.

## PROTECTING HUMAN RIGHTS

In our workplace, the principles of human rights form the cornerstone of our values and practices. We are committed to upholding the fundamental rights and dignity of every individual within our organization. Our policies and practices prioritize a workplace environment that cultivates equality, non-discrimination, and respect. We believe in providing fair and equitable treatment to all employees, irrespective of their background, race, gender, religion, age, or any other characteristic. This commitment extends to ensuring freedom from harassment, promoting a safe and inclusive atmosphere where everyone feels empowered to contribute their best. We actively engage in continuous education and awareness initiatives to instill a culture of respect for human rights, aligning our operations with international standards, laws and regulations.



# COMMUNITY IMPACT: OUR CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

“Giving Back”

## SDG OBJECTIVES



At XT Group, our Corporate Social Responsibility (CSR) initiatives are deeply rooted in XT Group to support and elevate life in local communities. Recognizing the interdependence of our operations with the communities in which we operate, we place a strong emphasis on initiatives that contribute positively to the well-being and development of these locales. Our CSR programs prioritize areas such as education, healthcare, and environmental sustainability, with a focus on creating lasting impact. Through strategic partnerships and direct engagement, we aim to empower local communities by providing educational resources, healthcare facilities, and sustainable development opportunities maintaining strong, long-lasting partnerships with organizations, academia, health institutions and sports associations. By aligning our CSR efforts with the specific needs and aspirations of each community, we strive to foster positive change and enhance the overall quality of life for those in the regions we call home.

### THE RUPPIN ACADEMIC CENTER

XT Group extends its support to the Ruppin Academic Center, a prominent public institution in Israel. Established in 1949, the center has grown to become one of the largest colleges in the country, offering a spectrum of academic programs. With 13 undergraduate and 7 graduate degrees spanning four faculties —Economics and Business Administration, Social and Community Sciences, Engineering, and Marine Sciences— Ruppin Academic Center plays a vital role in shaping academic excellence.

Our support at XT Group goes beyond financial contributions, encompassing active involvement in managerial capacities. Mr. Udi Angel assumes the role of Chairman of the Board of Governors, exemplifying our commitment to the center’s governance. Simultaneously, Mr. Yossi Rosen, XT Group’s President, serves as a Director, reinforcing our dedication to the academic institution. Furthermore, XT Group has recently committed to funding the complete construction of a new engineering and nursing science building, underscoring our steadfast commitment to advancing educational infrastructure and



### VARIETY ISRAEL

Aligned with our dedication to Variety’s noble cause, XT Group actively supports the organization through diverse fund-raising initiatives. These include tennis tournaments featuring the participation of Israel’s leading business community, organized by XT Group’s management, as well as special TV broadcasting events designed to raise funds and awareness. Through these efforts, XT Group is proud to contribute to Variety’s mission, promoting the well-being and empowerment of children with disabilities in Israel. Variety Israel, a non-profit organization championing the well-being of children aged up to 18 with special needs such as autism, blindness, and deafness, holds a significant place in our commitment to social responsibility. Under the chairmanship of XT Group’s own Mr. Udi Angel, Variety stands as one of Israel’s largest organizations dedicated to supporting disabled children. By extending assistance to both the children and their families, the organization utilizes donations to enhance mobility and freedom, enabling these children to integrate into their communities, communicate effectively, and achieve independence.

### RIMON SCHOOL OF MUSIC

XT Group proudly supports the innovative initiatives of the Rimon School of Jazz and Contemporary Music, which was established in 1985 by a passionate group of Israeli musicians committed to integrate modern music genres such as jazz, rock ‘n’ roll, and R&B within the Israeli music scene. Nestled in Ramat Hasharon, a suburb near Tel Aviv, the Rimon School offers a comprehensive 3-year professional diploma program featuring seven majors. With approximately 750 students from around the world and a faculty comprising 90 musicians, artists, and educators, Rimon stands as a hub for musical talent, diversity, and technological advancements deeply rooted in Israel’s creative culture.

As a supporter of Rimon, XT Group actively contributes to the school’s growth and development. The Group’s funding extends to the construction and renovation of school buildings, ensuring a conducive environment for musical education. Additionally, we equip the school with cutting-edge technical and musical equipment, fostering an atmosphere of innovation and excellence. Mr. Ehud Angel, Chairman of the Board of the School, has been a steadfast supporter since its inception, symbolizing XT Group’s enduring commitment to nurturing musical talent and creativity within Israel’s cultural landscape.





