

ESG 2021 Sustainability Report



This report has been prepared based on the requirements of the Sustainability Accounting Standards Board

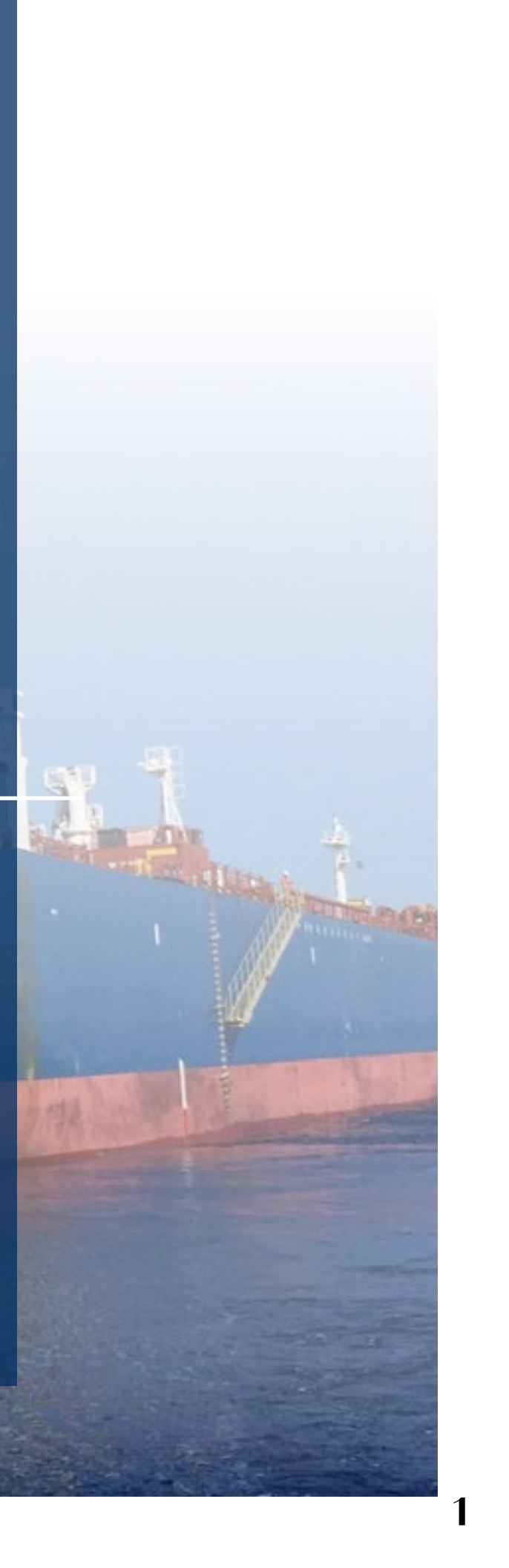


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About Ridgebury

Ridgebury Tankers offers a high-performance platform by providing investors with efficient institutional access to tanker market cycles. We buy, maintain, and sell the highest quality second-hand vessels available. We partner with best-in-class commercial and technical operators to ensure our vessels are operated efficiently and responsibly. In all we do, we are uncompromising in our commitment to the highest standards of personal and professional ethics.



1 / Introduction

Our 2021 Report

The publication of our second annual ESG Report reflects the growing importance of environmental, social, and governance topics to our company, our industry, and the broader business community. Ridgebury has earned its reputation as a platform for investors to enjoy strong, positive returns in shipping, with the assurance that their capital always will be put to work ethically and responsibly. We put that commitment into action by providing transportation that supports the safety and wellbeing of our staff and crew, adheres to local and international law as well as high standards of ethics and transparency, and protects the global environment. This report provides us the opportunity to reflect upon and share our progress.

The Year in Shipping

Three notable developments have shaped ESG across our industry this year.

First, changes within the public health landscape have reduced (but not eliminated) the threat of COVID-19, resulting in a major relaxation of mitigation measures in most countries. This shift has meant that our staff and crews are safer from the virus itself and that our operations can proceed in a more normal and predictable fashion.

Second, the effort to decarbonize shipping has gained steam. Major new environmental initiatives from the IMO and EU will come into force next year, and momentum continues to build for ever more ambitious action.

