



2021
SUSTAINABILITY
REPORT

www.xtholdings.com



Ori Angel.
CEO

THE MESSAGE

from **OUR CEO**

XT Group has been operating since the 1950s. Over the years, our activities ranged through various fields affecting our day-to-day lives: shipping, aviation, commercial real estate, housing, insurance, tourism, media, hi-tech and more. Our activities were sometimes focused on a local market but most of them were performed internationally, by land, air and sea. This report will demonstrate the very close and strong commitment that XT has to its community and to the environment as we strive to maintain and improve our policies and activities relating.

2020 and 2021 were challenging years for XT as they were to the whole world in all sectors. I am very proud of the way each and everyone at XT understood the challenges we faced and how shoulder-to-shoulder we all managed to overcome all difficulties and perform exceptionally well, providing the excellent services that our customers were used to, notwithstanding the unexpected and repeating “surprises” the COVID-19 presented us with. Our Crew on board showed remarkable patience and great commitment as they understood the difficulties and, sometimes, impossibilities in replacing them. On shore, offices were occasionally shut down as cities were put under quarantine. All this did not materially affect our fleet’s operations and services.

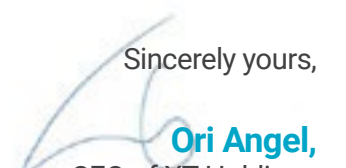
It is no secret that with the epidemic, the Shipping market bloomed. XT was very active during the past two years. We sold some older ships and acquired new ships, more modern and Eco ships. All of our new ships are modern and state-of-the-art, not only in terms of design and capacity, but most importantly, in terms of technology and reduced emissions. Today,

our fleet is much more environmentally-friendly and younger. We try to stay always one step ahead of binding rules and obligations, strengthening our commitment to the environment and keeping it as a compass which directs our activities. When I look forward to 2024 when all our new building ships will be delivered, I see a young, modern and efficient fleet.

Shipping is the most efficient way of global transport. We are now part of a transitioning world, more aware, sensitive and minded about the environment. We continue to research and develop new procedures and equipment as part of our continued efforts to reduce emissions and our impact on the environment. Decarbonization is and continues to be a priority in our operations.

This Report provides a transparent account of our Sustainability performance, targets and strategy, and applies rigorous global standards for comparability and comprehensiveness. Climate change is one of the biggest threats on humanity and the shipping industry has a critical role in supporting the environment and reduce pollution.

We fully appreciate our responsibility, and we intend to be leaders in this effort

Sincerely yours,

Ori Angel,
CEO of XT Holdings

ABOUT THIS REPORT

This is our first Sustainability Report and it refers to the period 01.01.2021 – 31.12.2021 with a foresight and activities well into 2022 and beyond. It conveys our approach to Sustainability as captured by Environmental, Social and Governance (“ESG”) issues, our performance compared to previous years and industry benchmarks, and the targets we have set for our future Sustainability Performance.

The Report has been prepared in accordance with the GRI Standards Core option. Reporting based on the GRI Standards ensures that the content and issues discussed are relevant, consistent and comparable.

In addition to the GRI Standards, we also considered the following standards and guidelines in compiling the report content:



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) FOR MARINE TRANSPORTATION

The report discloses information for the SASB's maritime industry specific metrics, as these are depicted through the relevant standards.



UN SDGs

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We align Company strategies with the UN Sustainable Development Goals (SDGs) (2015) to end poverty, fight inequality and injustice and tackle climate change by 2030.

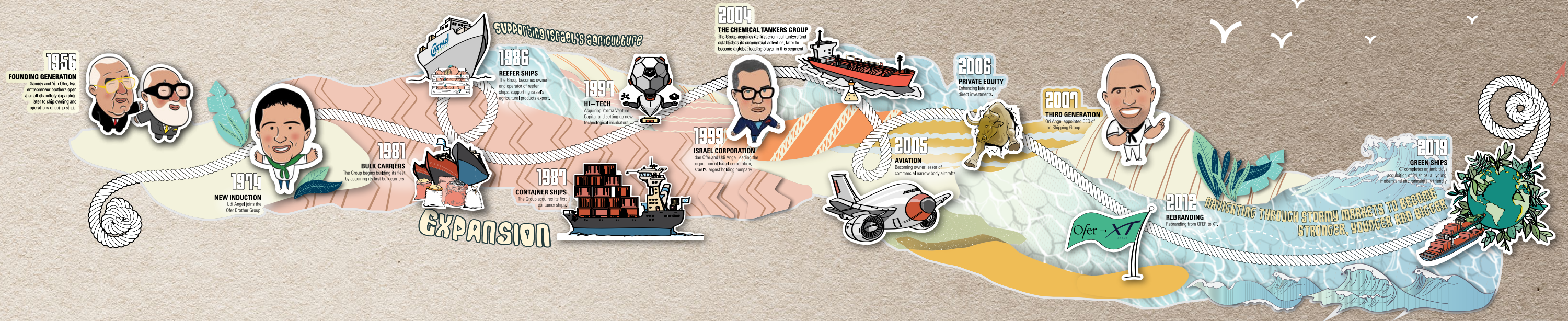


PPRR

THE POSEIDON PRINCIPLES REPORTING REQUIREMENTS

The Poseidon Principles provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonization.





OUR GROUP



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

At the heart of the Group is XT Management Ltd; a fully owned subsidiary of XT Holdings Ltd and an established leading international ship owner and manager. XT Management operates primarily from Haifa but it also has offices and subsidiaries in Romania, India, Singapore and Greece and employs the vast majority of XT Group employees.

XT Management is continuously expanding its fleet and has a well-known reputation for professionalism, quality, and reliability.

Alongside its maritime activity, the Group also actively invests in Hi-Tech companies in a variety of fields, by capitalizing and scaling on its 25 years' experience, the Group's financial strength and its excellent management team market expertise.

The Group's story is a classic tale of a family's journey from rags to riches.

In 1956 two entrepreneur brothers opened a small shipping chandlery. Their integrity and professionalism became their trademark and enabled the late Sammy and Yuli Ofer to risk everything when they took the leap into ship ownership. Thus began a journey which has led to

XT Group becoming one of Israel's largest, privately held group of companies.

As the family grew, so did its multinational business and the team that made it so successful.

Udi Angel joined the Group in the 1970s, becoming Chairman of XT Maritime in 1980 and is today also the Chairman of XT Holdings. In 1997, XT Hi-Tech was launched, leveraging the team's expertise in financial markets and building global companies. Soon after, in 1999, the Group acquired 12.3% of Israel Corporation.

In 2006, XT Private Equity was established to build on the Group's global portfolio.

Years later, in 2007, Udi Angel's son and Yuli Ofer's grandson - Mr. Ori Angel, joined the group and became the CEO for XT Maritime, a role that he greatly holds up to this day.

Ori Angel is leading the group in its expansion into new and specialized areas, maintaining the values which made XT Group the company, and the name it is today.

XT group is always looking ahead for new and innovative opportunities without losing sight of our mission which always remains faithful to its origins: to provide its customers with the highest standards of Service, Safety, and Efficiency.

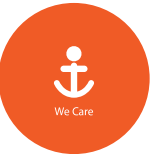
OUR VALUES

In XT we are not just “doing business” - we are building long-lasting relationships and care for our customers, employees and the environment.



OPERATIONAL EXCELLENCE

XT 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 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 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 constantly adopts new initiatives, invests in new technologies to improve our performance.



HUMAN CAPITAL

The company is constantly investing in qualified crews. Our ships are staffed by talented and experienced seafarers who can meet the needs required for the smooth operation of modern ships. In 2021 the number of seafarers onboard our ships increased by **14.4%**, as the company extended its fleet with new vessels.

SEAFARERS:

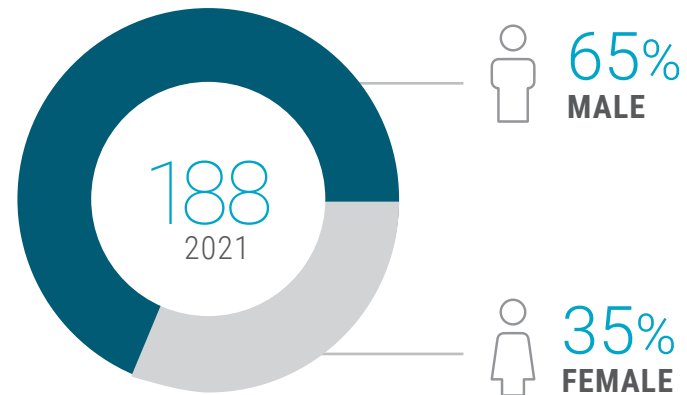
2313
2020

2646
2021

NATIONALITIES:

18
2021

TOTAL EMPLOYEES ASHORE



SEAFARERS STATUS PER AGE GROUP

1035
<30

915
30 - 40

486
40 - 50

210
>50

INTELLECTUAL DEVELOPMENT

41.2

Training hours per employee ashore



OUR ACTIVITIES AND VALUE CREATION

FOR THE PLANET

- Decarbonization roadmap
- Improvement of air-quality
- Actions for biodiversity
- Speeding up research and Innovation

1,716m

TONNES OF CO2 EMITTED IN 2021 BY OUR FLEET

4,239m

TONNES TOTAL SOX EMISSIONS OF OUR FLEET IN 2021

26,413

TONNES TOTAL NOX EMISSIONS OF OUR FLEET IN 2021

10

INNOVATIVE TECHNOLOGICAL COLLABORATIONS

FOR OUR EMPLOYEES

- High - quality HR policy
- Equal opportunities for career development: **35% women.**
- Non - discrimination policy (diversity, equality and inclusivity): **18 Nationalities/cultures**
- People-centered corporate culture with a strong familyhood spirit
- Competitive salaries & bonuses
- Health coverage packages: **95% has access to health coverage**

35%
FEMALE

18
NATIONALITIES

95%
ACCESS TO HEALTH COVERAGE

FOR OUR STAKEHOLDERS

- Active support to local communities
- Donations to charities and institutions
- Sponsorships



OUR COMMITMENT TO A MORE AMBITIOUS CLIMATE STRATEGY

All developments, both at regulatory (introduction of SFDR by EU) and in the sea showed the increasing demand for ambitious, active, and accountable ESG strategies.

XT Group as a whole acknowledges its operations' sustainability risks and opportunities and strives to integrate ESG into the core of our business.



MATERIALITY MATRIX FOR SUSTAINABLE PERFORMANCE

The balance between the three dimensions of sustainable development (social justice/equity, economic prosperity and environmental protection) and promoted through the 2030 Agenda adopted in 2015 by the United Nations member states, is a top priority for XT Management Ltd. The company has integrated the 17 SDGs into its policies and actions, aspiring to contribute as much as possible to their achievement.

