



Sustainability Report

2024



CEO'S MESSAGE

Dear Colleagues,

As we are in mid - 2025, I would like to take this opportunity to reflect on the remarkable year we have just completed. 2024 was a year of major challenges for the global shipping industry marked by geopolitical instability, changes in trade patterns, and uncertainty in freight markets. Yet, thanks to your resilience, professionalism, and teamwork, XT stayed focused on our mission and on the values that guide us. In this environment, XT responded with professionalism, agility, and determination. Our strength continues to come from long - term thinking, operational discipline, and our commitment to responsible growth.

Sustainability remained a central part of our strategy and decision - making. Throughout 2024, we continued to invest in improving our environmental performance, reducing emissions, and operating more efficiently. We advanced energy - saving technologies across our fleet and strengthened our processes for monitoring and managing emissions. These actions support global climate goals and prepare us for tightening international regulations, while also improving our operational performance and long - term competitiveness.

Beyond environmental responsibility, we continued to develop our broader ESG commitments. We expanded our internal ESG frameworks, strengthened reporting and measurement practices, and invested in initiatives that support safety, transparency, and corporate governance. ESG is not just a reporting requirement for us - it is part of our identity and a foundation for building a responsible, future - ready company.

Our commitment to the community also remained strong. Our Global Community Program continued to

grow in 2024, supporting education, inclusion, sports, and equal opportunity. Through initiatives such as Password for Every Pupil, Variety Israel, Haifa Women's Volleyball, and the Israeli Women's Olympic Sailing Team, we continued to invest in meaningful social programs that create opportunities and support the next generation. These partnerships are not just sponsorships - they reflect our belief in impact, values, and giving back to society.

Internally, we remained focused on our people. Our seafarers and shore - based teams are the heart of our organization, and we continued to prioritize their wellbeing, safety, and development. Our organizational app saw major upgrades, improving communication, engagement, and wellness support. Talent retention remained exceptionally high, and we welcomed significant new team members across our offices, reflecting both our growth and the strength of our culture. We are proud to be a workplace where people feel valued, supported, and motivated to build long - term careers.

Looking ahead, 2025 will continue to bring uncertainty. The global environment remains complex, and we must stay focused, analytical, and responsible in our decision - making. We will continue to plan carefully, evaluate risks thoughtfully, and invest in the areas that support stable and sustainable growth.

Our strategic priorities for 2025 are clear:

- Strengthening operational resilience and innovation
- Advancing our environmental and ESG goals in line with global standards
- Investing in our people, culture, and wellbeing
- Enhancing the value we provide to our clients, partners, and communities

With our collective experience, shared values, and commitment to excellence, I am confident we will continue to lead with responsibility, innovation, and care - shaping a strong and sustainable future for XT and the industry. Together, we are demonstrating that operational excellence and environmental responsibility are not opposing goals but complementary forces shaping the future of global shipping.

Thank you for your dedication, hard work, and trust. It is a privilege to lead this organization, and I look forward to all we will accomplish together in 2025.

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CONTINUE
LEADING WITH
INNOVATION,
SUSTAINABILITY,
AND CARE.

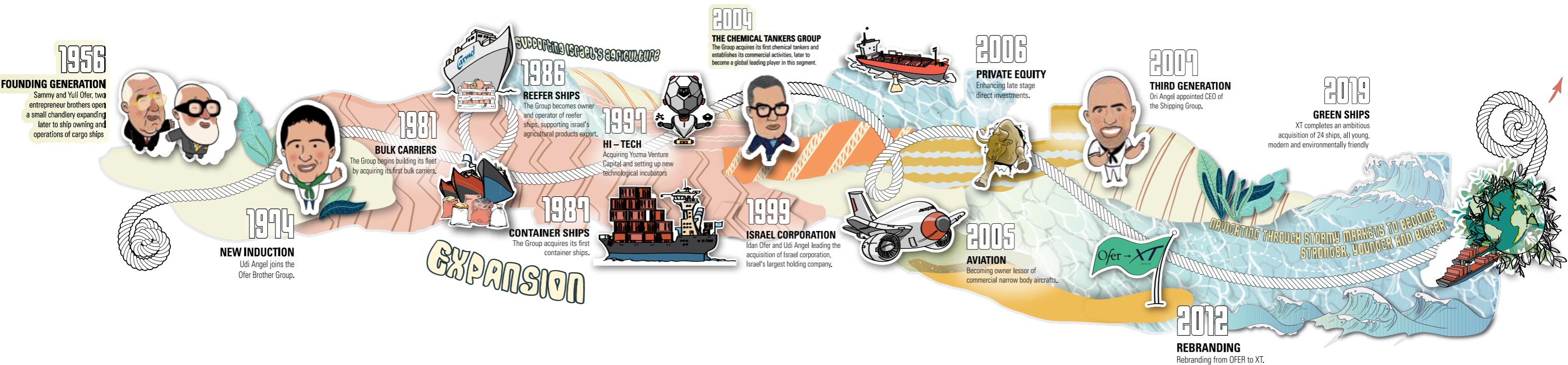


Ori Angel
CEO of XT



ABOUT US

XT Group - Who We Are



XT Group is a diversified global enterprise with a strong presence in shipping, logistics, and investment activities, complemented by longstanding commitments to community engagement and innovation. Headquartered in Israel, the Group continues to play a central role in facilitating world trade while shaping future-oriented solutions across industries.

Founded in the early 1950s, XT has grown from a family-owned enterprise into a global group. Over the decades, the company has expanded from its original shipping activities to a broader portfolio, while always maintaining its maritime core. XT's history is marked by a spirit of entrepreneurship, resilience, and community engagement - values that continue to define its strategy today.

2024 was a year that tested the resilience of our company and of the shipping sector at large. Despite geopolitical instability, rerouting through high-risk areas, and volatile freight markets, XT maintained continuity of service and strengthened its core operations.

As of 31 December 2024, XT managed **84 vessels** with a combined carrying capacity of 3,564,222 DWT. Together these vessels travelled **4,948,372 nautical miles** **during the year**, ensuring consistent delivery for clients worldwide while adapting to new routing patterns.

Beyond numbers, XT reinforced its identity as an employer of choice. With 2,431 seafarers and 208 shore-based employees, our people remained the driving force of our success. Their dedication allowed us to maintain operational excellence while advancing cultural and digital transformation.

Driven by innovation and a strong human-capital mindset, XT continues to integrate technology and talent to improve performance and transparency. Our centralized data platform, built on Microsoft Fabric, merges vessel and shore data into a unified environment, enhancing ESG monitoring, decision-making, and reporting. In parallel, the NeXT Gen

Program develops our future Masters, Chief Engineers, and Superintendents through structured mentoring, ensuring a strong leadership pipeline from within.

OUR PRIORITIES AND INTEGRATION OF SUSTAINABILITY STRATEGY

Our sustainability strategy revolves around the following four pillars, and incorporated material topics and objectives for these priorities. XT Group will continue to adapt its sustainability strategy as appropriate in the coming years.

Environmental Care

Our Strategy

Reduce the environmental impact of our activities, focusing on both air quality and the marine environment.

Relevant Material Topics

- Fuel and energy efficiency
- Air & Marine pollution reduction
- Environmentally sustainable practices in Shipping
- Waste management and recycling
- Air quality and marine biodiversity

Caring for our Workforce

Our Strategy

We prioritize creating an environment that fosters wellbeing and development, welfare, excellent support and a sense of community to our employees and crews.

Relevant Material Topics

- Employee Protection
- Involvement & hands - on management
- Diversity & inclusion and equal opportunity
- Employee education and training
- Occupational health and safety

Caring for the Society

Our Strategy

We place a strong emphasis on initiatives (through strategic partnerships & direct engagement) that contribute positively to the wellbeing and development of the communities we operate in.

Relevant Material Topics

- Support local communities in countries of operation ("Giving back")

Robust Internal Operations & Governance

Our Strategy

Operate in a responsible and ethical manner while being devoted to maintaining our position as a front - runner among international shipping companies by investing consistently in our operational, technological, and financial infrastructure.

Relevant Material Topics

- Economic & commercial performance
- Corporate Governance, ethics & transparency
- Regulatory compliance
- Partnerships & relationships with business partners/stakeholders for Sustainability
- Sustainable supply chain
- Risk mitigation & control
- Security of transports (Physical & Cyber)

2024 ESG PERFORMANCE AT A GLANCE

Environmental

- Maintained CII ratings in the upper categories, despite longer voyages caused by the Red Sea crisis.
- Initiated pilot projects for energy - saving technologies and alternative fuels.
- Advanced ship recycling practices in line with EU Ship Recycling Regulation.

Social

- Delivered 110,000+ hours of training to seafarers and shore staff.
- Achieved a seafarer turnover rate >2% below industry average.
- Launched new wellbeing and family support programs during extended voyages.

More than 12.47% of fleet officers were promoted internally through structured career pathways.

Governance

- ESG oversight strengthened at Board level with dedicated reporting lines.
- Expanded compliance framework covering ISM Code, anti - bribery, and data security.
- Engaged proactively with charterers and ESG financiers through recognized disclosure frameworks (GRI, CSRD, Poseidon Principles).

XT achieved 100% compliance in charterers' ESG due diligence assessments.

SDGS: OUR COMMITMENT TO GLOBAL GOALS

XT's strategy is guided by the United Nations Sustainable Development Goals (SDGs). In 2024, we sharpened our focus on goals most relevant to our industry and operations:



SDG 8 - Decent Work and Economic Growth:

Through safe working conditions, high retention rates, and continuous training for both seafarers and shore-based teams.

SDG 9 - Industry, Innovation, and Infrastructure:

By investing in digital platforms, data systems, and fleet efficiency technologies.