Third, Russia's invasion of Ukraine has disrupted the lives of many crew

members. The international response to the invasion has altered shipping operations. We have proactively taken steps to support affected personnel and "self-sanction" Russia by ceasing to do business with Russian firms, to carry Russian oil, or to call on Russian ports.

A Role for Ridgebury

As a small owner of conventional vessels, we have two main areas of focus. First, through a combination of capital investment and unwavering focus on fleet performance, we aim to materially outperform owners of comparable vessels in terms of efficiency and emissions, reducing carbon emissions *today*. Second, we aim to be a "force multiplier" via active participation in groups focused on developing and implementing the necessary technological and financial frameworks to complete a sector transition consistent with longer-term climate goals, and by investing in these new technologies when they become commercially feasible.

While the composition of our fleet changes from year to year, we demonstrate our progress towards these goals in this report by sharing statistics on ESG-related topics in line with SASB standards and describing publicly the initiatives we're taking to keep making strides.



Hew Crooks
Chief Financial Officer




Robert Burke
Chief Executive Officer



2 / SASB Disclosure Statistics

Accounting Metrics

Topic	Accounting Metric	Unit of Measure	Data	Code
Greenhouse Gas Emissions	CO₂ Emissions			
	Gross global Scope 1 emissions: operational control	Metric tons (t) CO ₂ -e	434,955	TR-MT-110a.1
	Gross global Scope 2 emissions	Metric tons (t) CO ₂ -e	12.22	TR-MT-110a.1
	Gross global Scope 3 emissions	Metric tons (t) CO ₂ -e	94,156.34	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	See pages 5-8	TR-MT-110a.2
	Energy Consumed			
	Total energy consumed	Gigajoules (GJ), Percentage (%)	5,630,160	TR-MT-110a.3
	Percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	42.4	
	Percentage renewable	Gigajoules (GJ), Percentage (%)	0	
	Energy Efficiency Operational Indicator (EEOI)			
Medium Range Class (MR) Average EEOI	Grams of CO ₂ per ton-nautical mile	16.2	N/A, voluntary disclosure	
Suezmax Class (SUEZ) Average EEOI	Grams of CO ₂ per ton-nautical mile	8.6	N/A, voluntary disclosure	
Annual Efficiency Ratio (AER)				
Medium Range Class (MR) Average AER	Grams of CO ₂ /DWTnm	6.87	N/A, voluntary disclosure	
Suezmax Class (SUEZ) Average EEOI	Grams of CO ₂ /DWTnm	3.6	N/A, voluntary disclosure	
Air Quality	Other Emissions to Air			
	NO _x	Metric tons (t)	11,762	TR-MT-120a.1
	SO _x	Metric tons (t)	1,141	
Particulate matter	Metric tons (t)	415		
Ecological Impacts	Marine Protected Areas			
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	2223	TR-MT-160a.1
	Implemented Ballast Water			
	Exchange	Percentage (%)	79	TR-MT-160a.2
	Treatment	Percentage (%)	21	
	Spills and Releases to the Environment			
Spills	Number	0	TR-MT-160a.2	
Aggregate volume	Cubic meters (m ³)	0		
Employee Health & Safety	Lost Time Incident Rate			
	Lost time incident rate (LTIR)	Rate	0	TR-MT-320a.1

Accounting Metrics, Continued

Topic	Accounting Metric	Unit of Measure	Data	Code
Business Ethics	Corruption Index			
	Calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	5	TR-MT-510a.1
	Corruption			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	TR-MT-510a.2
Accident and Safety Mangement	Marine Casualties			
	Incidents	Number	0	TR-MT-540a.1
	Very serious marine casualties	Percentage	0	TR-MT-540a.1
	Conditions of Class			
	Number of Conditions of Class or Recommendations	Number	0	TR-MT-540a.2
	Port State Control			
	Deficiencies	Rate	0.47	TR-MT-540a.3
Detentions	Number	0		