## SISMA – PASSWORD FOR EVERY PUPIL

Founded in 2006, Sisma is an innovative force in digital education, providing a specialized platform for the remote regions of Israel. Stemming from Mr. Ehud Angel's vision to support the educational system in the periphery, this forward-thinking program has garnered steadfast support from the Group and a broader corporate network, including the Israel Corporation.

Functioning as a collaborative learning community, Sisma seamlessly connects local authorities, educational teams, students, and parents, creating a vibrant and interactive learning experience. With a central objective of narrowing the digital gap within Israeli society, particularly in the periphery, the program empowers each student with individual passwords, granting access to an expansive platform that opens doors to the internet and a virtual realm of lessons, resources, and learning materials.

Sisma empowers educators to establish forums and implement alternative learning methods directly accessible to students, augmenting the existing resources available to the local authority and the educational system. Whether for teachers, school principals, ministry representatives, parents, or students, Sisma significantly enriches the educational landscape. Currently, the program has left an indelible impact, engaging over 100,000 students in 250 schools across 50 villages and cities, solidifying its status as Israel's largest educational initiative. The Group's unwavering commitment to Sisma underscores our dedication to fostering inclusive and cutting-edge educational opportunities for students in the periphery.

## THE HEBREW REALI SCHOOL OF HAIFA

Driven by the commitment to foster education in local communities, the Group has dedicated a substantial donation, providing the essential funds for the complete renovation and establishment of the new "House of Spirit and Friendship". This benevolent gesture underscores The Group's belief in the transformative power of education and its undisputed support for creating enriching environments that foster learning, camaraderie, and a sense of community. Through these donations, The Group seeks to contribute to the holistic development of educational spaces, ensuring that students have access to modern, conducive, and inspiring facilities that nurture their intellectual and personal growth.

## WOMEN VOLLEYBALL

The Group proudly serves as the official sponsor of Haifa's women's volleyball team – Maccabi XT Haifa.

Thanks to the Group's sponsorship and support, Maccabi secured victory in the 2021-22 championship.

Beyond its commitment to specific organizations and dedicated projects, financially or in terms of management time, the Group also actively engages in spontaneous philanthropy. Regularly contributing to fundraising events for diverse causes, the Group champions social awareness, friendship, and solidarity. This support transcends geographical boundaries and religious affiliations, embodying the Group's dedication to making a positive impact on a broad spectrum of community endeavors.



## THE IDAN & BATIA OFER FAMILY FOUNDATION

The Group proudly aligns itself with The Idan and Batia Ofer Family Foundation, a philanthropic entity driven by a mission to champion sustainable solutions to social issues across various domains. The Foundation's visionary projects span health, education, welfare, art, and culture, with focus on benefiting children. Since its establishment, the Foundation has been a beacon of support for numerous impactful causes.

In the realm of health, the Foundation has made significant contributions to Ichilov Hospital in Tel Aviv, channeling resources to fortify healthcare initiatives. Notably, the Foundation stands as a key supporter of Prof. Ronit Satchi-Fainaro, a leading female scientist in Israel, contributing to vital research endeavors through the Israel Cancer Research Fund.

The Foundation's commitment to education is equally remarkable, evident in the generous donation made to the London Business School for the creation of the

Sammy Ofer Center. This generous contribution, the largest single donation to a UK educational institution, has endowed the school with 37 seminar rooms, six lecture theaters, a cutting-edge library, and multiple quiet zones fostering a conducive learning environment. Further extending its educational support, the Foundation has played a pivotal role at Harvard Kennedy School, constructing a building within a 91,000 square feet complex comprising classrooms, offices, and communal spaces. Through these efforts, the Idan and Batia Ofer Family Foundation, with the support of the Group, continues to leave an indelible mark, shaping a brighter future in the realms of health, education, and beyond.



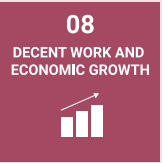
# SUSTAINABLE AND RESPONSIBLE TRADE

## EXCELLENCE IN OUR BUSINESS PRACTICES

We owe our financial success to the confidence our stakeholders have in our business. This is accomplished via implementing our Global Code of Ethics and other compliance standards, as well as responsible corporate governance best practices. Through openness and responsibility, we propel performance improvements and pave the way for improved, long-term decision-making.