SDG 13 - Climate Action:

With measurable reductions in emissions intensity and commitment to long-term decarbonization pathways.

SDG 14 - Life Below Water:

Through strict compliance with ballast water, sulphur, and other international environmental regulations.



OUR STAKEHOLDERS AND MATERIAL TOPICS

XT thrives on open, transparent dialogue with its stakeholders. We engage regularly with:

- Employees and seafarers
- Charterers and business partners
- Financial institutions and investors
- Regulators and authorities
- Communities where we operate

Stakeholder interaction in 2024 went beyond day-to-day communication. We focused on strategic issues, including ESG trends, regulatory developments, financing opportunities, and emerging technologies that will shape the industry.

MAIN STAKEHOLDERS

Shareholders / Investors

NGOs & Communities

- Academic institutions
- Local communities
- Media

Employees & Crew

Authorities

- IMO
- Flag Administrator
- Port Authorities

Financial Institutions & Governments

- Underwriting agents
- Insurance companies
- Banks
- Leasing institutions

Customers

Suppliers, Industry & Trade Associations

As part of this process, XT conducted a materiality topics re-assessment, ensuring that the issues identified in 2023 remain relevant while capturing new areas of concern. Cyber security, digitalization, and green shipping corridors gained higher importance, alongside established priorities such as climate action, crew welfare, and compliance.

OUR MATERIALITY PRIORITIES

Importance of stakeholder

- Waste management and recycling (E)
- Investment research and innovation in green technologies (E)
- Air quality and Marine biodiversity (E)
- Diversity & inclusion and equal opportunity (S)
- Career opportunities & advancement (S)
- Employee education and training (S)
- Occupational health and safety (S)
- ▲ Partnerships and relationships with business partners/ stakeholders for sustainability (G)
- ▲ Sustainable supply chain (G)
- ▲ Risk mitigation & control (G)
- ▲ Security of transports (Physical & cyber security) (G)
- ▲ Corporate Governance, ethics and transparency (G)
- ▲ Regulatory compliance (G)

● ENVIRONMENT
■ SOCIAL
▲ GOVERNANCE

Importance for the performance of XT Group Holdings

GOVERNANCE AND RISK MANAGEMENT

Strong governance is the backbone of XT's long - term resilience. In a volatile and uncertain global environment, our governance framework ensures accountability, transparency, and foresight in decision - making. It allows the Group to act strategically while safeguarding the trust of our stakeholders, from employees and clients to financiers and regulators.

RISK CLASSIFICATION FRAMEWORK

In 2024, XT applied a structured approach to identifying and managing risks across four main categories:

Category	Risk Description	Risk Level
Operational Risks	Crew safety, navigation, supply chain continuity. Geopolitical instability (Red Sea crisis, Ukraine).	High
	Insurance and rerouting cost escalation.	High
	Continuing geopolitical changes risk during the last 2 years (War in Middle East and Ukraine, Trade war etc.)	High
	Routine operational safety (ISM compliance, training).	Medium
Environmental & Regulatory	Decarbonization requirements (CII, EEXI) and long - term climate commitments.	High
	Compliance with IMO sulphur, ballast water, and waste management rules.	Medium
	Alignment with Poseidon Principles disclosure.	Medium
Financial & Market	Freight market volatility; imbalance between charter and freight rates.	High
	Access to financing under ESG - linked terms.	Medium
Technological & Cyber	Cybersecurity threats to vessels and offices.	High
	Digital transformation risks (data quality, integration).	Medium
	Legacy IT system vulnerabilities.	Low

Continuous Reassessment

Risk management is not static. In 2024, XT undertook a fresh materiality topics reassessment, ensuring that governance priorities remain aligned with global ESG trends, regulatory changes, and stakeholder expectations. This dynamic process strengthens the Group's preparedness to navigate uncertainty and seize new opportunities responsibly.

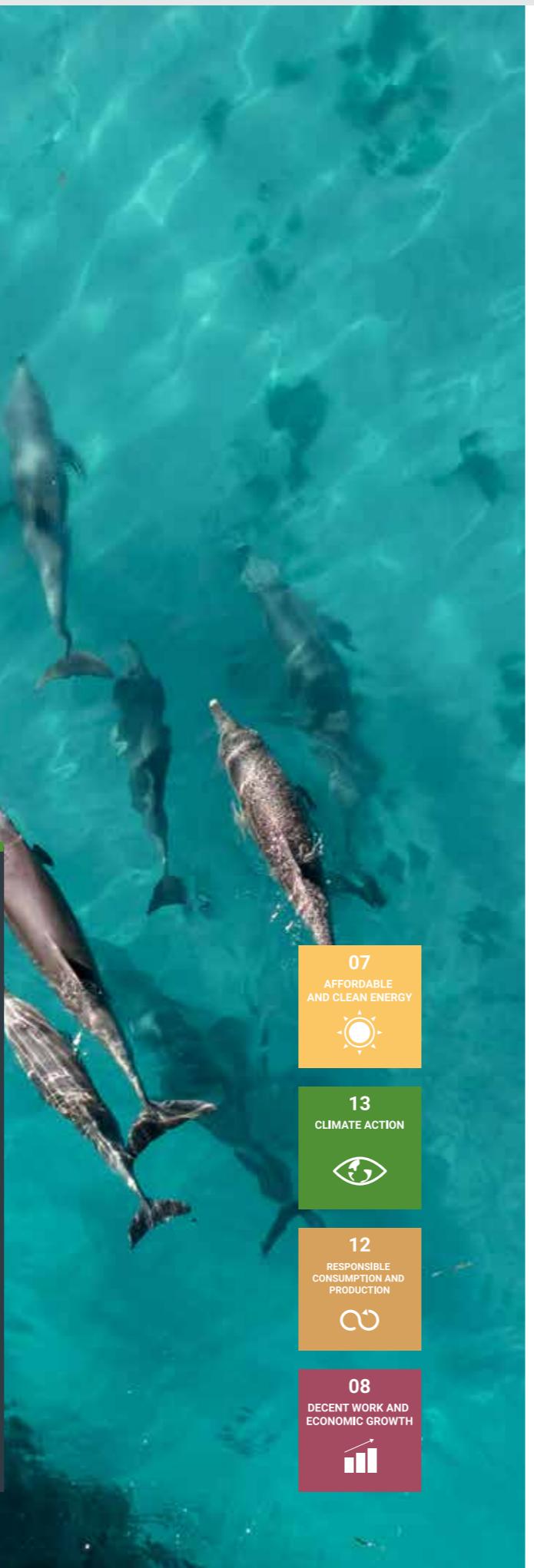
OUR OUTLOOK

Looking forward, XT Group will continue to balance **operational excellence with sustainable growth**. Investments in people, digital systems, and cleaner technologies will secure long - term competitiveness while aligning with global decarbonization and transparency goals.

ENVIRONMENTAL CARE

SDG Objectives:

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



OUR COMMITMENT TO ENVIRONMENT

XT Group's environmental strategy is built around a dual approach: strict compliance with international regulations and continuous investment in innovation that looks beyond compliance. In 2024, the geopolitical environment placed extraordinary pressure on emissions performance. Rerouting due to the Red Sea crisis increased voyage distances, while freight market imbalances limited the availability of optimal charters. Despite this, XT maintained operational efficiency close to 2023 levels and continued to invest in future technologies.

Through projects such as **Capitan Eye**, and the **Data Warehouse for ESG compliance**, XT strengthened its ability to monitor, analyze, and reduce emissions. At the same time, the Group advanced studies on CO₂ capture and partnered on **wind propulsion and hybrid hydrogen - diesel systems**, laying the groundwork for structural emission reductions in the coming years.

- **Capitan Eye** is an innovative marine safety and management system that uses artificial intelligence video analytics to identify and avoid accidents, injuries, and pollution in the water was developed and is backed by XT Group, an investment and design partner. During 2024 we continued to enhance and optimize the system, while it was installed on more than 20 of fleet vessels.
- The **Data Warehouse project** plays a crucial role in enhancing data integrity, transparency, and sustainability across our operations. By consolidating multiple data sources into a single, optimized infrastructure, we reduce redundancies, lower energy consumption, and improve resource efficiency.
- Collaboration and design partnership with Thermagix which is pioneering thermoacoustic
- technology to transform waste heat into valuable energy - without moving parts, emissions or inefficiencies
- Collaboration and design partnership with THETIS AI which possesses an advanced maritime technology solution that integrates seamlessly with onboard navigation and performance systems. In this, AI - driven algorithms process dozens of real - time parameters from weather forecasts (wind, wave height, currents) to port congestion and vessel - specific characteristics - to deliver a fully optimized voyage plan.
- The result is already paying off for the Group: reduced fuel consumption, lower CO₂ emissions, improved operational efficiency, and full compliance with tightening environmental regulations - without disrupting daily operations.
- Collaboration and design partnership NayamWings Ltd which is developing a novel wind propulsion system for maritime vessels based on a rigid wing sail. The unique maneuverability of the system, utilizing asymmetrical and multi - element airfoil, enables the use of a wing with supreme propulsive performances based on airplane technology.
- Collaboration with RSL Electronics. RSL's unique real - time decision process is an integral part of our health and usage monitoring solutions for rotating machinery installed on main engine, Auxiliary engines and turbines, continually monitoring their health condition and optimizing their performance.
- Collaboration with Newlight's cutting - edge plugin transforms conventional diesel engines into hybrid hydrogen - diesel powerhouses, slashing fuel consumption by up to 30% while dramatically reducing emissions.
- The **CO₂ capture system** is eyed to be used by the Group as an extra measure to help the environment and lessen the CO₂ footprint. The group continued the efforts on CO₂ capture system for 2024.