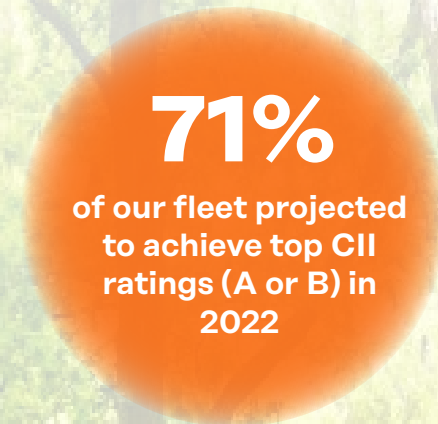
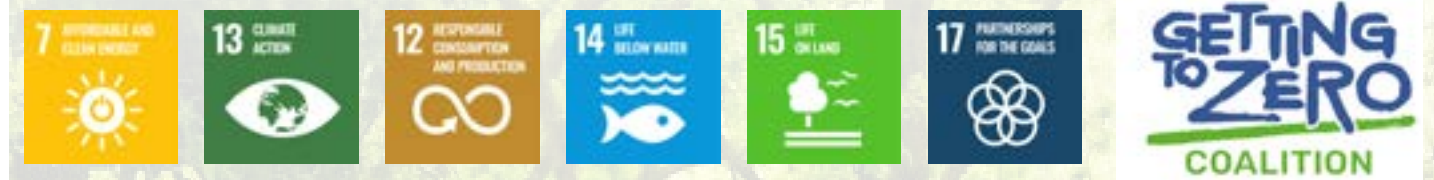
Activity Metrics

Activity Metric	Unit of Measure	Data	Code
Number of shipboard employees	Number	498	TR-MT-000.A
Total distance traveled by vessels	Nautical miles (nm)	963,734.3	TR-MT-000.B
Operating days	Days	6,671	TR-MT-000.C
Deadweight tonnage	Deadweight tons	2,198,763	TR-MT-000.D
Number of vessels in total ship fleet	Number	23	TR-MT-000.E
Number of vessel port calls	Number	673	TR-MT-000.F

3 / Environmental

Ridgebury provides safe transportation that respects and protects the global environment. We are dedicated to minimizing the environmental impact of our fleet to the extent possible with existing technology while working with our peers and customers to explore the more dramatic measures that are needed to align our industry with global environmental and climate goals.

In 2021, the industry-wide call to decarbonize grew more urgent. In June, the IMO adopted MARPOL Annex VI, which establishes the EEXI/CII emissions reduction scheme described at right. In July, the European Commission launched its "Fit for 55" proposals, which will incorporate shipping into Europe's emission trading scheme (ETS) and establish lifecycle GHG maximums. And rising support for the Poseidon Principles framework and Sea Cargo Charter illustrate the increasing sense of urgency within our industry around this issue, which is likely to result in even more ambitious emissions controls in the years to come.



A Shifting Regulatory Landscape

In April 2018, the International Maritime Organization (IMO) adopted a strategy for GHG abatement which seeks to reduce total GHG emissions by 50% by 2050, while reducing the average carbon intensity (carbon emissions per unit transport work) by 40% by 2030 and by 70% by 2050.

To achieve these goals, the IMO has introduced a combination of technical and operational measures which will take force in January 2023: the EEXI and the CII.

EEXI

The Energy Efficiency Index for Existing vessels is a *technical* measure, based on a vessel's design. Akin to the IMO's Energy Efficiency Design Index (EEDI) for newbuilds, the EEXI is a static measure of a vessel's energy efficiency. The IMO will require all ships to pass a one-time certification of EEXI compliance in 2023. EEXI is calculated through an elaborate formula of thirteen variables, but its value is primarily driven by the ratio of a ship's main engine installed power (MCR) to its reference speed.

CII

The Carbon Intensity Indicator is an *operational* measure of emissions, based on a vessel's annual activity. A vessel's annual CII is the total amount of CO₂ it emits (in grams) per unit of transport work (in ton-nautical-miles) it does in a given year.

The IMO will require all vessels to reduce their CII over time. Namely, the regulation will require yearly reductions, using each vessel's 2019 CII as the baseline. In 2023, for instance, the IMO will require all vessels to achieve a 5% reduction from their realized emissions in 2019. This reduction factor will grow by two percentage points each year, reaching 11% by 2026. The IMO has not yet specified the CII trajectory after 2026, but the requirement for yearly abatement is expected to become more stringent.

The IMO will assess compliance using an alphabetic rating system. In each year, vessels will need to achieve a "C" rating, which will be awarded for meeting the IMO's required reduction factor in that year. A, B, D, and E ratings will be awarded for realized reduction factors which exceed (A and B) or fail to meet (D and E) the required factor. Ships receiving deficient ratings (D in three consecutive years, or E in any one year) will be required to submit a corrective action plan to the IMO. In addition, the IMO encourages administrations, port authorities, and other stakeholders to create incentives for ships with the highest CII ratings (A or B).



