



2023

SUSTAINABILITY REPORT

OUR CEO MESSAGE

— Ori Angel



Innovation, sustainability and excellence in service are our key focus going forward”

As we reflect on 2023, I am proud of our company’s resilience and adaptability in the face of significant global challenges. The shipping industry encountered unprecedented obstacles this year, largely stemming from geopolitical tensions and conflicts that reshaped our operational landscape. The ongoing war between Russia and Ukraine continued to impact global trade routes and supply chains. Additionally, the escalating tensions in the Middle East presented new hurdles for our operations, particularly in terms of route planning and safety considerations while forcing us to reevaluate and adjust our strategies.

Despite these challenges, our amazing team in XT demonstrated remarkable agility and commitment. We successfully:

1. Implemented new processes to navigate around conflict zones efficiently.
2. Enhanced our risk assessment protocols to ensure the safety of our crew.
3. Strengthened our partnerships with regional allies to maintain smooth operations, where possible.

While the geopolitical landscape remains uncertain, these experiences have ultimately made us stronger and more prepared for future challenges. We entered 2024 with renewed determination to provide reliable, safe, and efficient Ship Management services to our global clientele.

During 2023 we remained committed to environmental, social, and governance (ESG) principles. We made significant strides in meeting global environmental regulations through investments in cleaner technologies and more efficient logistics processes. Moreover, we’re proud to have launched our **Global Community Program**, an initiative that underscores our dedication to social responsibility. This program has allowed us to engage more deeply with the communities we serve worldwide, supporting local education and female excellence in sports. We develop a close partnership with the Group’s social initiatives as ‘Password for every pupil’, ‘Variety Israel’, ‘Haifa Women’s Volleyball’ and ‘The Woman’s Olympic Sailing Team of Israel’.

Additionally, in our ongoing efforts to support our most valuable asset - our people - we have created a virtual community that bridges the gap between land and sea by promoting the **innovative organizational app**. This digital platform connects all our employees globally, and allows our seafarers to share personal experiences, fostering a sense of connection and camaraderie despite the physical distances involved in their work. By enabling our crew members to stay connected with colleagues and loved ones, we aim to significantly enhance the wellbeing of our seafarers onboard. This initiative not only improves the quality of life for our employees but also strengthens our organizational culture, promoting unity and mutual support across our global operations. The positive impact on morale and mental health has already been evident, and we’re committed to further developing this platform based on user feedback and evolving needs.

I want to express my deepest gratitude to our employees, partners, and stakeholders for their unwavering support and trust during these turbulent times. Your dedication has been the cornerstone of our resilience.

Looking ahead, we remain committed to innovation, sustainability, and excellence in service. We will continue to adapt to the evolving global situation while staying true to our core values and mission.

Thank you for your continued faith in our company. Together, we will navigate whatever challenges and opportunities the future may bring.

Ori Angel
CEO of XT

ABOUT US

Our Group and 2023 highlights

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

The company is known for its continual expansion of its maritime fleet, earning a reputation for professionalism, quality, and reliability. Additionally, XT Group is engaged in strategic investments in the Hi-Tech sector, utilizing its 25 years of experience, robust financial resources, and exceptional managerial expertise.

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

The family's multinational business and its successful team expanded over the years. Udi Angel joined the Group in the

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

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

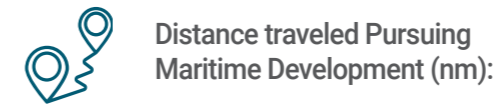
XT Management holds all the issued share capital of XT Maritime Ltd an Israeli company, which is the owner of the XT fleet. Same board members also serve at XT Maritime's board and Mr. Ori Angel is the CEO, responsible for all Shipping activities of both XT Maritime Ltd and XT Management.

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



86
Number of vessels
2023

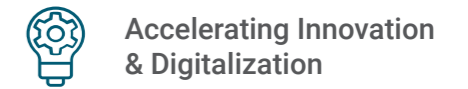
83
Number of vessels
2022



2023 **5,342,338**
miles

2022 **5,055,164**
miles

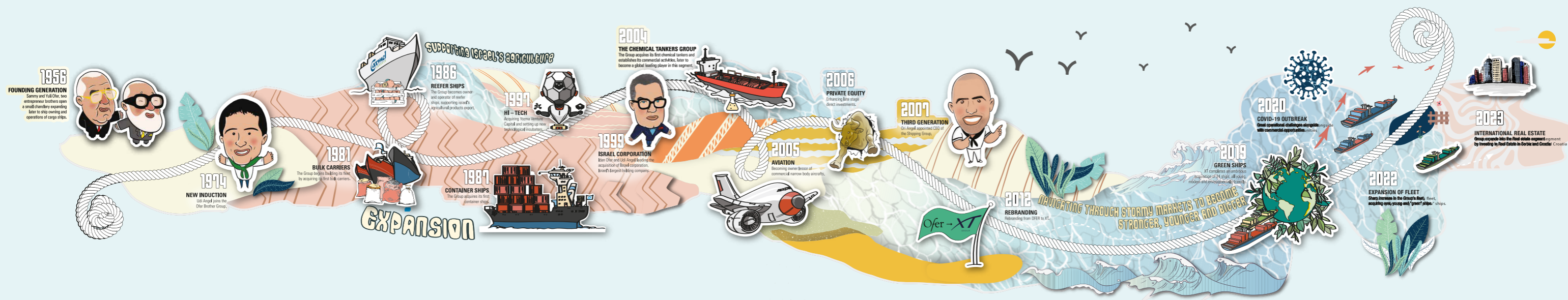
2021 **4,540,086**
miles



8 (Value-added products and services)

12 (Collaborations with innovative and digital companies)

SUPPORTING OUR PEOPLE	CREW NUMBERS	2368	2657	2646	OPTIMIZED CREWS AND EMPLOYEES ACROSS FLEET & OPERATIONS
	ON-SHORE EMPLOYEES NUMBER	208	181	188	
		2023	2022	2021	



OUR VALUES



OPERATIONAL EXCELLENCE

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



WE CARE

We care for our employees and customers and go the extra mile for their needs.

We are committed to:

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



DIVERSITY & EQUALITY

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



SUSTAINABILITY

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



STABILITY

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



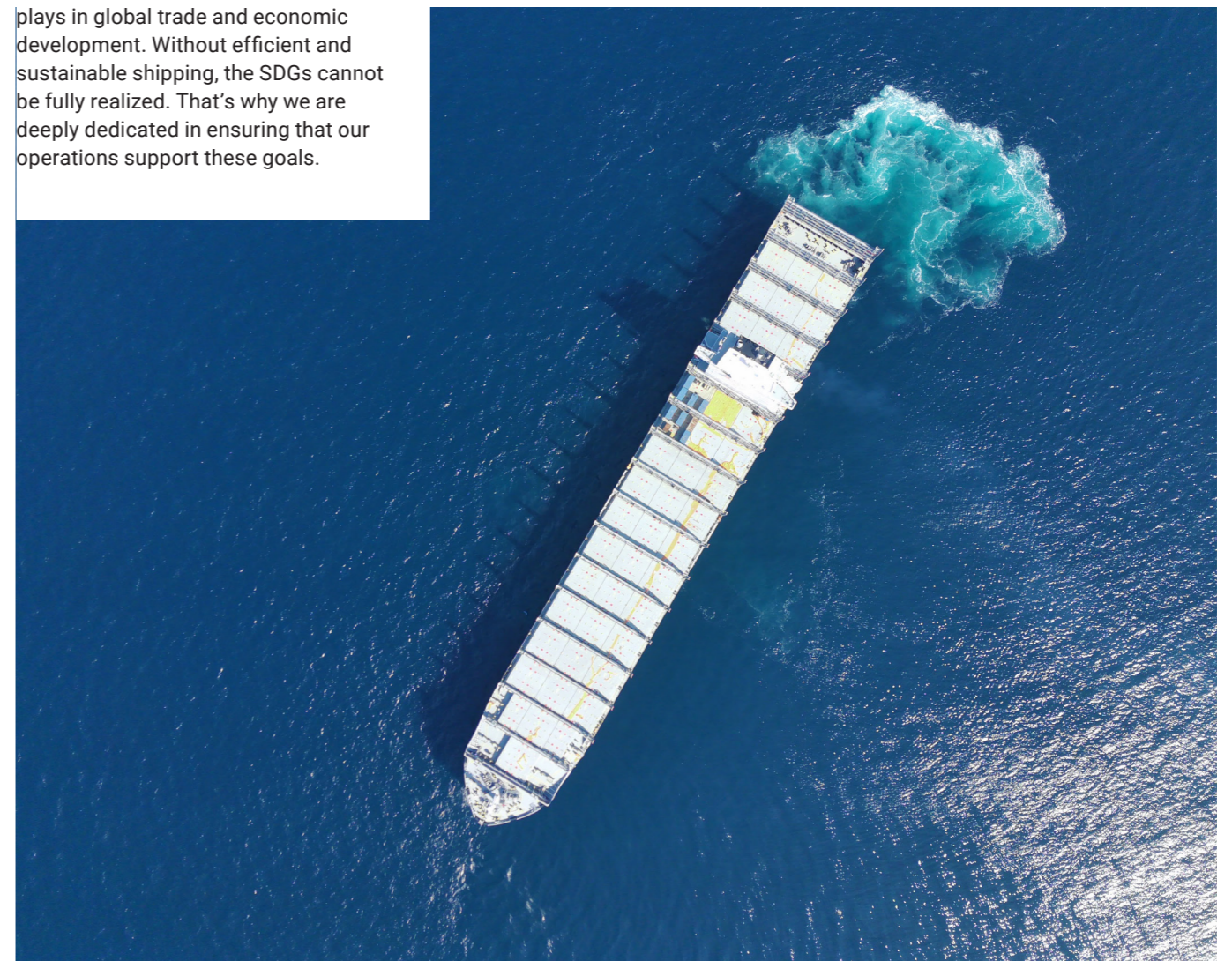
ENTREPRENEURSHIP

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

SDGs Are Our Compass for Long-term Value Creation

At XT Group, our commitment to maximizing shareholder wealth goes hand in hand with our dedication to serving the interests of all stakeholders. We understand that achieving sustainable development is essential for long-term prosperity, and we are fully aligned with the United Nations' Sustainable Development Goals (SDGs) as our guiding framework. We recognize the pivotal role that shipping transportation plays in global trade and economic development. Without efficient and sustainable shipping, the SDGs cannot be fully realized. That's why we are deeply dedicated in ensuring that our operations support these goals.

SUSTAINABLE DEVELOPMENT GOALS



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 well-being 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 well-being 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)

SUSTAINABILITY IN XT GROUP

OUR STAKEHOLDERS AND MATERIAL TOPICS

We place a premium on **stakeholder** involvement. When making decisions, we think it's important to keep the lines of communication open with everyone involved. In order to comprehend the extent to which our operations influence them, to control the good impact we have on them, and to take precautions against any

bad effects, we rely heavily on their insights and viewpoints [See Appendix A for information about stakeholder involvement].

To guarantee ethical and sustainable practices in the shipping sector, we are actively tackling worldwide shipping trends, which have a

substantial influence on our ESG approach. The seven categories of stakeholders that we have identified have all contributed to the development of our ESG approach and strategies.

MAIN STAKEHOLDERS



SHAREHOLDERS / INVESTORS



NGOS & COMMUNITIES

- ACADEMIC INSTITUTIONS
- LOCAL COMMUNITIES
- MEDIA
- NGOS



EMPLOYEES & CREW



AUTHORITIES

- IMO
- FLAG ADMINISTRATOR
- PORT AUTHORITIES



FINANCIAL INSTITUTIONS & GOVERNMENTS

- UNDERWRITING AGENTS
- INSURANCE COMPANIES
- BANKS
- LEASING INSTITUTIONS



CUSTOMERS

- CHARTERERS
- VESSEL OWNERS
- CARGO OWNERS



SUPPLIERS, INDUSTRY & TRADE ASSOCIATIONS

We conducted a **two-fold materiality evaluation** again this year to confirm the materiality topics identified the previous years and meet the upcoming CSRD reporting obligations. Both the “outside-in” (the way sustainability concerns influence our operations) and the “inside-out” (the way our actions affect people and the planet) ways were examined. The evaluation was divided into three sections.

We started by looking through our internal networks to understand the topics people in the XT Group

community frequently discuss about. The second step was to identify the needs and preferences of our external stakeholders by conducting desk research. We were thus able to use this information to refine the XT Group content themes and shape a targeted survey that was distributed to upper management.

The survey probed into how various Environmental, Social, and Governance (ESG) factors affected the firm’s bottom line, day-to-day operations, and long-term viability, and how XT

Group had an effect on these factors via its business practices.

The following table presents the material topics identified through the materiality assessment, along with associated sub-topics in sustainability, relevant Sustainable Development Goals (SDGs), and their level of significance to stakeholders.



IMPORTANCE OF STAKEHOLDER

● Waste management and recycling (E)

● Investment research and innovation in green technologies (E)

● Fuel and Energy efficiency (E)

● Air quality and Marine biodiversity (E)

● Environmentally sustainable practices in Shipping (E)

■ Diversity & inclusion and equal opportunity (S)

● Air and Marine pollution reduction (E)

■ Career opportunities & advancement (S)

■ Support local communities in countries of operation (“Giving back”) (S)

■ Employee education and training (S)

■ Employee protection (S)

■ Occupational health and safety (S)

■ Involvement and “hands-on” management (S)

▲ Partnerships and relationships with business partners/stakeholders for Sustainability (G)

▲ Economic and commercial performance (G)

▲ Talent attraction and retention including internship programs (S)

▲ 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

OUR PEOPLE AND PRIORITIES FOR PEOPLE AND SOCIETAL ENGAGEMENT

XT Group's top priority is to provide our human capital, the key to our success, with high-quality and equitable employment opportunities, incentives personal growth and development, and a supportive work environment that fosters safety, wellbeing and inclusivity among all office employees and seafarers. Multiple strategies and initiatives strive to accomplish exactly this:

- 1. Creating a strong working culture.** We focus on creating a work culture that allows each individual to reach their full potential through a culture of respect, genuine care, inclusiveness and on-going support.
- 2. Deploying people empowerment strategies.** We focus on building core competencies that are essential for the future, while reinforcing attitudes of collaboration and teamwork.
- 3. Supporting and protecting employees.** XT Group is proud of its corporate culture that prioritizes the well-being of its employees, providing health benefits to our seafarers and their families and maintaining strict policies aimed at eliminating drug and alcohol abuse and maintaining a safe and responsible work environment.
- 4. People training and development.** Our focus on continuous education and training equips our staff to meet the evolving demands of the shipping industry, focusing on innovation, digitalization and holistic skills development.
- 5. Leadership development and succession planning.** By identifying and developing emerging leaders, we ensure a strong leadership pipeline that drives sustainable growth and innovation within our organization.
- 6. Embracing diversity and inclusion.** We actively embody diversity, having a workforce that consists of diverse ethnicities, cultures and beliefs. Our commitment to creating an environment of mutual understanding ensures an atmosphere where every individual feels accepted and valued.
- 7. Safeguarding human rights and cultural respect.** XT values the uniqueness of each individual's cultural heritage, fostering an environment where mutual respect and recognition create a cohesive team working towards common goals.

XT Group focuses on enriching local communities through various initiatives. We believe that by sharing value with the communities we serve, we can help them thrive and prosper. not only focuses on improving the environmental, social, and governance (ESG) landscape within the shipping sector but also extends its efforts to other areas through initiatives and sponsor programs. Through initiatives such as donations, scholarship programs and environmental protection programs, XT Group aims to be recognized as a socially responsible entity. We contribute to society through community investments and initiatives.