AIR EMISSIONS AND ENERGY EFFICIENCY

Energy efficiency is a cornerstone of XT's operations. The Group implements a layered strategy, combining operational, technical, and digital measures:

- **Operational Measures:** weather routing, cooperation with voyage optimization AI platforms optimized speed management, and efficient port turnaround practices, ensuring vessels consume the least fuel possible under given trade conditions.
- **Technical Measures:** systematic hull cleaning, propeller polishing, and machinery optimization, reducing resistance and enhancing propulsion.

Building on the progress of 2023, when digital monitoring was rolled out, in 2024 XT shifted to **active interventions**. Data insights led to immediate

corrective actions, preventing inefficiencies from persisting.

2024 saw an **increase in absolute emissions compared to 2023**, reflecting longer voyages and a higher reliance on HFO. However, efficiency indicators show that XT largely succeeded in keeping emissions per transport unit stable.

- XT emitted **1,750,519 tonnes of CO₂**; a small **increase of 3.4% over 2023**. Operational reasons (more idle port time and rougher seas) and higher percentage of HFO had a role to this.
- **SOx emissions** were slightly decreased to **4,355 tonnes** following a normal decreasing trajectory.
- **NOx emissions reached 39,262 tonnes**, up 4.9% from 37,431 tonnes in 2023, again reflecting longer voyages.

- **PM emissions totaled 3,650 tonnes** the most complete reporting to date, enabling improved monitoring.

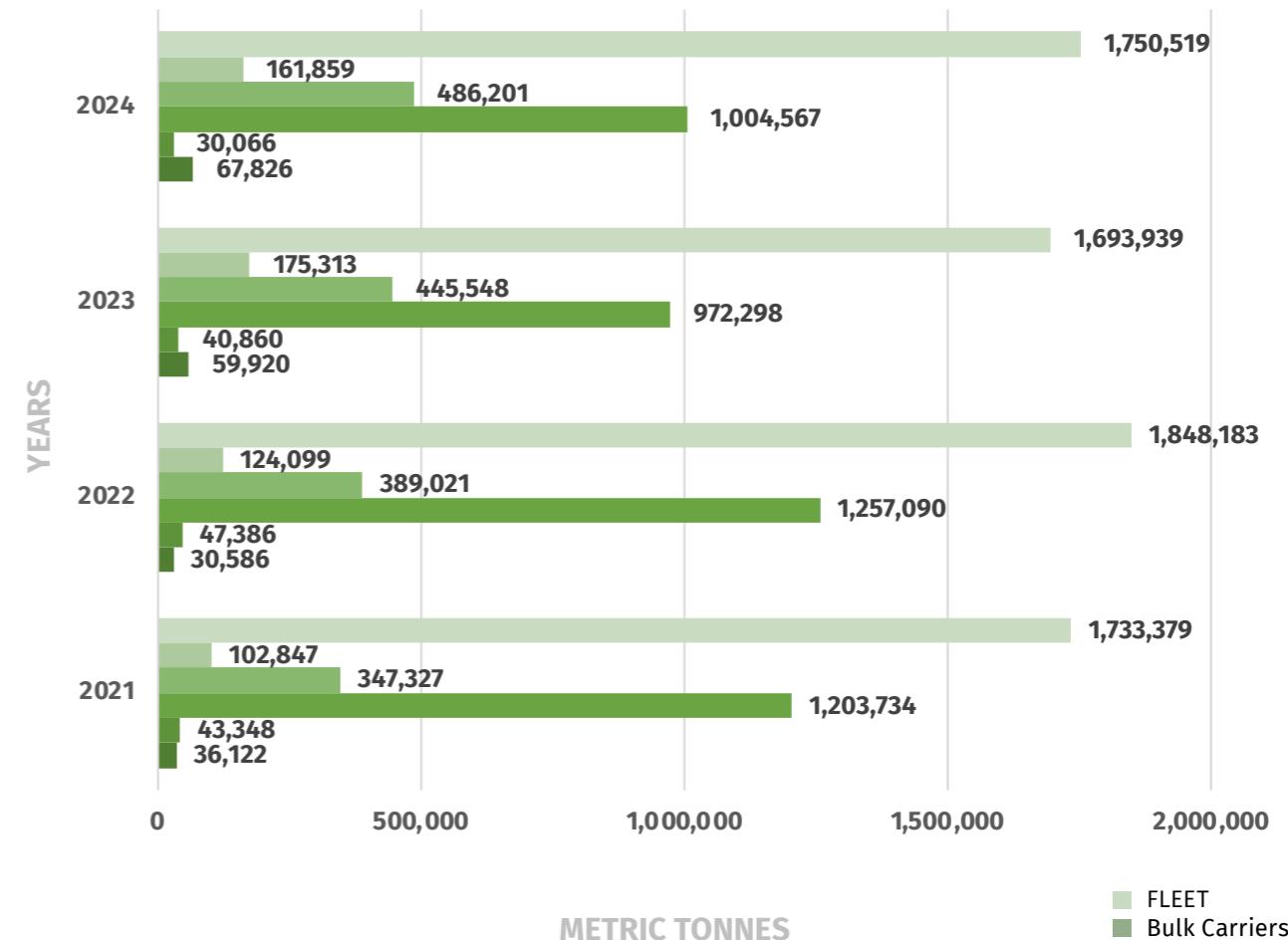
Yet, efficiency remained resilient:

- The **Average AER** was **9.23 g CO₂/cargo*nm**, only slightly above 2023's 9.17, and still a significant improvement over 2022 (9.92).
- **Fuel consumption totaled 559,775 tonnes**, and **energy consumption reached 22.70 million GJ**, both increases vs 2023, but proportionate to longer sailing distances.
- **81.46% of energy came from HFO**, compared to 75.8% in 2023 - a step back, but one XT is addressing through fuel diversification strategies.

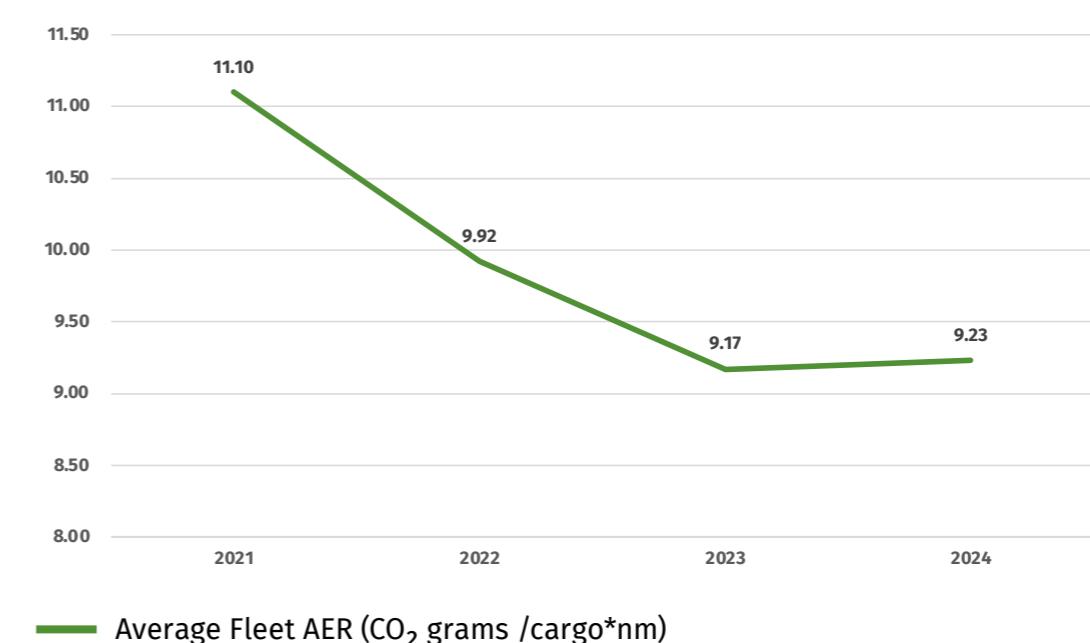
Overall, 2024 proved that while absolute emissions can be impacted by global disruptions, XT's **efficiency systems work**: the fleet - maintained cargo intensity performance despite more difficult conditions.