### SDG OBJECTIVES

- Maintain a code of conduct that is consistent with our values.
- Adhere to all applicable legislation regarding ethics and compliance with our codes



## CORPORATE GOVERNANCE

For our stakeholders to have lasting appreciation, good corporate governance is crucial. All departments and employees are held to the highest levels of compliance thanks to our transparent and rigorous compliance policies. They are also useful in satisfying the growing number of company governance standards set by outside parties.

The XT Group is devoted to maintaining our position as a front-runner among international shipping companies by offering services that are reliable, fast, and affordable. Therefore, we are devoted to operating our company with the utmost integrity, and we invest consistently in our operational, technological, and financial infrastructure. We also strive for solutions that are environmentally friendly.

### OUR PRINCIPLES WE CARE FOR MOST ARE GUIDING US IN OUR EVERYDAY STEP.

**Operational Excellence:** Ship management at XT Group is among the most efficient in the world, and the company is famous for its operational skills. Service, safety, and efficiency are our top priorities, and we promise to never let our customers down.

**Familyhood and humanity:** As a company, we value our employees and want to ensure they have a safe space to be themselves while also giving them the tools they need to succeed both professionally and personally.

**DEI (Diversity, Equality, & Inclusivity):** Our diverse onshore crew and multi-national fleet make a perfect microcosmos of the globe, and we are proud of it. We rejoice in the diversity that exists among human beings, especially in terms of age, gender, race, ethnicity, religion, disability, sexual orientation, level of education, personality, and life experience.

**Sustainability:** On board our vessels and in our offices throughout the globe, we are actively working to adopt sustainable practices because we care about our planet.

**Entrepreneurship:** We are committed to enhancing our performance via the use of cutting-edge technology and consistently drive our staff to excel in their respective fields while also encouraging them to challenge themselves to

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## PRINCIPLES OF TRANSPARENCY AND ETHICS IN OUR WORK

We update our rules and processes periodically to guarantee that every XT Group employee behaves ethically and responsibly, keeping up with the ever-changing maritime business. The IMO Facilitation Committee accepted recommendations for adopting and implementing measures against marine corruption during its forty-sixth session (May 2022), marking a significant policy change. To our knowledge, this is the first instance of anti-corruption legislation specifically addressing the marine industry. It is based on the 2005 UN Convention Against Corruption, a multinational pact against corruption that more than 180 nations have joined, and which became legally obligatory. A specific division at XT Group is in charge of updating and revising our company's policies and procedures. The policies and procedures that fall within our team's purview are reviewed and updated annually. The

purpose of this evaluation is to identify, stop, and fix any procedural abuse that may have occurred. The Group's Directors, Officers, employees, and affiliates are all required to adhere to our Code of Business Conduct and Ethics, which was approved by our Board of Directors and its affiliates. Everyone's interactions with coworkers, clients, vendors, and government entities are treated with the utmost seriousness in these standards. To help Relevant Persons understand what is required of them at the very least, this Code lays forth certain fundamental concepts.

Encouraging and enabling personnel and cooperating third parties to raise any concerns they reasonably believe about accounting matters, audit practices, internal controls, fraud, corruption, abuse, malpractice/ unethical behavior, pollution, insider trading, or criminal offences is essential to the implementation of our code and policies.





TOPICS COVERED BY OUR POLICIES AND CODE:

Any outside parties planning to do business with XT Group undergo due diligence thoroughly. Along with the Third-Party Risk Policy, this considers whether or not the commercial connection is suitable in light of the Company’s Anti-Corruption Policy.

- Direction and Supervision
- Dedication and Accountability
- HSQE Mastery Efficient Use of Energy
- Diversity and Equity
- Employee Welfare
- Issues of Conflict of Interest and Openness
- Privacy and Confidentiality
- Keeping Company Assets Safe and Making Good Use of Them
- Adherence to All Applicable Laws, Regulations, and Policies
- Ethics in Society
- Safety measures
- Whistleblowing / Open Reporting
- Combating Unethical Practices

EMBRACING A CULTURE OF HONESTY AND RESPONSIBILITY

Our operations are in line with environmental and safety laws, regulations, and requirements because we have built a culture of accountability, transparency, integrity, and compliance throughout our organization and have established standard operating procedures through our Code and Policies.