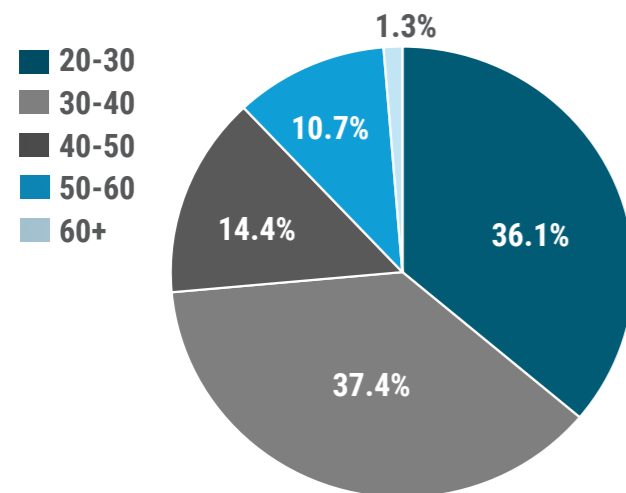
TOTAL SEAFARERS

2,368

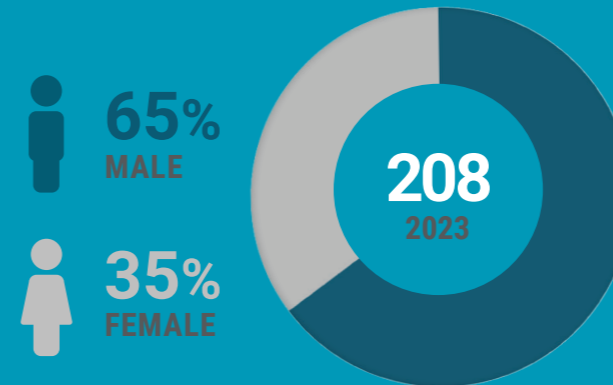
NATIONALITIES

24

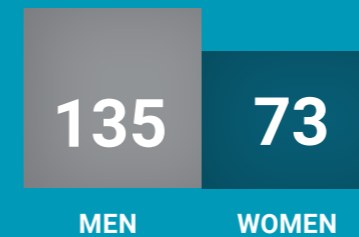
SEAFARERS STATUS PER AGE



TOTAL EMPLOYEES ASHORE



TOTAL FULL TIME PERMANENT EMPLOYEES



SEAFARERS PER NATIONALITY

INDIAN	FILIPINO	UKRAINIAN	ETHIOPIAN	ROMANIAN	SRI LANKAN	VIETNAMESE	GEORGIAN
929	438	222	129	115	81	68	50
CHINESE	TURKISH	RUSSIAN	BANGLADESHI	POLISH	ISRAELI	BULGARIAN	CROATIAN
49	42	42	38	30	25	21	16
THAI	PERUVIAN	LATVIAN	INDONESIAN	MONTENEGRIN	OTHER	LITHUANIAN	KOREAN
15	14	12	12	9	5	3	3

SEAFARERS STATUS PER AGE GROUP (%)	36.1%	37.4%	14.5%	10.7%	1.3%
	20 - 30	30 - 40	40-50	50-60	60+

OUR GOVERNANCE FRAMEWORK AND RISK MANAGEMENT

Sustainability is rapidly becoming a strategic priority across 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. 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, our CEO.

XT maintains several policies which define the way it conducts its business operations. 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's General Counsel serves also as Compliance Officer and regularly monitors all compliance matters.



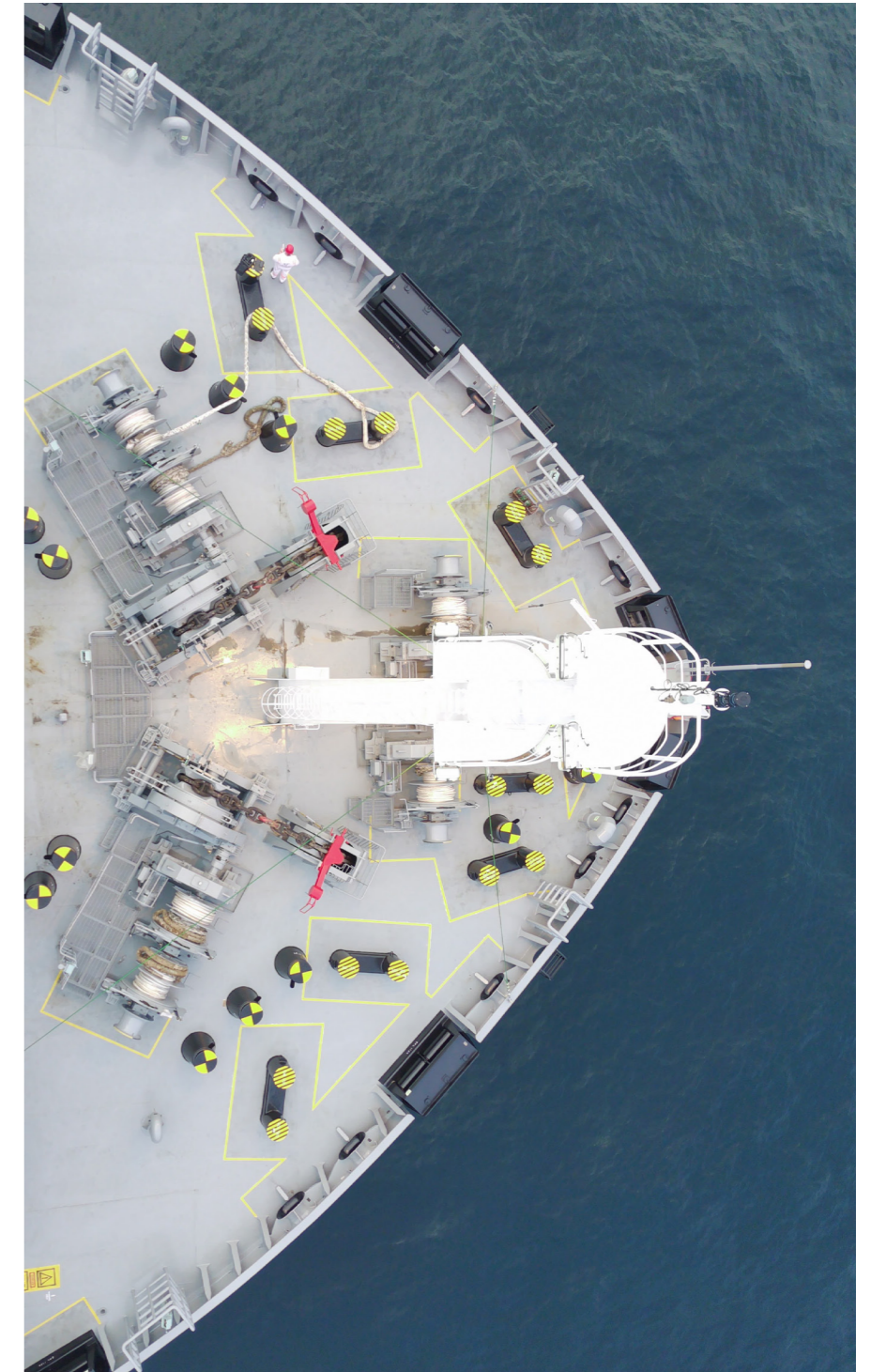
Through our governance framework, we aim to foster a culture of ethical business, while also following a proper risk management system. As part of our Risk Management processes, we keep a close eye on any risk that might have an impact on our company's operations and take any and all precautions needed to make sure they run smoothly. We classify the risks as below:

HIGH

- Shipping industry's volatile nature.
- General domestic and international political conditions
- Cyber crime

MEDIUM

- Fluctuations in prices, rates, indices, etc. including bunker prices and availability.
- Disruption in exports of materials due to physical accidents.
- Non-compliance with laws and industry regulations, contractual obligations, customer requirements, prescribed organizational policies and procedures, etc.
- Human capital – changes in the recruitment market



LOW

- Outsourcing activities to third parties.
- Company's costs related to vessel operations to be not properly monitored.
- Counterparty risk.
- The use of funds in a manner that leads to the loss of economic value, including time value losses and transaction costs.

- **Bulbous Bow Modifications:** Tailored to optimize flow and energy efficiency for new service speeds to meet the GHG requirements of the coming years
- **Propeller Modifications:** Designed to optimize fuel consumption.
- **AMP (Alternate Marine Power) Installation:** Allowing vessels to use shore electric connections in ports.
- **Enhanced Monitoring and Alert Systems:** Leveraging real-time data for improved operational efficiency.
- **Collaboration on Improvement Projects:** Working with major charterers on projects like bio-fuels, deadweight tonnage (DWT) increase, etc.
- **Duct & PBCF (Propeller Boss Cap Fins) Installation:** Improving fuel consumption by up to 7%.
- **Auto Pilot System Upgrade:** New version with optimized course algorithm, improving fuel consumption by 3-5%.
- **ME PMI (Main Engine Performance Measurement Indicator) Installation:** Enhancing main engine efficiency.
- **AE waste Heat Recovery system, utilizing auxiliary engine at port instead of using boiler**
- **Food Waste Management**
- **Training for Crew:** Emphasizing sustainable practices.
- **Installation of new trim optimizations programs**

- **Transition to Digital Platforms:** Converting hard-copy forms to soft copies and implementing online platforms for better efficiency.
- **Implementation of integrated ERP system** which enable us full data transparency and data-driven decisions.
- **Implantation of online real-time monitoring systems** including direct readings from vessels main equipment, to reduce the human errors and to shorten the response time in case of data abnormalities
- **Implementation of smart BI platforms across all office users,** enables online, clear and user-friendly access to operational & performance data which allows us to react fast with the required corrective actions.