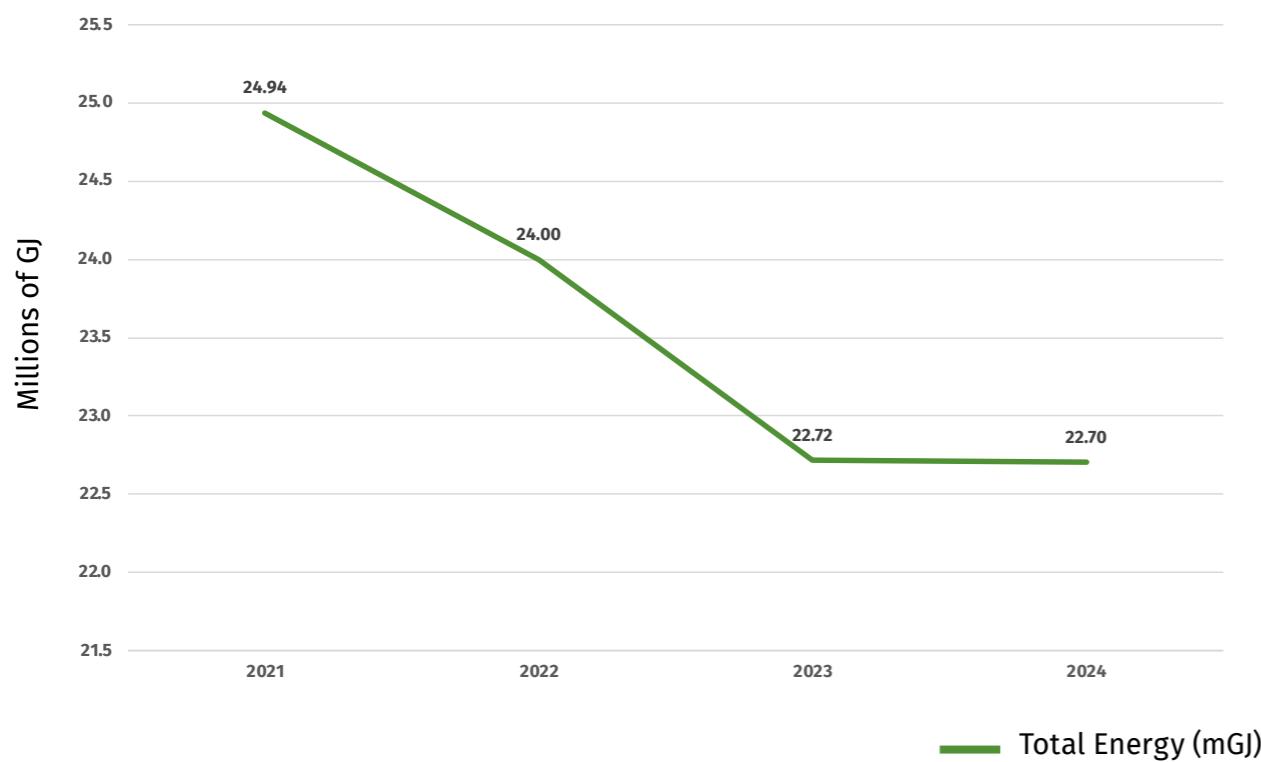


CO₂ EMISSIONS (MT)



AVERAGE FLEET AER



TOTAL ENERGY**ENVIRONMENTAL PROTECTION: WASTE AND WATER MANAGEMENT**

Environmental care extends well beyond air emissions. XT operates under MARPOL and other international frameworks

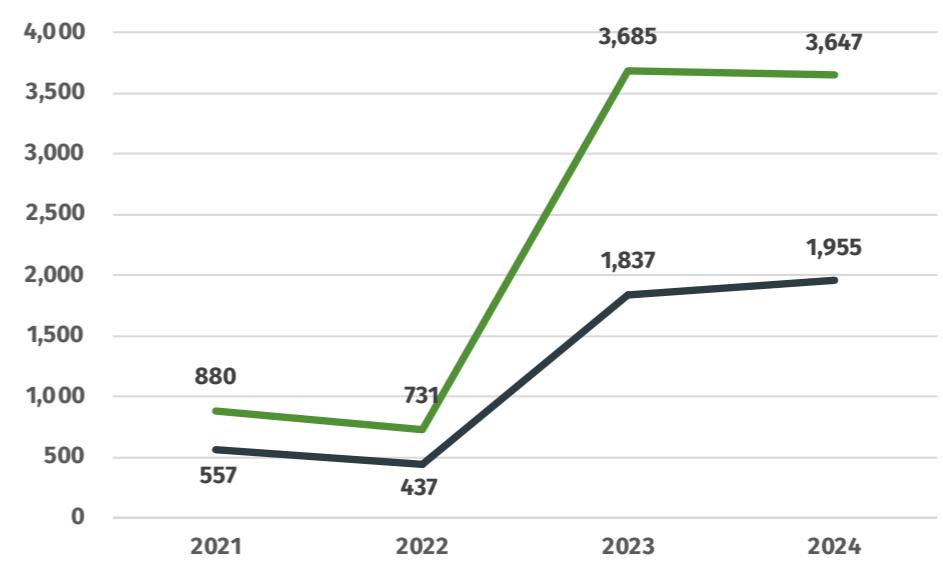
to ensure responsible handling of all discharges.

- **Ballast Water Management:** 100% of vessels are fitted with approved systems, eliminating the spread of invasive species. Routine inspections confirm proper operation, reflecting XT's role as a responsible steward of the seas.
- **Waste Management:** Waste is segregated into dedicated streams (plastics, food waste, hazardous waste, recyclables). Crew training and onboard audits reinforce proper handling.
- **Recycling and IHM:** In 2024, XT recycled a total of **6,777 tonnes of materials**, including **1,955 t of plastic**, **3,647 t of general waste**, and **1,175 t of operational waste** - up from a combined 5,612 t in 2023. The increase reflects improved collection, reporting, and segregation practices across the fleet.
- **Sewage and Plastics:** Compliance with MARPOL Annex IV (sewage) and Annex V (plastics and garbage) is supported by systematic monitoring. Vessels are equipped with treatment systems ensuring no untreated waste enters the sea.

- **Smart and Green Offices:** XT's environmental philosophy applies equally to its on-shore operations. The Group has rolled out a "Smart & Green Office" program covering all regional locations.

- » All offices are transitioning to plastic-free environments, replacing disposable items with reusable or biodegradable alternatives.
- » Hybrid and electric vehicles now make up the majority of the company car pool, reducing emissions and noise in urban areas.
- » Smart-building features - LED lighting, motion sensors, centralized HVAC control, and energy-efficient equipment - help lower electricity consumption.
- » Digitalization of workflows has cut paper use by more than 80%, while dedicated recycling points ensure responsible disposal of waste.

Together these measures embody XT's belief that every action, ashore or at sea, contributes to a cleaner and more efficient organization.

RECYCLING (TONNES)

Beyond compliance, XT views waste and water management as an area where incremental improvements can have real impact. Rising recycling figures show progress, while training and inspections foster a culture of responsibility. Each year, XT strengthens its systems to ensure vessels are not only compliant but exemplary.

FLEET RENEWAL AND INNOVATION

2024 marked an important step forward in **fleet renewal planning and innovation pilots**. Building on the vision outlined in 2023, XT is moving from exploration to implementation.

- **Fleet Renewal:** The Group is evaluating replacement of older tonnage with next - generation ships designed for safety, efficiency, and sustainability.
- **Wind Propulsion:** Collaboration with NayamWings advanced to feasibility studies for retrofits, expected to cut engine use and emissions.
- **Hybrid Hydrogen - Diesel Engines:** Work with NewLight promises up to 30% fuel savings, a concrete move toward a lower - carbon fleet.
- **Waste Heat Recovery:** Early - stage work with Thermagix on harvesting low - grade heat for auxiliary power supply reflects XT's commitment to cutting - edge solutions.

- **CO₂ Capture:** Trials continued in 2024, with XT positioning itself among the early adopters of

In 2023, these initiatives were promises. In 2024, they became pilots, studies, and trials. This signals that XT is not just waiting for change - it is shaping it. Fleet renewal is no longer a future aspiration; it is a structured process, linked to safety, regulatory compliance, and climate targets.

“From ideas to trials: 4 innovation streams moving toward operational reality.”

ALTERNATIVE FUELS & GLOBAL TRENDS

XT maintains a **technology - neutral and safety - first approach** to fuel transition. The Group actively monitors the development of alternative fuels, not only in terms of technical feasibility but also through engagement with regulators, charterers, and financial institutions.

- **Near - term options (Biofuels, LNG):** engine compatibility.
- **Mid - term (Methanol, Ammonia):** XT is assessing infrastructure developments in key ports and

conducting risk analyses on safety and crew training requirements. Both fuels are viewed as important stepping stones but are not yet ready for large - scale deployment.

- **Long - term (Hydrogen, Synthetic fuels):** These are being tracked closely, especially in the context of EU and IMO regulatory pathways, as well as investment signals from financiers through sustainability - linked instruments.



XT's strength lies in its readiness. By keeping pace with global R&D and policy trends, the Group ensures it will be among the early adopters once alternative fuels reach commercial maturity.

“Adopt when safe, available, and value - accretive - our disciplined path to fuel transition.”

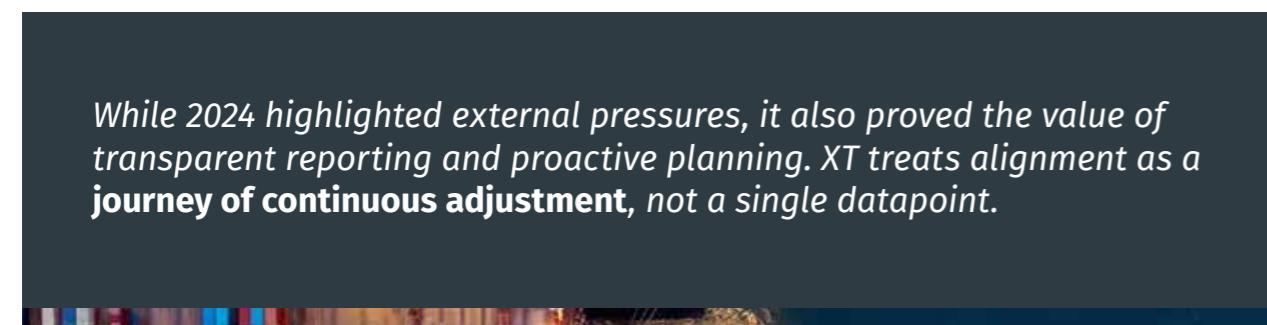
POSEIDON PRINCIPLES ALIGNMENT

XT discloses its performance under the **Poseidon Principles**, ensuring alignment with financiers' climate expectations.