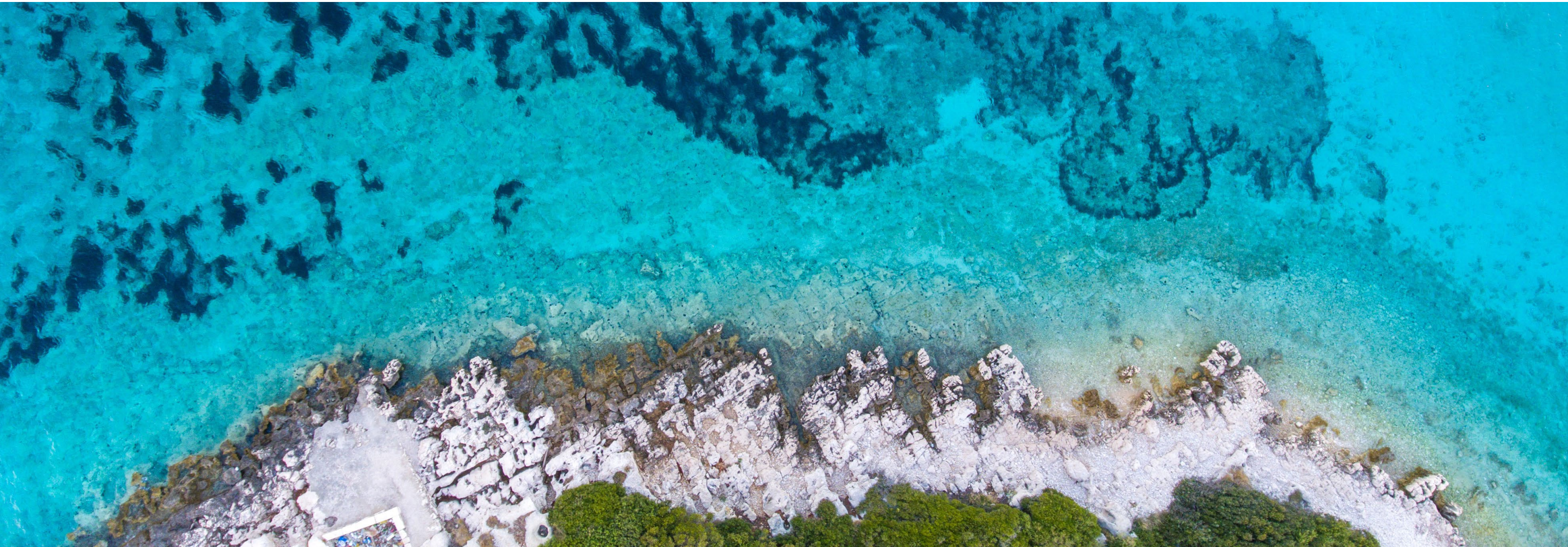
IN THIS LIGHT, XT MANAGEMENT HAS SET THE FOLLOWING ESG PRIORITIES:



IMPORTANCE OF STAKEHOLDER



IMPORTANCE FOR THE PERFORMANCE OF XT HOLDINGS



OUR PRIORITIES FOR ENVIRONMENTAL ENGAGEMENT

Our business is conducted in a way that is environmentally responsible and consistent with our goals: aspiring to cause no damage to the environment, participating in reducing global emissions and providing safe and sustainable marine transportation. We recognize our responsibility to reduce our carbon intensity footprint and our fleet's greenhouse gas emissions, improve our ESG impact on the ecosystem and comply with all environmental regulations and industry's requirements. Thus, we are committed to a series of technical and operational improvements to our vessels and we aspire our Company will meet and exceed environmental requirements to Net Zero 2050.

CONTRIBUTION AGAINST CLIMATE CHANGE

The UN Climate Action Summit in September 2019, Global Maritime Forum and World Economic Forum announced the Getting to Zero Coalition - a powerful alliance representing senior leaders within the maritime, energy, infrastructure and finance sectors, supported by decision-makers from government and IGOs. The Coalition aims to have commercially viable zero emission vessels operating along deep-sea trade routes by 2030.

XT Management's strategy and pathway are aligned with the IMO's commitment to reduce CHG from shipping by at least 50% by 2050. XT Management has established

and implemented an Environmental Management System in accordance with ISO 14001 and an Energy Management System in accordance with ISO 50001 and numerous environmental Programs are in force and data is closely monitored.

IMPROVEMENT OF AIR QUALITY AND PROTECTION OF BIODIVERSITY

Our commitment and results are evident in the implementation and on-going improvement of sound environmental practices and measures that include:

- Minimizing the environmental impact of the vessel's operations
- Efforts to conserve energy

- Programs to reduce Greenhouse air emissions and waste generation
- Introduction of environmentally friendly technologies
- Environmental Recycling.

PROMOTION OF A CIRCULAR ECONOMY

There are three ways XT Management addresses our rate of consumption:

1. CONSUME LESS
2. CONSUME BETTER
3. CREATE SYSTEMIC CHANGE

OUR PRIORITIES FOR OUR PEOPLE & SOCIETAL ENGAGEMENT

Our future success depends upon preparing our workforce for an ever-changing market. Key XT's Human Capital management goals involve investing in our people and culture to meet the world's future challenges.

WE FOCUS ON:

- People strategies that help us attract a new generation of problem-solvers, build the capabilities needed for the future, and reinforce collaborative and team behaviors.
- A compelling, consistent employee experience that aligns the needs of our workforce with business objectives, such as rewarding excellence/performance, promoting a continual learning culture, and encouraging informal learning and personal growth.
- Developing the leadership capability of our workforce and managing our succession plans.
- Fostering a workplace culture that enables the entire work-force to reach its full potential.

PROTECTION OF EMPLOYEES

XT has created a corporate culture that focuses on the people who work for it and it actively supports the seafarers and their families offering a competitive salary and benefits packages including pension fund, health insurance, scholarships and a lot more. Creating a family feel at work encourages strong team relationships which can result in better dynamics, helping people to work together more effectively under an intentional and strong culture.

ZERO TOLERANCE TO DRUG & ALCOHOL ABUSE

We recognize that alcohol or drug abuse by employees will impair their ability to perform properly and as a result will have serious effects on safety, efficiency, and productivity therefore XT pro-actively implements a Drug and Alcohol Policy for all seafarers, which includes

testing and screening medical examinations prior to joining the vessel and on board as well (at least once a quarter). Violation of the rules we have set for alcohol and drugs is grounds for termination of cooperation with our employees.

PERSONNEL DEVELOPMENT AND EDUCATION

IDEAL WORKING ENVIRONMENT: The company offers its seafarers an ideal working environment where they can achieve a successful career. It has developed a system of continuous human resources appraisal through which they can be promoted in the ship's hierarchy.

EDUCATION AND TRAINING: 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.

INVOLVEMENT & "HANDS ON" MANAGEMENT

The Group sets high performance standards for itself, by taking a proactive and "hands-on" approach -above and beyond regulatory obligations- in order to achieve its business & environmental objectives. Our frequent vessels inspections by all office departments, webinars, seminars and open forums with our crew, senior management visits o/b, daily & weekly meetings and many more activities are systematically pursued in order to "minimize the gap" between onshore and onboard personnel and enhance communication.



SUPPORT DIVERSITY AND INCLUSION

In XT, Diversity and Variety are one of our core values. We do not just talk about diversity, but we live by it. Our employees constitute a mosaic of nationalities, cultures, traditions and beliefs as people of eighteen different nationalities onboard and six onshore are employed in the company. We are strongly committed to retaining a workplace of mutual understanding, accepting, and appreciating the differences between people, including those of different races, genders, ages, cultures, religions, disabilities, and sexual orientations.

RESPECT FOR HUMAN RIGHTS

Our goal is that our employees will have the opportunity to reach a sense of belonging and acceptance, by giving them the possibility to share their religion/culture with the rest of the team and educate one another about the different and unique people and traditions that we all share.

OUR PRIORITIES FOR SUSTAINABLE & RESPONSIBLE TRADE

The basis for our economic success is the trust that our stakeholders have in our company. We ensure this through responsible corporate governance best practices and compliance requirements, one of which is our Global Code of Ethics. We drive performance improvements and enable better, sustainable decision making through transparency and accountability.

EXCELLENCE IN OUR BUSINESS

XT Management Ltd is dedicated to creating standards

of ethics and compliance. In this context, it encourages its customers and suppliers to follow its best practices in order to promote international trade by following all relevant rules and laws.

PROVISION OF SUSTAINABLE AND INNOVATIVE SERVICES

XT Group is constantly investing in innovative technologies adapting digitalized processes that are essential to achieve sustainable shipping opera.

- **SMARTShip™** is a digital platform that can connect the entire fleet of a company;
- **Captain's eye**, Real-time video analytics based on AI unique algorithm with fast and adjustable learning process.
- **Design Partnership** with Verifavia and Windward (top maritime leaders in respect of shipping and environmental matters);
- **We are assessing** the installation of a **CO₂ capture system onboard** our vessels, reducing or potentially eliminating the CO₂ footprint;
- **NayamWings** -developing a novel wind propulsion system for maritime vessels based on a rigid wing sail.
- **Cyber Technology**. We are a design partner of Cydome, a Provider Cyber Security Coverage For Protecting IT & Operational Assets o/b vessels
- **EGCS** Exhaust Gas Cleaning Systems (EGCS) / Scrubbers are installed in many of our ships

OUR RISK MANAGEMENT FOR NON-FINANCIAL RISKS

The prerequisite for our lasting success is the integrity of our corporate and risk strategy, which ensures early identification and proactive management of the risks and opportunities in our business operations. Relevant risks are identified via a net risk analysis as part of our Group-wide risk management system which also ensures a systematic procedure for the identification, analysis, management and control of risks

OUR PARTNERSHIP AND STAKEHOLDER APPROACH

Strong and transparent relationships

XT main target is to provide our customers with the best services. The Company has earned a reputation for the efficient, high standard of management and operation of its fleet together with the unique personal touch and close friendship built with our business partners over the last 70 years.

OUR CLASSIFICATION OF NON-FINANCIAL RISKS

Within the scope of our Risk Management procedures, we continuously monitor, assess and evaluate the risks that can affect our business operations and adopt all the necessary measures for the continuity of our business activities

- Human rights, health and protection of our people on-board and ashore due to the Covid-19 pandemic
- Supply and demand of Wet and Dry product markets
- Changes in governmental rules and regulations or actions taken by regulatory authorities; and climate related risks
- Cyber crime
- General domestic and international political conditions
- Disruption in exports of materials due to physical accidents
- Partnerships with suppliers and subcontractors





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 is the owner of the XT fleet. Same board members also serve on 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 2021, 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.
- 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





Our Group's Sustainable Development approach is based on three pillars: Our priorities for Environmental engagement, Our priorities for Our people & Societal engagement and Our priorities for Sustainable & responsible trade. These pillars cover the Group's 10 sustainable development priorities (See Section "Materiality Matrix")

By making progress in these areas, our Group intends to respond to the global challenges set out in the 17 United Nations (UN) Sustainable Development Goals (SDGs) adopted in 2015.