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

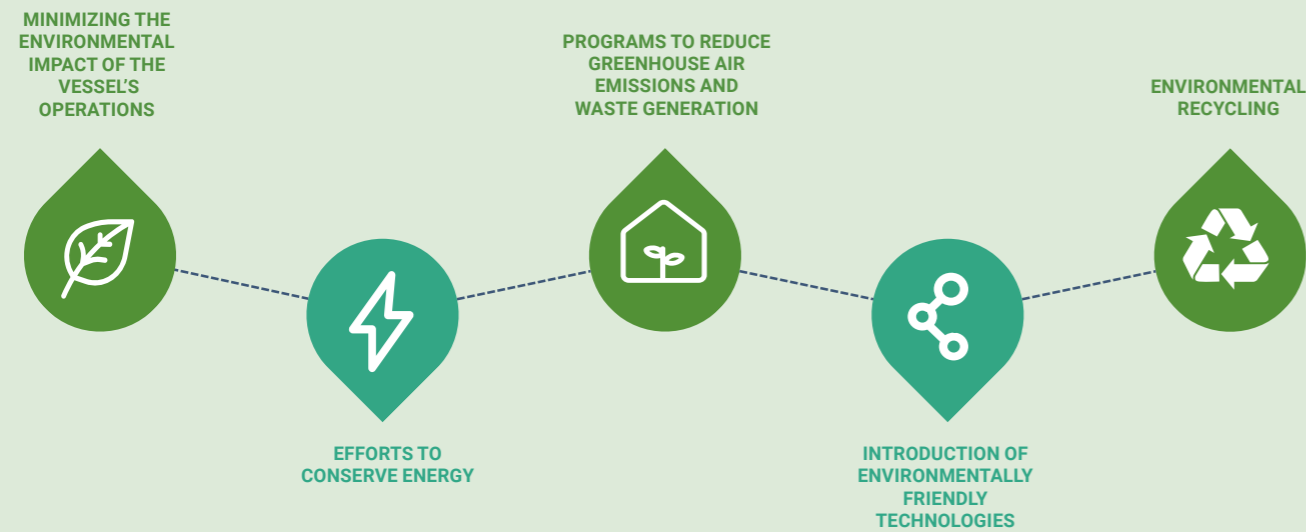
Climate Change Commitments and Alliances

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

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

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

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



Active Participation in Green technology Initiatives

Recognizing the escalating urgency of addressing climate change and its far-reaching social and economic impacts, XT Group has intensified its commitment to a sustainable future by forging strategic partnerships and aligning with several essential initiatives. This year, these collaborations have significantly advanced, demonstrating a marked

improvement compared to the previous year. These efforts, primarily targeting the shipping industry's transition to decarbonization, underscore a heightened focus on overcoming the challenges posed by climate change. Moreover, XT Group's involvement is now deeply rooted in a broader mission of environmental conservation, reflecting an enhanced dedication to

making tangible impacts in combating climate.

XT Group has been a committed member of RightShip since 2010, the world's foremost maritime risk management and environmental assessment organization.



FUEL EFFICIENCY AND ENERGY MANAGEMENT

Fuel Efficiency focus

XT Group aims to minimize the environmental impact of its operations in line with the maritime industry approach. While the focus of environmental regulations is on carbon emissions in the shipping sector, it is important to understand that specific indicators, such as Energy Efficiency Design Index (EEDI), Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) are very

significant to the industry and pose challenges that XT Group is already taking steps to address.

Starting in 2024, shipping companies need to surrender to the applicable administering authorities of Member States by 30 September each year, for the previous year's EU emissions as reported under the MRV Regulation.

XT Group is testing and/or implementing environmentally friendly solutions, such as biofuels and energy-saving retrofits and by burning VLSFO in its ships (except to those fitted with scrubbers) To further reduce emissions and enhance fuel efficiency, XT Group has implemented a retrofit program for vessels and gradually replace ships with newer ones (see "Fleet improvement" section)

Energy management focus

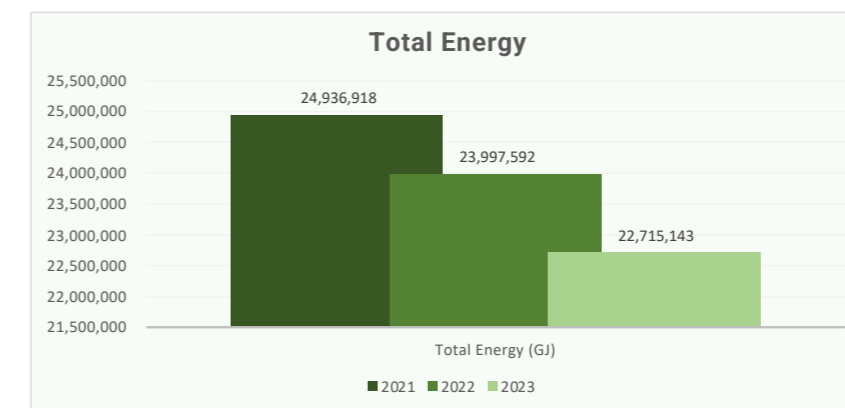
XT Group aims to conserve energy resources and lessen its impact on the environment. Energy efficiency can be improved by continuously monitoring and re-assessing day to day energy performance, but also by adopting the best commercially available fuel management practices and technologies. Working to ensure continuous, advanced fuel efficiency, benefits not only the environment, but our customers, shareholders and employees overall.

- Proper maintenance
- Engine performance testing and tuning
- Detection of abnormal function
- Mitigation measures

Voyage efficiency evaluation focuses on a comprehensive consumption analysis review (through our BI tools) for each sea voyage, factoring in speed, draft compensation, weather conditions, water depth, and current. This approach enables more accurate assessments and optimization of fuel consumption and environmental performance, while adhering to commercial requirements and ensuring operational safety.

Aside from monitoring and reporting fuel consumption and emissions, optimizing operations through efficient route planning and minimizing idle time, XT approach to fuel efficiency and energy management is built on four main principles:

Simultaneously, the Company aims to improve lubrication efficiency through better maintenance planning, optimized power management, and cylinder lubrication settings thus reducing the consumption of lubricating oils.

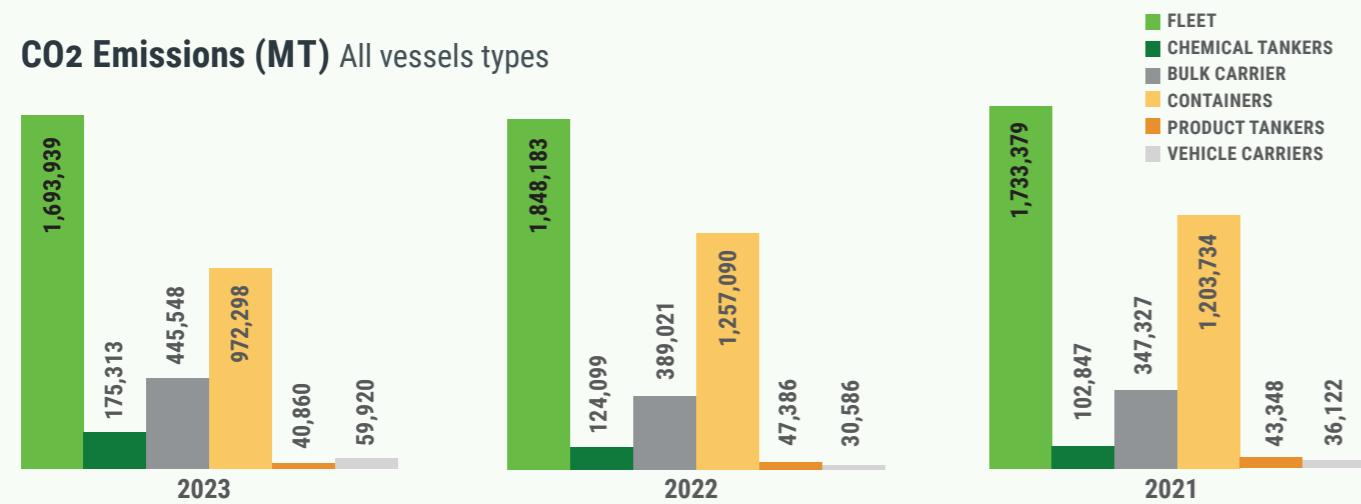


EMISSIONS AND IMPACT TO THE ATMOSPHERE

Emissions of NOx, SOx, and CO2 are subject to stringent legal requirements, as outlined by the relevant IMO regulations. To support these efforts, the Ship's Maintenance schedule and detailed seafarers' changeover procedures (among others), are essential in maintaining operational efficiency and environmental compliance, especially for ships built after 2000.