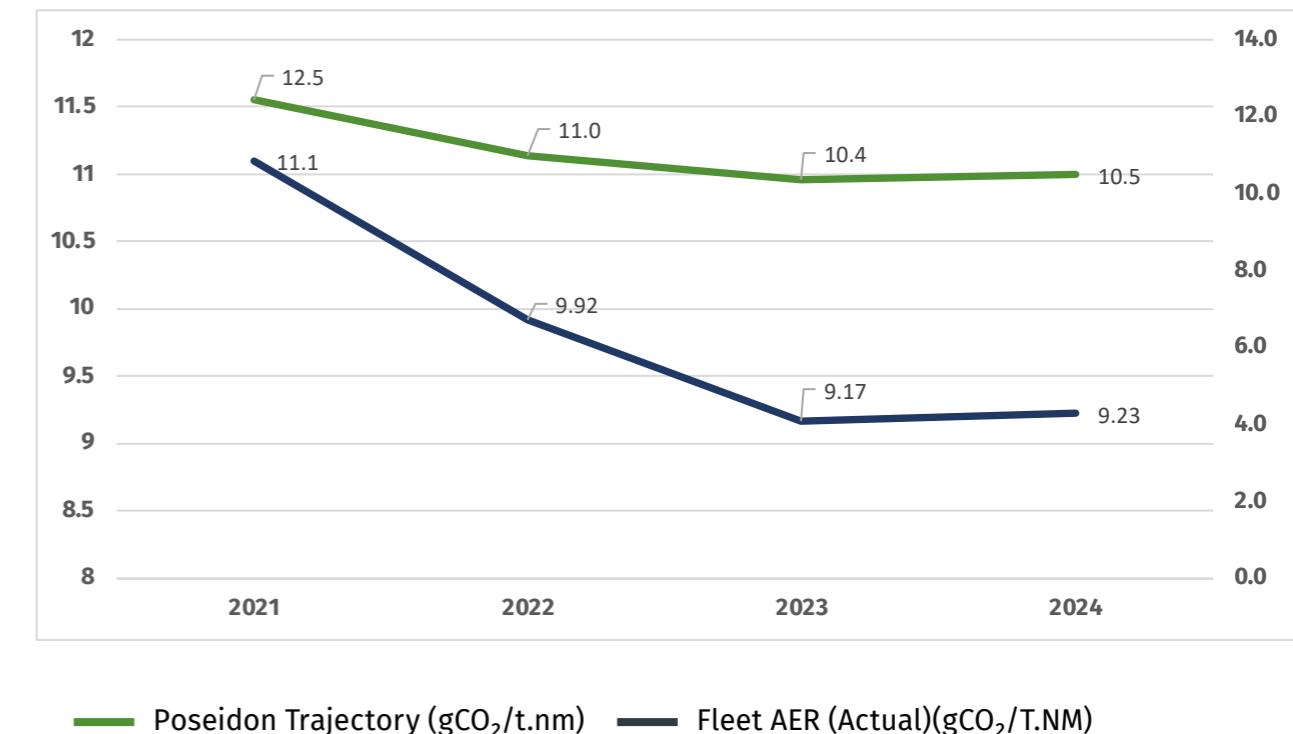
- In 2024, the fleet's Average AER was **9.23 g CO₂ / cargo·nm**, virtually unchanged from 9.17 in 2023 and still ≈10 % better than the IMO trajectory. This increase reflects longer

voyages due to Red Sea rerouting, rather than deterioration in vessel efficiency.

- Most of XT's vessels remained **within or close to the required decarbonization trajectories**, though the margin narrowed in some categories.
- XT has planned corrective measures: targeted retrofits, digital optimization, and long - term fleet renewal to ensure stronger alignment.



AER PORTFOLIO VS. DECARBONIZATION TRAJECTORY



The fleet's carbon intensity improved markedly between 2021 and 2023, with a small rebound in 2024 due to operational constraints, but it still outperforms the Poseidon trajectory by ≈ 12.5 %.



"Transparent reporting, corrective plans in place - alignment is a managed journey, not a single datapoint."

Positive outlook: 2024 proved that, even under global disruptions, XT's operational systems maintain emission intensity control and continuously strengthen transparency, digitalization, and innovation.

DATA ANCHORS (2024)

- CO₂: 1,750,519 t | SOx: 4,355 t | NOx: 38,194 t | PM: 3,650 t
- Fuel consumed: 559,775 t | Energy: 22.70 m GJ | HFO share: 81.46%
- AER: 9.23 gCO₂/cargo·nm (9.17 in 2023; 9.92 in 2022)
- Recycling (IHM): 1,955 t (~+6.5% YoY)



CARING FOR OUR WORKFORCE AND SOCIETY

SDG Objectives

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



MANAGEMENT PHILOSOPHY & CULTURE

At XT Group, caring for our people is more than a principle - it is our **foundation for success**. Our management philosophy is rooted in a deep and genuine commitment to the well-being of our employees. Our HR policies uphold diversity, equality, and inclusion as core elements of our culture. XT maintains one of the **lowest turnover rates in the industry (< 2 %)**, confirming that people choose to stay because they are respected, safe, and empowered.

We believe that the success of our organization is directly tied to the health, satisfaction, and personal growth of every team member. **"We SEA You", for XT Group is far more than just a logo.**

We are dedicated to cultivating a supportive and inclusive work environment that encourages connection, empathy, and a strong sense of belonging. Our HR policies and non-discrimination frameworks promote diversity, equality, and inclusion as core pillars of our culture.

Our approach goes beyond the workplace: seafarers and their families benefit from competitive salaries, comprehensive health coverage, strong pension plans, and scholarships - well above industry standards. We take pride in maintaining one of the lowest turnover rates in the industry, below 2% globally, a testament to the loyalty and satisfaction of our people.

Our HR policies and practices promote inclusivity, diversity, and non-discrimination, ensuring that employees - at sea and ashore - feel supported and empowered.

- **Retention rate:** <2% turnover, among the best in the industry.
- **Global diversity:** 25 nationalities represented across the workforce.
- **Gender balance:** 37% of the workforce are women, with continued progress into leadership roles.

Positive outlook: Our culture is not only stable - it is magnetic, attracting and retaining talent in a competitive industry. **"We SEA You", for XT Group is far more than just a logo.**

Employee turnover: <2% - one of the lowest in global shipping.

THE WE SEA YOU PROGRAM - 4TH YEAR

"WE SEA YOU" has become a cornerstone initiative of XT Group, integrating health, welfare, and professional development into one holistic framework.

WE SEA YOU is more than a phrase - it reflects the meaningful and measurable outcomes of our unwavering commitment to people. The longevity of our relationships, with many XT team members growing alongside us for decades, is a testament to the strength and success of this approach.

"Empowering Excellence and Care" is not a slogan - it is a lived reality. It manifests in the continuous growth of our exceptional team through tailored development programs, internal promotions, and a workplace culture that genuinely supports and uplifts its people.

We SEA You Initiatives for a supportive work environment

- Wi-Fi Onboard:** All vessels now feature StarLink internet, with free access, ensuring crew remain connected with family and friends.
- Onboard Facilities:** Comfortable day rooms, well-equipped gyms, and entertainment facilities support both physical and mental wellbeing. **Quarterly surveys and inspections now measure living condition improvements and guide upgrades.**
- Chef Patrick & Culinary Innovation:** Recognizing that the path to a seafarer's satisfaction often passes through their stomach, we've brought Chef Patrick on board to ensure our chief cooks deliver a diverse range of exceptional meals. Chef Patrick

and his team provide weekly recipes, videos, and interactive cook group chats with vessel chefs. A dedicated XT Cookbook of 60+ recipes is now distributed across all vessels, promoting healthier and more varied meals.

- Personal Savings Fund (PSF):** A long-term savings mechanism enabling crew to accumulate substantial funds with competitive rates and XT contributions.
- Events & Celebrations:** Each vessel has a budget for birthdays, holidays, and milestones, with **monthly BBQs now added fleetwide to foster camaraderie.**
- Competitions:** Organized every 2 - 3 months, ranging from cooking challenges to full-crew events, building morale and teamwork.
- Seafarers' Magazine:** The Seafarers' Magazine serves as a unifying platform, fostering a shared understanding of our values and instilling a profound sense of belonging within our seafarers' community. It stands as one of several avenues through which we come together as a unified team, a cohesive family. The magazine is published biannually in both print and digital, strengthening connection across the global XT family.
- Seafarers' Portal App:** Centralized platform with personal dashboards, training records, expense claims, and direct access to QDMS.
- Wellbeing Ambassador Program:** One of our main concerns is our seafarer's mental health and well-being. We understand that social interaction is important for seafarers' mental health and encourages positive relationships between the crew. Since 2023, every vessel designates a monthly ambassador to organize activities under four themes: sports, food & drinks, entertainment, or relaxation.

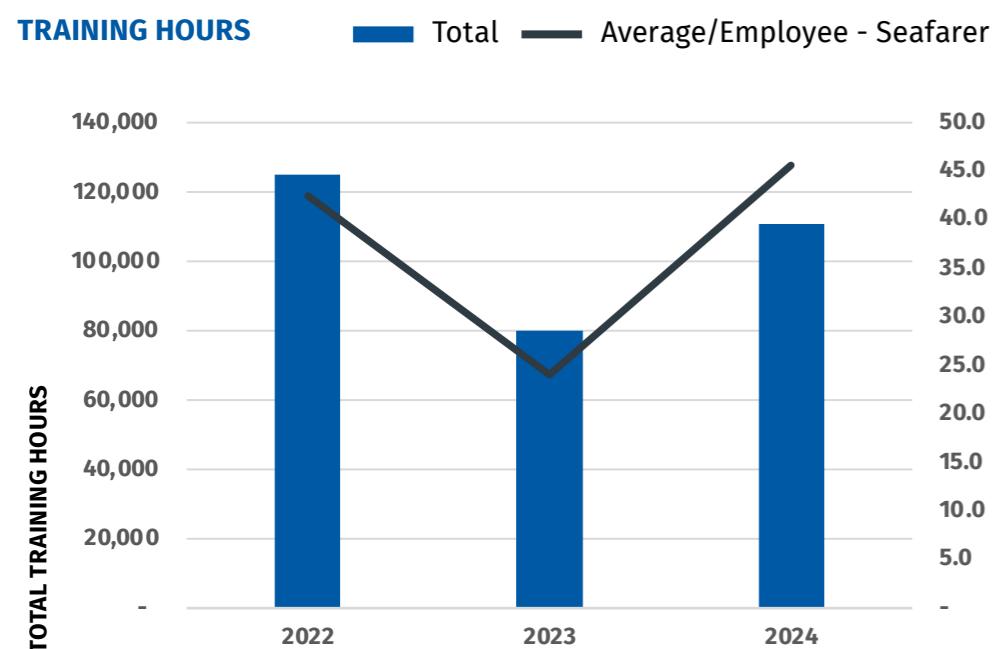


EMPLOYEE GROWTH & TRAINING

Continuous development of human resources is essential for any company aiming to lead its industry. At the heart of our organization, we are committed to cultivating an environment that encourages growth and unlocks the full potential of our team members. We prioritize ongoing employee education, implementing comprehensive, high-impact training programs to enhance their expertise and capabilities.