Ridgebury Emissions Reduction Measures

We welcome the IMO's actions to reduce emissions in the shipping industry and we are committed to meeting and exceeding their standards for emissions reduction. Ridgebury's position as an investment vehicle limits our control over the day-to-day operation of our vessels. Nevertheless, we have launched a number of initiatives to ensure compliance and maximize emissions reduction, which we describe below.

High-frequency performance monitoring

Several years ago, we began installing shaft power meters, fuel flow meters, and data loggers on our vessels. Today, our entire fleet reports these data, which are collected on a continuous basis and transmitted to Ridgebury hourly via satellite. Utilizing vessel-specific models customized by our 3rd-party performance monitoring provider, we normalize these data for weather and loading conditions. To ensure accuracy and consistency, we use 3rd-party weather data rather than onboard observation. Once normalized, these data enable our in-house Performance Manager to understand vessel behavior in real time, quickly detect negative trends, and monitor hull and engine performance separately.

Hull friction reduction

Ridgebury has invested heavily to upgrade our fleet's hull coatings. After considering many products, we have selected a silicone-based coating as the preferred solution for our fleet. With an average surface roughness that is 50 to 100 percent lower than the typical self-polishing antifouling coating, the silicone coating offers increased hull smoothness which dramatically reduces friction drag, the largest component of resistance for tankers. Its biocidal properties prevent fouling of the hull, allowing vessel performance to remain unaltered throughout the docking period and eliminating the need for underwater cleanings.

Propeller boss cap fins and Mewis Ducts

PBCFs are energy-saving devices which, when attached to a vessel's propeller, increase energy efficiency. They do so by breaking up the hub vortex typically created behind the propeller, reducing rudder cavitation, and mitigating vibration.



The MEWIS duct consists of two elements mounted to the vessel: a duct positioned in front of the propeller along with an integrated fin system. The duct straightens and accelerates the hull wake into the propeller and also produces a net forward thrust. The fin system provides a pre-swirl to the ship wake which reduces losses in the propeller slipstream, resulting in an increase in propeller thrust at a given propulsive power. Currently, five of our ships are fitted with PBCFs, and one has a MEWIS Duct.

AI propeller pitch management

Three vessels in our fleet have controllable-pitch propellers (CPPs). For these vessels, we are implementing an intelligent algorithm which learns ship behavior and performance in order to adjust propeller RPM and pitch to minimize fuel consumption while maintaining speed.

Meeting and Exceeding IMO Standards

EEXI compliance through shaft power limitation

The EEXI regulations will require Ridgebury to limit the power of our vessels. To do so, we plan to implement install Shaft Power Limitation (SHAPOLi) devices on all of our vessels.

We project that these power limitations won't affect the operation of vessels. We analyzed over 12,000 hours of operational shaft power data and concluded that no ship in Ridgebury's fleet would have reached its expected power limitation threshold for more than a few hours in the past three years. This analysis considered both strong and weak market conditions, making us confident that the power limitation threshold will not disadvantage our vessel performance and thus will not limit our ability to meet client demands.

Ship modifications will result in CII compliance

By initiating hull and machinery performance monitoring, modifying vessel operation, investing in high quality silicone coatings, and installing energy-saving device retrofits, our vessels meet and exceed the IMO's CII requirements. Following the dry-dockings scheduled for Q4 2022 and 2023, our entire fleet is projected to receive CII ratings of C or better **through 2026**. We have had several discussions with our pool partners to ensure that analysis and projections are performed to determine the impact of a voyage on the CII rating, in order to maintain the CII of the vessel within acceptable values.

The road ahead: new technologies & carbon credits

Beyond 2026, the IMO has not yet spelled out its path to Net Zero. Still, Ridgebury is committed to continued compliance, and we are actively exploring opportunities to make further progress in our emissions reduction journey.

We are currently piloting a program which leverages data analytics and insights from behavioral science to recommend operational changes to our Masters and Chief Engineers in real time. By "nudging" crew members towards less emissions-intensive operations, we hope to engage them in our decarbonization drive. We are also exploring electric heat exchangers to limit boiler usage, variable frequency drives to optimize pump and fan speeds, and LED lighting.

