

ESG POLICY STATEMENT

TMI aspires to be a responsible corporate citizen and we are committed to integrating environmental, social and governance factors into our investment process. We aim to engage actively with our shareholders to achieve our collective ESG responsibilities and ambitions.

We believe that the shipping industry, irreplaceably serving the basic needs of global society, is in a position to contribute positively to the United Nations Sustainable Development Goals (“SDG”s). We are focused on six of these SDGs where our business has the most impact.

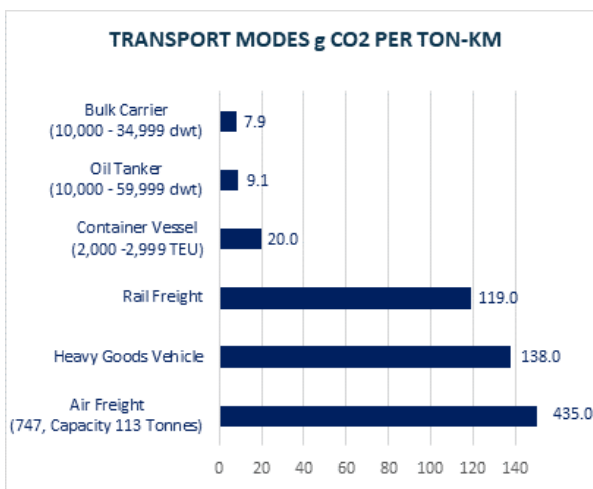


TMI’s ESG policy and objectives are set and monitored by our ESG & Engagement Committee which reports to the Board. Our Executive Team works with our external service providers and other key stakeholders to progress our decarbonisation priorities and other critical environmental, social and governance objectives.

ENVIRONMENT



90% of global trade by volume moves by sea and there is no more efficient way than shipping to move bulk commodities on a per tonne basis. Nevertheless, the maritime industry accounts for 2-3% of the world’s annual GHG emissions.



We are constantly searching for new ways to minimize our environmental impact by enhancing our fleet operations and reducing GHG emissions. We are committed to helping decarbonise the industry

through innovation and collaboration - with our customers, financiers, other shipowners, and industry associations and decarbonisation forums such as the Getting to Zero Coalition.

With the world transitioning towards a zero carbon future, our chosen asset class – geared bulkers – will continue to play an integral part in commodity supply chains for decarbonising economies. The vast majority of cargoes carried on our Handysize ships are non-fossil fuel related, focusing instead on food supply, basic materials for housing and public infrastructure, and recycled metals.

Decarbonisation Objectives

The principal international body governing shipping, the International Maritime Organisation (“IMO”), has set targets for reducing carbon intensity of shipping by 70% by 2050 (compared to a 2008 baseline). Whilst the global fleet’s carbon intensity has reduced by over 20% during the last decade, we believe more urgent pace of change is required to respond to the climate crisis, which is why we have joined 150 other Getting to Zero Coalition members in signing the Call to Action for Shipping Decarbonisation, calling for a more ambitious long-term target of zero carbon emissions by 2050.

Targets:

- We aim by 2050 to operate a zero-carbon fleet. We will achieve this primarily by adopting alternate fuels as they become technically viable, safe, and available. Our ambition is to be able to begin using net-zero carbon fuels by 2030, and as an interim step we will use biofuels
- In the medium term, we aim to reduce our fleet GHG emissions in line with or exceeding the current IMO targets

Principles in Achieving our Decarbonisation Objectives

1. *Collaboration towards decarbonisation:*
 - a. *Working with our customers.* We cannot achieve zero carbon goals without the shared vision, cooperation, and co-investment of our customers towards decarbonising the supply chain
 - b. *Working with bodies across and outside our industry.* We recognise the need to be engaged with shipping industry associations and decarbonization forums to create momentum to decarbonise shipping. We are a member of the Getting to Zero Coalition and a signatory to its Call to Action for full decarbonisation of the shipping sector
2. *Transparency and accountability.* We will report our emissions using recognised frameworks as well as reporting progress against tangible actions

Initiatives To Directly Meet Decarbonisation Targets

1. *Operational and technical efficiencies for our existing fleet*
 - a. In collaboration with our ship managers’ dedicated emissions team, we continually monitor our fleet’s energy efficiency and GHG emissions resulting in adjustments and improvements to vessel operations to increase fuel efficiency and reduce emissions. Operational measures to reduce emissions include use of advanced weather routing systems, more frequent hull cleaning and propeller polishing to reduce drag