This substantial investment in our workforce's development underscores our belief that a well-trained team is fundamental to our company's success and innovation.

By emphasizing continuous learning and skill enhancement, we're not only improving individual performance but also strengthening our collective ability to navigate industry challenges and seize new opportunities. This approach ensures that our team remains at the cutting edge of industry developments, driving our company forward in an ever-evolving business landscape.



- **Training Hours:** In 2024, employees received over 110,000 hours of training (and on average 45.6 hours/employee - seafarers).
- **Cadet Program:** Recruitment before graduation, with mandatory 12 months of sea service, ensuring a pipeline of future leaders. Many senior staff today began as cadets within XT.
- **To add XT neXT gen** - prospective candidate program building and mentoring our junior officers / engineers all the way till the promotion to senior ranks
- **Webinars & Online Learning:** Regular, department-led webinars covering innovation, safety, and compliance. Complimentary English courses and technical libraries onboard/ashore provide additional tools for development.
- **Briefing & Debriefing:** All promoted/joining senior officers undergo structured briefings at HQ or online before assignments. Debriefing sessions capture feedback and lessons learned, driving operational improvements.

Positive outlook: Every XT career path is built for growth - from cadet to captain, from junior to leadership.

Cadet - to - Captain: how structured training created leaders from within.

EMPLOYEE ENGAGEMENT & METRICS

We maintain open communication through surveys, roundtables, and direct meetings, ensuring that employee voices are heard and acted upon.

Diversity

25
nationalities



Women
37%
workforce

Training

110,962
total hours (shore + sea)

On average
45.64



training hours per
employee/crew

Employee Engagement

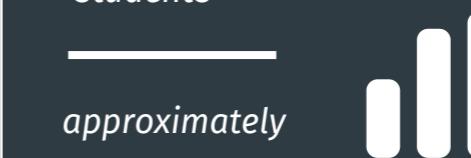
4.46
(out of 5)

Employee satisfaction

4.74/5
a record high

Social Reach

100,000
students



approximately
2.3m

beneficiaries through education, healthcare, and sport initiatives (Olympic/Paralympic) medals sponsored



Retention

>98%

shore staff

>95%

sea staff



Organizational Satisfaction

4.74

(out of 5)

Positive outlook: These scores confirm XT as an employer of choice, where loyalty and satisfaction remain consistently high.

These results demonstrate the success of a people-first strategy, confirming XT as an employer of choice.

COMMUNITY & SOCIAL IMPACT

XT's social activities are not philanthropic add-ons - they are an **integral extension of corporate and human strategy**. By investing in education, healthcare, and sports, the Group strengthens the social infrastructure that sustains both the maritime industry and the communities where it operates.

- **Education:** Support for Ruppin Academic Center (new Engineering & Nursing Science building), Rimon School of Music (750 students, 90 instructors), and SISMA Password for Every Pupil (100,000 students in 250 schools). These initiatives nurture future professionals and promote social mobility.

Our support goes beyond funding in Ruppin Academic Center:

- » Mr. Udi Angel serves as Chairman of the Board of Governors
- » Mr. Yossi Rosen, President of XT Group, is an active board director
- » XT is currently funding the construction of a new Engineering and Nursing Science building, reinforcing our deep commitment to higher education.

For SISMA, XT is proud to support also through:

- » Guest lectures in elementary schools
- » Activities for children from evacuated or vulnerable communities
- **Healthcare:** Expanded contributions to Rambam Health Care Campus through the Ofer Family Foundation, reaching 2+ million residents with advanced medical care.
- **Sports:** Ongoing sponsorship of Maccabi XT Haifa Volleyball Team and elite athletes like Sharon Kantor (silver medal, 2024 Paris Olympics) and Ami Omer Dadaon (gold medal, 2024 Paralympics). These partnerships elevate visibility for XT's brand and values, while inspiring excellence and inclusion.
- **Children & Inclusion:** Variety Israel fundraising supports children with disabilities, reinforcing XT's human-centric ethos.

XT's Human Capital management extends beyond workforce metrics. It represents a **strategic asset** - the bridge between operational performance and long-term value creation. Through inclusion, empowerment, and education, XT continues to cultivate not just employees, but ambassadors of its culture and mission.

Strategic impact: These activities amplify XT's reputation, attract talent, and reinforce employee pride. By connecting corporate success with societal wellbeing, XT achieves a positive feedback loop: engaged employees, trusted communities, and strengthened stakeholder relations.





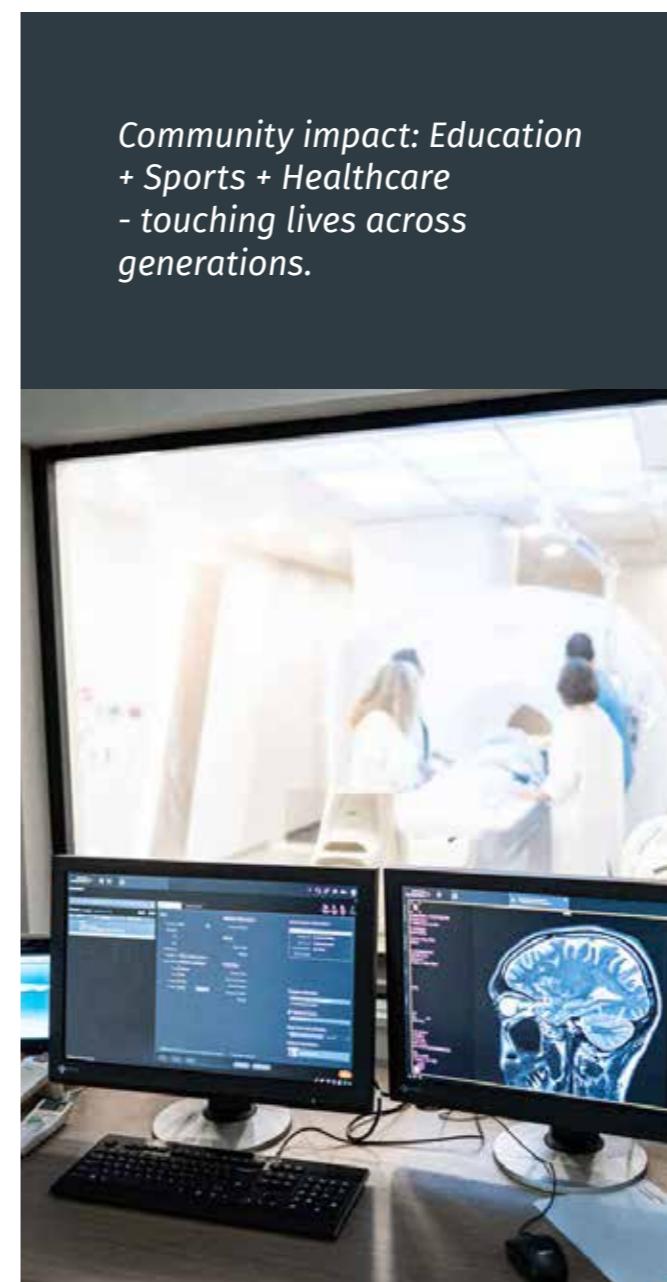
New Achievements in 2024:

Sharon Kantor: Won silver medal at the 2024 Paris Olympics in Women's Windsurfing, with XT as proud sponsor.

Ami Omer Dadaon: Gold medalist at the 2024 Paralympic Games, inspiring millions with XT's continued support.

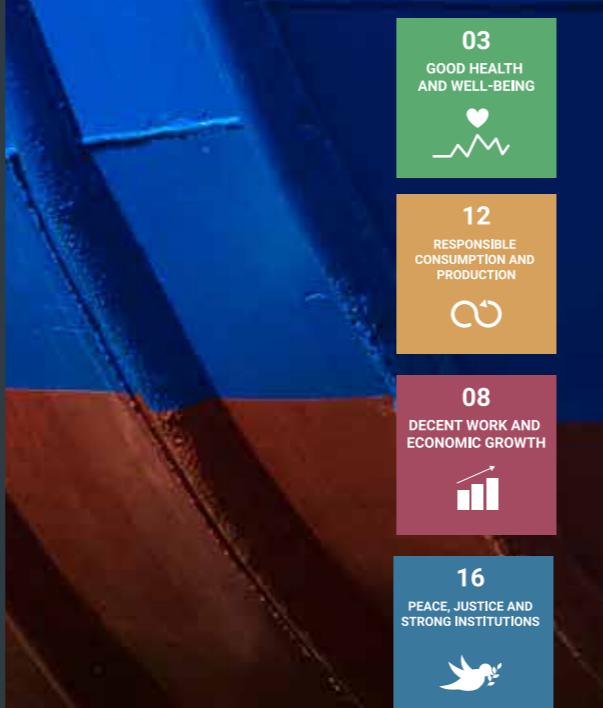
Rambam Health Care Campus: Expanded contributions through the Ofer Family Foundation, providing advanced care for over 2 million residents.