ENVIRONMENTAL ENGAGEMENT

07 AFFORDABLE AND CLEAN ENERGY 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 
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PEOPLE & SOCIETAL ENGAGEMENT

03 GOOD HEALTH AND WELL-BEING 	04 QUALITY EDUCATION 	05 GENDER EQUALITY 	08 DECENT WORK AND ECONOMIC GROWTH 
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SUSTAINABLE & RESPONSIBLE TRADE

09 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 
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OUR WAY TO NET ZERO 2050

TECHNOLOGIES



ROADMAP

- Investing in renewable assets to maximum degree
- Optimize our maritime and supply chain operations



REDUCE ENERGY CONSUMPTION

- Strive to reduce energy consumption ashore and onboard ships



RESEARCH & INNOVATION



COMMITMENT TO RACE TO ZERO

MARKET



OPENING THE WAY TO RENEWABLE ENERGY RESOURCES

- Investing in renewable startups

REGULATIONS



IMO

- Energy efficiency index (EEXI) calculation for existing vessels
- Measurement of Carbon Intensity index (CII) of vessels in effect as from 2020



GREEN DEAL FOR EUROPE

- Intention of inclusion of XT Group in the EU emissions Trading Scheme (ETS)



GREEN PACT FOR EUROPE

- Follow reduction targets for the carbon intensity of fuels by ships (2025)
- Intention of inclusion of XT Group in the EU emissions Trading Scheme (ETS)

2021

2024

2025

2050

CONTRIBUTION against CLIMATE CHANGE

01

by controlling our energy consumption and reducing our GHG emissions

Maritime transport will continue to play an essential role in the global trade and economy. It is expected to increase in the coming years and unless we act now, the sector will produce more and more greenhouse gas emissions and air pollutants. A smooth but rapid transition of the sector is crucial.

We, as XT Group, have put our Environmental Management System (EMS), a dynamic system integrating environmental management adhering to the International Standard ISO 14001, and our Company Energy efficiency Management System (CEEMP) into action. These are in place to ensure that all vessels comply with all applicable marine environmental protection requirements established under International, Flag State, Port State and Coastal State laws, as well as any voluntary actions.

Consequently, all our activities and operations are aligned with the objectives as set by the EMS and all employees are aware and engaged.

OBJECTIVES

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



Not only do we share international concerns but we are also committed to the implementation and on-going improvement of sound energy efficiency practices as one of the best global Shipping Companies. We are well aware of the energy impacts of our business activities and we take a number of measures to operate in an efficient and environmentally friendly way.



STRONG FOUNDATIONS IN ENVIRONMENTAL OBJECTIVES

Shipping plays a key role in facilitating global trade, economic development and global prosperity. In XT Group we believe shipping is about creating real and long-lasting opportunities and we advocate a balanced, sustainable approach to our business. Not only are we fully aware of the environmental aspects and impacts of our operations but we also face all challenges in a positive and systematic way. We believe that implementing environmental improvements for short- and long-term gains may very well produce good return on investment.

XT Group fully embraces IMO2030 and IMO 2050 objectives to reduce the carbon intensity of shipping by implementing further phases of the Energy efficiency Design Index (EEDI) for new vessels. We have already started implementing the 'IMO 2030' objective to reduce CO₂ emissions per transport work, as an average across international shipping, by at least 40% by 2030 and we are laying the foundations to pursue efforts of at least 50% reduction by 2050, compared to a 2008 baseline (IMO 2050).

Our commitment and results are evident in the implementation and on-going improvement of sound environmental practices and measures that include:

- Minimizing the environmental impact of the vessel's operations
- Efforts to conserve energy
- Programs to reduce Greenhouse air emissions and waste generation
- Introduction of environmentally friendly technologies
- Environmental Recycling

Our key tool to environmental care is our disciplined Environmental management system (EMS), coupled with rigorous economic and technical analysis to identify the most effective approach. Before we begin any new activity, we conduct an extensive environmental assessment, with results integrated into project decision making. All environmental sensitivities are considered, operating procedures are reviewed and, if necessary, revised to minimize environmental impact.

Our overall goals are to eliminate our environmental impact and improve vessels' energy efficiency. Consequently,

- The main direct environmental impact of our activities relates to reducing energy use and waste from our operations as well as business travel undertaken by our employees.
- Our environmental policy addresses our responsibilities as they relate to our operations, especially our emissions from operations.

ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS

XT Group has established and implemented an Environmental Management System in accordance with ISO 14001, guided by the following operational principles:

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

- Make better use of our existing energy-consuming assets.
- Create transparency and facilitate communication on the management of energy resources.
- Promote energy management best practices and reinforce good energy management behaviours onboard.
- Evaluate and prioritize the implementation of new energy-efficient technologies.
- Provide a framework for promoting energy efficiency throughout the supply chain.
- Facilitate energy management improvements for GHG emission reduction projects.

- Easy integration with other organizational management systems such as environmental, health and safety

- We have adopted the Sustainability Accounting Standards Board (SASB) standards for Marine Transport alongside the additional indicators which are important for XT Group.

- A set of time-specific, measurable (whenever practicable) and attainable targets (Table 1) have been established and maintained, which relate to a combination of design optimization, in-service performance monitoring and best-practice operational management processes.

- Establishment and maintenance of a Ship Energy Efficiency Management Plan (SEEMP) which is regularly reviewed by the senior management of the Company. This Plan, which applies to all fleet vessels, provides standard procedures and

practices on best energy management under the various operational modes of the vessel.

- Continuous promotion of environmental and energy efficiency awareness through training to shore and sea-going personnel and implementation of energy efficiency and environmental protection-related Campaigns and other personnel incentive / motivating programs.
- Monitoring and complying with all applicable legal requirements related to ship energy efficiency management.
- Enhancement of a culture of energy efficiency and improved resource use in designs and operations.
- Setting and achieving targets to encourage innovation and drive reductions in our carbon footprint and energy use.
- Pursuing and validating GHG reduction technologies.



ENVIRONMENTAL POLICIES

Our Environmental Policies recognize environmental protection and management as one of our highest priorities. Committing to environmentally responsible operations and to a cleaner and safer environment, we regularly review our performance and seek opportunities for improvement. We seek to drive incidents with environmental impact to zero, to operate in a manner that is not harmful to the environment and to achieve excellent environmental performance.

The Company is constantly taking measures to early comply with known future legislation. While the safety of life at sea is always the highest priority, the implementation of new environmental legislation still features prominently on Company's Agenda

OUR DECARBONIZATION STRATEGY TOWARDS 2050 AND ITS IMPLEMENTATION

XT Group's strategy and pathway is aligned with the IMO's commitment to reduce CHG from shipping by at least 50% by 2050. A lot of initiatives were undertaken with help and insights by our stakeholders within 2021 to identify the best possible pathways to our decarbonization towards 2050, the associated technologies to engage with in fuel and propulsion systems.

Early in 2021, we conducted a strategic review of global climate scenarios and transition pathways. The conclusion was that climate action is a strategic imperative for all companies, as well as our company.

- First, a shipping company without an ambitious plan for decarbonization risks becoming irrelevant in the market, because it would become increasingly difficult for customers to entrust our offerings. This means that our company cannot be behind the curve on the carbon journey.
- Second, political action is gradually but continuously beginning to reflect the reality of climate change. Spurred on by science, the evident rise in the number of extreme weather events, as well as pressure from a broad range of stakeholders, lawmakers are working on taxation or other pricing mechanisms as well as disclosure requirements related to CO2 emissions, to incentivize transformation in all parts of society. These actions both emphasize and potentially mitigate the financial risks of climate change to companies, asset owners and societies.

We are in the process of reviewing our decarbonization ambitions, and investigating where we can raise the bar. To drive this and coordinate all related processes, a new Decarbonization effort was launched in January 2021—assisted by forecasted receding COVID repercussions—tasked with ensuring collaboration across commercial, operational, technological, and corporate functions of our Group. With the new setup, decarbonization will be an even stronger strategic priority across the Group.

As part of our strategic roadmap we are in the process of replacing part of our old fleet to acquire and build young, modern and super eco vessels. These will join our fleet during 2023-2024 to enable us to achieve our

ambitious environmental targets.

Especially on the EEXI and EEDI (Energy Efficiency Design Index) XT Group has set a goal-based energy efficiency improvement strategy based on detailed Life Cycle Cost Analysis per vessel that has taken into account Vessel's operational profile, Current OPEX, Retrofit CAPEX and additional OPEX.

The most appropriate energy saving technology has been selected and applied as from mid-2020 to most of the ships based on the limits that each vessel should reach according to IMO requirement after 1st Jan, 2023. It is expected that within 2022 all vessels will reach the efficiency required by Jan 2023 saving 1-2 years the excessive CO2 emissions. Additionally, logistics efficiencies and supply-chain improvements, resulting from digitalization, sensors, and smart algorithms will increase our fleet efficiencies.

In the same context, additional technical improvements to vessels operations will have a positive effect on reducing CO2 emissions and increase of energy efficiency: Hull treatment and propeller polishing during drydocking with the use of silicon paints with reduced CO2 footprint, use of VFD pumps and a lot of similar initiatives have been implemented by the Group.

XT Group is working closely with Alpha Marine Consulting with respect to the requirement of IMO concerning the CII (Carbon Intensity Index) as operational carbon intensity measure and to benchmark and improve efficiency involving also operational and commercial aspects.

Apart from the Energy Saving Devices application for improvement of vessels efficiency, XT Group started, gradually since early 2022, installation of online performance software that promptly and accurately monitors the energy spent on daily basis and is the main tool to reduce the excessive energy consumption and thus reduce the CO2 emissions with the optimization of each vessel's voyage and on-board Fuel consumption. The installation of the subject software to all vessels is expected to be finalized by end-2023.

REGULATORY COMPLIANCE IS ONLY PART OF OUR SUSTAINABILITY EFFORT

During 2020 XT Group started implementation (and expanded it to all fleet during 2021), of a reporting system for collecting the required data from all vessels and quarterly calculate the following

- 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 are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. They establish a common, global baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with adopted climate goals. The principles are consistent with the policies and ambitions of the IMO.

The Poseidon Principles have translated the IMO Absolute Target into a relative carbon intensity target trajectory for each vessel class. The carbon intensity of a vessel is measured by the Annual Efficiency Ratio (AER) which is to be adopted by IMO as CII (Carbon intensity index) as from 2023.

The AER can be calculated using data that shipowners currently already have to deliver under IMO regulations: fuel consumption (xCO₂ conversion factor), distance travelled and the vessel's deadweight tonnage. Generally, to assess alignment with Poseidon Principles for a particular vessel, its AER is compared against the Poseidon trajectory AER of that vessel's class, on an annual basis, resulting in that vessel's degree of alignment (Sustainability Score) which is Vessel AER (gCo₂ per TNM)/(Poseidon trajectory AER (grCO₂ per TNM)

KEY DATA

- o Launched on **18 June 2019** and currently have signatories **30 leading financial institutions**.
- o Finances over **65%** of the global ship finance portfolio.
- o Is a framework for **assessing and disclosing the climate alignment** of vessels.
- o Consistent with **IMO 2050** strategy for **50%** reduction of GHG.

KEY ELEMENTS

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

OUR CONTRIBUTION

As of the date of issuance of this report, we have already provided or we are in the process of providing data to several financial institutions as part of their alignment with the Poseidon Principles.

LEADING SIGNATORY BANKS



IMPROVEMENT of AIR QUALITY

and protection of Biodiversity

Pollutants (sulphur oxides (SOx), nitrogen oxides (NOx) and other matters from combustion of heavy oils represent a major public health problem, particularly for seafarers, terminal workers and the inhabitants of port cities who are particularly exposed. After implementing the use of low-sulphur fuel oil in January 2020, by IMO regulations, XT Group is committed to a process of constant reduction of atmospheric pollutant emissions through new technologies and the evolution of its energy mix and help the biodiversity of areas of our trade routes.