Through our procedures:

- We find compliance concerns, figure out what they mean, then relay that information to our shore and marine staff.
- For maintaining confidentiality, we urge all employees, agents, technicians, suppliers, contractors, and consultants engaged in the management and operation of our vessel to report any instances of environmental violations, unethical activities, or safety compliance concerns immediately to our Office.
- Nevertheless, we stand by our standards for environmental preservation, our code of ethics and conduct, and any relevant international laws and regulations, and we can dismiss any employee or crew member who violates them.

OUR METRICS FOR SUSTAINABLE DECISION-MAKING

With an eye on the future of sustainable shipping and openness, we are working towards our transparency goals.

- Use disclosure frameworks and grading methods that beyond compliance to track our sustainability performance and make sure we’re always becoming better.
- Let our consumers have the power to demand that decision-making processes include transparency and sustainable performance.
- Use disclosure frameworks and grading methods that beyond compliance to track our sustainability performance and make sure we’re always becoming better.

Our goals for the next years in terms of openness and environmentally responsible decision-making are:

Regarding the oversight of sustainability-related performance,

- This report is issued on an annual base detailing our sustainability performance. All of our company choices would be based on our sustainability KPIs, which would be regularly tracked.
- Throughout each ship’s lifetime, we plan to use sustainability rating metrics

Regarding our responsibility,

- We set up measurement procedures to make it easier to compare sustainability performance data to global standards and then share that data with the public.
- Our risk of corruption and ethical infractions is continually assessed and managed.
- All parts of our activities are openly and publicly reported.



Zero (0)  
Bribery and  
Fraud Incidents in  
2022



Zero (0)  
Open Reporting /  
Whistleblowing Incidents in  
2022



Zero (0)  
Violations Code of Ethics,  
Code of Conduct & Policies in  
2022



# PROVIDING SERVICES THAT ARE BOTH SUSTAINABLE AND INNOVATIVE

In order to provide our clients with excellent services, we have established extensive collaborations with startups, as we are well aware that the demands of the contemporary shipping sector necessitate spending money on innovation and cutting-edge technology.

## SDG OBJECTIVES

- Achieve XT Group-compatible ESG missions with 40% of our supplier chain partners.
- To provide services in a way that is kind to the environment.



## INNOVATION IS AT THE CORE

To investigate the potential advantages of wind propulsion systems for a portion of our fleet, we have teamed up with NayamWings.

### ONLINE PERFORMANCE REAL-TIME MONITORING

“SMARTShip™” system connects a company’s whole fleet via a digital platform. During 2022 we continued to enhance the system to meet our requirements. Improving operational efficiency is achieved via the collection of live data and the provision of real-time analytics. Ultimately, we want to help businesses realize their full potential by revealing previously unknown insights. Decisions about routine tasks may be made more quickly, which improves the efficiency of the business. The gathered data may then be used to get valuable insights for the business.

### CAPITAN EYE

An innovative marine safety and management system that uses artificial intelligence video analytics to identify and avoid accidents, injuries, and pollution in the water was developed and is backed by XT Group, an investment and design partner. During 2022 we continued to enhance and optimize the system , while it was installed on more fleet vessels.

### DESIGN PARTNERSHIP

The Group continued for 2022 to work as a design partner with Verifavia and Windward, two of the most prominent names in the marine industry when it comes to shipping and environmental concerns, and they are presently in the second phase of a long-term partnership. The ultimate goal of the collaborative initiatives is to provide the maritime sector with various instruments for tracking environmental indicators within fleets, finding

vulnerabilities, and implementing both short- and long-term solutions. The Group’s fleet will be ready for the next age of shipping with the help of all these measures.

### CO2 CAPTURE SYSTEM

As an extra measure to help the environment, the Group is looking into installing a CO2 capture system on its ships. This would lessen or even eliminate the CO2 footprint and send the waste product to other industries that can put it to better use. In this way, a global ecosystem would be created instead of CO2 being produced. The group continued the efforts on CO2 capture system for 2022.

### CYBER

Cydome, design partner. Assure the preparedness of vessels for regulatory inspections and provide cyber security coverage to protect their IT and operational assets. We further enhanced the cooperation with more vessels installations.

**DESIGN PARTNERS** with several maritime accelerators

**MARITIME WIND PROPULSION SYSTEMS ([nayamwings.com](https://nayamwings.com))**. In order to investigate the potential advantages of wind propulsion systems for a portion of our fleet, we have teamed up with NayamWings.