Community impact: Education + Sports + Healthcare - touching lives across generations.



GOVERNING STEWARDSHIP

SDG Objectives



OUR COMMITMENT

*Strong governance is the foundation of XT Group's credibility and resilience. We recognize that **transparent decision - making, effective risk management, and strict ethical conduct** are inseparable from long - term sustainability.*

*In 2024, XT faced a governance environment marked by **intensified regulatory demands, investor scrutiny, and rapid digital transformation**. ESG - linked financing instruments, charterers' due diligence processes, and the upcoming **Corporate***

Sustainability Reporting Directive (CSRD) created new benchmarks for accountability. In response, XT reinforced its governance model by integrating **double materiality assessments** into Board - level decision - making, strengthening compliance and ethical safeguards, and embedding **digital tools and innovation** into governance practices.

*Our governance philosophy is built around three principles: **accountability, transparency, and adaptability**. These ensure that XT is well positioned to manage risks, seize opportunities, and safeguard stakeholder trust in a volatile maritime*

GOVERNANCE FRAMEWORK

*XT's governance structure ensures that strategic, financial, environmental, and social considerations are addressed in a **coherent and integrated manner**.*

*In 2024, **100 % of Board and senior - management members completed formal ESG - governance training**, covering ESRS, Omnibus, future EU Taxonomy alignment, and GRI 2021 standards. Completion was tracked through the Governance Dashboard.*

- **Board & CEO Oversight:** The Board of Directors and especially the CEO retains ultimate responsibility for the Group's governance and ESG agenda. In 2024, the Board dedicated four formal sessions to sustainability strategy, including climate risk, crew wellbeing, and governance reforms.
- **Policies & Standards:** All governance policies are benchmarked against the **OECD Guidelines for**

Multinational Enterprises and the **UN Global Compact principles**, ensuring that the Group's commitments are aligned with internationally recognized frameworks.

This multi - layered structure guarantees that both day - to - day operational risks and long - term strategic challenges are managed consistently.

*In 2024, XT achieved **zero governance - related non - conformities** in external audits*

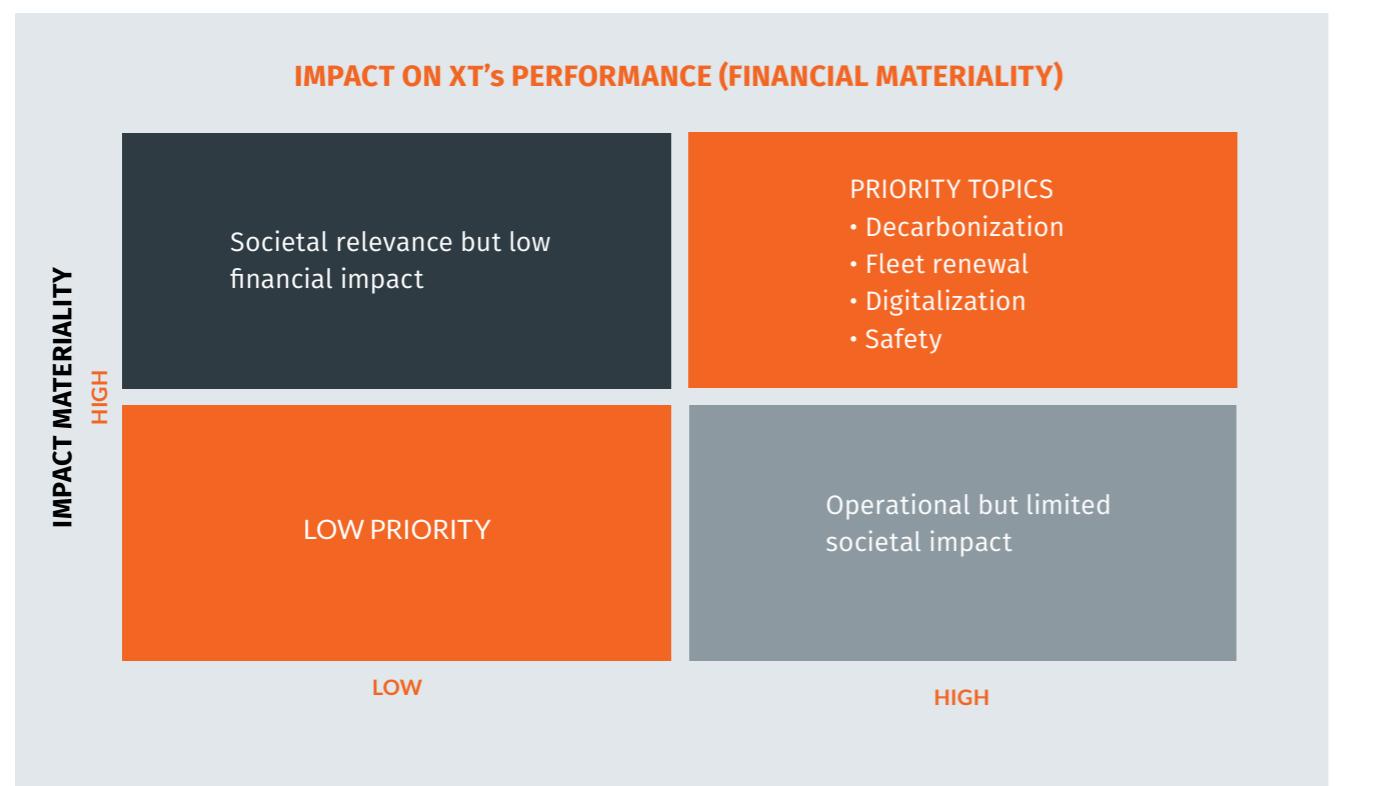
DOUBLE MATERIALITY & IMPACT ASSESSMENT

The adoption of double materiality has been one of the most significant governance developments of 2024.

- **Financial Materiality:** XT identified ESG factors that could influence financial resilience. These include **carbon pricing exposure, fuel transition risks, and the impact of voyage disruptions** such as the Red Sea crisis on cost structure and fleet deployment.
- **Impact Materiality:** XT also assessed the Company's **impact on people, society, and the environment**. Key findings highlighted the importance of **seafarer mental health, ship recycling practices, and emissions from supply chain logistics**.
- **Integration into Strategy:** The updated materiality matrix was formally adopted by the Board. It informed **fleet renewal decisions, investment in crew training, and priority areas for digital governance tools**.

This dual perspective ensures that XT's governance system is not only protecting shareholders' value but also addressing its **responsibility to society and the environment**.

IMPACT ON XT's PERFORMANCE (FINANCIAL MATERIALITY)



Materiality analysis directly shaped 100% of Board - approved strategic priorities

RISKS AND MITIGATION MEASURES

XT Group recognizes that effective governance is not only about structures and policies, but also about anticipating risks and deploying **robust mitigation strategies**. In 2024, the following **governance - related risks** were identified as material through the double materiality process:

Risk Area	Description of Risk	Mitigation Measures
Regulatory & Compliance	Increasing complexity of ESG regulations (EU ETS, CSRD, EU Taxonomy) may lead to reporting gaps, penalties, or reputational damage.	Dedicated ESG compliance team; digital reporting platforms; regular external assurance to validate disclosures.
Ethical & Conduct	Exposure to bribery, corruption, or unfair labour practices in global supply chains undermines stakeholder trust.	Zero - tolerance anti - bribery policy; annual training for all employees; supplier code of conduct; strengthened whistleblowing with anonymity.
Cybersecurity & Data Integrity	Reliance on digital systems and vessel IT/OT exposes XT to cyberattacks, breaches, and operational disruption.	Comprehensive cyber - resilience program; penetration testing; cyber insurance; Board - level cyber incident response oversight.
ESG Financing & Reputation	Failure to meet sustainability - linked loan covenants or Poseidon Principles benchmarks may restrict access to capital.	Engagement with financiers; proactive scenario analysis (digital twins); embedding sustainability KPIs into Board oversight and performance reviews.
Operational Governance	Misalignment between fleet operations, crew practices, and corporate ESG commitments risks compliance gaps during inspections.	Unified governance system integrating ISM Code and ESG reporting; real - time governance dashboards; enhanced crew and management training.
Strategic Transition	Failure to adapt governance to decarbonization and digital transformation could erode competitiveness.	Regular double materiality reviews; investment in AI - driven monitoring tools; integration of transition risks into Board strategic planning.

XT further strengthened its internal control environment during 2024 by introducing enhanced cybersecurity protocols, structured ESG reporting reviews, and regular governance self - assessments across all departments.

These measures safeguard data integrity, ensure regulatory alignment, and enhance resilience within the Group's management systems - reinforcing the Board's commitment to transparency and responsible governance.

In 2024, 100% of material governance risks were mapped, assigned to risk owners, and monitored through Board - level dashboards.