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

Global greenhouse gas (GHG) emissions due to human activities have grown since pre-industrial times, with an increase of 70% between 1970 and 2004, and most of the observed increase in global average temperatures since the mid-20th century is considered very likely due to the observed increase in anthropogenic GHG concentrations. Discernible human influences also extend beyond average temperature to other aspects of climate. Carbon dioxide (CO2) is the most important anthropogenic GHG.

XT Group complies with the requirements of ISO 14001 and through its Ship Energy Efficiency Management Plan (SEEMP) we will continually improve the energy efficiency of the ships' operation. SEEMP provides an approach for monitoring ship and fleet efficiency performance over time and some options to be considered when seeking to optimize the performance of the ship. Procedures, methodology and measures chosen to be implemented on board under Ship Energy Efficiency Management Plan (SEEMP) are herein described as well.

02

Measures of SEEMP are considerable:

Ship Speed optimization can produce significant savings. However, optimum speed means the speed at which the fuel used per tonne mile is at a minimum level for that voyage.

Improved Voyage Planning: The optimum route and improved efficiency can be achieved through the careful planning and execution of voyages. IMO Res. A. 893(21) on Guidelines for voyage planning provides guidance for the ship's crew and voyage planners. The optimum route and improved efficiency are achieved in our ships through the careful planning and execution of voyages.

Weather Routeing: SPOS (Ship Performance Optimisation System) is a routing system installed on board being an accurate and reliable weather routing system which provides weather updates to ensure the crew is always aware of the weather ahead taking into account wind, waves, swell, current and other elements.

Optimum Trim: Trim is adjusted to the optimum values for the planned voyage speed and vessel draft according to the trim tables onboard, as far as it is practical.

Hull Resistance Optimization: Hull condition is assessed during port stays where this is practical through in-water inspection. In water hull cleaning is performed occasionally, in port stays where this is practical, in areas identified during inspections. Docking intervals are integrated with ship operator's ongoing assessment of ship performance. Hull resistance is optimized by new technology-coating systems, and silicone based anti-fouling system in combination with cleaning intervals.

Accommodation of Energy Optimization: Simple actions like careful use of tube fluorescent lamps (TFLs) in all accommodation areas instead of incandescent bulbs and turning-off all appliances when not in use is welcome for environmental protection.



Fleet Energy and Environmental performance monitoring
Monitoring and benchmarking our fleet performance against the industry on CO2 emissions (EEOI) is a key and standardised process. Industry benchmarking data are gathered through:

- IMO (“Second IMO GHG Study 2009”, MEPC 59/INF.10, 9 April 2009) to benchmark performance of 2020 and IMO (“Fourth IMO GHG Study 2020” (IMO4)) to benchmark performance of 2021.
- National Technical University of Athens (NTUA) - Laboratory for Maritime Transport (“Ship Emissions Study”, prepared for the Hellenic Chamber of Shipping, May 2008)
- Alpha Marine Consulting Ltd. – AMC (www.alphamrn.com).

Biodiversity

A rule book for oceans and companies

In September 2019, the United Nations Global Compact launched a set of nine Sustainable Ocean Principles, calling on companies around the world to commit to securing a healthy and productive ocean. Signatory companies commit to preventing pollution, managing their use of marine resources to ensure long-term sustainability, and being transparent about their ocean-related activities and impacts. A set of practical guidance documents to support Companies in different sectors were published in January 2020

Ocean health is deteriorating

The global oceans cover 71% of Earth’s surface and contain about 97% of its water. They redistribute CO₂ and heat, supply people and communities with food, water, renewable energy, and build livelihoods through tourism, trade and transport. The years 2021–2030 have been named as the ‘UN Decade of Ocean Science for Sustainable Development’.

Today, climate change is heating the oceans and altering their chemistry dramatically. The health of the ocean is rapidly deteriorating due to increasing temperatures, acidification, depletion of natural resources and pollution from land and sea, including large quantities of plastic waste.

Conversely, as the world population grows there is a need to expand our use of the oceans to produce food, energy, raw materials and for transport. The global community’s knowledge and understanding of oceans is insufficient to match these challenges.



Doing no harm

We are fully committed to comply with existing rules and regulations that safeguard ocean health. This includes managing fuels or chemical substances to avoid spills into water, managing waste to keep it out of the oceans and living up to the requirements of the ballast water management convention. For each of these areas we have policies and procedures in place to manage and mitigate risks. While not yet a regulatory requirement, the increase in underwater noise is of growing concern, because all marine life from plankton to whales react to noise. As part of our retrofit programme for vessels, we have made changes that reduce the noise levels. Sailing at slower speeds is believed to reduce underwater noise. We participate in established speed reduction programs and studies in waters where whales are identified to be present.

Contributing to removing plastic from the oceans

Every day, our seafarers see the growing issue of plastic pollution first hand from our vessels. An estimated 5 trillion pieces of plastic waste are littering all major ocean basins and this problem feels close to home for both our company and our employees.

Ballast water treatment systems

Serious effect on the health of oceans and biodiversity can have how vessels handle ballast water. Ballast water taken on board ships and can contain thousands of aquatic or marine microbes, plants and animals and may be discharged to other ecosystems disturbing them. The IMO BWM Convention requires all ships in international traffic to manage their ballast water.

In response to the IMO Ballast Water Management Convention, we have fitted already or we are in the process of fitting 100% of our fleet with Ballast Water Treatment Systems (BWTSS) (except of 1 Ro-Ro vessel).

100%

OF FLEET INSTALLED OR IS IN THE PROCESS TO INSTALL BWTSS AS OF 31 DECEMBER 2021. (One Ro-Ro excluded)



RENEWAL OF THE FLEET

The Group focuses on renewing its fleet, by selling older and less Energy-efficient vessels, and by purchasing younger, modernized vessels with high specs.

- All of our newbuildings will be equipped with Main Engine tier III and EEDI phase 3
- AMP system will be installed on new Containers
- Sustainability-Linked financing (ELBs/Environment-linked bonds) further demonstrates XT Group's commitment to decarbonisation of the shipping industry
- During 2021 we sold 4 older vessels, decreasing thus our fleet age and our carbon footprint. Same trend continued in 2022, we sold 4 old Panamax

A MODERN FLEET IN THE MAKING

Technical Improvements to vessels

- The Group's advanced solutions (such as electronically controlled engines) are designed to optimize fuel efficiency while reducing emissions.
- Enhanced seal program has been introduced to prevent oil leakage to marine areas.
- Hull cleanings and propeller polishing operations to reduce vessel friction and improve energy efficiency are carried out regularly.
- High-end hull paints (Silicon) to reduce fuel consumption are used.
- Extensive Use of fuel additives is maintained.
- Use of VFD pumps to reduce energy consumption
- Universal use of eco-friendly, energy saving, fluorescent lights. Minimize unnecessary use of lights.
- Installation of Cross (X) Flow Lube oil preheater for Main Engine and Auxiliary Engine.
- Auto Pilot ECO mode upgrades took place.
- Bulbous bow modification to optimise flow.
- Propeller modifications to optimize consumption.
- Installation of AMP (alternate marine power) allowing vessels to use shore electric connection while in Port
- Improved monitoring & alert systems based on real time data acquisition
- Working closely with major charterers on various improvements projects such as bio-fuels, DWT increase and more

EXTENSIVE TECHNICAL IMPROVEMENTS TO FLEET

- ▶ Hull, machinery and operational improvements and energy saving devices
- ▶ Numerous technical improvements on cleaning, paintings, lighting, aux systems improve energy efficiency

PROMOTION of CIRCULAR ECONOMY

through our operations
(waste management, plastic reduction, recycling)

We strive to include a circular economy model in our thinking.

OBJECTIVES

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



OUR RECYCLING PROGRAM

Starting from 2021, in line with the responsible ship recycling standard (RSRS) and with EU regulation 1257/2013 on Ship Recycling which was in effect as from 1 January 2021, we identified and monitored hazardous materials in all our fleet including:

- Anti-fouling systems containing organotin compounds as a biocide
- Asbestos
- PCBs
- Ozone depleting substances
- PFOS

We remain committed to our ship recycling programme. This is a continuous process since the certification of our vessels as per IHM is only the beginning for responsible recycling without environmental, health and safety problems. We are committed to make a real impact and change the global ship recycling industry in order to be dominated by responsible practices for the benefit of workers and the environment.

XT group is continuously striving to adopt a sustainable approach to daily activities, whether these are ashore or onboard, we are always discussing and are open to new ideas. With a view to reduce our plastic footprint especially onboard, we have been investigating the option of installing water filters onboard our vessels.

- 1. Water:** Initially, we introduced water dispensers and provided reusable bottles. We continued our information campaign to our seafarers about the benefits of filtered water with a view to introduce onboard filters when the time is right.
- 2. Prohibited the use of single-use plastic** (Disposable dishes) on board our fleet vessels and in our offices worldwide
- 3. Using electric / hybrid cars** for all shore employees
- 4. Food waste disposal:** IMO has recently strengthened its MARPOL Annex V resolution around food waste disposal. Responding to this new challenge, all our newbuilding vessels will be supplied with Waste shredders as a pilot project. We are also in the process of evaluating the market for Food waste biodigesters/ Compost machines which will provide simple and modern waste solutions for the fleet

03

All our vessels are already in compliance with the Inventory of Hazardous Materials regulations

557.4 TONS

OF PLASTIC
Discharged ashore or
incinerated during 2021

879.9 TONS

(food and domestic)
WAS DISCHARGED ASHORE
OR INCINERATED DURING
2021

OUR UPCOMING INITIATIVES ON MARINE ECO-MANAGEMENT

In 2023 we will strive to minimize the plastic consumption to 50% compared to 2020 data.

Plastic pollutants destroy the life of the ocean in various ways. Solid plastic debris in the sea injures and kills fish, seabirds and marine mammals, impacting at least 267 species worldwide, including 86% of all sea turtle species, 44% of all seabird species and 43% of all marine mammal species. The impacts include fatalities as a result of ingestion, starvation, suffocation, infection, drowning, and entanglement.

Entanglement and marine debris compromise the survival of animals in various ways, such as impairing the ability to sense hunger and capture and digest food, basic locomotion to escape from predators, and conditions to reproduce. Many marine animals are either drawn to or accidentally entangled in nets, ropes and lines that were discarded or lost from commercial fishing activities, and discarded consumer plastic waste. Plastic debris such as packing loops attract the interest of seals and sea lions, primarily because these particles resemble food sources and prey. When trapped, animals find it difficult to escape, interrupt feeding behaviour and their ability to avoid predators. Should these packing loops remain entangled on the animals' bodies, they may tighten and cut into flesh as the animals grow, suppurating skin lesions, ulcerating body wounds, ultimately creating 'lethal necklaces' that result in strangulation. This is especially harmful to endangered species such as the Steller sea lion and Hawaiian monk seal, where concentrations of plastic plague pup nursery areas and eventually kill off their young, severely undermining recovery efforts of species already on the brink of extinction.

OUR SUSTAINABILITY KPIS

Having reviewed the leading sustainability reporting standards, we have adopted the Sustainability Accounting Standards Board (SASB) recommendation for Maritime Transport, alongside additional indicators that are materially important to XT Group and our stakeholders. We also support the UN sustainable Development Goals and have mapped our KPIs to the areas in which XT Group has the greatest impact.