Beyond helping the planet and enabling us to comply with IMO regulations, some of the measures described in this section can also generate valuable carbon credits. We are in the process of working with a third-party verifier to quantify the carbon reduction achieved through our retrofit program, generating value which we plan to invest in emerging carbon-reduction projects and technologies.

4 / Social

The safety and wellbeing of our staff and seafarers is always our top priority. We have the capital base and the will to invest to maintain our fleet in top condition and to work with our managers to assure a safe environment for our officers and crew.

Ridgebury believes in diversity, inclusion, and equality. We respect all backgrounds and welcome new perspectives. We do not tolerate discrimination of any kind and we are committed to ensuring that diversity and inclusion are celebrated and championed across the organization.



5 / Governance

Health, Safety, and Human Rights

The persistence of the COVID-19 pandemic

Over the past two years, the COVID-19 pandemic has presented a great challenge to crew welfare. Fortunately, the coronavirus became somewhat less threatening in 2021 due to the mass rollout of vaccines, the accumulation of immunity from prior infection in the global population, and advances in medical care for infected patients. Relatedly, disruptions to normal operating procedures became fewer as the overwhelming majorities of countries where Ridgebury vessels operate adjusted to a “new normal” in which the strictest measures intended to mitigate viral transmission were lifted. Both of these developments have eased the most immediate threats to crew welfare.

Nevertheless, the pandemic and its consequences, as well as the lessons we’ve learned by living through it, continue to reverberate through our industry. Difficulties around crew changes persist, particularly in those countries which have opted for a relatively cautious approach to easing public health measures. Our team has worked proactively and diligently in coordination with our technical managers to minimize the number of seafarers who remain on board a vessel past their contractual term. Onshore Ridgebury staff worked remotely throughout much of the pandemic, but have enjoyed the opportunity to see one another in-person again since the Westport office reopened on Memorial Day 2021. On our vessels and in our offices, we have invested in tools and technology like air filtration devices and personal protective equipment that enable safe working conditions.

Responding to Russia’s invasion of Ukraine

Just as the pandemic threat began to subside, another global development imposed new challenges. Russia’s invasion of Ukraine has led to a massive sanctions campaign in the international community, and more importantly, has touched the lives of the crew members who operate our vessels, many of whom hail from Russia and Ukraine. As the invasion began in February 2022, we moved quickly to show our support for crew members affected by evacuation efforts in Ukraine by launching a fund to provide monetary assistance to those individuals and aiding to coordinate their repatriation.

Though our initial response to the invasion of Ukraine was centered on ensuring the safety of our crew members and their families, it soon became clear that individual corporations had a role to play in the defense of international law and norms. Russia’s invasion was a disturbing violation of Ukraine’s territorial sovereignty, prompting much of the international community to impose strict sanctions against Russia. Ridgebury joined many thousands of private organizations in support of these efforts by electing to “self-sanction” Russia, ceasing to do business with Russian firms or call Russian ports.

As a firm which operates internationally, we at Ridgebury take seriously our responsibility to follow national and international laws. We view compliance with the law not only as a matter of necessity, but as vital to our reputation and success in the shipping industry.

We adhere to a strong and specific set of ethical standards, as detailed in our Code of Ethics. We neither participate in nor tolerate corruption or bribery, and all Ridgebury personnel complete regular anti-corruption training to this end. We scrutinize the third-party providers we work with to ensure that they meet our standards of legal and ethical behavior. In all of our activities, we strive to live up to the high ethical standards we have set for ourselves.



6 / Disclaimer & Assumptions

Code of Ethics

There are no exceptions when it comes to Ridgebury's commitment to transparent, honest, and ethical conduct. We dedicate resources and time to ensure our company acts according to the highest standards of compliance. Compliance and governance are a management priority and are an agenda item of every Board meeting. Our Code of Ethics emphasizes the Company's respect for laws, which serve as constant guidance for our due diligence. We comply with the law not only because we are required to do so, but because we believe compliance is fundamental to our success and reputation in the industry. Ridgebury conducts business in accordance with all applicable rules and trade restrictions imposed in the United States, other countries, and organizations whose laws the Company may be subject to by virtue of its global operations.