Together, we explore the option to use a hybrid source of power, reducing thus the engine use and saving fuel and reducing emissions along the way. If this partnership succeeds in bringing up performance benefits for our ships, we expect that our 2050 net-zero path will be greatly enhanced.

### DESIGN PARTNER WITH NAUTILUS LABS

Online monitoring software for route optimization and achieving profitable maritime decarbonization (<https://nautiluslabs.com/>).



**CYBER SECURITY & DATA PROTECTION**

Optimal readiness, containment capabilities for different sorts of incidents, the capacity to recover, and continuous-passive and active defense in several levels are all parts of the XT Group’s system for dealing with cyber-attacks. XT Group follows all relevant regulations while putting its information protection philosophy into action. Cyber-threat prevention solutions are put into place by XT Group at all its locations and on all of its assets, including mobile staff and ships that travel the globe.

The chief information officer (CIO), the IT department, and the company’s cyber and infrastructure officer form the cyber array in the HR organizational chart. XT Group considers all people who utilize computers to be a part of our defense capabilities. Companies that focus on cyber defense and incident response are also activated when needed, mostly to ensure adequate preparedness.

In addition to the many tiers already mentioned, the following components make up the company’s multi-tiered coping system. When an organization employs Mail Relay (Iron Port, Cisco), all incoming emails are inspected using different techniques to identify spam, phishing,

viruses, and more. To combat any and all cyber dangers, the firewall (FortiGate) examines all incoming and outgoing data traffic and employs a battery of protective procedures. The computers that we have no choice but to share with other parties like travel agencies, suppliers, and manning agencies are actively protected by Web Antivirus Firewall (WAF, RADWARE). Protecting end stations from potentially harmful surroundings and computers with suspicious DNS is the job of DNS Protection (Umbrella, Cisco). This includes both central protection inside the business environment and individual protection for laptops outside the organization. All the company’s computers and servers are constantly protected by End Point Protection & EDR (CrowdStrike). When it comes to cyber security, XT Group is following all IMO regulations and guidelines, and our ships are equipped with a multi-layer protective system and segmented networks. In accordance with IMO Resolution MSC.428 (98) and BIMCO guidelines, XT Group is collaborating with leading integrators to

provide secure satellite communication services as well as a secure network, information technology, and operational technologies.

Each of the cyber defense technologies that XT Group employs is a top-tier product, and XT Group uses no less than three of them (according to Gartner and others).

We believe it is critical to educate all employees who use company computers on how to protect themselves against cybercriminals. Throughout the year, computer users on board and in the office participate in intensive seminars and training sessions focused on phishing email exercises.

Periodically, we conduct penetration tests with varying degrees of emphasis; these tests allow us to identify the defense and coping mechanisms.

As part of our disaster recovery plan, XT Group uses top tier backup/restore and DRP tools. We also have a rigorous backup schedule that includes backups to a remote site that acts as a DR site and backups to detachable tapes that protect our backup surfaces from contamination in the event of cyber penetration.

The move to the cloud has been strategically decided upon by the organization. Moving all our email, file, and SharePoint services to the new Microsoft 365 and Azure environment is already done. Also, we’ve finished off several SaaS services, like 7D’s cash flow platform and Meteor Bank’s reporting services, that go outside the cloud. It is our intention to keep migrating services to the cloud, offering SaaS and, in cases where they are not already available, IaaS as well.

**HEALTH AND SAFETY**

Our primary objective at XT Group is to ensure the safety and efficiency of our cargo transportation services while prioritizing our clients’ pleasure and the preservation of the environment.

As revised, the International Maritime Organization’s (IMO) ISM (International Safety Management) Code for the safe operation of ships and pollution control, as well as ISO 9001 and ISO 14001, are all satisfied by the Company’s Quality Management System.

XT Group ensures quality control across the board by conducting regular internal and external audits.

This is accomplished by the implementation of an Environmental Management System that complies with all applicable local, state, federal, and international regulations. When it comes to maritime safety, safe work practices, and environmental preservation, the goal is to have zero accidents and incidents.

In compliance with the rules of the Maritime Labor Convention (MLC 2006), the Company adheres to excellent working practices on board to guarantee that all employees are working in a safe and healthy environment.