Our sustainability KPIs and relevant data sheets are included in [Appendix C](#).

26 ALMOST MILLION TONNES

OF PLASTIC WASTE IS GENERATED IN EUROPE EVERY YEAR

80%

OF MARINE LITTER IS PLASTIC.

ACTIVE PARTICIPATION IN GREEN TECHNOLOGY INITIATIVES

Forged strong partnerships to implement our decarbonization strategy

Acknowledging the serious social and economic challenges of climate change and the significant value of the transition of shipping to a decarbonized future, XT Group has forged strong partnerships and became an active member of a number of initiatives committed to addressing these challenges and protecting the environment in large.

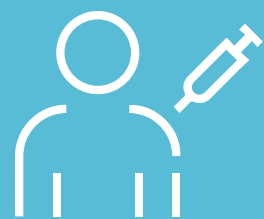
RightShip is the world's leading maritime risk management and environmental assessment organisation with a mission to improve the safety and environmental sustainability of the maritime industry, by helping their customers manage their maritime risk developing a safer and cleaner maritime industry. XT Group has been a member since 2010. Especially, since February 2021, when Rightship new Safety Score Platform was introduced along with the initiatives being taken to improve the safety and quality of shipping, XT Group was an early adopter to implement and invest in improved processes.

The United Nations Global Compact is a voluntary initiative with over 12,000 signatories in over 160 countries, that encourages businesses worldwide to adopt sustainable and socially responsible policies, to align strategies with universal principles on human rights, labour, environment and anti-corruption and take actions that advance societal goals.

The Global Maritime Forum is an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing. The Forum brings together leaders from across the international maritime industry with policy-makers, NGOs, experts, and other influential decision-makers and opinion shapers in a community to work together on developing new solutions and recommendations for action.

EPI (Environmental Performance Index). The 2020 Environmental Performance Index (EPI) provides a data-driven summary of the state of sustainability around the world. Using 32 performance indicators across 11 issue categories, the EPI ranks 180 countries on environmental health and ecosystem vitality.





Covid-19

A PROTECTIVE NET TO OUR PEOPLE

Since the beginning of the health crisis, the company has taken several actions to ensure that its staff are protected from COVID 19. After the discovery of vaccines against COVID 19, we informed the staff about the benefits of vaccination to protect them during their work period. Furthermore, the company kept the staff up to date with the World Health Organization's guidelines on developments regarding the mutations. The response to our pro-vaccination campaign was widespread, as most of our staff are vaccinated.

The HR office was always available to answer any questions about the coronavirus to ensure the employees and seafarers' health and safety.

In addition, we have fully sponsored our crew vaccinations on leave and onboard ships (we even arranged few events for massive crew vaccinations).



PEOPLE and SOCIAL ENGAGEMENT





04



Protection of Employees

Ensuring the good health, safety, access to education and well-being of our staff is a top priority for us both onshore and offshore. In this context, we take all necessary measures to ensure that every employee is safe and well in the workplace and is exposed to minimal risks – being those of health, environment or technological/operational risks.

OBJECTIVES

03 GOOD HEALTH AND WELL-BEING 	04 QUALITY EDUCATION 	05 GENDER EQUALITY 	08 DECENT WORK AND ECONOMIC GROWTH 
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OUR PEOPLE, OUR ASSET

LONG-STANDING PARTNERSHIPS:

XT has created a corporate culture that focuses on the people who work for it. Our partnerships with our staff are long-standing as a significant number of our employees have been with the company for 15, 20, or even 30 years. Many of them have a family tradition with us as they are 2nd and 3rd generation of seafarers and shore employees.

<2%

TURNOVER RATE

WE SEA YOU!

Our goal is to make sure that our seafarers grow at both a professional and personal level on board. We will sail together and be with them for every step of the way- from cadetship till senior management, with our unique professional development plans. In XT we are not just “doing business” – we are building long-lasting relationships and care for our employees’ personal growth.

TRUST IS EVERYTHING.

We never take for granted that our seafarers choose us and as such we will keep doing everything in our power to provide them with the confidence and safety onboard ships so they will feel trust to choose to join our family.

STABLE GROUND FOR LIFE AT SEA.

XT has a reputation of a leading Ship-Owner and is mostly known for its expertise in Ship-Management. XT is constantly ranked in the top ten of Ship-Owners & Operators according to BCG market reviews thanks to its excellence and efficient operation. We offer our employees a stable ground, a place where they can grow and develop and be a part of a leading team.

LET’S SUCCEED. TOGETHER!

Our people have always been part of our success. Therefore, we spend many resources to make each one of our employees the best version of their selves. Their success is ours thus we offer our employees with development opportunities and promotions plans so we can evolve together.

We do not compromise on quality and continue to retain the loyalty and professionalism of our multi-national and experienced staff through training programs and our unique familial organizational culture while putting emphasis on quality and safety on-and off-shore.

COMPETITIVE SALARY AND PACKAGES AND HEALTH INSURANCE:

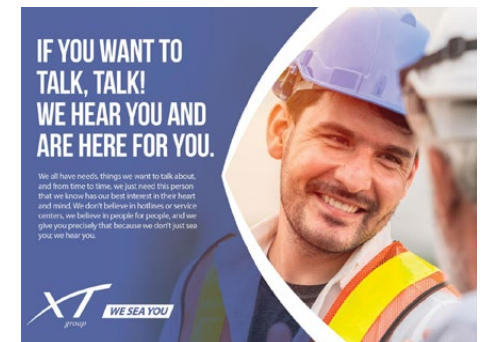
XT actively supports the seafarers and their families offering competitive salary and benefits packages including pension funds, health insurance packages, loyalty bonuses, generous performance-based bonuses, allowances, loans, scholarships for the employees’ kids, career development incentive schemes and more. We even extend our support when need comes to 0 (zero) interest loans programs.

CONTINUOUS SUPPORT:

Our seafarers are not just employees of the company but members of a big family that supports each other. The on-shore Crew department is staffed by excellent and experienced professionals and is accessible for all seafarers’ requirements on a 24/7 basis.

UKRAINE WAR:

Special attention was given to our Ukrainian crews who were devastated by the war in Ukraine along with their families. Immediately after the war started, we are renting and sponsoring more than 50 apartments in Romania, Bulgaria and Poland to our crews and their families.



>95%

HEALTH COVERAGE PACKAGES: ACCESS TO HEALTH COVERAGE



WE ARE ALL A BIG FAMILY



HIGH-END TECHNOLOGY AND FACILITIES AT THE DISPOSAL OF OUR PEOPLE

The company focuses on maintaining the good mental and physical health of seafarers by providing our crew with the highest living standards, as all our vessels are equipped with:

- High speed internet connection
- Well-equipped day rooms
- Well-equipped Gym
- Onboard social activities and celebrations
- Providing high quality food for seafarers working on board ships is a priority. We support our chief cooks with “personal Chef” mentoring and support 24/7.
- In addition, we plan to operate a dedicated psychological support hotline for seafarers on a 24/7 basis.



Patrick Alban
Chef

SAY HI TO OUR NEW CULINARY CONSULTANT

We set a goal for 2021 to improve our crew welfare o/b , major part of it is improving our culinary quality thus, we are happy to introduce to you Chef Patrick Alban.

Chef Patrick will work with our chief cooks and kitchen staffs to provide them with the opportunity to improve ship menus and diversify their skills. Chef Patrick will create a varied, nutritious, and delicious array of recipes for all staff to enjoy on vessels.

We chose Chef Patrick because he has many years of experience in the culinary world. Earlier in his career he successfully led some of the most well-known restaurants in Israel.

Over the last decade he worked as a private chef, cooking for some of the top business and political leaders in Israel and around the world. He is the owner of a boutique catering company, works as a culinary consultant and conducts various cooking workshops.

His style, influenced by his travels around the world, is a modern and up-to-date cooking based on classic cuisine.

His work as a private chef has exposed him to various cooking cultures, raw materials and diverse cooking methods which he will be bringing to our kitchens.

We are certain that our collaboration with Chef Patrick will lead to a significant culinary improvement in the ships and will benefit us all , bon appétit!



WELCOME O/B CHEF!

FAMILYHOOD AND HUMANITY

we care for our employee’s wellbeing and are committed to providing them with a supportive working environment, professionally and personally. we offer our employees a solid home, a place where they can express themselves, develop and grow.

ZERO TOLERANCE TO DRUG AND ALCOHOL ABUSE

Despite our very extensive support for our people, we at the same time recognize that alcohol or drug abuse by employees will impair their ability to perform properly and as a result will have serious effects on the safety, efficiency, and productivity.

Therefore, XT pro-actively implements a Drug and Alcohol Policy for all seafarers, which includes testing and screening medical examinations prior to joining the vessel. And during their time onboard ships we systematically employ tests by random sampling by external labs and random internal inspections on a quarterly basis.

Violation of the rules we have set for alcohol and drugs is grounds for termination of cooperation with our employees.

WORK-LIFE BALANCE

Often, work takes precedence over everything else in our lives. Our desire to succeed professionally can push us to set aside our own well-being. Creating a harmonious work-life balance or work-life integration is critical, though, to improve not only our physical, emotional and mental well-being, but it’s also important for our career.

With the above knowledge as a compass, the company puts emphasis on achieving a balance between personal/family life and work of our crews and employees. In this context, XT has concluded that the negative consequences of seafaring can be minimized by such policies as shorter trips, continuous employment and opportunities for partners and families to sail along. Whilst these measures may have financial costs, these can be off-set by improved retention of seafarers and the avoidance of stress-related illnesses.

For our employees, teleworking, wherever possible, has proven a stress alleviating measure which the company has implemented to offer opportunities to employees to better organize their personal time without affecting their work performance.



WE CARE FOR OUR EMPLOYEE’S WELLBEING



PERSONNEL DEVELOPMENT and EDUCATION

05

The continuous development of our staff's skills through continuous learning and training is a priority for the company to be able to meet the demands of the modern shipping industry. We are constantly looking for new ways of continuous education and training to enhance the skills of our staff. At the same time, we are constantly staffing our company with new personnel, offering them an ideal environment to pursue a successful career. In 2021, 41.2 hours of training per employee ashore were carried out.

OBJECTIVES

04
QUALITY EDUCATION

08
DECENT WORK AND ECONOMIC GROWTH

10
REDUCED INEQUALITIES



ENGLISH COURSES:

In addition, free English language learning and improvement courses are provided. In this way, employees can respond to the multicultural environment in which they work and become constantly familiar with English maritime and shipping terminology.

OPERATION OF LIBRARIES:

Furthermore, both in our offices and onboard there are libraries which are constantly enriched with new books. For the technical skills acquisition, all our training materials and SMS documents are available and accessible online by all our crew at sea and employees ashore.

INVESTING IN THE NEW GENERATION OF SEAFARERS:

Through a specialized assessment system, the company continuously invests in the new generation of seafarers who are the driving force behind the success of the shipping industry. We are constantly looking for young people to staff our ships and offices, offering them a warm and favorable environment to develop their talents. Combining the talent of young seafarers with the experience of the older ones, we ensure the successful operation of our company.