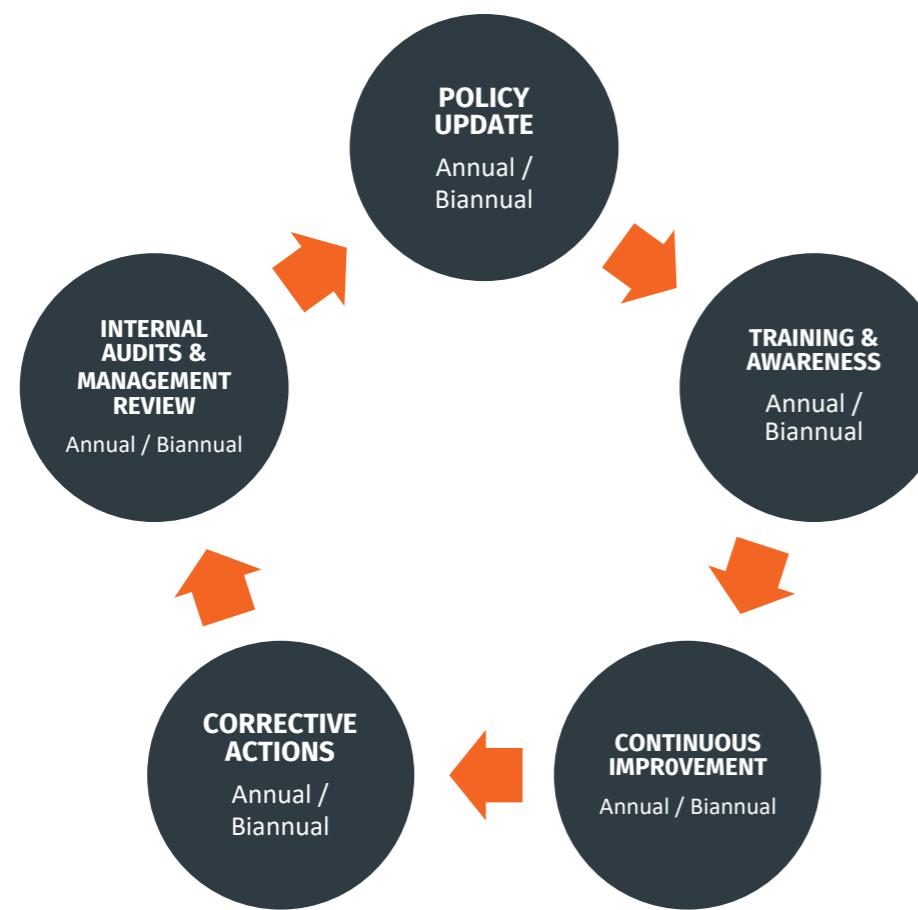
COMPLIANCE & ETHICS

Compliance is at the heart of XT's governance system. In 2024, the Company continued to expand its ethics and compliance program.

- **ISM Code Implementation:** Fleetwide application of the International Safety Management (ISM) Code remains the baseline of operational compliance.
- **Anti - Bribery and Corruption:** All employees participated in **mandatory annual training** on anti - bribery and anti - corruption. A zero - tolerance policy was communicated to suppliers, agents, and partners.

- **Whistleblowing & Ethics Hotline:** The Group maintained an **anonymous whistleblowing channel**, accessible both at sea and ashore, with guaranteed protection from retaliation. Cases raised were reviewed at Compliance Committee level.
- **Regulatory Monitoring:** XT monitored compliance with **international sanctions regimes, trade restrictions, IMO cybersecurity guidelines, and GDPR data - privacy requirements**.

By embedding ethics across operations, XT strengthens its reputation as a **trusted counterparty** in the global shipping sector.



DATA INTEGRITY AND TRANSPARENCY

Reliable data is essential for effective governance and stakeholder trust.

- **ESG Reporting:** In 2024, XT expanded its disclosures in alignment with the GRI 2021 Standards and prepared for CSRD/ESRS requirements. Scope 3 emissions, workforce metrics, and governance disclosures were all enhanced.
- **External Assurance:** Selected ESG metrics, including emissions intensity and crew training hours, underwent **[Limited/ Reasonable] external assurance**. This step increased confidence among banks and charterers, who increasingly tie financing and contracts to verified sustainability data.
- **Cybersecurity & Data Governance:** XT invested in cybersecurity, conducting **penetration testing** on vessel and office networks and implementing a **cyber - incident response plan** aligned with IMO guidelines. Digital governance protocols were introduced to monitor ESG reporting platforms and protect data integrity.

XT passed 100% of charterers' ESG disclosure checks without corrective findings.



INNOVATION AND DIGITALIZATION IN GOVERNANCE

Innovation and digitalization are not limited to operations; they are now embedded into XT's governance model.

- Governance Dashboards:** A centralized ESG dashboard was deployed, giving real - time access to key indicators for Board and management oversight and operational performance. This consolidates compliance, training, and performance indicators across Group's global operations.
- AI - Based Monitoring:** Pilot projects applied AI algorithms to monitor compliance risks, automatically flagging deviations in emissions performance, safety records, and port state control findings.
- Digital Twin Technology:** Governance decisions were supported by digital twin simulations of fleet operations, allowing the Board to test scenarios such as stricter CII thresholds or fuel cost shocks.

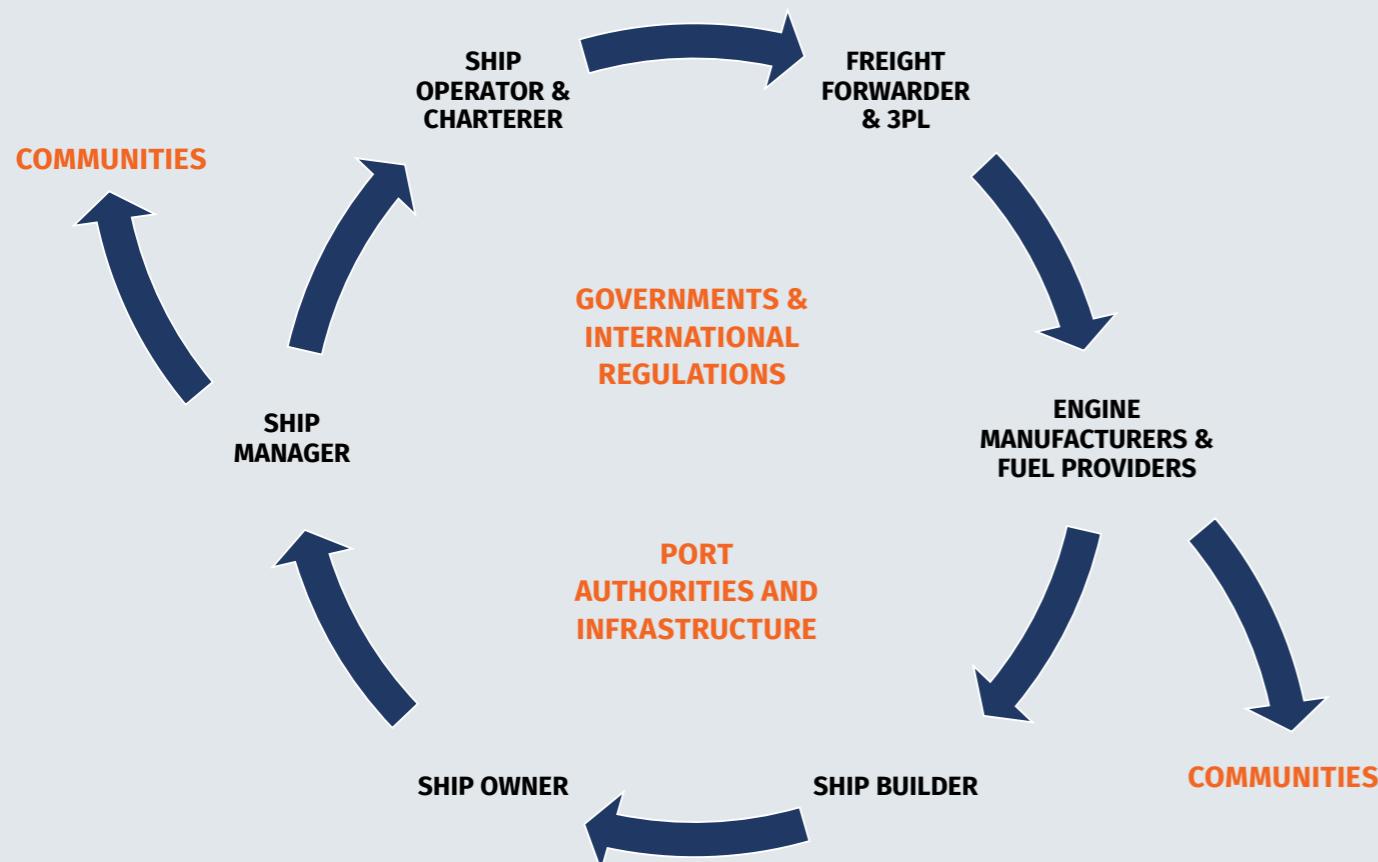


XT is among the first shipping groups to integrate AI - driven ESG monitoring into Board reporting.

STAKEHOLDER ENGAGEMENT

Transparency is reinforced through active engagement with all key stakeholders.

- Charterers: XT responded to 10 charterer sustainability assessments, achieving top - tier results in most cases.
- Financiers: The Group engaged with banks aligned to the **Poseidon Principles**, ensuring alignment of lending practices with decarbonization trajectories.
- Regulators & Class Societies: XT maintained dialogue with flag administrations and classification societies, participating in working groups on ESG and safety.
- Community Stakeholders: XT continued its engagement with seafarer families, port communities, and educational institutions, linking



FUTURE GOVERNANCE PRIORITIES

XT's governance strategy looks ahead to new challenges and opportunities.

- Full CSRD Readiness:** By 2026, XT aims to deliver CSRD - compliant disclosures under **limited assurance**, ensuring comparability and credibility.
- Digital Governance Expansion:** Scaling AI and blockchain solutions for real - time compliance reporting, vessel performance tracking, and secure ESG data management.

- ESG - Linked Financing:** Further embedding sustainability - linked KPIs into loan structures and charterparty agreements, aligning governance with financing models.
- Culture of Accountability:** Rolling out **mandatory** ethics and ESG training to all staff levels, strengthening a culture where decision - making aligns with corporate values.

By 2026, XT targets limited assurance on full CSRD - aligned disclosures.



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DISCLAIMER

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

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



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