Anti-corruption

Ridgebury takes a zero-tolerance approach to corruption, including with respect to facilitation payments and the usage of agents to make illicit payments—two practices which unfortunately remain common in our industry. We adhere to anti-corruption laws including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act, and we apply these standards to our third-party managers. We are also an active member of the Maritime Anti-Corruption Network (MACN), a group of leading ship owners “working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.” We are proud to be part of a group that promotes integrity, works vigorously to share its best practices, and collaborates with other stakeholders to enact meaningful change.

Business ethics

Ridgebury selects well-established third party technical and commercial managers who demonstrate the same level of commitment to transparency and integrity and who support us in our efforts to move oil products safely and ethically. We have a robust due diligence process in place that includes a “Know Your Customer” checklist before we decide to work with a third-party organization. To ensure our values are shared on every level of the company, Ridgebury requires all its employees, both onshore and offshore, to participate in regular compliance and anti-corruption training. Each master taking control of one of our vessels must undergo an E-learning compliance module for anti-corruption and personally sign a declaration promising to abide by our zero-tolerance and anti-corruption policy. With our industry's reliance on technology, cyber security is a top priority in our office. Along with implemented security measures such as multi-factor authentication, our shoreside employees are regularly required to complete interactive training modules focused on the most current and pervasive threats to prevent risks that target sensitive information.

Information provided herein is based on the best available data at the time the report was issued. We generated some of this data internally. In cases where actual figures were not available, estimates have been provided.

CO2 emissions (metric tons (t) co2-e): Calculations are based on the IMO emission factors and fuel consumption for the year. The operational control approach defined by the GHG Protocol has been applied (Scope 1). This includes company-owned vessels only. Scope 2 emissions include the emissions related to the energy utilized in company's offices. Scope 3 emissions include only supply chain emissions related to the fuel consumed by owned vessels.

Total Energy Consumption (GJ): Calculated utilizing fuel properties from IMO, 2018.

Particulate Matter (PM), NOx, Sox emissions (Metric tons): Calculations were carried out in accordance with IMO's 4th GHG study. Where available, vessel data regarding consumed power and utilization was considered in the calculations.

Shipping duration in marine protected areas or areas of protected conservation status: A marine protected area as defined by the International Union for Conservation of Nature (IUCN): Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment. The duration includes days sailing plus port time in SECA and MARPOL ECA zones.

Percentage of fleet implementing Ballast Water Exchange and Treatment: As of 31 December 2021, we have installed three (3) Ballast Water Treatment Systems (BWTS); in 2021, we purchased two (2) MR tankers already fitted with BWTS. Installation of equipment for the remainder of the fleet has been planned and will be executed in accordance with regulations.

Spills and releases to the environment (Number, Cubic meters (m³)): The scope of disclosure includes spills and releases that were not considered to be “contained”.

Lost time incident rate (LTIR): A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. The rate

is based on number of lost time incidents per million hours worked: (lost time incidents) / (1,000,000 hours worked).

Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI): References the Corruption Perceptions Index's 20 lowest numerical ranked countries. Multiple countries can receive the same numerical ranking.

Marine Casualties: The figure disclosed accounts for the total number of marine casualties in which the fleet was involved. USD 1.0 million is the company defined threshold for reporting on material damages (1.1.4 & 1.1.6). Personnel injuries (1.1.1) are reported as a part of Health and Safety statistics (LTIR).

Number of Conditions of Class or Recommendations: This report only accounts for conditions of class that led to the withdrawal, suspension, or invalidation of a vessel's Class Certificate. There were zero such incidents during this reporting period.

Port State Control: Number of port state control (1) deficiencies and (2) detentions. Practices of port state controls reporting on deficiencies do not follow an entirely harmonized methodology making it less useful for reporting purposes without further explanations, hence we have chosen to report this number as a rate: number of deficiencies per Port State Control Inspection. Detentions are reported in number of actual cases.

Fleet Assumptions: The figures for Fleet DWT, number of shipboard employees, and total distance traveled is based on the data from Ridgebury vessels owned at the end of 2021. Only the number of onboard employees at any given time is recorded; it is not an aggregation for the year.

Operating days: Total number of vessel-days for active vessels during the reporting year. This figure considers active vessels as those in possession of the shipowner at the end of the reporting year.

Fleet Count: Total fleet count refers to the total number of Ridgebury-owned vessels at the end of 2021.

Number of port calls: Total number of port calls for the fleet throughout the year.



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