For this purpose, we have many cadets' programs worldwide, and through them we select the top cadets during their 1st year of studies, we mentor and support all the way till completion of sea-time and we promote them immediately to junior officers/ engineers.

Significant percentage of our senior crew onboard ships and in office key positions have started as cadets in XT

41.2h

AVERAGE HOURS OF TRAINING PER EMPLOYEE

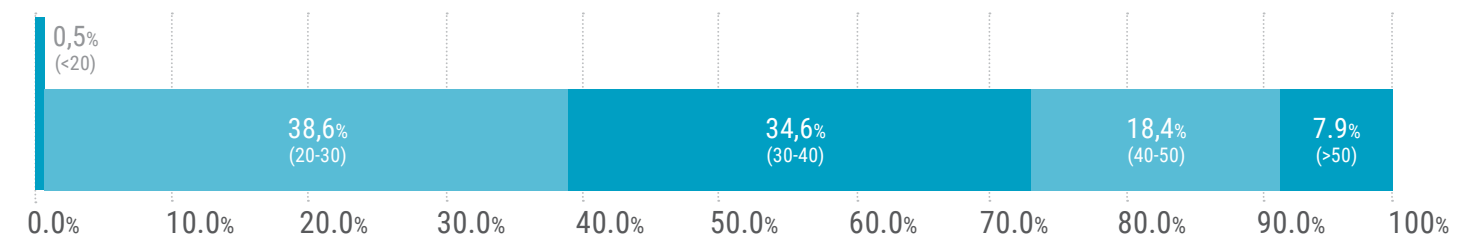


ON-LINE LIBRARIES FOR TECHNICAL SKILLS AND EDUCATION

40years

MOST OF OUR SEAFARERS ARE UNDER 40 YEARS OLD.

SEAFARERS STATUS PER AGE GROUP (%)



FAIR AND TRANSPARENT RECRUITMENT SYSTEM:

We provide every candidate 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.

EMPOWERING OUR PEOPLE: A CORE STRATEGY

Our future success depends upon preparing our workforce for an ever-changing market. Key XT Group's Human Capital management goals involve investing in our people and culture to meet the world's future challenges.

WE FOCUS ON:

- People strategies that help us attract a new generation of problem-solvers, build the capabilities needed for the future, and reinforce collaborative and team behaviors.
- A compelling, consistent employee experience that aligns the needs of our workforce with business objectives, such as rewarding excellence/performance, promoting a continual learning culture, and encouraging informal learning and personal growth.
- Developing the leadership capability of our workforce and managing our succession plans.
- Fostering a workplace culture that enables the entire work-force to reach its full potential.

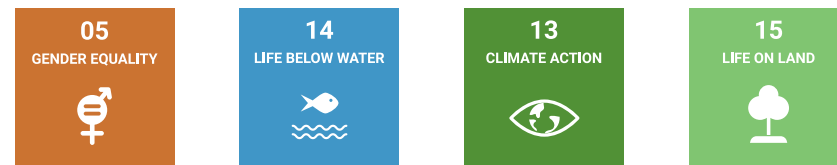


OUR KEY OBJECTIVES	TO SUCCEED IN...	IN THE 2020'S	IN THE 2030'S
Improve safety, security, living conditions and fair wages for all our people ashore and at sea by adopting labor & human rights standards across Group	Labor and human rights disclosure	Apply industry best practices, codes of conduct and contractual terms addressing labor and human rights risks across the ship lifecycle	The labor and human rights issues are publicly disclosed and incorporated in contractual terms and decision making across the ship lifecycle
	Safety standards	Apply hazard analysis and continuous reviews of the relevant risks to drive improvements in safe processes onboard the ships, as well as in ship building, repair and recycling yards	
Employ best practices in leadership and employee development to attract people to rewarding shipping careers	Shipping Careers	Our Seafarers have access to high-quality training and career development support, including preparation for future impacts of more autonomous ships Workers across all phases of the ship lifecycle, onboard and onshore, have their working and living standards continuously improved	Globally recognized minimum competence qualifications and career development paths onboard and onshore are adopted and implemented on our people We actively enforce internal policies over and above the IMO standards, eliminating discrimination, harassment and bullying, whilst safeguarding open dialogue and open reporting
Embrace diversity (including age, disability, ethnicity, gender identity, race, and sexual orientation) and facilitate equal, diverse and inclusive work environments	Diversity & inclusion	Best practices in diversity, equality and inclusivity shared and implemented for a maritime workforce where all workers are treated with respect and fairness	Equal access and entry to the shipping industry, regardless of age, disability, ethnicity, gender identity, race, and sexual orientation for all potential recruits

SUPPORT DIVERSITY, INCLUSION and HUMAN RIGHTS

06

OBJECTIVES



TOTAL EMPLOYEES ASHORE (2021)

65%

MEN

35%

WOMEN

A PEOPLE-CENTERED APPROACH

XT has adopted a people-centered approach and its employees are treated equally, regardless of their position, education background or where they grew up.

We are also committed to creating a safe and respectful working environment for our employees and helping every one of them in bringing his/her best self forward.

People from 18 different countries coexist and work in harmony. Cultural diversity is a special characteristic of our crews.

In XT community we celebrate each holiday!

PROMOTING EQUALITY BETWEEN MEN AND WOMEN:

Both men and women have the same opportunities for development in our company. The company encourages women to take on critical positions, in order to reduce the gap between men and women. Our policies ensure the equal pay between men and women.

Respecting the relevant legislation, we do not only allow women to benefit from maternity leave so that they can attend to their child during its first few months of life. We are also providing many additional benefits during the 1st year after returning from maternity leave and ensure that young mothers resume their job in our company when maternity leave comes to an end.

The company is also trying to overturn the stereotype that shipping is a male-dominated industry and encourages women not only to work in our offices, but also to pursue a career at sea.

The company also shows zero tolerance to cases of bullying, verbal abuse and sexual harassment at the workplace. Violation of these rules is grounds for termination of cooperation with our employees.

OUR EMPLOYEES - A MOSAIC OF DIFFERENT NATIONALITIES, CULTURES, TRADITIONS AND BELIEFS

In 2021 our crew consisted of 2646 people, from 18 different countries and make up a mix of different cultures, languages, religions and traditions. We are proud of the diversity of our crews, as multiculturalism is one of the characteristics of our company and our ships are places where diversity is respected.

DEI- DIVERSITY, EQUALITY, AND INCLUSIVITY

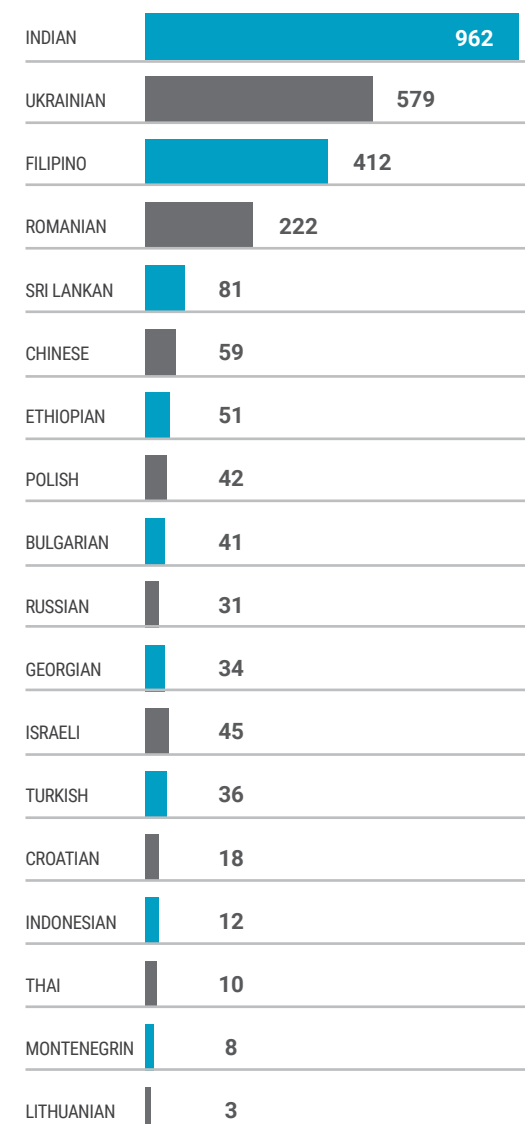
We are proud of our multi-national fleet and diversified staff onshore who create a perfect microcosmos of the world. We celebrate the differences between people, including those of different races, genders, ages, cultures, religions, disabilities, and sexual orientations along with differences in education, personalities, skill sets and experiences.

EMPLOYEES OPINIONS MATTER

As part of our people-centric approach, we always consult our employees to know their concerns and perceptions of the challenges they face in the workplace. Employees complete a satisfaction survey on an annual basis indicating the issues that concern them.

55%
OF NEWLY RECRUITED EMPLOYEES DURING 2021 WERE WOMEN

CREW STATUS PER NATIONALITY



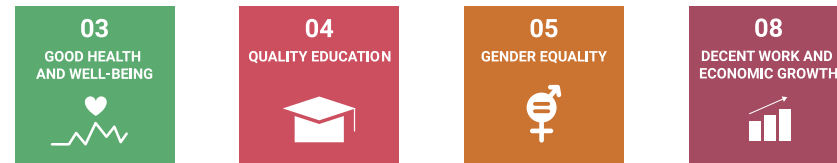
SUPPORTING *local* COMMUNITIES

"Giving Back"

07

The company, with a high sense of social responsibility and solidarity, develops a wide range of initiatives to support local communities. It is an active supporter of research, educational, sports, cultural and social activities. More specifically, the company supports the following actions:

OBJECTIVES



THE RUPPIN ACADEMIC CENTER

XT Supports the Ruppin Academic Center which is one of the largest public colleges in Israel. The Center was established in 1949 and today, it awards 13 undergraduates (BA, BSN, BSW, BSc.) and 7 graduates (MA, MBA, MSc.), in 4 Faculties: The Faculty of Economics and Business Administration, The Faculty of Social and Community Sciences, The Faculty of Engineering and The Faculty of Marine Sciences.

XT's support is diverse and covers both financial and managerial aspects. Mr. Udi Angel serves as Chairman of the Board of Governors of the Center and Mr. Yossi Rosen, XT's President, serves as a Director. In addition, XT has recently agreed to donate the required funds for the full construction of a new engineering and nursing science building.

VARIETY ISRAEL

Variety Israel is a nonprofit organization dedicated to the well-being of children up to the age of 18 who have special needs (autism, blindness, deafness etc.). Variety is one of Israel's largest organizations that supports children with disabilities. The organization supports the children and their families and the donations raised by the organization allow the children to gain mobility and freedom and thereby integrate within the community, communicate and achieve independence. Variety Israel is part of the Variety International Organization. XT supports Variety through fundraising events (Tennis tournaments participated by Israel's leading business community and organized by XT's management, special TV broadcasting events for fundraising and more). Mr. Ehud Angel serves as Variety's President.