# CONTRIBUTION TO A RESPONSIBLE DOUBLE MATERIALITY

An important part of our company's governance framework is our Risk Management system. We can safeguard and enhance the Company's value by assessing impact materiality on problems and financial materiality related topics, and we successfully manage increasingly complex financial and non-financial risks.

## SDG OBJECTIVES



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## OUR RISK MANAGEMENT AND MATERIALITY ISSUES

As a tool for corporate governance, our Risk Management system is vital. As a result, we are able to safeguard and grow the company's value while efficiently managing increasingly complex financial and non-financial risks.

In 2020, we updated our Risk Management policies. Occupational safety and other Sustainability-related issues have received more attention in our risk assessment and classification efforts.

Any risks that may impact our company operations may be found, evaluated, tracked, and reduced with the help of our Risk Management framework and

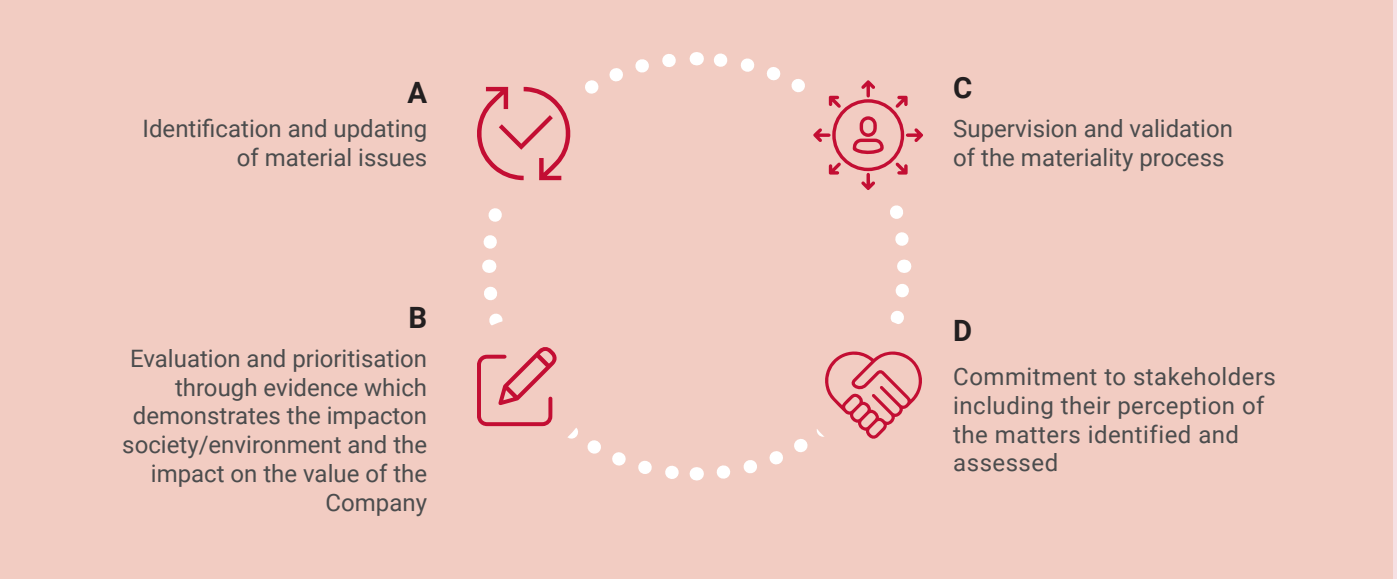
processes. The Company has implemented sufficient procedures and measures within this framework to ensure the smooth running of our day-to-day activities.

Through our risk management process, we both check for:

**Impact materiality:** In the short-, medium-, and long-term, our company and its value chain are affected by material concerns that have real or prospective major consequences on people and/or the environment.

**Financial materiality:** Whether it's a short-, medium-, or long-term impact on the enterprise value, we strive to identify significant concerns that have financial repercussions on our operations and may create risks or opportunities.

## DOUBLE MATERIALITY DETERMINATION PROCESS



The key risks therefore associated with our operations are grouped to: external environment; operations, financial, people management, information technology, integrity risks



## ENSURING A SUSTAINABLE DECISION-MAKING SYSTEM

SHIPPING INDUSTRY'S VOLATILE NATURE.

FLUCTUATIONS IN PRICES, RATES, INDICES, ETC. INCLUDING BUNKER PRICES AND AVAILABILITY.