In 2021, XT Group established a baseline for tracking its fleet's carbon emissions, recording 1,733,379MT of CO2. This year was chosen as the baseline due to inconsistencies in the measurement methods used in 2020. Moving forward to 2022, the company observed an increase in emissions to 1,848,183MT of CO2. This progression indicates marking a rise of 114,804MT from the previous year, but this happened under an increased number of ships and a considerable average of 10.1% decrease of CO2 emissions per ship.

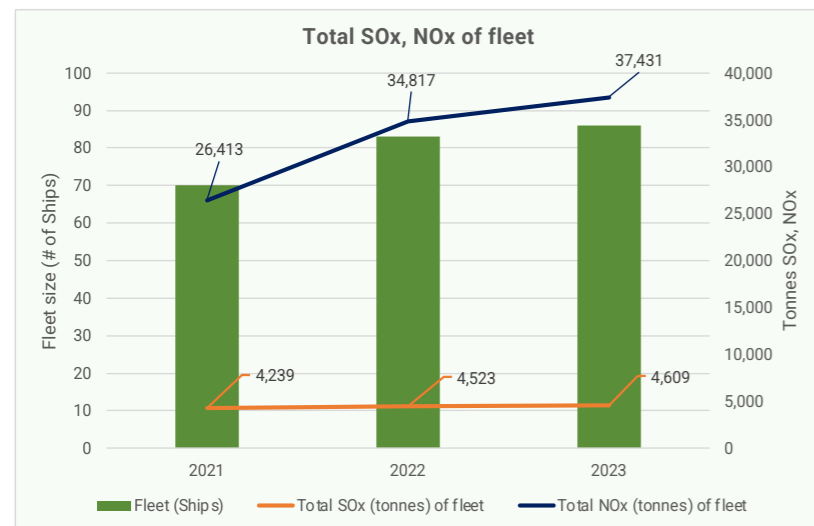
CO2 Emissions (MT) All vessels types



In 2023, XT Group demonstrated a strong commitment to addressing climate change within its operations. This includes a quarterly review of CO2 emissions across the fleet, with any discrepancies being promptly discussed. **In 2023, relevant CO2 emissions decreased by 8.34% on an increase of fleet size and total distance traveled (which increased by 5.7%).**

of maritime activities. Reporting energy use and consumption on board vessels is a critical aspect for continuous evaluation when aiming to reduce greenhouse gas emissions and the respective environmental impacts. Several performance parameters are closely monitored for their good quality and accuracy and then evaluated daily, monthly and quarterly to pursue potential improvements.

Within our Company, responsible persons play a crucial role in ensuring the environmental and operational sustainability



Similarly, the total emissions of sulphur oxides (SOx) from XT Group's fleet were recorded at 4,609MT, an increase of merely 2% from a bigger fleet and longer distance covered.

The year 2023 there was a mediocre escalation in NOx emissions over 2022, with the total reaching 37,431MT. This increment of 2,614 tonnes in NOx emissions (an average 3.7% increase per ship YoY) shows the imbalances of trade, especially for containerships during 2023.

WASTE MANAGEMENT AND WATER MANAGEMENT

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

Key initiatives include:

1. Water Conservation and Quality: We have implemented the use of water dispensers and supplied reusable bottles, coupled with an ongoing awareness campaign about the benefits of filtered water. This initiative is a precursor to the potential introduction of onboard water filters.

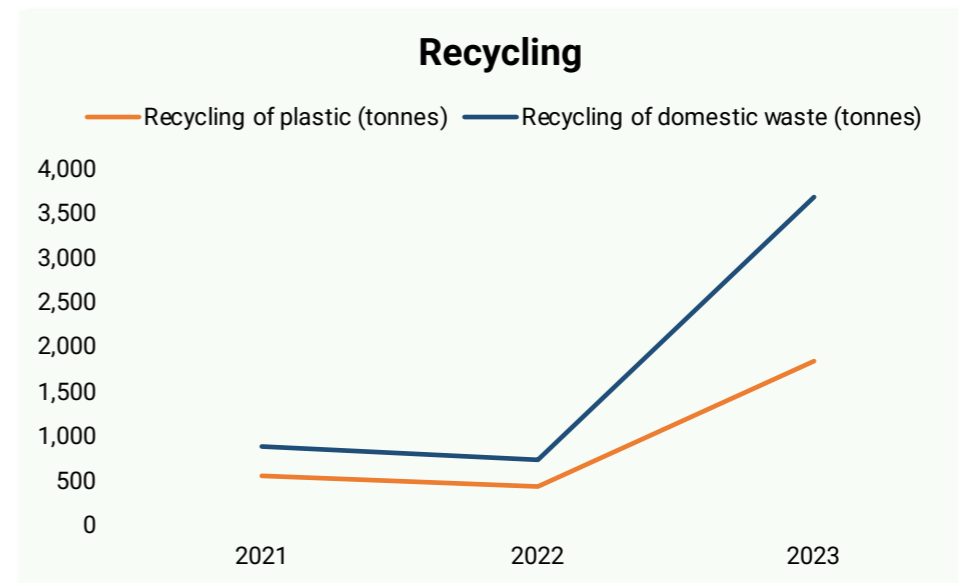
2. Plastic Reduction: We have banned the use of single-use plastics, such as disposable dishes, across our fleet

and in all our global offices, reinforcing our commitment to environmental stewardship.

3. Sustainable Transportation: In an effort to reduce our carbon footprint, we have transitioned to using electric and hybrid vehicles for our shore-based employees.

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

5. In our ongoing commitment to environmental conservation, we have elevated our goal for the year 2023 even higher: to **reduce our plastic consumption by 50% compared to the levels recorded in 2020 and also recycle as much plastic as possible.**



1,693,939MT
OF CO2
EMITTED
IN 2023
BY OUR FLEET

4,609MT
TOTAL SOX
EMISSIONS
OF OUR
FLEET IN 2023

37,431MT
TOTAL NOX
EMISSIONS OF
OUR FLEET
IN 2023

622.2MT
TOTAL
PARTICULATE
MATTERS (PM)
IN OUR FLEET
IN 2023

1,089.8
TONS OF WASTE
OPERATIONAL
WASTE
DISCHARGED
ASHORE DURING
2023

CARING FOR OUR WORKFORCE AND SOCIETY

SDG OBJECTIVES

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

Management approach and Focus

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



In XT Group, the formulation of our corporate culture is an intentional commitment that extends beyond the workplace, actively supporting seafarers and their families through comprehensive packages that go beyond the standard offerings. Competitive salaries are coupled with benefits such as a robust pension fund, extensive health insurance coverage as well as opportunities for scholarships, demonstrating our commitment to holistic

support. Central to our corporate ethos is the cultivation of a familial atmosphere within our organization, fostering strong team relationships that contribute to enhanced workplace dynamics. This intentional and robust culture is designed to facilitate effective collaboration, encouraging our team members to work synergistically.

Management of Human capital

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

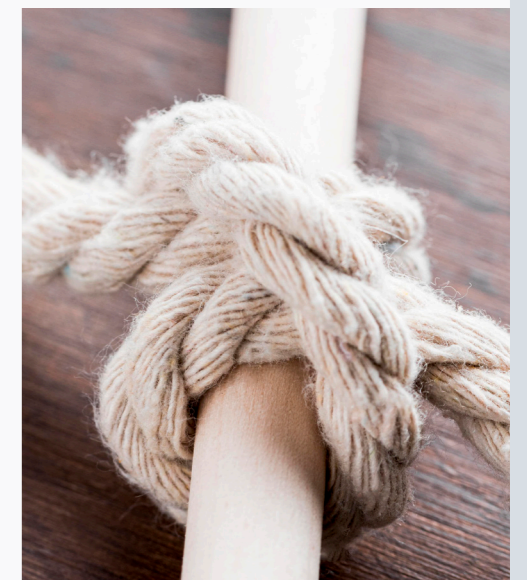
employees' professional growth, we're building a team that is not only equipped to handle current challenges but also ready for future opportunities.