RIMON. SCHOOL OF MUSIC

The Rimon School of Jazz and Contemporary Music was founded in 1985 by a group of Israeli musicians eager to promote modern music – jazz, rock n roll, and R & B, in the Israeli music scene. The Rimon School is located in Ramat Hasharon, a suburb close to Tel Aviv and offers 7 majors as part of the Rimon 3-year professional diploma program. The Rimon School has approximately 750 international and Israeli students, and a faculty of 90 musicians, artists, and educators. The School promotes musicianship and is recognized

not only as a center for musical talent, but also for its diversity, and musical technological advancements that are deep-rooted in Israel's creative and innovative culture. Many if not most of Israel's leading musicians are Rimon's graduates. The Group supports Rimon by funding the construction and renovations of school buildings as well as equipping it with advanced technical/musical equipment. Mr. Ehud Angel supports the schools from its inception and serves as the Chairman of the Board of the School.



SISMA – PASSWORD FOR EVERY PUPIL

Password for Every Pupil is an Israeli pioneer in the field of digital education and offers an educational and communication platform that reaches out to the periphery. It is designed for the use of the education system and local authorities who connect via a local portal to provide learning materials, resources and virtual lessons.

The Program was founded in 2006 following Mr. Ehud Angel's vision of supporting the educational system in the periphery and has since then been supported by the Group as well as by the "wider" group of companies which includes Israel Corporation.

A learning community is developed by the partnership among the local authority, educational teams, the students and parents who together share the learning experience.

This is a community and educational program which aims to reduce the digital gap in Israel's society, especially in the periphery. Each student, by applying their password, has access to a platform that allows them access to the internet where they can enjoy a virtual world of lessons, learning and resources.

Teachers and educationalists can develop forums and alternative learning materials and methods which can reach the student directly. In effect, the program allows for another dimension to be added to the resources of the local authority, the educational system whether it is for teachers, school principals, representatives of the various ministries, parents and students, etc.

Currently, 100,000 students in more than 250 schools spread over 50 villages and cities around Israel are participating in this program, making it Israel's largest educational program.

THE HEBREW REALI SCHOOL OF HAIFA

The Group's strong and inseparable link to education led it also to donate the required funds for the complete renovations and establishment of the new "House of Spirit and Friendship", which will, among other, perpetuate the memory of school graduates who fell while serving in the IDF and as a tribute to 75 Chief of Staff medalists and 45 Israel Prize recipients.





WOMEN VOLLEYBALL

The Group is the official sponsor of Haifa's women volleyball team – Maccabi XT Haifa. The Group's sponsorship and support led Maccabi to win the 2021-22 championship.

FOOTBALL, CULTURE AND MORE

In addition to specific organizations, adopted by the Group or with specific projects which are supported by the Group in finance or management time, the Group also regularly donates to random causes. As such, the Group will regularly donate to fundraising events for specific causes, supporting those causes and promoting social awareness, friendship and solidarity irrespective of geographical location and religion.



RAMBAM
Health Care Campus

RAMBAM HEALTH CARE CAMPUS

Rambam Health Care Campus is a 1,000-bed hospital serving over 2 million residents of Northern Israel and providing comprehensive medical services in all medical specialties. The Group established a fund that provides financial support and benefits to hospital employees in need.

THE IDAN & BATIA OFER FAMILY FOUNDATION

The Foundation was established with a mission to support sustainable solutions to social issues through various visionary projects in the fields of health, education, welfare, art and culture, with a particular focus on children.

The Foundation has been supporting numerous causes since its inception and this includes substantial donations to the Ichilov Hospital in Tel Aviv, providing financial support to research activities of Prof. Ronit

Satchi-Fainaro, one of Israel's female leading scientists working under the Israel Cancer Research Fund. The Foundation also supported educational causes and as such made a generous donation (the largest single donation to a UK educational institution) to erect the Sammy Ofer Center at the London Business School. The Center includes 37 seminar rooms, six lecture theaters and a state-of-the-art library and multiple quiet zones for students. Another educational support was to Harvard Kennedy School where the foundation erected a building that is part of 91,000 square feet complex of classrooms, offices and common spaces.

SUSTAINABLE *and* RESPONSIBLE TRADE

08

EXCELLENCE IN OUR BUSINESS PRACTICES

The basis for our economic success is the trust that our stakeholders have in our company. We ensure this through responsible corporate governance best practices and compliance requirements, one of which is our Global Code of Ethics. We drive performance improvements and enable better, sustainable decision making through transparency and accountability.

OBJECTIVES

- Comply with ethics and compliance regulations
- Enhance all measures to prevent, detect and correct such behaviors which are not aligned with our codes



CORPORATE GOVERNANCE

Good Corporate governance plays an absolutely essential role in sustainable appreciation by our stakeholders. Our clear and stringent compliance ensure compliance with laws, standards and requirements throughout the company. They also help us meet increasing third-party requirements regarding corporate governance.

In whole XT Group we are committed to providing safe, efficient and cost-effective seaborne transportation and remain one of the leading

global Groups and brands in the industry. For that reason, we continuously invest in operational, technical and financial infrastructure and striving for environmentally friendly solutions while we are committed to conducting our business with high ethical standards.

WE ARE GUIDED IN OUR EVERYDAY STEPS BY A SET OF CORE PRINCIPLES

- Operational Excellence:** XT is well known for its operational expertise and its Shipmanagement is considered as one of the most efficient globally. We are committed to providing our customers with the highest standards of Service, Safety, and Efficiency.
- Familyhood and humanity:** we care for our employee's well-being and are committed to providing them with a supportive working environment, professionally and personally, we offer our employees a solid home, a place where they can express themselves, develop and grow.
- DEI - Diversity, Equality, and Inclusivity** - we are proud of our multi-national fleet and diversified staff onshore who create a perfect

microcosmos of the world. We celebrate the differences between people, including those of different races, genders, ages, cultures, religions, disabilities, and sexual orientations along with differences in education, personalities, skill sets and experiences.

Sustainability - We care for our environment and take active action to implement internal green initiatives o/b our vessels and at our offices worldwide.

Entrepreneurship - we invest in the most advanced technologies and initiatives to constantly improve our performance and encourage our employees to expand their limits and be initiative in each one's field of expertise.



OUR CODE OF ETHICS AND OPEN REPORTING

Our Code of Business Conduct and Ethics has been adopted by our Board of Directors (together with its affiliates) for all of the Group's employees, Directors and Officers.

The conduct of individuals in these guidelines relate to the relationship with colleagues, customers, suppliers and government agencies with equal importance.

This Code sets out a set of basic principles to guide Relevant Persons regarding the minimum requirements expected of them.

We communicate our Code and Policies to all our shore & seagoing personnel and cooperating 3rd parties through regular campaigns, induction process, posters, circulars and leading by example.

To facilitate the implementation of our Code and Policies we continuously encourage and enable personnel and cooperating 3rd parties, to raise, in their reasonable belief, any issues regarding accounting matters, audit practices, internal controls, conflicts of interest, dishonesty, criminal offence, maltreatment, malpractice/unethical conduct, pollution, fraud and insider trading within the Company.

OUR CODE AND POLICIES COVER THE FOLLOWING AREAS:

- Leadership & Management Responsibility & Commitment
- HSQE Excellence
- Energy Efficiency
- Inclusion & Equality
- Wellbeing of Personnel
- Conflicts of Interest / Transparency
- Confidentiality and Privacy
- Protection and Proper Use of Company Assets
- Compliance with Laws, Rules and Regulations
- Social Responsibility
- Security
- Open Reporting / Whistleblowing
- Anti-Corruption Policy

In general, any third parties who intend to trade with XT Group are subject to detailed scrutiny. This also considers the appropriateness of the business relationship in view of the Company's Anti-Corruption Policy, in addition to the Third-Party Risk Policy.

OUR CULTURE OF ACCOUNTABILITY AND INTEGRITY

Having established standard operating procedures through our Code and Policies, we have created a culture of accountability, transparency, integrity and compliance throughout our organization in order to ensure that our operations are consistent with environmental and safety laws, regulations and requirements. Through our procedures:

- We identify, interpret and communicate compliance issues to our shore and seagoing personnel.
- Our personnel, agents, technicians, suppliers, contractors and consultants involved in our vessel's management and operation are encouraged to report any environmental violations, unethical practices or safety compliance issues directly to our Office in a safe and confidential manner.
- Nevertheless, we retain the right to dismiss any employee or crew member for violation of the Company's environmental protection policies, Code of Ethics & Code of Conduct or applicable international rules and laws.

OUR MILESTONES FOR SUSTAINABLE DECISION MAKING

In pursuing our transparency objectives towards navigating our future for sustainable shipping and transparency, we

- Monitor our sustainability performance to ensure continuous improvement through disclosure frameworks and rating schemes that go beyond compliance
- Allow our customers' leverage to ask for transparency and sustainability performance into decision making processes

Our milestones for transparency and sustainable decision making in the coming years are:

On sustainability performance transparency monitoring,

- We report our sustainability performance every year, starting with this report. Our set of sustainability KPIs would be closely monitored and widely used for our business decisions.
- We intend to apply sustainability rating schemes throughout the lifecycle of all our ships.

On our accountability,

- We establish measurement controls to efficiently measure sustainability performance data against international standards and to publicly disclose it.
- We constantly monitor and control our potential exposure to corruption and ethics violations
- We transparently and publicly report information on all aspects of our operations



Zero (0)
Bribery and
Fraud Incidents in
2021



Zero (0)
Open Reporting /
Whistleblowing Incidents in
2021



Zero (0)
Violations Code of Ethics,
Code of Conduct & Policies in
2021

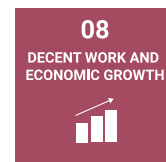
PROVISION OF SUSTAINABLE *and* INNOVATIVE SERVICES

09

Fully realizing that the needs of the modern shipping industry require investment in innovation and high-level technologies, we have developed a wide network of partnerships with startups so that we can offer our customers high quality services.

OBJECTIVES

- To have at least 40% of our supply chain partners are ESG mission compatible with XT
- To offer services with low environmental impact



INNOVATION IS AT THE CORE

XT supported many innovative Companies, most of them foreign and among them startups as well, which are at the forefront of technologies and design of services to complement the shipping and logistics services.

-ONLINE PERFORMANCE REAL-TIME MONITORING - “SmartShip” system SMARTShip™ is a digital platform that can connect the entire fleet of a company. It collects live data and provides real-time analytics that increases operational efficiency. The goal is the provision of insights that unlock an organization’s business potential. It enables faster decision-making in day-to-day operations that optimize the company’s efficiency. In this way, the collected data can be transformed into knowledge for the company.

-CAPTAIN’S EYE- XT is an investor and design partner, advanced maritime safety and management system which is based on AI video analytics to detect and prevent incidents, injuries and marine pollution.

-DESIGN PARTNERSHIP - The Group is currently in the 2nd phase of a long-term cooperation and has chosen to act as a design partner with Verifavia and Windward (top maritime leaders in respect of shipping and environmental matters). The joint projects end targets are to provide the Maritime industry with several tools for closely monitoring fleet environmental indicators, identifying potential weaknesses, and taking immediate and long-term actions. All of these are in order to prepare the Group’s fleet for the new era of the shipping industry.

-CO2 CAPTURE SYSTEM - To potentially improve the Group’s CO2 emissions and as additional environmental action, the Group is in the process of examining the installation of a CO2 capture system onboard its vessels, reducing or potentially eliminating the CO2 footprint and transferring the byproduct to other industries which will be using it efficiently for their needs (instead of producing CO2) – creating a global ecosystem!