OUTSOURCING ACTIVITIES TO THIRD PARTIES.

DECLINE IN INVESTOR CONFIDENCE IN THE COMPANY'S BUSINESS CAPABILITIES AND/OR ITS ABILITY TO EXECUTE ITS BUSINESS MODEL.

COMPANY'S COSTS RELATED TO VESSEL OPERATIONS TO BE NOT PROPERLY MONITORED.

GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS.

DISRUPTION IN EXPORTS OF MATERIALS DUE TO PHYSICAL ACCIDENTS.

CYBER CRIME.

ACCESS TO CAPITAL. EXPOSURE TO LOWER RETURNS OR THE NECESSITY TO BORROW DUE TO SHORTFALLS IN CASH OR EXPECTED CASH FLOWS.

COUNTERPARTY RISK.

THE USE OF FUNDS IN A MANNER THAT LEADS TO THE LOSS OF ECONOMIC VALUE, INCLUDING TIME VALUE LOSSES AND TRANSACTION COSTS.

NON-COMPLIANCE WITH LAWS AND INDUSTRY REGULATIONS, CONTRACTUAL OBLIGATIONS, CUSTOMER REQUIREMENTS, PRESCRIBED ORGANIZATIONAL POLICIES AND PROCEDURES, ETC.

HUMAN CAPITAL – CHANGES IN THE RECRUITMENT MARKET.

## SUPPLY CHAIN SUSTAINABILITY

Responsible management of our supply chain includes consideration for both society and the environment. The selection of our providers is done via an assessment approach that guarantees our customers will get services of the highest quality and final products.

### OUR RESPONSIBLE PROCUREMENT POLICY

To improve environmental conditions, we collaborate with our suppliers. Every single one of our procurement, sourcing, and contracting staff members has an obligation to educate our vendors on the need of minimizing the negative effects on the environment caused by their supply chain, operations, and finished goods.

To achieve this, we do our best to source locally wherever feasible, so that we can help local families make a living. The advantages of local sourcing are obvious when it comes to fresh food, but it also has advantages for non-food things since it decreases the carbon emissions caused by the items' transportation distance. Every time we place an order, we make it plain to our suppliers that we want them to cut down on packaging materials and plastics.

## AUDITING OUR SUPPLIERS

By having track on our supply chains, we can spot any potential threats to our supplier requirements. For several years, we have had an effective auditing program. We reserve the right to cancel the agreement or engage in collaborative problem-solving with the supplier to determine the root cause of any non-conformity and implement a remediation plan if they are determined to have violated our Code of Conduct. We have the option to terminate the agreement if we do not see rapid progress.

### ADDITIONALLY

Together with our suppliers, we are persistent in our search for goods and packaging that do not include any plastic. Disposable plastic bottles with a capacity of less than 1.5 liters were outright forbidden, and we ceased stocking them. For instance, there is a lot of packaging for hundreds of liters of alcohol-based fluid, and hand sanitizing stations, which are a holdover from the COVID era, will probably still be there. If there was a way to get a solid substitute that could be dissolved on board, that would drastically cut down on packing.





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## DISCLAIMER

All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position, should be considered forward-looking. These forward-looking statements are based on XT Group current expectations and observations.

Factors that could cause actual results to differ materially include, but are not limited to risks relating to: global and regional economic and political conditions including effects on global economic activity; demand for seaborne transportation of the products we carry; the ability and willingness of charterers to fulfill their obligations to us; prevailing charter rates; shipyards performing scrubber installations, drydocking and repairs; changing vessel crews and availability of financing; potential disruption of shipping routes due to accidents, diseases, pandemics, political events, piracy or acts by terrorists, uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles; our continued ability to enter into long-term time charters; our ability to maximize the use of our vessels; the aging of our fleet and resultant increases in operations costs; the loss of any customer or charter or vessel; the financial condition of our customers; increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance, and general and administrative expenses; the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions; competitive factors in the market in which XT Group operates; the value of our publicly traded subsidiaries and risks associated with operations.



*XT Group is a global holding group chaired by Mr. Udi Angel and comprised of diverse, innovative and market-leading companies.*

*At the heart of the Group is XT Management, an established leading international ship owner, and manager. XT Group is expanding its fleet and has a well-known reputation for professionalism, quality, and reliability.*

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