XT Group secures its future success by actively preparing its workforce for the evolving market's dynamic challenges. Our Human Capital management approach centers on strategic investments in our people and culture, cultivating resilience and adaptability.

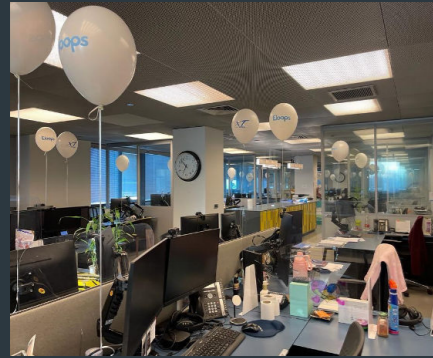
This emphasis on a positive workplace culture and ongoing development highlights our commitment to fostering a vibrant, thriving community within our organization. We believe that by nurturing our human capital, we're laying the groundwork for sustainable success and innovation in an ever-changing industry landscape.

We prioritize creating an inclusive and empowering environment, evident in both our daily operations and the growth opportunities we provide. Our workplace values diverse viewpoints, celebrates innovative ideas, and promotes continuous learning. By investing in our

Our strategy goes beyond mere skill development; it's about shaping a workforce that is agile, forward-thinking, and deeply engaged.



OUR KEY PRIORITIES INCLUDE:



1. SAFETY AND WELL-BEING:

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



3. WORK-LIFE BALANCE:

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



2. PROFESSIONAL DEVELOPMENT:

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



4. INCLUSIVE AND DIVERSE CULTURE:

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

5. COMPETITIVE COMPENSATION AND BENEFITS:

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

6. EMPLOYEE ENGAGEMENT AND RECOGNITION:

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

7. HEALTH AND WELL-BEING PROGRAMS:

Promoting the health and well-being of our employees is a priority. We provide access to well-being programs, health insurance and benefits that include extensive medical insurance coverage, regular health check-ups, and access to wellness programs, and initiatives that support a healthy lifestyle, contributing to the overall vitality of our workforce.

WE ARE ALL A BIG FAMILY

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

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

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

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

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

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

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



EMPLOYEE HEALTH AND WELL-BEING



The health and well-being of seafarers are crucial considerations in the shipping industry, given the unique challenges of their work environment. Long periods at sea, isolation from family and friends, limited access to medical care, and exposure to harsh weather conditions can significantly impact both physical and mental health. To address these concerns, we have implemented comprehensive wellness programs that include regular health check-ups, nutritious meal plans, fitness facilities onboard, and mental health support services. Additionally, ensuring adequate rest periods, promoting social activities, and facilitating communication with loved ones can help mitigate the stress and loneliness often experienced by seafarers. By prioritizing crew welfare, we invest projects that can enhance safety, productivity, and job satisfaction while reducing turnover rates. We have a high-quality HR policy and non-discrimination policy enhancing our efforts for diversity, equality and inclusion.

Our organization places the welfare and satisfaction of our staff at the forefront of our guiding principles. We view employee

care as fundamental to our ethos, fostering a corporate environment that emphasizes human connections and a familial sense of togetherness. This commitment is demonstrated through our allocation of essential resources to support both personal well-being and career advancement. We ensure equitable opportunities for professional growth, offer competitive remuneration packages including bonuses, and provide comprehensive health coverage, with 95% of our workforce having access to health benefits. This approach transcends mere appreciation; it lays the groundwork for a workplace that champions the holistic development and contentment of each individual.

Furthermore, our support for women during the transformative journey of motherhood extends beyond legal requirements. We offer extensive benefits throughout maternity leave and continue this support for the first year after their return. Our dedication is evident in our efforts to ensure a seamless transition for new mothers back into their professional roles post-maternity leave, cultivating an environment that recognizes and supports their experience of motherhood.

>95%

**HEALTH COVERAGE PACKAGES:
95% ACCESS TO HEALTH
COVERAGE**

0.5%

TURNOVER RATE



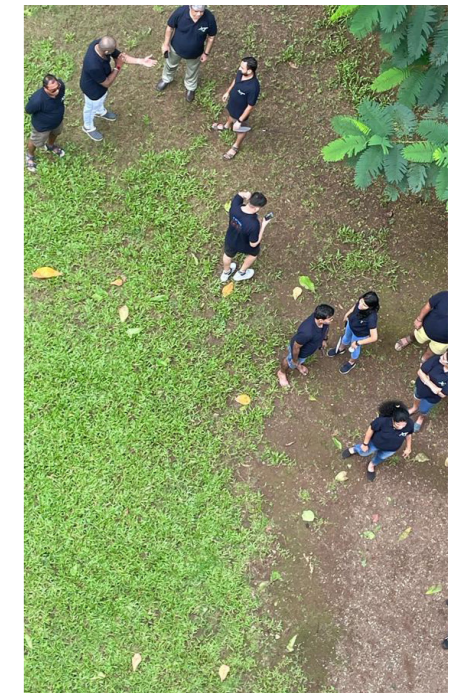
Our SEA-YOU Program

WE take great pride in our significant strides towards enhancing employee support and well-being. This all-encompassing initiative has become a key driver of our success, offering a holistic framework that surpasses traditional practices. Our program integrates various components, including health assistance, career advancement opportunities, and customized wellness initiatives.

Through specialized workshops, accessible HR and management, and continuous skill development programs, we've observed a marked improvement in employee satisfaction and engagement. The program's success extends beyond mere statistics, manifesting in a positive transformation of our workplace culture.

This strategy not only attracts top talent but also fosters long-term retention, underlining our dedication to creating a workplace where employees can thrive both personally and professionally.

Our celebration of this program reflects our understanding that investing in our employees' holistic well-being is integral to our organization's sustained success and growth in an ever-evolving business landscape.



Impacts derived from the Program

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

Through tailored development programs, promotions, and a commitment to a supportive working environment, our employees evolve alongside the company. Familyhood and humanity, embodied in our solid home-like workplace, contribute to the well-being and personal development of our valued team members resulting to a very low turnover (Turnover < 0.5%).

WE SEA YOU INITIATIVES FOR A SUPPORTIVE WORK ENVIRONMENT

1. Wi-Fi onboard: We provide a range of options, ensuring that each seafarer can enjoy the benefits of internet connectivity tailored to their individual preferences;

2. Facilities on board: Our fleet is outfitted with a diverse range of entertainment facilities, comfortable day rooms, and well-equipped gyms, providing seafarers the opportunity to nurture both their physical and mental well-being while at sea;

3. PSF – Personal saving fund: XT dedicates resources to the “Personal Saving Fund” designed for the benefit of all our crew on board. Throughout their tenure with us, seafarers have the opportunity to accumulate substantial savings, potentially reaching hundreds of thousands of dollars. The fund offers an attractive interest rate, further augmented by special grants over time;

4. Food & Chef Patrick: In a dedicated effort to elevate the culinary experience and enhance the overall quality of life for seafarers on our vessels, XT is making substantial investments of resources. Recognizing that the path to a seafarer’s satisfaction often passes through their stomach, we’ve brought Chef Patrick on board to ensure our chief cooks deliver a diverse range of exceptional meals;

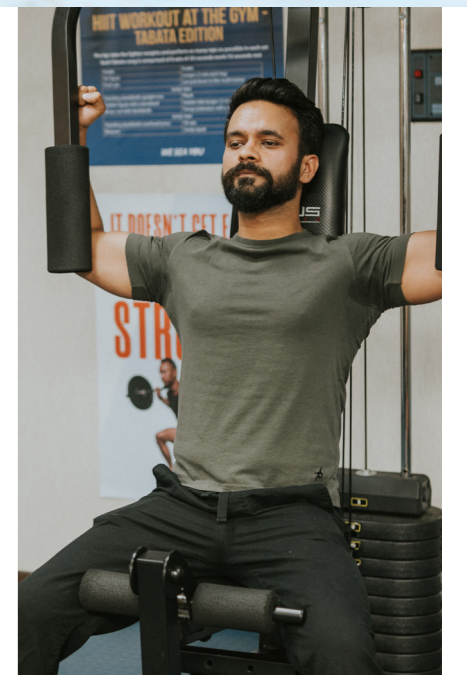
5. Events on board: Social interaction is recognized as a vital element for a healthy onboard environment, contributing significantly to mental and physical health benefits. To actively promote camaraderie and positive morale, each vessel is allocated a specific budget for onboard celebrations. Whether it’s a birthday, holiday, promotion, or marking years of service, every occasion is an opportunity for the crew to come together and enjoy moments of camaraderie;

6. 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;.