-CYBER - design partner of Cydome, Provide Cyber Security Coverage for Protecting IT & Operational Assets o/b vessels, while assuring their readiness for regulatory inspections.

-DESIGN PARTNERS with several maritime accelerators

-MARITIME WIND PROPULSION SYSTEMS (nayamwings.com). We are partnering with NayamWings to jointly examine the benefits of wind propulsion systems in part of our fleet. By reducing engine use - saving thus fuel and reducing emissions - and by using instead a hybrid source of power, we expect that our 2050 net-zero path will be greatly enhanced.

CYBER SECURITY & DATA PROTECTION

The system of dealing with cyber threats in the XT is continuous and is expressed in a holistic view of optimal preparedness, continuous-passive and active defense in multiple layers, the containment capabilities of various types of events, and the ability to recover. XT implements its concept of information protection in accordance with the various standards applicable to it. XT implements cyber-threat protection solutions, both in its various offices and in all its assets, including employees who move around with various devices and ships sailing around the world.

In the human capital structure, the cyber array is based on the organization's Cyber and Infrastructure Officer, the CIO, and all the IT team. XT sees all computer users as part of our defense abilities as well. In addition, and depending on the need, companies specializing in cyber protection and dealing with cyber incidents are activated, mainly for the purpose of proper preparation.

As stated, the coping system in the company's offices is multi-layered and consists, among other things, of the following layers: Mail Relay (Iron Port, Cisco) Through which all e-mails entering the organization are scanned, and various tools are used to detect spam, phishing, viruses, and more. The firewall (FortiGate) analyzes all traffic from and to the organization and activates multiple and different protection mechanisms to deal with all cyber threats. Web Antivirus Firewall (WAF, f5) that actively protects machines that we are forced to expose to the world to various entities such as Manning Agencies, Travel Agents, Suppliers, and more. DNS Protection (Umbrella, Cisco) protects end stations, both central protection within the corporate environment and individual protection of laptops outside the organization, from access to computers with suspicious DNS and to environments suspected of being dangerous. End Point Protection & EDR (CrowdStrike) continuously protects all workstations and servers in the organization. Onboard our vessels, XT is also implementing a multi-

layer protection methodology, separate network segments, and complying with IMO requirements and recommendations in respect of cyber security. XT is working with top tier integrators to implement both safe satellite communication services and a safe network, IT, and OT while complying with IMO Resolution MSC.428 (98) and BIMCO recommendations.

All the cyber defense tools XT is using are top tier products and each one of them considers to be the top three in its field (according to Gartner and others).

The IT team in the organization considers the training of all computer users to be highly aware of cyber issues of supreme value and for this purpose conducts training and cyber exercises on a regular basis throughout the year while focusing on "problematic" computer users and providing individual training accordingly.

We perform penetration tests from time to time, with different emphases, these tests help us to pinpoint the defense and coping system.

For the benefit of disaster recovery, XT is using top tier backup/restore and DRP tools, DRP and maintains a strict routine of backups using various methods and tools, including backups to a remote site that serves as a DR site and backups to detachable tapes that prevent contamination of our backup surfaces.

The organization has made a strategic decision for a worry-free transition to the cloud. We have already fully completed the transition of mail services, file servers, and SharePoint services to the Microsoft 365 and Microsoft Azure environment. In addition, we have completed beyond the cloud in the SaaS services of various services such as the 7D's cash flow platform and Meteor Bank reporting services. We intend to continue to move most of the services to the cloud, to provide SaaS services, and wherever they are provided, as IaaS services.



HEALTH AND SAFETY

XT Shipping main goal is to provide our customers with safe and efficient cargo transportation services while focusing on customer satisfaction and protection of the environment.

The Company's Quality Management System meets the requirements of ISO 9001, ISO14001, and the International Maritime Organization's ISM (International Safety Management) Code for the safe operation of ships and pollution prevention, as amended.

XT implements quality control at all levels within the organization, by monitoring, reviewing and auditing company quality objectives at planned intervals during internal and external audits.

XT is committed to protecting the environment from all forms and types of pollution caused by its activities. To achieve this, the company operates an Environmental Management System, in line with current national and international legislation. Particular emphasis is placed upon marine safety, safe working practices and protection of the environment with the target of zero accidents and incidents.

On board, the Company implements good working practices to ensure safe and healthy working conditions for each employee, in line with the Maritime Labor Convention (MLC 2006) requirements.

CONTRIBUTION TO A RESPONSIBLE *double* MATERIALITY

10

Our Risk Management system is an important tool for corporate governance. It allows us to effectively manage increasingly complex financial and non-financial risks and to secure and further increase the value of the Company by determining impact materiality on issues and financial materiality related matters.

We revised our Risk Management guidelines in 2020. In doing so, we have focused more strongly on Sustainability-related topics, such as occupational safety when identifying and categorizing risks.

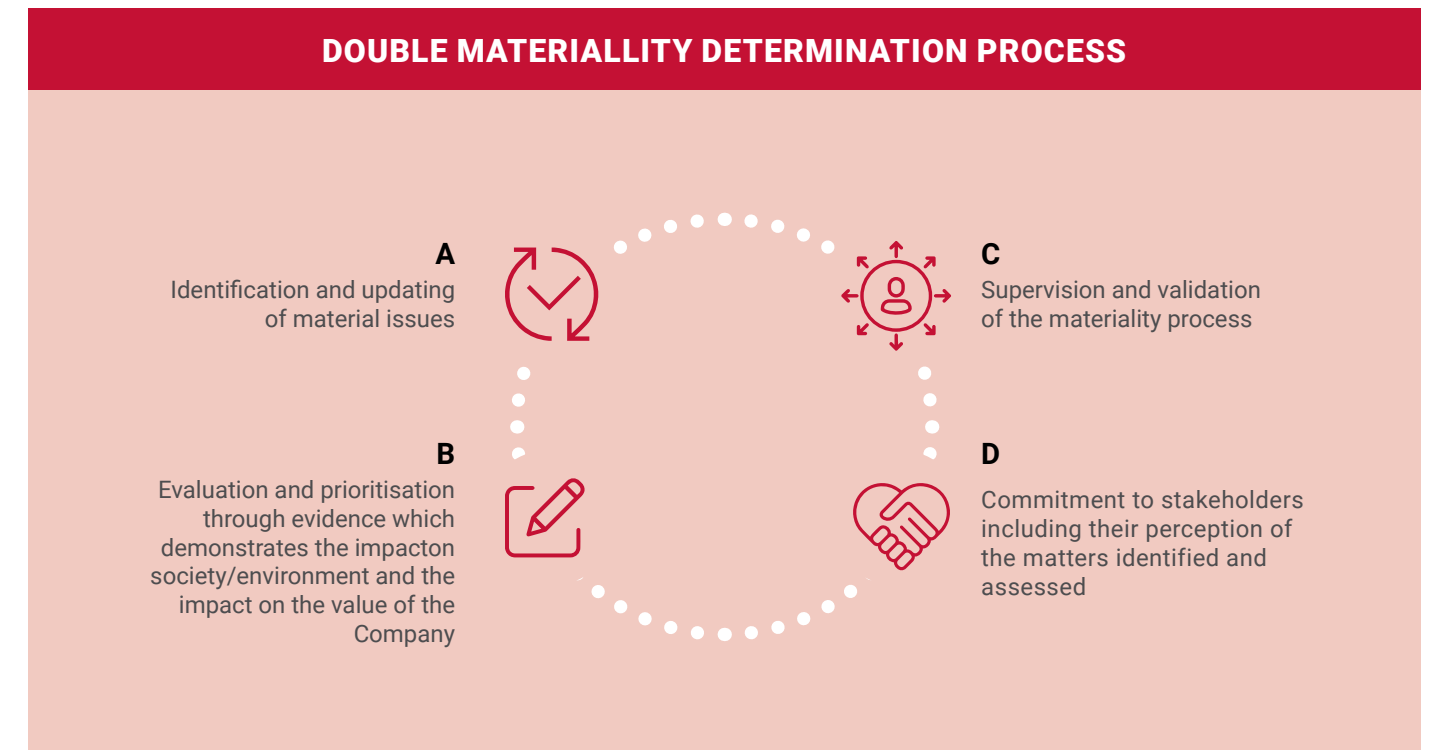
OBJECTIVES



OUR RISK MANAGEMENT AND MATERIALITY ISSUES

Through our risk management process, we both check for

- 1. Impact materiality:** We try to identify the material matters which have actual or potential significant impacts on people or the environment over the short, medium or long term, to our Company and in its entire value chain.
- 2. Financial materiality:** We try to identify material matters that trigger financial effects on our operations and may generate risks or opportunities that influence future cash flows and therefore the enterprise value in the short, medium or long term.



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

OUR TOP RISKS

1. Shipping industry's volatile nature.
2. Fluctuations in prices, rates, indices, etc. including bunker prices and availability.
3. Company's costs related to vessel operations to be not properly monitored.
4. General domestic and international political conditions.
5. Disruption in exports of materials
6. Cyber crime
7. Access to capital. Exposure to lower returns or expected cash flows.
8. Counterparty risk.
9. Non-compliance with laws and industry regulations, contractual obligations, customer requirements, prescribed organizational policies and procedures, etc.
10. Human capital - changes in the recruitment market.

ENSURING A SUSTAINABLE DECISION-MAKING SYSTEM

Starting with the publication of this ESG report, our objectives to ensure transparency in all our activities and a sustainable decision-making system are:

- Annual report on our performance on sustainability and sustainable development issues under the 17 UN SDGs
- Creation, implementation and monitoring of an appropriate system of sustainability-related indicators throughout the life cycle of the ships in our fleet.
- Encouragement of our customers to actively participate in achieving transparency as well as in the decision-making process.

Supply chain sustainability

Our supply chain is managed in a socially and environmentally responsible manner. Our suppliers are selected through an evaluation system that ensures the provision of high-quality services to our clients.

Our responsible procurement policy

We work in partnership with our suppliers to raise environmental standards. All employees involved in any purchasing, sourcing and contracting activity must commit themselves to raising awareness among our suppliers on how to reduce any environmental impacts linked to their production chain, operation and final products.

In this sense, we try to localize our procurement activities as much as possible and support local community livelihoods. While the benefits of local sourcing are clear where fresh food is concerned, there are also benefits for non-food items, as it reduces the distance that items must travel, lowering carbon emissions. We have a clear policy shared with our vendors (with each requisition) to reduce packing materials and to avoid plastics etc. as much as possible

Auditing our suppliers

We identify any risks to our supplier standards by tracking and monitoring our supply chains. Our successful auditing program has been in place for several years now. If a supplier is found to have breached our Code of Conduct, depending on the severity of non-conformity, we might decide to terminate the agreement or work with them to understand what went wrong to put a remediation plan in place. If we do not see quick improvement, we reserve the right to terminate the agreement.

Additionally,

We continue to work with our supply chain to seek plastic-free alternatives for products and packaging. We prohibited the use of the disposable plastic/b our vessels, we stopped providing small plastic bottles (smaller than 1.5 L) For example, hand sanitizing stations -a heritage from COVID days- are likely to remain onboard, and the packaging for many thousands of liters of alcohol-based fluid is substantial. The opportunity to procure a solid alternative, to be liquified onboard, would reduce packaging requirements considerably