- b. We are investing in retrofitting a range of energy saving devices to our fleet (including newly acquired vessels), including:
 - i. energy efficiency monitoring systems – real time monitoring of fuel consumption and torque, allowing real time diagnostics and adjustments to vessel operation
 - ii. propeller boss cap fins - create more efficient propeller vortex, reducing drag
 - iii. advanced hull coatings - allow smoother surface for longer, reducing friction
 - iv. variable frequency drives - for fans and pumps, reducing generator fuel consumption
 - v. LED lighting - replacing conventional lighting across the vessel
 - vi. engine power limiters - capping engine output and top speed
 - c. Any vessel we acquire is subject to extensive checks to assess its current condition and the steps needed to bring it up to our targeted technical and energy efficiency standards, including the aforementioned retrofit options: our starting point is to prioritise acquisition of vessels of well known, high quality and efficient designs, built in Japan
2. *Investing in trial new low/ zero carbon fuels and related technologies:*
- a. We will contribute our know-how, our vessel assets, and financial resources to real world trials with customers and developers of promising low/zero carbon technologies and fuels. For example, TMI is partnering with a major customer to trial the use of biofuel as a drop in fuel on voyages on our vessels, delivering significant “well to wake” CO2 emissions reduction (i.e. taking into account the carbon intensity of the full life cycle of the fuel from production to us). The target launch date is Q1 2022

Other Core Environmental Objectives:

- 1. NOX/SOX/Particulate Matter
 - a. 100% adoption of VLSFO in accordance with “IMO 2020” sulphur cap legislation
- 2. Marine Pollution
 - a. Plastics elimination campaign onboard and ashore; mineralised water fountains roll-out on ships saving 9,000 plastic bottles onboard per month
 - b. EYSEA app roll-out onboard vessels encourages crew to report marine pollution
 - c. Garbage compactors on 100% of fleet
 - d. 100% of the fleet use environmentally friendly lubricants or positive air pressure systems removing the lube oil seawater interface entirely
- 3. Biodiversity
 - a. Ballast Water Management complete on 24 out of 32 ships; 100% installed by the end of 2023
- 4. Ship recycling
 - a. Full compliance with HK Convention and EU Ship Recycling regulations. Inventory of Hazardous Materials complete
- 5. Cargo mix (fossil fuels): the Handysize vessel asset class is typically exposed to carriage of very low volumes of coal and our objective is to eliminate this type of cargo for this vessel class over time

Reporting

- 1. Carbon reporting:
 - a. We measure our fleet’s energy consumption and emissions on an ongoing basis and aim to report emissions at least annually commencing from our first annual report

- b. We measure, and will report on, the following KPIs
 - i. Bunkers consumed
 - ii. CO2 emitted
 - iii. EEXI
 - iv. CII/AER (theoretical carbon intensity; divides CO2 emitted by design capacity irrespective of laden/ballast condition, times distance travelled)
 - v. EEOI (as above but replaces design capacity with laden distance travelled i.e. measures CO2 per tonne of goods carried)
 - vi. Non-vessel emissions: data on emissions deriving from TMI's shorebased activity
2. Other core environmental reporting and KPIs:
- a. Plastic consumption, Sludge landed, Waste/refuse landed, Cargo Residue Discharge, Garbage, BWMS installation, BWMS exchange, IHM adoption, Cargoes carried

SOCIAL



Our top priority is safety at sea and prevention of human loss of life and injury. We aspire to make TMI ships vessels of choice for crew and an attractive career prospect, to promote diversity and equality of opportunity, and to engage with communities where we operate.

Social Objectives

- Promote safety at sea and prevention of human injury/loss of life, exceeding regulatory standards
 - We adhere to the Maritime Labour Convention (2006) regulating working hours and welfare standards for crew
 - We provide training and seminars for officers and crew to promote safety culture, and operate strict drug/alcohol policies and a whistleblowing policy for crew
- Make TMI vessels an attractive career prospect for crew
 - Onboard wellbeing: high speed broadband, healthy menu plans, mentoring, sharing best practice, mental health support
 - COVID 19 welfare: signatory to “Neptune Declaration” and industry initiative calling for “key worker” status for seafarers globally; providing additional oxygen supplies to vessels; sponsor/arrange vaccinations where possible
- Promote diversity and equality of opportunity
 - Our ships’ crew number almost 500 and span about 7 different nationalities
 - We promote opportunities for female seafarers on board our vessels and welcomed our first female officer cadet in October 2021
 - The Board has 75% female independent directors and the Executive Team has 50% female members
- Engage with and support communities we impact by supporting seafarer welfare charities including the Mission to Seafarers

KPIs

- Working hours, LTI/LTIF, TRC/F, Crew Retention, MARPOL incidents, Near Misses, PSC, Detentions, shoreside gender balance, shipside employees by age and nationality

GOVERNANCE**Governance Objectives**

Strong governance is embedded in TMI's constitution as a Guernsey investment company listed on the Premium Segment of the London Stock Exchange.

1. Independent Board Structure including Independent Chairman and Independent Sub-Committees
2. Adherence to UK Corporate Governance Code and Member of the Association of Investment Companies (AIC)
3. Core Policies: Conflicts Policy, Whistleblowing Policy, ABC, Sanctions, Prevention of Tax Evasion
4. Anti-corruption: active members of the Maritime Anti-corruption Network, leading industry efforts to enforce zero tolerance for bribery/facilitation payments
5. Industry and legislative engagement: Getting to Zero Coalition, Signatory to the Neptune Declaration, Hong Kong Shipowners Association, Intercargo, Maritime Anti-Corruption Network

KPIs

- Cases of corruption