7. Seafarers Portal App: The XT Seafarers Portal serves as a comprehensive platform empowering our seafarers to seamlessly manage various aspects of their employment;

8. Competitions: Elevating our seafarers’ mental health to the forefront of our priorities, we curate a diverse range of activities throughout the year. We organize engaging competitions for our seafarers every 2-3 months. These competitions not only foster team interaction within each vessel but also infuse an element of fun through diverse activities;

9. Well-being 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. All seafarers and leadership teams, both onboard and ashore, are supportive of developing an onboard culture that encourages social interaction. For this, the company created the Well-being Ambassador Program in March 2023. All our vessels have a monthly ambassador creating activities to engage the crew as a team and as a family. The activities can be chosen from 4 categories: sports, food & drinks, entertainments or relaxing and calm.



EMPLOYEES OPINION MATTERS



As part of our people-centric approach, HR onshore and onboard conduct semi-annual satisfaction survey, round tables and personal meetings with all employees globally indicating topics of great significance for them and we dedicate our efforts to take all necessary measures to meet their needs and successfully respond to their concerns.

Recruitment Sources



- A friend brings a friend – 14.28%
- Manning Agencies-35.7 %
- Personal References- 14.28%
- Internal (Promotions)- 14.28%
- LinkedIn- 7.14%
- Other - 14.32%

Impressive Retention Rate Globally

100%

in Greece, India & Romania

97%

in ISRAEL 



Organizational Satisfaction

4.47

(out of 5)

XT Website Launch on August 2023

Community Program Launch in September 2023

Employee Engagement



4.46

(out of 5)



Increase in Social Media (Followers/Traffic)



+23%



+44%

71%

Engagement

TRAINING AND SKILL DEVELOPMENT

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.

In 2023, our commitment to this philosophy was evident in our training initiatives. We provided over **60,000 hours of training** to our shore-based employees, with **each employee receiving an average of 82 hours of training and each seafarer 19 hours** of training throughout the year (Average training hour for every staff member of XT Group **24 hours**)

This substantial investment in our workforce's development underscores our belief that a well-trained

Diversity, Equality and Inclusion in our Community

Diversity and inclusion stand as integral pillars in our workplace, creating a profound and multifaceted value that enriches our organizational fabric. The synergy of diverse backgrounds, perspectives, and experiences, fosters a dynamic environment that sparks innovation and creativity by bringing together people from twenty-four (24) nationalities.

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

Protection of Human Rights.

In our workplace, the principles of human rights form the cornerstone of our values and practices. We are committed to upholding the fundamental rights and dignity of every individual within our organization. Our policies and practices prioritize a workplace environment

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.

24

AVERAGE HOURS OF TRAINING PER STAFF MEMBER

that cultivates equality, non-discrimination, and respect. We believe in providing fair and equitable treatment to all employees, irrespective of their background, race, gender, religion, age, or any other characteristic. This commitment extends to ensuring freedom from harassment, promoting a safe and inclusive atmosphere where everyone feels empowered to contribute their best. We actively engage in continuous education and awareness initiatives to instill a culture of respect for human rights, aligning our operations with international standards, laws and regulations.

Taking care of Society ("Giving Back")

XT's Corporate Social Responsibility (CSR) initiatives are integral to the XT Group's mission of enhancing life in local communities. We acknowledge the symbiotic relationship between our operations and the communities we serve, focusing our efforts on programs that significantly contribute to their development and well-being.

57%

OF NEWLY RECRUITED EMPLOYEES DURING 2023 WERE WOMEN

Our CSR strategy prioritizes key areas such as education, healthcare, and environmental sustainability, aiming for enduring positive impact. We forge robust, enduring partnerships with organizations, academic institutions, health facilities, and sports associations to drive these initiatives forward

Through strategic collaborations and direct community engagement, we seek to empower local populations. This is achieved by providing educational resources, improving access to healthcare, and creating opportunities for sustainable development. Our approach is tailored to address the unique needs and aspirations of each community, ensuring our efforts resonate with local contexts.



The Ruppin Academic Center

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

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

Variety Israel

Aligned with our dedication to Variety's noble cause, XT actively supports the organization through diverse fund-raising initiatives. These include tennis tournaments featuring the participation of Israel's leading business community, organized by XT's management, as well as special TV broadcasting events designed to raise funds and awareness. Through these efforts, XT is proud to contribute to Variety's mission, promoting the well-being and empowerment of children with disabilities in Israel.

Rimon School of Music

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

SISMA- Password for every pupil

Founded in 2006, Sisma is an innovative force in digital education, providing a specialized platform for the remote regions of Israel. Stemming from Mr. Ehud Angel's vision

to support the educational system in the periphery, this forward-thinking program has garnered steadfast support from the Group and a broader corporate network, including the Israel Corporation.

Currently, the program has left an indelible impact, engaging over 100,000 students in 250 schools across 50 villages and cities, solidifying its status as Israel's largest educational initiative:

- Shipping lectures at elementary schools.
- Assisting with activities to kids from evacuated families

The Hebrew Reali School of Haifa

Driven by the commitment to foster education in local communities, the Group has dedicated a substantial donation, providing the essential funds for the complete renovation and establishment of the new "House of Spirit and Friendship". This benevolent gesture underscores The Group's belief in the transformative power of education and its undisputed support for creating enriching environments that foster learning, camaraderie, and a sense of community.

Women Volleyball

The Group proudly serves as the official sponsor of Haifa's women's volleyball team – Maccabi XT Haifa. Thanks to the Group's sponsorship and support, Maccabi secured victory in the 2021-22 championship.

The Olympic windsurfing team

XT Group is the official supporter of The Women's Olympic Sailing Team of Israel, as they leading up to the Paris Olympics 2024. We mentored 5 windsurfers and supported them on social media. The windsurfers were also recognized on XT's social platforms.

The IDAN & BATIA OFER family Foundation

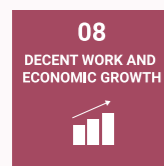
The Rambam Health Care Campus, with a capacity of 1,000 beds focusing on the diverse medical needs of over 2 million residents in Northern Israel, offers services across all medical specialties, ensuring the well-being of the community it serves.



ROBUST INTERNAL OPERATIONS AND GOVERNANCE

SDG OBJECTIVES

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



Corporate Governance and performance

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

improved, long-term decision-making.

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

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

Ethical and responsible operations

XT Group is committed to fostering a culture of ethical conduct and working to ensure compliance with relevant laws and regulations. The Company strives to maintain the highest level of integrity throughout the organization.

Ethics that serves as a guide not only for the Board, but also the employees, Directors, officers, and agents. This Code covers a wide range of topics such as conflicts of interest, corporate opportunities, confidentiality, fair dealing, asset protection, compliance with laws and more.

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

The Company has established a Code of Business Conduct and

We update our rules and processes periodically to guarantee that every XT Group employee behaves ethically

DOUBLE MATERIALITY DETERMINATION PROCESS



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

Double Materiality impact assessments

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

As a tool for corporate governance, our Risk Management system is vital. Through our risk management process, we both check for:

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

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

In mitigating the high-level rated risks of the above, XT Group has deployed a lot of different counter-measures.

RISK	RATE	MITIGATION MEASURES
Shipping industry's volatile nature.	High	<ul style="list-style-type: none"> Diversification in vessels types Optimization of fleet trades and routes Financial hedging Long-term investments in newbuildings of eco ships Improvement of Group financial ratios and refinancing
General domestic and international political conditions.	High	<ul style="list-style-type: none"> Enhance continuity of business Diversification of chartering relationships Multinational crews
Cyber crime	High	<ul style="list-style-type: none"> Enhanced cyber policy Usage of top-tier products/parts and utilization of multiple protection layers Multiple backup methods Internal and external penetration tests Intensive phishing campaigns and extensive users' training Introduction of advanced AI analysis tools

INNOVATION AND DIGITALIZATION

Innovation is at the core of XT Group

XT Group has backed a plethora of cutting-edge businesses, many of which are startups and are developing cutting-edge technology and services to augment XT's shipping and logistics offerings.

Online performance real-time monitoring

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

Capitan eye

An innovative marine safety and management system that uses artificial intelligence video analytics to identify and avoid accidents, injuries, and pollution in the water was developed and is backed by XT Group, an investment and design partner. During 2023 we continued to enhance and optimize the system, while it was installed on more than 20 of fleet vessels.

Design Partnership with Verifavia and Windward

The Group continued for 2022 to work as a design partner with Verifavia and Windward, two of the most prominent names in the marine industry when it comes to shipping and environmental concerns, and they are presently in the second phase of a long-term partnership. The ultimate goal of the collaborative

initiatives is to provide the maritime sector with various instruments for tracking environmental indicators within fleets, finding vulnerabilities, and implementing both short- and long-term solutions. The Group's fleet will be ready for the next age of shipping with the help of all these measures.

CO2 capture system

As an extra measure to help the environment, the Group is looking into installing a CO2 capture system on its ships. This would lessen or even eliminate the CO2 footprint and send the waste product to other industries that can put it to better use. In this way, a global ecosystem would be created instead of CO2 being produced. The group continued the efforts on CO2 capture system for 2023.

Cyber Security: Design partner with Cydome

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

Design partners with several maritime accelerators

Maritime wind propulsion systems (nayamwings.com).

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

Reducing engine use

- saving thus fuel and reducing emissions and
- use instead a hybrid source of power we expect that our 2050 net-zero path will be greatly enhanced.

Design partner with THERMAGIX

THERMAGIX is an emerging deep-tech startup in the field of low-grade waste heat harvesting using lab tested breakthrough technologies, trailblazers in innovation, dedicated to revolutionizing sustainable energy solutions through groundbreaking R&D (<https://www.thermagix.com/>)

Design partner with NewLight

Newlight's plugin transforms conventional diesel engines into hybrid hydrogen-diesel ones, reducing fuel consumption by up to 30% [<https://www.newlight.blue/>]



Digitalization and AI as a key to success

The shipping industry (especially bulk and tanker) has historically been characterized by more instinctive decision making (based on judgment and experience), so this will require a step change in analytics capability

and digital transformation. Although the investment is significant, those companies that fully leverage the new data sources and cutting-edge analytics techniques will be well positioned and resilient in the postcrisis world. XT Group has already planned a route into this new era and is moving at a fast pace.

Despite the challenging economic environment, there are still opportunities to buck the overall industry trend. We've seen four areas of potential performance improvement, all of which require sophisticated analytical capabilities which we have started developing inhouse:

1. Finding attractive subsectors and niches through insight into end customers and routes. Data-driven insights such as these on which cargoes are growing within our operations and are used to inform all commercial decisions.

management operations, vessels and offices. All our data from all modules (PMS, VOYAGE, Log books, procurement, logistics, CREW, rest hours, accounting, QHSE and more) is collected and centralized in one place and allows us to analyze data and scenarios, compare and take decisions & preventive actions accordingly.

management platform. Online monitoring system and voyage optimizations. We have created for each dept designated BI platform to monitor and analyze the departmental key processes, departmental KPIs and costs involved.

2. Optimizing portfolios based on relative attractiveness and risk level of different vessel classes. We are able to use scenario planning to capture the range of possible outcomes (BI and AI tools inhouse), mitigate risks and improve returns.

We have developed online environmental dashboards allow us to monitor vessels consumption and emission on real-time and to take actions accordingly.

We have implemented an online training platform for our crew on board and on leave, in addition to pre-employment assessment tests.

3. Improving commercial choices

All company KPIs are being collected and monitored online and automatically.

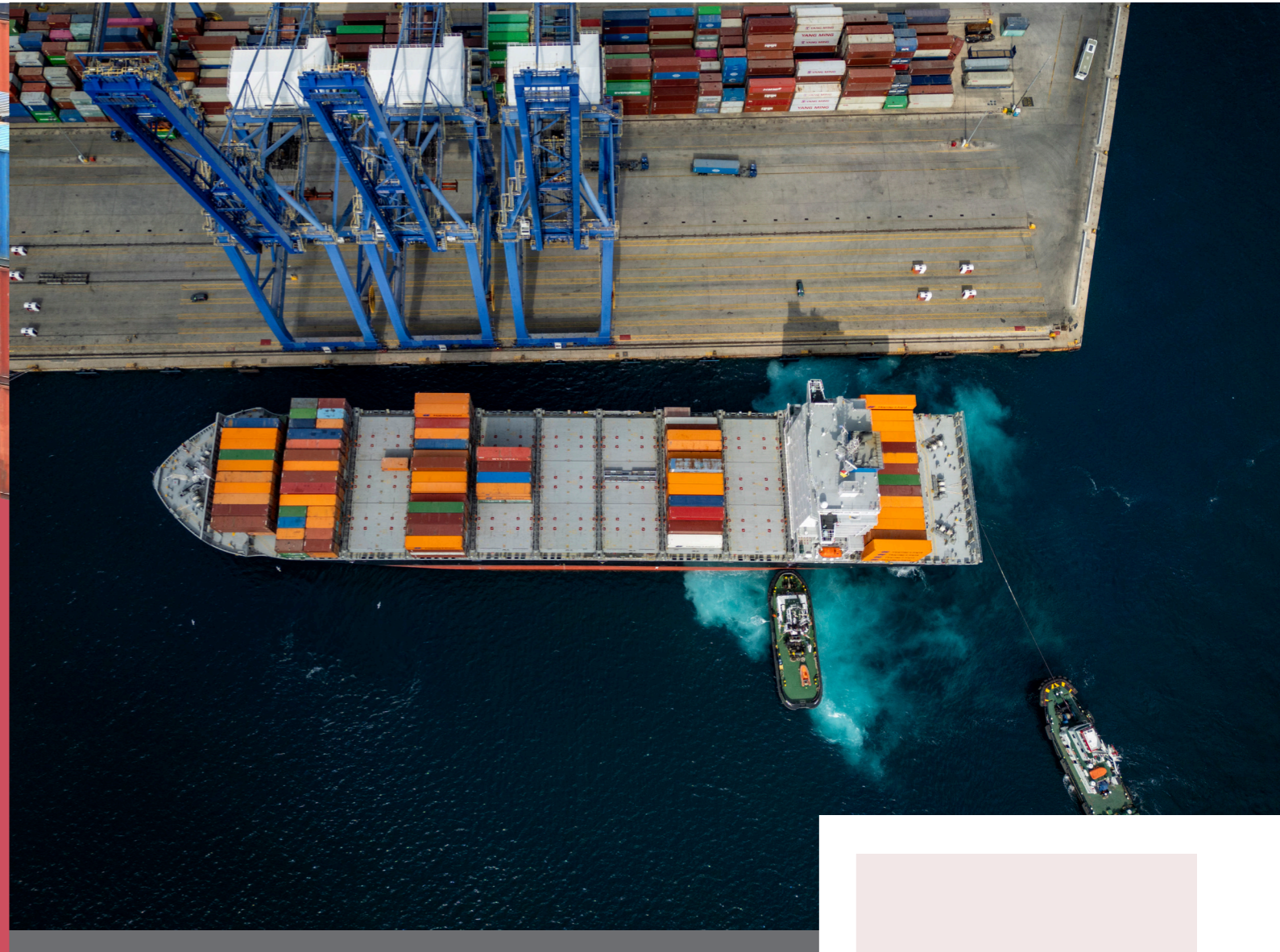
We have implemented massive installations of Starlink communication system fleet-wide, introducing a new era in shipping. This allows us to get internet quality & speed same as onshore, these will be used to improve welfare conditions on board and in parallel to improve our online monitoring tools and provide us with new operation advantages which wasn't available until now.

4. Operating vessels more effectively and as sustainably as possible In this light, XT Group has invested significant resources during the last years (and continues to invest) in our digital transformation; major examples of which are:

We have developed and embedded automation solutions to improve data efficacy and accuracy based on RPA (robotic process automation) and AI tools.

Implementation of our ERP system which covers the entire ship

Usage of Monday (www.monday.com) as cross organization projects and task



Cyber Security and Data Protection

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



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